

Economic Empowerment by Khadi Village Industries: An Overview

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ABSTRACT

Even after 72 years of independence, the condition of Khadi Village Industries Commission is not relatively good in the same country, which was made by the Father of the Nation Mahatma Gandhi to create self-employment in the country. Khadi clothes are seen every year on 02 October (Gandhi Jayanti), 15 August (Independence Day) and 26 January (Republic Day). Many things are also talked about the development of Khadi on these occasions, but all these promises still seem to be incomplete.

Keywords: *Khadi, Employment, Rural Area, Development, Economy, Industries*

“Khadi” means any hand spun yarn of cotton, silk or wool, or any cloth woven on a handloom with a mixture of two or all of these yarns.ⁱ “Village Industry” means any industry located in rural areas and which produces any goods or renders any service with or without the use of electricity and in which fixed capital investment (plant and machinery and land in building) does not exceed fifty thousand rupees per artisan or worker.^{ii,iii} The 'rural area' defined for this includes all revenue villages and towns with a population of up to 20 thousand.^{iv}

*“Earlier it was khadi for nation and Khadi for fashion,
now it is becoming Khadi for transformation”
Narendra Modi, Prime Minister of India*

BACKGROUND

In the past, the Indian economy was in a relatively strong state, thanks to its handicrafts and cottage industries. Khadi village industries (ie hand spinning and hand weaving) have been important in cottage industries in India since ancient times. In the ancient literature of India, many mentions are found about the hand made clothes here. The earliest Rigveda, in which antu and tantu are mentioned, during this period spinning and weaving were considered a yajna.

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According to the famous economist RC-Dutt, weaving was a national industry of India, to which lakhs of women and men were associated.^v Apart from this, historians believe that the textiles of India have been exported not only to Europe but also to Syria, Babylon, Greece, Turkey, Sudan, Russia and China for centuries. However, with the aim of establishing their dominance in India, the British destroyed the Indian textile industry by bringing the textile produced in Britain to the Indian market. As a result of this, India became only the center of supply of raw materials to European countries. Due to this gradually the traditional textile industry spread in Indian villages started getting destroyed.^{vi}

However, the vision of the Father of the Nation, Mahatma Gandhi, turned towards the vanishing rural industries. Keeping in mind the objective of reviving the work of indigenous textile production, he initiated the Khadi work in the year 1925 with the establishment of 'All India Charkha Sangh'. Gandhiji's goal was to create an exploitation-free society through Khadi industry. Till the year 1947, this industry remained under the guidance of Gandhiji.^{vii}

In 1948, the Industrial Policy of India was announced, in which it was decided to encourage Khadi and Village Industries as important means of rural economic development of the country. In 1956, at the time of the formation of the Khadi Village Industries Commission, the Government of India had prescribed 26 village industries. In July 1987 and 2006, 70 new village industries were added by amending the law. This commission works under the control of the Ministry of Micro, Small and Medium Enterprises (MSME), the administrative department of the Government of India.^{viii}

