

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

UNSTARRED QUESTION NO:70
ANSWERED ON:02.12.2003
TRADITIONAL RURAL COTTAGE INDUSTRIES
SURESH CHANDEL

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

- (a) whether the Union Government are aware of the fact that due to deteriorating condition of traditional rural cottage industries, rural people are migrating to towns in search of employment, which is increasing the population of towns and creating imbalance between towns and villages;
- (b) if so, the steps taken by the Government to promote rural industries to check migration of rural people to towns; and
- (c) if not, the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF AGRO AND RURAL INDUSTRIES (SHRI SANGHPRIYA GAUTAM)

(a) to (c): No, Sir. The Khadi and Village Industries sector consists essentially of conventional (traditional) rural cottage industries. Government have been taking steps from time to time for the promotion and development of rural and cottage industries with positive results. Assistance provided to this sector consists of margin money assistance under Rural Employment Generation Programme (REGP), training, technological and marketing support. As a result, village industries have registered growth in production and employment. During 2002-03, Khadi and Village Industries had sales of Rs. 10,193 crores and employment of 66.45 lakh persons as against sales of Rs. 8911 crores and employment of 62.64 lakh persons in 2001-02.

In order to further strengthen this sector in the country, 'Khadi Package' was announced by the Government on 14.05.2001. The package mainly consists of creation of packaging and design facilities, measures to promote marketing, branding building, cluster development etc.

In view of the above, it may be seen that traditional rural and cottage industries are improving and the migration from rural areas to urban areas is not due to deteriorating condition of rural cottage industries.