

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

STARRED QUESTION NO:108

ANSWERED ON:08.12.2004

REVAMPING KHADI AND VILLAGE INDUSTRIES COMMISSION

Mehta Shri Alok Kumar;Yadav Shri Devendra Prasad

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

(a): whether the Government has taken a decision to revamp the Khadi and Village Industries Commission constituted under the Parliamentary Act of 1957;

(b): if so, the reasons therefor;

(c): whether it has proposed to constitute an expert group for this purpose; and

(d): if so, the details thereof alongwith its terms and conditions?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)to(d): A statement is placed on the Table of the Sabha.

STATEMENT REFERRED TO PART (a) to (d) OF LOK SABHA STARRED QUESTION NO. 108 TO BE ANSWERED ON 08.12.2004.

(a)&(b) : In the National Common Minimum Programme, the Government has declared to revamp the Khadi and Village Industries Commission (KVIC). This has been necessitated mainly because of the steep decline in employment in the Khadi sector and nearly stagnant sales of khadi over the years, the need to take effective measures to introduce modern management practices in the KVIC and make the khadi products competitive in the globalised economy and to enable the Government to generate more employment opportunities in the rural areas through the schemes, projects and other activities of the KVIC. Towards this objective, the Government has dissolved the Commission with effect from 14 October, 2004 in exercise of its powers under section 25(1) of the KVIC Act, 1956.

(c)&(d): By an order dated 01 December 2004, the Government has set up a ten Member Expert Committee under the chairpersonship of Shri D.M. Sukthankar, Former Secretary to the Government of India and Former Chief Secretary, Government of Maharashtra, with the following terms of reference:

(i) to review the existing structure, functioning and performance of the KVIC since its inception;

(ii) to review the Khadi and Village Industries Commission Act, 1956 (No. 61 of 1956), KVIC Rules, 1957 and the Regulations made thereunder and to recommend restructuring, alongwith modifications, if any, in these statutes, to achieve the objectives of (a) development of Khadi and Village Industries (KVI) and (b) making KVIC a more professional and effective body for implementation of the existing KVI programmes/schemes and/or launching new programmes/schemes with a view to enhancing employment and income generation in the rural areas and expanding the markets for (including export of) Khadi and Village Industry products; and

(iii) to recommend any other measure(s) considered necessary by the Committee to revamp the KVIC and to launch new, appropriate programmes/schemes.

The Committee is expected to submit its report within 60 days from the date of its first meeting.