



A Study on Khadi and Village Industries Commission and Performance of Khadi and Village Industries in Assam

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Abstract:

Khadi and Village Industries Commission (KVIC) is a Statutory body formed in April 1957, by the Government of India under the Khadi and Village Industries Commission Act, 1956 under the banner of the Ministry of Micro, Small and Medium Enterprises (MSMEs) which aims to strengthen the rural economy of India by promoting and developing khadi and village industries and thereby creating employment opportunities in rural areas. KVIC plans, promotes, facilitates, organizes, and assists in the establishment and development of khadi and village industries in rural areas and coordinates other agencies engaged in rural development if necessary. The objectives of the study are to study the functions and organizational setup of the Khadi and Village Industries Commission (KVIC), study the performance of Khadi and Village industries of Assam, and make a comparative analysis of the performance of the Khadi and Village industries of the state. The study is mainly based on secondary data collected from research articles, the annual report of MSME, the Statistical Handbook of Assam, and different websites.

Keywords: Employment, sales, performance, etc.

Introduction:

Khadi and Village Industries Commission (KVIC) is a Statutory body formed in April 1957, by the Government of India under the Khadi and Village Industries Commission Act, 1956 under the banner of the Ministry of Micro, Small and Medium Enterprises (MSMEs) which aims to strengthen the rural economy of India by promoting and developing khadi and village industries and thereby creating employment opportunities in rural areas. KVIC plays an active role in generating sustainable non-farm employment opportunities in rural areas at a low per capita investment. It helps to generate employment/self-employment opportunities in rural areas and undertakes different

activities like skill development, transfers of technology, research, and development, marketing, etc. KVIC plans, promotes, facilitates, organizes, and assists in the establishment and development of khadi and village industries in rural areas and coordinates other agencies engaged in rural development if necessary. The head office of KVIC is in Mumbai its six zonal offices are in New Delhi, Bhopal, Bengaluru, Kolkata, Mumbai, and Guwahati. KVIC has offices in 28 states to implement its various programs of rural development.

Objectives of the study:

The overall objective of the study is to study the Khadi and Village Industries Commission and the performance of the Khadi and Village industries in Assam. However, the specific objectives of the study are:

- To study the functions of the Khadi and Village Industries Commission (KVIC)
- To study the organizational setup of KVIC
- To study the performance of Khadi and Village industries of Assam
- To know about the employment provided by the KVIs
- To make a comparative analysis of the performance of the Khadi and Village industries of the state.

Methodology of the study:

The study is mainly based on secondary data collected from research articles, the annual report of MSME, the Statistical Handbook of Assam, and different websites. The study considers four years from 2017-18 to 2020-21. Excel is used in the study to find out the growth rate and for mathematical calculations. The performance of the Khadi and Village industries is measured using variables like the production and sales values of the said industries.

Objectives of KVIC:

The main objectives of KVIC are mentioned below:

- I. The social objective of KVIC is to provide employment opportunities in rural areas
- II. Its economic objective is to produce saleable articles
- III. The wider objective is to create self-reliance amongst people and build up a strong rural community spirit.

To achieve these objectives the KVIC implements and monitors various schemes and programs for rural development.

Functions of KVIC:

The main functions of KVIC are:

