

Study the feasibility and sustainability of community institutions (KAASS and MEC) in Kudumbashree

**Submitted to
Kudumbashree NRO**

**Submitted by:
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LIST OF ABBREVIATIONS

NHG – Neighborhood Groups

ADS – Area Development Society

CDS – Community Development Society

ME - Micro Enterprise

MEC – Micro Enterprise Consultant

KAASS- Kudumbashree Account and Audit Service Society

NRO- National Resource Organization

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EXECUTIVE SUMMARY

Title: study the feasibility and sustainability of KAASS and MEC in Kudumbashree.

Organization: Kudumbashree NRO

Reporting Officer: Liby T Johnson, COO, Kudumbashree NRO

Faculty Guide: Prof. Bipin Das

Participant's Name: Manju Yadav

Objectives and Scope of Study: To study the feasibility and sustainability of community institutions like Micro Enterprise Consultants (MEC) and Kudumbashree Accounts and Audit Service Society (KAASS) in Kudumbashree and there necessity. The scope of the study is restricted to the three districts of Kerala and interaction with a few Micro Enterprise (ME), MEC group, KAASS, CDS and DMC/ADMC.

Methodology & Sources of Data: The first step was to understand the Micro Enterprise requirement in order to make enterprises sustainable. Secondly to understand the roles and responsibility of Micro Enterprise Consultants (MEC) and Kudumbashree Accounts and Audit Service Society (KAASS) by interacting with CDS chairperson, KAASS and MCE members and also find the gap in the demand of the services from these microenterprises and supply of services by community institution (MEC & KAASS). Finally had a discussion with DMC/ADMC to know the real situation of the district and what plans they have in order to sustain enterprise and community institutions in long run. All these information were taken with the help of semi structured interview with specific questionnaire in two districts of Kerala named Thrissur and Trivandrum.

After the understanding of structure of Kudumbashree, roles and responsibility of community institutions in providing services and the gap in the demand and supply of the services, the second step was to find the requirement of the microenterprises in order to make them sustainable and also the necessity and sustainability of KAASS and MEC. This was done in three district of Kerala named Thrissur, Kollam, and Wayanad with the help of semi structured interviews with specific questionnaire. Here the gap in the services provide by the community institutions and the services received by the microenterprises are found out and also the future demand of community institutions by microenterprises and their sustainability was discussed with the DMC. Source of income for KAASS and MEC in order to sustain them presently and what other future opportunity

they have in the market. The sampling followed was random sampling but it was kept in mind that the sample represents the whole area problem.

Major Findings: According to the interaction with Micro Enterprise and Analysis from the pilot districts named Thrissur, kollam and wayanad mostly all the enterprises required the support and services from KAASS and MEC and they wanted the services in future as well. But at the same time there were many gaps in the services provided to them and the requirement of the enterprises to sustain. Also there are many opportunities for MEC and KAASS groups in order to sustain themselves and make microenterprise sustainable.

Conclusions & Recommendations: This study is divided into two parts one is sustainability and the other is feasibility which will give a view of the present situation of microenterprises, KAASS and MEC and what they need to sustain themselves in the long run. How much sustainable they are presently and what else they need for future sustenance and also how much Kudumbashree is important for their sustenance.

Here main finding is that these community institution KAASS and MEC both are very important in Kudumbashree to bridge the gap between District Mission and the panchayat level, they help in knowing all the requirement at ground level from the mission to sustain ME and also provide support to ME and KAASS helps in keeping transparency in the mission.

KAASS team is quit sustainable in the mission and have good income. The customers for KAASS are fixed customers like CDS and NHG and few ME, also at the same time they can audit private agency and have extra income. But MEC group don't have fixed income like KAASS so there is question for the sustenance of MEC but, if Kudumbashree support them in future also they can sustain easily. **They too have lot of opportunity in the market and also customers, the only thing they have to tap the opportunities in right time with right customers with new innovative ideas of enterprises according to the location and resources available to them.**

1. Introduction

This report has been divided into two main phase, the first one is to find the necessity of the community institutions like KAASS and MEC in kudumbashree, second is to find the feasibility and sustainability of MEC and KAASS.

1.1 Micro enterprises

The definition of Kudumbashree micro enterprises are those having an investment ranging from Rs. 5,000 to Rs. 2.5 lakh, owned, run and managed by the entrepreneurs themselves. It could be individual or group (5-10 members) enterprises having an annual return of Rs. 1 lakh to Rs. 5 lakh. A potential to generate a minimum of Rs. 1,500 per member a month.

There are several micro enterprise support schemes such as Rural Micro Enterprise (RME) which was started in the year 2002-03 with a separate component being divulged for promoting the setting up of the micro enterprises by women. The scheme supports both the individual and group enterprises. The group enterprises may have 5 -10 members. The group enterprise would get a subsidy of Rs. 10,000 per member or 50 percentage of the total project cost whichever is less. The rest of the amount has to b

e met as self-investment or through loans. In the case of individual enterprises, the subsidy provided is Rs. 7,500 or 30 percentage of the total project cost whichever is less.

