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The Role of the Khadi and Village Industries Commission (KVIC) in Bolstering Entrepreneurship within the Rural Economy

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Abstract: ***This research investigates the significant role of India's Khadi and Village Industries Commission (KVIC) in stimulating entrepreneurship within the rural economy. Established by the Ministry of Micro, Small, and Medium Enterprises (MSMEs), KVIC acts as a key player in promoting and developing both khadi (hand-spun and hand-woven cloth) and village industries in rural regions. Through a thorough analysis of KVIC's initiatives and their resulting impact, this study aims to clarify the commission's contribution to creating jobs. To achieve this, the research utilizes secondary data from the annual reports of MSMEs between 2018-19 and 2022-23. By employing correlation and regression analyses, the research examines the influence of Khadi and village industries on generating employment opportunities.***
Keywords: KVIC, MSMEs, Rural Economy, Entrepreneurship

I. INTRODUCTION

Entrepreneurship is a dynamic concept involving individuals who innovate, take calculated risks, and manage resources to create new ventures, products, or services. It involves identifying market opportunities, proactively bringing novel solutions, and embracing change. Successful entrepreneurs manage resources effectively, demonstrating persistence despite setbacks. They aim to create value not only in economic terms but also in addressing social and environmental issues, making entrepreneurship a catalyst for economic growth and positive societal change. Rural economies are primarily based on agriculture, natural resources, and traditional industries. Agriculture is the primary economic activity, providing food production and employment. Natural resource-based industries like forestry, mining, and fishing also contribute to livelihoods. Small-scale enterprises, such as cottage industries and traditional crafts, preserve cultural traditions. Despite challenges like infrastructure deficits and lack of transportation, rural economies maintain cultural richness and traditions. Balancing economic growth with sustainability and preserving cultural traditions remains a key goal for rural areas. The Khadi and Village Industries Commission (KVIC) is a legally established body in India, with its foundation rooted in the Khadi and Village Industries Commission Act of 1956 (Act No. 61 of 1956). KVIC operates as a statutory body under the Ministry of Micro, Small, and Medium Enterprises (MSME). Its primary mission is to foster and nurture khadi and village industries in rural areas, aiming to generate employment opportunities and bolster the rural economy. Recognized as a leading entity within the decentralized sector, KVIC plays a pivotal role in creating sustainable, non-farm employment prospects in rural regions, all with a relatively modest per capita investment. KVIC's multifaceted activities encompass skill development, technology dissemination, research and development, marketing, and more, all geared toward facilitating the growth of employment and self-employment opportunities in rural areas.

A. Historical Background of KVIC

1) *Pre-Independence Period:* The KVIC's origins may be traced back to the Indian independence movement, when leaders such as Mahatma Gandhi emphasised the need of encouraging village industries and self-sufficiency. He thought that revitalising cottage industries, notably khadi (hand spun and handwoven textiles), would not only provide a source of income for rural populations but would also aid in the attainment of economic self-sufficiency.
2) *1940s:* The All-India Khadi Board was founded in 1946, just before India won independence from British colonial control, to oversee and promote the khadi and village industries.
3) *Development after Independence:* The KVIC Act, 1956, was passed by Parliament and established the KVIC. This statute provided the organisation legal standing and increased its role in developing and promoting khadi and other local businesses.

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KVIC's mission is to plan, promote, organise, and aid in the establishment and development of rural khadi and village industries. It aimed to offer rural communities with long-term work possibilities, alleviate poverty, and narrow the urban-rural economic divide.

B. Key Functions of KVIC

1) Khadi Promotion: KVIC's primary responsibility is to promote khadi, which is not only a symbol of India's battle for freedom but also a sustainable and eco-friendly fabric. It helps in khadi product production, distribution, and marketing.
2) Village industries development: KVIC also focuses on the development of village enterprises such as beekeeping, pottery, handicrafts, sericulture, agro-based industries, and many others. It helps rural enterprises with financial and technical assistance.
3) Employment generation: One of the key goals of KVIC is to create jobs in rural areas. It assists individuals in establishing small-scale businesses, hence creating job prospects, by giving training, financial assistance, and marketing assistance.
4) Promotion of sustainable and eco-friendly products: KVIC advocates the adoption of sustainable and eco-friendly production practises that are in line with modern environmental and ethical standards.

II. ENTREPRENEURSHIP IN RURAL ECONOMY

Entrepreneurship encompasses the scholarly examination of the identification, assessment, and exploitation of opportunities to create future goods and services, exploring the roles of individuals involved and the resulting outcomes. (Venkataraman, 1997). Rural entrepreneurship is a vital force of economic and social change in rural areas. It involves a variety of business ventures, from traditional agriculture to innovative startups and services. These initiatives provide jobs, minimising reliance on a single sector and strengthening the local economy's resilience. Rural entrepreneurs also generate income for both entrepreneurs and the local community, improving living standards, purchasing power, and poverty reduction. They also expand their reach beyond local boundaries, reducing market limitations and increasing revenue.

