



## 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](#)

