

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:1097

ANSWERED ON:16.08.2012

FACILITIES TO KHADI WORKERS

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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the details of the facilities being provided by Khadi and Village Industries Commission (KVIC) to Khadi and village industries;
- (b) whether a certain wage is fixed for a certain work and workers are being paid accordingly;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) the names of the schemes being implemented by KVIC for the welfare of Khadi and village industries workers;
- (e) the nature and number of complaints made by these workers during each of the last three years and the current year, State-wise; and
- (f) the action taken by the Government thereon?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VAYALAR RAVI)

(a): Facilities provided by Khadi and Village Industries Commission (KVIC) to khadi and village industries include: (i) assistance under 'Market Development Assistance' @ 20% of value of production to be shared among artisans, producing institutions and selling institutions; (ii) concessional credit in the form of Interest Subsidy Eligibility Certificate (ISEC) under which working capital is made available to the institutions at 4% interest and the gap between the actual rate of interest of the bank and the concessional rate of 4% is borne by KVIC; (iii) assistance under 'Product Development Design Intervention and Packaging (PRODIP)'; (iv) support to clusters under 'Scheme of Fund for Regeneration of Traditional Industries (SFURTI)'; and (v) assistance under 'Strengthening Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure'.

In addition, a major programme for village industries, namely, Prime Minister's Employment Generation Programme (PMEGP) is being implemented under which assistance is provided to set up micro-enterprises in the non-farm sector. Under PMEGP, general category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as scheduled castes, scheduled tribes, OBCs, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to NER, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of project is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector.

Besides, khadi and village industries (KVI) entrepreneurs are given international exposure by assisting them to participate in international fairs and exhibitions. KVIC also organizes a number of domestic fairs and exhibitions for their benefit. Khadi and Gramodyog Bhawans of KVIC also provide them opportunity for marketing their products.

(b)&(c): Khadi activities are carried out by institutions which are non-profit organizations. Artisans are paid remuneration as per their output, keeping in view the minimum rates fixed by KVIC from time to time for specific types of works. Besides wages, incentives @ 10% of wages and contribution to Artisans' Welfare Fund Trust @ 12% of wages are also provided by the institutions. 25% of MDA on production of khadi and polyvastra is given to the artisans as an additionality.

(d): KVIC, in association with Life Insurance Corporation of India (LIC), implements a group insurance scheme named Khadi Karigar Janshree Bima Yojana to provide insurance cover to khadi artisans against normal and accidental death and disability. The scheme offers an add-on benefit, a scholarship of Rs. 100 each per month for upto two school going children of the insured artisans studying in standard IX to XII and in courses offered by Industrial Training Institutes (ITIs).

(e)&(f): State-wise details of the complaints made by KVI workers are not maintained centrally in the Ministry. Complaints received from workers are attended to by KVIC on a continuing basis.