



**FINANCIAL SUPPORT AND ENTERPRISE DEVELOPMENT
UNDER KVIC: A SYSTEMATIC REVIEW OF MSMES, RURAL
ENTERPRISES, AND WOMEN EMPOWERMENT IN INDIA**

¹*Rajeshwari MC C.A., ²Dr. Pramod Kumar Pandey

¹*Research Scholar School of Management Presidency University, <https://orcid.org/0009-0008-7918-6501>, Email ID: rajeshwari.20253mgt0003@presidencyuniversity.in

²Associate Professor - SG School of Management Presidency University
<http://orcid.org/0000-0002-2395-3387>, Email ID: pramodkumar@presidencyuniversity.in

***Corresponding author:**Rajeshwari MC C.A
(rajeshwari.20253mgt0003@presidencyuniversity.in)

Article History:

Received : 2026-02-27

Revised : 2026-04-04

Accepted : 2026-04-12

Published : 2026-04-20

Abstract:

Micro, Small and Medium Enterprises play a vital role in India's economic development by generating employment, supporting rural enterprises, and promoting inclusive growth. Within this sector, Khadi and Village Industries represent a distinct segment supported by the Khadi and Village Industries Commission through financial and institutional initiatives. Despite extensive policy support, existing literature remains fragmented and largely descriptive, with limited focus on how financial assistance contributes to enterprise development and women's empowerment. This study presents a systematic review of literature published between 2000 and 2025 to examine the role of the Khadi and Village Industries Commission in supporting rural enterprises. The review follows the Preferred Reporting Items for Systematic Reviews and Meta-Analyses framework and applies the Weight of Evidence approach to ensure methodological rigour. The findings show that major schemes have significantly enhanced financial inclusion, enterprise creation, self-employment, and income generation. Women's participation is notably high, highlighting the sector's contribution to empowerment. However, challenges such as regional disparities, limited awareness, administrative inefficiencies, and weak market linkages continue to affect enterprise performance. The study provides policy insights by emphasising improved financial access, market integration, and gender-sensitive strategies for sustainable growth.

Keywords:

Financial Support, Micro Small and Medium Enterprises, Rural Enterprise Development, Women Empowerment, Enterprise Performance

1. Introduction

The Micro, Small and Medium Enterprises (MSMEs) are becoming an important source of economic development in India, as they play a major role in providing employment opportunities, boosting exports and ensuring equal distribution of development across the regions (Mahadevan, 2019; Verma, 2020). The industry contributes about 30.1 per cent of the Gross Domestic Product and about 45.7 per cent of total exports to the country, and more than 6.5 crore registered enterprises (Ministry of Micro, Small and Medium Enterprises, 2023; Government of India, 2024). In addition to its macroeconomic impact, the MSME sector has a crucial role in fostering inclusive development by facilitating rural businesses, fostering entrepreneurship, and providing livelihood opportunities to various socio-economic segments (Lahiri, 2012; Bhat and Singh, 2020). In this larger MSME context, Khadi and Village Industries (KVI) are a specific category of rural businesses that can be characterised by labour intensiveness, low capital needs, and close connections to the traditional skills and local resources (Balasubramanyam, 2015; Pyne, 2017). The highest authority of promotion and development of this sector is the Khadi and Village Industries Commission (KVIC), which is developed under the Khadi and Village Industries Act, 1956 (Khadi and Village Industries Commission, 2024). KVIC offers financial support, skills training, infrastructural support, and market promotion to enhance rural enterprise development through major programs like the Prime Minister Employment Generation Programme (PMEGP), Scheme of Fund Regeneration of Traditional Industries (SFURTI) and Khadi Vikas Yojana (KVY) (Government of India, 2022; Singh and Dhaliwal, 2025). Specifically, the financial support mechanisms (including subsidies, credit connections, and institutional funding) are at the core of facilitating the creation and maintenance of enterprises in the context of the KVIC (World Bank, 2020; NABARD, 2022). These cash injections play a crucial role in easing the entry threshold of rural entrepreneurs, enhancing access to financial sources, and contributing to the development of micro and small-scale businesses. Nevertheless, the efficiency of such funding in its transfer to the better performance of enterprises, their competitiveness on the market, and their sustainability in the long-term is a poorly studied issue in current literature (Patil, 2021; Das, 2014). The other significant aspect of the activities supported by KVIC is their role in empowering women (Aravind & SB, 2024; Gupta et al., 2021). Most people involved in khadi and village industries are women, especially when it comes to home-based and cluster-based systems of production. These activities have helped to achieve better financial independence, increased decision-making ability, and social inclusion (Rani & Sundaram, 2021). Nevertheless, the role of women in it is accepted broadly, but there is a lack of systematic knowledge about the ways in which this role can lead to long-term economic empowerment and performance at the enterprise level (Agarwal & Lenka, 2018; Tambunan, 2009). Although the role of KVIC in the development of MSMEs and rural businesses has become more significant, the current literature on the topic is disjointed, mostly description-based, and usually covers only certain regions or schemes (Das, 2014; Snyder, 2019). Numerous reports emphasise the beneficial results, including the creation of jobs and financial improvement, but a comprehensive analysis based on a business and finance approach, especially the impact of financial support schemes on the growth and performance of enterprises, is deficient (World Bank, 2020; Kumar, 2016). This leaves a research gap, since the larger linkage between institutional support, financial inclusion, and enterprise outcomes has not been synthesised (Farha & Khan, 2024). It is on this background that the current study uses the PRISMA 2020 framework and the Weight of Evidence methodology by Gough (2007) to conduct a systematic review of literature on the topic published within the period of 2000 and 2025 (Moher et al., 2009). The research will: (i) focus on the role of KVIC in offering financial assistance to MSMEs and rural ventures, (ii) analyse how it addresses the development of enterprises and creation of employment opportunities, (iii) assess how it empowers women and (iv) determine the major challenges associated with implementation, market access, and performance of enterprises.

