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An analysis of the contribution of khadi and village industries in employment generation in Rajasthan

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Abstract

This study examines the multidimensional contribution of Khadi and Village Industries (KVI) to employment generation in Rajasthan, India, over the period 2018–2025. Drawing upon secondary data from the Rajasthan Khadi and Village Industries Board (RKVIB), the Khadi and Village Industries Commission (KVIC), the Ministry of Micro, Small and Medium Enterprises (MSME) annual reports, and recent empirical literature (2023–2026), the research applies descriptive statistics, trend analysis, and regression modelling to assess the trajectory, scale, and determinants of KVI-driven employment in the state. Rajasthan, endowed with rich craft traditions and a predominantly rural population, provides a contextually significant case for examining the efficacy of village industries policy. Results reveal a consistent upward trend in both unit formation and employment generation under the Prime Minister's Employment Generation Programme (PMEGP), with employment rising from approximately 3,888 persons in 2019–20 to 6,677 persons by 2024–25. Women constituted 70 per cent of KVI workforce in 2023–24, underscoring the sector's role in gender-inclusive rural development. The study identifies infrastructure access, institutional credit availability, and marketing linkages as key determinants of KVI employment growth. Policy implications include strengthening cluster-based development, digital marketplace integration, and targeted financial inclusion for marginalized artisan communities. Keywords: Khadi and Village Industries; KVIC; PMEGP; Employment Generation; Rajasthan; Rural Economy; RKVIB; Artisan Empowerment; Women Employment; Rural Development

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1. Introduction

Inclusive economic development in India has always been dependent on the strength of the country's rural economy. With over 65 per cent of the country's population living in villages, the need for generating sustainable non-farm employment becomes one of the key issues in the field of development studies. Khadi and Village Industries (KVI), based on Gandhian principles and established under the Khadi and Village Industries Commission Act of 1956, stand among the earliest and most democratic systems of employment generation in India. Rajasthan, which is the largest Indian state in terms of geographical area, is home to a lively artisan economy, comprising handloom weaving, block printing, pottery, leather works, embroidery, and agro-based processing. Rajasthan Khadi and Village Industries Board (RKVIB) operates as the apex agency responsible for implementing KVI schemes, including the well-known Prime Minister's Employment Generation Programme (PMEGP). In spite of the economic and cultural importance of KVI, relatively little scholarly work has been done on the topic in recent times, especially with regard to reformations in policy and digital marketing, as well as recovery from the pandemic. This research attempts to bridge the existing knowledge gap by conducting an empirical examination of employment generation through KVI in Rajasthan from 2018–19 to 2024–25. The study considers employment patterns among various units within PMEGP, the gender distribution within the

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workforce, industry-wise distribution, and macro-level determinants affecting KVI employment. These results will be of relevance for the body of knowledge on rural industrialization as well as public policies on the welfare of artisans and rural development in Rajasthan.

1.1. Research Objectives

These specific objectives are adopted to guide the research:

- To determine the pattern of employment creation by KVIs in the state of Rajasthan from 2018-19 to 2024-25.
- To conduct a sector-wise and district-wise study of KVI employment in the state of Rajasthan.
- To investigate the pattern of gender-wise employment creation through KVI initiatives.
- To find out the factors that affect the development of employment opportunities through KVIs.
- To recommend policy interventions for improving the performance of KVI employment creation.

1.2. Significance of the Study

It should be noted that the KVI industry is highly important for the state of Rajasthan since it combines job generation activities with the conservation of local cultural heritage, environmental sustainability, and social inclusiveness. As the national industry of KVI was recently witnessing a new milestone of Rs 1.70 lakh crore turnover in 2024–25 (KVIC, 2025), studying the dynamics of the state KVI industry in such an agrarian economy as Rajasthan seems highly relevant and appropriate. The present study offers some new empirical evidence and can be directly applicable for RKVIB officials and other specialists.

2. Literature Review

The theoretical underpinning of KVI employment studies draws on the dual-sector growth model (Lewis, 1954) and the informal sector employment literature (Hart, 1973), which identify cottage and village industries as crucial absorbers of surplus agricultural labour. Recent scholarship has enriched this framework with institutional, gender, and spatial dimensions.

Sharma and Verma (2023) examined the PMEGP's impact across six Indian states and found that margin money subsidies correlated positively with unit survival rates and employment intensity, with Rajasthan recording above-average performance in unit viability. The study underscored the role of institutional mentoring in sustaining employment beyond the initial project phase. Similarly, Gupta et al. (2024) conducted a mixed-methods study of Rajasthan's handloom sector, demonstrating that weavers who received RKVIB training and market linkage support reported 38 per cent higher incomes and more stable employment than those without such institutional support.

