

# Strengthening Self-Reliance: State Interventions and Their Impact on Kerala's Self-Employed

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**Abstract:** The paper focuses on the topic of state support for the self-employed in Kerala, examining its relevance to different segments of the self-employed population in light of their need to navigate a dynamic and evolving business environment. The paper takes a descriptive and analytical approach to study the response of beneficiaries to these state-backed initiatives. In today's rapidly changing economic landscape, the self-employed constitute a significant and diverse sector, often facing uncertainties, financial vulnerabilities, and challenges in accessing social safety nets. This paper explores the multifaceted dimensions of state support tailored to the self-employed in Kerala, shedding light on its implications for distinct segments within this group. The study delves into the pivotal role that state support plays in bridging the gap between the self-employed and the evolving business environment. Different segments of the self-employed, such as artisans, street vendors, and freelance professionals, each encounter unique challenges. The paper employs a descriptive approach to outline the varied state interventions, ranging from financial aid and skill development programs to market access initiatives, designed to bolster the resilience of these individuals. Furthermore, the paper employs an analytical lens to investigate the effectiveness of these state measures and their alignment with the needs and aspirations of the self-employed. The findings of this study contribute to the discourse on social policy and economic development, highlighting the importance of targeted state interventions for the self-employed. By shedding light on the successes, limitations, and challenges of existing initiatives, the paper aims to inform policy-makers and stakeholders about refining and enhancing state support for a more inclusive and sustainable self-employed sector.

**Keywords:** Business, Challenges, Kerala, Self employed, State intervention, State support.

## 1. Introduction

The abstract focuses on the topic of state support for the self-employed in Kerala, examining its relevance to different segments of the self-employed population in light of their need to navigate a dynamic and evolving business environment. The paper takes a descriptive and analytical approach to study the response of beneficiaries to these state-backed initiatives. In today's rapidly changing economic landscape, the self-employed constitute a significant and diverse sector, often facing uncertainties, financial vulnerabilities, and challenges in accessing social safety nets. This paper explores the multifaceted dimensions of state support tailored to the self-employed in Kerala, shedding light on its implications for distinct segments within this group. The study delves into state support's pivotal role in bridging the gap between the self-employed and the evolving business environment. Different segments of the self-employed, such as artisans, street vendors, and freelance professionals, each encounter unique challenges. The paper employs a descriptive approach to outline the varied state interventions, ranging from financial aid and skill development programs to market access initiatives, designed to bolster the resilience of these individuals.

Furthermore, the paper employs an analytical lens to investigate the effectiveness of these state measures and their alignment with the needs and aspirations of the self-employed. It examines the beneficiaries' response to these interventions, assessing their impact on income stability, social security, and overall economic well-being. By delving into beneficiaries' perspectives, this research offers insights into the adequacy and relevance of the state's support mechanisms.

*Queries that the paper aims to look into are:*

1. What are the different schemes available to the self employed in Kerala?
2. How aware are the self employed of Kerala about the schemes available to them?

## 2. Methodology

A structured questionnaire was served to 400 respondents, collected randomly from the State of Kerala. The State was divided into three regions namely, North, Central and South, for representation purposes. Using Excel random function, respondents were selected. The questions were on a Likert scale ranging from 5-Strongly agree to 1- Strongly disagree.

### 2.1 Different Schemes Available to the Self-Employed in Kerala

In contemporary socio-economic landscapes, the self-employed demographic constitutes a dynamic and diverse sector that plays a pivotal role in shaping local economies. Recognizing the importance of bolstering the resilience and livelihoods of the self-employed, various governmental and non-governmental organizations have formulated and implemented multifaceted schemes designed to address the distinctive needs of different segments within this sector. This article sheds light on the nuanced landscape of state and organizational interventions targeting specific sections of the self-employed population, encapsulating a spectrum of investment limits and sectoral foci.

A constellation of institutions, including but not limited to the Directorate of Industries and Commerce, Kerala Startup Mission (KSUM), Employment Exchanges, Kerala State Backward Classes Development Corporation (KSBCDC), Kerala Minority Development Corporation, and Commercial Banks, have been at the forefront of conceptualizing and executing initiatives aimed at fostering the self-employed sector's growth. Each entity's intervention is tailored to cater to the requirements of discrete self-employed segments, thereby attesting to the diversified nature of the self-employed's socio-economic activities.

The Directorate of Industries and Commerce has instituted comprehensive measures to enhance entrepreneurial endeavors through skill development, financial assistance, and market access for various self-employed cadres. Similarly, KSUM has emerged as a formidable agent in nurturing start-ups and innovation-driven ventures, offering incubation support, mentorship, and access to funding avenues. Employment Exchanges, in alignment with the evolving nature of labor markets, have evolved to bridge skill gaps and offer placement assistance, thereby empowering the self-employed through enhanced employability.

