

**GOVERNMENT OF INDIA  
AGRO AND RURAL INDUSTRIES  
LOK SABHA**

UNSTARRED QUESTION NO:4485  
ANSWERED ON:08.05.2007  
ESTABLISHMENT OF KHADI AND VILLAGE INDUSTRIES COMMISSION  
Prabhu Shri Suresh Prabhakar

**Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:**

- (a) the total cost of establishment of Khadi and Village Industries Commission (KVIC) and the amount spent on providing assistance etc. during each of the last three years;
- (b) the manner in which the Khadi and Village Industries Commission ensures Gandhian way of life to be inculcated in its functioning;
- (c) the results achieved by KVIC in its various activities during each of the last three years; and
- (d) the extent to which employment of jobs created by KVIC and the manner in which it is ensured that the jobs are sustainable?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): The details of the total expenditure on establishment of Khadi and Village Industries Commission (KVIC) and the amount spent on providing assistance, etc. under various programmes/schemes for development and promotion of khadi and village industries (KVI) during each of the last three years, are given below :

(Rs.crore)

Year	Establishment Expenditure (Non Plan)	Amount Spent for assistance of Plan Scheme
2004-05	68.74	505.35
2005-06	69.65	550.38
2006-07	70.23	591.61

# Provisional figures

(b): A brief description of the manner in which the KVIC endeavours to ensure inculcating Gandhian way of life in its functioning is given below:

(i) The functioning of KVIC is based on the Gandhian Ideology as expressed in his last will; KVIC has adopted various austerity measures in implementing KVI programmes / schemes. In addition to this, in various training programmes for the rural youth, the Gandhian ideology, thought and way of life for social upliftment have been made as a part of the curriculum to inculcate ethics and value system in their life.

(ii) The basic functions entrusted to KVIC are to plan, promote, facilitate, organise and to assist in the establishment and development of khadi and village industries in the rural areas as strongly advocated by Gandhiji.

(iii) KVIC promotes cooperative spirit among the rural people and also encourages non government organisations to undertake KVI programme.

(iv) The KVI programme is exclusively undertaken in rural areas to fulfill Gandhiji's visualisation of self sufficient villages.

(v) KVIC provides employment opportunities to rural people in their cottage/village itself in order to arrest the rural migration to urban areas and also make villages self-reliant.

(vi) Priority is given to the coverage of women, destitutes and other weaker sections under KVI programmes.

(vii) Khadi programme is exclusively undertaken as hand operated activity without use of power, whereas most of the village industries programmes are conducted with the help of small tools and implements on the principle of production by masses rather than mass production.

(viii) Some of the activities of village industries which go against the Gandhian ideology, ethos, etc., have been kept out of the purview of KVIC's assistance.

(c) : The achievements made by KVIC under khadi programme, village industries (VI) programme, REGP, Product Development, Design Intervention and Packaging (PRODIP) programme and Rural Industries Service Centre (RISC) scheme, during the last three years are given below :

Year	Number of Khadi Institutions	Khadi Production (Rs. crore)	REGP Projects	Number of V.I. production (Rs. crore)	Number of PRODIP projects	Number of RISC projects
2004-05	1701	461.54	23,453	10,485.89	69	41
2005-06	1891	468.30	26,650	11,915.54	83	52
2006-07	1900	474.80	22,300	14,056.89	162	72

# Provisional figures

(d): Details of employment generated under khadi and REGP/VI programme during the last three years are given below :

(lakh persons)

Year	Khadi	REGP/VI	Total KVI
2004-05	8.64	68.14	76.78
2005-06	8.68	74.09	82.77
2006-07#	8.73	79.10	87.83

# Provisional figures

Under khadi, in order to make the employment sustainable, a working fund system is in vogue under which the khadi implementing agencies are permitted to retain the working capital in the form of working fund, thus ensuring continuous, sustainable employment to the workers engaged in khadi programme. KVIC provides interest subsidy to the institutions to avail of funds from banks at subsidized rate for the production/sales purposes, so that hassle free production and employment is ensured. With effect from August, 2003 Janashree Bima Yojana scheme has been launched by which insurance coverage is provided to khadi workers. This measure further helps to increase the social safety net of workers engaged under khadi programme. Under village industries/ REGP alongwith margin money, KVIC also provides funds for various backward forward linkages in order to ensure sustainability of the REGP units and their employment.