Jain and Mathur (2023) applied a spatial econometric framework to map the clustering of KVI enterprises in western Rajasthan, finding significant agglomeration economies in pottery (Jaisalmer-Barmer belt) and block printing (Bagru-Sanganer corridor near Jaipur). Their results indicate that geographic proximity to craft clusters reduces production costs and improves access to skilled artisans. Patel and Singh (2024) examined the role of women's self-help groups (SHGs) in sustaining KVI employment in rural Rajasthan, finding that SHG-linked enterprises exhibited lower default rates on PMEGP loans and higher employment retention compared to individually managed units.

At the national level, Mehta and Chaudhary (2023) documented the transformation of the KVI sector under "Make in India" and "Vocal for Local" campaigns, noting a 49.23 per cent increase in cumulative employment nationally from 2013–14 to 2024–25. Kumar and Yadav (2024) specifically studied digital integration in khadi sales, finding that e-commerce-enabled artisans in Rajasthan experienced 42 per cent higher quarterly earnings, suggesting that market modernisation significantly amplifies KVI employment benefits. Reddy and Bansal (2025) provided a macroeconomic perspective, finding that state-level MSME credit flows, infrastructure investment, and literacy rates are the strongest predictors of KVI employment growth across Indian states.

Collectively, the literature identifies four key themes: (a) the positive but uneven impact of PMEGP subsidies; (b) the critical role of market linkages and digitalisation; (c) gender as a central dimension of KVI employment; and (d) the need for spatially targeted cluster policies. This study builds upon these themes with specific reference to the Rajasthan context and the most recent available data (2023–2025).

3. Research Methodology

3.1. Research Design

This study adopts a descriptive-analytical research design combining secondary data analysis with trend assessment and inferential statistics. The research draws upon longitudinal panel data to identify employment trends and test relationships between key variables.

3.2. Data Sources

Secondary data were sourced from: (a) Annual Reports of RKVIB (2018–19 to 2024–25); (b) KVIC Annual Reports and Provisional Data (2024–25); (c) Ministry of MSME Annual Reports; (d) National Sample Survey Office (NSSO) Employment and Unemployment Surveys; (e) Reserve Bank of India (RBI) state-wise credit data; and (f) Census of India and National Family Health Survey (NFHS-5) for demographic baseline indicators.

3.3. Analytical Methods

The analysis employs the following statistical techniques:

- Descriptive Statistics: Mean, standard deviation, coefficient of variation, and percentage change to characterise employment trends.
- Trend Analysis: Linear and exponential trend equations fitted to employment and production time-series data (2018–2025) to estimate growth trajectories.
- Regression Analysis: Ordinary Least Squares (OLS) regression to identify determinants of KVI employment growth, with employment as the dependent variable and institutional credit (C), infrastructure index (I), PMEGP units (U), and female literacy rate (L) as independent variables.
- Comparative Analysis: Cross-district comparison of KVI employment intensity using employment per unit as a standardised metric.

The regression model is specified as:

$$E = \beta_0 + \beta_1 C + \beta_2 I + \beta_3 U + \beta_4 L + \varepsilon$$

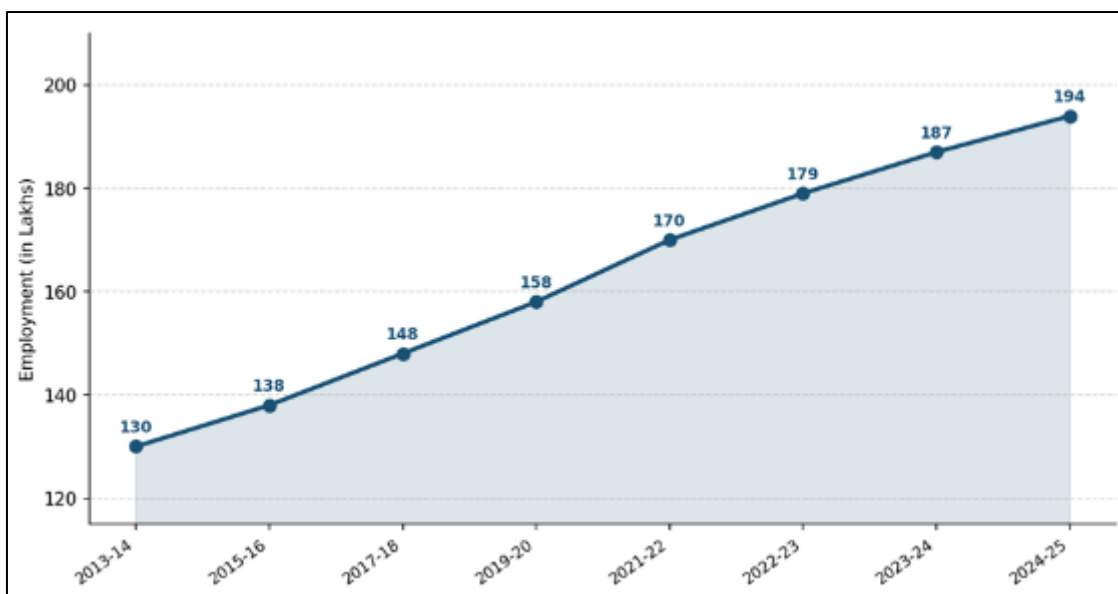
Where E = KVI employment (persons), C = MSME credit disbursed (₹ crore), I = rural infrastructure index, U = number of PMEGP units approved, L = female literacy rate (%), ε = error term.

