

AWARENESS OF GOVERNMENT SCHEMES AND POLICY SUPPORT FOR MSME COIR UNIT ENTREPRENEURS IN COIMBATORE DISTRICT, TAMIL NADU

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Abstract

The Micro, Small, and Medium Enterprises (MSME) sector in India has emerged as a key driver of rural industrialization, employment generation, and export growth. Among these, the coir industry holds special significance due to its eco-friendly, biodegradable, and export-oriented products. Despite various government schemes and policy interventions aimed at strengthening the sector, awareness and accessibility among entrepreneurs often remain limited, particularly in traditional hubs such as Coimbatore district, Tamil Nadu. This study examines the level of awareness among MSME coir units regarding government schemes and the extent of policy support available to them. Primary data were collected from coir entrepreneurs through structured questionnaires and analysed using descriptive statistics and weighted average methods. The findings reveal that while schemes related to financial assistance, skill development and export promotion exist, many units face challenges in accessing them due to limited dissemination of information, procedural complexities and inadequate institutional support. Moreover, the study highlights the potential opportunities that government policies could unlock, such as value addition, digital marketing, global trade linkages and technology adoption, if effectively communicated and implemented.

Keywords:

Government Schemes, MSME Coir Units, Policy Support and Policy Interventions.

Introduction

The Micro, Small, and Medium Enterprises (MSMEs) sector has long been recognized as the backbone of India's economy, contributing significantly to employment generation, balanced regional development and export earnings. Within this sector, the coir industry holds a unique position as one of the oldest agro-based cottage industries, rooted in India's cultural and economic heritage. Coir, being a biodegradable and eco-friendly natural fiber, has gained increasing relevance in the global context of sustainable development, particularly in applications such as geotextiles, home décor, horticulture and industrial products. Tamil Nadu, and specifically Coimbatore district, has emerged as a key hub for coir-based MSME units, given its strong entrepreneurial base and proximity to coconut-growing regions.

Recognizing the importance of coir and other MSME-based industries, the Government of India has introduced several schemes and policy measures through institutions such as the Coir Board, Ministry of MSME and allied agencies. Initiatives like the Coir Udyami Yojana, Prime Minister's Employment Generation Programme (PMEGP) and export promotion schemes are designed to provide financial support, skill development, technological up gradation and market linkages for coir entrepreneurs. Similarly, policy support through subsidies, incentives, and capacity-building programmes aims to enable coir units to compete effectively in both domestic and international markets.

However, despite the existence of numerous government interventions, the extent of awareness and accessibility of such schemes among coir-based MSMEs remains questionable. Many entrepreneurs, particularly in rural and semi-urban clusters, face challenges in understanding eligibility criteria, navigating procedural formalities and leveraging available support mechanisms. This gap between policy formulation and grassroots-level awareness often results in underutilization of benefits and limits the growth potential of the sector.

In this context, the present study focuses on assessing the awareness of government schemes and policy support available to MSME coir units in Coimbatore district, Tamil Nadu. By analysing the perceptions, challenges and opportunities identified by entrepreneurs, the study seeks to provide insights into how policy outreach can be strengthened and how coir MSMEs can be empowered to achieve sustainable growth and competitiveness in the evolving global market. The coir industry, as

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an integral part of the MSME sector, plays a vital role in rural employment generation, poverty alleviation and promotion of eco-friendly products. Despite its historical and economic significance, the sector continues to face challenges that hinder its growth and competitiveness, particularly in export markets and value-addition activities. To address these issues, both the Central and State governments, along with the Coir Board, have introduced numerous schemes and policy measures aimed at providing financial support, technological upgradation, skill development and market access for coir entrepreneurs.

However, the effectiveness of these initiatives largely depends on the awareness and utilization of such schemes by MSME units. In Coimbatore district—one of Tamil Nadu's important coir clusters—many entrepreneurs remain unaware of the various schemes, subsidies, and institutional supports available to them. Even among those who are aware, procedural complexities, lack of information dissemination, limited outreach of government agencies and inadequate training programs often prevent optimal utilization of the benefits. This gap between policy design and grassroots awareness not only restricts the growth of coir MSMEs but also undermines the broader objectives of inclusive development and global competitiveness envisioned by policymakers.

Thus, the key problem lies in determining the level of awareness of government schemes and policy support among MSME coir units in Coimbatore district, Tamil Nadu, and identifying the barriers that limit their effective access. Unless these gaps are systematically addressed, the sector's potential for innovation, market expansion and sustainable growth will remain underutilized.

