

A STUDY ON CONTRIBUTION OF KHADI AND 'KVIC' IN THE ECONOMIC DEVELOPMENT AND EMPLOYMENT GENERATION FOR RURAL CHHATTISGARH

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ABSTRACT

The chapter of Khadi was started by Gandhiji for the self-reliance and self-sustainability of spinners and weavers of Rural India. Khadi is considered as the authentic clothing of india. The activities of Khadi were started as a symbol of the 'fight for freedom'. Later, it was modified as Village Industry Movement with the objective of employment generation in the rural areas. Further Khadi & village industry commission (KVIC) was formulated and as a result this industry diversified into making various FMCG products of day-to-day requirements such as soaps, agarbattis, matchboxes, honey, pickles, edible oil, herbal cosmetic products etc. Promotion of traditional skills like pottery, handmade paper, leather etc was also undertaken. Khadi over the decades has moved from a freedom fighters identity to a fashion fabric. It has becoming a brand now and to make the fabric popular, KVIC has tied up with National Institute of Fashion Technology (NIFT) and National Institute of Design (NID) who teach the artisans, how Khadi clothes could be made attractive and preferable for all. As a part of brand promotion, KVIC has already launched some brands but it is high time for KVIC to move from expos to branded outlets nationwide under one brand and through these outlets sell the products globally. Secondly, KVIC should distribute franchisee so that the people get more employment/business opportunity so that brand khadi's presence will increase. This would certainly make the brand compete worldwide and penetrate globally.

Keywords- Khadi, Rural development, KVIC, Cottage industry

1.Introduction

The research work titled 'A study on contribution of khadi and KVIC on economic development and employment generation for rural chhattisgarh' is undertaken with a focus on promotion of Khadi for the purpose of employment generation and to facilitate rural development. Indian industry at the beginning consisted of village handicrafts. The rural industries were closely linked with agriculture, as well as handicrafts. The system of hereditary specialization in certain crafts ensured good quality products; however, the division of labour was of low level, which was responsible for comparatively low productivity. The Khadi and Village Industries Commission (KVIC) have contributed significantly to the rural development of the Indian economy through its presence – prior to independence in an unorganized, unstructured manner; as well as in the post independence era in a structured, organized manner.

KVIC was established in 1956, as all India level organizations for the development of Khadi and Village Industries in the rural areas. It took over the activities of the All India Khadi and Village Industries Board and was operational as an exclusive & premier institution for the objective of promoting employment opportunities in the rural areas. It aims at providing financial support to rural artisans to retain and develop their skills, so as to produce marketable goods, thereby contributing to the family income. Since its inception, KVIC has been working in a dedicated manner, to bring about rural development in India.

Since then KVIC has been performing a number of vital functions for development of khadi in the rural sector through planning, promotion, organization, financing, training, processing, marketing, research, experimentation, pilot projects, etc. In 1991 a new package of policy measures for promoting and strengthening the Village Small Scale Industry sector were announced. Since mid 90's KVIC has been broadening its horizon of activities. New plans and schemes are set in motion with emphasis on growth and development in order to capture national and global markets through new initiatives in Marketing, Research and Development, Human Resource Development (HRD), Product Diversification, Concentration on Eco-friendly products, Quality Consciousness and other measures.

India being an agricultural country with a vast landmass and population residing in rural India, it is essential that appropriate policy measures are being taken for the development of Rural India. Often we divide India into two segments i.e. India and Bharat. Those who belong to the underprivileged and less attended population of Rural India are called as the citizens of Bharat. The function of the agencies working for rural India cannot be discounted on any parameters. Rather, considering the total role and importance associated with the objectives of these institutions it becomes essential to find out how appropriately and efficiently these agencies have performed their role.

KVIC is a premier organization in the field of promotion of rural industries and employment. This institution has a long history of five decades. A period of five decades is long enough for any agency to have an image, deliver the suitable goods and succeed in achieving its said objectives. Whether KVIC has stood to this test successfully and what is its overall performance is the subject matter of enquiry.