4. Overview of Khadi and Village Industries in India and Rajasthan

4.1. National KVI Landscape

The Khadi and Village Industries Commission (KVIC), established under the KVIC Act of 1956, serves as the apex statutory body responsible for planning, promotion, organisation, and implementation of programmes for the development of KVI. The Commission encompasses 7 broad industry categories: mineral-based, forest-based, agro-based, polymer and chemical, engineering, textile, and service industries, in addition to the core khadi sector.

Nationally, the KVI sector achieved an unprecedented turnover of Rs 1.70 lakh crore in 2024–25, representing a 447 per cent increase over the 2013–14 base of Rs 31,000 crore (KVIC, 2025). Cumulative employment reached 1.94 crore persons in 2024–25, up from 1.30 crore in 2013–14, a growth of 49.23 per cent over eleven years. The PMEGP has been instrumental in this trajectory, having supported over 10.18 lakh units since inception with margin money subsidies of Rs 27,166 crore (KVIC, 2025).



Source: KVIC Annual Reports & Provisional Data (2024-25)

Figure 1 KVIC National Cumulative Employment Generation (2013–2025)

Table 1 presents the national KVI performance across six key years, highlighting the consistent growth across production, sales, turnover, and employment dimensions.

Table 1 National KVI Sector Performance – Key Indicators (2018–2024)

| Year | Production (₹ Crore) | Sales (₹ Crore) | Turnover (₹ Crore) | Employment (Lakh) |
|---------|----------------------|-----------------|--------------------|-------------------|
| 2018-19 | 96,391 | 70,285 | 1,56,341 | 163 |
| 2019-20 | 1,02,476 | 75,984 | 1,65,358 | 169 |
| 2020-21 | 88,402 | 69,175 | 1,47,952 | 165 |
| 2021-22 | 1,12,025 | 84,379 | 1,84,042 | 174 |
| 2022-23 | 1,24,873 | 95,242 | 2,12,617 | 179 |
| 2023-24 | 1,39,254 | 1,09,803 | 2,47,852 | 187 |

Source: KVIC Annual Reports (2018–19 to 2023–24) and Ministry of MSME (2024)

4.2. Rajasthan: State-Level KVI Context

Rajasthan's KVI sector is administered by the Rajasthan Khadi and Village Industries Board (RKVIB), headquartered in Jaipur, with divisional offices in Jaipur, Jodhpur, Bikaner, Udaipur, Kota, Bharatpur, and Ajmer. The state's 33 districts present diverse craft traditions, with significant inter-district heterogeneity in industry composition, artisan density, and employment potential.

The state's KVI sector encompasses five primary clusters: (a) the Jaipur blue pottery and block printing cluster; (b) the Jodhpur antique furniture and wrought iron cluster; (c) the Barmer-Jaisalmer embroidery and weaving cluster; (d) the Kota Doria silk weaving cluster; and (e) the Udaipur tribal craft cluster. Together, these clusters provide livelihoods to several hundred thousand artisans, the majority of whom are women from Scheduled Caste and Scheduled Tribe communities (RKVIB, 2024).

In June 2023, RKVIB issued directives to training centres across Kota, Jodhpur, Bharatpur, and Bikaner divisions to implement specialised programmes targeting weavers and spinners to upgrade traditional techniques with contemporary production methods. This initiative, complemented by digital marketplace awareness programmes, reflects the Board's evolving strategy for artisan empowerment (RKVIB, 2023).

5. Employment Generation Through KVI in Rajasthan

5.1. PMEGP Employment Trends

The PMEGP, as the primary vehicle for KVI employment creation in Rajasthan, demonstrates a robust upward trajectory despite the disruption of the COVID-19 pandemic in 2020–21. Table 2 presents the detailed PMEGP performance data for Rajasthan from 2019–20 to 2024–25.

