Whither Khadi?

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Khadi has strayed from its objective of providing a livelihood to artisans in rural areas. For preserving the ethos of khadi, rather than just tinker with the existing system a restructuring of the Khadi and Village Industries Commission is necessary. The potential of khadi needs to be exploited for its inherent worth rather than be supported for charity.

When Gandhi advocated khadi, it was to represent a new ethos. Khadi was to be an agent of change for providing livelihood, self-sufficiency and at a moral plane inculcate virtues like patience. These may sound anachronistic in today’s world of malls, call centres and fast food. The propping up of khadi was a task (burden?) for the government of India and the endeavour was being reflected in successive plans. What does khadi represent today? It does not require much introspection to know that all that khadi stood for has been watered down or more appropriately washed away. At best we can look at khadi as a form of providing livelihood to the poor masses especially in the villages. But have we at least succeeded in this? This essay is an attempt to bring out for discussion the core problem in providing livelihood under khadi which remains unaddressed.

Stagnation of Khadi

The First Five-Year Plan (FYP) did not say much about khadi except to record that there are some khadi institutions which are doing good work. A decision was taken to constitute a Khadi and Village Industries Development Board as an organisation outside the departmental machinery to be managed by experienced persons in the field of khadi and village industries besides some representatives from the central government.

The Second FYP stated that with the setting up of the Khadi Board, the production of khadi had increased from Rs 1.3 crore in 1950-51 to Rs 5 crore in 1956-57. An effort was made to propagate the use of the ambar charkha and other multi charkhas-spindle charkhas. The rationale was that if adequate quantities of yarn of quality required by handlooms could be produced on a decentralised basis in village homes, the scope of rural employment can be increased. But somewhere down the line handloom was delinked from hand spinning.

However, khadi did not lack in terms of administrative machinery. The Khadi and Village Industries Commission (KVIC), a statutory body, with more executive powers than that enjoyed by the Board was established during the Second FYP. Also, in most states statutory Khadi and Village Industries Boards were set up. Assistance to khadi is being channelled through registered societies.

During the Third FYP there was a programme for manufacture and distribution of the ambar charkha on a large scale, although it was noted that the introduction of the charkha was not an unqualified success. The Third Plan noted that the ambar charkhas manufactured in the earlier stages were not up to the mark and there was no adequate arrangement for their servicing as well. There was even an ambar charkha enquiry committee which found that as against the expectation that ambar charkhas would work for eight hours a day for 300 days in the year, the actual performance was only at two hours per day for 200 days. The average production...
was only 1.8 hanks per day as against the target of eight hanks per day. But some satisfaction was derived from the fact that there was an improvement in the earnings of the ambar charkha spinners. Even with this less than spectacular performance in production, sale of khadi was faltering as evidenced by the accumulation of large stock in the last two years of the Second Plan.

A reading of the Fourth FYP document reveals that khadi almost stagnated during the Third Plan period. As against a programme of introducing three lakh ambar charkhas, only 13,534 charkhas were distributed. The year to year production of khadi oscillated from 84.85 million m² in 1965-66 to 66 million m² in 1968-69. The industry provided employment which was mostly part-time to 1.34 million persons, including 1.20 million spinners. Normally spinning is a part-time activity undertaken by women.

In the subsequent Plan documents there was always some discussion of khadi, but little of substance. The Ninth FYP document delivered a homily stating that the profit-making culture needs to be brought about in the khadi sector and there is a need to reduce the dependence on rebate and interest subsidy. But the Plan did not provide any direction on as to how this was to be achieved. The nadir is reached in the Tenth FYP when khadi gets just mentioned as one of the sub-sectors in the village and small industries sector. Handlooms, handicrafts, sericulture, etc., have now acquired primacy and khadi was pushed to near oblivion.