Second is Yuvasree scheme which was announced in the year 2004-2005, and intends to supports enterprises by the youth. The Yuvasree group or the 50 K group consists of men and women in the age group 18-45. The subsidies provided for the individual and group enterprises in this scheme are same as that of the RME scheme.

There are several other financial support in the form of funds available to strengthen the micro enterprises. The revolving fund is provided to the enterprises for the working capital needs, the technology fund is for the upgrading technology used, the innovation fund is for promoting and supporting the innovative efforts of the entrepreneurs, second dose assistance is for enhancing the capital base of the enterprise, crisis management fund is a loan assistance for overcoming a short term crisis. Kudumbashree provide financial support and training to the members and also give training in order to select the right enterprise for them. Kudumbashree promote entrepreneurship among women and youth with all the handholding support for six months and all kind of training from time to time.

Trainings provided to the existing potential entrepreneurs are the General orientation training (GOT) is given to all the prospective entrepreneurs and the Entrepreneurship Development Programme (EDP) is provided to the prospective entrepreneurs who have completed the GOT. The people who have completed the EDP and are willing to start enterprises are then provided skill building training in the sector or business of their choice. Kudumbashree also conducts a Performance Improvement Programme (PIP) for the entrepreneurs who have set up and run the enterprise for at least six months.

Kudumbashree also provides Market development support by arranging monthly and weekly markets, fairs, exhibitions. It also helps in branding the product. Kudumbashree have network of Micro Enterprise Consultants to support and promote the enterprises in long run.

1.2 Micro Enterprise Consultant (MEC)

The need for the MEC was felt because micro enterprises also face all those challenges that are faced by all business giants/big business houses. Large businesses can hire support of consultants from the main stream market but these small business do not have that much of income to pay them. Also the requirement of the small businesses as a consultant are different from large businesses and business management professionals often do not understand the conditions and requirement of small enterprises. Those professionals have different language which local people do not understand in maximum cases. So, kudumbashree selected group of people from the community itself and trained them to provide business consultancy to these small enterprises and that group is called MEC. It was started in 2004 to provide hand holding support necessary in project preparation getting license, machinery purchase, market linkage, product quality assurance, product diversification, market expansion, training, performance improvement, arrangement of markets, fares, exhibitions, feedback on the enterprise issues, capacity building to the entrepreneurs, information of the changing trends, environmental issues.

MEC is a group of people(man/woman) from local community trained in business management to provide consultant support to the micro enterprises, selected people under go EDP training and business counseling, they learn business management through CREAM(Certificate In Rural Enterprise, Administration And Management) and TEAM(Teaching enterprise, administration and

management). These courses contains all the concepts of business administration and management that a consultant need to know.

The viability of MEC is from providing wide range of services to different agencies supporting and promoting self-employment livelihood projects of government departments development corporations banks other mission externally aided projects. The income source of MEC is from agency hiring services and entrepreneur hiring services. They get remuneration for identification of trainee, consultancy fee for hand holding of trained entrepreneurs, honorarium for training sessions, income earned from conducting surveys/studies. Service fees paid for preparation of business plans, commission earned from supply of input/sale of output, consultancy fees for improved business.

1.3 Kudumbshree Accounts and Audit Service Society (KAASS)

This is a group of people who forms an enterprise in itself and ensures proper account keeping in the community network, these people are commerce graduate from the community itself. They are trained by professional chartered accountants in order to do the auditing. This team audits the accounts at NHG, ADS, CDS & ME and identifies the defects and rectification in the maintenance of the accounts and helps in the analyzing of the progress of ME. The additional function of this society is concurrent audit mechanism and providing inputs to the mission team about capacity building in terms of financial management. This group helps in keeping the transparency in the Kudumbashree and without the trust and transparency the Kudumbashree structure may collapse so the work and need of KAASS is very much in the mission.

The income source of KASS is getting fees from NGH-(150 rupees, without linkage, 200 rupees from linkage group), and fees from CDS audit is 2500 -3000 rupees, they also get fee from festival billing accounts other than kudumbashree accounts, and they also audit small companies with the permission of Kudumbashree. They are certified and trained persons and can earn from outside Kudumbashree.

2. Objective and scope of the Study:

The objective of the study was to find out the feasibility and sustainability of the community institutions like Kudumbashree accounts and audit service society (KAASS) and micro enterprise consultants (MEC) in Kudumbashree. And are these community institution really necessary in Kudumbashree?

While focusing on the feasibility and sustainability of community institutions in Kudumbashree for supporting the ME, NHG, ADS, and CDS, factors such as the requirement of ME, ADS, CDS, NHG groups from KAASS and MEC, to what extent the requirement is met, where is the gap in the demand and supply of services provided to them, how far these institutions are required and to what extent they are able to sustain themselves in the Kudumbashree all these were kept in mind. The scope of the study was restricted to interaction with very few MEC, KAASS, ME, NHG, ADS, CDS and DMC. The scope of the study is also restricted to few panchayat of the three districts of Kerala, Kollam, Thrissur, and Wayanad.

