

Sustainable Development Through Decent Work in Khadi and Village Industries in India

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Abstract

Khadi and village industries in India is a leading MSME which provides more than 50% of job opportunity when compared to the other MSME in India. However, in Khadi and village industries are the primary employers creating MSME sector in India but their average productivity levels are lower than those of other sectors of MSME. ILO in 2015 has put forward the concept of decent work under sustainable development goals to revive the sector and to increase the productivity of labourers and to increase its contribution to GVA. So, in the present study the researcher tries to analyse the condition of Khadi and village industries on the basis of the indicators put forward by ILO.

Key words: Sustainable development, Decent labour Khadi and village industries

Introduction

The Ministry of MSME oversees the Khadi & Village Industries Commission (KVIC), a Statutory Organization tasked with promoting and developing Khadi and Village Industries to create jobs in rural areas and bolster the rural economy. The KVIC was established under the Khadi and Village Industries Commission Act, 1956 (61 of 1956). KVIC has been recognized as one of the leading companies in the decentralized sector for creating low-cost, long-term non-farm job prospects in rural areas. It carries out tasks including technology transfers, skill development, research and development, marketing, and so on. It also assists in creating job and self-employment prospects in rural areas.

In April 1957, the Government of India established the Khadi and Village Industries Commission (KVIC) as a statutory entity pursuant to the 'Khadi and Village Industries Commission Act of 1956', a parliamentary act. Regarding khadi and village industries in India, it is the highest authority under the Ministry of Micro, Small, and Medium Enterprises. Its mission is to "plan, promote, facilitate, organise and assist in the establishment and development of khadi and village industries in the rural areas in coordination with other agencies engaged in rural development whenever necessary."

The commission operates on three primary objectives

These include:

- The Social Objective, which is to create jobs in rural regions;
- The Economic Objective, which is to provide marketable goods; and
- The Wider Objective, which is to empower people and foster a strong sense of community in rural areas.

Decent work and sustainability in Khadi and village industries

Productivity increase has historically been a key factor in income development and rising living standards because of the link between productivity levels and salaries. However, while MSMEs are the primary employers worldwide, their average productivity levels are lower than those of larger businesses, which has an impact on global income disparities.

The following are the important feature of decent work of ILO in the present study the researcher tries to analyse the sustainability in Khadi industries by going the lens of decent work which consists of following features.

- ✚ Employment opportunities
- ✚ Earning and productive work
- ✚ Female employment
- ✚ Child labour
- ✚ Social benefits

Rationale of the study

For the second G20 Employment Working Group conference, the International Labour Organization (ILO) and the Organization for Economic Cooperation and Development (OECD) outline how a comprehensive strategy might boost productivity in MSMEs. The "Productivity Ecosystem for Decent Work" concept takes into account the primary drivers of MSME productivity, including labor skills and management, enterprise formalization, and social protection access. The substantial differences in productivity difficulties between industries and areas must be taken into consideration from both a sector and local perspective. As we know the khadi and village industries in India is a leading MSME which provides more that 50%of job opportunity when compare to the other MSME in India. The researcher tries to analyse the condition of khadi and village industries in India.

Methodology used for the study

The study is based on secondary data including the estimates of the SSRN, Ministry of MSME, and the N.S.S.O. For this study, data from newspapers, periodicals, the Indian survey, the statistical department, and the survey of economics were gathered. Secondary data pertaining to the Khadi and village industries in the years of 2016–2021 was gathered.

