

## KEY STRATEGY FOR THE DEVELOPMENT OF KHADI AND VILLAGE INDUSTRY IN INDIA

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### ABSTRACT

*India is predominantly a nation with villages and the bulk of the population lives in rural areas or villages. The rural production of the Khadi and village industry is a systematic phenomenon in India. It is defined based on different parameters and the meanings of the sources of evolving government policy and economic conditions have been updated from time to time. The word small scale industry (SSI) was intended to describe the village base and/or village khadi industry and handicraft production prior to independence. The differentiation between small-scale industry and village industry was made during the First Five Year Plan due to the lack of policies on khadi and village industry. Even after numerous deficiencies in the strategy proposal, weak facilities, insufficient preparation, incomplete credit service, higher sickness incidence and many more, the Khadi and village industry has now acquired a reputable rest in India's socioeconomic contribution. The purpose of this research paper is to address the Khadi and Village Industries Commission (KVIC) programme, as well as to examine KVIC's contribution to employment, production and sales. We have also clarified the policy or approach used by the government for the growth of the Khadi and village industry in India in this article.*

**KEYWORDS:** *Khadi, Village, KVIC, Strategy, SSI.*

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### Introduction

India is a nation of villages where most of its population lives and most people depend on agriculture for employment. The Khadi and village industry is a holistic rural development term in India. Agriculture and related practices represent a substantial profession India's occupational system was disrupted by the substitution of agriculture and craft manufacturing by the super-imposed colonial mode of production. The root cause of the socio-economic crisis facing the world is the destruction of agriculture and domestic factories. The number of unemployed has grown last year and planners have adopted diverse policies with a view to eliminating unemployment, eradicating poverty and raising people's living standards. It was thought, though, that the growth plan visualized by the Father of the Nation should entail the hour. Mahatma Gandhi concluded that there is no question that there is something needed in a nation like India, full of millions of unemployed, to keep their hands and feet occupied in order to earn an honest living.

Increasing international trade and globalization have created unparalleled opportunities and challenges for the Indian economy in the new millennium, especially the small business market, which consists of small-scale, agricultural and rural industries, utility and business institutions. Total dependence on agriculture in rural areas creates problems like unemployment, underemployment and disguised unemployment resulting in low income for rural people. In order to tackle this problem of unemployment, underemployment and supplement the meager earnings of rural people from agriculture, there is need for developing non-farm sector like Khadi. The concept of khadi as a cloth had its socio-economic implications for the revitalization of the rural economy and village industries, played a complementary role in ushering a self-reliant village economy. In a country like India, where capital is scarce and labour is abundant, the strongest argument in line with employment may be made by village companies. Furthermore, Mahatma Gandhi argued that there is no chance, in the short term, to generate a lot of jobs through the factory industry, in view of the meagerness of capital wealth.

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### Review of Literature

Asokan T states that the Indian Government took responsibility in the post-independence period for implementation, support and financing of Khadi. In 1953 under the auspices of the Government of India the All India Khadi and Village Industries Board was set up.

Sunil Ray states that Khadi institutions have either struggled to survive the cost-effectiveness test or have contributed greatly to the creation of employment and revenues for the handcrafted household Organizations seem to have been drawn by both foreign and internal forces into the vicious vortex of poverty.

According to Francis Cherunilam, because of the organizational foundation of KVIC, the number of Village Small Industrial Units (VSI) increased significantly. The value of this sector in the Indian economy cannot be underestimated.

According to Seemanthini Niranjana, the continuity of the handloom leads to a thorough review Influenced by the globalizing macroeconomic processes was both the non-formal business and contemporary understanding of the meaning of the hand looming industry. The article focuses on the weaving of handlooms in Andhra Pradesh and explains how conventional official standards are confined to the niche market, be it overseas or in India. It reveals how more product innovation and diversity will draw this niche demand. The KVIC has not effectively connected the R&D institutions and the suppliers of technologies in India's rural industrialization programme in Ashok Parthasarathi's view.

Arora explained his belief that the predominantly professional rural workforce's full employment is an awesome challenge. The job structure of rural areas was only slightly modified and the integration of growing rural workforce into non-agricultural activities was not very successful.

### Objective of the Study

The goal of the present thesis was to address the government's latest emerging strategies for the creation of the Khadi and village industry in India. The paper analyses and understands the government's new strategy for the development of the Khadi and village industry. From its beginning, the paper seeks to carry forward the journey taken by the name Khadi and the village industry before its growth.

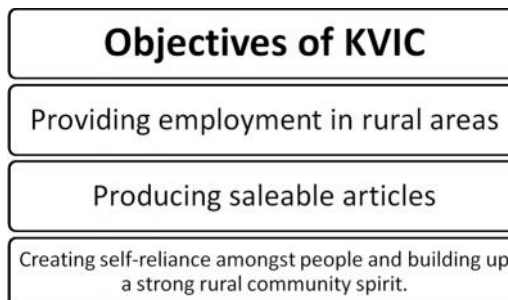
### Database and Methodology

The present study is carried out by using the secondary data. The secondary data on selected results is taken from issues of government reports. In order to study the result of khadi and village industry we have taken the data for the period of 2014-15 to 2018-19. For analysis purpose we used the statistical techniques like descriptive statistics, graphical presentation, tables etc.

