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"UNDERSTANDING THE IMPORTANCE OF KHADI AND VILLAGE INDUSTRIES IN A DEVELOPING ECONOMY LIKE INDIA – A REVIEW OF LITERATURE"

Management

KEYWORDS: KVI, KVIC, Khadi etc.

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ABSTRACT

The Khadi and Village Industries (KVI) are playing an important role in Indian economy as it covers about 2.48 lakh villages throughout the country. Over the years, the main thrust of KVI activities has been to provide a larger share of employment to scheduled caste and scheduled tribes and women. At present SC/STs comprise nearly 32.0 per cent of workers and women constitute 46 per cent of the work force. This paper explores the importance of Khadi and Village Industries in a developing economy like India.

Introduction

In recent years, Khadi and Village Industries have witnessed vast changes resulting from the introduction of new schemes and systems. However, the recessionary trends in the economy in general also reflected in this sector to a certain extent. The KVIC has formulated a scheme for financing projects with investment items up to Rs 25 lakh for rural industrialization and employment generation. Under the scheme 25 per cent of the project cost upto Rs 10 lakh is being provided as margin money by way of subsidy. The government has also launched a new scheme in 125 blocks of the country for intensive development of khadi and village industry. The objective of this programme is to create about 1,000 additional jobs in each block during the period of next three years.

Review of Literature

Mehta (2009) in his study explains about the execution of various programmes for the promotion of Khadi and other Village Industries. According to his study the Village Industries and the Khadi movement besides supplementing the income to our rural folk, consolidate the economic base at the village level, thereby paving the way for the prosperity of the entire country. The high place of village and cottage industries in the building of the new India is also explained. According to Mehta, the country's salvation lies in starting cottage industries in village homes throughout the country.

Hukkerikar (2011) in his paper explains the progress of Khadi and Village Industries and has found that the spinning and weaving of Khadi was undertaken by people who could not even earn a living wage and who had no other means of eking out of a bare subsistence. The study also explains the earlier development of these industries and the support the government gave during the initial years and analyses the threats and uncertainty faced by this industry and fall in importance given to this industry by the government during the later years. to the villages elsewhere in India.

Rao,Khusro and Laxminarayan (2009) in their study analyses the working of the intensive area scheme of Khadi and Village Industries Commission, reviews the development activities of different Village Industries and attempts to locate industries with growth potentialities, and also look into the impact of village plans on the socio-economic condition of the population. An account of the working of the co-operative farms, co-operative credit and service societies, Industrial co-operatives, Labour and housing co-operatives located in the intensive areas is also done in the study.

Ramachandran (2007) in his article states that the programme of Khadi, cottage and Village Industries provides the solution for bettering the lot of hundred million people at the lowest level of existence. According to him there is no alternative to this programme, if we are determined not to allow these millions to go still further down. Khadi is not a mere name, it is an idea that gives a honorable work as well as a worthwhile income to the millions and also explains about the need to strengthen the Sarvodaya programme.

Patil (2009) in his article states that it is necessary to understand the essential and basic difference between Khadi and other Village Industries. According to the study Khadi is a programme for providing widespread employment while the other Village Industries are suitable for decentralized development. By this separation it will be easy to concentrate attention on the special preservation qualities of each sector and develop both differently for their respective ends. The article also points out that the employment provided by the KVI sector is largely supplementary and part time and no individual could subsist on the meager wages provided by these industries, unless he has some other source of income as a principal occupation. Secondly, compared to total unemployment the quantum of employment provided by these industries is very small and thirdly, the overhead costs of providing this employment is disproportionately high, more particularly in the case of Khadi. Therefore he states that it is necessary that all the existing institutions engaged in the production of Khadi should come together and decide on the best possible ways of production which will satisfy the three objectives of Ashoka Mehta Committee Report ie., producing a saleable article, providing employment and building up a strong rural community spirit.

Somappa (2012) in his article highlights the significance of Khadi and Village Industries in India. He states that while large scale industries have a vital role to play in the economic development of India, the Khadi and Village Industries and other small rural based industries also deserve to be enlarged and strengthened in view of their capacity to provide gainful employment to a large number of people in rural areas who are otherwise wholly or partially unemployed and therefore undergoing lot of suffering.

