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A Theoretical Study of The Indian Khadi Sector

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ABSTRACT

The nations of the world have become more interdependent on each other economically, socially, and culturally as a result of globalization, privatization, and the lowering of trade, travel, and communication obstacles. The world has shrunk to the size of a small town due to the modern renaissance's facilitation of the free flow of information, products, services, capital, and ideas. In India and around the globe, micro, small, and medium-sized businesses (MSME) play a crucial role in the economy. This region offers a diverse selection of more than 6,000 products, has over 30 million units, and is responsible for 70 million jobs. It also accounts for 40% of exports. It adds about 8% to the national GDP, which is a substantial amount. Among these products, Khadi is the most practical option for maintaining economic viability while also honoring traditional handicrafts. The focus of this piece is the Khadi industry's performance in India. The market for this industry is currently characterized by a great deal of opportunity and danger. This study focuses on the opportunities and capabilities of the Khadi sector in addition to the challenges it faces.

Keywords: *Micro Small and Medium Enterprises, Khadi, Globalization, Cluster Development.*

INTRODUCTION

During the time from 1901 to 1961, which is known as the pre-globalization era, the majority of India's economy was based on agriculture (around 70–75%), with a little percentage coming from manufacturing (9–10%) and some from services (16–20%). Nevertheless, things began to change as a result of the weak connection between the agriculture and non-agriculture sectors. This led to less opportunities to sell agro-based products, which in turn exacerbated farm sector unemployment. During this crisis, the demand shifted towards metropolitan regions' capital-intensive sectors, like those producing inputs like fertilizers, tractors, and pesticides.

Micro, small, and medium-sized businesses (MSMEs) have become one of the most well-known sectors for creating jobs at low capital and technology requirements, exporting, and rural industrialization, which in turn contributes to the country's economic "growth engine." MSMEs are known for their agility, dynamism, admirable innovation, and adaptability to withstand economic shocks. After the agricultural sector, MSME units contribute to India's economic growth. MSMEs play an important role in India's socioeconomic growth and serve as ancillary units to larger companies.



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MSMEs are being drawn more and more into global value chains by the globalization of business through various cross-border operations. Numerous business owners are seizing the chances brought about by the government's heightened attention to the MSME sector, greater R&D expenditures, technological advancements, push for global partnerships, and initiatives to increase competitiveness and spur entrepreneurial growth. More than 6000 products, from conventional to high-tech, are produced by the MSME sector. MSMEs in India can take advantage of lucrative prospects in the foundry, electronics, chemicals, leather, food and agro processing, pharmaceuticals, transportation and tourism, and textile industries.

The current study has focused on India's textile sector, particularly the Khadi sector. The textile known as Khadi gained popularity as a result of Mahatma Gandhi's Swadeshi Movement. For the long-term economic development of India as a whole as well as the expansion and innovation of the rural areas, the Khadi sector is frequently viewed as essential. The high labor-to-capital ratio in the Khadi sector suggests that a sizable portion of the population can find profitable work at a lower capital cost than large businesses. Khadi's art and craftsmanship are distinctive. Three metrics—production, sales, and employment—have been used in the research to showcase the Khadi sector's performance in India. Additionally, a SWOC study of the Khadi sector is carried out in order to comprehend the current state of the industry. In the paper's recommendation section, several corrective actions are offered to help this sector overcome its obstacles.

OBJECTIVES OF THE STUDY

The following goals are formulated with consideration for the significance of the Khadi industry to our nation's economy:

- To emphasizing the Khadi industry's importance in our nation;
- To highlight the Khadi sector's performance in terms of employment, production, sales, and marketing.
- The risks that the Khadi sector faces as a result of globalization; and
Anticipation of the globalization opportunities facing the Khadi sector.

REVIEW OF LITERATURE

Archana U (2022) A study was commissioned by the District Rural Development, Coimbatore, to investigate consumer satisfaction with Khadi and Village Industrial items. You can find the study's findings below. The lack of empirical study on Khadi and Village Industrial goods was something I discovered by mistake. A surprising amount of unmet need for research into consumer habits as they pertain to Khadi and Village Industrial products, as well as ample opportunity for enhancement. Goods produced by the local factory. There are two ways to influence a consumer's satisfaction level with a product: changing the customer's perceptions of the items or making them more involved with the product. One way is to highlight the product's newly developed features or link it with famous figures. The purpose of this marketing-focused survey was to gauge the level of satisfaction that



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Khadi and Village Industrial items had among Coimbatore residents. To address information gaps, this study investigates the various aspects that impact consumer purchase decisions and the level of satisfaction with Khadi and Village Industrial products. One retail marketing channel that they can tap into for assistance with a variety of promotional activities and sales growth is the District Supply and Marketing Society. Legislators can also utilize this data to gather insights into the current state of the Khadi and Village Industrial Commission (KVIC) stores and determine the best course of action for the government in relation to their various initiatives.

