ABSTRACT

A STUDY OF ECONOMIC ACTIVITIES OF KHADI AND VILLAGE INDUSTRIES BOARD IN SOLAPUR DISTRICT

Introduction:

Any industry located in a rural area which produces any goods or renders any service with or without the use of power and in which the fixed capital investment per head of an artisan or a worker does not exceed \([\text{one lakh rupees}]\) or such other sum as may, by notification in the Official Gazette, be specified from time to time by the Central Government;

Provided that any industry specified in the Schedule and located in an area other than a rural area and recognized as a village industry at any time before the commencement of the Khadi and Village Industries Commission (Amendment) Act, 1987 shall, notwithstanding anything contained in the sub-clause, continue to be a village industry under this Act; Provided further that in the case of any industry located in a hilly area, the provisions of this sub-clause shall have effect as if for the words "one lakh rupees", the words "one lakh and fifty thousand rupees" had been substituted.

Significance of the Study:

Today the Khadi and Village Industries have a strong foothold. The low capital investment, the easy availability of raw materials and the need for simple skills favor the villages industries. These provide a livelihood to the villager serve to supplement the income of the peasant. Since a majority of these vocations involve anterior and posterior industries, these lead to the overall growth and development of the village. The dictates of economy of a village be distributed within it or in the neighboring towns and cities.

The making of pottery, textiles, shellac, ghani oil, cottage soap, handmade paper, fireworks and agarbatis, cater to the simple needs of rural life and are rooted in the village tradition. The idea behind these craft and skills
is to fulfill the villager’s requirements, simultaneously providing in him a spirit of self-reliance. Creative expression is combined with utility to make art a part of life. The true significance of handicrafts lies in the newness and surprise of each object. No two are alike since each one is a new creation defeats the very purpose of a handcrafted object. The advent of science and technology in this field has resulted in the electrically operated potter’s wheel which makes operation facile and increases earnings. The use of the double ball-bearing potter’s wheel has further improved the performance.

**Statement of the Problem:**

Khadi and village industry sector, is implementing package of (i) providing the option of market development assistance (MDA) or rebate for khadi cloth; (ii) continuity of rebate/MDA for five years; (iii) creation of a database for the sector; and (iv) intensive marketing support so that the sector may fulfill the objectives of generating rural employment and improving the quality of life of the rural people. Keeping in the above things the present study is entitled, ‘A Study of Economic Activities of Khadi and Village Industries Board in Solapur District’.

**Objectives of the Study:**

The following are the main objectives of the study:

1. To study the progress of khadi and village industries.
2. To study the working unit, production and sales of khadi and village industries.
3. To study the employment and earning in khadi and village industries.
4. To study the various economics activities of board in the study area.
5. To examine the socio-economic condition of the beneficiaries.

**Hypothesis of the Study:**

The following are the hypothesis for the present study.

1. The performance of Khadi and Village Industries in providing the employment opportunities is significant.
2. The performance of Earning of Khadi and Village Industries is significant.

**Research Methodology:**

The following methodological procedure is adopted.

**The Study Area and Sampling Plan:**

1. **Selection of the Area:**

   All talukas of Solapur District is selected as study area. The names of these talukas are North Solapur, Barshi, Akkalkot, South Solapur, Mohol, Mangalvedha, Pandharpur, Sangola, Malshiras, Karmala, Madha. Almost every taluka is having the activities of Khadi and Village industries board.

2. **Selection of the Respondents:**

   The name list of beneficiaries of Khadi and Village industries is collected from District Industrial Centre (DIC), Solapur. The DIC is provided total 350 beneficiaries name list with their unit address. Out of them, only 150 beneficiaries are responded and remaining beneficiaries are not given any information of their units during the study because of their various problems. Therefore, after selection of the area, total 150 respondents (Unit Owner) from eleven taluka of Solapur District is selected as beneficiaries of Khadi and Village industries scheme for analysis by adopting purposive sampling technique.

**Period of the Study:**

As pointed out earlier, the present study aims to examine the progress made by the Khadi Village Industries in Solapur District. In this direction the period, from 2000-01 to 2009-10 is selected for analysis.

**Collection of Data:**

The analysis is mainly based on both primary and secondary sources of the data. The primary data is collected by personal observation and personal interviews with structured schedule from the selected respondents for the study. The statistical data on relevant information is collected from the Annual
Reports published by KVIC and KVIBs. Additional information is also collected from the books, journals, Govt. publications library and Internet etc.

**Tools for Data Analysis:**

Keeping in view the objectives of the study, some appropriate statistical techniques are used for relevant variables. Moreover, some graphical devices are used for data analysis.

**Data Processing Plan:**

The data thus collected is processed with the help of Computer Software viz. MS Excel and SPSS etc.

**Name of Chapters:**

1. Introduction
2. Research Methodology and Review of Literature
3. Performance of Khadi and Village Industries
4. District and Taluka wise Progress of Khadi and Village Industries
5. Empirical Study of Beneficiaries
6. Findings and Suggestions

**Major Findings of the Study:**

Major findings are derived from the secondary and primary source of data. For this purpose, secondary source of data of khadi and village industries during 2000-01 to 2009-10 is analyzed on one hand and with help of structured interview schedule primary data has been collected. The present study aims to examine the progress made by the Khadi Village Industries in Solapur District. The major findings of the present study are summarized as follow.