Objectives of the study

1. To analyse the condition of labourers of Khadi and village industries on the basis of decent labour concept of ILO

- ✚ Employment opportunities in **Khadi and village industries** by comparing with other sectors
- ✚ Earning on Productive work
- ✚ Child labour in **Khadi and village industries**
- ✚ Poverty among the Khadi and village industrial workers

Analysis and interpretation of data

1. To analyse the condition of labourers of Khadi and village industries on the basis of decent labour concept of ILO

- ✚ Employment Status in MSME
- ✚ Earning on Productive work
- ✚ Child Labour
- ✚ Male female ratio
- ✚ Poverty

The Analysis and Interpretation of Data

A. Employment Status in Khadi and Village Industries

This section's questions gauge an employment relationship's degree of stability, flexibility, or precariousness. The best practices in the field stipulate that employees must have a written contract of employment, that workers on fixed-term contracts should not be hired for tasks of a permanent nature, that a reasonable probation period (ideally less than or equal to six months) may be followed to assess an employee's suitability, that a period of notice must be specified in an employment contract before severing the employment relationship, and that workers must be paid severance allowance on termination of employment relationship.

Despite the fact that these requirements are not specifically mentioned in a single convention (the Termination of Employment Convention No. 558 provides the requirements for severance pay and notice requirements). The main objective of Khadi and Village Industries (KVI) programme during the 8th Plan was to create additional employment opportunities in the non-farm sector and to ensure increased wages/earnings to the rural workers.

Table 1

Number of persons employed by MSMEs registered on the MSME portal (in million)

Year	Employment
2017-18	5.2
2018-19	3.9
2019-20	4.3
2020-21	9.0
2021-22	9.4

Source: Ministry of MSMEs, PIB

Table 2.

Employment Status in Khadi and Village Industries

Year	Employment
2018	135.71
2018-19	142.03
2019-20	147.76
2020-21	154
2021-22 (up to 31 - 12 - 2021)	159.10
2021-22 (Projected up to 31 - 03 - 2022)	161

Source: dmeo.gov.in.

Table 3.

Comparative Performance of Khadi & Village Industries (Rs. in crore and Employment in lakh persons)

	Industry	2017-2018	2018-2019
1.	Production		
A.	Khadi, Polyvastra And Solavastra	1626.66	1963.30
B.	Village Industries	46454.75	56255.18
C.	Total KVV Production	48081.41	58218.48
2	Sales		
A.	Khadi, Polyvastra And Solavastra	2510.21	3215.13
B.	Village Industries	56672.22	711113.68
C.	Total KVV Production	59182.43	74328.81
3	Employment		
A.	Khadi, Polyvastra And Solavastra	4.65	4.95
B.	Village Industries	135.71	142.03
C.	Total KVV Production	140.36	146.98

Source: dmeo.gov.in.

B. Earning on Productive Work

The **Khadi & Village Industries** in India gave a major boost to the MSME. Over million **Khadi & Village Industries** spread across the country contributed 30.5% to India's GDP in FY19 and 30% in FY20. It also created many employment opportunities. Based on a study conducted by the Ministry of Statistics & PI between July 2015 and June 2016, the MSME sector employed 111 million workers. Compared with large-scale companies, MSMEs aided in the industrialisation of rural areas at minimal capital cost. The sector has made significant contributions to the country's socio-economic growth and complemented major industries as well. MSMEs account for approximately 40% of India's total exports, 6.11% of GDP from the manufacturing sector and 24.63% of GDP from the services sector.

Table 4.