Rural entrepreneurship also fosters innovation and adaptation, finding creative solutions to local challenges and adapting to changing market demands. Many entrepreneurs prioritize sustainability and eco-friendliness, creating niche markets for eco-friendly products and services. Rural entrepreneurs also show a strong commitment to community development, investing in local infrastructure, supporting education, and participating in social initiatives.

However, rural entrepreneurship faces challenges such as limited capital access, infrastructure deficits, and market constraints. Overcoming these hurdles often requires innovation, collaboration, and government support through rural entrepreneurship development programs. Rural entrepreneurship is a dynamic force that drives economic growth, community development, and social improvement, preserving cultural heritage, encouraging sustainable practices, and strengthening social fabric.

Encouraging entrepreneurship is seen as the solution to foster self-employment. It not only tackles the problem of enduring unemployment among educated youth but also contributes to sustaining economic advancement and strengthening the competitiveness of industries in the age of globalization and liberalization. (Petrin, 1994.) The fundamental principles guiding entrepreneurs in the context of rural development include:

1) Efficient utilization of indigenous resources in rural entrepreneurship is instrumental in enhancing rural well-being through the expanded dissemination of agricultural yields.
2) Promoting entrepreneurship in rural regions serves as a means to eradicate disparities and offer viable alternatives to the phenomenon of rural migration.
3) To implement such a system for providing rural communities with the essential '6 M' elements: manpower, monetary resources, materials, machinery, management, and market access.

III. RATIONALE OF THE STUDY

In recent years, rural development institutions and organizations have been focusing more on entrepreneurship as an effective way of accelerating the process of rural development. (Sunder,2011) The study focuses on the role of KVIC in promoting economic development in rural India, addressing challenges such as unemployment, poverty, and lack of access to modern industries. It also examines the role of the KVIC in India's rural economy, focusing on its contribution to economic development. It also examines the alignment of government policies and initiatives with KVIC's objectives, aiming to determine their impact on the rural economy and inform policy discussions. It also highlights the challenges faced by KVIC, such as competition from modern industries and infrastructure development.

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A. *Importance of the Study*

The research problem is crucial in understanding the contribution of the KVIC to rural development, focusing on economic growth and social well-being. The findings can inform policymakers and government bodies, providing insights into the effectiveness of KVIC's initiatives and how they can be improved to better serve the rural economy. The focus on sustainability and traditional practices is vital in addressing global environmental concerns and preserving India's cultural heritage. The study also emphasizes the role of micro and small enterprises in fostering economic inclusivity, especially in regions with historically marginalized populations. The research can offer a global perspective, serving as a model for other countries facing similar challenges in rural development. By sharing best practices and success stories, this research can contribute to a collective effort to uplift rural communities on a global scale. The importance of this research problem transcends national boundaries, making it a topic of relevance and interest for the international community.

IV. OBJECTIVES

1) To study about different schemes that support and promote Khadi and Village industries
2) To study about the barriers and opportunities of Rural Entrepreneurship
3) To study the impact of Khadi and Village Industries on Rural Economy

V. REVIEW OF LITERATURE

Patel & Chavda (2013) observes rural entrepreneurship to be crucial in India as it addresses underdevelopment and unemployment. Local leaders and NGOs have played a role in promoting development, but more needs to be done to encourage people to return to rural areas. Globalization can impact rural entrepreneurship through productivity, economic growth, and technological effects, but challenges include lack of affordable facilities, limited credit, high transportation costs, and cultural values prioritizing traditional ways of life. Opportunities for rural businesses include free entry into global trade, greater risk-taking abilities, government help, and specialisation benefits. However, rural entrepreneurs face financial, communication, management, and human resources issues.

Meena et.al., (2021) concluded that Indian MSMEs contribute to industrial growth, employment, and investment, particularly in tribal areas, accounting for 90% of the economy. The government has started steps to streamline registration and boost networking for the 633.9 lakh MSMEs, 95% of which are self-owned. However, issues such as infrastructure and product standards remain. Successful female businesses should concentrate on internal marketing skills and create partnerships with government agencies. The government has taken steps to assist indigenous enterprises, but reforms are required to eliminate beneficiaries and fraud.

Aggarwal (2013) This research investigates the influence of rural entrepreneurship development programs on the promotion, development, and sustenance of micro and small village enterprises in Haryana, India. The research covers the districts of Rewari, Mahendergarh, and Gurgaon, with 360 respondents selected from selected villages. The development of rural entrepreneurship is directed at establishing social and economic equity in rural regions by promoting micro and small village industries (MSVEs), leveraging the full potential of local resources. The Indian government has implemented various programs to provide employment opportunities in rural areas, including the REGP, PM's Rozgar Yojna (PMRY), and the Rural Entrepreneurship Development Program (REDP). However, despite the success of these programs, a significant number of individuals chose not to pursue self-employment endeavours, highlighting the need for improved institutional setups and training programs for rural entrepreneurship.