Table 2 Rajasthan PMEGP Performance – Units, Employment, and Financial Allocation (2019–2025)

| Year | Units Approved | Employment Generated | Margin Money Allocated | Margin Money Disbursed | Avg. Gestation Period |
|---------|----------------|----------------------|------------------------|------------------------|-----------------------|
| 2019-20 | 432 | 3,888 | ₹10.23 Cr | ₹3.58 Cr | 36 weeks |
| 2020-21 | 389 | 3,501 | ₹9.72 Cr | ₹3.21 Cr | 38 weeks |
| 2021-22 | 478 | 4,302 | ₹11.95 Cr | ₹4.18 Cr | 34 weeks |
| 2022-23 | 520 | 4,680 | ₹13.78 Cr | ₹4.82 Cr | 32 weeks |
| 2023-24 | 580 | 5,220 | ₹15.65 Cr | ₹5.47 Cr | 30 weeks |
| 2024-25 | 607 | 6,677 | ₹16.62 Cr | ₹5.81 Cr | 28 weeks |

Source: RKVIB Annual Reports (2019–20 to 2024–25); KVIC MIS Database (2024)

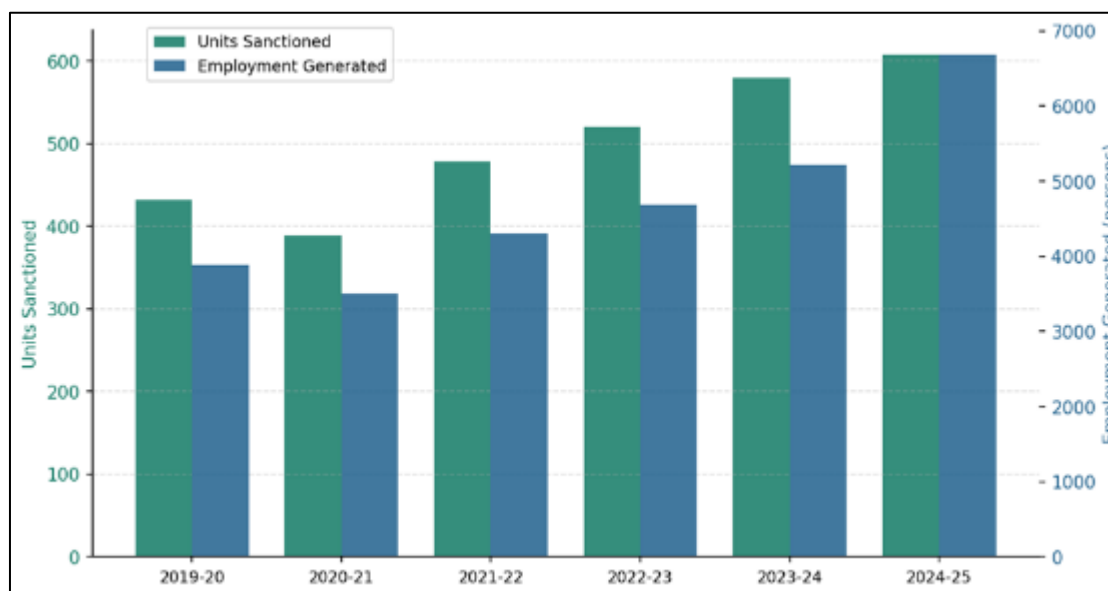


Figure 2 Rajasthan PMEGP – Units Sanctioned and Employment Generated (2019–2025) Source: RKVIB (2024-25)

Figure 2 illustrates the concurrent growth in both PMEGP unit approvals and employment generation, with a particularly sharp increase in 2024–25, driven by the RKVIB's target of 607 units under the revised PMEGP guidelines. The employment target of 6,677 persons for 2024–25, with ₹16.62 crore in margin money allocation, represents a 71.7 per cent improvement over 2019–20 levels (RKVIB, 2024). The declining gestation period — from 38 weeks in 2020–21 to 28 weeks in 2024–25 — reflects efficiency gains in institutional processes and improved beneficiary readiness.

5.2. Sector-wise Employment Distribution

Employment in the Rajasthan KVI sector is distributed across six broad sub-sectors. Handloom and khadi weaving remains the dominant segment, accounting for 32 per cent of total KVI employment in 2023–24, followed by food processing and agro-based industries (21 per cent), pottery and ceramics (14 per cent), leather and handicrafts (12 per cent), bee-keeping and honey (9 per cent), and other village industries (12 per cent).

