

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:3503
ANSWERED ON:23.12.2008
REVIVAL OF TRADITIONAL INDUSTRIES
Fanthome Shri Francis;Mahato Shri Narahari

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether traditional rural professions like weaving and spinning, black smithy, carpentry, oil extraction are gradually becoming extinct in the country due to which rural youths are migrating to cities and urban areas;
- (b) if so, the reaction of the Government thereto;
- (c) whether the Union Government and the State Governments are jointly formulating any scheme to revive the traditional rural industries including leaf-cup/ plate-making as a self-employment option to generate additional employment in the country specially in rural and tribal areas and to check exodus of unemployed youths;
- (d) if so, the details thereof; and
- (e) the financial assistance proposed to be provided by the Government in this regard to various State Government, State-wise including West Bengal?

Answer

MINISTER OF MICRO, SMALL & MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) to (e): No, Sir. However, it is a fact that rural youth are still migrating to cities due to various reasons. There is no specific new scheme jointly being formulated with State Governments for revival of traditional rural industries. However, the Government (in the Ministry of Micro, Small and Medium Enterprises) is implementing, besides promoting khadi, small scale industries and coir industries, a credit-linked subsidy scheme called Prime Minister's Employment Generation Programme (PMEGP) from 2008-09 for creation of additional employment opportunities through establishment of micro enterprises. The Scheme is being implemented through the Khadi and Village Industries Commission (KVIC), as the single nodal agency at the national level. At the State/Union Territories level, the scheme is implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and Banks. Under this Programme, entrepreneurs can also establish micro enterprises, including traditional village industries, by availing of margin money assistance from the KVIC/ KVIBs of States & Union Territories/ DICs and loans from implementing public sector scheduled commercial Banks, selected regional rural Banks and co-operative Banks, etc., for projects with a maximum cost of Rs. 10 lakh each in the service/Business sector and up to Rs.25 lakh each in the manufacturing sector. Leaf-cup/plate-making units are promoted under the 'Forest based industry (FBI) Group' of the village industries under PMEGP.

Further, another Central Sector scheme called 'Scheme of Fund for Regeneration of Traditional Industries (SFURTI)' is also being implemented for development of traditional clusters in khadi, village industries and coir sectors. The Scheme envisages need-based assistance for replacement of production equipment, setting up of common facility centres (CFC), product development, quality improvement, improved marketing, training and capacity building, etc. Details of both the schemes are available on the Ministry's website www.msme.nic.in