### Khadi and Village Industry

Khadi and village industries are established on the basis of occupation, capital, technology etc. The khadi words and village industries are used differently and interchangeably in common regions. Mahatma Gandhiji asserted the import of khadi and village industries in India teeming with millions of unemployed and consequently, with this intention, he started Khadi Movement in 1918 Khadi has an inherent relationship with the Indian Independence Movement and has become virtually symbolic of the war for democracy.

Khadi was introduced in reality in 1920 as a political tool and as best instrument for giving concrete expression to the swadeshi spirit to boycott international goods. Khadi made an opportunity to every man, women and kid to cultivate self-discipline and self sacrifice as a part of the movement of non-cooperation. Mahatma Gandhiji formulated the All India Khadi Board which was an integral part of the Indian National Congress and worked under its path and supervision in 1923.



Khadi and Village Industries Commission (KVIC) is playing an important role in Indian economy as it covers around 2.48 lakh villages. Over the years, the primary thrust of KVIC activities has been to providing a larger share of jobs to scheduled caste and scheduled tribes and women. At present SC/STs comprise almost 32 per cent of staff and women constitute 46 per cent of working force. The Khadi and Village industries made goods worth Rs 270.49 crore and given jobs to 51.05 lakh persons in 1992-93. The production rate increased to Rs 3,490.0 crore and provides jobs to 55.50 lakh persons. During 1993-94.

An Action Plan incorporating the major recommendations of High Powered Committee has been formulated and launched on October 2, 1994. With the implementation of the Action Plan the sector will get a boost with a quantum jump in production and employment.

Khadi program consists of production of cotton, silk, muslin and woolen and village industries consisting of 111 industries and implemented via directly aided agencies and State / UT level. Khadi and Village Industries Board Khadi Production and Sales have developed from previous year, from production of Rs 1626.66 Crores in 2017-18 to Rs 1963.30 Crores in 2018-19 (Tentative) sales of khadi products similarly, sales have displayed growth from Rs 2510.21 Crores in 2017-18 to Rs 3215.13 Crores in 2018-19. Khadi Implementation has developed from previous year, from 4.65 Lakh Khadi Artisans in 2017-18 to 4.95 Lakh Khadi Artisans in 2018-19.

#### **Schemes for Development of Khadi and Village Industry**

- **New Initiatives by the Government**

Direct Benefit Move (DBT), has been made operational for disbursement of funds under MDA and ISEC scheme to Khadi Institutions (KIs) and Artisans. Institutions are upload their files and filing their claims with MDA and ISEC with the DBT portal with KVIC. Now Incentives transferred directly in Khadi Artisans Accounts.

- **Scheme of Fund for Regeneration of Traditional Industries (SFURTI)**

In order to keep existing industry and craftsmen clusters competitive and maintain sustain their long-term sustainability; to increase the marketability of the goods in the clusters by promoting new products, designing action and enhancing their packaging, it is the goals of the initiative to put together traditional manufacturing and craft sectors into clusters.

- **Prime Minister's Employment Generation Programme (PMEGP)**

The framework is introduced as the national nodal agency by Khadi and Village Industries Commission (KVIC). The system is introduced at state level by State Directors, State Khadi Industry Boards (KVIBs), District Industries Centers (DICs) and banks. In these situations, government subsidies for KVIC routes are charged by designated banks directly into their bank accounts for the recipients / entrepreneurs.

Ñ **Interest Subsidy Eligibility Certificate (ISEC)**

Interest Subsidy Certificate (ISEC) Scheme is an critical mechanism of funding khadi program undertaken by khadi institutions. It has been introduced to mobilize funds from banking institutions for filling the void between the actual fund requirements and availability of funds from budgetary sources.

Ñ **Honey Mission**

In accordance with the Prime Minister's appeal for 'Sweet Revolution' in 2016, the Honey Mission was introduced by KVIC in 2017. The mission was to provide jobs for Adivas, fishermen, unemployed young people and women in beekeeping, as well as to increase the production of honey in India. It also aims to enable apiculture to increase crop production and pollination facilities for beekeepers and farmers.