3. Methodology

The methodology of this study is structured and semi structured interviews with specific questionnaire. It was divided into two parts one is to understand the necessity part of the community institutions (KAASS and MEC) and the other one was for the sustainability part of community institutions (KAASS and MEC) in Kudumbashree and the necessity of community institutions in Kudumbashree. The sampling was random sampling in the field and enterprises were selected on the random basis which can represent the area and the problems of that particular area as a whole for the sustenance of Microenterprise and demand for the services in future from the community institutions.

It was divided into few steps in order to understand the structure of Kudumbashree and all other functions, roles and responsibility of the ME, NHG, ADS, CDS, KAASS, MEC for the overall development of the community.

STEP-1: Interaction with micro-enterprises (ME) in order to understand the requirement of an start-up, to what extent the requirement by community institutions are met, what extra they

presently require to sustain the enterprise in long run, what are the problems faced by the enterprise till now, where they are lacking in getting the support from community institutions etc. Are these micro enterprises have enough opportunities in the market to sustain, to know the number of customers demand of the product, quality and the price sustainability, availability of raw material, location, transport facilities, competitors. What extra they need to sustain in the market.

STEP-2: Interaction with MEC members to understand the ways and parameters in which MEC see the success of their works, what are the ways in which they handle the different problems and what are the basic problems they faces, what are the reasons why some of the enterprises are not able to sustain even after full support and how they deal with them. Check whether these MEC have enough opportunity to sustain, do they have good number of client, what other activities they do in order to generate income.

STEP-3: Interaction with KAASS to understand what are the services provided to the NHG, ADS, CDS and ME by KAASS, how they measure the progress of their work, problem faced in providing services, requirement of the people from KAASS side, to know the opportunities and source of income for the KAASS team and how far these KAASS team are sustainable in future.

STEP-4: Talk to NHG, ADS, CDS & ME to understand the role of KAASS in providing the services to them, and what all trainings they get to maintain the accounts, what profit they get out from the services they get how important is this service for them, do they feel the need in the future as well.

STEP-5: Talk to CDS, and microenterprise to know the demand side from the micro-enterprises and the problem faced by them in order to sustain them in long run and also know the supply side from MEC. What other steps can be taken to reduce the gap which is there in demand and supply of the services from the MEC side.

STEP-6: Discuss with ADMC or DMC about the conditions of micro-enterprises in his area and what steps are to be taken in order to deal with the problem of sustenance, what other plans are there to overcome the failure of these enterprises after short duration, basic reason behind the failure.

4. Over all journey

The field work was in three district of Kerala namely, Kollam, Thrissur and Wayanad. The immersion field visit in Varavoor panchayat in Wadakkanchery block of Thrissur district. It was to create an understanding of the structure of the Kudumbashree and convergence of the Kudumbashree with panchayat for development and empowerment, what are the changes after Kudumbashree came in existence. What are the roles and responsibility of KAASS and MEC in providing support to Microenterprises? For these, discussion with panchayat president, secretary, and CDS chairperson was done.

Table 1: Enterprise visited in Thrissur are

Sl. No.	Name of the panchayat	Name of the enterprise
1	Varavoor panchayat	Handicraft unit (Amrutha Unit)
2	Varavoor panchayat	Pickle making unit (Haritha pickle)
3	Varavoor panchayat	Vinayaka papadam unit
4	Varavoor panchayat	Kumkum jewelry unit
5	Varavoor panchayat	Nandanam tailoring unit
6	Varavoor panchayat	Two JLG groups (collective farming)

The second visit was in Trivandrum Alamcode and karavaram panchayat to understand the role and responsibility of MEC and KAASS and also to know the present status of enterprise in the area and problem faced by them. For this interacted with CDS, MEC, KAASS and visited few Microenterprises.

Table 2: Enterprises visited in Trivandrum are

Sl. No.	Name of the panchayat	Name of the enterprise
1	Alamcode panchayat	Bag making unit
2	Alamcode panchayat	2 Tailoring units
3	Karavaram panchayat	Umbrella making unit
4	Karavaram panchayat	Catering unit
5	Karavaram panchayat	Amrutham unit

The next three visits in the Kollam, Thrissur and Wayanad district was to find the sustainability and feasibility of KAASS and MEC in the kudumbashree and it was conducted by interaction with MEC, KAASS, ME, CDS, and DMC. Here main focus was on the income source of the community institutions, how far they are having opportunity in the market to sustain them. What other opportunity they have outside Kudumbashree. How much is the demand of the services etc.

The third filed work was in Kollam district where covered two panchayats namely karunagapally and the Nedumbana panchayat. With enterprise visits also interacted with CDS chairperson, KAASS, MEC, ADMC.

