



Gramodyog Vikas Yojana and Village Industries

For Prelims: [Gramodyog Vikas Yojana \(GVY\)](#), [Khadi and Village Industries Commission \(KVIC\)](#), Khadi Vikas Yojana (KVY)

For Mains: [Fostering Rural Growth, Initiatives for Development of Rural Industries](#), Significance of Village industries in Indian Economy

Why in News?

- Recently, the **Lieutenant Governor of Delhi distributed Honeybee-Boxes and Toolkits to 130 recipients as part of the [Gramodyog Vikas Yojana \(GVY\) program](#).**
 - The initiative was **organised by the [Khadi and Village Industries Commission \(KVIC\)](#).**

What is Gramodyog Vikas Yojana (GVY)?

- **About:**
 - It was **launched in March 2020**.
 - It is **one of the two components of the [Khadi Gramodyog Vikas Yojana](#)** which is a **[Central Sector Scheme \(CSS\)](#)**.
 - The **other component of Khadi Gramodyog Vikas Yojana is the Khadi Vikas Yojana (KVY)** which includes **two new components such as Rozgar Yukt Gaon, Design House (DH)**
- **Aim:**
 - GVY **aims to promote and develop the village industries through common facilities**, technological modernization, training etc.
- **Included Activities:**
 - Agro-Based & **[Food Processing](#)** Industry (ABFPI)
 - **[Mineral](#)**-Based Industry (MBI)
 - Wellness & Cosmetics Industry (WCI)
 - Handmade Paper, Leather & Plastic Industry (HPLPI)
 - Rural Engineering & New Technology Industry (RENTI)
 - Service Industry
- **Components:**
 - **R &D and Product Innovation:** R&D support is given to institutions that intend to carry out product development, new innovations, design development, product diversification processes etc.
 - **Capacity Building:** The existing MDTCs (Master Development Training Centers) and institutions of excellence address the capacity building of staff and artisans as part of the Human Resource Development and Skill Training components.
 - **Marketing & Publicity:** The village institutions provide market support by way of preparation of a product catalogue, industry directory, market research, new marketing techniques, buyer-seller meetings, arranging exhibitions etc.

What is KVIC?

- KVIC is a **statutory body established under the Khadi and Village Industries Commission Act, 1956.**
- The KVIC is **charged with the planning, promotion, organisation and implementation of programmes for the development of Khadi and other village industries** in the rural areas in coordination with other agencies engaged in rural development wherever necessary.
- It **functions under the [Ministry of MSMEs.](#)**

What is the Significance of Village Industries in Indian Economy?

- **Employment Generation:** Village industries are labor-intensive, providing ample employment opportunities in rural areas. They contribute to reducing unemployment and underemployment, particularly among the rural population.
 - These industries **absorb a substantial workforce, including skilled, semi-skilled, and unskilled workers.**
- **Rural Development:** Village industries contribute to the overall development of rural areas. By establishing small-scale enterprises in villages, they help in creating local economic activities, **reducing migration to urban areas**, and preventing the concentration of population in cities.
- **Poverty Alleviation:** Village industries contribute to poverty alleviation by generating income for rural communities. They provide livelihood options for people who have limited access to formal employment opportunities, particularly in agriculture.
 - By **promoting entrepreneurship and self-employment**, these industries empower **individuals to improve their socio-economic conditions.**
- **Utilisation of Local Resources:** Village industries typically utilize local resources and raw materials available in rural areas. This helps in promoting sustainable development and reducing dependence on external resources.
 - It **encourages the utilisation of locally available skills, traditional knowledge, and natural materials**, thus preserving local heritage and culture.
- **Export Potential:** Many village industries produce traditional crafts, handlooms, handicrafts, and other unique products that have high demand in domestic as well as international markets.
 - The **export of these products generates foreign exchange earnings and enhances the country's global trade competitiveness.**

What are the Other Initiatives for Development of Village Industries?

- [Deen Dayal Upadhyay Grameen Kaushalya Yojana](#)
- [Pradhan Mantri Kaushal Vikas Yojana](#)
- [National Rural Livelihood Mission](#)

UPSC Civil Services Examination Previous Year Question (PYQ)

Q. Smart cities in India cannot sustain without smart villages. Discuss this statement in the backdrop of rural-urban integration. **(2015)**

Source: [PIB](#)

