

CHAPTER THREE

HISTORY, ORGANISATION AND FUNCTIONS OF THE KVIC

As pointed out in the previous chapter, the KVIC plays a pivotal role in production and marketing of Khadi. This institute was established in 1956 by a separate Act of Parliament.

It has spread its roots in one lakh villages. There are about 1,500 total institutions, including 26 State Boards, 1,075 registered institutions and 4,000 co-operative societies working under the KVIC. These institutions have provided employment to 12.50 lakh persons. The KVIC helps in developing the infrastructure and encouraging the small and scattered institutions engaged in Khadi and Village Industries. Major share of the finance is in the form of interest-free loan sanctioned by the KVIC. Continuous research is going on for improving the productivity and quality of Khadi. New tools and equipments are developed and supplied to the production centres. The KVIC has its own training centres, at the same time it encourages the establishment of such training centres to the Khadi institutions.

The formation of the KVIC is a result of long process. It would be useful to look into these details before studying the KVIC as an organisation.

[A] Brief History of Khadi

It was a golden period in India when Dacca Malmal was famous

all over the world and was exported to England during the 17th and 18th centuries. Cottage industries and craftsmanship were the important sources of the employment. Because of the effects of industrial revolution in England the cottage industries in India lost their importance and the poverty and unemployment crept in.

Gandhiji used Khadi as a measure to arouse the sense of patriotism. He thought of Khadi as a means of employment to villagers. He felt that, by wearing the cloth produced by himself, a person will feel self-confident. This will develop the feeling of co-operation and social integrity, and it will nullify the laziness of the villagers.

Pre-Independence Period

Gandhiji used to insist on the Swadeshi articles. The idea of spinning wheel struck his mind when he was in England. He returned from South Africa in 1915 and discovered the traditional Charakha. He produced the cloth by hand-spinning and hand-weaving in Sabarmati Ashram. He termed this cloth as Khadi. He also started a training centre for this purpose. Since then the production of Khadi began in the real sense of the term.

In Amritsar Congress, Khadi gained its importance as there was total boycott on imported cloth. The All India Village

Association was established in 1923. It was merged merged in Akhil Bharatiya Charakha Sangh in 1925. All India Khadi School was established at Sabarmati. Khadi Karyakartas from all over India were given training at this school.

Gandhiji was the President of the Akhil Bharatiya Charakha Sangh. Its branches were spread all over India. The Khadi activities were prominent in Tamil Nadu, Andhra Pradesh, Uttar Pradesh and Gujarat.

The British Government imposed so many restrictions on Khadi in 1937, as a result of which a number of institutions had to close down. Gandhiji reconsidered the situation and gave a thought to decentralisation, in the year 1945. It was a revolutionary step. Vinoba Bhave put forth the same idea after independence.

After independence some people thought that Khadi had lost its relevance and importance. Mahatma Gandhi made it clear that, Khadi, for him, was a source of employment and a means of self-sufficiency. Khadi was an effective tool of socio-economic regeneration of the Indian economy than as a mere industrial activity or as a bust of freedom. The Akhil Bharatiya Sarva Seva Sangh was established in the same year in which Gandhi was assassinated. The leadership of Khadi had been shifted to the shoulders of Vinobaji. The new leadership had a great impact.

In 1953, the Charakha Sangh was merged in Seva Sangh.

Since the establishment of Charakha Sangh, till its merger in the Seva Sangh, the Sangh insisted upon improving the quality of Khadi, tools and equipments of product. Attempts were made to increase sales through exhibitions and wide publicity (Details in Appendix 1).

[B] Formation of the KVIC

After 1950, the All India Spinners Association felt that for Khadi production and development of Khadi programme, there is a need for independent and autonomous agency which should be free from Government machinery- The Government Planning Commission and the eminent leaders recommended for the same agency. All India Khadi and Village Industry Board was established in February 1953 by the Government of India as per the Resolution No. 45/COT:IND(5) 52, dated 14th January, 1953.

This Board was established to plan, organise and to develop Khadi and village industries. This was an advisory body, and was also vested with the developmental functions.

The Government established Boards as in small scale industries, handloom sector etc. Due to the procedural and financial difficulties the speedy implementation of the programme

was not possible. The Government of India, therefore, constituted under the KVIC Act No. LXI 1956 a statutory body called Khadi and Village Industries Commission in April 1957 at the Central level. The Central Government had advised to set up statutory body at State level.

The KVIC Act has given administrative and executive powers to the KVIC for the development of Khadi product. The KVIC is a promotional and developmental organisation. It is not profit-oriented. The KVIC does not produce and sell Khadi. It helps the institutions and co-operative societies producing and selling the Khadi products.

[C] Objects

The objects of this organisation are based on Mahatma Gandhi's thoughts viz., "Khadi is a tool of Gram Swarajya and Khadi is a way of life not only cloth". These objects are as follows:

(a) Economic Objects

- (i) To produce and sell Khadi through institutions and co-operative societies,
- (ii) To give living wages to the artisans, spinners, weavers and others who are engaged in Khadi production.

(b) Social Objects

To provide employment at door steps of the villages.

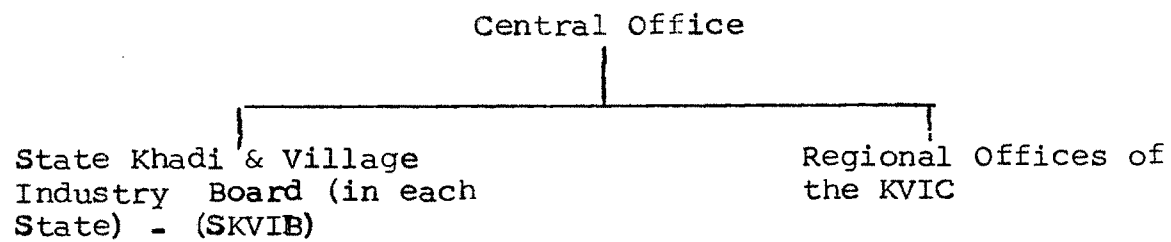
(c) Broad Objects

To create self-reliance amongst the people and to build strong rural community spirit, communal peace, brotherhood, harmony, etc.