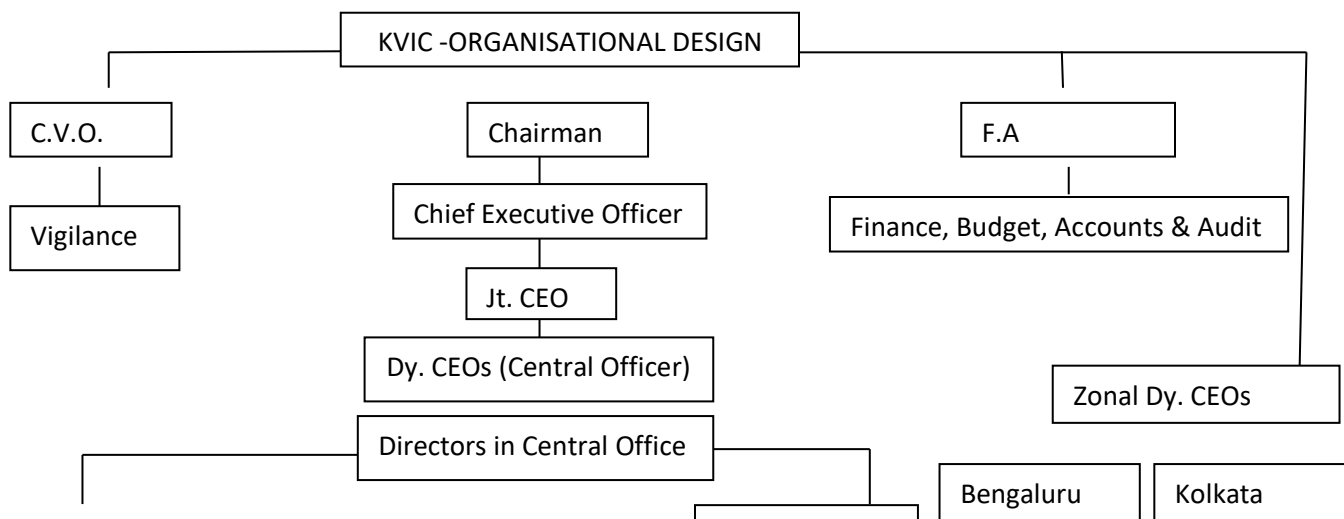
- KVIC plans and organizes training for persons employed in Khadi and village industries as well as those seeking employment in these sectors.

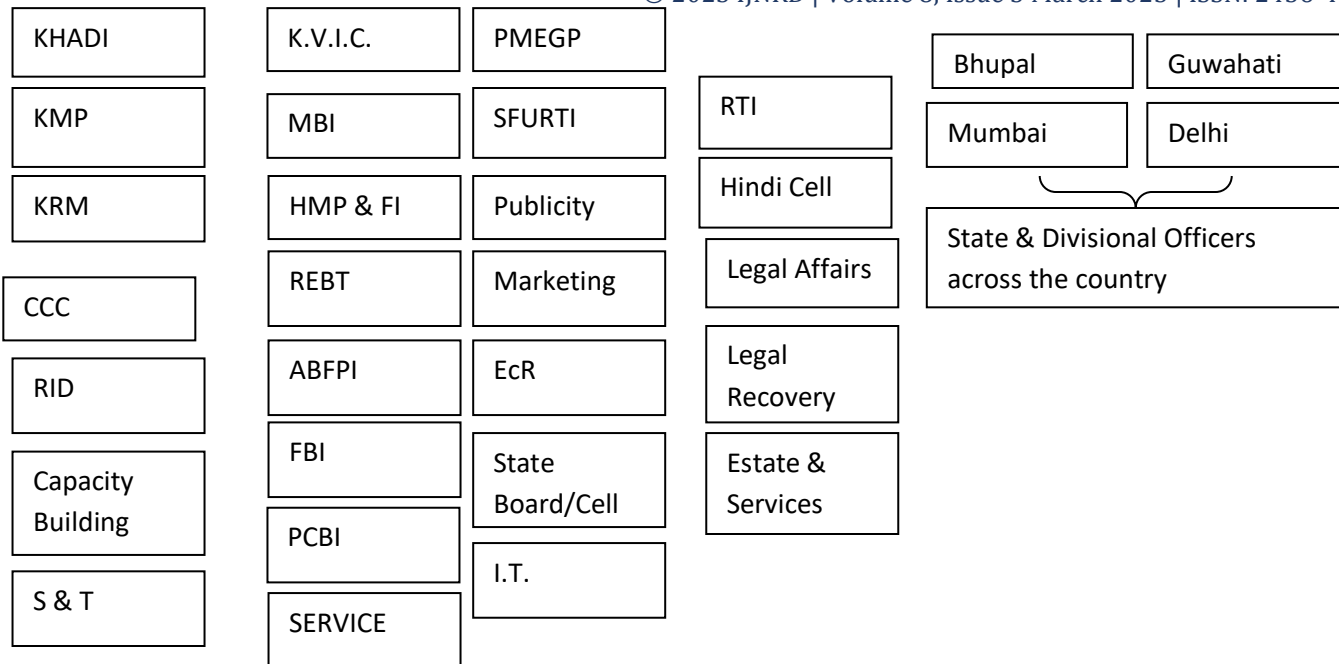
- It builds up directly or through specified agencies reserves of raw materials and implements and supplies them or arranges supply of them to persons engaged or likely to be engaged in the production of hand-spun yarn or khadi or village industries at the rate decided by the Commission.
- It encourages and assists in the creation of common service facilities for the processing of raw materials or semi-finished goods and facilities for the production and marketing of khadi and village industries products.
- KVIC undertakes the function of promoting the sale and markets of khadi and village industries products and for this KVIC forges links with established marketing agencies.
- It encourages and promotes research in the production techniques and equipment employed in the khadi and village industries. KVIC provides facilities for the study of problems relating to khadi and village industries including the use of non-conventional energy and electric power so that the productivity of the industries can be increased and drudgery can be eliminated and to enhance competitive capacity.
- Another function of KVIC is to provide financial assistance to institutions and individuals engaged in the development and operation of khadi and village industries and to guide them through the supply of design, prototypes, and other technical information so that goods can be produced to create effective demand.
- It promotes and encourages cooperative efforts among the manufacturer of khadi and village industries.
- It takes steps to ensure the genuineness of the products and set standards of quality and ensures that products of khadi and village industries products conform to the standards.