Tambunan (2019) The paper examines the development of MSMEs in Indonesia. MSMEs are vital for rural economic development, attracting workers and promoting entrepreneurship and business skills. Nevertheless, they encounter obstacles such as constrained access to financial loans and challenges in marketing their products. The Indonesian government has implemented measures to support MSMEs, including regulations and an open credit guarantee scheme without the requirement of collateral. Despite a significant increase in exports, MSMEs' share in Indonesian total exports has never reached 19%. Women entrepreneurs, particularly in rural areas, are crucial for poverty reduction and economic growth. However, their engagement in MSMEs is still lower than men, largely due to cultural factors. Policymakers should prioritize capacity building in MSMEs, including training programs, alternative funding, technical and non-technical assistance, and raw material availability.

Patel & Tripathi (2022) studies MSME sector in India which has significantly contributed to the country's economic and social change over the past five decades. However, challenges include under-representation of Scheduled Castes and Scheduled Tribes, lack of infrastructure, access to low-cost financing, stiff competition, and recruitment of skilled manpower. The Covid-19 pandemic has further impacted MSMEs, with suspended operations, supply-chain disruptions, labour shortages, cash flow crunch, and lower demands for goods and services. The study focuses on the impact of government initiatives and growth impetus on the innovation potential of rapidly growing MSMEs, start-up companies, and private industries in conductive GDP growth.

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Sarma &Talukdar (2013) observes SMEs are important for economic growth and for generating employment. In India, SMEs make up 95% of enterprises but rank 46th in a Fortune Small Business Survey. A study in Assam analysed data on KVIC and its rural employment schemes, revealing an increase in unit's setup and employment generation. The study suggests larger geographical areas lead to more participants joining EDP training, promoting data mining technology for strategic planning and improving efficiency in KVIC-like organizations.

VI. ROLE OF KVIC IN RURAL ENTREPRENEURSHIP

KVIC plays a crucial role in promoting rural entrepreneurship in India. Rural entrepreneurship fosters local talent and the expansion of indigenous businesses by identifying possibilities in rural areas and accelerating unique resource combinations within and outside of agriculture. (Das, & Mili,2021). Rural entrepreneurship is characterized by the emergence of entrepreneurial activities in rural regions, driven by innovation, invention, and development. These activities revolve around the production of cost-effective manufactured goods, the stimulation of exports, and the generation of employment opportunities for a significant portion of the population, ultimately contributing to the achievement of "Sustainable Economic Development." Its multifaceted initiatives and support systems contribute significantly to the empowerment of rural communities and the development of small-scale businesses. The KVIC plays a pivotal role in promoting rural entrepreneurship in India. Through a multifaceted approach, KVIC empowers rural communities by providing them with the necessary tools and support to establish and grow their businesses. This includes financial assistance, skill development programs, and access to markets through KVIC outlets. KVIC's promotion of Khadi, a symbol of sustainable and eco-friendly fabric, not only boosts the textile industry but also provides a source of livelihood for numerous artisans. By nurturing micro and small enterprises, encouraging traditional crafts, and advocating for sustainable practices, KVIC contributes significantly to rural employment generation, poverty reduction, and economic growth. Furthermore, KVIC's efforts facilitate the preservation of traditional skills and cultural heritage, ultimately fostering balanced and sustainable rural-urban economic development across India.

VII. KHADI AND VILLAGE INDUSTRIES

Khadi and Village Industries represent two vital sectors in India's economic and cultural landscape. Khadi, a hand-spun and handwoven fabric, holds historical significance as a symbol of India's freedom movement and represents sustainability and tradition. It's produced through labour-intensive methods in rural areas, offering employment opportunities and preserving traditional textile skills. In parallel, Village Industries encompass a wide array of small-scale rural enterprises, including food processing, handicrafts, and agro-based activities. These industries stimulate self-employment, economic diversification, and skill preservation. Both sectors share the common objective of promoting rural entrepreneurship and employment, often overseen by the KVIC. Together, Khadi and Village Industries contribute to rural development, income generation, and the conservation of India's cultural heritage, emphasizing sustainable and eco-friendly economic activities while enriching the lives of those in rural communities.