So far as the commercial and social objects are concerned, the KVIC's aim is to fight against the poverty and unemployment in the country. For this the KVIC is using Khadi as a tool.

[D] Organisational Set up of Khadi and Village Industries Commission

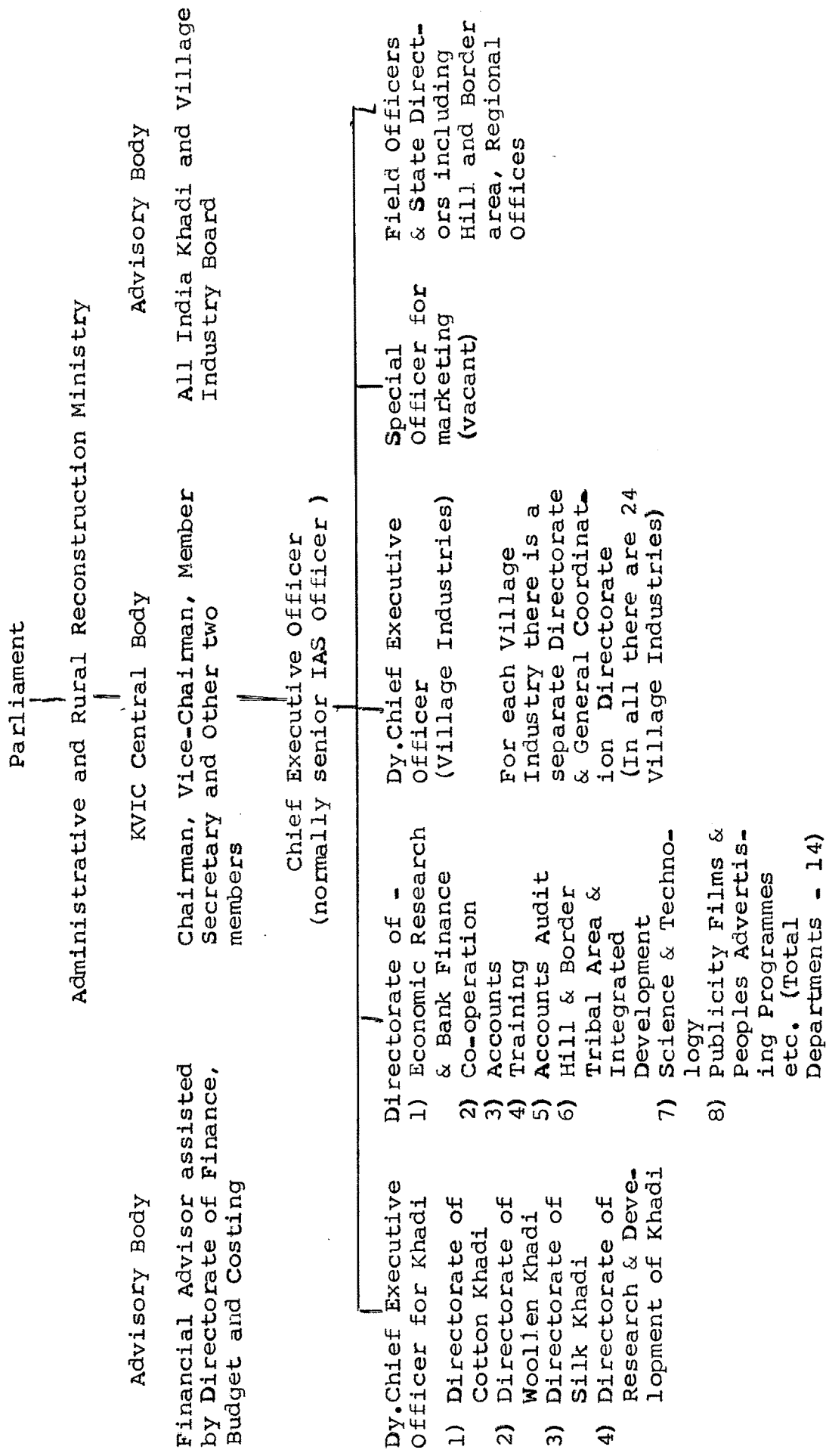
For achieving the objects, suitable organisation is essential. The word organisation means association of people who are tied together in the pursuit of common objectives. Organisation is a tool through which the plans and programmes of the KVIC are implemented.

Chart No. 3.1Main Organisation of the KVIC

The Parliament is the top-most body. The administrative ministry works under the Parliament. The KVIC's body works under the control of the Administrative and Rural Reconstruction Ministry. The KVIC's body works independently as per rules and regulations given in the KVIC Act 1956. The KVIC works at a national level. In each State and in each Union Territory there are two types of bodies working under the KVIC, namely,

1. State Khadi and Village Industries Board (SKVIB),
2. KVIC's State and Regional Offices.

The organisational structure for each of the above bodies is discussed in the following paragraphs.

Chart No. 3.2Organisation at Central level

[Ref. The KVIC Activities at a Glance - Annexure I, p.2, pub. on Nov. 29, 1979]

Central Office of the KVIC

Chart No. 3.2 shows organisation of the Central Office of the KVIC. It consists of minimum 3 members and maximum 5 members. Out of 3 to 5 members, one is Chairman, one Vice-Chairman, and one member-Secretary. The Chairman of the body has authority equal to the Central Minister.

There are two advisory bodies - (1) State Khadi and Village Industry Board, and (2) Advisory body in financial matters. These two bodies give advice to the KVIC Central body on various issues.

Now under this Apex body there is a Chief Executive Officer, Dy. Chief Executive Officer and then there is a separate Directorate for each Khadi and village industry. In all there are twentyfive village industries. For each village industry there is separate department. In Khadi there is separate Directorate for Cotton, Woollen and Silk. Further, there are various sections and each works in special area, say marketing, training, publicity, science and technology, etc.

All the members, Chief Executive Officer, Deputy Chief Executive Officer, Financial Adviser are appointed by the Central Government. Right from the beginning, it was expected that all the members including Chairman should be well qualified, having actual experience in Khadi/village industries, knowledge of Khadi

production, sales and actual working of Khadi institutions or co-operative societies.

