

Physical Performance of Khadi and Village Industry: An Analysis

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ABSTRACT

India is known for village Industry and rural artisans from quite a long period of time. Mahatma Gandhiji reflected khadi as one of the important instrument in attaining the Indian independence. It is so because khadi and village Industry together intended to achieve self-reliance by emphasizing on local production and participation of the poor and hunger in the freedom struggle by creating more employment opportunities. But, during the globalization era people of the world looking forward for branded machine-made goods in every product. It is a highly challenging task to rural based and traditional Industry to survive in such an economy. In that context, the paper tries to throw light on the performance of khadi and village Industry in the recent years The Khadi and village Industry is one of the important bread earning sector even today to the majority people of rural India. The progress and prosperity of this sector changes the living standard of the rural people even in the globalization period. This sector is performing well in all dimensions. The very basic thing is creation of employment opportunities to rural sector where agriculture is the main occupation which is seasonal in nature. Particularly, marginal farmers and agricultural laborers fully depending on this sector for whole year works and income. Thus, people of the country should purchase and show more interest and demands for khadi and village industry products so that rural India can develop and rural people can lead a comfortable life. Govt should also support even more, as it is the part of MSME's sector.

1. Introduction

India is known for village Industry and rural artisans from quite a long period of time. Mahatma Gandhiji reflected khadi as one of the important instrument in attaining the Indian independence. It is so because khadi and village Industry together intended to achieve self-reliance by emphasizing on local production and participation of the poor and hunger in the freedom struggle by creating more employment opportunities. Thus, by understanding the potential of Khadi and village Industry, soon after independence, govt of India created a statutory body known as Khadi and Village Industry Commission by an Act in 1956 to promote, encourage and help in a systemic way for progress of the sector. Since then KVIC has been striving very hard to support, endorse, organize khadi and village Industry by all possible means, with objectives like providing employment in rural area by producing saleable articles and in wider sense creating self-reliance among people and building up a strong rural community spirit.

During the globalization era people of the world looking forward for branded machine-made goods in every product. It is a highly challenging task to rural based and traditional Industry to survive in such an economy. In that context, the paper tries to throw light on the performance of khadi and village Industry in the recent years.

2. Objectives

1. To examine the importance of KVI in creation of employment opportunities.
2. To know the tendency in the production of Khadi and village Industry.
3. To study the changing in the sales of Khadi and village Industry.

4. To know the significance of Khadi and village Industry in promoting rural economy.

3. Methodology

The study is based on the available secondary data. The data used mainly from MSMEs annual reports of different years. The tools used are Tables, percentages, averages etc.

4. Performance of Khadi and Village Industry:

The performance of Khadi and Village industry can be measured in different dimensions. However, this paper considers a few areas like employment opportunities, production, and sales for the analysis. It is so because these are the most important variables which decide the current condition and future of the industry.

i. Physical Performance of KVI in creation of Employment Opportunities:

Unemployment is one of the major problems in India since independence, both in rural and urban economy; it is so because the continuous increase in the population. Therefore, creation of more employment opportunities is one of the main tasks before the government. Khadi and village industry has been creating employment opportunities particularly for the rural youths. In 2012-13 Khadi industry provided jobs to 10.71 lakhs people and in the same year 114.05 lakhs people are working in the Village Industry. It has increased to 11.07 lakhs and 126.76lakhs in 2015-16 respectively.(Table no.1) But, as per the study ,in the last two years employment opportunities in the Khadi Industry is coming down and at the same time opportunities in the village Industry has been increasing. It indicates that in the village people are tilting to work in the

village Industry rather than khadi Industry. Partially it may because of demand for the products also. Even in the year

wise increase also village Industry marching ahead compare to khadi Industry in creation of employment opportunities.