Table 3: Enterprise visited in Kollam

Sl. No.	Name of the panchayat	Name of the enterprise
1	Nedumbana panchayat	Canteen unit
2	Nedumbana panchayat	Chapatti making unit (Adithyan Foods)
3	Nedumbana panchayat	2 Flour mills
4	Karunagapally panchayat	Sanitary napkin unit
5	Karunagapally panchayat	Mat making unit
6	Karunagapally panchayat	Catering unit
7	Nedumbana panchayat	Garment making unit

All these were resulted in helping to understand the requirement of the Micro enterprise in the startups and sustain them in long run also the factors which affects the progress of enterprises and reasons for the failure of the enterprise. The reasons of the failure of the enterprise and gaps in the supply and demand of the services from MEC. The main focus was on the feasibility of community institutions and sustainability of them by knowing the ways of income generation activities done by them also to what extent they are sustainable presently and demand they have in the market.

The fourth field was in Thrissur district where two panchayats were covered namely, anamanada panchayat and velukkara panchayat.

Table 4: Enterprise covered in Thrissur

Sl. No.	Name of the panchayat	Name of the enterprise
1	Anamanada panchayat	Paper bag unit
2	Anamanada panchayat	2 Tailoring units
3	Anamanada panchayat	Papadam unit
4	Anamanada panchayat	Cow village
5	Anamanada panchayat	Goat village
6	Velukkara panchayat	Chips unit
7	Velukkara panchayat	Jewelry making unit
8	Velukkara panchayat	2 Umbrella making units
9	Velukkara panchayat	Sari painting unit

Here interaction with CDS chairperson of the panchayat and MEC team, KAASS team in both the panchayats was done in order to know the services they provide to micro-enterprises.

The last field visit was in wayanad district where the focus was same as in previous districts and here interacted with 8 micro-enterprises, CDS chairperson, one NHG, MEC,KAASS and DMC.

Table 5: Enterprises visited in Wayanad

Sl. No.	Name of the panchayat	Name of the enterprise
1	Sultan bethary panchayat	Chenad mini super market
2	Irulam panchayat	Bakery products
3	Pullpally and sultan Bethary panchayat	2 Tailoring units
4	Pullpally panchayat	Canteen unit
5	Pullpally panchayat	Day care centre
6	Irulam panchayat	Organic manure
7	Irulam panchayat	Flour mill

5. Findings from the field

5.1 Requirements and problems of ME

Financial linkage support: Almost all the units need financial support of Revolving Fund and 2nd dose assistance form Kudumbashree (paper bag, tailoring, chips units etc. in all the districts), Need fund and more training on printing and updated machinery to scale up (paper bag, tailoring, umbrella making, sari painting unit Thrissur, flour mill, wayanad, chapatti making unit Kollam), Non availability of subsidy from government to start new enterprise (Anamanada panchayat, Thrissur), Delay in getting funds lead to demotivation, They get late payment from the customers so cash flow problem in unit. (Paper bag, tailoring unit, Thrissur, mini super market in wayanad)

Documentation support: Getting no objection certificate from different government departments like pollution, sales tax, health department, electric department, forest department, etc. is very difficult. So many units are ready to start production but since they don't have no objection certificate so now many units are not interested to go into this and prefer doing job. (sultan betray CDS wayanad), Canteen unit was started but due to lack of documentation from the owner of the place they are not getting financial support for that they need property documents of the house which he is not providing(Wayanad)

Market development and raw material, quality support: Direct market linkage help and getting more orders (paper bag, papadam, chips, umbrella making unit in Thrissur), Help in getting raw material at cheaper rate (sari painting Thrissur, mat making unit Kollam), Napkin making unit need quality of the product (Kollam and Wayanad), Also not getting machinery on time, profit margin is very low because of so many competitors (wayanad)

Trainings support: Help in fixing the right price of product so that when raw material cost increases the cost doesn't affect much to unit. (Papadam unit in Thrissur, flour mills in Kollam and wayanad) and also training in diversification of product. New deigns and diversification training for scale up (jewelry making, sari painting unit, Thrissur mat making unit, bag making unit Kollam), Bakery unit have over demand and orders are not fulfilled so business counseling to maintain unit and expend it ,Need electric burner, new technology to fulfill the demand (bakery, tailoring unit in wayanad)

Follow up: Help in getting good location so that all can sit together and work (tailoring unit in Thrissur, wayanad), Follow up from MEC many unit are not much educated and they don't know what to demand from MEC and how to handle a unit (tailoring unit wayanad), Before finding the location for any enterprise on rent the papers work should be done by the MEC for a particular time period. (Canteen unit, wayanad) In some enterprises project cost is so very high and panchayat made that not MEC so they face problem in loan repayment (day care center 3.75 lakh, wayanad)

Communication: Lack of trust in getting big orders as they are women and have small business people think they will close the unit at any point of time, (paper bag unit in Thrissur), Travel is a problem in case of wayanad for raw material supply and sale to outside district Communication problem when going in exhibition to other states, Internal conflicts due to lack of understanding and communication among members. Sometimes communication between MEC and ME is also a problem (flour mill Kollam)

Feasibility study: So many units are started in same panchayat as order comes to start new units but if this happens then there is no sustenance to the existing units and high competition (tailoring unit wayanad, Umbrella making unit Thrissur), two flour mills are there in same panchayat and are having high competition(Kollam)

The findings from this visit were, there exists a gap between demand from the community side and micro-enterprises side to the supply of the services from KAASS and MEC. The gaps were mostly because of follow up problems, ignorance of the unit from community institutions, lack of communication, regular meetings, right market for the product, attitudes of the person for starting enterprise (most people start for subsidy), lack of product diversification etc.