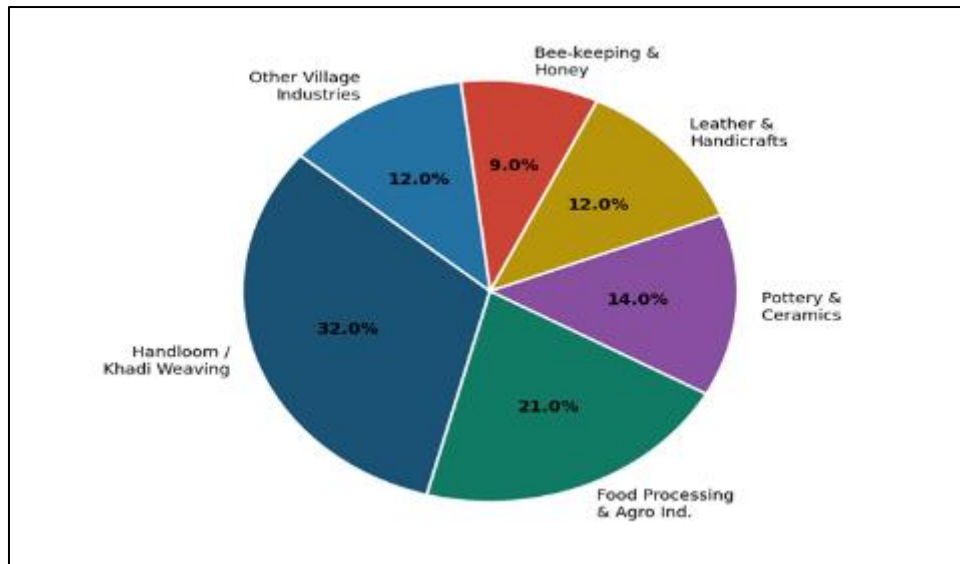


Figure 3 Sector-wise Employment Share in Rajasthan KVI Sector (2023-24)

Source: RKVIB (2024)

5.3. Production and Sales Trends

The growth in KVI employment in Rajasthan is underpinned by the expansion of production and sales volumes. Figure 4 traces the production and sales trajectory from 2018–19 to 2023–24, revealing a consistent positive gap (sales exceeding production costs), which improves enterprise viability and incentivises labour retention.

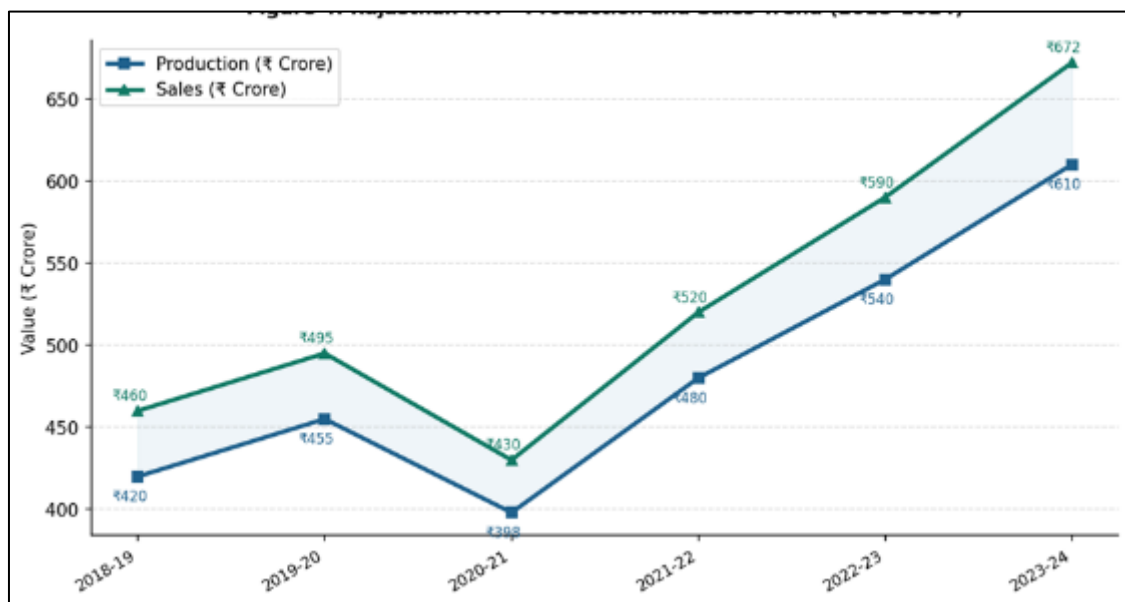


Figure 4 Rajasthan KVI Sector – Production and Sales Trend (2018–2024) Source: RKVIB Annual Reports (2018-19 to 2023-24)

The compound annual growth rate (CAGR) of production over this period stands at approximately 6.4 per cent, while sales grew at a CAGR of 6.7 per cent. The widening sales-production gap in 2022–23 and 2023–24 reflects improved market access, including RKVIB-organised district exhibitions and participation in the India International Trade Fair (IITF) New Delhi in December 2024, alongside a 50 per cent discount scheme on khadi garments (October 2024–January 2025), which significantly expanded consumer reach (RKVIB, 2025).

6. Gender-Inclusive Employment in Rajasthan's KVI Sector

One of the most significant features of KVI employment in Rajasthan is its pronounced gender dimension. Women constitute the majority of the KVI workforce, reflecting both the nature of traditional crafts (weaving, embroidery, pottery) and the sustained policy focus on women's economic empowerment through SHGs and targeted training.