Organizational Set-up:

Khadi and Village Industries Commission functions with its head office in Mumbai with its six zonal offices and 45 field offices located all over India. Chairman is the top executive of KVIC, present chairman of KVIC is Sri Manoj Kumar.

The organization design of KVIC is given in chart 1:





KVIC conducts training activities with its 35 Departmental and non-departmental training centers. 8 Departmental Sales Outlets (Khadi India) and its 15 branches of KVIC and 35 Sales outlet of Khadi institutions do the marketing of KVI products produced by khadi and village industries institutions and units, Khadi Gramodyog Bhandar and Bhavans, run by KVI Institutions. It also supplies quality raw materials to khadi institutions through its five Central Sliver Plants (CSPs). Khadi and Village Industries Board (State/Union Territories) and registered KVI Institutions implement khadi and village industries programs.

Khadi Sector of Assam:

Khadi is the platform of KVIC for creating rural employment opportunities. Khadi indicates hand-spun and hand-oven cloth. The Father of the Nation, Mahatma Gandhi launched Khadi as a political weapon in the Swadeshi movement in 1920. In Assam, Khadi and Village Industries Board implements the scheme for promoting and developing khadi and village industries. The performance of Khadi Industries of Assam is stated in table 1.

Table 1: Production and sales of Khadi industries of Assam from 2017-18 to 2020-21

Year	Value of production (Rs. In lakh)	AGR	Value Sales (Rs. In lakh)	AGR
2017-18	29.29		81.33	
2018-19	30.81		96.76	
2019-20	36.77		87.23	
2020-21	43.74		49.66	

Source: Data compiled from Annual Report MSME

Table 1 represents that in 2017-18, the khadi industries of Assam produced a value of Rs. 29.29 lakh production, gradually production value of Khadi industries increased and in 2020-21, the production value of the industry

becomes Rs.43.74 lakh. Sales of Khadi industries of Assam experienced a variation in their sales values during the study period. In 2017-18 the sales value of the khadi industry was Rs. 81.33 lakh but in 2020-21, it was Rs.49.66 lakh.