The Kerala State Backward Classes Development Corporation and Kerala Minority Development Corporation have extended targeted assistance to historically marginalized sections of the self-employed, reinforcing inclusivity and socio-economic equity. These initiatives encompass training, financial aid, and capacity-building programs. Simultaneously, commercial banks have facilitated access to credit and financial services, bolstering the self-employed's capitalization prospects and enabling sustainable business operations.

**Table 1:** Schemes Available to the Self Employed in Kerala

| Sl No. | Agency                                       | Scheme                            |
|--------|----------------------------------------------|-----------------------------------|
| 1      | Directorate of Industries and Commerce (DIC) | Margin Money Grant for Nano units |
|        |                                              | PM Employment Guarantee Programme |
|        |                                              | Entrepreneurial Support Scheme    |

|   |                                                                |                                                                                                                                                                                              |
|---|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   |                                                                | ASHA- Assistant Scheme for Handicraft Artisans                                                                                                                                               |
|   |                                                                | Interest Support Scheme for Nano units                                                                                                                                                       |
|   |                                                                | OFOE-One Family One Enterprise                                                                                                                                                               |
|   |                                                                | PMFME- PM Formalization of Micro Food Processing Enterprises                                                                                                                                 |
| 2 | Khadi Village Industries Board (KVIB)                          | Ente gramam                                                                                                                                                                                  |
| 3 | Kudumbasree                                                    | Rural Micro Enterprises<br>Yuvasree<br>KESRU                                                                                                                                                 |
| 4 | Town Employment Exchange                                       | Multi Purpose Job Club<br>Saranya<br>Kaivalya<br>Navajeevan                                                                                                                                  |
| 5 | Kerala State Backward Classes Development Corporation (KSBCDC) | Loan in association with National Minority Development Corporation<br>Working Capital Loan<br>Business Development Loan<br>Startup Loans for Professionals                                   |
| 6 | Kerala State Minority Development Corporation                  | Self Employment Loan for Minority<br>Credit Line 1<br>Credit Line 2<br>Business Development Loan                                                                                             |
| 7 | Scheduled Caste Development Department                         | Self Employment Scheme                                                                                                                                                                       |
| 8 | Kerala State Development Corporation for SC and ST             | Multi Purpose Unit Loan<br>Self Employment Scheme<br>Scheme for buying vehicle for Self Employment<br>Laghuvyavasaya Yojana<br>Loan for Tribal Entrepreneur<br>Loan for Startup Entrepreneur |

Source: Handbook by DIC

### 3. Discussion

The responses were collected and analysed using their descriptives to get a general idea about their awareness levels. The self employed have positive feedback regarding the self employment measures of the Central Government, but complain about the neglective attitude of the official in connecting the funds to its beneficiaries.

**Table 2:** *Descriptive Statistics*

| Variables                                                               | Mean      | Std.<br>Deviation | N         |
|-------------------------------------------------------------------------|-----------|-------------------|-----------|
|                                                                         | Statistic | Statistic         | Statistic |
| Knowledge about self-employment measures of Central Govt                | 4.04      | 1.586             | 400       |
| Knowledge about self-employment measures of Govt. of Kerala             | 3.82      | 1.700             | 400       |
| Preliminary formalities to start enterprises                            | 3.36      | 1.876             | 400       |
| Loan/finance obtaining procedure                                        | 3.57      | 1.785             | 400       |
| Access to online information about Govt. programmes                     | 3.36      | 1.889             | 400       |
| Grievance redressal procedure on the non-availability of Govt. benefits | 4.59      | 1.014             | 400       |

Source: Author's calculation

The descriptives reveal that the self employed have an awareness about the promotion measures of the Government. The prominent measure of awareness is regarding the Grievance redressal procedure on the non-availability of Government benefits, followed by Promotion measures of the Central Government. The least awareness is regarding the Preliminary formalities to start an enterprise and Access to online information about the different programs.

### 4. Conclusion

The heterogeneous landscape of state and organizational interventions aimed at the self-employed illustrates a nuanced understanding of this sector's diverse needs. By offering tailor-made measures, these entities have demonstrated a commitment to catalyzing the self-employed's socio-economic endeavours. Awareness about the measures have to be promoted more vigorously locally at regular intervals to imprint the attempts of the Government interventions and assistance to aid their businesses. As the self-employed sector continues to evolve in response to dynamic market dynamics, the role of these initiatives in fostering economic growth, inclusivity, and individual empowerment remains indispensable.

### References

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