VIII. BARRIERS AND OPPORUNITIES

Rural entrepreneurs in the KVIC face various barriers, including lack of access to finance, inadequate infrastructure, skill and training gaps, marketing challenges, restricted access to technology and modern machinery, regulatory hurdles, supply chain management, competition from larger players, seasonal and environmental factors, and lack of institutional support. Financial institutions often hesitate to extend loans due to collateral and perceived risk, affecting the growth and sustainability of their businesses. Inadequate infrastructure, including poor road connectivity, intermittent electricity supply, and limited communication networks, also hinders business efficiency. Skilled and trained entrepreneurs often lack the necessary skills and knowledge to run successful enterprises, with limited access to effective training programs. Marketing challenges, such as reaching wider markets and competing with established businesses, also affect their growth. Regulatory hurdles, such as bureaucratic obstacles and complex government regulations, can stifle rural businesses' growth. Supply chain management issues can lead to operational inefficiencies and cost overruns. Seasonal and environmental factors also impact rural businesses, making them vulnerable to fluctuations in climate and crop yields. Lack of institutional support from organizations like KVIC can further limit growth opportunities.

Rural entrepreneurs in the KVIC sector can expand their businesses through government support, financial assistance, training programs, and marketing opportunities. Traditional knowledge and skills in rural areas can be leveraged to create unique and culturally significant products. Access to local resources at lower costs is beneficial for businesses relying on agricultural or cottage industry activities. KVIC promotes eco-friendly practices, appealing to eco-conscious consumers. KVIC products, such as khadi clothing and handcrafted items, cater to both domestic and international consumers.

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Export opportunities, such as e-commerce and globalization, diversify revenue sources and expand business reach beyond national borders. KVIC initiatives empower women in rural areas by providing training and support. Technological integration and innovation can help rural entrepreneurs expand their reach and connect with a wider audience. Cluster development can lead to economies of scale and improved marketing efforts. Government initiatives and subsidies, such as the PM's Employment Generation Programme and the markets and Development Assistance scheme, support rural entrepreneurship.

IX. SCHEMES TO PROMOTE AND SUPPORT KHADI AND VILLAGE INDUSTRIES

"The future of India lies in its villages" as correctly said by Mahatma Gandhi. So, it becomes necessary to develop KVIC. When it comes to infusing creativity and innovation into the realm of entrepreneurship, robust financial support, technology integration, and strategic planning are indispensable elements for fostering entrepreneurial development and achieving success. (Nnadi, 2014).

1) *PM's Employment Generation Programme (PMEGP):* The PMEGP is a subsidy linked to credit, designed to foster job creation through non-farm microenterprises in both rural and urban settings. This program aims to promote the establishment of such microenterprises. Operated on a national scale by KVIC, the scheme has been instrumental in supporting 8.37 lakh microenterprises by offering a margin money subsidy totalling Rs. 20,775.00 Crore, leading to employment opportunities for 68.05 lakh individuals. For the fiscal year 2022-23, a target of setting up 101,006 units was established, potentially generating job opportunities for 8.08 lakh people.
2) *Modified Market Development Assistance (MMDA):* In the third quarter of the fiscal year 2016-17, the Indian government introduced the MMDA scheme, which offers a 30% grant on the Prime Cost of Khadi & Polyvastra. This initiative is designed to decouple sales prices from the Cost Chart, enabling institutions to enhance the value of Khadi products and market them at prices aligned with market dynamics. Khadi institutions engaged in production and sales activities receive 60% of the MMDA, while the remaining 30% is distributed among spinners, weavers, and artisans. In the fiscal year 2021-22, a sum of Rs. 272.08 crore was disbursed to 1,175 Khadi Institutions and 171,203 artisans through the MMDA for Khadi and Polyvastra. Up to December 31, 2022, in the fiscal year 2022-23, Rs. 83.17 Crore was distributed to 688 Khadi Institutions and 86,990 craftsmen via the MMDA for Khadi and Polyvastra.
3) *Interest Subsidy Eligibility Certificate (ISEC) Scheme:* The ISEC Scheme, initiated by the Indian government in 1977, serves as a crucial financial resource for the Khadi Programme and Village Industries Programme. Under this scheme, capital expenditure and working capital receive a concessional interest rate of 4% per annum. The Central Government bridges the gap between the actual lending rates and the fixed 4% rate for lending banks. In the fiscal year 2021-22, an amount of Rs. 34.21 Crore was allocated to 1,556 Khadi Institutions, and in the subsequent fiscal year 2022-23, Rs. 22.85 Crore was directed to 1,008 Khadi Institutions.
4) *Khadi Reform and Development Programme (KRDP):* The KRDP was launched by the Indian government, facilitated by a loan of US $105 million from the Asian Development Bank. The primary objective of this program is to unlock the growth potential of the Khadi and Village Industries sector. This is to be achieved through employment generation, augmenting artisans' incomes, upgrading tools and technology, and aligning Khadi products with market demands. Since its initiation, 467 Khadi and 08 Village Industries units have been beneficiaries of Direct Reform Assistance under the KRDP.
5) *Honey Mission:* The KVIC is working to develop the beekeeping industry to improve the livelihoods of people in rural regions areas by promoting modern beekeeping and creating sustainable employment. The Ministry of MSME approved the Honey Mission program, which has distributed 184739 bee hives to 18593 beekeepers since its inception. The program is expected to reach 1568 beekeepers by 2023.
6) *Kumbhar Shashaktikaran Programme:* Through the Kumbhar Shashaktikaran program, the KVIC has provided pottery artisans with electric pottery wheels and other tools. Since its inception, 24410 wheels and equipment have been distributed to 97640 artisans, with 3,500 in 2021 and 14,000 in 2022. The KVIC plans to distribute 4400 more wheels by 2023, benefiting 17600 more artisans.
7) *Village Industries:* Village Industries are classified as rural industries engaged in the production of goods or services, where the capital investment per craftsman or labourer does not surpass Rs. 1.00 Lakh in non-hilly regions and Rs. 1.50 Lakhs in hilly areas. In the fiscal year 2021-22, these industries achieved a production value of Rs. 81,731.62 Crore, with sales amounting to Rs. 110,363.51 Crore and providing employment opportunities for 162.64 Lakh individuals. For the subsequent fiscal year, 2022-23, it is anticipated that production and sales will reach Rs. 94,162.13 Crore and Rs. 125,901.65 Crore, respectively.