The term of all the members is three years. Recently, in October 1983, the members have been appointed by the Government for the next three years.

Advisory Body - KVIB

In 1953 KVI Board was established and it started functioning. In 1956 KVIC was established; but KVI Board was not dissolved, and it continued as an advisory body to give advice to the KVIC in respect of Khadi and village industries. In this Board there are representatives of all States and experts in Khadi and village industries. As an advisory body, this Board has no authority except giving advice to the KVIC.

Further at central level various committees are working in specific areas:

- 1) Central Certification Committee (C.C.C.)
- 2) Working Capital Committee
- 3) Khadi Margins Committee
- 4) Standing Finance Committee

The most important Committee is C.C.C. which forms policies

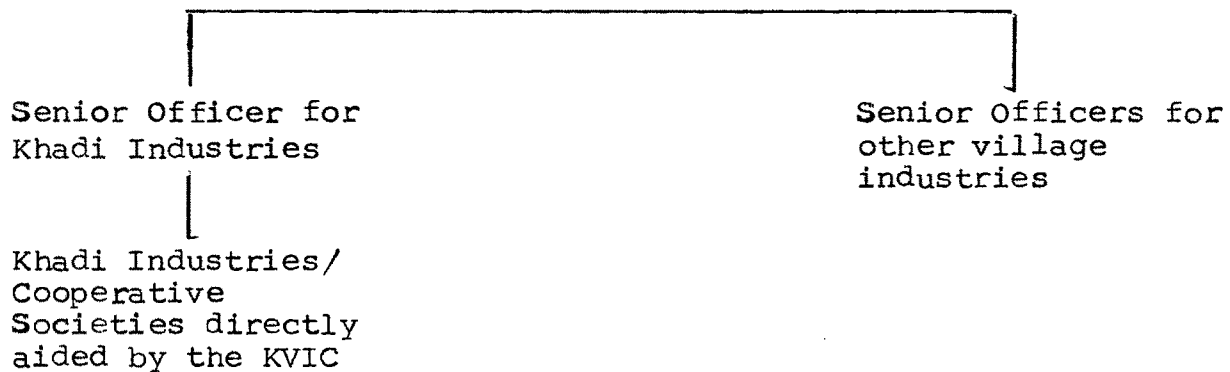
and procedures relating to production and sales of Khadi. It also prepares cost-charts of Khadi products. This Committee is given wide powers in the administration. If any Khadi institution violates rules and regulations of the KVIC, this Committee takes immediate action. As pointed out earlier, the KVIC works through State and Regional Offices. The central office is mainly responsible for planning and co-ordination of overall activities.

(3) Organization of KVIC's Regional Offices

Chart No. 3.3

Organization of KVIC's Regional Offices

Director of Regional/State
Office of the KVIC



In a few years after 1956, Khadi and Village Industry Board was established in each State. But after 1960 due to expansion of the KVIC activities, coordination among various Boards became difficult. Hence the KVIC has established its own offices in each State and recently sub-regional offices were

established in some States where Khadi production is more. Due to sub-offices in those States KVIC programmes are implemented more effectively. In hilly border and tribal areas like Nagaland, Andman Nicobar Islands, the KVIC has established separate offices. In each State/Regional office, there is separate department for Khadi. There are two types of Khadi institutions and co-operative societies - (1) Directly controlled by these regional offices, and (2) Controlled by SKVIB.

A majority of the institutions established before 1956 are directly controlled by the KVIC's State/Regional level offices. But hereafter all Khadi institutions, if newly established, come under the SKVIB of that State. After 1956, for a few years, SKVIBs were not established in each State. In the meantime the problem as to who to control all the Khadi institutions was raised. Hence, the decision to control such Khadi institutions by the KVIC was taken and that convention has continued to date. Today the general policy is to form co-operative societies or Khadi institutions and it is aided through the SKVIB and not directly by the KVIC.

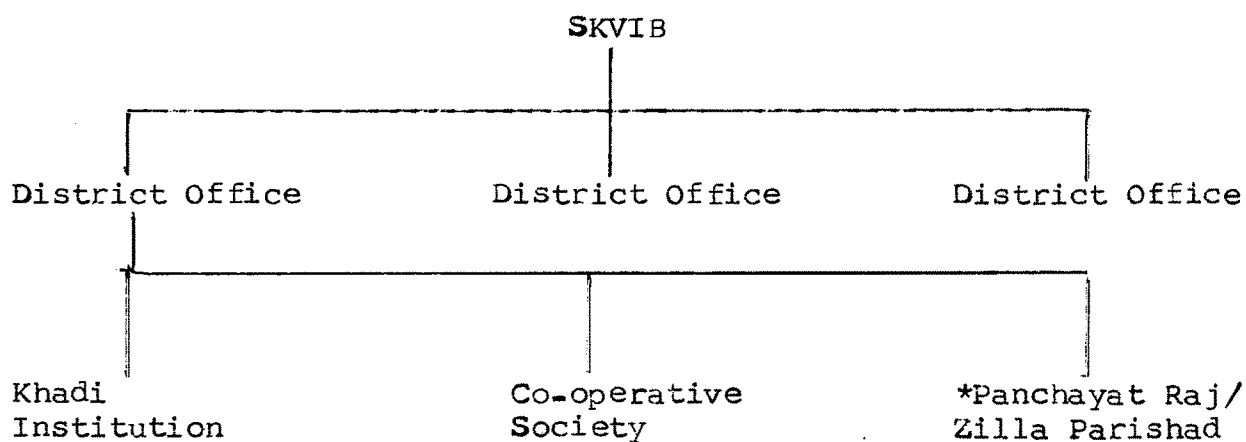
The KVIC works through Regional offices and State Khadi and Village Industries Boards. The State Boards, though they are formed under separate Act, have to work within the limits of the KVIC Act. In short, the KVIC functions through these

Boards. Therefore, it will be worthwhile to understand the organisation of SKVIB, which is as follows:

(4) State Khadi and Village Industries Board (SKVIB)

Chart No. 3.4

Organisational Set-up of SKVIB in each State



* At a few places Khadi Production and Sales is organised by Panchayat Raj or Zilla Parishad, e.g., Nagaland State

[Ref. KVIC's activities at a glance, p. 2]

As per the advice of the Central Government in 1956, each State Government established Khadi and Village Industry Board. This Board is statutory organisation set up under State legislations. The policy and the programme for Khadi industry are generally implemented through these Boards by the KVIC. Today, in all there are 26 Boards - 22 for States and 4 for

Union Territories.

