



AN ANALYTICAL STUDY ON KHADI & VILLAGE INDUSTRIES - AS A POTENTIAL TOOL FOR CREATION OF EMPLOYMENT OPPORTUNITIES IN INDIA (2016-2021)

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ABSTRACT

Khadi and village industries activity is considered as potential tool for creation of employment opportunities at the doorstep of rural Artisans at very low capital investment. Immediately after independence, Khadi and Village Industries productivity became the grand symbol of nationalism. As such, Khadi came to be known not just a piece of cloth, but as a symbol of freedom and self-reliance.

KEY WORDS - KVIC, KVI

INTRODUCTION

Khadi & Village Industries Commission (KVIC) established under the Khadi and Village Industries Commission Act, 1956 (61 of 1956), is a Statutory Organization under the aegis of the Ministry of MSME, engaged in promoting and developing Khadi and Village Industries for providing employment opportunities in the rural areas, thereby strengthening the rural economy. KVIC has been identified as one of the major organizations in the decentralized sector for generating sustainable non-farm employment opportunities in rural areas at a low per capita investment. It undertakes activities like skill improvement, transfers of technology, research & development, marketing, etc., and helps in generating employment / self-employment opportunities in rural areas.

Recent Strategic Initiatives by KVIC to Promote Khadi and Village Industries

Recently, various strategic initiatives have been taken by KVIC to promote Khadi & Village Industries in the Country. They are: -

- ✚ An online portal has been made operational for disbursement of funds under the Modified Market Development Assistance (MMDA) and Interest subsidy Eligibility Certificate (ISEC) scheme to Khadi Institutions and Artisans. Institutions are uploading data and filing their MMDA and ISEC claims from the financial year 2016 - 17 onwards in DBT Portal.
- ✚ KVIC has started registration of new Institutions online through Khadi Institutions Registration and Certification Seva (KIRICS), for undertaking Khadi activities by the new entities.
- ✚ Guidelines have been issued, advising Institutions for selling in market linked flexible pricing of their products at all levels; so that the Institutions can earn sufficient surplus to enhance earning of the artisans.
- ✚ KVIC as well as Khadi Institutions are working with the reputed retailers to offer suitable platform for retailing Khadi and Khadi products through Digital Marketing, e-Marketing, Bhim App, Franchisee, e-Commerce, etc.
- ✚ Separate module for “PMEGP Second Loan” has been designed, developed and implemented.



- ✚ Honey Mission Portal was developed for all the stakeholders implementing the Honey Mission programme to capture the data pertaining to bee-keepers, bee-boxes, bee colonies, production and sales of honey, etc.
- ✚ A separate portal for Rojgar Yukta Gaon (RYG) has been designed, developed and made functional from 22nd February, 2020.
- ✚ An online portal for Mission Solar Charkha (MSC) has been developed and implemented.
- ✚ A new software application has been designed and developed for the benefit of Central Sliver Plants (CSPs) to record their supply of raw material (sliver / roving) to the Khadi Institutions (KIs).
- ✚ Online Government Supply System has been designed, developed and made live with a view to handle entire Government Supply chain through online. This facilitates to disburse the orders dynamically and monitor order status received from various Government Departments by the registered Khadi Institutions.
- ✚ In order to ease out the problem of manual budget, KVIC has designed, developed and launched an online Budgeting System for Khadi Institutions (KIs) enabling the KIs to submit their Budget with all detailed information like performance achievement of the previous year and action plan for the budget year.
- ✚ Online Recruitment system was facilitated to receive applications against the vacancies published by KVIC through online. This also facilitated to short list the candidates.

OBJECTIVES OF THE STUDY

- ✚ Does KVI providing employment in rural areas;
- ✚ Does KVI producing saleable commodity; and
- ✚ Does KVI creating self-reliance amongst people and building up a strong rural community spirit.

RESEARCH METHODOLOGY

- ✚ Secondary data collection from Annual Report 2020-21, Ministry of Micro, Small and Medium Enterprises, Government of India
- ✚ Regression analysis
- ✚ Time series graphical presentation

ANALYSIS OF SECONDARY DATA

Khadi Sector in India

Khadi activity is considered as potential tool for creation of employment opportunities at the doorstep of rural Artisans at very low capital investment. Immediately after independence, Khadi and Village Industries productivity became the grand symbol of nationalism. As such, Khadi came to be known not just a piece of cloth, but as a symbol of freedom and self-reliance.

KVIC is a Statutory Organisation tasked with the role of promoting the production and sale of Khadi. Over 2737 Khadi Institutions form the vast network are implementing the programmes of KVIC in India. Over 4.97 Lakh people are engaged in this activity. Out of which, over 80 percent are women Artisans.

Khadi is the unique programme of KVIC and a potent tool for creation of employment at the Artisans' doorstep being implemented by Khadi Institutions. The assistance provided through Modified Market Development Assistance (MMDA) and Interest Subsidy Eligibility Certificate (ISEC) Scheme are enabling Khadi Institutions to provide employment opportunities.

