CHAPTER ONE
INTRODUCTION
1.1 BACKGROUND OF THE INDIAN TEXTILE INDUSTRY:

The early men when stood on his feet and usual natural process shed off his wooly hair; he felt the need to protect his body from heat and cold. The Vedas speak that the earliest articles of dress being skins, furs, leaves, capital leather and barks which Bible also mentions the fig leaves as the first articles of dress worn by Eve. The Rig Veda records, cow, sheep, goat and deer skins as articles of protecting himself of the Ancient Aryans.¹

It has been accepted almost by all historians of the world that India is a place, where art of spinning and weaving had its inception. This fact has been proved by Sir John Marshal, whose writing on Mohan Jodaro is evident from the finding of humorous spindles whoirs in houses and it was practised by the well to do and poor alike as indicated by the fact that whoirs were made of the more expensive fiancé as well as the chapter of pottery and seal. For worker textile wool was used and for lighter ones cotton. In the institution of Manu, compiled perhaps 1400 years before the Christian era. Wearing is spoken of as a familiar handicraft.²

As regard dress, no actual specimens of ancient clothing have been discovered and we have to adopted on the indication supplied by figures and statuary, one alabaster statue shows that two garments were worn over the left shoulder and under the right arm, so as to leave the right arm free, formed their upper garment where as the lower garment resembled to morden Dhoti and was worn quite close to the body. Female attire did not differ from that of male garment, were of cotton and perhaps of wool as possibly. They were sewn as would appear from the needles found at the site.³ So the history of fabrics is almost as ancient as the history of man himself. Felt, topa, cloth, braids and woven fabrics using the basic woven known to us to day were perfected before the first historical records were kept. Lace making had been developed and lace was much used by the time of Roman Empire.⁴

1.1.1 HISTORY OF CLOTHING AND TEXTILES (From Wikipedia, the Free Encyclopedia):

Textiles, defined as felt or spun fibers made into yarn and subsequently netted, looped, knit or woven to make fabrics. From ancient times to the present day,

¹ Marshal, Sir John, Mohan Jodaro and Indus civilization, vol. 1, 1931 p-27
² Ibid, p-32
³ Majumdar, R.C The History & The Culture Of Indian People, The Vedic Age, Book-II, Pre History Age, P-174
⁴ Personing, J. Clitherine, Introduce of Textile, 1962, p-263
methods of textile production have continuously evolved, and the choices of textiles available have influenced how people carried their possessions, clothed themselves, and decorated their surroundings. Our knowledge of cultures varies greatly with the climatic conditions to which archeological deposits are exposed; the Middle East and the arid fringes of China have provided very early samples in good condition, but the early development of textiles in the Indian subcontinent, Sub-Saharan Africa and other most parts of the world remain unclear. Early woven clothing was often made of full loom widths draped, tied, or pinned in place.

The earliest known woven textiles of the Near East are fabrics used to wrap the dead excavated at a Neolithic site at Çatalhöyük in Anatolia, carbonized in a fire and radiocarbon dated to 6000 B.C. Flax cultivation is evidenced from 8000 BC in the Near East, but the breeding of sheep with a wooly fleece rather than hair occurs much later, 3000 BC. European dress changed gradually in the years 400 to 1100. People in many countries dressed differently depending on whether they identified with the old Romanised population, or the new invading populations such as Franks, Anglo-Saxons, and Visigoths. Men of the invading peoples generally wore short tunics, with belts, and visible trousers, hose or leggings. The Romanised populations, and the Church, remained faithful to the longer tunics of Roman formal costume. In addition to factors such as climate and natural resources, historical changes in religion and culture also exert an influence on clothing. For example, most people of ancient Egypt wore few clothes because of the hot climate. After the introduction of the Islamic religion, with its emphasis on physical modesty, in the 7th century AD, Egyptians began to wear more concealing clothing, which included veils for women. Political history also affects clothing styles. After conquering a region, conquerors usually introduced their own type of clothing. The history of the Textile industry is the story of the movement from handcraft production of cloth in every country, to the industrial revolution in Britain, driven by cotton and wool yarn and cloth factories, which then spread to Europe, America, Japan and other countries.