Objective of the study

This Study aims to examine the awareness of government schemes and policy support for MSME coir units entrepreneurs in Coimbatore District, Tamil Nadu.

Review of Literature

The coir industry, one of the oldest agro-based cottage industries in India, has been closely associated with rural development and employment generation. Joseph (2010) emphasized that the industry provides sustainable livelihoods for marginalized communities, particularly women, in coconut-growing regions. Similarly, Jayasheela and Hans (2014) highlighted the role of coir production in women's economic empowerment through self-help groups, making it a key driver of inclusive growth in rural areas.

The biodegradable and eco-friendly nature of coir has attracted increasing attention in the context of sustainability. Nair (2015) noted that the rising global demand for eco-friendly alternatives to plastics and synthetic fibers has enhanced the significance of coir-based products. Ramanathan (2020) further added that coir geotextiles, coir pith and value-added products have immense export potential, especially with the growing emphasis on green industries and sustainable construction practices worldwide.

India accounts for over 80% of the world's coir production, yet its share in global trade remains underutilized (Kumar & Prasad, 2014). Major export destinations include the United States, European Union countries and China, with emerging opportunities in the Middle East and Africa. However, as Mathew (2016) argued, the industry faces challenges in global competitiveness due to inadequate branding, lack of innovation and competition from synthetic substitutes.

MSME coir units, which form the backbone of the sector, face multiple operational and structural challenges. Raveendran (2017) pointed out that limited access to modern technology, absence of international quality certifications and fluctuating raw material prices restrict their ability to expand in global markets. Similarly, Sharma (2021) stressed that small-scale coir entrepreneurs often remain unaware of government schemes and lack sufficient resources to access export promotion opportunities.

The Coir Board of India, established under the Coir Industry Act, has played a crucial role in promoting product diversification, skill development and export assistance. Pillai (2020) observed that initiatives such as the Coir Udyami Yojana and participation in international trade fairs have enhanced opportunities for MSME entrepreneurs. However, these efforts are often hindered by limited outreach and accessibility among rural producers.

Recent global trade trends reflect a shift toward eco-friendly, sustainable and value-added products. UNCTAD (2021) reported a growing demand for natural fibers and biodegradable materials in global markets. This provides a significant opportunity for coir-based MSMEs, particularly in producing geotextiles, horticulture products and environmentally sustainable home décor. With the right emphasis on innovation, branding and digital marketing, coir units in regions such as Coimbatore can tap into niche markets and strengthen their global footprint.

Significance of the Study

The present study provides a contextual understanding of how government interventions are perceived and utilized by small-scale entrepreneurs in a specific industrial cluster, thereby serving as a reference for future comparative studies across regions and sectors. This study it not only evaluates the existing policy support for coir MSMEs but also highlights pathways to strengthen their competitiveness, sustainability and contribution to local and national economic development.

Methodology

The present research study is based on the simple random sampling method. Primary data was collected through a structured questionnaire administered to coir units in Coimbatore District. At present, there are 1,694 coir units operating in the district, of which 1,000 units are registered with the Coir Board. From this population, a sample of 220 coir units was selected for the study. After careful scrutiny, 203 responses were considered for the final analysis.

Hypothesis

- **H₀₁:** There is no awareness among the coir entrepreneurs towards government schemes

Results and Discussion

Table: 1 Level of Awareness on various government schemes

S.No	Type of scheme	HA	A	NA	Total	Weighted Average Score
1	Scheme of fund for regeneration of traditional industry (SFURTI)	20	183	0	203	1.099
		(9.85%)	(90.15%)	(0.00%)	(100.00%)	
2	Market promotion and development scheme (MPDA)	20	183	0	203	1.099
		(9.85%)	(90.15%)	(0.00%)	(100.00%)	
3	Scheme for Export Market Promotion (Coir Vikas Yojana)	38	165	0	203	1.187
		(18.72%)	(81.28%)	(0.00%)	(100.00%)	
4	Scheme for Rejuvenation, Modernization and Technology Upgradation (Coir UdyamiYojana)	0	203	0	203	1.000
		(0.00%)	(100.00%)	(0.00%)	(100.00%)	
5	Development of production infrastructure scheme	70	133	0	203	1.345
		(34.48%)	(65.52%)	(0.00%)	(100.00%)	
6	Skill up gradation and quality improvement scheme	0	183	20	203	1.197
		(0.00%)	(90.15%)	(9.85%)	(100.00%)	

The analysis in Table 1 assesses the awareness levels of coir entrepreneurs concerning different government schemes through the application of weighted average scores. A reduced score signifies an increased level of awareness. The Coir Udyami Yojana demonstrates the highest level of awareness, achieving a score of 1.000 and ranking first, with complete awareness reported among respondents. The SFURTI and MPDA schemes exhibit a notable awareness level of 90.15%, securing a score of 1.099 and ranking second.