When one talks of KVIC, Khadi and Village Industries activities, people understand it as only khadi. In reality khadi activity is only 40% and remaining 60% is on FMCG products i.e Cottage/Village Industry. Much research study is already being done on the Khadi Sector. Therefore, we would concentrate on the study of Village Industries as it is an important component of KVIC activities. Of late there has been an increasingly greater thrust on the promotion of Village Industries, as they have good potential for generating employment opportunities along with avenues of self - employment. Under the Village Industries Sector any new business activities or projects are accepted except few items which come under negative list. Thus, the scope for expanding Village Industries activities is unlimited. The study of Village Industries will give an insight into the success and prospects as well as the problems and issues involved in this sector. It would also highlight the role played by KVIC in bringing about rural development through its objective of employment generation.

The KVI sector did not face any big challenge till the year 1991, as KVIC implemented its schemes and programmes in a routine manner as per its set objectives. However, when the country took up the policy of opening up economy, to embrace globalization and liberalization, KVIC had to gear up its strategies and schemes to tackle the new competitive challenges. The present study has a significant importance in the changing economic context. The emergence of new economic era with the promotion of liberalisation, privatisation, globalisation policy has changed the entire economic thinking in the country. The new thrust is on export promotion and global business research, through large scale operations. The earlier thinking of protecting Traditional Small Scale Industries and certain sectors from every kind of competition has wasted. Naturally, the Rural Sector and Rural Industries have lost their protective blanket coming from various Government Agencies. Protectionism, subsidies and various tax benefits are no longer the devices to protect the Rural Industries. Allowing private players in special sectors and industries, dereservations for Small and Tiny sectors has changed the situation in Rural India. KVIC is no longer playing the role of a 'Protective Armor' - but as an 'Intelligent Advisor and Assistant'. It is expected of KVIC to promote rural industrialization, provide rural entrepreneurs with marketing skills and help them to excel in quality and price norms. It is the right time to evaluate the performance of KVIC on this backdrop.

2. Statement of hypothesis

Hypothesis implies assumptions or suppositions made by a researcher through a formal statement or question, which one intends to resolve by undertaking the research study. Hypothesis may be stated / put forth as a proposition or a set of presumptions, to guide the investigation process. The current research enquiry is undertaken on the assumption of the following descriptive hypothesis. It is assumed that –

- KVIC has succeeded in developing a suitable climate in the rural areas for Promotion of Khadi Industries and Employment Generation.
- KVIC has contributed in Entrepreneurship Development through the network of its rural branches and allied activities for the development of rural areas.
- KVIC lacks in providing the necessary marketing support required for marketing the products manufactured by rural enterprises. It needs to create a suitable image of its products in the national and international markets.

3. Justification of hypothesis

The hypothesis of the research study is justified on the following grounds –

- The stated set of hypothesis is considered and formulated to examine the presence and awareness of KVIC in rural areas and to evaluate KVIC's role in generating employment opportunities in the villages as this has been its primary objective.
- The hypothesis aims at analyzing the role of KVIC in the development of entrepreneurship spirit amongst the rural masses which would lead to self reliance.
- In the global competitive economic scenario, the hypothesis is designed to understand and ascertain the role of KVIC in planning its marketing strategies

4. Functional Analysis

The Khadi and Village Industries programmes have great capacity for generation of large employment in the rural areas with less capital investment through the promotion of tiny and small enterprises. Moreover, the low capital intensive industrial units are structured and tuned to utilize the locally available raw materials, manpower and traditional artisan skills for processing and production by application of simple manufacturing techniques. Thus, Entrepreneurship Development is one of the major functions of KVIC. Khadi programme is being conceived as a means of providing additional livelihood avenue to the village communities after fulfilling their routine occupational needs (agricultural).

The Khadi and Village Industries play a very important role in the development of Indian economy, particularly in the development of the rural areas. Khadi symbolized the spirit of self reliance in pre-independence India. It did serve well the historical necessity of a freedom movement and sought to provide livelihood and economic independence to artisans in the villages. The setting up of village industries was aimed at supporting the feasibility of rural artisans to be self reliant.

Rural industrialization facilitates proper utilization of natural resources and helps in the generation of income to the rural masses. KVIC promotes the development of tiny, cottage and small scale enterprises in the rural areas by identifying the possibilities of raw material resource utilization at the local village level for manufacturing products and rendering services which have good marketability and would be beneficial for the development of rural areas.