In each SKVIB there is an apex body like the KVIC Chairman/President, then Vice-Chairman/Vice-President, Secretary, Chief Executive Officer and others. All are appointed by the State Government for the period of three years. Again it is expected that member must have knowledge/experience either in Khadi or in village industries. The total number of members in the SKVIB depends on the policy of the State.

As Khadi industry is concerned, each SKVIB acts within the limits of the KVIC and as a general rule, as per State Khadi and Village Industries Act, the SKVIB is responsible to the State Assembly. In Board there is a separate department for each industry.

Here, one important point is that Khadi industry is included in the list of the State Governments.

District Offices of the Board

For the administration and control purpose, each State Board has established District Offices in the State. The district office is responsible for all the activities in that district. In each office there is administrative and field staff. There is also a District Committee for Khadi and Village

Industries which coordinates various activities of the Khadi institutions and cooperative societies.

Khadi Institutions and Co-operative Societies

Khadi is produced and sold by the institutions and cooperative societies. These agencies are formed and worked independently. It has its own constitution and its own rules and regulations. The number of members of each institution depends on the size and activities of the institution. According to the rules of the KVIC, in each institution or cooperative society's management, one Chairman, one Vice-Chairman and one Secretary are essential.

All the Khadi institutions are registered under the Registration Act, 1860. The purpose of this Act is social services. The cooperative societies are registered under the Co-operative Societies Act. This agency may be formed either for production/sales or both, in cotton/woollen/silk or in all products. All the Khadi production is done by Khadi institutions or co-operative societies and not by individuals. When a new Khadi institution is formed, one Production Unit i.e., at least 25 Charkhas and other equipments in proportion are required for it. One unit gives employment to sixty persons. For one unit the capital required is Rs. 70,000 to 1,00,000/-. All employees

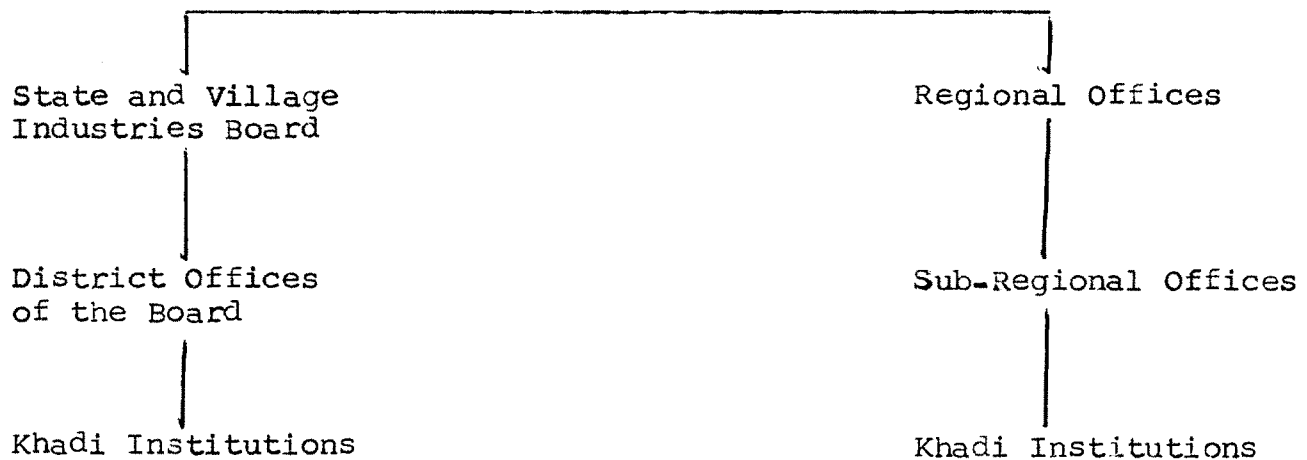
are appointed by the Khadi institutions. Workers' wages are fixed by the KVIC.

Unlike other places, in hill areas and border areas such Khadi institutions are not generally formed due to various constraints. So, there KVIC takes the responsibility of production and sale on its own shoulders.

In short, this is the organisational set up of the KVIC from national to village level. The following chart gives in brief the set-up in all organisations.

Chart No. 3.5

Khadi and Village Industries Commission



Through this organisation, the KVIC develops infrastructure for the development of Khadi industry. Today KVIC's attempt is to establish Khadi institutions in each district, block and in each village. This is the biggest organisation and it

has roots upto village level. For, the KVIC take cooperation from Central Government, State Government, SKVIB District Offices of Board and Khadi industries/cooperative societies.

[E] Functions of the KVIC

After considering organizational set up of the KVIC, let us study its functions. According to the KVIC Act, the functions of the KVIC are as under:

(1) Supply of raw material

To procure raw material and supply it to the Khadi institutions and cooperative societies manufacturing Khadi.

(2) Finance

To give finance to the Khadi institutions and cooperative societies.

(3) Technology and Research

To encourage and promote research in the production technologies employed in Khadi, provide facilities for the study of problems relating to it and to transfer whatever technology is developed to the production centres, i.e., tools, equipments, machinery, technical knowhow etc.

(4) Training

To develop training centres for giving training to the artisans and others.

(5) Pricing

In Khadi each item's price is fixed at all-India level.

(6) Maintaining quality of the Khadi

The KVIC takes keen interest in quality control of and guidance to the Khadi institutions.

(7) Co-operative Efforts

To promote and encourage cooperative efforts among the Khadi institutions.

(8) Planning

The KVIC prepares annual and quinquennial plans well in advance in case of production and sale of Khadi.

(9) Policy Support

To make an attempt for fiscal aid, policy support of Central and State Governments.

(10) Marketing

To make provision of facilities for the marketing of the Khadi product.

Now let us study each function in detail.