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X. RESEARCH METHODOLOGY

This study employs a quantitative research design to investigate the entrepreneurial role of the KVIC in the rural economy. The research involves the collection and analysis of numerical data to establish relationships, correlations, and regression models. The research is analytical as well as descriptive. Secondary data was collected from MSMEs' annual reports for 2018-2023 for this study. The data collected of the year 2023 is estimated accordingly in the annual report. Correlation analysis is used to assess the relationships between sales and employment generation. For this, Pearson correlation coefficients is calculated. This will help determine the strength and direction of associations. Bivariate regression analysis will be used to develop predictive models. The dependent variable will be sales and independent variables will be employment generation. Statistical software SPSS is employed for data analysis. Correlation coefficients, regression equations, and relevant statistical tests will be generated.

Following equation is used to run the Correlation test

$$r = \Sigma [(x - \bar{x})(y - \bar{y})] / [\sqrt{\Sigma (x - \bar{x})^2 * \Sigma (y - \bar{y})^2}]$$

where:

- x and y are the values of sales and employment generated for each data point.
- $\bar{x}$ and $\bar{y}$ are the means of the sales and employment data, respectively.

A. Hypothesis

- H1: There is significant impact of sales on employment generation
- H0: There is no significant impact of sales on employment generation

Table 1: Comparative Performance of Khadi & Village Industries over 5 years
(Rupees in crore and Employment in lakh persons)

SL. NO	INDUSTRY	2018-19	2019-20	2020-21	2021-22	2022-23 (estimated till 31/03/23)
1.	PRODUCTION					
A.	Khadi	1765.51	2058.53	1668.61	2275.74	2400.00
B.	Polyvastra	191.70	258.94	230.51	275.62	343.00
C.	Solarvastra	6.09	6.77	5.37	6.95	7.00
Total Khadi, Polyvastra & Solarvastra		1963.30	2324.24	1904.49	2558.31	2750.00
D.	Village industries	56167.04	65343.07	70330.66	81731.62	94162.13
	TOTAL KVI PRODUCTION	58130.34	67667.31	72235.15	84289.93	96912.13
2.	SALES					
A.	Khadi	2854.19	3634.41	3085.53	4366.06	4650.00
B.	Polyvastra	355.47	570.92	436.52	678.38	842.00
C.	Solarvastra	5.47	5.93	5.66	7.28	8.00
Total Khadi, Polyvastra & Solarvastra		3215.13	4211.26	3527.71	5051.72	5500.00
D.	Village industries	71076.96	84664.28	92213.65	110363.51	125901.65
	TOTAL KVI SALES	74292.09	88875.54	95741.36	115415.23	131401.65
3.	EMPLOYMENT					
A.	Khadi	4.60	4.61	4.61	4.61	4.62
B.	Polyvastra	0.30	0.30	0.30	0.30	0.30
C.	Solarvastra	0.06	0.06	0.06	0.06	0.06
Total Khadi, Polyvastra & Solarvastra		4.96	4.97	4.97	4.97	4.98
D.	Village industries	142.03	147.76	154.09	162.64	170.71
	TOTAL KVI EMPLOYMENT	146.99	152.73	159.06	167.61	175.69