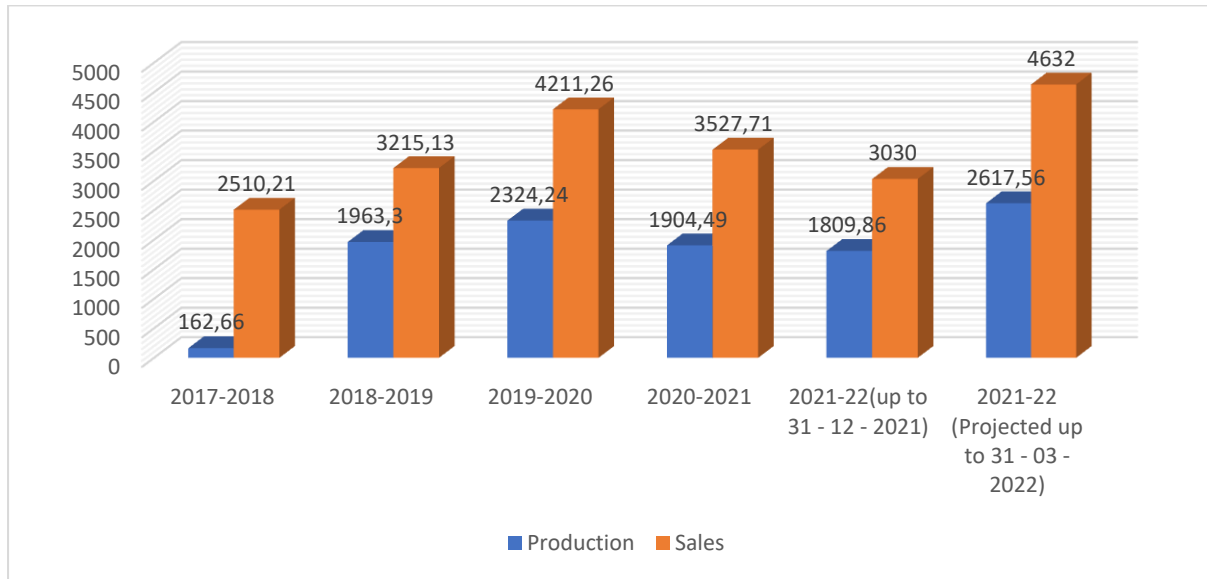
Contribution of MSME to GVA

Year	GVA of MSME
2014-2015	431.9387
2015-2016	537.048
2016-2017	595.5817
2017-2018	672.9866
2018-2019	759.5718

Source: Ministry of Micro, Small and Medium Enterprises – Annual Report

Figure 2.

Khadi Sector: Production & Sales (Rs. in Crore)



Source: dmeo.gov.in.

Table 5.

Village Industries: Production & Sales

Year	Production	Sales
2017-2018	46454.75	56672.22
2018-2019	56167.04	71076.96
2019-2020	65343.07	84664.28
2020-2021	70330.66	92213.65
2021-22 (up to 31 - 12 - 2021)	60694.43	81375.16
2021-22 (Projected up to 31 - 03 - 2022)	83315.41	108446.21

Source: dmeo.gov.in.

C. Child Labour

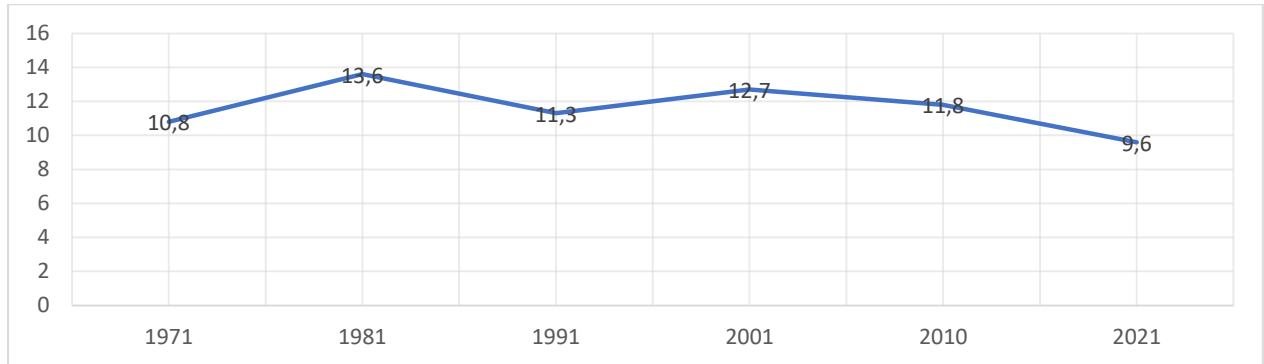
According to ILO Children may not be made to perform tasks at work that endangers their health or hinders their physical or mental development. Every child ought to be allowed to go to school. It is acceptable for kids between the ages of 12 and 14 to work light tasks as long as this is protected. Although

emerging nations may set the minimum age at 14, the standard minimum age is 15. The legal minimum age to perform hazardous labour, or work that could endanger minors' health, safety, or morals, is eighteen. Under some conditions, it can alternatively be set at a lesser level of 16 years.