(1) Raw Material

Production and sale of Khadi institutions depend on continuous supply of raw material. The raw material required for Khadi is as under:

1. For cotton Khadi the raw material is cotton
2. ,, woollen ,, ,, ,, wool
3. ,, silk ,, ,, ,, cocoon or raw silk

As Khadi institutions are scattered all over the country, it is difficult to adopt the policy of centralised purchases. Therefore, the KVIC has accepted the policy of providing finance to Khadi institutions for purchasing raw material in open markets. The following procedure is adopted for the purpose:

Purchase Procedure

Khadi institutions can purchase cotton in open market. As the KVIC provides finance for the purchase of the raw material, Khadi institutions have to follow rules of purchasing the cotton. If any Khadi institution requires more finance than the amount sanctioned by the KVIC for raw material, the KVIC will not provide this extra finance. Here experience is that Khadi institutions do not provide all the required information to the KVIC by which it is possible to provide adequate finance in

time to Khadi institutions. Since 1981 the KVIC has adopted a new policy, according to which purchase of cotton bales only is permitted.

At present the KVIC has set up raw material banks for cotton and raw wool to a limited extent. There is a need to extend these facilities upto block levels.

(2) Finance

Finance is one of the important functions of the KVIC. It is provided to Khadi institutions by way of grants and loans. Grants are given to the Khadi institutions for purchasing equipments, tools etc. Loans given for Khadi are free of interest. The institutions which avail themselves of the bank loans under the KVIC's sponsorship are required to pay 4% interest. The difference between the actual rate of interest charged by the bank and the said 4% is borne by the KVIC in Khadi product, i.e., cotton/woollen/silk.

Finance is provided mainly for the three reasons, namely,

(1) Capital Expenditure

The finance is provided for share capital, purchases of tools, equipments and machinery, construction of work-sheds/godowns, purchasing of furniture etc.

(2) Working Capital

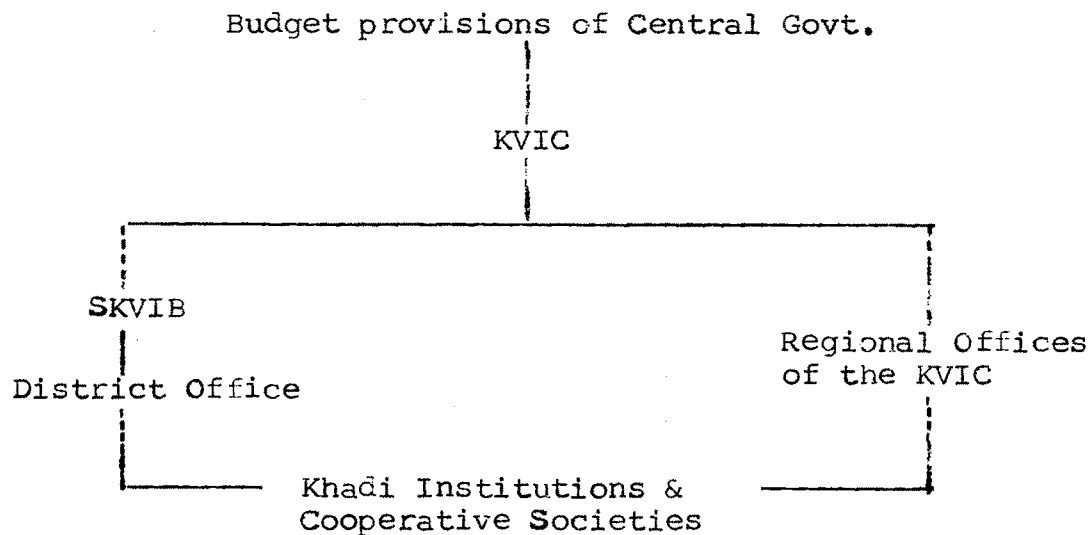
The finance is provided for the purchase of raw material, production and sales activity, wages of workers, subsidies for interest etc.

(3) Other Purposes

- (a) Renovation of selling centres,
- (b) Management expenditure,
- (c) For experiments in production,
- (d) Revival of age old art in woollen Khadi etc.

Finance Provided by the KVIC

The following chart shows how the finance is provided by the KVIC:

Chart No. 3.6Grants and Loans Provided to the Implementing Agencies

The KVIC provides finance to the directly aided Khadi institutions through their regional offices in each State. Further, the State Government also provides finance through SKVIB to the Khadi institutions in that State.

Conditions for Finance

The following factors are considered while sanctioning the loan: production, sales, opening stock, closing stock, cash balance, upto-date record and its audit, new activities of the institution, regular repayment of the loan etc.

Categories of the Institutions

The KVIC has made 3 categories of institutions for the finance purpose. According to the new policy declared by the KVIC in July 1981, the categories are as under:

(i) Small Institutions

The institutions whose production or sales are equal to or less than Rs. 10 lakhs a year, are provided 100% funds for financing developmental programmes.

(ii) Medium Institutions

The institutions whose production or sales are more than

Rs. 10 lakhs but less than Rs. 50 lakhs might be provided upto 80 per cent funds for the additional programmes from the KVIC, and the remaining 20% funds through banks.

(iii) Large Institutions

Khadi institutions whose production or sales are worth Rs. 50 lakhs or more are not eligible to get finance from the KVIC. They have to obtain 100% funds from financial institutions.

The Table No. 3.1 given on page 54 gives details of finance provided by the KVIC.

Bank Finance

Since 1976-77 due to the continuous efforts of the KVIC, the Central Government and Reserve Bank of India have agreed to provide finance to Khadi institutions through all nationalised banks. This finance is provided as a loan on a priority basis for working capital to the Khadi institutions or co-operative Societies and not to the individuals.