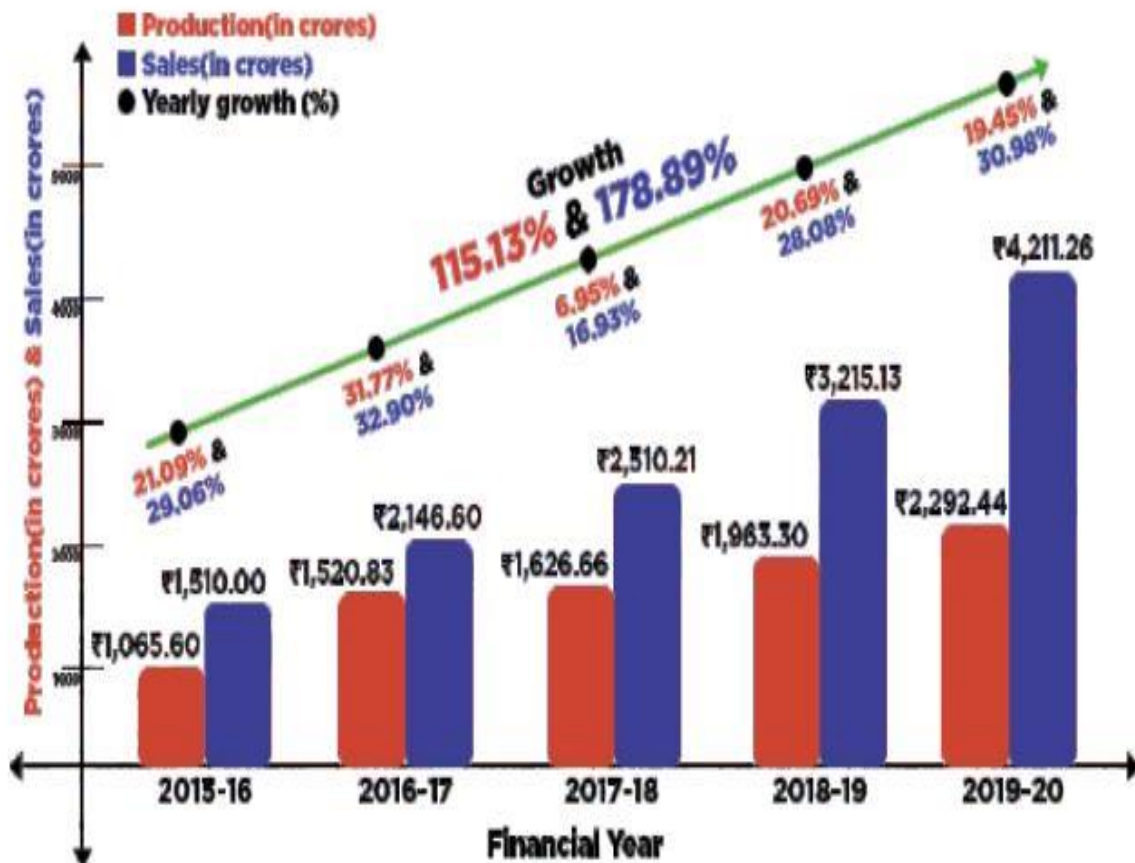
Current Status of Khadi Village Industries

At present about 50 lakh people are getting direct employment by working in Khadi and Village Industries Units and Institutions. Even more number of people are getting benefitted indirectly through various schemes and programs funded by Khadi and Village Industries Commission-funded. According to the data of the year 2016, a total of 3,91,344 industries are functioning in the country, funded or aided by the Khadi and Village Industries Commission.

In February 2019, the Cabinet Committee on Economic Affairs has given permission to continue the Khadi Village Industries Development Scheme till the year 2019-20. A total cost of Rs 2,800 crore will be incurred on this scheme in the period 2017-18 to 2019-20. A new dimension 'Employed Village' has been added under this scheme, which will enable undertaking-based operations in the Khadi sector.^{ix} This will provide employment opportunities to thousands of new weavers in the current and next year. Apart from this, the total capital investment per village will be Rs 72 lakh as subsidy and the limit will be Rs 1.64 crore in respect of working capital received from business partner. Along with this, the government has now merged eight different schemes of Khadi and Village Industries into umbrella schemes 'Khadi Vikas Yojana' and 'Village Industries Development Scheme'.^x

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Khadi's Growth Trajectory^{xi}



Source: <https://www.kvic.gov.in/update/AR/Chairman%20Sir%205%20year%20Booklet.pdf>

Khadi village industry helps in reducing global warming

Since Khadi is a hand-woven fabric, using hand spun yarn and this process of spinning the yarn is done by spinning wheel. Therefore, there is no need to set up a big factory to do this process. To do this process, there is no need of any kind of fossil fuel, which is one of the main causes of pollution at present. Today, the whole world is feeling that they should save the environment and the ecosystem so that there is no environmental impact on the health of the coming generations. In this situation, promoting the use of Khadi and its production can also be a positive initiative towards global warming. Therefore, by encouraging Khadi and village industries, people will get employment opportunities, while it will also contribute in making the environment of the country and the world better. Therefore, the government has run many schemes to encourage Khadi and Village Industries.

Khadi: The Sea of Employments^{xii}

- 40,000 employments (approx) created under Honey Mission
- Nearly 30 lakh jobs created in KVIC in the last 5 years
- 2.81 lakh new jobs created in Khadi sector

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- 80,000 employments (approx) created under KumharSashaktikaranYojana
- 27 lakh jobs (approx) created under PMEGP.