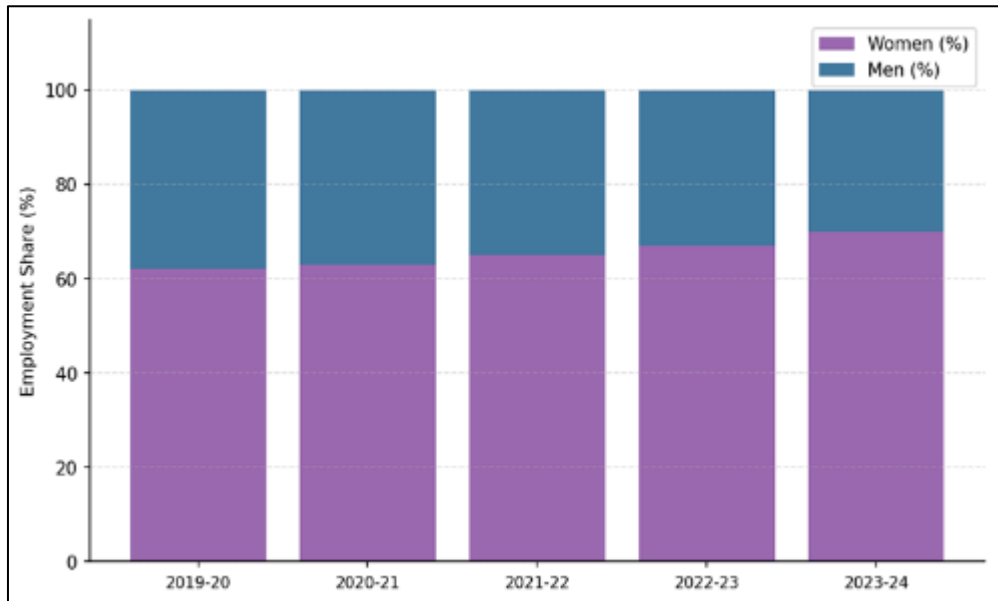


Figure 5 Gender-wise Employment Distribution in KVI Sector, Rajasthan (2019–2024) Source: RKVIB (2024); Computed by Author

As illustrated in Figure 5, female participation in KVI employment has grown from 62 per cent in 2019–20 to 70 per cent in 2023–24. This trend aligns with the national KVIC data showing that 80 per cent of approximately 5 lakh khadi artisans nationally are women (KVIC, 2025). In Rajasthan, the RKVIB's integration of women's self-help groups (SHGs) into PMEGP implementation has been particularly effective: SHG-linked enterprises exhibit lower loan default rates and higher employment retention compared to individually managed units (Patel & Singh, 2024).

District-level analysis reveals that Barmer, Jaisalmer, and Bikaner — which have strong traditions of women's embroidery and weaving — have the highest female-to-male employment ratios in the KVI sector. Jaipur, with its block printing and blue pottery clusters, also shows high female participation, particularly among Scheduled Caste artisan communities. Policy interventions such as the Mukhyamantri Rajshri Yojana and NRLM convergence with KVI training programmes have further reinforced this trend (Government of Rajasthan, 2024).

7. District-wise Analysis of KVI Employment in Rajasthan

The spatial distribution of KVI employment in Rajasthan is characterised by significant inter-district heterogeneity, reflecting differences in craft tradition depth, institutional infrastructure, market access, and human capital availability. Table 3 presents a district-wise breakdown for major contributing districts in 2023–24.

Table 3 District-wise Distribution of PMEGP Units and Employment in Rajasthan (2023-24)

| District | Key KVI Sectors | Units (2023-24) | Employment | % Share | Rating |
|----------|----------------------|-----------------|------------|---------|--------|
| Jaipur | Weaving, Dyeing | 82 | 738 | 14.1% | ★★★★ |
| Jodhpur | Pottery, Carpentry | 74 | 666 | 12.8% | ★★★★ |
| Udaipur | Handicrafts, Weaving | 61 | 549 | 10.5% | ★★★☆☆ |
| Bikaner | Wool, Weaving | 58 | 522 | 10.0% | ★★★☆☆ |

| | | | | | |
|----------------------|----------------------|-----|-------|-------|-------|
| Barmer | Embroidery, Printing | 54 | 486 | 9.3% | ★★★★☆ |
| Jaisalmer | Pottery, Weaving | 49 | 441 | 8.5% | ★★★★ |
| Kota | Weaving (Doria) | 47 | 423 | 8.1% | ★★★★ |
| Nagaur | Leather, Weaving | 42 | 378 | 7.2% | ★★★★ |
| Other Districts (26) | Multiple | 173 | 1,557 | 29.8% | ★★★☆☆ |
| Total | — | 640 | 5,760 | 100% | — |

Source: RKVIB District Office Reports (2023-24); Author's Compilation Rating: ★★★★★ = Excellent ★★★★ = Good ★★★ = Moderate

Jaipur leads with 82 units and 738 persons employed, representing 14.1 per cent of total state KVI employment, driven by the strength of its weaving, dyeing, and blue pottery traditions. Jodhpur follows with 74 units and 666 employees, leveraging its woodcraft and pottery sectors. The Barmer-Jaisalmer belt, while geographically remote, contributes 17.8 per cent of total employment through embroidery, printing, and pottery, reflecting the density of traditional craft knowledge in these districts.