Village Sector of Assam:

Village industries indicate industries located in rural areas engaged in the production of goods or services with or without the use of power and the fixed capital investment per head of an artisan or worker in such industries does not exceed Rs. 1.00 lakh in plan areas and Rs.1.50 lakh in hilly areas. Assam has 7717812 km² of rural areas and 86 percent of the population of the state lives in rural areas. The village industries of Assam produce products like honey, village pottery, mustard oil, leather footwear, etc. under the banner of the Assam Khadi and Village Industries Board. These units are run by the AKVIB departmentally and finished products are sold in departmental units. The program is implemented by different industrial units located in different districts of Assam. Table 2 gives a picture of the Village industries of Assam:

Table2: Village industries of Assam

SL No	Name of Industry
1	Textile
2	Leather
3	Lime
4	Fruit & Vegetable Processing Industry
5	Fiber
6	Beekeeping
7	Carpentry and blacksmith
8	Non-edible soap
9	Pulses& Cereals Processing Industry
10	Medicinal Plant
11	Village Oil Industry
12	Cane &bamboo industry
13	Agarbatti Industry
14	Cottage Match

	Industry
15	Gur & Khandsari Industry
16	Village pottery industry
17	Hand-made paper industry

Source: Statistical Handbook Assam 2021

Production and sales of the Village industry of Assam:

Table 3 represents the production and sales values of goods produced by Village industries of Assam from 2017-18 to 2020-21. It is clear from table 3 that value of production of village

Table3: Production and sales of the Village industry of Assam from2017-18 to 2020-21

Year	Value of production (Rs. In lakh)	AGR	Value Sales (Rs. In lakh)	AGR
2017-18	1865.00		3027.00	
2018-19	2714.13		3227.93	
2019-20	2763.35		3372.75	
2020-21	2789.00		3113.00	

Source: Data compiled from Statistical Handbook Assam

Industries have increased in Assam in the study period. Village industries have produced a value of production of Rs1865.00 lakh in 2017-18 which has increased to Rs. 2789.00 lakh in 2020-21. The value of sales of village industries has increased from Rs 3027.00 lakh in 2017-18 to R. 3372.75 lakh in 2019-20 but in 2020-21 there is a slight decline in the sales value of the said industries.

Total Production and sales of Khadi and Village industry of Assam:

Table 4 shows the total value of production and sales of village industries of Assam from 2017-18 to 2020-21. Table 4 indicates that in 2017-18 KVIs of Assam produce Rs.1894.29 lakh value of production and during the study period value of production produced by the KVIs have

Table 4: Production and sales of Khadi and Village industry of Assam from 2017-18 to 2020-21

Year	Value of production (Rs. in lakh)	AGR	Value of Sales (Rs. in lakh)	AGR
2017-18	1894.29		3108.33	
2018-19	2744.94		3324.69	
2019-20	2800.12		3459.93	
2020-21	2832.74		3162.66	

Source: Data compiled from Statistical Handbook Assam

increased. In 2020-21 the value of production produced by khadi and village industries increase to Rs. 2832 lakh. The sales value of KVIs has also increased in the study period. In 2017-18 sales value was Rs. 3108.33 lakh but in 2020-21 it becomes Rs.3162.66 lakh.

Employment provided by Khadi and village industries:

Assam, the northeastern state of Assam is rich in natural and mineral resources, but still, the state has experienced different problems like unemployment, poverty, overpopulation, lack of capital, etc. Though the literacy rate of Assam is 72.19 percent, till June 2019 the total number of registered unemployed youths in Assam was 1715759. AKVIB has aimed to create employment opportunities in rural Assam by promoting and developing khadi and village industries. Table 5 represents the total number of Khadi and Village industries units in Assam from 2017-18 to 2020-21 and the employment provided by the KVIs in the period.