Source: MSMEs Annual Report 2023

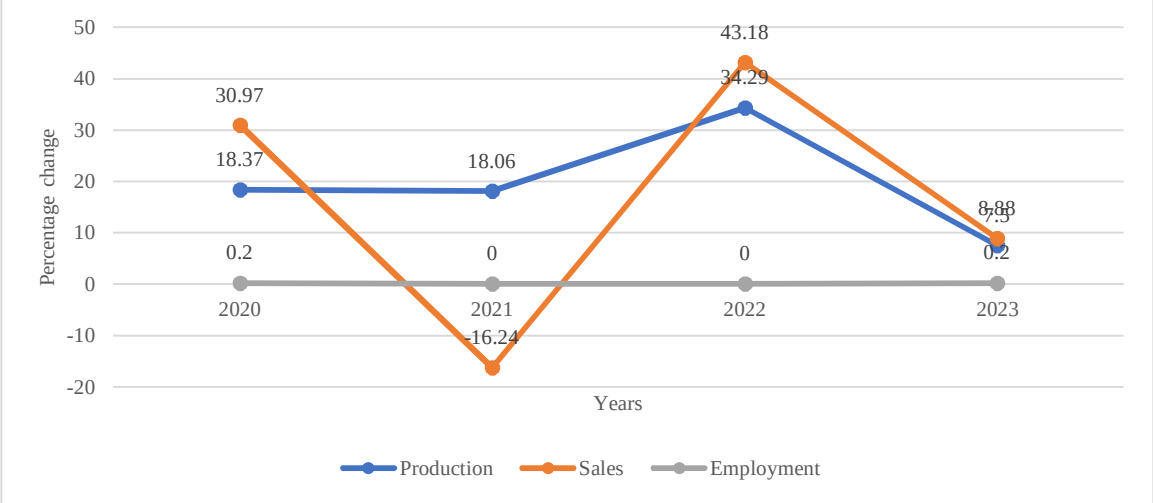
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Table 2: KHADI SECTOR: Production, Sales and Employment
(Rupees in crore and Employment in lakh persons)

YEAR	PRODUCTION	SALES	EMPLOYMENT
2018-19	1963.30	3215.13	4.96
2019-20	2324.24	4211.26	4.97
2020-21	1904.49	3527.71	4.97
2021-22	2558.31	5051.72	4.97
2022-23 (Projected up to 31/03/2023)	2750.00	5500.00	4.98
TOTAL	11,500.34	21505.82	24.85

Source: MSMEs Annual Report 2023

Chart 1: Percentage change of production, sales and employment of Khadi sector



Source: Author's creation based on data collected MSMEs annual report of 2023

The Khadi sector in India experienced significant fluctuations in production and sales from 2018-19 to 2022-23, influenced by factors such as consumer preferences, economic conditions, and government policies. The industry experienced an increase in production in 2019-20 and 2021-22 due to eco-friendly and handmade products, while a dip in 2020-21 may have been caused by the COVID-19 pandemic. Despite these fluctuations, employment in the Khadi sector remained relatively stable, with approximately 4.96 to 4.98 lakh people employed over the years, indicating the sector's resilience in sustaining employment despite production and sales fluctuations.

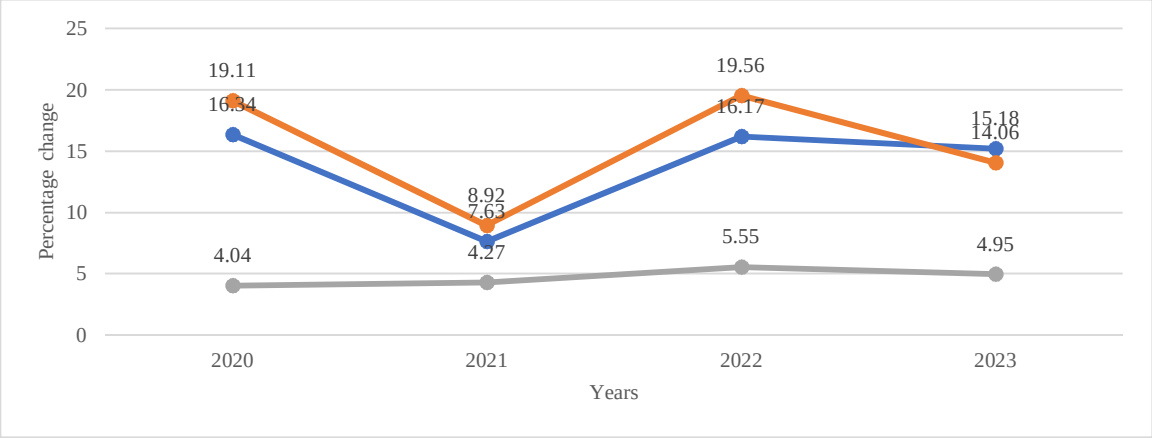
Table 3: VILLAGE INDUSTRIES: Production, Sales and Employment
(Rupees in crore and Employment in lakh persons)

YEAR	PRODUCTION	SALES	EMPLOYMENT
2018-19	56167.04	71076.96	142.03
2019-20	65343.07	84664.28	147.76
2020-21	70330.66	92213.65	154.09
2021-22	81731.62	110363.51	162.64
2022-23 (Projected up to 31/03/2023)	94162.13	125901.65	170.71
TOTAL	367734.52	484220.05	777.23