5.2 Gaps from MEC side:

There were few gaps in the services MEC provides to ME like help in the reduction of cost for raw material from MEC by talking to other MEC and getting support (wayanad tailoring unit). Before introducing any external agency into the system proper information about the raw material supply, raw material cost, training, and rate at which they will take the product should be made clear. (Mat making, sanitary napkin unit, Kollam), MEC are not knowing about all the units in their zone and they are kind of ignorant about the new projects in their area (Flour making, chapatti making unit,

Kollam). Follow up problem once GOT and EDP training are over else people don't understand what they want and what support they require in order to scale up and sustain (Flour making, canteen unit, bag making unit,). No feasibility study check before starting new units (two flour mills in the same panchayat in Kollam, tailoring units in Wayanad).

5.3 Gap from KAASS side:

KAASS teams are supposed to analyse the work of each enterprise and see their financial things and if required help them to do financial things appropriately but actually this was not done in few areas, also at many places KAASS is not analyzing the progress as they themselves don't know this is their work. Analysis of the progress of the ME should be done by KAASS but at practical level it's not done (Wayanad KAASS).

6. Feasibility and sustainability of MEC

Basically the feasibility study means assessment of the practicality of any project. Its main aim is to uncover the strengths and weakness of an existing business or venture with that to know the opportunities and threats present in the environment. So, here to know the feasibility of KAASS and MEC their SWOT analysis is done.

6.1 Feasibility of MEC

Strength:

MEC are allotted some particular area and panchayats and other MEC can't come and take that opportunity from them and they have lot of ME to train and generate income. They are allotted work from district Mission so are paid directly for trainings and monitoring. They have fixed income from business plan and it's up to them how much potential they have. They have already been trained in consultancy and are registered body so they can use it anywhere to generate income and improve the sustainability of themselves. They have good contacts with raw material suppliers and market so they can have other business and can help their customers in much better way and build strong relation with them to have more opportunity.

Weakness:

They are not having fixed customers as in case of KAASS so their sustainability is on risk. The income from ME is very little and after 6 month they can't support them with that income. Since ME people are not much educated so they don't know what to demand from MEC and sometimes MEC also don't understand the real problem that lead to failure of unit. They sometimes are not updated with the recent technology to help their customer this is because of their education level and exposure to outside world.

Opportunity:

They can have margin in profit of microenterprises on sales and marketing of the product. They are already trained in consultancy so they can do private project also. They can take project from other government departments and agency. They have so much of deep knowledge and experience after consultancy many units so as a side business they can have their own business. They can generate good amount of income from fairs and exhibitions.

Threat:

No support to ME after 6 months of handholding support and enterprise fails that lead to loss of trust and one customer for MEC. ME People are not much educated and they don't understand the importance of MEC

6.2 Sustainability of MEC

Sustainability of these community institutions in Kudumbashree means income they generate and how they can work independently. Also with this how in future they are going to get sources of income and opportunities in future they have. So, to understand the sustainability of MEC and KAASS their sources of income were noted and their monthly income from them was calculated.

Income for MEC inn Kudumbashree comes from agency, micro entrepreneurs, fairs, exhibitions etc.

From agency:

Remuneration for identification of trainees, Consultancy fees for hand-holding support of trained entrepreneurs, Honorarium for training sessions, Income earned from conduct of surveys/studies

Arrangement in fairs and exhibitions and providing other services like food, stationary , residential services and get a good margin on it

From entrepreneurs:

Service fees paid for preparation of business plans, Commission earned from supply of raw material and marketing, Consultancy fees (as 5% share of profit or Rs 500) that enterprises pay for improved business

Example from Thrissur about the sustainability of MEC

Total number of ME in Thrissur are 3050 out of which 1200 are Kudumbashree units and almost all get support from MEC and there are 22 MEC in Thrissur.

Total microenterprises visited during field visit are 12 microenterprises out of which support needed by 9 units (75%), Total unit need MEC support on an average are 900 units. MEC came into existence from last 11 years so on an average every year 100 new micro enterprises are started in one district every year.