From May 1977 financial institutions are providing finance on a priority basis to Khadi institutions by way of cash credit and/or over-drafts. Rate of interest is 13.5% p.a. on loan. Of this interest only 4% is payable by the Khadi institutions and for the remaining 9.5% interest the KVIC gives

Table No. 3.1

Government releases to the KVIC & disbursement by the KVIC to the implementing agencies

Year	Government Releases to the KVIC			Subsidy in lieu of interest	Total	Disbursement by the KVIC to Khadi institutions		Total
	Grant	Loan				Grant	Loan	
1956-57	3.50	5.85	N.A.	9.35	3.50	4.85	8.35	
1966-67	8.48	3.00	2.28	13.76	7.91	10.90	18.81	
1976-77	6.66	8.40	4.93	19.93	6.85	8.13	14.98	
1977-78	9.00	16.20	6.62	31.82	9.94	15.31	25.25	
1978-79	11.11	27.75	7.39	46.25	11.13	25.19	36.32	
1979-80	12.69	33.00	10.49	56.18	11.79	28.68	40.27	
1980-81	4.94	27.50	12.42	51.86	13.41	24.43	37.84	
1981-82	24.30	18.00	14.44	56.74	23.09	21.01	44.10	
1982-83	24.75	18.75	16.00	59.50	26.38	16.57	42.89	

[Ref: 'Commerce' Special Issue - June 25, 1984, pp. 58-59]

Notes: 1) N.A. = Not available.

2) Figures of 1982-83 are provisional.

3) Grant includes funds for research and development under NCST from 1975-76.

4) Subsidy in lieu of interest. The commission is required to pay larger interest on loans sanctioned by the Government than charged by it to implementing agencies.

However Government sanctions the difference on interest as subsidy.

interest subsidy to Khadi institutions.

Government grants and loans are increasing since 1956-57. In the year 1981-82 total grants given by the Government are Rs. 24.30 crores and loans of Rs. 18.00 crores. Actual grants and loans given by the KVIC to the agencies are Rs. 23.09 crores and loans of Rs. 21.01 crores in the year 1981-82.

Assessment of Financial Needs

In addition to this, the KVIC has studied from time to time the financial requirements of Khadi institutions. The following studies are worth mentioning in this respect:

1. Study on working capital requirements for Khadi.
2. Comparative studies on subsidies in village small-scale and large scale industries.

In short, the KVIC provides finance by way of grants, loans and interest subsidies to the Khadi institutions. The KVIC also helps in getting the finance from the Nationalised Banks to the Khadi institutions.

(3) Technology and Research

In this respect, Development of Technology means technology that is suitable to the Indian situation. It must be simple, labour-oriented, having less physical strain, requiring less

capital in order to develop quality of the product and productivity. In competitive market continuous research in production and in equipments is required. This activity cannot be undertaken by Khadi institutions independently. Hence the KVIC develops technology and transfers it to the Khadi institutions.

Science and Technology Section

The KVIC has given stress on improving the technology in all the three products right from 1956 and particularly in Fourth and Fifth Five Year Plans. There is a separate department of Science and Technology in addition to Science and Technology Committee. All the research and development activities are co-ordinated by this department.

Actual Development Made by the KVIC

Development in respect of the three products is as under:-

(1) Cotton Khadi

In total production, share of cotton Khadi is more than 75%. So, the KVIC has given more stress on cotton Khadi in development. These developments are:-

(a) Pre-Spinning Activities

Quality of yarn depends on this activity. Hence Scuture cords,

drawing frames and rowing machines are developed.

(b) Spinning Activity

In 1955 there was wooden Amber Charakha and traditional Charakha. Later developments are: metal Amber Charakha (1965) and 6, 12, 24 and 48 spindle Charakhas were developed afterwards. Today the principle of ring frame is adopted. By this development production increased from 2-3 hanks to 30-40 hanks per day of 8 hours. Today 200 to 300 counts yarn is produced on Charakha and attempt is made to produce yarn upto 500-600 counts. After 1977 newly developed Charakhas were distributed in large scales. Attempts are being made to develop needle bearing spindles, antiwedge ring etc. in Charakha.

(c) Weaving Activity

In place of traditional pit looms, Frame looms and Semi-automatic looms are developed.

(d) Other Activities

Developments are made in dyeing, printing, and bleaching activities.

(2) Woollen Khadi

(a) Pre-spinning Activity

Small opener machine for opening raw wool, carding machine and Belnis machine are developed.

(b) Spinning Activity

For coarse and medium count wool, 2, 4, and 6 spindle woollen Charakha is developed. For hill and border area Bageshwari Charakha is developed.

(c) Weaving Activity

In weaving, Nepali and Vardha looms were developed after 1956, on account of which productivity increased from 2-4 metres to 10-15 metres per day.

(d) Post-Weaving Activities

Improvements are made in bleaching, dyeing and printing. Still, the woollen cloth has problems like shrinkage and roughness of surface of the cloth.

(3) Silk Khadi

(a) Pre-Spinning Activity

Various methods are developed to utilise waste silk of four

types in more gainful way. Basins for reeling the mulberry cocoons were developed by keeping natural strength and shining.

(b) Spinning Activity

Pedal and Tussar composite Charakhas have been developed.

In short, due to these developments, productivity is increased, quality is improved and the cost is reduced. In cotton Khadi, Muslin Khadi is developed. Cloth produced by using a yarn of more than 100 counts is called Muslin Khadi whose quality is superior.

(4) Development of Polyster Vastra

This is a new product developed by the KVIC in the year 1979. Here, Polyster fibre (artificial fibre) is mixed with the natural fibre either of cotton/woollen/silk before spinning process. By this quality and earnings improved. This cloth has good demand in market, but here basic problem is whether Polyster should be called Khadi or not. Today it is included in village industries and not in Khadi industry.

The following Table No. 3.2 gives the impact of all these developments done by the KVIC.

Table No. 3.2

Technical Progress in Khadi

Process	Equipments	Cost of implement	Productivity per day	
1. Cotton Khadi				
<u>Traditional Equipments</u>				
a) Spinning	i) Traditional Charakha	25	3 hanks	
	ii) Wooden Amber Charakha	200	8 hanks	
b) Weaving	Pit Loom	600	5 metres	
c) Dyeing & Printing				
	Dyeing	Tub	200	400 metres
	Printing	Blocks	500	25 metres
<u>Improved Equipments</u>				
a) Spinning	6 Spindle Charakha	700	16 hanks	
	12 Spindle Charakha	1,420	35 hanks	
b) Weaving	Improved frame loom	1,200	6 metres	
	Semi-automatic loom	3,000	8 metres	
c) Dyeing and Printing				
	Dyeing	Semi-automatic machine	20,000	1,800 metres
	Printing	Screen Printing	2,000	400 metres

Note: All equipments - traditional and improved - are in use.