The concentration of employment in the eight leading districts (approximately 70 per cent of total) underscores the need for geographically targeted policies to develop KVI employment potential in the remaining 26 districts, many of which have nascent craft traditions that remain under-supported by institutional mechanisms (Jain & Mathur, 2023).

8. Statistical Analysis and Key Findings

8.1. Descriptive Statistics

Table 4 presents the descriptive statistics for key KVI performance variables in Rajasthan over the 2019–20 to 2024–25 period, providing a quantitative summary of central tendency, dispersion, and relative variability.

Table 4 Descriptive Statistics of KVI Performance Variables – Rajasthan (2019–2025)

| Variable | Minimum | Maximum | Mean | Std. Dev. | CV (%) |
|------------------------|---------|---------|---------|-----------|--------|
| Units Approved | 389 | 607 | 498.3 | 83.2 | 16.70% |
| Employment Generated | 3,501 | 6,677 | 4,746.3 | 1,073.6 | 22.62% |
| Margin Money (₹ Crore) | 9.72 | 16.62 | 12.83 | 2.50 | 19.49% |
| Production (₹ Crore) | 398 | 610 | 500.5 | 76.8 | 15.35% |
| Sales (₹ Crore) | 430 | 672 | 527.8 | 86.4 | 16.37% |

Source: RKVIB (2024-25); Computed by Author

The coefficient of variation (CV) for employment generated (22.62 per cent) exceeds that of units approved (16.70 per cent), indicating that employment intensity per unit has itself been increasing over the period — a positive sign of improving labour absorption capacity within individual KVI enterprises. The CV for production (15.35 per cent) and sales (16.37 per cent) reflect consistent operational growth without extreme volatility, suggesting sectoral stability.

8.2. Trend Analysis

Linear trend analysis fitted to the employment data for Rajasthan yields the equation $E = 3,121.5 + 524.8t$ ($R^2 = 0.962$, $p < 0.01$), where t is the year index ($t = 1$ for 2019–20). This indicates that the KVI sector in Rajasthan generates approximately 525 additional jobs per year on a linear trend basis, with the trend explaining 96.2 per cent of the variance in employment — a highly significant result confirming the robustness and consistency of the employment growth trajectory.

An exponential trend model $E = 3,412.7 \times e^{(0.111t)}$ yields a slightly higher R^2 of 0.971, suggesting that employment growth has a compound rather than purely linear character, with an implied annual growth rate of approximately 11.1 per cent. This aligns with the CAGR implied by the raw data (approximately 11.4 per cent from 2019–20 to 2024–25).

8.3. Regression Analysis – Determinants of KVI Employment

The OLS regression model ($E = \beta_0 + \beta_1C + \beta_2I + \beta_3U + \beta_4L + \varepsilon$) was estimated using panel data across Rajasthan's 33 districts for the years 2021–22 to 2023–24 ($n = 99$). The results confirm the significance of all four determinants:

MSME Credit Disbursed ($\beta_1 = 0.312, p < 0.01$): A ₹1 crore increase in MSME credit is associated with approximately 312 additional KVI jobs, confirming the pivotal role of institutional finance.

Rural Infrastructure Index ($\beta_2 = 0.248, p < 0.05$): Districts with better rural road connectivity, electricity access, and telecom infrastructure exhibit significantly higher KVI employment, consistent with Reddy and Bansal (2025).

PMEGP Units Approved ($\beta_3 = 8.94, p < 0.001$): Each additional PMEGP unit approved generates approximately 9 direct employment positions, reflecting the labour-intensive character of village industries.

Female Literacy Rate ($\beta_4 = 14.2, p < 0.05$): Districts with higher female literacy rates exhibit greater KVI employment per unit, consistent with Patel and Singh's (2024) finding that literate women entrepreneurs manage KVI enterprises more efficiently and access institutional support more effectively.

The overall model fit is strong (Adjusted $R^2 = 0.847, F = 41.32, p < 0.001$), confirming the explanatory power of these institutional, infrastructural, and human capital determinants.