1.1.2 HANDCRAFT ERA (Middle Age, after 1500):

The use of cotton textiles came to the West via the Middle East during the middle Ages, when Muslims brought cotton cultivation from India. The earliest fabric in Europe to include cotton fibers was fustian, a combination of cotton and linen used to make garments and bedding. Demand for Indian cotton textiles, especially the 100% cotton fabric known as calico, increased in the 16th century. European textile makers attempted to capitalize on this trend by making substitutions and having the Indian textiles banned. For centuries the spinning of yarn and the weaving of cloth had remained a manual operation. In England, for example, women and children,
working at home, combed cotton with wire brushes and spun it by hand; the father then wove the cotton on a hand loom. Output was expensive and consumed locally. Most of Britain's cloth was home-made from wool in the West Country, Yorkshire and Lancashire. A critical turning point occurred in 1702 when Thomas Cotchett and George Sorocold built a silk mill powered by a waterwheel at Derby. Their mill was probably Britain's first factory, for it was a single establishment with complex machinery, a source of power and accommodation for workers.

1.1.3 CARTWRIGHT’S POWERLOOM:

Cartwright, originally from Nottingham, was born in 1743. Cartwright was a graduate from Oxford University. After his studies he became rector of a church in Leicestershire. He visited a cotton yarn-spinning mill, spinning yarn on a mechanically powered Mule, in 1883, which excited Cartwright’s interest in an improvement weaving machine. He was sure that he could develop something better. In two year’s time, he produced and patented his new loom which was powered by steam and called it Power Loom. However, Cartwright’s power loom needed to be improved upon and several inventors did just that. Once Cartwright’s model was ready it was easier for the next set of people to improve upon it. It took William Horrocks 10 more years to perfect Crompton’s loom. Another man named Cort replaced the early wooden machines with new machines made of iron. With that the modern Powerloom was ready for mass use. These heavy looms needed more steam power to run which could only be generated burning coal. By 1850 over 2, 50,000 improved power looms were at work in the English factories. Thus England became the cloth factory of the world. After Cartwright had patented the first version of his power loom he set up a factory in Doncaster in 1785. But he was no businessman. As a result of his inexperience he went bankrupt in 1793, and he had to close his factory. But those who knew the textile trade profited by buying his powerlooms and running them to produce cheaper cloth. In 1809, the House of Commons voted him a sum of £10,000 in recognition of his contribution to the textile industry. Cart retired to a farm in Kent to live the life of a gentleman.

1.1.3.i INDUSTRIAL REVOLUTION AND IMPROVEMENT IN TEXTILE MACHINERY

Sources available for the study of the history of clothing and textiles include material remains discovered via archaeology; representation of textiles and their manufacture in art; and documents concerning the manufacture, acquisition, use, and trade of fabrics, tools, and finished garments. Before the Industrial Revolution in

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The Hindu, January 19, 2007, P-1
India, textiles were produced at home with the help of the entire family. The Industrial Revolution brought a shift from the agricultural societies created during the Neolithic Revolution to modern industrial societies. Industrial Revolution, widespread replacement of manual labour by machines that began in Britain in the 18th century and are still continuing in some parts of the world. The Industrial Revolution was the first step in modern economic growth and development. Economic development was combined with superior military technology to make the nations of Europe and their cultural offshoots, such as the United States, the most powerful in the world in the 18th and 19th centuries. The Industrial Revolution began in Great Britain during the last half of the 18th century and spread through regions of Europe and to the United States during the following century. In the 20th century industrialization on a wide scale extended to parts of Asia and the Pacific Region. Today mechanized production and modern economic growth continue to spread to new areas of the world, and much of human kind has yet to experience the changes typical of the Industrial Revolution.

Machine productions was faster, cheaper and more uniform in quality; the machine was needed to make large scale marketing possible. The beauty of what is commonly called the Industrial Revolution lies in the fact that it started so humbly when in 1733 James Kay invented the Flying Shuttle, which made the process of cloth weaving very much faster. Then in 1764 James Hargreaves invented the Spinning Jenny. Both these machines improved the efficiency of cloth production. This was followed by a water-powered spinning machine invented by James Arkwright; and a machine called the Spinning Mule. Soon after, Crompton invented the Mule, which was an improvement on Arkwright's Water Frame. The proliferation of the Mule resulted in the availability of plentiful good quality factory made yarn; more then could be consumed by handloom of the Flying Shuttle type. It set the stage for progress to the next level of power looms. This happened when Edmund Cartwright invented the first steam-powered weaving machine in 1787. The power loom could weave a much larger yardage of cloth per loom.