This research adds to the body of knowledge on MSMEs, finance and entrepreneurship by providing a holistic view of KVIC as an institutional facilitating system to rural enterprise development (Tranfield et al., 2003; Snyder, 2019). It also offers policymakers and practitioners practical ideas by indicating how financial access should be improved, market connections should be reinforced, digitalisation should be done, and gender responsive approaches should be implemented in order to make khadi-based businesses in India more sustainable and competitive. MSMEs and rural industries have been known to be the focal point of economic development in India (Jha, 1990; Planning Commission, 2014).

2. Methodological framework

A systematic literature review has been conducted to explore how the Khadi and Village Industries Commission supports small and medium enterprises (SMEs) in terms of finance, enterprise development, and women's empowerment in Indian villages. In conducting this review systematic review framework developed by Gough (2007) was used to ensure methodological robustness, transparency, and replicability whilst also following the guidelines set out by PRISMA 2020 (Preferred Reporting Items for Systematic Reviews and Meta-Analyses).

The review will focus on the analysis of financing support mechanisms such as subsidies, credit linkages, and financial inclusion programs and their impact on enterprise formation, sustainability, and performance.

Exhibit 2: Selection and Elimination Standards Applied in the Study

Facet	Selection Standards	Elimination Standards
Nature of Publication	Refereed journals, government evaluation reports, PhD theses, edited books, and peer-reviewed working papers related to Khadi and Village Industries (KVIC) and the MSME sector.	Magazines, newsletters, conference précis, and unpublished manuscripts without peer review.
Writing System	English-language publications ensure readability, clarity, and academic credibility.	Non-English papers or regional-language articles without English translation.
Representative Population	KVIC beneficiaries, women artisans, rural entrepreneurs, MSME officials, and employees associated with Khadi and Village Industries.	Large-scale industry owners or employees of non-KVIC industrial sectors.
' Subject of the Articles	Studies addressing KVIC, Khadi and Village Industries, Rural Employment, Women Empowerment, SFURTI, PMEGP, and Khadi Vikas Yojana,	Studies focused on non-KVIC institutions, urban industries, taxation, or unrelated policy frameworks.

Source: Adapted and synthesised from the works of Gough (2007)

2.1 Data Sources and Search Strategy

The search of the literature was well organised and extensive in order to cover peer-reviewed literature as well as grey literature of various academic and institutional databases. The databases will cover Google Scholar, Scopus, Web of Science, SAGE Journals, Taylor and Francis Online, Researchgate and the Directory of Open Access Journals (DOAJ) and official sources like KVIC reports, Ministry of MSME publications and Press Information Bureau releases.

This search included studies published in the last 20 years (2000-2025) to show how KVIC policies and financial support programmes have evolved. A combination of keywords and Boolean operators was used in order to have systematic coverage. Search words of major importance included:

- KVIC AND financial support AND MSMEs.
- Khadi industries AND financial assistance AND enterprise development.
- Financial inclusion AND rural enterprises AND India.
- PMEGP AND credit support AND MSMEs.
- KVIC AND women empowerment AND financial inclusion.

The search queries were narrowed down in a cyclic manner to enhance relevance and reduce duplication.

2.2 Inclusion and Exclusion Criteria

The following inclusion and exclusion criteria were used to guarantee consistency, quality and relevance:

Inclusion Criteria

Government reports, policy reports, and academic theses; peer-reviewed journal articles. The studies on KVIC, Khadi Industries, MSMEs, the development of rural enterprises, financial support, and women empowerment.

- Publications in English
- Articles that were published in 2000 -2025.
- Empirical, conceptual or analytical research that has explicit methodology.
- Research on financial aid, access to credit, financial inclusion, and performance of enterprises.

Exclusion Criteria

- Magazines, newsletters and opinion pieces, which are not peer-reviewed.
- Other studies that are not related to KVIC or rural enterprise development.
- Replicated records in databases.
- Non-English publications not found with a credible translation
- Research with less clear methodology.

2.3 Study Selection Process (PRISMA Framework)

The process of study selection was in line with the four steps of the PRISMA framework: identification, screening, eligibility, and inclusion.

- Identification: A total of 3,200 records were found by searching databases and institutional sources.
- Screening: Duplicated records were removed, and titles and abstracts were screened to remove irrelevant studies.
- Eligibility: Full-text articles were considered based on set inclusion and exclusion criteria, and a special emphasis was placed on financial and enterprise-related relevance.
- Inclusion: 400 studies were ultimately chosen to be analysed and synthesised after a strict assessment.

In order to ensure the transparency and replicability of the selection process, the entire selection process is represented with the assistance of the PRISMA 2020 flow diagram.