An Act of 1986 prohibit the child labour. It prohibits the child labour in hazardous job. But the child is engaged in weaving section of Khadi industry. The below figure shows the engagement of child in Khadi industry.

Figure 2.

Child Labour In Khadi and Village Industries (Weaving)



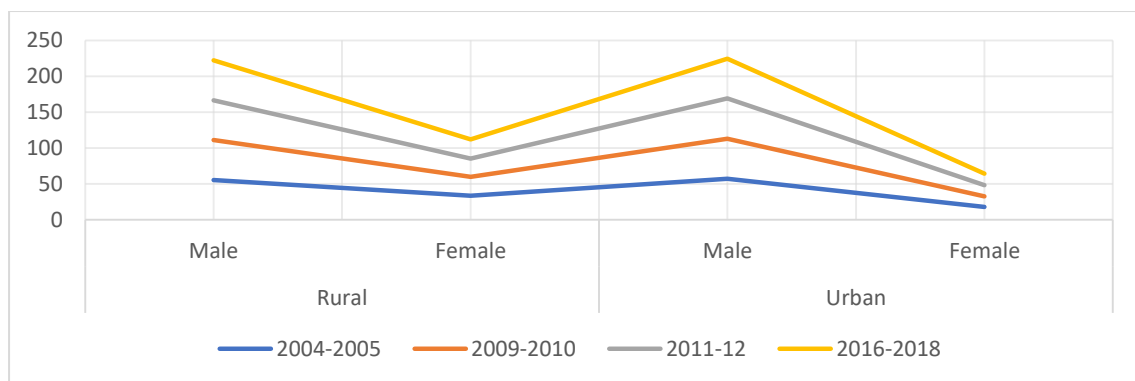
Source: Government of India (2021).

D. Male Female Ratio

According to the decent labour concept for sustainable development the women should be employed equally with male but when we analyse the Khadi and village industries male is contributing more when compared to male in the Khadi and village industries. Since Khadi and village industries contribute much in MSME sector it should also give priority to female if decent labour should be implemented in this sector.

Figure 3

Male female in Khadi and village industries



Source: Secondary Data, various reports of NSSO

E. Poverty among the Khadi and Village Industries

Under the decent labour concept put forward by ILO it prohibits the workers poverty condition. The job they engaged should be such that they will be able to feed their children and family and should help to lead a quality life.

A family of a rural industry worker makes around 35% more per capita than a family of a khadi worker. But in the absence of the additional revenue from the khadi and village industry units, the per capita income for both kinds of families is essentially the same. However, the revenue generated by the village industries is significantly higher (70%) than that of the khadi units. The bulk of khadi workers only work a few days a year, and the typical pay for a part-time khadi worker is as low as Rs. 433, Whether the workers' families have been able to escape poverty thanks to the KVIC program's revenues is a crucial question in the current environment. An analysis was conducted based on the state-level poverty levels for rural areas for the years 1996–1997 to determine the number of workers in the chosen khadi and village industries units who were able to surpass the poverty line due to the additional income these units provided.

Table 6.
Number of Beneficiaries above Poverty Line

Sector	Total Number of Selected Beneficiaries	Below Poverty Line without KVIC Earnings (Percentage)	Percentage of Poor Workers who crossed Poverty Line with Supplementary Income
Khadi	256	68.26	62.29
Village industries	238	66.07	80.50
Total	494	67.61	70.96

Conclusion of the study

From the above analysis it could be concluded that almost all the indicators of decent labour work put forward by ILO has been challenged in Indian agriculture when analysed through the vision of ILO. So, it could be concluded India is far away from all these indicators as far as khadi and village industries is concerned. So, the Indian government should take step to empower the labour class of the Khadi industries only if they are empowered it increase the productivity and be able to contribute to GVA will increase so that it leads to development of the economy.

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