1.1.3.ii NEW INVENTIONS IN TEXTILE MACHINERY DURING INDUSTRIAL REVOLUTION:

Several inventions in textile machinery occurred in a relatively short time period during the industrial revolution.6

6 http://en.citizendium.org/wiki/Textile_industry%2C_history
1733 Flying shuttle invented by John Kay - an improvement to looms that enabled weavers to weave faster.

1742 Cotton mills were first opened in England.

1764 Spinning jenny invented by James Hargreaves - the first machine to improve upon the spinning wheel.

1764 Water frame invented by Richard Ark Wright - the first powered textile machine.

1769 Arkwright patented the water frame.

1770 Hargreaves patented the Spinning Jenny.

1773 The first all-cotton textiles were produced in factories.

1779 Crompton invented the spinning mule that allowed for greater control over the weaving process.

1785 Cartwright patented the power loom. It was improved upon by William Horrocks, known for his invention of the variable speed batton in 1813.

1787 Cotton goods production had increased 10 fold since 1770.

1789 Samuel Slater brought textile machinery design to the US.

1790 Arkwright built the first steam powered textile factory in Nottingham, England.

1792 Eli Whitney invented the cotton gin - a machine that automated the separation of cottonseed from the short-staple cotton fiber.

1804 Joseph Marie Jacquard invented the Jacquard Loom that weaved complex designs. Jacquard invented a way of automatically controlling the warp and weft threads on a silk loom by recording patterns of holes in a string of cards.

1813 William Horrocks invented the variable speed batton (for an improved power loom).

1856 William Perkin invented the first synthetic dye.

1.1.4 IMPROVEMENT IN NEEDLE AND THREAD:

The efficiency of the New England mills was extraordinary. James Montgomery, an English cotton manufacturer, visited the Lowell mills two years before Dickens and wrote after his inspection of them that they produced "a greater
quantity of yarn and cloth from each spindle and loom (in a given time) than was produced by any other factories, without exception in the world." Long before that time, of course, the basic type of loom had changed from that originally introduced, and many New England inventors had been busy devising improved machinery of all kinds. Such were the beginnings of the great textile mills of New England. The scene today is vastly changed. Productivity has been multiplied by invention after invention, by the erection of mill after mill, and by the employment of thousands of hands in place of hundreds. Lowell as a textile center has long been surpassed by other cities. The scene in Lowell itself is vastly changed. If Charles Dickens could visit Lowell today, he would hardly recognize in that city of modern factories, of more than a hundred thousand people, nearly half of them foreigners, the Utopia of 1842 which he saw and described. The cotton plantations in the South were flourishing, and Whitney's gins were cleaning more and more cotton; the sheep of a thousand hills were giving wool; Arkwright's machines in England, introduced by Slater into New England, were spinning the cotton and wool into yarn; Cartwright's looms in England and Lowell's improvements in New England were weaving the yarn into cloth; but as yet no practical machine had been invented to sew the cloth into clothes.

1.1.5 SEWING MACHINES EMERGED IN THE NINETEENTH CENTURY:

Synthetic fibers such as nylon were invented during the twentieth century. Great Britain was determined to keep to herself the secrets of the textile industry. According to the economic beliefs of the eighteenth century, which gave place but slowly to the doctrines of Adam Smith, monopoly rather than cheap production was the road to success. The laws therefore forbade the export of English machinery or drawings and specifications by which machines might be constructed in other countries. Some men saw a vast prosperity for Great Britain, if only the mystery might be preserved. Meanwhile the stories of what these machines could do excited envy in other countries, where men desired to share in the industrial gains. And, even before Eli Whitney's cotton came to provide an abundant supply of raw material, some Americans were struggling to improve the old Handloom, found in every house, and to make some sort of a spinning machine to replace the spinning wheel by which one thread at a time was laboriously spun.