5. Definitions of Key Concepts in Khadi and Village Industries

1. **'Khadi'**: Khadi is a household name reflecting spinning and weaving in the rural areas. The term Khadi means "any cloth woven on handlooms in India from cotton, silk or woolen yarn hand spun in India or from a mixture of any two or all of such yarns". The handlooms used for this purpose are termed as Charkhas. The New Model Charkhas have been introduced in spinning of Khadi yarn in a bid to ensure better living wage to spinners.
2. **'Handloom'**: Handloom is defined as "a loom for weaving of cloth by using yarn made of cotton, silk or woolen, or any type singly or in blends and used normally without the aid of power". Various numbers of handlooms are in operation for weaving Khadi cloth. Khadi is very comfortable to wear since air can pass through it easily. It prevents any skin rash etc., and is more comfortable when compared to the artificially made synthetic fabrics like Nylon, Rayon, Terylene, etc. Khadi is no longer identified with coarse varieties of fabric which was known as Khaddar. Khadi has now reached a fine variety of 400 counts of muslin cloth. Soft and stiff varieties of khadi have been evolved. Khadi Institutions produce very fine variety to coarse varieties of hand spun and hand woven materials in cotton, woolen, silk, and mixture of both i.e. cotton and silk, cotton and polyester, woolen and polyester etc.
3. **Women Enterprises** - Women Enterprises are those small-scale units where one or more women entrepreneurs have not less than 51 % financial holding. Such units are given more concessions and encouragement. Hence it can be said that the scope of small-scale industry is wider than that of the other types. In the case of small scale industries power is used and some hired labour is employed while in the case of cottage industries the work is carried on in the home of the producer with simple tools and without any power or hired labour.
4. **Handicraft** is defined as all articles, which are made by hand or with the aid of small mechanical devices and are artistic in nature either by way of artwork or form, shape and design. 'Handicrafts' involve skilled craftsmanship. The handicraft products are known for their artistic merit, excellence in quality and rare beauty. The production of handicraft goods involves a lot of time and labour of the artists, for creating the product. The products are attractive & relatively sophisticated but the tools, which are used for manufacturing purposes, are simple and modest. The artisans, through middlemen, generally sell the handicraft products. The All India Handicrafts Board looks after the overall development of handicraft industries.
5. **Traditional Industries**: Traditional Industries include the khadi, village industries, handloom, sericulture, handicrafts and coir industrial units. These constitute an important segment of the economy. They facilitate self-employment, wider dispersal of industrial and economic activities, maximum utilization of local resources both physical and material resources. The traditional industries are mostly rural and semi urban in character and help in sustaining and creating employment opportunities, increase income generation and preserve craftsmanship, as well as art and heritage of the country. In simple words, a 'Village Industry' means any small industry, which forms the main integral part of a village economy. Village industries are generally speaking of a traditional nature catering to local markets. They come within the jurisdiction of KVIC. The schedule consists of the following industries:
 - 1) Beekeeping,
 - 2) Cottage match,
 - 3) Cottage pottery,
 - 4) Cottage soap,
 - 5) Flaying, curing and tanning of hides, and skins and ancillary industries connected with the same and cottage leather,
 - 6) Ghani oil,

- 7) Handmade paper,
- 8) Manufacturer of cane-gur and khandsari,
- 9) Palm-gur making and other palm products,
- 10) Processing of cereals and pulses,
- 11) Fibre (other than coir) and
- 12) Blacksmithy and carpentry

6. Conclusion

The Khadi and Village Industries play a dominant role in determining the economic well being of the villages. The major involvement / support measure includes, setting up of common facility centers, development of new products, new design for various KVI products, new/ improved packaging, market promotion activities, capacity building activities, such as, exposure visit to other clusters, need based training etc.

Human Resource Management, production management and financial management could be considered as areas for further study to bring out a holistic view about the effectiveness of the overall management of these KVIC units. Contribution of Khadi marketing can be good potential for generating employment opportunities along with avenues of self – employment. KVIC have to gear up its strategies and schemes to tackle the new competitive challenges to promote rural industrialization, provide rural entrepreneurs with marketing skills and help them to excel in quality and price norms. It is the right time to evaluate the performance of KVIC on this backdrop, developing a suitable climate in the rural areas entrepreneurship. Development through the network of its branches and associated activities for the progress of rural areas can create a suitable image of its products in the national and international markets. Thus a systematic appraisal of marketing practices of KVIC units is needed for economic development and employment generation for rural Chhattisgarh.

7. References

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