Rohilla Monika, Gautam Anamika (2022) The purpose of this research was to find out how much the youth in the Panipat region of Haryana know about khadi. This study aimed to examine the characteristics and acceptability of purchasing behavior among young people. We polled 292 adults, with ages spanning 18–29, for the study. The survey found that 62 percent of the youth sample did not think khadi clothing was a budget-friendly option. Cotton khadi is quite comfortable, so much so that 56% of purchasers would purchase it despite only 40% being familiar with it. Seventy percent of the population believes that khadi can be worn by women of any age. Approximately 20% of the younger demographic was discovered to be totally shunning khadi. Twenty percent of respondents also said they exclusively liked khadi for home textiles, such as curtains, bedsheets, blankets, and the like. On the other hand, 62% of the younger generation felt that khadi was overly expensive. The verdict was in: khadi was a hit with buyers. Aside from prioritizing comfort, young people are captivated by reasonably priced yet fashionable clothing.

Datta et al. (2022) Customer perceptions of the credibility of Khadi Bhandars offering genuine Khadi clothes have been the subject of scant research. Even though Khadi is an authentic Indian material, research on the fabric has primarily disregarded customer purchasing patterns. This study delves into the motivations of customers who purchase Khadi fashion clothing, specifically examining Khadi bazaars. Attendees included buyers of textiles and apparel crafted using the Khadi method. Atmosphere of the store, trustworthiness perceived, and attitude towards purchasing are characteristics that can be used as indicators. A structural equation model and exploratory factor analysis were used to analyze the data. According to studies, customers' views of the genuineness of products, their intent to purchase, and their overall attitude toward shopping are all significantly influenced by the retail environment. The way people see and feel about a person has a significant impact on their purchase intention, which is a key factor in their actual purchasing behavior.

Padmasani (2021) The study examines customer sentiments towards khadi goods using the prism of Fishbein's attitude model. It explores how customers' attitudes influence their buying decisions and how attitudes relate to customer satisfaction, as well as the influence of personal attributes. Buyers who are more positive about the trend report higher levels of pleasure with their purchases, and the majority of consumers think khadi goods are attractive.

D. Anusuya and M. Banurekha (2016) Customers were satisfied with their purchases of Khadi and Village Industrial products, according to researchers in the Coimbatore District. The purpose of the research is to find out how satisfied customers are with KVI products and what their preferences are.



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The goal of considering 200 people was to find out how satisfied people are with Khadi products. The most important thing that came out of this poll was that most people think quantity is the most important thing, then quality, then price, and lastly quantity. The study's author concluded that in order to boost online sales, KVI should prioritize producing high-quality products and stocking up on supplies. There were certain policies that the researcher thought the government should implement.

Choudhay P and Ojha S (2015) "Developing innovative Khadi products and observing the purchasing patterns of young people in Jaipur who are interested in Khadi." One hundred men and women participated in the study. Participants in the random sampling included both employees and independent contractors. The survey was conducted by visiting many Khadi Ghar in Jaipur. Despite 57% of people saying they love Khadi kurtas, 43% saying they wear them every day and 57% saying they don't wear them often. Four in ten people who bought khadi fabrics did it from a khadi store, while a quarter bought it from a handloom store. The term "khadi" and its characteristic fabrics are familiar to almost all poll takers. Consideration of cotton khadi fabrics is crucial throughout the selection process. According to the results, consumers have a positive impression of Khadi because of their behaviour.

Manikandan. A and Kumaresan. S (2015) A survey of Domino's Pizza customers in Chennai to gauge their level of happiness. Pizza joints and franchisees alike are part of the Domino's Pizza brand. The major objective of this research project is to gain a better understanding of the experiences, opinions, and feelings of Domino's Pizza and other things among the customers of Domino's Pizza stores in Chennai. The launch of new products, price reductions, customer satisfaction with delivery, and other related issues will be examined. Domino's Pizza Outlet stands to gain from this endeavor since it will provide valuable insight into consumer preferences, allowing the company to enhance its offerings in response.

Muruganandan. S and Yazhini. M (2012) An Analysis of Rural and Urban Consumers' Perceptions of Khadi Products. Knowing the customer's mood allows the marketing manager to reliably meet the customer's product or service preferences. This study aims to compare the perspectives and experiences of khadi goods buyers in rural and urban areas. The statistical approaches used included ANOVA, Paired t-test, and correlation analysis, in addition to the fish bin's multi-attribute attitude measurement model. There appears to be minimal variation in satisfaction and attitude between consumers residing in urban and rural areas, as indicated by the data. Consequently, representatives from the Khadi and village sectors might adopt a cookie-cutter approach to increasing khadi sales, disregarding the reality that some customers might live in more rural regions than others.

Alexander Pravin Durai (2005) He said that as users of numerous media, ads have entered every part of our lives. These commercials have a significant impact on consumers' long-held views and purchasing habits in this era of information explosion and media supremacy. If advertisers, marketers, and manufacturers can reliably deliver advertisements that live up to consumers' expectations and, who knows, maybe even change their minds, then they will have succeeded.