Khadi sector production and sales have grown during previous year. Production and sale of Khadi sector during last 4 years and current year 2020-21 (up to December, 2020) & anticipated up to 31.03.2021 are given below :-



Khadi Sector: Production & Sales(Rs. in Crore)

Year	Production	Sales
2016 - 17 @	1520.83	2146.60
2017 - 18 #	1626.66	2510.21
2018 - 19 #	1963.30	3215.13
2019 - 20 #	2324.24	4211.26
2020 - 21 (up to 31 - 12 - 2020) #	1344.69	1877.19
2020 - 21 (Projected up to 31 - 03 – 2021) #	2104.01	3856.50

@ Including Polyvastra # Including Polyvastra & Solarvastra

H0 - There is no relationship between Production and sales of Khadi sector's

H1- There is a relationship between Production and sales of Khadi sector's

Regression Analysis: PRODUCTION versus SALES Khadi sector's

The regression equation is

$$\text{PRODUCTION} = 640 + 0.395 \text{ SALES}$$

Predictor	Coef	SE Coef	T	P
Constant	639.91	70.33	9.10	0.001
SALES	0.39537	0.02274	17.38	0.000

$$S = 48.0840 \quad R\text{-Sq} = 98.7\% \quad R\text{-Sq}(\text{adj}) = 98.4\%$$

Analysis of Variance

Source	DF	SS	MS	F	P
Regression	1	698790	698790	302.24	0.000
Residual Error	4	9248	2312		
Total	5	708038			

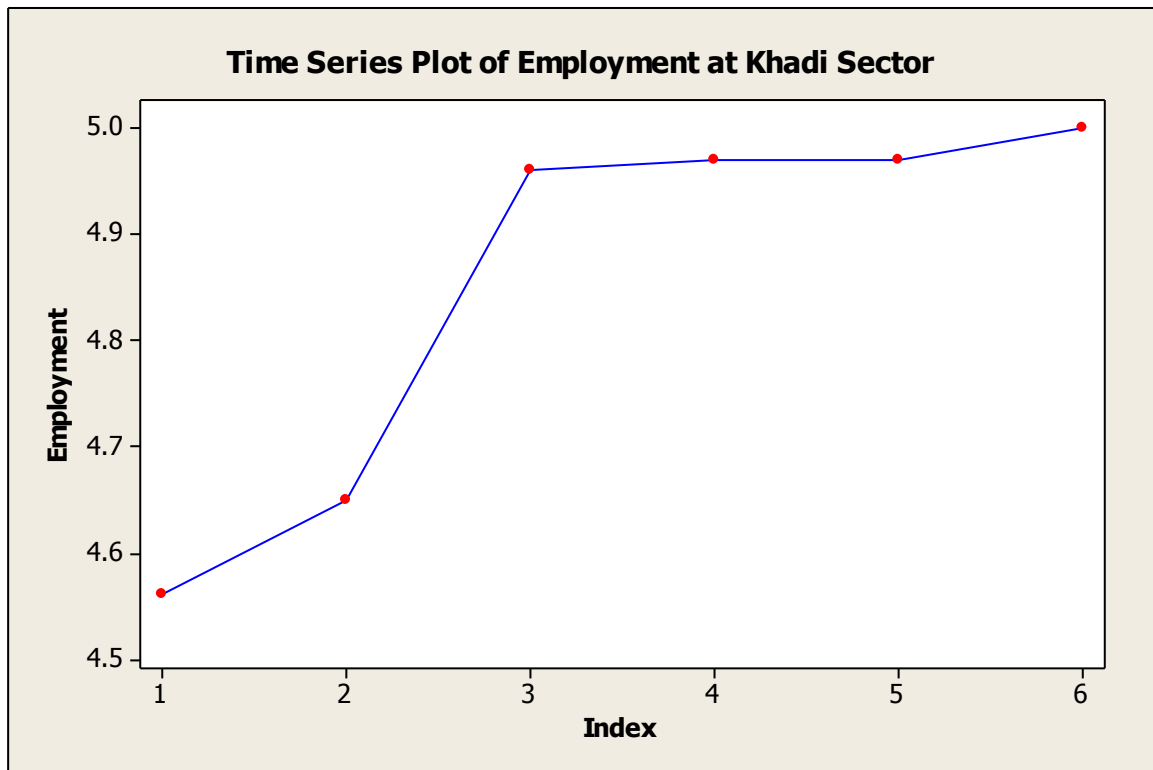
Here, p value is .000 at .05 level of significance, therefore we can say that production of Khadi sector's influences the sales.

