

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

UNSTARRED QUESTION NO:2492
ANSWERED ON:14.03.2006
FINANCIAL ASSISTANCE FOR RURAL ECONOMY
Nayak Smt. Archana

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

- (a): whether the artisans, weavers, cottage and rural industries are facing hardships and disintegration;
- (b): if so, the details thereof;
- (c): whether there is any proposal to provide more financial assistance to them to boost the rural economy; and
- (d): if so, the details thereof?

Answer

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

(a): The employment in the village industries sector has shown steady growth over the years. The employment of spinners and weavers of khadi declined considerably during the period 1997-2002 but has shown some improvement since then. Thus, the total value of production and employment generated in the khadi and village industries taken together have increased by 27.43 per cent and 15.54 per cent during 2002-03 to 2004-05.

(b): Spinning and weaving of khadi and further production processes are carried out by khadi institutions which are autonomous bodies, generally registered as societies and supported by the Central and State Governments through statutory organizations like the Khadi and Village Industries Commission (KVIC) and the State/Union Territory Khadi and Village Industries Boards (KVIBs) concerned. Paucity of funds with the khadi institutions for replacing outdated charkhas and looms, inadequate attention to production and sales planning, particularly product quality and marketability, weak working capital position of these institutions due to high unsold stocks and non-payment of rebate in time, etc., contributed to the decline of employment in the khadi sector.

(c)&(d): The KVI sector has continued to receive priority as can be judged from the fact that budgetary allocation has increased from Rs. 423.91 crore (actual) in 2002-03 to Rs. 677.75 crore (BE) in 2006-07. Besides, the Government has recently approved the 'Scheme of Fund for Regeneration of Traditional Industries'(SFURTI) for implementation in 25 khadi and 50 village industry clusters for their holistic development, with the aim of improving, inter alia, employment prospects of the artisans and weavers.