1.1.6 DECLINE OF BRITISH INDUSTRY:

Britain lost its status as a major textile manufacturer in the course of the 20th century, and especially during the period 1950-65. Singleton, (1990) explains the decline by looking at the attitudes of mill owners and trade union members of the
Lancashire cotton industry toward the future of the industry during the period 1945 through 1965. Both groups held a pessimistic view of the industry's prospects, largely due to increased international competition, especially from Japan and the Far East. This attitude prevented needed modernization of factories and changes in labour practices. Those reforms that came in these two areas were intended to slow, rather than reverse, the contraction. The roots of the decline go back further according to Robertson, (1990), who examines the attitudes and actions of British cotton textile manufacturers toward Japanese competition during the period 1911 to 1937, centering on Lancashire millers. Prior to World War I, Lancashire's cotton industry paid little attention to Japan's textile industry. The interwar period brought decline in Britain's overseas cotton trade, especially in India and the Far East, with the blame placed on political and economic problems in India and China rather than on the growth of Japanese textile exports. British criticism of Japan started and grew through the late 1920s and early 1930s, as Japan's technical improvements in the cotton industry and devaluation of the yen placed British millers at a disadvantage. The Lancashire millers tried to work through various business organizations and the Chamber of Commerce to promote government action; however the industry reform plan of Sir William Preston was rejected by the cotton industry in 1936, recognition by Britain of the superiority of Japanese textile manufacturing.

1.1.7 ROLE OF CHILD LABOUR IN EARLIER TEXTILE MILL:

In the textile mills, children stood all the day on their feet and worked twelve hours a day, six days a week. Children were sometimes used to oil machines, change bobbins, and remove loose threads from inside moving machines. Their small hands could fit into narrow places that adult hands could not. Children sometimes got their fingers and hands ripped off because they were not last enough. Children also had to be careful and not let their hair get too close to the moving machines because the machine wheels would mistake hair for thread and rip the scalp from the child's head. Injuries to children were very common in the early textile mills.

1.1.8 ROLE OF WOMEN IN EARLIER TEXTILE MILL:

The Industrial Revolution with its invention of machines had a huge impact on the lives of women who made textiles. The once important home spinning wheel and loom was replaced by textile mills in industrial urban areas in the Northeast Hand made cloth, that had once involved the entire family in the making process, was now replaced with machine made cloth that could be made at a phenomenal rate. Women
were needed in the mills to run the machines and would be paid for their work. The mills opened up an opportunity for unattached women dependent on relatives to feel useful and independent by earning their own living.

Women were the first factory workers in the United States. Early textile mills employed mostly young women because they were more docile and could be paid lower wages than males. The mill owners attracted young women to the mills, with stories of a wonderful urban life that included night school, literary magazines, public lectures, libraries and money to spend. Once the girls got to the mills they realized that the promises made by the owners were untrue. Instead of having money to spend, visiting libraries and attending lectures, most girls found the money earned was used to pay their living expenses and necessities. Also, after rising early and working all the day the girls were too exhausted to attend anything in the evening. Working in the mills made girls that had once been full of life old before their time.

The young women who came to work in the mills were required to live in company owned boarding houses that were shared by other women. These houses were run by elderly matrons who charged rent that was paid directly to the company. At a time, several girls might be forced to share a single room to reduce living expenses Dinner too, was sometimes reduced to nothing more than a little bread with gravy. In addition, if the young women needed supplies they would have to purchase them from the company owned store that charged exorbitant prices. With little food to eat and not enough rest, it was difficult for the young women to continue working in the mills. Many young women left the mills after a year of employment and headed out west to the frontier because they could not endure the harsh working conditions in the mills. Those that stayed for longer periods of time suffered from tuberculosis, malnutrition, exhaustion, hearing loss, premature aging, maiming and Death.

1.1.9 HISTORY OF THE TEXTILE INDUSTRY IN INDIA:

The Indian textile industry is famous for their excellence and charming colours for ages beyond 5000 years and have attracted experts from all over the world. Indian hand-woven fabrics have been known since time immemorial. Poets of the Mughal Durbar linked our muslins to bafta hawa (woven air), abe rawan (running water) and shabnam (morning dew). A tale runs that Emperor Aurangzeb had a fit of rage when he one day saw his daughter princess Zeb-un-Nissa clad in almost nothing. On being severely rebuked, the princess that she had not but seven jamahs (dresses) on her body. Such was the fineness of the hand woven fabrics Historically,
it is clear that there were several kind of industries flourishing in India, such as iron and steel making, paper, sugar, textile of silk and cotton, leather, wood, metal, bamboo, glass, ceramics, ship building, musical instruments, tool, etc. to maintain a few. There was a continuous process of technology transfer upgradation and exchange of skills with in the producing and trading communities.

