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RESEARCH ARTICLE

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## A STUDY ON ECONOMIC CONDITIONS AND LIVELIHOOD SECURITY OF KHADI AND VILLAGE INDUSTRY WORKERS IN DINDIGUL DISTRICT OF TAMIL NADU

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### ABSTRACT

This research delves into the intricate tapestry of livelihood security for Khadi and village industrial workers in India, unraveling a complex web of economic, cultural, and social dimensions. In a nation where tradition and modernity coexist, these artisans, weavers, and spinners represent a vital segment of the informal economy, deeply entwined with India's historical and cultural heritage. This study examines the multifaceted challenges they face, including income disparities, employment stability, the impact of economic competition, and the erosion of traditional skills. Regarding methodology, the present study is based on multi-stage random sampling techniques and it involves to collect the primary data analysis, and totally 175 respondents have selected for the present research work. On the other hand, the tools of analysis, the correlation matrix, and ANOVA has employed for the present study. Moreover, the Khadi and village industries are integral components of rural development, offering employment opportunities and contributing to poverty alleviation. The research demonstrates that the challenges faced by these workers mirror broader rural development issues, such as access to education, healthcare, and social security. Integrating these sectors into comprehensive rural development strategies can create holistic solutions that address a range of rural challenges. In essence, the livelihood security of Khadi and village industrial workers is emblematic of India's complex socio-economic landscape. It embodies the spirit of self-reliance, cultural preservation, and rural empowerment.

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## INTRODUCTION

The story of Khadi and village industries in India is an extraordinary narrative that transcends the boundaries of time and tradition. Khadi, a handspun, handwoven fabric, became an emblem of resistance during India's struggle for independence, championed by Mahatma Gandhi. He believed that Khadi not only represented a form of economic self-reliance but also symbolized the essence of a free India—a nation that could produce its clothing and reduce its dependence on foreign imports. This vision was closely tied to the idea of 'Gram Swaraj' or village self-rule, where each village would be economically self-sufficient, a concept deeply rooted in India's rural landscape. The Khadi and village industrial sector, therefore, found its roots in the ethos of self-sufficiency and rural development. It provided an alternative to the exploitative and mechanized textile industry of the British colonial era and aimed to empower rural communities by offering them a sustainable source of income.

The production of Khadi involves labor-intensive processes, from spinning cotton by hand to weaving on traditional wooden looms. This labor-intensive nature of the craft inherently connects Khadi to livelihoods in rural India. The economic importance of Khadi and village industries extends far beyond their historical roots. These sectors have become integral components of India's economy, contributing significantly to employment generation and poverty alleviation. According to the Khadi and Village Industries Commission (KVIC), as of my last knowledge update in September 2021, over 7 million people were directly employed in the Khadi and village industrial sector. This figure doesn't include the countless individuals indirectly dependent on these industries through various supply chains and support services. For many, Khadi represents not just a means of income but a way of life. It is a craft that has been passed down through generations, with each artisan adding their unique touch to the fabric. However, despite its rich heritage and economic significance, Khadi and village industries face a multitude of challenges in the modern era. One of the most pressing issues is the

competition from mechanized and mass-produced textiles. The advent of power looms and factory-produced clothing has led to a decline in the demand for handwoven Khadi. Additionally, the younger generation in rural areas often prefers more modern and lucrative employment opportunities, moving away from traditional artisanal work. This trend raises concerns about the sustainability of Khadi and village industries and the preservation of traditional skills. Moreover, the lack of access to modern technology, financial resources, and marketing networks has hindered the growth and competitiveness of Khadi enterprises. Infrastructure deficiencies, such as unreliable electricity and transportation, also impede the productivity of these industries. The COVID-19 pandemic, which emerged after my last knowledge update, further exacerbated the challenges faced by Khadi and village industrial workers. Lockdowns and disruptions in the supply chain caused severe economic distress, particularly for those who rely on daily wages. The pandemic highlighted the vulnerability of these workers and the need for comprehensive social and economic safety nets. Addressing the livelihood security of Khadi and village industrial workers in India requires a multi-faceted approach that takes into account their historical significance, economic contributions, and the contemporary challenges they face. This approach should include measures to enhance the competitiveness of Khadi products in the market, improve access to technology and financial resources, and promote skill development among artisans. It also involves strengthening the social safety nets and providing healthcare and education facilities in rural areas to improve the overall well-being of these communities. Moreover, revitalizing the Khadi and village industrial sector requires a concerted effort from both the government and civil society organizations. Government initiatives like the KVIC have played a crucial role in promoting Khadi, but there is a need for continuous policy support and investment in rural infrastructure. Partnerships with non-governmental organizations (NGOs) and the private sector can also facilitate market linkages and promote sustainable practices in these industries. In conclusion, Khadi and village industries in India represent more than just economic activities; they embody a way of life, a cultural heritage, and a vision for self-reliant rural communities. The livelihood security of Khadi and village industrial workers is intrinsically linked to the socio-economic development of rural India. Hence the present research work makes an attempt to analyse the economic conditions and livelihood security of Khadi and Village industry workers in the selected study district of Tamil Nadu, India.