2. Woollen KhadiDeveloped Equipments

Carding	Carding Plant 60 width	3,00,000	150
Spinning	Bageshwari Charakha	120	2 to 3 hanks
Weaving	Frame Fly Shuttle loom	1,200	10 metres
Washing	Washing Machine	22,000	25 metres
Dyeing	Jiggers	7,000	500 metres

Note: For Silk khadi



All production activities are done on traditional as well as on developed equipments. The yarn production in quantity and in value is produced more on traditional Charakha i.e., in quantity, it is more than 55%. On NMC, its share is 35% in quantity. On Muslin Charakha production is negligible.

[E] Transfer of Technology

After studying the developments in technology, let us consider how this technology is transferred to the Production Centres.

The KVIC has transferred this in three ways:-

1. Exhibitions and demonstrations,
2. Training Centres,
3. Seminars and Conferences.

The KVIC transfers this technology through its organisation. For example, the KVIC has organised the Third Saranjam Sammelan (Instrumentation Conference) in February 1983, in which several improved equipments were demonstrated.

In the year 1981-82 the KVIC provided six spindle, twelve spindle and Muslin Charakhas to Khadi institutions (1,15,638, 3,525 and 13,486 respectively) (Table No. 3.3).

Table No.3.3

Distribution of Tolls and Equipments

(All figures are in numbers)

Equipment	II Plan	III Plan	IV Plan	V Plan	Annual Plan			
	56-61	61-66	69-64	74-75 to 77-78	78-79	79-80	80-81	81-82
<u>A) Cotton Khadi</u>								
1. Traditional Charakha	54432	-	-	-	-	-	-	-
2. Ambar Charakha	364522	13532	-	-	-	-	-	-
3. 2 Spindle NMC	-	-	38490	4350	-	-	-	-
4. 6 Spindle NMC	-	-	31230	17425	17750	10175	19375	19683
5. 12 Spindle NMC	-	-	475	150	-	-	-	2900
6. Muslin Charakha	-	-	-	-	1825	3455	3831	4375
<u>B) Silk Khadi</u>								
1. Reeling Machines	-	-	-	1223	1198	1245	1661	1744
2. Spinning Machines	-	-	-	1820	2012	1992	2074	2127
3. Looms	-	-	-	6118	6282	6298	6466	6780
C) Woollen Khadi	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Notes: 1) N.A. = Figures not available.

2) From the years 1966-67 to 1968-69 for three years there were annual plans and in these three years instruments were not distributed.

Table No. 3.3 shows that traditional Charakha was distributed upto the year 1961. Then Ambar Charakha was distributed to spinners. After 1969-70 newly developed six and twelve Spindle NMC were distributed. Muslin Charakhas were distributed in large quantities. In Silk Khadi newly developed equipments are used by the artisans from 1974-75 onwards. In this way the KVIC has transferred newly developed technology to the Khadi institutions.

In short, in technology development and transformation of Khadi institutions, the KVIC made good progress since 1956-57. Today, the KVIC's attempt is to make research for better quality and wages to the artisans.

Transfer of technology depends upon how far the KVIC and Banks provide finance to Khadi institutions. Transfer of technology also depends on how far training centres are developed. Today finance is provided to NMC and Muslin Charakha and not for Ambar traditional Charakha. The Table No. 3.3 gives data of how the KVIC distributed newly developed equipments in brief.

(4) Training

In all there are thirtyone training centres offering four-tier training:

- 1) Staff of the KVIC, SKVIB and Khadi institutions,

- 2) Managers and Supervisors,
- 3) Workers,
- 4) Artisans.

Through training centres, new developments in production techniques, equipments, machines, sales and marketing are transferred to artisans and workers of the Khadi institutions.

To Whom Training is Essential

Training is essential to the newly appointed as well as experienced spinners, weavers, other artisans, salesmen, supervisors, managerial staff of Khadi institutions and staff of the SKVIB and the KVIC. Training is a continuous process. Hence refresher courses are essential to all and especially to salesmen. For artisans training is given at the production centre. If any Khadi institution starts new unit of Khadi, training is imparted to all artisans and workers of the institution at the training centre.

Training Centres

The training centres are conducted by the KVIC/SKVIB/Khadi institutions as a Vidyalaya or as a training centre. The KVIC has established its own zonal training centres at various places.

Some centres of the KVIC are training-cum-research centres.

In all there are 31 training centres for Khadi in India. These centres are spread all over India. Training is given to those who are actually working in Khadi institutions or SKVIB or in KVIC.

New courses recently introduced are silk spinning, designing, weaving, knitting etc.

In the KVIC, at central level, there is a separate training Advisory Committee to chalk out annual and quinquennial training programmes at all India level.

The following Table shows the number of persons trained each year since 1976-77:

Table No. 3.4

Number of Trained Persons

Sr. No.	Year		No. of trained persons
1	1976-77	...	236
2	1977-78	...	485
3	1978-79	...	945
4	1979-80	...	1,107
5	1980-81	...	878
6	1981-82	...	944
7	1982-83	...	1,264 (Provisional)
8	1983-84	...	1,700 (Estimated)

[Ref: A Report of 1980-81, p. 76, and 'Commerce' Special Issue, June 25, 1983, p. 74]

As shown in the Table, every year number of trained persons is increasing except in the year 1980-81. In the year 1981-82 trained persons numbered 944, but in the same year total full-time employment increased by 34,000. That means as compared to the increase in employment trained persons are negligible. From 1976-77 to 1981-82 total full time employment increased by 1,90,000 but training is given only to 7,619 persons in all (i.e., 4%). Further, if we consider total training capacity of 31 centres (11,000 p.a.) the actual trained persons are only 1,000 p.a.

The following ~~Chart No. 3.7~~ and Table No. 3.5 give information of the trained persons each year in Khadi coursewise (Please see the following pages).

The above mentioned chart gives details of training persons at the training centres coursewise. The Table reveals that in each course for a few years not a single candidate was trained.