Table: 1. Performance of khadi and Village Industry in Employment (in lakhs)

Year	Khadi	Increase in %	Village Industry	Increase in %
2012-13	10.71	-	114.05	-
2013-14	10.98	2.52	119.40	4.69
2014-15	11.06	0.73	123.19	3.17
2015-16	11.07	0.1	126.76	2.90
2016-17	4.56*	-58.81	131.84	4.01
2017-18	4.56*	0	133.23	1.05

*Polyvastra figures included in khadi during 2016-17 & 2017-18

Sources: Annual report, 2015-2016, 2016-2017 and 2017-2018, Ministry of Micro, Small and Medium Enterprises. Govt of India. .,www.msme.gov.in

ii. Performance of Khadi and Village Industry in Production:

Tendency in the production of goods indicates the growth or decay of an industry. If there is a continuous increase in the production means the industry is on the path of growth, progress and can expect a bright future to that industry. As Khadi and village Industry have been producing, cotton, Woolen ,silk , (under Khadi brand,) and pottery, lime, Pulses processing, oil, leather, plastic, handmade paper, non-edible

oils etc. (under village Industry) from a long period of time, means, the growth of the industry is certain. It was Rs.761.93 crores total volume of production in Khadi Industry and Rs.23262.31crores in village Industry in 2012-13. It has increased to Rs.1520.83 crores and Rs.41110.26 crores in 2016-17 respectively.(Table no.2) In terms of percentage also there is a consistent increase in the production of both Khadi as well as village Industry for the last few years.

Table: 2. Performance of khadi and Village Industry in Production (Rupees in crores)

Year	Khadi	Increase in %	Village Industry	Increase in %
2012-13	761.93	-	23262.31	-
2013-14	811.08	6.45	25298.00	8.75
2014-15	879.98	8.49	26689.39	5.50
2015-16	1065.60	21.09	33424.62	25.24
2016-17	1520.83*	42.72	41110.26	22.99
2017-18	1069.46*	-29.68	44656.23	8.63

*Polyvastra figures included in khadi during 2016-17 & 2017-18

Sources: Annual report, 2015-2016, 2016-2017 and 2017-2018, Ministry of Micro, Small and Medium Enterprises. Govt of India. .,www.msme.gov.in

iii. Performance of khadi and Village Industry in Sales

Market and marketing are the most important act or process for the prosperity and survival of any type of industry. If there is demand for the product, marketing is not the problem, otherwise it becomes highly a cumbersome work. As Khadi and village Industry are basically traditional type of Industry the present generation people may not be attracted so easily. In the globalization era every product of different Industry coming to the market with advertisement .But, the advertisement demands huge expenditure in the current world.it is difficult to bear selling cost by khadi and village Industry. In spite of all these hurdles KVI's are doing good

performance in sales. Rs.1021.56 crores value of products were sold by khadi Industry in 2012-13 and at the same year village Industry marketed worth of Rs.26,818.13crores products. It has increased to Rs.2146.60 crores in case of Khadi Industry and Rs.49991.61 crores in case of village Industry in 2016-17.Yearly growth in the sales of KVI's is also notable.it was 5.82% in Kadi and 12.14 in village Industry in 2013-14 and it was 42.16% in khadi and 23.79% in village Industry in 2016-17. (Table no.3)As per the study, in the midst of all type of competition and changes ,Kahadi and village Industry are performing considerably well year after year.

Table: 3. Performance of Khadi and Village Industry in Sales (Rupees in crores)

Year	Khadi	Increase in %	Village Industry	Increase in %
2012-13	1021.56	-	26818.13	-
2013-14	1081.04	5.82	30073.16	12.14
2014-15	1170.38	8.26	31965.52	6.29
2015-16	1510.00	29.02	40384.56	26.34
2016-17	2146.60*	42.16	49991.61	23.79
2017-18	1326.33*	-38.21	54424.07	8.87

*Polyvastra figures included in khadi during 2016-17 & 2017-18

Sources: Annual report, 2015-2016, 2016-2017 and 2017-2018, Ministry of Micro, Small and Medium Enterprises. Govt of India.,www.msme.gov.in

5. Conclusion

The Khadi and village Industry is one of the important bread earning sector even today to the majority people of rural India. The progress and prosperity of this sector changes the living standard of the rural people even in the globalization period. This sector is performing well in all dimensions. The very basic thing is creation of employment opportunities to rural sector where agriculture is the main occupation which is

seasonal in nature. Particularly, marginal farmers and agricultural laborers fully depending on this sector for whole year works and income. Thus, people of the country should purchase and show more interest and demands for khadi and village Industry products so that rural India can develop and rural people can lead a comfortable life. Govt should also support even more, as it is the part of MSME's sector.

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