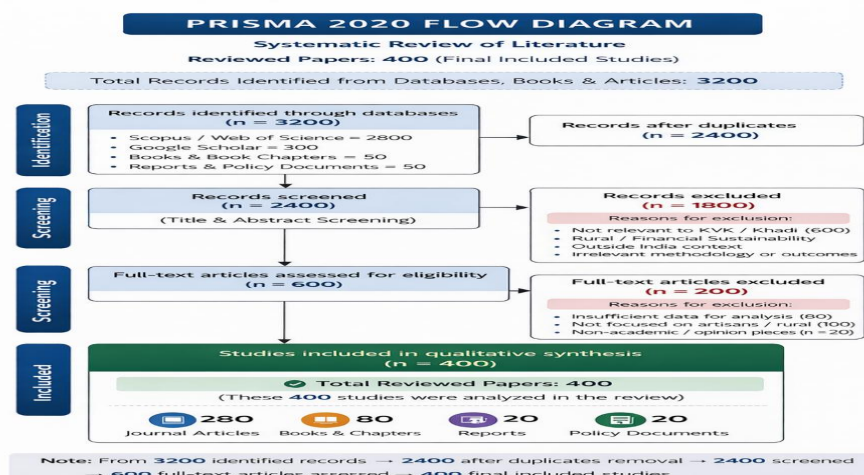


Figure 1. PRISMA 2020 Flow Diagram

2.4 Quality Appraisal (Weight of Evidence Approach)

To assess the quality and relevance of the chosen studies, the studies were assessed using Gough (2007) Weight of Evidence (WoE) framework. It was examined in each study in the aspect of:

- Methodological Rigour: Reasonableness of research design, data and analysis.
- Relevance: Congruency with financial support and enterprise development goals.
- Coherence: Rational consistency of results.
- General Impact: Value in the knowledge of the financial and institutional influence of KVIC.

According to these criteria, the studies were categorised as high, medium or low quality, with a higher consideration of high-quality studies when synthesising.

2.5 Data Extraction and Synthesis Method

The thematic areas, including Relevant data from the chosen studies, were systematically extracted and organised into thematic areas.

- Financial support and financial inclusion.
- Rural enterprise development
- Employment generation
- Women's empowerment
- Market linkages and enterprise performance.
- Implementation and institutional issues.

The thematic synthesis methodology was used to analyse and synthesise findings from each study. Both quantitative data (income, employment, and financial results) and qualitative data (empowerment, policy impacts) were taken into account. Through this strategy, patterns, relationships and gaps in research could be identified, and this gave a good and analytical view of how the financial support mechanisms affect the development of enterprises under KVIC.

Stages of Systematic Review (Gough, 2007)

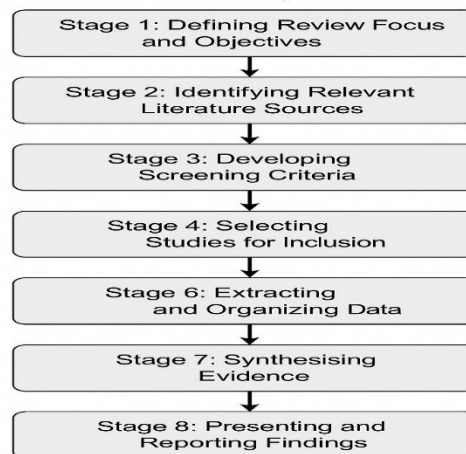


Figure 2. Stages of a Systematic Review

3. Findings of the review

The results of the systematic review show that the Khadi and Village Industries Commission (KVIC) plays a significant role in fostering the growth of rural enterprises, creating jobs, and empowering women in India (Cresta & Dmello, 2024). According to the review of the studies, the main findings are given below as per the thematic areas:

3.1 Financial Support and Enterprise Development

The literature unanimously suggests that KVIC schemes, especially the Prime Minister's Employment Generation Programme (PMEGP), have contributed largely to the setting up and expansion of micro and small enterprises. Subsidies and credit facilities have helped rural businessmen and women to start and maintain business operations. Nevertheless, certain studies cite obstacles, such as the lack of awareness, delays in the processes, and challenges in obtaining institutional funding (Patil, 2021; Shailaja, 2022). Rural enterprise financing remains a problem in terms of financial inclusion (NABARD, 2022; World Bank, 2020).

3.2 Rural Enterprise Development

The literature reviewed is finding that generally, KVIC initiatives have been successful in developing rural-based enterprises through self-employment and decentralised production. Financial assistance, skills training, and infrastructure integration have empowered the operations of the enterprise in Khadi and Village Industries (Venkatesh et al., 2015). Nevertheless, it has been shown that a lot of businesses are limited in terms of scalability, productivity, and sustainability in the long term (Pradeepa and Jose Paul, 2020; Choudhury and Agrawal, 2012).

3.3 Employment Generation

One of the key revelations throughout the literature is that KVIC programmes have helped in the creation of jobs in the rural areas. Khadi and village industries based on labour-intensive production systems have generated full-time and secondary jobs (Mahadevan, 2019). Although these programs have contributed to the betterment of the rural livelihoods and decreased migration, the quality and stability of income earned at the workplace differ across regions (Rethinasamy & Ptm, 2024; Verma, 2020).

3.4 Women's Empowerment

In the review, the level of involvement of women in KVIC-supported activities, especially in production and home-based businesses, is emphasised (Khadgi, 2022). Participation in khadi and village industries has helped women to be financially independent, gain the ability to make decisions, and improve their social status (Rani & Sundaram, 2021; Tambunan, 2009). Nevertheless, it is still unclear how this engagement will result in long-term economic empowerment and enterprise ownership (Aravind & SB, 2024; Gupta et al., 2021).

3.5 Market Linkages and Enterprise Performance

Although this has a positive effect on the creation of enterprises, weak market linkages have been consistently cited in the literature as a major constraint. Incomplete branding, lack of digital presence, and limited access to wider markets impinge on the competitiveness and development of khadi-based businesses (Acharya et al., 2025). Enhancing marketing practices and online platforms is necessary to enhance the performance of enterprises (Pyne, 2017; Singh and Dhaliwal, 2025).

3.6 Key Question and Thematic Orientation

RQ 1 - How do KVIC financial support mechanisms (such as subsidies, credit linkages, and financial inclusion initiatives) influence the development and performance of MSMEs and rural enterprises in India?

RQ 2 - How do KVIC initiatives affect enterprise development and the creation of employment in rural locations?