Khadi sector's employment during last 4 years and current year 2020 are given below :-

Khadi Sector : Employment(Artisan in Lakh)

Year	Employment
2016 - 17 @	4.56
2017 - 18 #	4.65
2018 - 19 #	4.96
2019 - 20 #	4.97
2020 - 21 (up to 31 - 12 - 2020) #	4.97
2020 - 21 (Projected up to 31 - 03 – 2021) #	5.00

@ Including Polyvastra # Including Polyvastra&Solarvastra



We can see in time series graphical analysis employment generation in khadi sector having a steady growth and inclining trend.(2016-2021)

Village Industries :

Production & Sales(Production & Sales)

Year	Production	Sales
2016 - 17 @	41110.26	49991.61
2017 - 18 #	46454.75	56672.22
2018 - 19 #	56167.04	71076.96
2019 - 20 #	65343.07	84664.28
2020 - 21 (up to 31 - 12 - 2020) #	53705.04	70459.28
2020 - 21 (Projected up to 31 - 03 - 2021) #	76582.43	101306.87

H0 - There is no relationship between Production and sales of Village Industries

H1- There is a relationship between Production and sales of Village Industries

Regression Analysis: PRODUCTION versus SALES Village Industries

The regression equation is
 $PRODUCTION = 6781 + 0.688 SALES$

Predictor	Coef	SE Coef	T	P
Constant	6781	1599	4.24	0.013
SALES	0.68793	0.02151	31.98	0.000

S = 897.662 R-Sq = 99.6% R-Sq(adj) = 99.5%



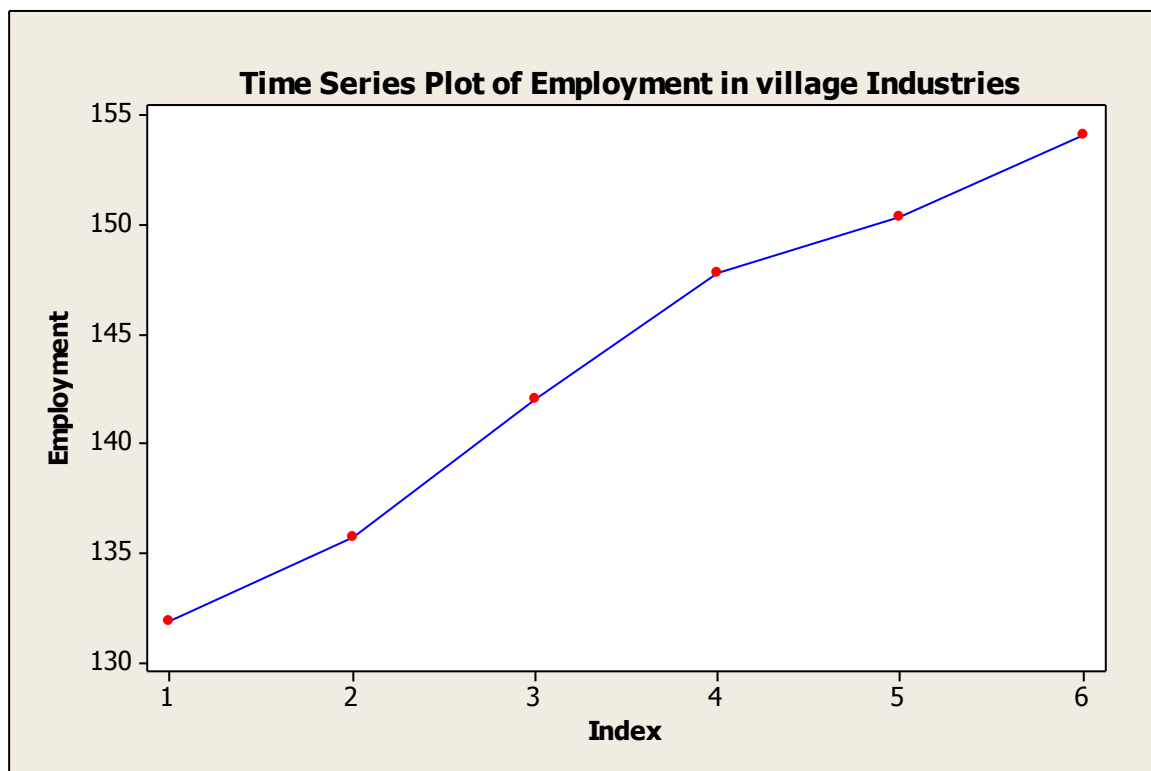
Analysis of Variance

Source	DF	SS	MS	F	P
Regression	1	823932593	823932593	1022.51	0.000
Residual Error	4	3223185	805796		
Total	5	827155778			

here p value is .000 at .05 level of significance , therefore we can say that production of **Village Industries** influences the sales.

Village Industries : Employment(Artisan in Lakh)

Year	Employment
2016 - 17 @	131.84
2017 - 18 #	135.71
2018 - 19 #	142.03
2019 - 20 #	147.76
2020 - 21 (up to 31 - 12 - 2020) #	150.31
2020 - 21 (Projected up to 31 - 03 - 2021) #	154.12



We can see in time series graphical analysis employment generation in village industries having a steady growth and inclining trend. .(2016-2021)

CONCLUSION

According to our study , KVI providing employment in rural areas steadily and there is a strong bonding between production and sale which provide a new- horizontal economic development in near future in India . Khadi is the unique programme of KVIC and a potent tool for creation of employment at the Artisans’ doorstep being implemented by Khadi Institutions. The assistance provided through Modified Market Development Assistance (MMDA) and Interest Subsidy Eligibility Certificate (ISEC) Scheme are enabling Khadi Institutions



to provide employment opportunities. Khadi sector and village industries production and sales have grown tremendously during 2016-2021.

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