Table 6: income source for MEC

Sl. No.	Sources of income for MEC	Per year	Per month
1	From microenterprises business plan	4 x Rs2500= Rs10,000 (minimum)	Rs 833
2	After making project every month for consultancy till 6 months	Rs500 x4 x6 =Rs12,000	Rs 1,000
3	Monthly fair	Rs1500x12= 18,000	Rs 1500
4	Training to ME before monthly fair every month	Rs 250x 12= Rs 3,000	Rs 250
5	5% of total sale in monthly market	Rs 1300x 12= Rs 15,600 (average)	Rs 1300
6	Training to ME from district mission	!Rs 1500 x 12= Rs 18,000	Rs 1500

7	Consultancy at any time	Rs 500 x 2 = Rs 1,000 (average 2 in a year)	Rs 83
	Total	Rs 77600	Rs 6,466

So income of MEC= 2500 (project cost) X 100(new ME every year) = Rs2, 50,000 per year, per member yearly income is Rs11, 363, and monthly income per member is Rs946 (maximum they can get and Rs 833 minimum they can get) from micro enterprises. Once they make a project so for next 6 months they visits that ME and get Rs 500 per month to guide and support them.

Every panchayat have monthly market for 3 days every month and in that they get Rs 500 per day per person so it comes out to be Rs 1500 per month. Next they get on an average one training per months for 3 days there also they get RS 500 to 1000 per day that means Rs 1500 to 3000 per month. 5% of the total sale of the monthly market goes to them every month that comes to be Rs 1300 in urban and Rs 300-400 in rural area on an average and it varies in big fairs like onam and other festival fairs. Every month before monthly market there is a meeting of entrepreneurs with the MEC and they guide and train them about the demand in the previous market fair and how they can increase in sales and attract customers and all for that also they get charges of Rs 250. If any ME require consultancy at any time then also they are getting paid Rs 500 and in a year they get at least 2 enterprises for consultancy.

So total income on an average to one MEC comes to be around Rs833 (from Me for business plan) + Rs 1000 (monthly support till 6 months , since they get at least 4 project in a year so $4 \times 500 \times 6 = 12,000$) + Rs 1000 on an average (from monthly market 5% of sales percent) + Rs 1500 to 3000 average is Rs 2200 (from training) + Rs1500 (monthly market for 3 days arrangement and support) + Rs 250 (for before monthly market meeting). So all these comes out to be Rs 6883 per month per member. With all these they also have permission to make business plan for private agency and other outside people and can earn from them as well also they have good contact with the raw material suppliers and other customers so they can have some kind of income there also.

This was an example from field study about the sustainability of MEC but it may happen some times that they can earn much more then this if they use the opportunity in right way. They have lot of opportunity presently in the market.

7. Feasibility and sustainability of KAASS

7.1 Feasibility of KAASS

Strength:

They are trained certified people for the auditing of small enterprises. Presently they have sufficient market so they are safe group. They have this background and can use the knowledge outside the mission to earn.

Weakness:

They have sufficient market presently but if mission stops allotting audit of NHG and CDS then they will not have much work to do and may happen they will not sustain. Their work is very much laborious and that reduces the labor cost per day.

Opportunity:

KAASS team is planning to start own auditing agency and linking with private agency (Kollam). They are already trained and certified people can audit any small company or enterprise. They have applied for a software for audit if they get it then working hours can be reduced and can do something extra and find new work.

Threats:

They don't have write to sign final audit for that they pay CA. Training groups train to maintain the record and they audit so some gap create problem. The CDS audit is so very time taking and KAASS members are always busy. Lack of time always because everything is done by hands.

7.2 Sustainability of KAASS

The income source of KASS is getting fees from NGH-(150 rupees, without linkage, 200 rupees from linkage group), Fees from CDS audit is 2500-3000 rupees, since they are trained so they also audit small companies (with Kudumbashree's permission). Also they get money from auditing microenterprises. In festivals and fairs also they audit the accounts and look for the billing and all so they get paid there also.

There are more number of group enterprises in Kudumbashree and all the enterprise want audit in order to maintain the transparency in the enterprise so KAASS team have lot of opportunity work with them. Also KAASS maintains the transparency in the Mission so if this group is not their trust will reduce and may happen that system will collapse. KAASS member are very less only 30 in a district on an average but opportunity are very high so they can sustain very easily sustain. Moreover they are certified and registered groups and can audit out of Kudumbashree if they have time and want more income.

Example from Thrissur for the sustenance of KAASS

Total number of KAASS members in Thrissur district are 30 and number of CDS are 100, there are 3,050 ME out of which 1200 are Kudumbashree units. Total number of NHG are 23,000.

Table 7: income source for KAASS

Sl. No.	Sources of income for KAASS	Income per year	Income per member
1	From NHG audit	Rs 180 x 23,000 = Rs 41,40,000	Rs 1,38,000
2	From CDS audit	Rs 3000 x 100 = Rs 3,00,000	Rs 10,000
	Total	Rs 44,40,000	Rs 1,48,000

Income from CDS is 100 (CDS) X 3000 (Audit cost per CDS) = Rs 3, 00,000

Income from NHG is 23,00 (NHG) X 180 (Audit cost per NHG) = Rs 41, 40,000

So total income of KAASS per year comes to be Rs 44,40,000, and Rs 1, 48,000 per member

On an average KAASS member have Rs 12,333 per month.