RQ 3 - How much do KVIC-supported activities lead to the empowerment of women and their economic involvement in khadi and village industries?

Objectives

- a) To investigate how KVIC supports financial services and financial inclusion of MSMEs and rural businesses.
- b) To determine the effects of KVIC programs on the development of enterprises and the creation of jobs in rural regions.
- c) To determine the impact of KVIC-supported activities on the empowerment of women and their engagement in the economic activities.
- d) To determine major issues and gaps in implementation, especially in the areas of financial access, market connections, and institutional performance.

3.7 Nomenclature

Table 1, the nomenclature to identify and classify the reviewed studies, summarises the studies selected by Origin, Title of the Study, Aim of the Study, Methodology, Data Analysis and Results.

Table 1: Nomenclature Used for Classifying Reviewed Studies

Sl. No.	Nomenclature Criteria	Description / Classification Used in the Review
1	Origin of Study	Studies are categorised as Domestic (India-based) or International depending on whether they focus on KVIC and Khadi industries within India or compare with similar rural industrial models globally.
2	Year of Publication	Literature published between 2000 and 2025 has been included to capture two decades of KVIC's policy and institutional evolution.

3	Research Type	Studies are classified as Quantitative, Qualitative, or Mixed-Methods depending on the nature of the data and the analysis approach.
4	Core Theme	Focus areas include (a) Rural Employment Generation, (b) Women Empowerment, (c) Policy Evaluation, and (d) Financial and Marketing Performance.
5	Data Source	Sources include KVIC Annual Reports, MSME Ministry Publications, ResearchGate, Scopus, SAGE, Taylor & Francis, and government databases (PIB, NITI Aayog).
6	Research Design	Designs observed across studies include case studies, time-series analyses, program evaluations, secondary-data reviews, and field surveys.
7	Weight of Evidence (WoE)	Each study's quality was assessed on Relevance, Rigour, Coherence, and Overall Contribution (Gough, 2007), categorised as High, Medium, or Low.
8	Outcome Orientation	Studies were examined for reported quantitative outcomes (production, sales, employment growth) and qualitative impacts (empowerment, livelihood enhancement, social inclusion).

3.8 Summary of Reviewed Literature

An overview of the literature provided in Exhibit 4 includes the background of the study, its methodology, and findings that could be utilised in the empirical analysis of the economic and social impacts of KVIC. Nevertheless, the majority of this research is confined to a small number of states and has a small sample size and restricts its extrapolation. Exhibit 5: financial assistance, employment generation, women's participation and policy outcomes summarises qualitative studies that concentrate on key themes.

In this study, the emphasis is on the most important Indian states, which have major Khadi and Village Industries (KVI) activities like Gujarat, Maharashtra, Tamil Nadu, Kerala, Karnataka, and Madhya Pradesh. It comprises a few international comparative studies. The review mainly examines KVIC programs, including PMEGP, SFURTI, and Khadi Vikas Yojana (KVY), with regard to financial assistance, rural job creation, and empowerment of women. The combination of all the bodies of literature indicates that they mirror the efforts by Khadi and village industries in supporting rural livelihoods and social welfare in India. The inclusion criteria of this review were strictly followed, with the title, abstract, and relevance criteria being used to include non-indexed as well as indexed studies (see Table 2). Literature concerning financial support, rural jobs, and empowering women through KVIC and Khadi industries was given preference. The selected articles are of the intended quality, validity, and relevance to the context and are thus capable of inclusion in this systematic review.

3.9 Quality Evaluation of Studies

The quality evaluation of the reviewed studies under this research using the Weight of Evidence (WoE) framework of Gough (2007) is provided in Exhibit 3. All the studies underwent critical analysis in terms of methodological consistency, understandable findings, and alignment with the research objectives. The majority of the papers showed good analytical methods and high relevance, which enhanced the credibility and reliability of the overall review results.

Exhibit 3. Criteria for Evaluating the Reviewed Studies	
Reference Measure	Entailments for the Present Study
1. Calibre of Studies Reviewed	Professionally evaluated and peer-reviewed research papers, policy reports, and institutional studies related to KVIC and Khadi industries.
2. Plan of the Study	Includes surveys, qualitative field studies, programme evaluations, and literature reviews focusing on financial assistance, rural employment, and women's empowerment.
3. Pertinency	Studies involving KVIC beneficiaries, artisans, women entrepreneurs, rural micro-entrepreneurs, and officials associated with the Khadi and Village Industries sector.

Source: Adapted from Gough (2007, p. 11)

Exhibit 4. Summary of Quantitative Studies Reviewed					
Origin	Title	Aim	Methodology	Data analysis	Results
IAJESM conference paper, 2025	Impact of Khadi and Village Industries on Employment — Wardha case	Investigate KVI's role in local employment and poverty alleviation in Wardha district.	Mixed methods — local survey + secondary data.	Descriptive percentages, thematic analysis of interviews.	Khadi clusters provide seasonal and part-time employment for women; major constraints include low demand and raw material costs.
RJPN / IJCSP (2023)	Role of Khadi and Village Industries in Economic Development	Analyse the contribution of KVI to rural employment and GDP share.	Secondary data analysis of KVIC/MSME reports.	Proportional shares, trend analysis.	The sector provides significant employment (~lakhs) but needs stronger value addition and marketing to increase incomes.