Source: MSMEs Annual Report 2023

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Chart 2: Percentage change in Production, Sales and Employment of Village Industries



Source: Author's creation based on data collected MSMEs annual report of 2023

The Village Industries sector has seen consistent growth in production and sales over the years, driven by increased consumer awareness, government initiatives, technological advancements, and technological advancements. The sector has seen a substantial increase in employment, from 142.03 lakh persons in 2018-19 to 170.71 lakh persons by the end of 2022-23. This growth is primarily due to the expansion of production and sales, as more workers are needed to meet rising demand. The sector's capacity to generate employment contributes to the economic well-being of rural communities and overall development.

XI. RESULTS

Table 4: Correlation

		SALES	EMPLOYMENT
SALES	Pearson Correlation	1	.982**
	Sig. (2-tailed)		.000
EMPLOYMENT	Pearson Correlation	.982**	1
	Sig. (2-tailed)	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

- *Interpretation*

The provided table reveals a correlation coefficient of 0.982, indicating a remarkably strong positive connection between Sales and Employment. Furthermore, the p-value is less than 0.01, signifying the statistical significance of this relationship. Therefore, it can be concluded that any escalation in sales is likely to result in a corresponding increase in employment. As a result, this supports the hypothesis H1.

Table 5: Regression Analysis

Hypothesis	Regression weights	Beta Coefficient	R Square	F	p-value	Hypothesis Supported
H1	S → E	.982	.964	213.015	.000	YES

Dependent Variable: Sales(S)
Independent Variable: Employment(E)
$p<0.05$

- *Interpretation*

The table provided indicates an R-squared value of 0.964, suggesting that the independent variable, in this case, employment (E), accounts for approximately 96.4% of the difference in the dependent variable, sales (S). Additionally, the p-value, which stands at 0.000, is below the significance level of 0.05, indicating a highly significant relationship between the independent variable (employment) and the dependent variable (sales).

The beta value is calculated as 0.982, signifying that a one-unit change in the independent variable (E) results in a change of approximately 0.982 units in the dependent variable (S). Notably, the positive beta value signifies a positive relationship between Employment and Sales. In simpler terms, when Employment increases by one unit, Sales are also expected to increase by approximately 0.982 units.

XII. SUGGESTION

Some of the suggestions for enhancing the entrepreneurship role of the KVIC in the rural economy:

1) *Targeted Skill Development:* KVIC should focus on providing tailored and up-to-date skill development programs to rural entrepreneurs. This includes training in modern business practices, technology utilization, and marketing strategies. This will empower entrepreneurs to adapt to changing market dynamics.
2) *Access to Finance:* Facilitate better access to finance by collaborating with financial institutions, microfinance organizations, and government schemes. This will ensure that entrepreneurs have the capital required to start and expand their businesses.
3) *Market Linkages:* Strengthen market linkages for rural entrepreneurs. KVIC can establish partnerships with e-commerce platforms, retail chains, and government procurement programs to create broader market access for Khadi and Village Industries products.
4) *Innovation and Technology Adoption:* Encourage the adoption of modern technologies and innovations in rural enterprises. Providing subsidies or incentives for the purchase of machinery and equipment can enhance productivity and product quality.
5) *Mentorship and Business Support:* Establish mentorship programs and business support services to guide entrepreneurs in areas such as business planning, product development, and marketing. This can help them make informed decisions and overcome common business challenges.
6) *Value Addition:* Promote value addition in rural products. KVIC can introduce training programs and facilities for adding value to traditional products, making them more marketable and competitive.
7) *Quality Control and Certification:* Ensure the quality of Khadi and Village Industries products through rigorous quality control measures. Obtaining recognized certifications can enhance product credibility and open doors to international markets.
8) *Market Research and Product Diversification:* Conduct market research to identify consumer preferences and emerging trends. Encourage entrepreneurs to diversify their product offerings accordingly to stay competitive in the market.
9) *Cluster Development:* Encourage the formation of industrial clusters or cooperative groups where rural entrepreneurs can collaborate, share resources, and collectively market their products to achieve economies of scale.
10) *Promote Sustainability:* KVIC can emphasize sustainable practices, both in production and packaging, to align with global environmental concerns. This can further enhance the appeal of Khadi and Village Industries products.
11) *Regular Impact Assessment:* Continuously evaluate the impact of KVIC's initiatives on rural entrepreneurship. The results of this analysis can help identify areas for improvement and successful strategies.
12) *Awareness and Marketing:* Invest in marketing and awareness campaigns to promote the unique qualities of Khadi and Village Industries products. This can create a stronger brand presence and stimulate demand.
13) *Policy Advocacy:* Advocate for favourable policies at the state and national levels to create an environment for rural entrepreneurs. This includes addressing regulatory bottlenecks and promoting ease of doing business.