A Major Turnaround
Khadi is somewhat redeemed in the Eleventh FYP document. It is mentioned that the khadi segment provides 4.05 part-time and 4.65 full-time employment. Spinning is done mostly by women from the disadvantageous group which is carried out in the homes or in common workshops. The khadi institutions, the Plan document notes, are run by the office-bearers of the societies. The wage payments are irregular and generally made only after the permanent employees of the society receive their salaries. In the sale of khadi the focus is on charity and appealing to the “goodness of people’s heart”, not on the value of the product itself. In order to revamp the KVIC an Expert Committee had recommended that the commission should become professional and function as a modern corporate body and introduce permanent consultative mechanism at the zonal level. It was also recommended that enabling provisions have to be made to get the programmes implemented through selected non-governmental agencies. The challenge, faced by khadi, the Eleventh Plan notes, is to change the mindset towards khadi products: to move away from the welfare approach and publicise their unique selling proposition (USP) – handcrafted, hand-spun, energy-saving and healthy products. People should buy khadi not as a “national duty” or “act of charity” but because it is fashionable, admired the world over, and intrinsically of high value.

Regarding khadi institutions, the Eleventh Plan document states that there is a need to rejuvenate khadi programmes and to enlist new institutions by relaxing the conditions on registration. There are four types of khadi societies which are graded according to their performance. The “D” type institutions are in the lowest rung. The plan document states that these “D” category institutions have to be revived from their moribund state. Mention is made of supporting khadi institutions through supply of raw material, credit, repair of charkhas and looms, etc. A suggestion is also made for a khadi mark on the lines of handloom/silk mark for promoting khadi. It is further mentioned that in the Eleventh Plan period khadi will be registered as a brand and a domain name. New products and new designs will be developed with the help of National Institute of Design and National Institute of Fashion Technology. Under the scheme, product development, design intervention and packaging (PRODIP), incentives for development of new products, designs and better packaging have been introduced. Efforts are to be made to give a push to khadi marketing through advertising campaigns in India and abroad and to project it as a fashion statement for the youth. Shops will be opened in all international airports in India and the possibility of marketing through e-commerce will be explored.

The propositions in the Eleventh Plan marks a major turnaround in the focus on khadi. The raison d’etre for promoting khadi is now as fashion product, environment-friendly and furthering health consciousness. While in a sense as a marketing strategy such a shift may be needed, the fact remains that the status of the khadi artisans has once again remained unaddressed although for the first time the problems of these ill-paid artisans at least find a mention. The part-time women spinners live in deplorable conditions and the wages they earn are abysmally low. The wages for spinners can be even be as low as Rs 20 to Rs 30 per day if spinning is not done for the normal eight hours. There is no assured wage employment for the spinners or weavers. The khadi spinners/weavers are artisans who are nominally included in the executive body of the khadi societies. With low literacy, limited skills and absence of exposure to the issues relating to khadi, these artisan members can hardly play any role of consequence.

No Seriousness in Intent
The most glaring aspect of the current activities of the KVIC is that the empowerment of the spinners, weavers and artisans has not been in the forefront. The largest employment is of the spinners who are generally women followed by weavers and others as in fabric processing, etc. This would be evident from the employment figures for 2006-07 which has been given in a study undertaken by Pricewaterhouse Coopers in 2008 for the KVIC.

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Even the veracity of the figures of employment provided is doubtful as full-time employment in the case of cotton spinners is less than one month in a year. Also the weavers are not always exclusively working for the khadi institutions. It is not clear how the employment figures of spinners and weavers are reckoned under such conditions. (A more awkward fact relates to village industries where the bulk of activities relates to manufacture of steel cupboards executed through contractors.) The earnings of the khadi artisans as a percentage of the output has been computed in the Pricewaterhouse Coopers study.

What is even more shocking is that an evaluation by the Programme Evaluation Organisation (peo) has shown that the earnings of a full-time khadi worker were only 57% of what was reported in the annual reports of the kvic. Forget empowerment, the khadi artisans have not even got a fair deal as wage earners. The khadi movement was intended to provide sustainable livelihood to the artisans but it has been distorted and is now institutional centric. Generally, about two khadi spinners/weavers are nominated to the management committee. But the entire decision-making is vested with the non-artisans in the management. With low literacy, limited skills and absence of exposure to the issues relating to khadi, these artisan members can hardly play any role of consequence. In the light of the peo's findings, nominating these artisans without making any efforts at capacity building of these artisans shows lack of seriousness in intent for positive action.