IJCRT (2022)	A Study on Khadi and Village Industries Commission (KVIC)	Measure KVIC sector performance (production, sales, employment) in the recent five years.	Secondary analysis of annual reports (2017–2022).	Percentage change calculations and comparative tables.	Recovering sales; employment growth is modest; women constitute a large share of the workforce but earn less than men on average.
Academia.edu case study (Aurangabad), 2022–2023	Women Empowerment and Income Generation: A Case Study of MGM Khadi Centre	Assess the contribution of a local Khadi centre to women’s empowerment.	Case study with interviews & beneficiary survey.	Thematic coding and descriptive stats.	The Centre improved women’s financial independence and social status locally; however, it lacked scalability without market linkages.
Local university thesis/conference (2018–2024)	Role of KVIC Schemes in Rural Development: State-wise Evidence	Compare scheme uptake and impact across states.	Comparative secondary data analysis + selective field interviews.	Cross-tabulations and thematic comparison.	States with active marketing & cluster programs show higher artisan incomes; weaker states lag due to administrative bottlenecks.
Conference paper (Indian rural studies), 2020–2022	KVIC and Women’s Livelihoods: Evidence from Maharashtra	Document KVIC’s role in women’s livelihoods in selected districts.	Household surveys of women artisans + focus groups.	Descriptive stats; qualitative thematic summary.	Khadi provides flexible income, enabling women’s labour participation; earnings are low without direct market access.

Policy brief/working paper, 2019–2021	Cluster Development & SFURTI: Lessons for Khadi Clusters	Review the SFURTI scheme for cluster competitiveness and lessons for Khadi.	Policy document review + cluster case studies.	Comparative matrices and case summaries.	Cluster interventions under SFURTI improve product quality and incomes when combined with market linkages.
Small journal article (IJEMR / regional), 2015–2022	Institutional Financing for Khadi & Village Industries: A Study	Examine the availability and constraints in finance for Khadi units.	Secondary data + interviews with finance agencies.	Thematic analysis and tabulations of loan uptake.	Limited collateral, small ticket sizes and high transaction costs deter formal credit; micro-credit and NBFCs partially fill the gap.
Regional research journal (2022)	Marketing Challenges for Khadi: An Empirical Study	Identify marketing problems facing Khadi producers and solutions.	Survey of khadi product sellers & buyers across city fairs.	Frequency distributions and cross-tabulations.	Weak branding, inconsistent quality and limited e-commerce presence restrict demand; fairs and government outlets help, but are insufficient.
NGO evaluation report (state KVIB), 2019–2023	Impact Assessment of KVIC-Support on Women Self-Help Groups (SHGs)	Assess how KVIC inputs (tools, training) affected SHG incomes.	Beneficiary surveys and financial diary approach.	Before-and-after income comparisons, qualitative case studies.	Training and toolkits led to small but significant increases in income and improved savings behaviour among women SHG members.

Regional journal/conference (2020)	Khadi Fairs and Demand Stimulation: Evidence from Events	Evaluate short-term sales and long-term customer acquisition from Khadi fairs.	Sales tracking at fairs, buyer surveys.	Sales comparison pre- and post-event, and buyer retention metrics.	Fairs spike immediate sales and occasional repeat buyers; sustained demand requires follow-up marketing and e-commerce.
Small Scale Industry journal article (2016–2022)	Technology Adoption in Khadi Units: Effect on Productivity	Assess the impact of modest mechanisation and improved tools on khadi productivity.	Quasi-experimental comparison of units that received new tools vs. control units.	Difference-in-differences and descriptive stats.	Improved tools increased output per worker and reduced drudgery, but required training to maintain quality.
State KVIC report/news letter (2021–2024)	Women Artisans' Profile in Khadi: Status & Schemes Uptake	Profile women artisans and their participation rates in schemes.	Administrative data + brief surveys.	Proportion tables, regional comparisons.	High female participation in spinning/weaving segments; program uptake is higher where mobile training units visited villages.
Conference paper (2023)	KVIC Marketing Interventions and Sales Elasticity	Study how marketing pushes affect Khadi sales.	An event study combining sales data and marketing activities.	Correlation and event-study style before/after comparisons.	Visibility campaigns raise short-term sales; sustained growth needs product development and e-platforms.

Research note (2019)	Social Capital and Khadi Producer Cooperatives	Explore the role of cooperatives in enhancing women's bargaining power and incomes.	Qualitative interviews with cooperative members.	Thematic analysis.	Cooperatives that manage marketing and finance improve members' incomes and negotiating power; internal governance matters.
Working paper (2020)	COVID-19 Impact on Khadi Artisans and Recovery Pathways	Document pandemic impacts and policy responsiveness.	Rapid phone surveys + NGO reports.	Descriptive stats and narrative case studies.	Lockdowns reduced craft demand; targeted relief and online channels aided partial recovery; women were disproportionately affected by income loss.
Regional journal (2018)	Skill Training Outcomes under KVIC: A Trainee Evaluation	Measure the effectiveness of KVIC training programs for artisans (skill, income uplift).	Pre- and post-training surveys and skill assessments.	Paired comparisons, descriptive reporting.	Training improved product quality and confidence; income gains are modest unless trainees get market access.
Small enterprise review (2016–2022)	Gender, Work Organisation and Khadi: Household Level Evidence	Understand how the khadi work is organised in households and its implications for women's autonomy.	Household interviews and time allocation surveys.	Cross-tabulation and thematic synthesis.	Where women manage production & sales, empowerment outcomes are stronger; where men control sales, women's gains are mainly income without

					decision-making power.
Product-market & policy brief (2021)	Vetting Khadi Value Chains for Export Potential	Assess the export readiness of Khadi products and constraints.	Product audits and export market scans.	Comparative matrices and SWOT.	Niche export potential exists but requires certification, consistent quality, and larger volumes sourced through clusters.
Mixed authorship (compilation of state studies), 2015–2024	Synthesis: KVIC Performance, Women’s Participation and Policy Gaps	Synthesise multiple state studies to identify cross-cutting findings and policy gaps.	Meta-synthesis of published reports, theses and government data.	Thematic aggregation and recommendation mapping.	Cross-cutting findings: (a) high female participation, (b) limited income gains without market linkage, (c) credit & raw-material supply are bottlenecks, (d) cluster & value-chain approaches show promise.
Patil, S. G. (2021)	A Study of Khadi and Village Industries Commission as a Means of Rural Development	To study the performance of the KVI sector in terms of production, employment and sales and examine the production behaviour of KVI units.	Secondary data study using KVIC / MSME annual reports and journal sources.	Descriptive statistics (growth rates), theoretical discussion.	KVI shows increasing returns to scale; production, sales and employment have grown; KVI plays an important role in rural employment but faces finance/marketing constraints.

