

AN ANALYTICAL STUDY OF THE GROWTH OF KHADI INDUSTRY

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Abstract : Khadi has the proud legacy of our National freedom movement and the Father of the Nation Mahatma Gandhi and it has glorious past and it was strengthening the rural economy before Independence. But after Independence, the glory of Khadi had been diminishing year by year. Khadi was used only by politicians and devoted followers of Mahatma Gandhi. Now due to promotion and attention of Government, the productions and sales of Khadi are suddenly increased. The number of Khadi Institutions is also increased and they are giving employment to Artisans especially from rural area. It gives hope to return the glory of Khadi. This research paper is analyses the increasing productions and sales of Khadi.

Keywords :- Khadi, Swadeshi, KVIC, MSME, Sales, Employment

Introduction :- Khadi has been defined as the cloth is usually woven from cotton and may also include silk, or wool, which are all spun into yarn on a spinning wheel called a *charkha*. Khadi is natural, hand woven, eco-friendly, bio-degradable product. Khadi has the unique feature of keeping the wearer warm in winter season and cool in summer season. Apart from this, Khadi is also known as a symbol of Swadeshi. Khadi gained much prominence when it was institutionalized by Mahatma Gandhi as a symbol Swadeshi to fight against the British rule. The Khadi movement by Mahatma Gandhi aimed for boycotting foreign cloth. Mahatma Gandhi began promoting the *charkha* for spinning of Khadi for rural self-employment and self-reliance. Thus making Khadi was an integral part and an icon of the Swadeshi movement.

But after Independence, the glory of Khadi had been diminishing year by year. Its use has been limited to politicians and devoted followers of Mahatma Gandhi. After Independence, the Khadi and Village Industries Commission (KVIC) under the Ministry of Micro, Small & Medium Enterprises (MSME) of Government of India was established to strengthen and promote Khadi as a means of strengthening the rural economy.

Role of KVIC :- After Independence, within the framework of the First Five Year Plans, the Government of India took an initiative of bringing the development of Khadi and Village Industries. Therefore, the Government of India set up Khadi and Village Industries Commission (KVIC) in 1956. KVIC is a Statutory Organization under the aegis of the Ministry of Micro, Small & Medium Enterprises (MSME) tasked with the role of promoting the production and sale of Khadi. It plays a pivotal role in the strengthening of rural economy for providing employment opportunities by promoting and developing Khadi and Village Industries. Presently, Khadi programme is implemented by KVIC with the support of 34 State and Union Territories. The KVIC has its Head Office at Mumbai and six Zonal Offices located at New Delhi, Bhopal, Bengaluru, Kolkata, Mumbai and Guwahati and 44 Field Offices, spread all over the Country. KVIC has given employment to 4.97 lakh peoples in 2020-21 by training activities through its 35 Departmental and Non-Departmental Training Centres across India. Khadi and Village Industries (KVI) Boards has 2790 institutions and nearly 8035 sales outlets of Khadi Gramodyog Bhandar and Bhavans throughout the country.

Objective of Study :- The following objectives are formulated for the study

- i) To analyze the change in productions and sales of Khadi products.
- ii) To study the employment generation due to production of Khadi.

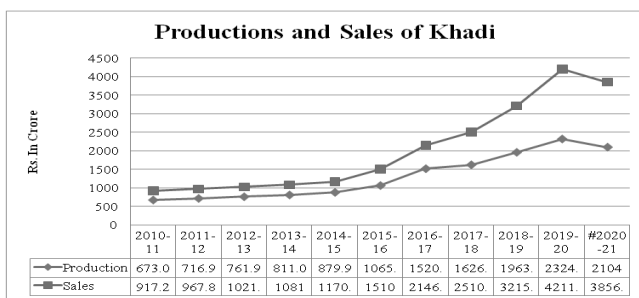
Research Methodology :- The data are collected from secondary sources like Reports, Magazines, Newspapers and Websites.

Govt. Initiative for Promotion of Khadi : The Government of India has given a further boost to the Micro, Small & Medium Enterprises (MSME) Sector by the 'Start Up India' and the 'Stand Up India' Programmes. The Government has also given encouragement to Khadi and Village Industry by

appealing people to purchase the product of KVIC. In “Self Reliant India Mission” the Government of India is encouraging the theme “Local to Global”. Since the efforts are made for widely popular “local” Khadi is set to go “global”.

Production and Sales Scenario of Khadi

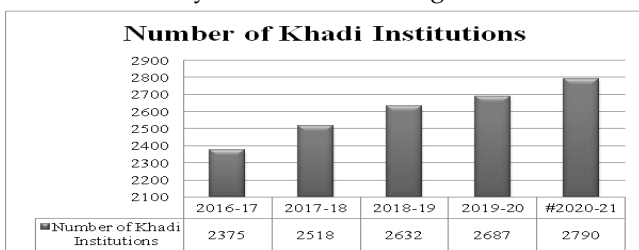
The performance of production and sales of decade are compared. The figure of productions and sales of Khadi from Financial Year (FY) 2010-11 to FY 2020-21 are analyzed in the following chart.



(Source: Reports of MSME) # Projected Figure

The above chart shows the positive impact on productions and sales of Khadi products. If comparing the FY 2010-11 and FY 2015-16, it is found that the productions are increased by 58.33%, Sales are increased by 64.62%. In comparing FY 2015-16 and FY 2020-21, it is found that the productions are increased by 97.45%, Sales are increased by 155.40%. There is a positive change in Productions and Sales from the year FY 2010-11 to FY 2019-20. But it showed negative change in Productions and Sales from FY 2019-20 to FY 2020-21. It may be due to effect of Covid-19. The production of FY 2020-21 is 3.13 times of FY 2010-11. The sales of FY 2020-21 are 4.20 times of FY 2010-11. Khadi sales are bounced strongly in FY 2019-20. Importantly, sales of Khadi in FY 2020-21 were the second highest over the decade. Despite the pandemic of Covid-19, Khadi sales were slightly decreased in the FY 2020-21 from the preceding year.