With CDS and NHG they also audit ME and get some amount from there as well. And on top of that they can take money from private agency as well if they audit them. So KAASS are having all these fixed income and are sustainable, but if Kudumbashree is not their then they will not be able to sustain there, because only kudumbashree is the agency which give them certification to audit without kudumbashree they are not recognized, but in kudumbashree they have knowledge of auditing and are certified bodies so they can earn well and sustain. So KAASS is sustainable group if kudumbashree is there and supports them.

7.3 Need of KAASS to sustain:

KAASS member can't sign the audit, CA do that. Convincing CA to sign without bills is problem and people miss place the bills. They want common software to make audit work easy and less time consuming. Authorization to sign the audited account instead of asking CA to do it. Work load is more on KAASS team and payment is less according to work so common software is required to make work easy and smooth.

8. Conclusion and recommendation

This section is trying to answer the objects as it has been mentioned in the objective of the chapter that is to find out the feasibility and sustainability of the community institutions like accounts and audit service society (KAASS) and micro enterprise consultants (MEC) in Kudumbashree. In addition, it also tries to find out the necessity of community institutions in Kudumbashree. This study is basically qualitative and it is mainly based on the observation in the field.

It has been observed through the study, that the MEC and KAASS are very important part for the sustainability of the micro enterprises in Kudumbashree. And also MEC play very important role in bridging the gap between the district mission and the panchayat level in order to support ME and help them in all aspects to sustain and grow. MEC gives feedback to mission about the requirement of microenterprises and how they can be more productive in future and sustain themselves. KAASS helps in maintaining the transparency in the mission which is very important

for any organization and lays very important role so these institutions are very much necessary in Kudumbashree.

Sustainability and feasibility of KAASS were studied from the income they get from NHG, CDS and ME audits, also opportunities outside Kudumbashree and inside. They are having good amount of opportunity in their hand as there are very few members in each district and have lot of customers. As discussed with customers of KAASS all were finding the audit very much relevant to them and they wanted it in future as well. Audit helps them in maintaining the transparency and trust in the work. Also they are certified and trained people so they have other opportunities as well to work out of Kudumbashree and earn for themselves.

Similarly the Sustainability and feasibility of MEC can also be understood by the income they presently get from the ME and other sources like fairs and market arrangements, commotion on the input and output of the units. As the ME members are not much educated so they always feel the demand for the consultant for the scale up and diversification of the product. They need continuous motivation and follow up from them. They are also trained group so they also can have customers from outside the mission and since they have lot of experience they can have side business to sustain themselves.

From the filed it was found out that both the institutions KAASS and MEC are trained and certified groups so they have opportunities inside the mission as well as outside the mission. They can have contact with private agency as well to sustain if they don't get sufficient opportunity in the Kudumbashree. Both the groups are very well sustainable in the Kudumbashree with good income and opportunity in future. But if Kudumbashree is not there and don't support them then it's difficult for them to make their identity in the market and sustain.

As per the finding KAASS group are more sustainable as they have fixed customers and have almost fixed income and that too in good amount but MEC are not having much income like KAASS and also not fixed income so MEC may face problem in coming days for the sustainability when so many units comes in a panchayat and their will be little scope of opening new units.

Annexure 1

Description: To understand all the requirement for a micro enterprise startup, to what extent they are met by community institutions, what extra support they require to sustain that particular ME, till now why they are not able to sustain it, reasons behind each and every thing and problem came in sustaining them, where and why they are lacking in getting the supply from community institution. Other than the services provided by the community institution to them what they need to scale up the enterprise and sustain it in long run.

Necessity part questionnaire for ME

- How did you came to this idea of starting this venture?
- How do you manage to get the raw material, did you get any help from anyone in getting the raw material?
- Is the cost for raw material okay for you or its high?
- What about transport cost, how much it comes to you, is the location for the enterprise?
- Where is the maximum demand for your product in monthly market or nearby regular market?
- What other are the places where you market your product, and who helps you in marketing this?
- How did you manage in getting the labeling, liaison, quality check, pricing, standard maintenances etc., did you get any help from MEC?
- What problems you faced in the initial days of startup and you managed to overcome those.
- What helps you have got from MEC and KAASS till now?
- Do you think that these supports are actually helping you and what extra you expect from them?
- What services they provide and how often they come to check the progress?
- What are the criteria on basis of which they analyses the progress, do they discuss these with you and tell you how to correct your mistakes?
- The trainings which you have got are all helping practically?
- How you are planning to scale up the enterprise, what extra you need to take it further?

- What are the problems you are facing in sustaining the enterprise and how you planning to overcome those problems?
- Do you think community institutions can help you in taking it further and how?
- What all are the initial requirements to start a business according to you?