If we consider marketing aspect, the useful courses are Marketing Management, Salesmanship, Marketing Assistance, Marketing Refresher. Total trained persons in these courses in the six years are 248. This figure includes persons trained in Management in Production, Financial and Marketing as separate figures are not available. For Salesmanship course, during the last six years, training is not given to a single person.

Table No. 3.5

Coursewise number of trained persons from 1976-77 to 1981-82

Name of the Course in Khadi	Number of Trained Persons					
	76-77	77-78	78-79	79-80	80-81	81-82
1	2	3	4	5	6	7
1. Production, Financial and Marketing Manage- ment	-	17	-	-	10	56
2. Salesmanship	-	-	-	-	-	-
3. Area Organiser	-	-	30	47	23	17
4. Design Weaving	-	-	-	-	-	04
5. New Khadi Gramodyog Sanghatak/Gram Sahayak	-	101	79	-	-	-
6. New Khadi Karyakarta	-	71	197	269	-	-
7. New Weavers	32	90	80	73	-	52
8. Condensed Course to Sanghataks	147	09	08	20	-	-
9. Weaving Supervisor	-	-	-	-	-	04
10. Warping Artisans	-	-	-	07	-	-
11. Textile Chemistry	11	-	11	14	-	11
12. Spinners' Camps	-	-	-	-	10	-
13. Refresher Training Course	09	-	-	33	40	-
14. Wool spinning	-	-	-	-	11	-
15. Woollen Khadi	17	42	94	-	86	77
16. NMC Refresher Course	-	94	244	225	102	141
17. Dyeing and Printing	-	-	-	-	-	-
18. Mistry course	-	13	34	16	15	21

contd.

Table No.3.5 contd.

1	2	3	4	5	6	7
19. HBA/JDP Workers	-	08	-	-	-	-
20. Women Organisers	-	-	-	-	-	-
21. Industrial co-operatives	-	-	-	-	-	-
22. Muslin spinning	20	40	53	-	-	-
23. Katai Karyakarta	-	-	31	42	-	68
24. U.I. Sanghatak	-	-	20	20	-	-
25. Bunai Karyakarta	-	-	13	-	-	-
26. Marketing Assistance	-	-	51	57	-	20
27. Scutcher and Card	-	-	-	14	-	25
28. U.I. Artisans Training	-	-	-	165	20	-
29. Sahayak Khadi Karyakarta	-	-	-	51	-	30
30. Muslin Refresher	-	-	-	54	28	26
31. Silk Khadi	-	-	-	-	10	09
32. Khadi Karyakarta	-	-	-	-	-	346
33. Marketing Refresher	-	-	-	-	-	35
34. Cotton Khadi	-	-	-	-	508	-
Total numbers	236	485	945	1,107	878	944

Note: Total Courses are 37. In other three courses not a single candidate trained in any one year.

[Ref. Annual Report of the KVIC, 1981-82, p. 31]

There is only one separate course for 'Woman Organiser'. Most of the Courses are related with production activity rather than Management, Administration and Marketing.

(5) Pricing

This is another function of the KVIC. Khadi sales depend on price of the product. Price of all the three Khadi products viz., cotton, woollen and silk, is fixed by the Central Certification Committee of the KVIC at all-India level. It is equal to the cost of the product. Hence detail cost charts are communicated to the Khadi institutions. In total price major share is of wages. Normally overhead expenses are comparatively less.

(6) Maintaining Quality of the Product

The KVIC is a developing organisation. Production and sales activities are done by Khadi institutions. Hence each institution has to observe the quality of the product. If the quality is inferior, the consumer will not purchase it from that Institution. In this regard the KVIC gives certificate of 'Certified Khadi' to the institutions. If the rules are violated, the KVIC takes the action. Some rules are -

1. Production of yarn by hand,
2. No exploitation of the artisans,
3. Fixed selling price, etc.

Recently the KVIC introduced ag-marking, I.S.I. specification and use of brand name and emblem for Khadi product.

(7) Co-operative Efforts

With the help of Regional and Sub-Regional Offices the KVIC promote and encourage cooperative efforts among the Khadi institutions, State Khadi and village Industries Boards. The KVIC members at Central level or Directors of Regional Offices give visits to the Khadi institutions, conduct Seminars, meetings and understand their difficulties and try to solve them regionwise and districtwise etc.

(8) Planning

Planning is the key element in each organisation. Each organisation's plan varies considerably in how extensively, thoroughly and formally they do it. The term planning is related mainly with production, marketing and financing of the product.

In the KVIC, the bottom up planning method is used and yearly planning is done at the central office of the KVIC for the Khadi products.

All the Khadi institutions prepare next year's budget in October-November of the current year. The budget is prepared in

specific forms prescribed by the KVIC. In the budget, current year's and next year's information is given, i.e., production, sales, required finance by way of loans and grants, loan taken from the KVIC and financial institutions, number of Khadi units at various places, assets, liabilities, additional finance for the next year etc. All these details are communicated to the SKVIB through District offices or for directly aided Khadi institutions, the budget is produced directly to the State level KVIC office. For Khadi institutions having a number of production and sales centres at different places, a consolidated budget is prepared.

The KVIC appoints Experts Committee to scrutinise the budgets prepared by all the Khadi institutions in the State. The budget is revised after the discussion with each Khadi institution, if needed. Then each institution's and overall State's budget is sent to the Central office of the KVIC. Then budget at all-India level is prepared. For this Central Budget, final approval is taken from the Government of India. The Central Government has the authority of making changes in the budget. Then Khadi institutions implement the approved budget. In short, the KVIC prepares yearly plan of cotton, woollen and silk products by bottom to top method.

The KVIC also prepares quinquennial plan of production, sales and employment.

(9) Policy Support

This function is discussed in Chapter Four.

(10) Marketing

The KVIC helps Khadi institutions marketing Khadi products. It has opened its own sales emporiums to sell the Khadi products directly to the consumers. Khadi institutions are benefitted by conferences, seminars and publicity activities of the KVIC. It has also provided training facilities in marketing of Khadi. A detailed discussion on the role of the KVIC in marketing of Khadi forms the subject matter Chapter Four.