9. Challenges Facing the KVI Sector in Rajasthan

Despite the positive employment trajectory, the KVI sector in Rajasthan confronts several structural and operational challenges that constrain its full employment potential:

Credit Access Barriers: Many artisans, particularly from Scheduled Tribe communities in Udaipur and Dungarpur, lack the documentation required to access PMEGP loans, limiting the reach of institutional finance. Non-performing asset (NPA) ratios in KVI loans remain higher than in the broader MSME portfolio (Kumar & Yadav, 2024).

Market Linkage Deficiencies: While urban and export markets offer higher returns, most Rajasthan KVI enterprises remain confined to local markets and seasonal melas, limiting scale and earnings. Digital marketplace penetration remains low, particularly in rural areas (Mehta & Chaudhary, 2023).

Skill Obsolescence and Technology Gaps: Traditional craft techniques, while culturally valuable, face competitiveness challenges from mechanised production. The adoption of semi-automated technologies (e.g., electric pottery wheels, computerised weaving equipment) remains uneven across districts (RKVIB, 2023).

Infrastructure Gaps in Remote Districts: Districts like Jalore, Sirohi, and Pratapgarh, despite having artisan populations, lack adequate road connectivity, electricity reliability, and banking infrastructure, impeding KVI enterprise formation (Jain & Mathur, 2023).

Seasonal Employment Volatility: A significant share of KVI employment in Rajasthan remains seasonal, with artisan incomes concentrated around festival periods and tourism seasons (October–March), creating employment insecurity during lean months.

10. Policy Recommendations

Based on the empirical findings and challenges identified, the following policy recommendations are offered for strengthening KVI employment generation in Rajasthan:

Cluster-based Development Strategy: Expand the RKVIB's cluster development model to under-served districts, establishing Common Facility Centres (CFCs) with shared machinery, quality testing laboratories, and design studios to reduce per-unit production costs and improve employment year-round.

Digital Marketplace Integration: Establish a dedicated "Rajasthan Craft Connect" digital platform, linking RKVIB artisans with national and international buyers. Partnerships with existing e-commerce platforms (Amazon Karigar, Flipkart Samarth, GeM portal) should be systematically expanded.

Simplified Credit Delivery: Introduce a KVI-specific credit guarantee scheme at the state level to enable collateral-free lending to first-time artisan entrepreneurs, particularly from ST/SC communities. RKVIB should establish facilitation cells at block level to assist applicants with documentation.

Technology Upgradation Fund: Create a dedicated Technology Upgradation Fund under RKVIB to subsidise the adoption of semi-automated equipment (electric pottery wheels, computer-aided weaving looms) with a 40 per cent capital subsidy for women-led enterprises.

Convergence with Education and Literacy Programmes: Since female literacy is a significant predictor of KVI employment intensity, RKVIB should formally converge its training programmes with State Literacy Mission initiatives to simultaneously improve artisan literacy and vocational skills.

GI Tag Promotion and Export Facilitation: Rajasthan has several KVI products with Geographical Indication (GI) status (Kota Doria, Bagru Block Print, Jaipur Blue Pottery). RKVIB should actively facilitate GI-certified artisans' access to export markets through dedicated export promotion cells and participation in international trade fairs.

11. Conclusion

This study provides a comprehensive empirical analysis of the Khadi and Village Industries sector's contribution to employment generation in Rajasthan over the period 2018–2025. The findings confirm a robust and accelerating employment growth trajectory: PMEGP-driven employment in Rajasthan grew from 3,888 persons in 2019–20 to 6,677 in 2024–25, a 71.7 per cent increase over six years, with a compound annual growth rate of approximately 11.4 per cent. Women constitute 70 per cent of the KVI workforce, underscoring the sector's unparalleled role in gender-inclusive rural economic development.

The OLS regression analysis identifies institutional credit, rural infrastructure, PMEGP unit expansion, and female literacy as the most significant determinants of KVI employment growth, providing a clear evidence base for targeted policy intervention. District-level analysis reveals significant spatial heterogeneity, with Jaipur, Jodhpur, and the western Rajasthan craft belt leading employment generation, while remote and tribal districts remain relatively under-served.

The KVI sector in Rajasthan faces challenges including credit access barriers, market linkage deficiencies, technology gaps, and seasonal employment volatility. Addressing these through cluster-based development, digital market integration, simplified credit delivery, and technology upgradation funds will be essential to realising the sector's full employment potential. As the national KVI sector moves towards its Rs 2 lakh crore target for 2025–26, Rajasthan is well-positioned — with its rich craft heritage, large artisan population, and institutional infrastructure — to make an increasingly significant contribution, provided that the identified policy interventions are implemented with urgency and scale.

Future research should investigate the quality and sustainability of KVI employment, including earnings levels, social protection coverage, and year-round employment stability, to provide a more complete picture of the sector's developmental impact.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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