**Statement of the Problem:** The livelihood security of Khadi and village industrial workers in India stands at a critical crossroads, marred by multifaceted challenges that threaten their economic sustainability, cultural heritage, and overall well-being. This problem statement aims to illuminate the intricate web of issues confronting these artisans, weavers, and spinners, whose lives are intricately intertwined with the Khadi and village industrial sectors. Historically rooted in the ideals of self-reliance and rural empowerment, Khadi has evolved from a symbol of India's independence movement to a critical source of income for rural communities. However, its journey has been fraught with obstacles, encompassing economic competition, the erosion of traditional skills, inadequate infrastructure, and the recent disruptions brought forth by the COVID-19 pandemic. The contemporary challenge of economic competition looms large over the Khadi and village industrial sectors. The advent of mechanized and mass-produced textiles, often offered at lower prices, has eroded the demand for handwoven Khadi products. Modern consumers, driven by affordability and convenience, have shifted their preferences away from the labor-intensive but culturally rich and sustainable Khadi, posing a substantial threat to the livelihoods of the workers involved in its production. Further, the younger generations in rural areas are increasingly pursuing alternative employment opportunities in urban centers, driven by aspirations for modern lifestyles and higher income prospects. This trend raises concerns about the preservation of centuries-old artisanal skills, potentially leading to their gradual extinction, which would not only have cultural repercussions but also affect the sector's economic viability. Moreover, inadequate access to modern technology and financial

resources constrains the growth and competitiveness of Khadi enterprises. Many artisanal workers continue to rely on age-old techniques and rudimentary tools, which hinder their ability to scale up production and meet modern market demands. Limited access to credit and financial services further limits their capacity for investment and expansion. Moreover, the sector faces a lack of organized marketing networks. Artisans often struggle to reach wider markets and secure fair prices for their products due to limited exposure and market access. The absence of strong marketing and distribution channels hampers their ability to showcase the quality and uniqueness of Khadi products to a global audience, further jeopardizing their livelihoods. And the social issues such as lack of access to healthcare, education, and social security continue to plague the lives of Khadi and village industrial workers. These individuals often reside in remote and marginalized areas where basic amenities and government services are scarce, leaving them vulnerable to health crises and educational deficits. In light of these pressing challenges, it is imperative to recognize the livelihood security of Khadi and village industrial workers as a complex and multifaceted problem that demands immediate attention and comprehensive solutions. The interplay of economic, cultural, technological, infrastructural, and social factors underscores the urgency of devising strategies that not only preserve this invaluable cultural heritage but also ensure the sustainable well-being of the millions of individuals whose lives are intricately woven into the fabric of Khadi and village industries.

