

AN ANALYSIS OF KHADI AND VILLAGE INDUSTRY SECTOR IN TAMILNADU

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ABSTRACT

Khadi and Village Industries play an important role in the Indian economy in creating income and employment opportunities in the rural, semi-urban and urban areas. These industries generate production at low capital cost, promote use of local material, utilize local skills and prevent the migration of labour force to urban centres. An analysis of Khadi and Village Industrial sector in Tamil Nadu traces the performance of Khadi and Village Industry Board under Rural Employment Generation Programme (REGP) / PMEGP since 2010-11 and turnover of khadi and village industry Board since 2017-18. It also makes year wise analysis of turnover of KVI Board in the last eight years. It presents a comprehensive picture on the performance of the sector.

KEYWORDS: Employment, Generation, Industry, Tamil Nadu, Khadi, Village.

INTRODUCTION

Khadi is a handspun and woven material made from cotton, silk and woolen yarn. It is a mixture of any two or all such yarns. Started with the spinning on Takli, 2-Spindle new model Charkha, 4-Spindle, 8-Spindle, 10-Spindle and 12-Spindle new model charkas have been introduced in spinning of khadi yarn. Under the guidance of Mahatma Gandhi, the Father of the Indian Nation the provisional activities of khadi was started in 1922, when khadi was the symbol of "Fight for Freedom". The khadi programme was thus closely linked with the struggle for freedom. Village industries otherwise called cottage industries provide immediate large-scale employment and offer a method of ensuring a more equitable distribution of national income and facilitate an effective mobilization of capital resources and skill (Venkatasamy, 1999). According to KVIC, any industry located in a rural area (Dahiya, 2004) village or town with a population of 20,000 and below and per capita investment of Rs. 50,000 in plants and machinery is classified as a village industry. At present the KVIC has approved about 115 industrial units as village industries.

KHADI AND VILLAGE INDUSTRIES IN TAMIL NADU

The Tamil Nadu Khadi and Village Industries Board established in the year 1962 is playing a vital role in generating employment for rural poor, unemployed youth and down-trodden artisans of the state by providing financial and technical assistance for setting up of micro and small industrial production units

under various schemes which come under the purview of All India Khadi and Village Industries Commission, Government of India.

OBJECTIVES OF THE STUDY:

- i) To review the financial assistance pattern under PMEGRP in TN.
- ii) To review the performance of Khadi Village Industry Board under REGP/PMEGP in TN.
- iii) To study the turnover of Khadi Village Industry Board (REGP) in TN.

LIMITATIONS OF THE STUDY

Nothing is perfect so is this study. The present study suffers from certain limitations. The study is based on the information from secondary source which reduce the degree of reliability. However, attempt has been made to collect maximum information from the official record of Khadi and Village Industry in general and TN in particular on the various aspects of the study. Most of the departments neither publish the information nor do they allow the outsiders an access to their records, internal workings etc. on the pretext of maintaining secrecy. This restricts the data availability. It was difficult to collect all the necessary data from grass-root level. **OBJECTIVE OF KHADI AND VILLAGE INDUSTRY**

The main objective of the khadi and village industries is to create employment opportunities by promoting various khadi and village activities and to impart training to the rural artisans about modern technology. The board had taken up multifarious activities, which will enhance the potential under village industries and target the social categories including SC, ST and reach the unreached area for coverage of remote and far-flung areas of the State.

KHADI AND VILLAGE INDUSTRIES BOARD PROGRAMMES

The Board has also initiated training under Bee keeping at district level so that more people are trained for setting up of Bee keeping units which will on one hand promote production of Honey and on the other hand generate employment. The Board is also imparting Entrepreneur Development Training to 1st generation entrepreneurs so that the projects are implemented successfully. Besides, training under various crafts is also being imparted to women beneficiaries for skill development to encourage them for setting up their own units.

PRIME MINISTER EMPLOYMENT GENERATION PROGRAMME (PMEGP)

In the year 2008-09, the Prime Minister of India has launched new scheme “Prime Minister Employment Generation Programme (PMEGP)” by merging the two schemes viz. Prime Minister Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) on 15.08.2008.