Challenges before Khadi Village Industries

- Khadi is facing an existential crisis today. There are a total of 1700 khadi institutions in the country but their condition is no better than a patient kept in a life support device. On the one hand bank loans and on the other hand the pending rebate for years has broken the back of Khadi institutions. Government statistics show that even after all the efforts, the payment of exemption amount of more than fifty crore rupees is still pending.
- The condition of some weavers is pathetic. Although the government has made a provision to secure five percent of the 20 percent assistance fixed on production under a new scheme like 'Market Development Assistance' for the cotton weavers, but this policy itself will prove to be Khadi eater because of Khadi's demand. It is difficult to say how much expensive Khadi will be sold after the exemption on sale is abolished and what will be the production when there is no sale? And if there is no production, what will happen to the khadi and khadi makers? This is a big question. Shrinkage of indigenous cotton is one of the serious challenges facing the Khadi sector.
- The production and sale of khadi is slowing down, many khadi institutes of India are in existence, but now there are no such khadi workers, neither cutters, nor weavers, nor sales nor trade in those institutions.
- To make India self-reliant, Mahatma Gandhi's thinking about Khadi has got lost somewhere in this era of fashion. Apart from this, as long as the old workers of Khadi remained in the Khadi Village Industries Commission, the work was fine, but with the changing times, the dedication of people towards Khadi decreased, after which both the direction and condition of the Khadi program started deteriorating.
- Khadi, which was free from taxes during the British rule, is today in the grip of bureaucracy. From certificates to income tax and all other policies are suppressing them.
- As long as there was a real contribution of the people of dedicated Gandhian thinking, then everything went well, but after 1980, Khadi, which was run on crutches, started staggering. Liberalization gave it a further blow.
- Khadi institutions are feeling uncomfortable with the government behavior and hurt by the humiliation. The Khadi Village Industries Commission is creating a crisis on autonomy by treating the institutions as its agents. Khadi activists are hurt that Khadi, which was considered as the cultural heritage of India, is being branded and made a part of the market culture.
- Khadi, with the help of which Gandhiji wanted social, economic change in the countryside world, is in the grip of inertia today. The flame of the Khadi movement is fading away.
- Annual sales of khadi cloth at 7 thousand centers run under Khadi and Village Industries in India is Rs 1,000 crore. Despite this, today the fashion of wearing cotton and branded has started in our country, apart from this, all the government efforts to attract the youth of the country towards Khadi have proved fruitless. There is no doubt that the promotion of Khadi in our country was not done with complete honesty.

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Government effort

- The present government is working to promote Khadi products. The Prime Minister of the country, Narendra Modi has said this in his public speeches like Mann Ki Baat and many other programs.
- Recently Khadi Village Industries Commission has entered into an agreement with Air India in which the uniform of the crew members of Air India will be made of Khadi cloth. With this, the name of Khadi will be popular in the country and abroad, which will be helpful in marketing of Khadi.
- The government plans to provide employment to five crore people in the Khadi industry during the next five years. The government has planned to introduce solar powered spinning wheels in Khadi and Village Industries Commission (KVIC) so that more employment can be made available in this sector.
- The MSME ministry is also looking at expanding the Khadi store network. The focus is on partnerships and tie-ups for the sale of Khadi products through e-commerce platforms.
- The Ministry of MSME is taking several steps to promote Khadi and Village Industries. Along with the care industry (coconut fibre), the khadi industry is one of the prime targets of the government.
- Various schemes such as interest subvention, financial assistance under market upgradation and development scheme, opportunities for cluster-based development as well as promotion of new designs, public private partnership schemes are being encouraged.
- Khadi Village Industries has also partnered with private sector companies, Arvind, Raymond and others for joint promotion of Khadi clothing. The purpose behind this is to make Khadi clothing popular especially among the youth and companies. Apart from this, fashion designers are also being roped in to market the eco-friendly and quality Khadi fabrics.
- The Government of India has launched 'Zero Defect, Zero Effect Scheme' to improve the quality of Khadi clothing. This will help in making Khadi products at par with global standards. There are more than 7,000 Khadi clothing showrooms across the country where Khadi products can be sold.
- Discounts are provided by the government on the sale of Khadi and Khadi products so that their prices can be kept cheaper as compared to other fabrics.

Khadi Village Industries Commission

Apart from generating self-reliance and strong rural community sentiment among the people, Khadi Village Industries Commission is recognized as an important organization as a sustainable source of non-farm employment generation in rural areas. It is active in the field of skill development, technology transfer, research and development, marketing etc. and helps to generate employment/ own employment opportunities in rural areas.