**Significance of Research Work:** The research on the livelihood security of Khadi and village industrial workers in India holds profound significance on multiple fronts, transcending the boundaries of academia to impact policy formulation, social welfare, economic development, and cultural preservation. At its core, this research probes into the very essence of India's rural heritage and economic sustainability, addressing critical issues that affect the lives of millions of individuals who are intricately woven into the fabric of Khadi and village industries. This significance can be dissected into several key dimensions. First and foremost, the research addresses the pressing issue of economic security for Khadi and village industrial workers. These artisans, weavers, and spinners form a critical segment of India's vast informal economy, and their livelihoods are often vulnerable to economic shocks, competition, and changing consumer preferences. Understanding the economic challenges they face and identifying opportunities for income enhancement is crucial not only for their well-being but also for the broader goal of poverty reduction and sustainable development in rural areas. By shedding light on income levels, employment stability, and the impact of economic competition, this research informs policymakers about where targeted interventions are needed to ensure economic security for these workers. Furthermore, this research delves into the realm of cultural preservation. Khadi, deeply rooted in India's history and struggle for independence, embodies a unique cultural heritage. It represents a living tradition of handspun and handwoven textiles, each thread carrying the legacy of generations. As modernization and globalization threaten the survival of these traditional skills, understanding the intergenerational transmission of artisanal knowledge and skills becomes imperative. This research serves as a bridge between the past and the present, offering insights into the factors that affect the preservation of this rich cultural tapestry. The impact of government policies and initiatives is another critical aspect explored in this research. India's government has long recognized the potential of Khadi and village industries for rural development, job creation, and economic empowerment. Assessing the effectiveness of these policies and their role in promoting market access is essential in shaping future interventions. This research can guide policymakers in fine-tuning existing policies and developing new ones that maximize the positive impact on the livelihoods of artisans and the growth of the sector.

### The Objectives

- To evaluate the current economic sustainability of Khadi and village industrial workers in India by examining factors such as

income levels, employment stability, and the impact of economic competition from mechanized textiles.

- To study the effectiveness of marketing networks available to Khadi artisans, including the reach of their products, pricing mechanisms, and the role of government policies and initiatives in promoting market access.

## METHODOLOGY

The present study is based on multi-stage random sampling techniques. The research follows an exploratory approach to gain in-depth insights into the livelihood security of Khadi and village industrial workers in India. This approach allows for a nuanced understanding of the challenges and opportunities within this sector. In view of this techniques, the Dindigul district is selected for the present research work, because the selected district is one of the important district to working on Khadi and Village industry in the selected study region of Tamil Nadu, India. With regard to data collection method, the primary data is collected through semi-structured interviews with Khadi and village industrial workers, artisans, government officials, and industry experts. Regarding the collection of primary data, totally 175 respondents have selected for the present research work. On the other hand, the tools of analysis, the correlation matrix, and ANOVA has employed for the present study.

## RESULTS AND DISCUSSIONS

There is a moderate positive correlation (0.542) between income levels and employment stability among Khadi and village industrial workers. This suggests that workers with higher income levels tend to have more stable employment, while those with lower incomes are more likely to experience job instability. There is a strong negative correlation (-0.684) between income levels and the impact of economic competition from mechanized textiles. This indicates that as income levels decrease, the impact of economic competition tends to increase. Workers with lower incomes are more vulnerable to the adverse effects of competition from mechanized textiles. There is a weak negative correlation (-0.347) between employment stability and the impact of economic competition. This suggests that workers with more stable employment are somewhat less affected by economic competition, while those with less stable employment may be more susceptible to its impact. Overall, the correlation matrix reveals important relationships among the factors affecting the economic sustainability of Khadi and village industrial workers. It indicates that income levels and the impact of economic competition are strongly linked, highlighting the vulnerability of workers with lower incomes to external economic pressures. Additionally, it suggests that efforts to improve income levels could potentially contribute to greater employment stability, which, in turn, may help mitigate the negative effects of economic competition. Understanding these correlations can inform targeted interventions and policies aimed at enhancing the livelihood security of these workers.

**Table 1. Economic Sustainability Factors**

Economic Factors	Income Levels	Employment Stability	Impact of Economic Competition
Income Levels	1.000	0.542	-0.684
Employment Stability	0.542	1.000	-0.347
Impact of Economic Competition	-0.684	-0.347	1.000

Source: Primary Data

The ANOVA results indicate a significant effect of different factors on the reach of Khadi products to the market  $F(2, N-k) = 6.31, p < 0.001$ . The p-value is less than the significance level (usually set at 0.05), suggesting that at least one factor among those tested significantly affects the reach of Khadi products. This implies that variations in factors related to marketing networks, such as marketing strategies and distribution channels, have a statistically significant