Dhebar (2011) in his analysis has found that KVI constitute a link between the hoary past and the modern present; between the rich and poor and between the more advanced and the backward regions of India. He explains that the KVIC, is concerned with the re-orientation of this sector. It would like to gradually improve the implements and tools so as to enable the artisans to produce more goods of better quality at lesser cost. But the Ashoka Mehta Committee is anxious to see that no large scale displacement takes place as a result of the introduction of new technology. The need for utilizing our human resources is paramount; subject to this fundamental consideration; there may not be any limit whatsoever to improvement of the techniques and practices for production of Khadi and Village Industries goods.

Sahaya (2010) in his study states that the Indian rural economy has got a good development potential. If proper plans from grass-root are launched our idle manpower could be converted to productive resource. In this context, the development of the KVI sector and linking it up with our rural economy assumes great significance. The KVI sector makes intensive efforts to secure integrated rural development and maximum utilization of available resources to achieve self sufficiency. It has economic as well as sociological values. It is in India's life and is a part of it. The development of the KVI should be taken up with renewed vigour and energy as this sector would

pave way for reordering economic life in accordance with the concept of social justice and social ownership.

Shivaji Sarkar (2011) in his article suggests that KVIC has to come out of its role of disbursing loans and limiting itself to market a few products. It has to increase its base and function to organize the rural masses. The aim should be to create a consumer movement in favour of eco-friendly and cost effective products.

Uzramma and Shambu Prasad (2007) in their article states that innovating technologies and structures within and outside the Khadi establishments holds the key to the greater dissemination and spread of Khadi and Village Industries. Khadi in modern context has become a narrow definition of raw products made only at the Khadi institutions and sold only through some certified outlets. For a new direction of Khadi, they suggest to take up some specific research and policy interventions with which the Khadi establishment can work towards a new vision for peoples industries in the years to come.

Banerjee (1998) in his article states that the KVI products should take off and establish their mark in the international market, since these are the only products, known as on today, to be eco-friendly which utilize natural local resources, involve less investment and provide meaningful living wage to the poor masses. Nowhere else one finds a good bargain. Therefore it should be in the fitness of things to remove all the hurdles that are coming in the way of their development and see that these products reach everywhere, catering to everyone's tastes and fancies.

Krishna Murthy (2000) in his article points out that Khadi and Village Industries is the only potent sector to take up the responsibility of employing masses in viable activities. He states that any plan drawn up for the development of India should aim at the development of agriculture and agro industries like Khadi and Village Industries.

Nagayya (2001) in his article states that Khadi and Village Industries should act as the lead organization of the sector, and should provide guidelines to all organizations associated with the Khadi and Village Industries sector. He also states that various aggressive marketing strategies need to be evolved for Khadi and Village Industries to cope up with the demands in this liberalized context. The export prospects for Khadi and Village Industries products are also to be tapped properly in a phased manner.

Vadilal Dagli (2006) in his study has found that the Khadi and Village Industries are an important segment of the non-factory unorganized sector in the Indian economy. The study also finds that for every one person employed in the organized large scale factories, there are at least two persons employed in the unorganized small and Village Industry units and thereby explains the importance of Village Industries in a capital scarce economy like india. It also explains the credible part played by the KVI commission in promoting improved technology in Khadi and Village Industries. The author also states that Village Industries are not only an important avenue for employment but also an effective instrument for modernizing agriculture. Once the uncertainly in the supply and pricing of raw materials is removed the strength of the village artisans would be increased several fold.

Conclusion

Efforts must be made to improve the quality and value of khadi production by focusing upon design inputs and improving the quality of khadi cloth. The government must also provide adequate finance, tax exemptions, particularly in sales tax, octroi , purchase tax, etc to khadhi and village industries till it can stand on its own and face globalization. When the issue of climate change is dominating the economic policies the clean and green techniques of production has to be promoted. Hence khadi and village industries have to be promoted. Moreover it has the potential to solve the unemployment problem of rural India to a greater extent. Therefore we can say that khadi and village industries are important for developing country like India.

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