CONCLUSION

Above summary helps to inform that the temporal variation in the production and export of hosiery products is secular rather than cyclical. Production function analysis showed that there is a constant returns to scale in small units, but increasing returns for the other two groups. The profit rate \( \pi / K \) is significantly larger than unity and it increased with the rise in the sales limit. Technical progress comes through modernization of machines, computer application and even automation. However, the process is largely labour intensive hence, labour use must be increased.

The results show that hosiery units big or small operative with multiple goals and multiple constraints including the limit to sales in general and of specific products. Thus, the decision making is really complex.

The optimal decision models based on LGP were acceptable for majority of the hosiery units and for still larger number with some conditions related to administrative problems; they would require some help to accept the plans.

All these results leads to the conclusion that the LGP model can successfully solve the complex problem of decision-making in hosiery units and the results are acceptable to the end users. The goal programming exercise yield plans that would improve performance efficiency of the hosiery units and will generate employment of labour, if the additional investment of capital can be mobilized up trends in export and nearly eighty percent absorption in domestic sales even at highest level of production, less than full capacity utilization are indicators of the scope for the growth of hosiery industry; that will provide an expanding market for the products. Fuzzy and AHP
combinedly used in GP is able to bring better solutions. Hence making investments in hosiery is expected to bring more employment.

4.6 POLICY IMPLICATIONS

The above results have few policy implications:

(i) As there is an uptrend in production and export of hosiery units, it must be sustained to the benefit of the units and the economy. Most crucial requirements for this are capital and technology. The government policy must be to ensure adequate flow of capital and technology if need be, by foreign assistance.

(ii) There is an increasing returns to scale and large units are more efficient. Hence the policy should be to encourage large units rather than small units. The co-operative and corporate bodies (Joint stock companies) must be encouraged for group action by desiring small investors.

(iii) Technology upgradation may be attempted by investment in research and development with government subsidy and tax holidays for it.

(iv) The hosiery units must be educated and supported with information and infrastructure (especially software packages) to encourage their use of GP, which is shown to yield results acceptable to them.