Among the financed units, the role of co-operative society is significant. In case of Co-operative society Maximum no of units are considered in Agro based industry with 449 financed units and it is followed by Mineral based
Industry, Polymer and Chemical and Forest based industry with 350, 207 and 168 units respectively.

It is observed that from the total 150 respondents. 38(25.3%) respondent have From the Year of 2010. 33(22.0%) respondents have from the year of 2009. 15(10.0%) respondents have from the year of 2005. 8(5.3%) respondent have from the year of 2002, 2003 and 2006. 4(2.7%) respondent have from the year of 2001.

It is observed that from the total 150 respondents. In this 65(43.3%) respondent have mediator for purchasing raw material and 85(56.7%) respondent have not mediator for purchasing.

It is observed that from the total 150 respondents. 103(68.7%) respondent have taken adequate loans or advance available for business. 47(31.3%) respondent have not taken adequate loans or advance available for business.

It is observed that from the total 150 respondents. 149(99.3%) respondent have taken government subsidy for their business. 1(0.7%) respondent have taken government subsidy for their business.

It is observed that from the total 150 respondents. 108(72%) respondents are using Local Market place or products of the respondents. 40(26.7%) respondent are using National and Wholesale market for their products. And remaining 2(1.3%) respondents are using both methods for their products.

It is observed that from the total 150 respondents. 99(66%) respondents are having marketing by direct sales. 47(31.3%) respondents are having marketing through Agent/Societies. 4(2.7%) respondents are using both methods for their marketing products.

It is observed that from the total 150 respondents. 45(30%) respondents have 2 no of male employees. 34(22.7%) respondents have 1 no of male employees. 25(22.7%) respondents have 3 no of male employees. 19(12.7%) respondents have 4 no of male employees. Each 1(.7%) respondents have 8, 15, 17, 20 no of male employees.
It is observed that from the total 150 respondents, 37(24.7%) respondent have 2 female employee. 18(12.0%) respondent have only 1 female employee. 7(4.7%) respondent have 3 and 4 female employees. But 1(.7%) respondent have 7 and 15 female employees.

It is observed that from the total 150 respondents, 32(21.3%) respondents have 2 total employees. 32(21.3%) respondents have 2 total employees. 26(17.3%) respondents have 4 total employees. 23(15.3%) respondents have 1 total employees. 20(13.3%) respondents have 3 total employees. 15(10.0%) respondents have 5 total employees.

It is observed that from the total 150 respondents, 121(80.7%) respondent have 1 family labour. 17(11.3%) respondent have only 2 family labor. 1(.7%) respondent have 4 family labour.

It is observed that from the total 150 respondents, 3(2.0%) respondents have getting Social Security. 147(98.0%) respondents have not getting Social Security.

It is observed that from the total 150 respondents, 3(2.0%) respondents are doing marketing of production and remaining 147(98%) respondents are not doing marketing of production.

It is observed that from the total 150 respondents, 105(70%) respondents have role of board in overall growth of units. 45(30%) respondents have role of board in overall growth of unit.

It is observed that from the total 150 respondents, 72(48%) respondents have got inadequate finance and 78(52%) respondent have got adequate finance.

It is observed that from the total 150 respondents, 6(4%) respondents have got limited installed capital. And remaining 144(96%) have got sufficient installed capital.

It is observed that from the total 150 respondents, 3(2%) respondents have lack of information. 147(98%) respondents are well informed.
It is observed that from the total 150 respondents, 72 (48%) respondents have got inadequate finance and 78 (52%) respondent have got adequate finance.

It is observed that from the total 150 respondents, 72 (48%) respondents are having problem of subsidy. 77 (51.3%) respondents are not having problem of subsidy.

It is observed that from the total 150 respondents, 72 (48%) respondents have got inadequate finance and 78 (52%) respondent have got adequate finance.

**Suggestions:**

Khadi and Village industries in the Solapur district are facing various problem related to their units and workers. Therefore following suggestions are given for the improvement of the industrial units in the district.

Government shall provide the Social Security to the workers with help of various government programs.

Board shall help to the units for marketing of production produced by the unit by providing proper information. Give incentive by the board to unit for overall growth of units.

Board should help and guide to units for access adequate finance for their units.

Financial institution shall help by providing the financial arrangement for extension of installed capacity of the unit.

Government shall provide the input subsidy to the unit to reduce their cost of production and it will help to sale their goods in the reasonable price in the market.

Board should encourage the establishment of cooperative societies in the villages of Solapur district where still they have not exits. Board should run training centers and to train people from the various Taluka of Solapur district.
with the necessary knowledge for starting or carrying on Khadi or village industries.

Board should arrange for the supply of raw materials, tools and implements and for the finished products of such industries.

For the better future of the unit, board arrange for publicity of products of such industries with the help of opening stores, and exhibitions.

Village industries will help to the poor people and artisans from the rural area. Therefore, board should give financial and technical guidance to the individual artisans and supply the raw materials and marketing of the products to the artisans.

In brief, if board help to khadi and village industries for their overall development by providing various facilities, it will create employment opportunities to maximum persons at minimum economic investment and ensure economic balance in the rural area.