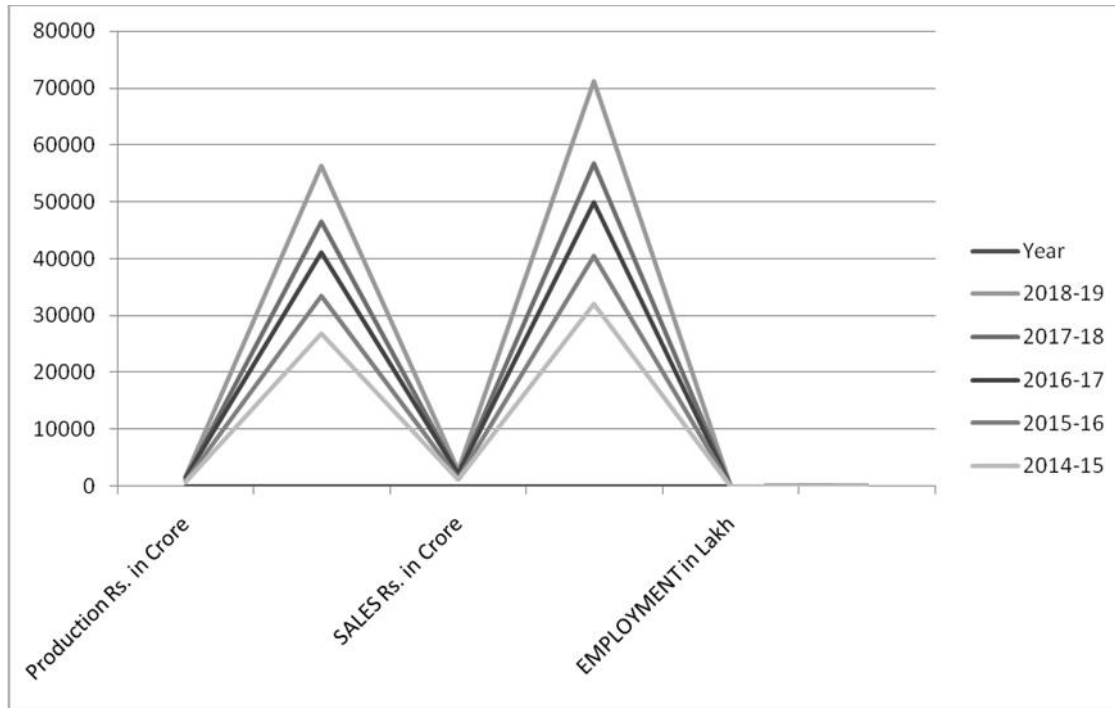
Ñ **Khadi Korner and Khadi Haats**

KVIC initiated a new scheme of selling Khadi in common Outlets and Malls thereby providing a larger consumption pattern that will sustain Artisanal jobs. In order to reach out customers of all kind KVIC linkages with M/s built Globus and M/s Bazar and M/s Apna Cotton Bazar for set up KHADI KORNER a Shop-In-Shop concept in their markets. Khadi Korner has already become at NOIDA, Ahmedabad and Mumbai Operational. In addition, Khadi Korner are anticipated to be opened at Varanasi and Chennai shortly.

**Production & Sales and Employment of khadi and village industries**

Year	Production Rs in Crore		Sales Rs in Crore		Employment in Lakh	
	Khadi	Village Industries	Khadi	Village Industries	Khadi	Village Industries
2018-19	1727 21	56255 18	2840 75	71113 68	4 59	142 03
2017-18	1465 21	46454 75	2249 18	56672 22	4 34	135 71
2016-17	1520 83	41110 26	2146 60	49991 61	4 56	131 84
2015-16	1065 60	33424 62	1510 00	40384 56	11 07	126 76
2014-15	879 98	26689 39	1170 38	31965 52	11 06	123 19

Sources: Annual reports of MSME Dept of India



Descriptive Statistics						
		N	Minimum	Maximum	Mean	Std. Deviation
<b>Production</b>	Khadi	5	880	1727	1331.77	348.168
	Village Industry	5	26689	56255	40786.84	11450.325
	Valid N	5				
<b>Sales</b>	Khadi	5	1170	2841	1983.38	655.254
	Village Industry	5	31966	71114	50025.52	15066.536
	Valid N	5				
<b>Employment</b>	Khadi	5	4	11	7.12	3.599
	Village Industry	5	123	142	131.91	7.406
	Valid N	5				

**Conclusions**

Khadi's toughest challenge is to mimic the spurious look-alike goods sold worldwide as khadis, from handloom, mould made, brands, ethnic market. Khadi thus opens the entire market to immigrant goods to be packed with products and brands as a service known for its rich history and nostalgic value, as well. The invention of new, market-oriented innovations for mode-conscious teens is a challenge and a chance to cash in To pay craftsmen well in time is important to make constant profits and to increase profits and to keep the craftsmen in a state of flux. The other main obstacles are shop modernization. Data analyses indicate that production growth in the khadi-sector and village-based industry in the

chosen timeframe for 2014-15 to 2018-19 has been selected Sales also revealed that sales of the khadi and village sectors were increasingly increasing. According to the results of descriptive statistics, the mean results often indicate the volume of production and revenue in the chosen period. The Ministry released the number of jobs in Khadi which decreased in the last year and expanded in the village industry. According to the results, the Indian village industry provides many job opportunities. When the government makes all manner of measures, this amount of workers certainly goes even higher.

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