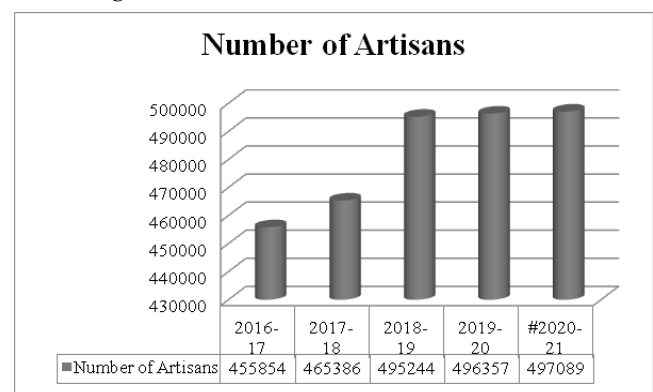
Institutional Framework of Khadi :-The number of Khadi Institutions is compared from FY 2016-17 to FY 2020-21 are analyzed in the following chart.



(Source: Reports of MSME) # upto 31-12-2020

The number of Khadi Institutions is increasing from FY 2016-17 to FY 2020-21. There is 17.27% increase from FY 2016-17 to 2020-21. Khadi and Village Industries (KVI) Boards has 2790 institutions and nearly 8035 sales outlets of Khadi Gramodyog Bhandar and Bhavans throughout the country up to 31st December 2020.

Employment Generation by Khadi :- The number of artisans employed in Khadi Institutions is compared from FY 2016-17 to FY 2020-21 are analyzed in the following chart.



Source: Reports of MSME) # upto 31-12-2020

Indian economy has large scale unemployment and poverty. KVIC has been identified as one of the major organizations for generating sustainable non-farm employment opportunities in rural area. Khadi is a powerful tool for generation of employment in artisans like weavers, spinners and others of rural area with low capital. It undertakes activities like skill improvement, transfers of technology, research & development, marketing, etc., and helps in generating employment and self-employment opportunities in rural areas.

The number of Artisans employed in Khadi Institutions is increasing from FY 2016-17 to FY 2020-21. There is 9.05% increase from FY 2016-17 to FY 2020-21. KVIC has given employment to 4.97 lakh peoples in the end of 2020.

Using of e-Commerce Platform :- KVIC had launched its e-commerce marketplace in the month of July 2020. The website www.ekhadiindia.com is an e-Commerce portal offering latest designed hand-woven Khadi clothes and other essentials products listed across categories such as groceries, footwear, apparel, herbal medicines, spices, and more. According to MSME Ministry FY 2020-21 annual reports, overall the e-commerce portal had registered gross online sales worth over Rs 1.12 crore

within eight months of its operations. KVIC had reported 32 lakh digital transactions during FY 2020-21. According to KVIC, it had forced to remove more than 160 web links and sent legal notices to more than 1,000 firms for selling the fake products in the brand name of Khadi.

Recent Strategic Initiatives by KVIC to Promote Khadi

-: Recently, various strategic initiatives have been taken by KVIC to promote Khadi in the Country. They are

- 1) KVIC has started online registration for new Institutions through Khadi Institutions Registration and Certification Seva (KIRICS).
- 2) KVIC and Khadi Institutions are working with the reputed retailers to offer suitable platform for retailing Khadi products through Digital Marketing, e-Marketing, Bhim App, Franchisee, e-Commerce, etc.
- 3) A separate portal for Rojgar Yukta Gaon (RYG) has been designed, developed and made functional from 22nd February, 2020.
- 4) An online portal for Mission Solar Charkha (MSC) has been developed and implemented for eco-friendly business.
- 5) A new software application has been designed and developed for the benefit of Central Sliver Plants (CSPs) to record their supply of raw material (sliver / roving) to the Khadi Institutions (KIs).
- 6) Separate web portal for Khadi Reform and Development Programme (KRDP) has been designed and developed.
- 7) Online Government Supply System has been designed, developed and made live with a view to handle entire Government Supply chain through online.
- 8) In order to ease out the problem of manual budget, KVIC has designed, developed and launched an online Budgeting System for Khadi Institutions.
- 9) Online Recruitment system was facilitated to receive applications against the vacancies published by KVIC.

- 10) The KVIC has developed double layered and triple-layered Cotton as well as Silk face masks for protection from Corona Virus. Masks are available in two colors for men and in multiple colors for women.
- 11) The KVIC plans to export Khadi face masks in countries like Dubai, USA, Mauritius and several European and Middle East countries where Khadi's popularity has significantly grown over the last few years.

Conclusion :- From the above study, it is concluded that the production and sale of Khadi products has recorded a quantum jump. The comparison for the decade shows that the productions are changed by more than three times and the sales are changed by more than four times. The number of Khadi Institutions is also increased and they are giving employment to Artisans like weavers, spinners and others especially from rural area. Government is also paying attention for promotion of Khadi Products. Riding high on the upsurge in demand for Khadi products, it may expect that Khadi would surpass the sales target of Rs. 5,000 crore and it would serve the job for 5 lakh artisans in the near future. It would be says that once again the Khadi Products may get return their glory and become the weapon against rural unemployment and poverty.

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