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Armstrong and Kotler (2000) Motive, perception, learning, and attitude are the four factors he cites as impacting behavior. Attitude, on the other hand, is a key notion in marketing research because of the role that learning, perception, and motivation have in shaping it. The individual's mindset also determines whether they like or despise the item.

Dilip Shah (1999) He stressed Gandhiji's focus on the Khadi and rural economic development. Gandhi aspired to create a New Social Order (NSO) based on truth and nonviolence. The ultimate aim of this perfect society would be the promotion of human values, but there would also be economic and moral advancements. The people who were against Gandhi's attempts to bring rural areas back together saw his work as "Rural Industrialization." The growth of 'Khadi & Village Industries' was greatly aided by two fundamental principles of Gandhian development: economically and politically decentralized power and self-sufficient communities. The research suggests that the Khadi movement was an effort to acknowledge the economic and social agency of women, without which the quest for Swaraj or independence would have been pointless. As a mass mobilization movement, it went hand in hand with the anti-imperialist struggle. Woes over women's poor pay gave rise to the "Living Wage for Spinners" idea. The key selling point of Khadi is that it can be used by producers on-site while they are manufacturing the outfits. Although Gandhi was opposed to Khadi, he acknowledged its popularity in 1946 when he referred to "Commercial Khadi" as a "gocart."

Rajendran (1999) In the Tamil Nadu district of Tiruchirapalli, he looked into the many ways small businesses get help in an effort to identify institutional initiatives that help small enterprises thrive and overcome the challenges they face. Inadequate capital was the primary problem, he concluded, for small company owners. In addition, there are marketing, administrative, technical, and raw material procurement problems that small firms face. A lack of coordination between government officials and promotional groups contributed to the banking institutions' overly complicated loan application procedures.

Emma Tarlo (1996) She dispelled the myth that all Indians could simply refer to one, agreed-upon definition of "khadi" in her writings. She argued that, by expressing diverse meanings of its significance, different types of Khadi can function as a way of social division. According to the history of Khadi's revival in the 20th and 21st centuries, there has always been tension between a modernity based on Gandhian values and capitalist growth. It was never seriously contemplated that khadi would be widely used as casual wear, as Gandhi had intended. However, do not discard its important symbolic role in providing an alternative image of modernity by evoking the uniqueness and texture of India's Freedom Struggle. The results of this study indicate that khadi significantly impacts GDP growth. As an extra bonus, Khadi has the potential to bring in buyers from within rural communities, which can increase business chances. Because of this, the urban equivalents gain. Since most people can't live without manufactured products, they are inherently resistant to inflation. A small textile mill equipped with 16 upgraded Nepal type and semi-automatic looms and 48 spindle



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power operated ring spinning frames can produce Janata Cloth, also known as common variety cloth, at a cost-effective manner, according to rigorous trials conducted in Gujarat and Tamil Nadu at the request of the 'Khadi & Village Industries Commission.' This makes the cloth ideal for mass consumption, especially among the less fortunate members of the community. This has the potential to make the small-scale units more economical and efficient. In light of these facts, it seems that small-scale entities can thrive when they rely on one another rather than compete with one another.

Chakravarthy Dr Pulak (1993) A leading economic investigator emphasized that the Khadi and Village Industrial sector is a non-comparable industry that cannot be compared to any other sector. The study contends that the economic benefit of this industry comes from the fact that it employs a large number of people in more remote locations where no other large or small businesses can be established, even though hand-operated equipment cannot compete with contemporary, massive machinery. Given that they lack the enormous resources to employ all of the rural masses, a growing country with millions of unemployed people in rural areas can only solve its unemployment problem by concentrating on non-farming and village industrial sectors.

CONCLUSION

Khadi is more than just a fabric, according to the theoretical study of the Indian Khadi industry; it is a representation of India's independence, cultural legacy, and sustainable growth. The Khadi movement, which has its roots in Gandhian philosophy, promotes the ideals of self-reliance, simplicity, and rural empowerment. Khadi has changed over the years from being a tool for the liberation movement to becoming an essential part of India's rural economy and job creation plan.

According to the report, the Khadi industry plays a vital role in inclusive growth by giving women, underprivileged communities, and rural artisans a means of subsistence. The sector has enormous potential for revival through modernization, innovation, and government support under programs like the Khadi and Village Industries Commission (KVIC), despite obstacles like competition from mechanized textile industries, fluctuating demand, and ineffective marketing strategies.

In summary, developing the Indian Khadi industry necessitates a well-rounded strategy that embraces contemporary technology, quality enhancement, and international branding while maintaining the industry's traditional character. Khadi can continue to act as a link between India's cultural heritage and its goals for just and sustainable economic growth with continued policy support, skill development, and consumer awareness.

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