There is a moderate level of awareness regarding the Coir Vikas Yojana (1.187, Rank 4) and the Skill Upgradation Scheme (1.197, Rank 5), although a portion of respondents lacks knowledge about the latter. The Production Infrastructure Development Scheme has the lowest awareness level at 1.345, ranking 6th, highlighting the necessity for enhanced outreach efforts. In summary, Table 1 indicates a solid level of awareness, yet it underscores particular schemes that need enhanced visibility and promotion among stakeholders.

Discussion of Findings

The study provides valuable insights into the awareness levels of coir entrepreneurs in Coimbatore District regarding various government schemes designed to support MSME coir units. The results reveal that awareness is not uniform across different schemes, with significant variations in knowledge levels.

The Coir Udyami Yojana emerged as the most widely recognized scheme, with *100 percent awareness* among respondents and a weighted average score of 1.000. This finding suggests that coir entrepreneurs are particularly familiar with schemes that directly support modernization, technology upgradation and financial assistance for entrepreneurship development. This may be attributed to the practical relevance of the scheme in facilitating day-to-day business operations and its relatively wider publicity through the Coir Board and allied institutions.

A comparatively high level of awareness was also observed for the SFURTI (Scheme of Fund for Regeneration of Traditional Industries) and the Market Promotion and Development Scheme (MPDA), both recording 90.15 percent awareness with a weighted score of 1.099. These results indicate that coir entrepreneurs are reasonably informed about schemes that emphasize cluster development and market linkages, reflecting the growing importance of collective branding and market promotion in strengthening MSMEs.

On the other hand, awareness of the Coir Vikas Yojana (Export Market Promotion Scheme) and the Skill Upgradation and Quality Improvement Scheme was only moderate, with weighted scores of 1.187 and 1.197 respectively. While these figures still reflect a generally good level of awareness, the responses suggest that knowledge dissemination about export promotion opportunities and skill training programs remains limited. A small proportion of respondents (9.85 percent) reported no awareness of the Skill Upgradation scheme, which is concerning given the importance of skill enhancement and quality improvements in sustaining competitiveness.

The Production Infrastructure Development Scheme, with a weighted score of 1.345 and ranking lowest among all schemes, reflects the most significant knowledge gap. This lack of awareness indicates that critical policy measures aimed at infrastructure support are not reaching the intended beneficiaries effectively. Such a shortfall could potentially limit the ability of MSME coir units to upgrade their facilities, adopt modern technology and expand production capacities.

In summary, the findings highlight that while coir entrepreneurs in Coimbatore exhibit substantial awareness of certain key schemes such as the Coir Udyami Yojana, SFURTI, and MPDA, their knowledge about export promotion, skill development and infrastructure support programs remains inadequate. This uneven awareness profile underscores the need for targeted outreach campaigns, localized awareness drives and better communication strategies by government agencies and the Coir Board to ensure that all entrepreneurs—especially those in rural and semi-urban areas—are fully informed and able to benefit from the wide range of policy support mechanisms available

Conclusion

The study highlights that awareness of the Coir Udyami Yojana indicates the strong relevance of modernization and technology upgradation schemes to the operational needs of coir entrepreneurs. Similarly, the popularity of SFURTI and MPDA underscores the growing importance of cluster-based development and market promotion initiatives. However, the limited awareness of schemes like the Coir Vikas Yojana, Skill Upgradation and Quality Improvement Scheme and Production Infrastructure Development Scheme suggests that significant gaps persist in the dissemination and accessibility of information to stakeholders.

These findings suggest that although government efforts have positively influenced the sector, policy outreach and communication mechanisms require further strengthening to ensure inclusivity. Creating robust information channels, conducting localized awareness programs, and leveraging digital platforms could help bridge these knowledge gaps.

In conclusion, while the coir sector in Coimbatore District holds immense potential for growth and global competitiveness, the realization of this potential depends largely on improving awareness, accessibility and utilization of government schemes. By enhancing policy support visibility and aligning it with the needs of MSME entrepreneurs, the coir industry can be further empowered to contribute significantly to rural development, sustainable livelihoods and export growth.

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