<p>Pradeepa V. M. & P. C. Jose Paul (2020)</p>	<p>Performance of Khadi and Village Industries in Kerala</p>	<p>Analyse the status of KVI in Kerala in terms of employment and production compared to India.</p>	<p>Analytical study using secondary data from KVIB, Planning Board, and government sources.</p>	<p>Trend tables, % share comparisons, regression/trendline for employment.</p>	<p>Kerala's KVI employment share is stagnant/declining relative to India; production is somewhat better, but policy interventions are needed (training, marketing, finance).</p>
<p>Shailaja (2022)</p>	<p>Micro, Small and Medium Enterprises (MSMEs) — A Study on Khadi and Village Industries Commission (KVIC)</p>	<p>Compare performance variables (production, sales, employment) for Khadi and Village Industries and examine interrelationships.</p>	<p>Secondary analysis of KVIC/MSME annual reports (2017–18 to 2021–22).</p>	<p>Percentage growth calculations, comparative tables, and simple statistical measures.</p>	<p>Production, sales, and employment increased through 2020–21; women constitute a large proportion of the Khadi workforce (estimated at ~70–80% in some analyses).</p>
<p>“A Critical Evaluation ...” Rethinasamy & Ptm (2024).</p>	<p>A Critical Evaluation of Production, Sales and Employment of the Khadi and Village Industries in India (chapter)</p>	<p>Assess production, sales, and employment trends and the role of KVI in rural development and women's employment.</p>	<p>Secondary data (KVIC annual reports 2018–22), descriptive quantitative analysis.</p>	<p>Year-wise tables and growth rate calculations; zone-wise comparisons.</p>	<p>Production & employment show recovery and growth post-COVID; women's participation is high (~80% in some zones) — KVI supports women's economic empowerment.</p>

<p>Bhajantri / Tejaswini (Impact of PMEGP on micro-enterprises — 2025)</p>	<p>Impact of the Prime Minister’s Employment Generation Program on the Enterprise Sector</p>	<p>Assess PMEGP awareness and impact on micro-enterprises (income, turnover, employment).</p>	<p>Primary survey (sample of micro-enterprises), descriptive stats and Wilcoxon signed-rank test.</p>	<p>Descriptive statistics, non-parametric test (Wilcoxon) comparing before/after variables.</p>	<p>Awareness was low among many firms, but PMEGP beneficiaries saw significant improvements in investment, income, and turnover — indicating the value of subsidy/credit programs for rural micro-enterprises. Relevance for Khadi artisans who access PMEGP via KVIC/KVIB.</p>
--	--	---	---	---	---

Source: Adapted from Gough (2007, p. 11) and Ranjan & George (2016)

Balasubramanyam (2015) gives a descriptive evaluation of Khadi and Village Industries (KVI) performance and their contribution to rural development. Patil (2021) and Pradeepa and Paul (2020) discuss the dynamics of production, employment, and sales, focusing on financial support in KVIC schemes. On the same note, Shailaja (2022) and Rethinasamy and Ptm (2024) assess the effect of Khadi Vikas Yojana and SFURTI on employment and entrepreneurship among the rural and women artisans.

KVIC and Khadi Industries in India: Conceptual Background and Research Analysis. Although the existing literature recognises KVIC as a key infrastructure to rural development, they find modernisation, credit, and marketing as a problem (Bhalla et al., 2018). Later research reports positive impacts of PMEGP, SFURTI, and the Khadi Vikas Yojana on rural employment and women entrepreneurship, but recent studies indicate the continuing limitations, such as low productivity, limited technology adoption, and poor digital marketing.

4. Discussion

The results of this review are a more detailed insight into the KVIC's role in promoting MSME growth and rural businesses in India. Although past research has been mostly preoccupied with the reporting of outcomes in the form of employment generation and income improvement, this review illuminates KVIC as a type of institutional mechanism that facilitates the creation of enterprises and supports livelihoods (Shailaja, 2022; Rethinasamy and Ptm, 2024). Nevertheless, these efforts are not as effective as they are influenced by various factors, including market access, implementation in different regions, and the capabilities of enterprises (Patil, 2021; Pradeepa and Jose Paul, 2020).

4.1 Theoretical Implications

Theoretically, the findings add to the body of research on MSME development and institutional support systems by illustrating that government-driven interventions are highly

important to facilitate the development of entrepreneurship in the resource-constrained environment (World Bank, 2020). Nevertheless, the findings also show that institutional support alone is not the key factor to make the enterprise sustainable. The interplay between financial aid, enterprise performance, and market environment is important and thus the necessity to have more integrated theoretical frameworks that establish a connection between institutional support and enterprise performance (Tranfield et al., 2003; Snyder, 2019).

4.2 Managerial Implications

In managerial terms, the results indicate that although KVIC initiatives have been effective in encouraging enterprise creation, enterprise-level business capabilities need to be reinforced. Competitiveness and long-term sustainability can be improved through the improvement of product development, branding, digital marketing, and market access (Singh and Belwal, 2008). Moreover, it requires specific capacity-building programmes to help entrepreneurs, especially women, to transition toward long-term economic empowerment (Pyne, 2017; Acharya et al., 2025).