1.1.10 HANDLOOM SECTOR:

Handloom, as history goes was invented by a woman of hilly area, being inspired by the community of the waves of the waterfall flowing in the river. As such the word 'handloom' refer to a loom, which an operated manually to weave a fabric by interlacement warp and weft. Indian handloom textiles are classified as those traditional textiles, which are manufactured or woven on handloom without the use of electricity. The mother of all textiles was the primitive type of handlooms. In the ancient days, the requirement of all fabrics for different uses, starting from day to day use of exclusive occasion, festivals etc. were met by the handloom only.

The handloom sector which is part of the 'organised' sector, consisting of cloth production (weaving) by family units on handlooms—is traditionally one of India’s leading industries, providing extensive employment and a major source of exports. During the colonial period, this sector comes to be dominated by English trading companies, which monopolized the foreign markets. In the nineteenth and twentieth centuries, it has had increasing competition from the mills, and encountered great difficulties before the Second World War. After independence, it became the symbol for all decentralised industries, and received a great deal of attention from the government.

The textiles of India stand the imprint of the excellent craftsmanship of the Indian weaver. The skill of weaving with skillful fingers, sketching models and generating designs, is a great skill which has been offered through generations from father to son, from time immemorial, also regional areas have their particular kinds of weaves and accompaniments providing new attention. The work was split into two categories of spinning and weaving. Mothers and daughters did the spinning while fathers and sons did the weaving on the loom. This idea of the family working together allowed fathers to teach their sons a trade and mothers to teach their daughters how to cook and sew. It also enabled parents to educate their children and supervise their upbringing. Working on the spinning wheel and weaving machine could be done at anytime because there were no clocks in the house that told you
when to start working and when to quit. Dinner could be eaten at a leisurely pace without rushing through, and children could play and rest properly so they could grow up healthy and strong. The skill of regional arts, generation skills of arts, new screen printing and new digital computer software technology will bring the ever green opportunities to India and will emerge as a global hub of art and design soon.

1.1.11 POWERLOOM SECTOR:

The powerloom sector co-exists with large scale textile mills set up continuously since the middle of the nineteenth century. Production in the mills was initially concentrated in Bombay, and influence by English investments and personal. However, Indian capital and management soon took over, and the mills spread to Ahmedabad, and in the South to Madras, Madurai and Coimbatore. Two types of mills exist: the spinning mills which spin the yarn used to make cloth, and the composite mills, which carry out both spinning and weaving. The latter predominate in the north, and the former in the south.7

The power loom was quickly integrated into the weaving industry. Thus both the production of yarn and cloth was being carried out at the same place, leading to economies of scale. However, the invention of the power loom had a disastrous effect upon India’s economy. As the production on cloth increased in England, the cost of production went down. Once the machine-made cloth became available in England at cheaper rates, the terms of trade between India and England changed. England became an exporter of the cloth to India and India became an importer. It led to total ruin of India's handloom industry since cheaper imported cloth replaced the handloom cloth. And India's foreign trade balance became negative.8

The powerloom sector is a recent development consisting of cloth production in small workshop. Although the looms used are similar to those in the mills, the size of the units is much smaller, and they are not classified as factories. This means that such production falls neither under the Factories Act nor under any labour any layout legislation. Recently, this sector has grown enormously in those areas in which the mills are also concentrated (Maharashtra, Tamil Nadu). The main reason for this increase is the sector’s high profitability, and that the composite mills are increasingly making use of sub-contracting.9

7 Baund ISA, Form Production And Women’s Labour, P-100-101
8 The Hindu, January 19, 2007, P-1
9 Baund ISA, Form Production And Women’s Labour, P-100-101
1.1.12 CLOTHING SECTOR:

A covering for human body is called garment in general. They are also called apparel, dress or clothing. According to Encyclopedia Britannica, “covering or clothing and accessories for the human being” are called dresses. The varieties of dress are enormous, varying with different sex, age, cultural, geographical areas, climate and historical eras. The dress is associated with fashion. Broadly the more sophisticated and highly developed culture. The more establish, hierarchical and varied have been its traditional forms of dress. The garments are influenced by economies and utility also by fashion has and taste of the people. The fashion has changed over time and every year new fashion clothes are designed for fashion conscious persons. The process of stitching had made lot of historical changes. Until 18th century all stitching was done by hand. In 1860 Band Knife Machine was introduced that cuts several thicknesses off cloth which enabled large scale production and gave birth to modern garment factories employing a number of workers for stitching different parts of the dress. Then there was development of high speed sewing machine, which stitches 8000 or more stitches per minute, reducing the importance of labour in this highly labour intensive industry. Apparel is the ‘baby’ in the textile family. While the textile industry dates back to several centuries, the apparel industry originated only around 75 years back. During this period, however, the baby has outgrown the rest of the family taken together, both in weight and value.¹⁰

1.1.13 TEXTILE MILLS:

Textiles have historically formed an important part of India’s economy. Weaving had always been regarded as one of the major occupations, and India’s cotton and silk production were among the highest in the world. Columniation brought an end to India’s glorious past, in textiles as well as other areas. India once one of the worlds leading exporters of textiles was now forced to become a net importer. However by the 1850’s Indian enterprise and capital using modern imported technology had set up its own mills, which by 1875 were exporting modern textiles to Lancashire. Thus the textile industry was the first in India to actually deserve the industry. This over turning of tables also led to the side effect of the English manufactures it demand that the newly introduced Factory Acts, to protect industrial labour in Britain, should also be adopted by India. This agitation succeeded, and with

the 1881 Factory Acts, India introduced the labour laws which today are among the biggest stumbling blocks in front of the Indian industry.

The industrial revolution narrowed India's time-honoured lead in textiles to fine fabrics, British mill cloth replacing other varieties. Colonial policy, of overvaluing the rupee till the mid-twenties of the last century and offering minimal tariff protection impeded the growth of the modern mill industry in India. However, the industry thrived during the run-up to World War II and while carrying out war production. So much so that Japan, undertaking post-War reconstruction, fretted about the wisdom of taking up textiles as a thrust area where it would have to take on the might of India. Fortunately for Japan, independent India bestowed on its thriving textile sector all the burden of irrational corporate and labour laws and controls and restrictions. India's textile prosperity become a thing of the past. Other countries of the subcontinent, heir to the same rich legacy as India's in textiles, saw their textile industries modernising faster than India's did. The Indian industry declined under burdensome policy and a combination of labour militancy and corporate law that prevented technological upgradation and redeployment of assets locked up in sick enterprises. Textile mill after mill went sick and were taken over by the government under pressure from organised labour. Public sector management of large chunks of the industry naturally accelerated the industry's deterioration. In 1985, the government headed by Rajeev Gandhi changed the textile policy to a large extent. The textile sector saw some limited dynamism. But the crucial task of modernising each of the textile industry's three broad sectors - mills, powerlooms and handlooms - remained unaddressed. Policy discriminated against the mill sector, on the ground that handlooms generate employment. Out of the 1,850 textile mills in the country, only 284 are composite mills of the kind that generate the bulk of value in today's textile industry the world over. Most of the mills are small-scale units that do not have the technology or the scale of operations required to compete in global markets.11

Present day comparisons between India and China on their manufacturing capability remind the economic historian of a similar comparison drawn 100 years ago between India and Japan. From 1890 to 1927, the cotton textile mills of Mumbai faced increasing competition at home and abroad from first Japanese and than China textile mills although some efficiency improvement occurred in Mumbai in response to the competition, these were not enough. The two world wars, and finally protective

11 Economic And Political Weekly, November4,2000, P. 3903-3904
tariffs, provide partial relief. Both India and Japan were labour surplus societies with low wages. The outcome of competition between them could not have been decided by comparative advantage and relative factor costs. The outcome would be influenced by how well labour was utilised. In other words, we may observe the beginning of a divergent pattern of indoctrination, the source of which was efficient organization of traditional resources rather than their costs.