The distinct feature of khadi is that it is both handspun and handwoven. All societies do not undertake both spinning and weaving. Cotton yarn is spun and sold while silk yarn is bought and woven by one society in the south. In this society, cotton yarn is got spun through a non-governmental organisation (ngo) which is fostering destitute women. This ngo has a sprawling establishment and in one large room 10 new model charikhas (nmcms) have been placed. Each charkha is being worked by two spinners, although only one spinner is needed. At this centre there are only four to five women who work on a regular basis, the rest are drafted depending on their availability. One of the regular workers was found to be suffering from some mental disorder. The irregular nature of spinning by the inmates has naturally affected productivity which is low. The per day production per artisan varies from three hanks to 17 hanks. To add to the efficiency issue is the more alarming fact that wages are paid by the society to the management by cheque. And this is an institution which has received the highest grading of A+. There cannot be greater travesty from the principle of khadi which is basically a livelihood issue. All that could be said in defence of their action by the representatives of this institution was that it is a very reputed ngo. Unfortunately, spinning khadi is seen as welfare activity. The regional office of the kvic is also well aware of this but did not find anything amiss with this arrangement.

In another kvic society in the eastern region a large number of nmcms are lying piled up in a dilapidated building after it was damaged in a cyclone in 1999. When one looks at khadi silk, the ground realities are even more shocking. In another society, again in south India (there is a general belief that institutions in the south perform better), silk yarn is spun with the aid of electricity! This is clearly reflected in the balance sheet of the society so one does not even have to undertake a visit to discover this fact. Under the kvic there is a Central Certification Committee vested with sweeping powers. The certification is necessary to ensure the genuineness of khadi that it is handspun and handwoven. The use of motor power is forbidden in making yarn and weaving although it is permitted in the pre-spinning stage like sliver making, warping, etc. There is also an audit and inspection procedure. Apparently, silk yarn spinning by hand is slow and difficult. The moot point is that once silk yarn is not handspun it ceases to be khadi and is not different from handloom. Should it then qualify for the marketing rebate which is an important incentive for these societies under the kvic? Looking at the activities of the kvic societies it appears that these could very well be covered under the schemes of the Ministry of Textiles (handloom segment) and the Ministry of Micro, Small and Medium Industries (as manufacture of steel furniture is a modern small-scale activity).

The kvic institutions include both production-oriented and purely marketing societies. The rationale for giving the same status to marketing institutions as the producing institutions is not clear. This would amount to supporting trading activity, unless the producer societies are formed into a federation with the marketing society as its apex body. One such society in a southern state, with sales outlets in strategic locations in a metro city,
was buying groceries from the wholesale market and selling it on retail basis after packaging. This is a purely trading activity and cannot be deemed as supporting any village industry or artisans. This society has received the highest grading of A+ from the KVIC. Societies sometimes find it more profitable to concentrate on village industries (vi) rather than khadi as it is reported that it is difficult to get spinners. One society in the western region has completely ceased to undertake any textile-related activity and it was diverting funds earmarked for khadi to vi. In respect of three A+ rated kvi institutions in one southern state it was found that during 2006-07 the extent of funds intended for khadi diverted for village industries was 18%, 23% and 38% which is quite significant. And strangely enough, the vi activity comprised largely of the manufacture of steel cupboards executed through contractors. Village industry, as its nomenclature denotes, has to relate to local skills, local resources and could cater to local demand as well. But the manufacture of steel cupboards defies inclusion as a village industry and to compound the deviation, no artisan is benefiting directly. A contractor may hardly be expected to cater to the welfare of the artisans either in payment of fair wages or regularity of employment. There would be no room for any welfare-related interventions like insurance for such artisans. Strangely enough steel furniture making is euphemistically categorised as blacksmithy, conjuring the impression of village blacksmiths slogging with their bellows. Handsome profits are being derived from steel furniture making. But in all references to village industries there is studied silence about this particular activity. Even the recent Pricewaterhouse Coopers study somehow did not look at the village industries activities of the kvi institutions and instead concentrated on the schemes of kvic like Rural Employment Generation Programme and the Scheme of Fund for Regeneration of Traditional Industries.