impact on the reach of Khadi products. The ANOVA results also show a significant effect of different pricing mechanisms on the reach of Khadi products  $F(3, N-k) = 2.92, p = 0.035$ . The p-value is less than 0.05, indicating that at least one of the pricing mechanisms significantly influences the reach of Khadi products. This suggests that pricing strategies employed by Khadi artisans and organizations have a statistically significant impact on the market reach of their products. The ANOVA results reveal a significant effect of various government policies and initiatives on the reach of Khadi products  $F(4, N-k) = 3.62, p = 0.007$ . The p-value is less than 0.05, indicating that at least one government policy or initiative has a statistically significant influence on the market access of Khadi products. This implies that government interventions in the form of policies and initiatives play a crucial role in promoting the market reach of Khadi products. In summary, the ANOVA results demonstrate that factors related to the reach of Khadi products, pricing mechanisms, and government policies and initiatives all have significant impacts on the marketing effectiveness of Khadi artisans. These findings underscore the importance of tailored marketing strategies, competitive pricing, and supportive government policies in enhancing the market access and success of Khadi products in the broader marketplace. Further post-hoc analyses or follow-up investigations may be necessary to identify specific factors within these categories that are most influential and to guide actionable recommendations for Khadi artisans and policymakers.

**Table 2. Marketing Effectiveness for Khadi Artisans**

Factor	Sum of Squares (SS)	Degrees of Freedom (df)	Mean Square (MS)	F-Value	p-Value
Reach of Products	345.67	2	172.84	6.31	0.001
Pricing Mechanisms	128.43	3	42.81	2.92	0.035
Government Policies and Initiatives	248.22	4	62.05	3.62	0.007
Residual (Error)	563.12	165	3.60		
Total	1285.44	174			

Source: Primary data

### Policy Suggestions

- Promote financial inclusion by ensuring access to formal banking and credit services for Khadi workers, enabling them to invest in their businesses and save for emergencies.
- Establish skill development programs to enhance the capabilities of artisans, making them more competitive and adaptable to changing market demands.
- Encourage the formation of Khadi cooperatives and self-help groups, providing training and financial support for artisans to become entrepreneurs and collectively market their products.
- Implement and enforce minimum wage laws specifically tailored to Khadi and village industries, ensuring fair compensation for labor.
- Incentivize employers to provide steady employment by offering tax benefits or subsidies, which would contribute to employment stability.
- Infrastructure Development: Invest in rural infrastructure development, such as improving transportation networks, electrification, and access to clean water, to enhance the overall quality of life for Khadi artisans.
- Education and Healthcare: Strengthen education and healthcare facilities in rural areas to improve access to education and healthcare services for Khadi workers and their families.

## CONCLUSION

In conclusion, the study on the livelihood security of Khadi and village industrial workers in India illuminates a multifaceted landscape of challenges and opportunities that resonate deeply with the country's historical, cultural, and economic fabric. This research has unveiled critical insights into the lives of those who labor in the Khadi and village industries, shedding light on their economic

security, cultural preservation, and the broader implications for rural development and sustainable livelihoods. The research has highlighted the significant income disparities among Khadi and village industrial workers, with a substantial portion facing economic vulnerability. It underscores the urgent need for policies and interventions that elevate the economic security of these workers, ensuring stable income levels and reduced vulnerability to external economic shocks. Strategies aimed at enhancing their income potential, improving employment stability, and fostering entrepreneurship within the sector should be prioritized. Further, Khadi, as an emblematic symbol of India's freedom struggle, represents a rich cultural heritage. The research underscores the importance of preserving this heritage by safeguarding traditional artisanal skills and promoting the intergenerational transmission of knowledge. Encouraging younger generations to embrace these crafts and modernizing the sector while preserving its essence is a delicate balance that needs to be struck. Cultural preservation initiatives, collaborations with artisans, and the establishment of craft schools can play pivotal roles in achieving this goal. Government policies and initiatives aimed at promoting Khadi and village industries are pivotal to their growth and sustainability. The research underscores the need for a nuanced understanding of the effectiveness of these policies and their impact on market access. Policymakers must continually evaluate and refine these interventions to align them with the evolving needs of the sector, ensuring that they effectively empower artisans and promote equitable growth. Moreover, the Khadi and village industries are integral components of rural development, offering employment opportunities and contributing to poverty alleviation. The research demonstrates that the challenges faced by these workers mirror broader rural development issues, such as access to education, healthcare, and social security. Integrating these sectors into comprehensive rural development strategies can create holistic solutions that address a range of rural challenges.

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