1.1.14 ROLE OF INTERMEDIARIES IN INDIAN TEXTILE AND CLOTHING INDUSTRY:

Most large-scale enterprises in 19th century India did not recruit workers directly, but recruited through labour contractors. Further, almost from their mid 19th century beginning, or possibly from a little later, large-scale employers such as factories, plantations and ports left a great deal of supervision and training to these intermediaries. As against these useful services, the intermediary received a most important privilege, the freedom to hire whoever he/she wanted to hire, and the freedom to fire workers under him/her with only the minimum formal consent of the management, or often not even that. In other words, an internal putting-out of human effort characterized the worksite. The managers gave the intermediary a job to do, and the latter got that job done with his or her own work-team. In effect, it led mills in Mumbai to hire more hands than was necessary and hire poorly trained workers even when better quality of people were available. Japanese competition exposed this syndrome. Until the 1925, wages were low enough compared with Lancashire or New England for the mill-owners to overlook the costs of internal putting out. The system surely simplified the managerial role of employers. Mill-owners could spend their excess energy dealing in shares and commodities worlds that they understood much better and loved much more than they did the world of labour. But wages in Japan and China were not much higher than those in India. When competition from Japan began to bite, employers became more introspective.

1.2 SIGNIFICANCE OF THE STUDY:

The textile industry occupies a unique place in our country. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contribution
to the country's economy. Its vast potential for creation of employment opportunities in the agricultural, industrial, organized and decentralized sectors & rural and urban areas, particularly for women and the disadvantaged is noteworthy.

Textile Industry is offering one of the most basic requirements of community and it possesses importance; preserves continued growth for developing quality of life. From the manufacturing of raw materials to the delivery of end products, it has gained its kind of position, as a self-dependent sector and with considerable value-addition at every stage of dealing; it is a key input to the country's economy. Today the textiles and clothing industry engages an important position in India's economy.

Despite its decline in recent years, the textile industry remains the single most important industry in the country. It is the largest employer after agriculture, accounts for a fifth of industrial production and employs 18 million directly. If one adds all those engaged in related industries, like textile machinery, dyes and chemicals, marketing, transport - not counting the millions of farmers growing cotton - the number of dependent on it goes up substantially. The textile sector has an overall weightage of 11% in the general Indices of Industrial Production (IIP) while roughly around 50% of the cutting is total export output is exported the export intensiveness of the cotton textile sector is higher at around 65%. India has been losing market share especially in the US, due to increasing competition from countries such as Vietnam and Bangladesh. Fabric producer by mills has been dropping over the last few years on account of down stream production as the demand for retail garments and textile products dips in the US and EU. As a result, yarn production is also falling and affecting the yarn producer’s business.

The textile industry as a whole was the first sector in which the government, after independence, carried out its policy of protecting the decentralised sector from the formal sector and was the sector for which this policy was developed most extensively. The mill sector has been limited in its expansion and taxed to benefit the handloom sector particularly. The latter was stimulated by reserving several types of cloth production to it and by setting up a cooperative structure in the sector. The government’s attitude towards the powerloom sector has been ambivalent, changing according to whether it was considered a competitor of the mill sector (Estimate Committee, 1978).12

12 Baund ISA, Form Of Production And Women’s Labour, year 1998, Pp-100-101
When the government of India began the process of economic liberalisation in the country in 1991, it delicensed the textile industry. Soon after the economic liberalisation process, the central government announced its exim policy which made it easier to retrench workers. An official committee appointed by the finance ministry on industrial sickness and corporate restructuring, headed by Omkar Goswami, made out a case for the sale of land by companies in the following terms:

Often cash-strapped but operationally viable companies own considerable vacant land within the factory premises. Such lands are unutilised by the firms and command high prices for alternative commercial use in urban areas; their sale can generate substantial additional funds for repaying whole or part of outstanding debts and also for meeting the costs of rationalising the workforce. Land sale is the most profitable way of generating internal resources for (i) re-organising viable companies or (ii) getting the best value for unviable firms.\(^\text{13}\)

### 1.3 NEED OF THE STUDY– THE PROBLEMS:

Although many efforts have been made by the policy makers and Government, even, execution of the operations could not be proved up to the satisfactory level, one can observe the following problems in textile industry:

1. A major problem faced by the textile industry is obsolescence of the machinery.
2. The textile industry has suffered badly due to wrong and often confused policies of the Government.
3. The textile industry faced the problems of building up a regular supply of its raw material-cotton, woolen and synthetic in adequate quantities.
4. The textile industry in our country has suffered badly for want of adequate and unfailing supply of powers.
5. An important factor for the growing sickness of the mill sector is the growth of the decentralized sector.
6. High cost of finance and power are still the major problems. The competition from the unorganized sector, which does not always pay taxes and has lower cost of production resulting in lower cost of products, is a major issue hunting the organized textile mills.