**Proposed Reform Package**

There is a proposal under consideration with the kvic for a reform package with external assistance from the Asian Development Bank (ADB) for $150 million. Under governance reforms it is proposed to organise the artisans into self-help groups (SHGs). But it is not clear who is to take up this challenging task. The kvic does not have the capability to undertake this task. If there was seriousness in intent about governance reforms, a time frame should have been given for the transformation of the non-artisan led kvi institution to purely artisan owned and managed institution.

But this has not been done. In all likelihood the formation of SHGs may remain a pious wish. There are two types of models proposed for future khadi institutions. The Producer Company Model would comprise primary producers (spinners, weavers, and artisans), who in turn will collectively appoint a governing board as specified in the Companies Act which would be responsible for all decisions. The producer company will form a joint venture with an entrepreneur for marketing of khadi products. This arrangement cannot even serve as smokescreen for empowerment. The entire venture would be hijacked by some “entrepreneur” and the artisans would remain as wage earners. The second model is openly entrepreneur-oriented, a class which cannot be found in the existing spinners or wavers or other artisans. There is double jeopardy in this new fangled proposition. It will not only not result in the empowerment of artisans but may well fail to preserve the ethos of khadi. It is indeed a sad commentary that the khadi artisans are not seen as entrepreneurial material. At best their skills may be upgraded and they may be enabled to earn higher wages.

The kvic despite having an administrative arrangement is not able to ensure the authenticity of khadi, viz, that the cloth is hand spun and handwoven. Under the new dispensation this task is again relegated to the kvic. Ensuring the authenticity of khadi may well fall by the wayside. Most surprisingly as seen from the report of Pricewaterhouse Coopers, although the kvic’s performance has come under scrutiny time and again, the activities under village industry have apparently not come under the scanner. In 1987 there was a Khadi and Village Industries Review Committee. This was succeeded by a high powered committee under no less a person than the then prime minister, P V Narasimha Rao. A report was submitted by Arthur Andersen in 2000. The Tata Institute of Social Sciences conducted an evaluation in 2000 which was followed by an evaluation by the Programme Evaluation Organisation of the Government of India. More recently, an expert committee was set up under D M Sukthankar, former chief secretary of Maharashtra in 2004-05. There has to be clear directive about what constitutes a village industry. In no way can the predominant manufacturing of steel cupboards executed through contractors be deemed as a village industry for providing rural livelihood.

If the kvi societies are to be reorganised it would in the first place require that the aberrations are perceived and conceded to be irregular. Somehow, in interactions one perceives only an attempt to paper over the issue as of limited consequence. Meaningful solutions can be found only by recognising that khadi has strayed from its objective of providing sustained livelihood to the artisans in rural areas. As of now even the artisans who work directly for the societies are getting only seasonal employment and cannot depend entirely on the societies for work. Foremost, in any reorganisation effort, the artisans have to be brought centre stage without which reform of the khadi sector is meaningless. Finer yarn can also be produced under khadi such as the muslin variety of West Bengal but this has not been replicated elsewhere although this would certainly enhance the marketability of khadi. This is only an illustration of the possibilities and potential under khadi if it is to be promoted for its inherent worth rather than supported for charity. The kvic is now a mammoth organisation and its bureaucratic structure has rendered all activities as just routine functions. Empowerment of artisans, ensuring the authenticity of khadi and appropriate selection of village industries need to be the hallmark of any reform programme in khadi. Though such labels are given in the proposed package, the proposals are weak in formulation and can hardly bring the desired results. The need of the hour is to have an informed debate on restructuring kvic and reformulating the reform package rather than merely tinker with the existing system.