Main Objectives of Khadi Village Industries Commission

- Its social objective is to provide employment in rural areas.
- Its economic objective is to produce salable goods.
- Its broad objective is to build self-reliance and a strong rural community spirit among the people.

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Work of Khadi Village Industries Commission

- The functions of the Khadi Village Industries Commission are as per the rules framed under the Khadi Village Industries Commission Act 1956 (1956-61). These include the following points-
- To plan and organize training of persons desirous of getting employment in or working in Khadi and village industries.
- To provide raw material directly or through specified agencies at the rate fixed by the Commission for those engaged in manual spinning or production of Khadi or rural industries or those engaged in production work.
- To provide common facilities for processing of raw materials or semi-finished goods and to assist in the production and marketing of Khadi and Village Industries products.
- To establish contact with the market agencies as needed for promoting the sale and marketing of Khadi and Village Industries products or handloom products.
- To promote research and technology by using non-conventional energy and electricity for the manufacture of Khadi and Village Industries products so as to increase production and eliminate monotony, as well as to increase the competitiveness of production through such research.
- To study directly or through other agencies about the problems of Khadi and other rural industries.
- Providing assistance and design, prototyping and other technical know-how to individuals or institutions engaged in the work of Khadi and village industries, directly or through specialized agencies.
- To undertake experiments or pilot projects, either directly or through specialized agencies, as considered necessary in the opinion of the Commission for the development of Khadi and village industries.
- Establishing and running separate organizations for the purpose of fulfilling one or all of the above matters.
- To promote and encourage cooperative efforts between producers engaged in Khadi production and village industry
- To ensure the pure products of Khadi and Village Industries and to manufacture the products according to quality and standards and to provide certificates or recognition letters to the concerned persons.
- Khadi and Village Industries Commission is undertaking various R&D (R&D) activities for promotion of Khadi products and provides financial assistance to KVI units for participation in domestic as well as international exhibitions.
- Market Development Scheme on Production of Khadi and Village Industries with effect from 1st April, 2010 to promote production and marketing of Khadi and Polyvastra and Village Industries, besides earning 25% of the assistance provided for financial incentives to artisans has been started.
- If we look at the state-wise Khadi, some institutions like Udyog Mandir, Rajasthan Khadi Development Board, Khadi Samiti Vasi and Khadi Village Industries Establishment, Bikaner are helping in the work of Khadi even in difficult circumstances. Similarly, there are Khadi Ashram Tikagarh in Madhya Pradesh and many institutions in Andhra Pradesh, which have dedicated themselves to take forward the work of Khadi in any way.

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Other efforts

- Along with emphasizing on eco-friendly products, heritage villages are being identified and developed by the government.
- Ministry of MSME conducts skill development programs through its various organizations under the Ministry i.e. MSME-Tool Rooms, Technology Centre Systems Programme (TCSP), National Small Industries Corporation (NSIC) Ltd., Khadi and Village Industries Commission (KVIC), etc. During the month of April, 2021, upto 28.04.2021, 18,424 persons have been imparted skill training by these organizations.^{xiii}
- Bringing innovation in design and technology, as well as gaining market share of Khadi and popularizing Khadi products among all age groups, are among the priorities of the Government.

CONCLUSION

The upliftment of villages is the test of true progress of India. Realizing the basic spirit of Khadi-philosophy, and concerted efforts for maximum self-reliance of the villages is one of the biggest needs of the country today. Efforts in this regard are desired not only at the government level or assistance, but through voluntary organizations by instilling the truth deep in the mind that the path from Swadeshi to Swarajya passes through villages. Khadi has been a living symbol of national pride, pride and prosperity. It is a living proof of Indian culture, so it is necessary that the youth of the country should spread the word of Khadi and adopt it. Apart from this, get connected with Khadi programs and schemes by being interviewed with the truth that Khadi and Khadi-philosophy is a strong and very important pillar of our economy, self-reliance and national integration. In conclusion, it can be assumed that in the current environment, there is a huge potential in the development of Khadi. For this, the central government should encourage the state governments along with themselves to prepare a new role. At the same time there is a need to ensure livelihood to the cutlers and weavers and increase their income.

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Conflict of Interest

The author declared no conflict of interest.

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