4.3 Policy Implications

On the policy front, the research indicates that there is a need to improve the design and implementation of the KVIC programmes. The policy implementation gaps are evident through the barriers of regional differences, bureaucratic barriers, and ignorance. Making these initiatives much more effective can be achieved by enhancing institutional coordination, supplementing digital infrastructure and market access. In addition, the policies must not only be aimed at increasing participation but also long-term empowerment and the growth of the enterprise (Government of India, 2022; Khadi and Village Industries Commission, 2024).

On the whole, the discussion indicates that KVIC can still be a valuable institutional structure to facilitate inclusive rural development. Nevertheless, its long-term effectiveness will be determined by overcoming structural and market-specific issues and moving closer towards a more integrated solution, which is the integration of financial assistance, access to the market, and capacity building (NABARD, 2022; Planning Commission, 2014).

4.4 Opportunities for Rural Entrepreneurs and Women Artisans

The Khadi and Village Industries Commission (KVIC) has found its way to become a powerful force in supporting self-employment and rural development by formulating skills at the border of traditional and modern. KVIC also offers financial assistance, skill development, income generation and market access to women artisans through programs such as PMEGP, SFURTI and Khadi Vikas Yojana (KVY). Empirically, it has been shown that subsidies, working capital, training, and digitalisation can boost employment prospects and competitiveness of khadi products both in the local and international markets (UNIDO, 2017).

4.5 Empirical Insights

According to the evidence provided in the case study, the financial support Programmes by KVIC have led to the creation of jobs, self-employment, the development of skills and the stability of incomes of women in rural regions. Sustainable livelihoods have been enhanced by an integrated model of training, subsidies, and raw material assistance. However, as per the literature, this comes with a demand for increased vigilance, improved digital infrastructure and gender sensitive training to deliver equitable and sustainable gains in different regions.

4.6 Challenges for KVIC and Khadi Industries

Nonetheless, KVIC is not devoid of issues, such as disparities between regions, lack of awareness of the schemes, inadequate access to formal credit, and delays in the process of PMEGP, SFURTI, and KVY administration. Women craftsmen are often denied a chance to make decisions, access the market, and receive training; technology is underdeveloped, and inadequate digital literacy reduces their potential. According to the evidence provided by the

literature, the policy institutions require greater coordination, expansion of financial inclusion, digital modernisation, and capacity building and development of skills, in case KVIC should be effective in the long-term (Mahadevan, 2019; World Bank, 2020).

5. Conclusion

This paper offers a summary and syntactic review of the role of KVIC in contributing to the development of MSMEs, rural entrepreneurship, and empowering women in India. The review identifies the significance of KVIC as an institutional mechanism that supports the formation of enterprises and the provision of livelihoods in rural communities by synthesising the evidence of numerous studies. The main value of the study is in providing an organized interpretation of the interdependence of the financial support, enterprise development, and women involvement on the KVIC framework, thus resolving the disjointed and mostly descriptive nature of the literature. Practically, the results indicate that even though KVIC programs have been effective in encouraging enterprise formation, their short-term effectiveness hinges on the enhancement of market connectivity, the increase of digitalisation, and implementation efficiency. Further studies need to be conducted on a grand scale, exploring enterprise performance, regional differences and efficacy of the financial and institutional support mechanisms. In particular, there is a need for more data-driven and comparative analyses to better understand how KVIC initiatives can improve the sustainability and competitiveness of rural enterprises.

Declaration of Conflicting Interests

Conceptualisation, methodology, data collection, data analysis and drafting were shared among all authors. There are no conflicts of interest that the authors declare.

Funding

No particular grant was given to this research by any public, commercial or not-for-profit funding agency.

6. References

1. Acharya, P., Padma, S. R., & Patel, D. (2025). CLUSTERS-BASED VALUE CHAINS DEVELOPMENT. *AGRIVALUE 360°: ENABLING SMART, INCLUSIVE AND GREEN SUPPLY CHAINS: According to latest syllabus*, 235.
2. Agarwal, A., & Lenka, U. (2018). Why research is needed in women entrepreneurship in India: A viewpoint. *International Journal of Social Economics*, 45(7), 1042–1057.
3. Aravind, V., & SB, G. (2024). Khadi textiles, women and rural development: An analysis from past to present. *TEXTILE*, 22(1), 2-19. <https://doi.org/10.1080/14759756.2022.2025657>
4. Balasubramanyam, K. (2015). A study on khadi and village industries sector. *International journal of Academic research*, 2(5).