XIII. CONCLUSION

In conclusion, the entrepreneurship role of the KVIC in the rural economy of India is undeniably significant and multifaceted. It plays a crucial role in India's rural economy, empowering rural entrepreneurs, preserving traditional skills, and fostering economic growth.

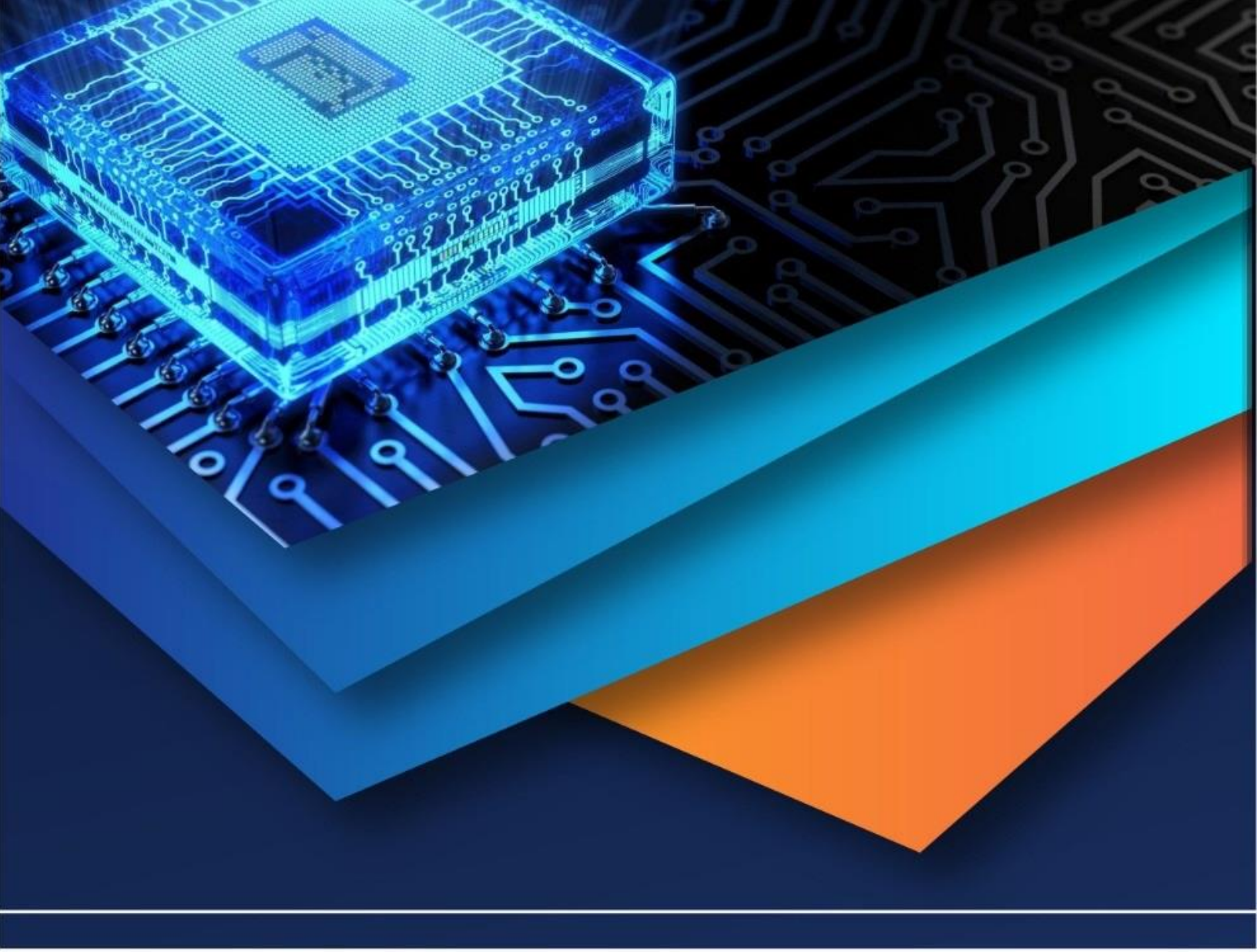
The organization's support includes skill development, access to finance, and market linkages, which not only provide employment opportunities but also foster a culture of self-reliance and entrepreneurship. KVIC's initiatives have led to consistent growth in production, sales, and employment figures, with rural entrepreneurs creating diverse products that appeal to both domestic and international consumers. The sector's commitment to eco-friendly practices aligns with global trends. However, there is room for improvement, particularly in addressing challenges related to finance, enhancing training programs, and diversifying product offerings. KVIC's role in the rural economy will likely grow as it evolves and innovates, contributing to a more inclusive and sustainable economic landscape in India.

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