

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

UNSTARRED QUESTION NO:1875

ANSWERED ON:05.12.2006

REVAMPING OF KVIC

Barman Shri Ranen;Bose Shri Subrata;Pallani Shamy Shri K.C .

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

- (a): the number of people and artisans employed in Khadi and Village Industries Commission (KVIC), separately;
- (b): whether there is a steep decline in employment opportunities in KVIC;
- (c): if so, the details thereof;
- (d): the steps taken to make the Khadi and Village Industries products competitive in the global economy and to revamp the KVIC;
- (e): whether more employment is likely to be created through revamping of KVIC; and
- (f): if so, the details thereof?

**Answer**

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

(a): As on 31.03.2006, 8.68 lakh persons, including khadi spinners and weavers, are employed in the khadi sector and 74.09 lakh persons are employed in the village industries sector according to information furnished by Khadi and Village Industries Commission (KVIC).

(b)&(c): On the whole, there has been no decline in employment in the khadi and village industries as is evident from the details given in the table below :

Year	Employment (lakh persons)	
	khadi	Village industry

2002-03	8.58	57.87
2003-04	8.61	62.58
2004-05	8.64	68.14
2005-06	8.86	74.09

(d)to(f): To strengthen the khadi and village industries (KVI) and make them competitive in the global economy, Government (in the Ministry of Agro and Rural Industries) has been implementing schemes like Interest Subsidy Eligibility Certificate scheme

(ISEC) providing subsidised rates of interest on bank loans, Product Development, Design Intervention and Packaging (PRODIP) Scheme for improving designs and packaging of KVI products, and Rural Employment Generation Programme (REGP) through KVIC for setting up village industries by providing subsidy in the form of margin money. Assistance is also provided to KVI units to participate in exhibitions at the national, sub-national levels to assist marketing of KVI products. These facilities are available to all eligible cottage and rural industries. Further, the Government has launched the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) in 29 khadi, 50 village and 25 coir industry clusters for five years beginning 2005-06. SFURTI envisages assistance for setting up of common facility centres, quality improvement, training and capacity building, development of new products, improved packaging, new design, market promotion, etc.

Further, the Expert Committee constituted to suggest measures for revamping of KVIC and programmes/schemes had, inter alia, recommended strengthening of the khadi and village industries by restructuring of some of the on-going schemes. In pursuance of the accepted recommendations, KVIC has prepared proposals in this regard with aim of creating more employment opportunities in the

KVI sector.