5. Bhalla, K., Kumar, T., & Rangaswamy, J. (2018). An integrated rural development model based on comprehensive Life-Cycle Assessment (LCA) of Khadi-Handloom Industry in rural India. *Procedia CIRP*, 69, 493-498.
6. Bhat, S. A., & Singh, S. (2020). Role of MSMEs in social and economic development in India. *Studies in Indian Place Names*, 40(50), 1-11.
7. Choudhury, S., & Agrawal, V. (2012). Rural Economy: Achieving Inclusive Growth through Khadi and Village Industries. *Journal of Entrepreneurship and Management*, 1(1), 37.
8. Crasta, A., & Dmello, L. (2024). Role and Efforts of NGOs for Women Empowerment in India: A Review-Based Analysis. *Poornaprajna International Journal of Management, Education & Social Science (PIJMESS)*, 1(1), 358-374.
9. Das, B. (2014). ROLE OF KHADI AND VILLAGE INDUSTRIES COMMISSION (KVIC) AND RURAL INDUSTRIES-A REVIEW OF LITERATURE. *Editorial Board*, 3(10), 102.
10. Farha, & Khan, S. (2024). ROLE OF KVIC SCHEMES IN ECONOMIC EMPOWERMENT. *ResearchGate*.
https://www.researchgate.net/publication/383359385_ROLE_OF_KVIC_SCHEMES_IN_ECONOMIC_EMPOWERMENT
11. Gough, D. (2007). Weight of evidence: A framework for the appraisal of the quality and relevance of evidence. *Research Papers in Education*, 22(2), 213–228.
<https://doi.org/10.1080/02671520701296189>
12. Government of India. (2022). Prime Minister’s Employment Generation Programme (PMEGP): Scheme guidelines. Ministry of Micro, Small and Medium Enterprises.
<https://www.kviconline.gov.in>
13. Government of India. (2024). Khadi and Village Industries Commission annual report 2023–24. Ministry of MSME.
14. GUPTA, S., RASTOGI, D., & MATHUR, R. (2021). Socio-Economic Rise of Spinners and Weavers in Rural India: Empowerment through Khadi. *Research Journal (Arts)*, 37.
15. Jha, J. (1990). Khadi and village industries in economic development. Deep and Deep Publications.
16. Khadgi, B. (2022). Entrepreneurship training and women empowerment: A sociological study in Kirtipur municipality (Doctoral dissertation, Department of Sociology).
17. Khadi and Village Industries Commission. (2024). Annual report 2023–24. Ministry of MSME, Government of India. <https://www.kvic.gov.in>
18. Kumar, S. V. (2016). Rural development in India through entrepreneurship: An overview of the problems and challenges. *Anveshana: search for knowledge*, 6(2), 32.

19. Lahiri, R. (2012, October). Problems and prospects of micro, small and medium enterprises (MSMEs) in India in the era of globalization. In International conference on the interplay of economics, politics, and society for inclusive growth (pp. 15-16).
20. Mahadevan, B. (2019). Rural industrialization and employment generation in India: Role of MSMEs. *Indian Journal of Industrial Relations*, 54(3), 420–432.
21. Ministry of Micro, Small and Medium Enterprises. (2023). Annual report 2022–23. Government of India. <https://msme.gov.in>
22. Moher, D., Liberati, A., Tetzlaff, J., & Altman, D. G. (2009). Preferred reporting items for systematic reviews and meta-analyses: the PRISMA statement. *Bmj*, 339. <https://doi.org/10.1371/journal.pmed.1000097>
23. NABARD. (2022). Status of microfinance in India 2021–22. National Bank for Agriculture and Rural Development.
24. Patil, S. G. (2021). A study of Khadi and Village Industries Commission as a means of rural development. *Indian Journal of Management and Research*, 15(2), 14–26.
25. Planning Commission. (2014). Report of the working group on micro, small and medium enterprises growth for the Twelfth Five-Year Plan (2012–2017). Government of India.
26. Pradeepa, V. M., & Jose Paul, P. C. (2020). Performance of Khadi and Village Industries in Kerala. *International Journal of All Research Education and Scientific Methods (IJARESM)*, 8(12), 1645-1648.
27. Pyne, A. S. (2017). An exploratory study on Khadi Industry of India. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2947509>
28. Rani, V. S., & Sundaram, N. (2021). NEXUS BETWEEN FINANCIAL INCLUSION AND WOMEN ENTREPRENEURSHIP: A STUDY IN SELECT DISTRICTS OF ANDHRA PRADESH. *Psychology and Education Journal*, 58(2), 9297-9304.
29. Rethinasamy, S., & Ptm, C. S. (2024). A critical evaluation of the production, sales and employment of the Khadi and village industries in India. ResearchGate. https://www.researchgate.net/publication/377760051_A_Critical_Evaluation_Of_The_Production_Sales_And_Employment_Of_The_Khadi_And_Village_Industries_In_India
30. Shailaja, B. (2022). Micro, Small and Medium Enterprises (MSMEs)–A Study on Khadi and Village Industries Commission (KVIC). *International Journal of Creative Research Thoughts (IJCRT)*, 10(6), 463-471.
31. Singh, G., & Belwal, R. (2008). Entrepreneurship and SMEs in Ethiopia: Evaluating the role, prospects and problems faced by women in this emergent sector. *Gender in Management: An International Journal*, 23(2), 120–136.

32. Singh, L., & Dhaliwal, N. K. (2025) TRANSFORMING TRADITIONAL INDUSTRIES THROUGH THE SCHEME OF FUND FOR REGENERATION OF TRADITIONAL INDUSTRIES (SFURTI).
33. Snyder, H. (2019). Literature review as a research methodology: An overview and guidelines. *Journal of Business Research*, 104, 333–339. <https://doi.org/10.1016/j.jbusres.2019.07.039>
34. Tambunan, T. (2009). Women entrepreneurship in Asian developing countries: Their development and main constraints. *Journal of Development and Agricultural Economics*, 1(2), 27–40.
35. Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British Journal of Management*, 14(3), 207–222. <https://doi.org/10.1111/1467-8551.00375>
36. UNIDO. (2017). *Industrial development report: Industrialization, inclusive growth and rural development*. United Nations Industrial Development Organization.
37. Venkatesh, P., Nithyashree, M. L., Sangeetha, V., & Pal, S. (2015). Trends in agriculture, non-farm sector and rural employment in India: An insight from state level analysis. *Indian Journal of Agricultural Sciences*, 85(5), 671-677.
38. Verma, T. L. (2020). Role of MSMEs in poverty alleviation and rural development in India. *International Journal of Multidisciplinary Research and Development*, 7(9), 61-65.
39. World Bank. (2020). *Small and medium enterprises (SMEs) finance: Improving access to finance for SMEs*. World Bank Publications.