TABLE NO. 1

FINANCIAL ASSISTANCE PATTERN UNDER PMEGP IN TN

Categories of Beneficiaries	Beneficiary's Contribution	Rate of Subsidy (of Project
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under PMEGP	(of Project Cost)	Cost)	
		Urban	Rural
Area (Location of Project /Unit)			
General Category	10%	15%	25%
Special (including SC/ST/OBC/Minorities/Women)	05%	25%	35%

Source: Govt. Of TN, Economic Survey 2017-18, Directorate of Economic & Statistics, TN, p 222.

1. The maximum cost of the project / unit admissible under manufacturing sector is Rs. 25 lakh
2. The maximum cost of the project / unit admissible under business / service sector is Rs. 10 lakh.
3. The balance amount of the total project cost will be provided by Banks as term loan.

PERFORMANCE OF KHADI VILLAGE INDUSTRY BOARD UNDER REGP /PMEGP IN TAMIL NADU:

Prominent activities under KVIB's Rural Employment Programme are Cane and Bamboo, Pottery, Textiles, Hosiery, Fiber, Fruit and Vegetable preservation, Bee keeping, Gur and Khandsari, Stone and Lime etc. The performance of Khadi and Village Industry Board under Employment Generation Programme / Prime Minister Employment Generation Programme (REGP/PMEGP) in the State of Tamil Nadu are as follows:

TABLE NO. 2

PERFORMANCE OF KVIB UNDER REGP/PMEGP IN TAMIL NADU (RS. IN LACKS)

Year	No. of Units Financed	Bank Loan (Rs.)	Margin Money Released (Rs.)	Employment Generated
(A)Rural Employment Generation Programme (REGP)				
2010-11	270	462.53	142.63	1396
2011-12	654	1000.13	309.61	3365
2012-13	500	657.64	203.76	2523
2013-14	775	1187.73	363.16	5343
2014-15	899	1845.34	547.66	9843
2015-16	1384	2769.49	803.42	18034
2016-17	1694	3647.76	1052.95	22929

2017-18	2999	6081.39	1735.54	43865
Total	9949	18699.91	5484.26	113333
(B) Prime Minister Employment Generation Programme (PMEGP)				
2016-17	1544		1085.78	9966
2017-18	566		532.22	3688

Source: Directorate of Economic & Statistics, Economic survey 2017-18, TN, p 222.

The employment generation by the KVIB is significant. Major proportion of the labor force of the Tamil Nadu is employed in this sector. The employment in KVI rose from 1369 lacks persons in 2010-11 to 9966 lacks persons in 2017-18.

TURNOVER OF KHADI AND VILLAGE INDUSTRY BOARD (REGP)

The production and sales of Khadi Village Industry Board under the Rural Employment Generation Programme in the State of Tamil Nadu during 2011-20018 are as follows:

TABLE NO.3

TURNOVER OF KVIB (REGP) IN TAMIL NADU (RS. IN LACKS)

Year	Production	Sales
Rural employment Generation Programme		
2010-11	1965.26	2604.17
2011-12	2145.12	2888.20
2012-13	4038.78	3899.2
2013-14	6976.28	7573.20
2014-15	10602.03	11579.21
2015-16	18464.83	22107.57
2016-17	28169.69	33233.44
2017-18	28201.51	33265.25

Source: Directorate of Economic & Statistics, Economic survey 2017-18, TN, p 222.

CONCLUSION

The Tamil Nadu Khadi and Village Industries Board is playing a vital role in generating employment for rural poor, unemployed youth and down-trodden artisans of the state by providing financial and technical assistance for setting up of micro and small industrial production units. The growth rates of KVI sector in terms of production, employment and productivity is significant. The entire KVI sector recorded the highest growth rate over the years. The development of KVI sector has acquired even more relevance today on account of : (i) growing population pressure in rural areas; (ii) rapid expansion of the labour force especially among the marginal farmers and landless agriculture labors; (iii) inadequate opportunities for non-agricultural work; (iv) limitation of the organized sector in absorbing the labour force; (v) need and the capacity for creating

employment opportunities near the place of residence so as to avoid migration from rural to urban areas. It is for these reasons the governments support is considered essential for the continuous progress of the KVI sector.

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