Sustainability part questionnaire for ME

- Do your product have good market presently and will have in future too?
- How many customers you get on an average each day and how much profit you get each day?
- Is the profit you are getting is able to sustain you enterprise?
- Do you think the raw material availability in near future will be there?
- Do you have competitors nearby you and how do you manage to market your product in that environment?
- After a period of time these community institutions will not help you so that time how will sustain do you have any plan for that?
- How do you use the money in the expansion of the enterprise or do don't think for that?

Annexure 2

Description: these were the questionnaire for MEC to understand the supply of services provided to the ME from them MEC side and what they do I order to solve the problem of sustenance of the microenterprise. How they are planning to sustain them in the long run and the source of income for them.

Necessity part questionnaire to MEC

- What are the services they provide to micro enterprises?
- In what parameter they check the success of their work and measure the progress?
- What are the ways in which they handle the different problems and what are the basic problems they faces?

- What are the reasons why some of the enterprises not able to sustain even after full support and how they deal with them?
- Are there any services which micro enterprise need and they are not able to provide them, reason why they are not able to provide?
- How they help the micro enterprise in sustaining and scaling up?

Sustainability part Questionnaire to MEC

- Do you have enough work to make yourself financial stable?
- What are the sources of your income and how you are planning to sustain yourself?
- Do they have good number of client?
- What other activities they are planning in order to help micro enterprise to sustain and also to sustain themselves in long run?
- What are the different ways you are planning to expand your services and get more income to sustain yourself?

Annexure 3

Description: to understand the role and responsibility of KAASS team and the services provided by them to the NHG, CDS, and ME. What problems they face in providing the services to them and how they are going to sustain in the long run.

Necessity part questionnaire for KAASS

- What are the services they provide to NHG, ADS, and CDS, ME?
- How do they measure the progress and benefit of their work to these groups?
- What are the problems they faces in providing the services?
- How they deal with the problems and how often they see those problems?
- What are the reasons to their problems and solutions, ask in details if any example they can tell?
- What other requirement of the people from KAASS side?

Sustainability part questionnaire for KAASS

- What are the opportunity in the market to your source of income presently in market to sustain themselves in the market?
- What other things they are planning to sustain themselves in the market?
- Are the services they are providing to these groups good or they need to add something extra?

Annexure 4

Description: understand the condition of enterprises in the panchayat and the services provided by the MEC and KAASS to ME and how far these enterprises are sustainable and what extra they require to sustain themselves in the long run.

Questionnaire for CDS

- What is the condition of ME in the particular panchayat?
- What demands microenterprise have in order to sustain themselves and what about the supply part, is it in the right ratio from MEC & KAASS?
- To what extent they are met and what extra you are planning to do in order to help them?
- How she helps to overcome the problems, do she have any suggestions to help them out?
- What are the reasons in her area for the failure of the enterprise mostly?
- How is the work of KAASS and MEC in her panchyat?
- Are the micro enterprises getting any profit out of the work from these community institutions and do she feels the need for these institutions?
- What she thinks about the sustainability of these institutions in future?

Annexure 5

Description: understand the role of KAASS and the services provided to them from KAASS.

Questionnaire for NHG

- What records they keep and training they get for the maintenance the records?
- What other role KAASS paly there understand this after talking to them?
- What problems they faces in maintaining the records?
- Do they get clear and transparent picture of the accounts they keep and how they are used, where they are used?
- Do CDS have any role in helping to maintain the records?
- How often KAASS team comes for training and auditing?
- Are you finding the audit and training useful?
- Do they analyze the records with previous year and tell the progress what they have done and how they are working?

Annexure 6

Description: to discuss the current situation and issues in the particular district and the solutions they are having to solve the problems and what other opportunity they see for the sustenance of the community institutions and the microenterprises.

Questionnaire for ADMC/DMC

- What is the current situation of ME, MEC, KAASS and their work in the particular area?
- What problems are generally coming in the area in sustaining the microenterprises and sustaining community institutions?
- What steps they are taking in order to solve the problems?
- Do they have any plan to overcome the failure of these enterprise after short duration?
- According to him what are the basic reasons for the failure of the enterprise?
- What extra they are planning for marketing of the product at large level?
- What kind of units basically fails in the area?
- What opportunities he finds for the microenterprise and community institutions?
- Are there enough natural resources and other resources to start new units?

Annexure 7

During the study few enterprises which were visited are:

District	Panchayat	Enterprises
Kollam	Karunagapally and Nadumbana	<ul style="list-style-type: none"> • Mat making unit • Catering unit • Garments making • 2 flour mills • Chapatti making • Canteen unit
Thrissur	Anamanada and Velukkara	<ul style="list-style-type: none"> • Paper bag making • 2 tailoring unit • Papadam unit • Cow and goat village • Chips unit • Tailoring unit • Jewelry making • Umbrella making • Sari painting unit
Wayanad	Sultan betray, pulpally and Irulam panchayat	<ul style="list-style-type: none"> • Mini super market • Bakery unit • 2 Tailoring unit • Canteen unit • Day care center • Organic manure unit • Sanitary napkin • flour mill unit