Table 5: No of units and employment provided by Khadi and village industries from 2017-18 to 2020-21

Year	No of Industry	Employment provided
2017-18	6230	66844
2018-19	6230	79737
2019-20	6270	79885
2020-21	6253	65938

Source: Data compiled from Statistical Handbook Assam

Table 5 states that up to 2020-21; Assam has 6253 units of khadi and village industries. In 2017-18, 6230 KVIs provided employment to 66844. In 2020-21, 6253 units of khadi and village industries employed 65938 numbers of persons in the state. Table 5 makes it clear that during the study period, in 2019-20 highest number of persons i.e. 79885 are engaged in 6270 khadi and village industries units.

Comparative analysis of Performance of Khadi and Village Industries of Assam:

Table 6: Comparative analysis of Performance of Khadi and Village Industries

SL No	Industry	2017-18		2018-19		2019-20		2020-21	
1	Production	Rs.	In	Rs.	In	Rs.	In	Rs.	In
		lakh		lakh		lakh		lakh	
A	Khadi Industries	29.29		30.81		36.77		43.74	
B	Village Industries	1865.00		2714.13		2763.35		2789.00	
	Total Production	1894.29		2744.94		2800.12		2832.74	
11	Sales								
A	Khadi Industries	81.33		96.76		87.23		49.66	
B	Village Industries	3027.00		3227.93		3372.75		3113.00	
	Total Sales	3108.33		3324.69		3459.93		3162.66	

Source: Data compiled from Statistical Handbook Assam

Table 6 gives a vivid picture of the comparative performance of Khadi and village industries of Assam from 2017-18 to 2020-21. It is clear from table 6 that the production value of village industries is higher than that of khadi industries in all the studied years. In 2017-18 production value of Khadi industries was Rs 29.29 lakh, but of Village industries were Rs.1865.00 lakh. In 2020-21, the production value of village industries (Rs. 2789.00 lakh) was higher than that of khadi industries (Rs.43.74 lakh). Regarding sales value also village industries occupy a higher place as compared to khadi industries. In 2020-21 sales value of village industries was Rs.3113.00 lakh, but it was Rs.49.66 lakh for khadi industries. It can be said that the performance of village industries of Assam is better as compared to the performance of khadi industries of the state.

Findings of the study:

1. The KVIC plans to promote, organize, and implements programs to develop and promote khadi and village industries in rural areas to strengthen the rural economy, to create employment opportunities.
2. The KVIC functions with its head office in Mumbai and six zonal offices in New Delhi, Bhopal, Bengaluru, Kolkata, Mumbai, and Guwahati, and 45 local offices located all over India. Chairman is the top executive officer of VKIC.

3. Production and sales value of Khadi and village industries of Assam have increased from 2017-18 to 2020-21.
4. Production and sales value of khadi industries of Assam have increased from Rs. 29.29 lakh and Rs. 81.33 lakh in 2017-18 to Rs.43.74 lakh and Rs. 49.66 lakh respectively in 2020-21.
5. Production and sales value of village industries of Assam have increased from Rs. 1865.00 lakh and Rs.3027.00 lakh in 2017-18 to Rs.2789.00 lakh and Rs. 3113.00 lakh respectively in 2020-21.
6. Production and sales value of khadi and village industries of Assam have increased from Rs. 1894.29 lakh and Rs. 3108.33 lakh in 2017-18 to Rs.2832.74 lakh and Rs.3162.66 lakh respectively in 2020-21.
7. In 2020-21, 6253 units of khadi and village industries employ 65938 numbers of persons in the state.
8. The performance of village industries of Assam is better as compared to the performance of khadi industries of the state from 2017-18 to 2020-21.

Conclusion:

As the performance of village, industries is satisfactory in Assam, with the full budgetary support of the Government of India and the cooperation and support of the Khadi and Village Industries Commission, Assam Khadi and Village Industries Board can play an active role in strengthening the rural economy of Assam as well as to increase the state income and to give more employment opportunities to the unemployed youths of Assam.

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