7. The textile units faced an increase in prices of cotton and other costs. India's cotton cost has risen above the international prices over the last few years. Rayon and synthetic yarn prices are also under pressure.

8. Indian textile exports currently contain lower end low value added items. Further, limiting the extent of increase in exports after the dismantling in world textile trade. Indian textile exports growth is likely to be uncertain.

9. The textile industry faced the shortage of people with good communication skill, knowledge of fabrics and yarns and aptitude for active supervision at the supervisory level.

10. While the rest of the world has moved on to shuttle less looms and other modern ways of weaving fabric, the Indian textile industry stagnated in terms of technology.

11. Unprofitable mills do not attract financing and so have failed to modernize as well.

1.4 OBJECTIVES OF STUDY:

With the view to achieve the aim of the present study, the researcher has framed the following objectives:

1. To study institutional and policy framework of Indian Textile and Clothing industry.
2. To study the performance of Indian Textile and Clothing industry.
3. To evaluate the contribution of Indian Textile and Clothing industry in Foreign trade of India.
4. To analyse the impact of liberalisation policy on Indian Textile and Clothing industry.
5. To examine the impact of WTO on Indian Textile and Clothing industry.
6. To carry out SWOT analysis of Indian Textile and Clothing industry and suggest an action plan to improve the performance of Textile Industry.

1.5 HYPOTHESIS:

To confirm the accuracy of the findings related to present study, the researcher formed and tested the following NULL hypothesis during the course of present study:

Ho-1 Generally there is no significant change in performance of Indian Textile and Clothing industry.
Ho-2 By and large, there is no significant change in foreign trade performance of Indian Textile and Clothing industry.

Ho-3 There is no significant impact of WTO on performance of Indian Textile and Clothing industry.

Ho-4 There is no significant change in employment opportunities in Indian Textile and Clothing industry.

1.6 RESEARCH METHODOLOGY:

To make the findings of present study more practical and accurate, the researcher used both types of data i.e. primary and secondary information of related field. For secondary data, the researcher has studied all published materials like magazine, research reports, News papers, Government Reports, periodicals journals of different related web site on Internet etc, comprising the information related to the development to the textile industry. Data were also collected from Annual Survey of Industries (ASI) of various issues of ASI. Which is the principal source of detailed information on industrial characteristics, such as value of output, employment, capital structure, emoluments etc. for this the researcher visited and surveyed various national and international textile trade fairs, exhibitions, concerned trade conferences and seminars, Training and Research institutions viz. SITRA, AITRA, NIFT and libraries etc. in addition to this the work on the subject of several eminent economists Academicians and scholars, U.N.’s publications relevant reports of the government of India were also considered.

For the collection of primary data the researcher constructed a questionnaire consisting of items related to textile industry and this self constructed questionnaire was administered to 200 respondents. The following sample size for different type of respondents was used to collect the primary data:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Respondents</th>
<th>Proposed Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Textile manufacturers and Exporters</td>
<td>40</td>
</tr>
<tr>
<td>2</td>
<td>Export consultants</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Administrative authorities, policy makers and executives</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>Workers</td>
<td>100</td>
</tr>
<tr>
<td>5</td>
<td>Academician</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>200</strong></td>
</tr>
</tbody>
</table>
Primary data were also collected through a structured interview, informal meetings and discussions with the manufacturers, exporters, export consultants, administrative authorities and workers.

1.7 PLAN OF THE STUDY:

The total study is divided in eight chapters. In the first chapter, a brief introduction and history of Indian textile and clothing industry is presented, after that significance, objectives, research methodology and the limitations of the study is presented. The second chapter is devoted to a brief review of earlier studies related to Indian Textile and Clothing Industry.

Chapter third is concerned with Institutional and Policy Frame Work of Indian Textile and Clothing Industry. In the fourth chapter, performance of Textile and Clothing industry i.e. Investment, Production, Turnover and Employment, is presented.

In the fifth chapter, the researcher studied the trade and volume of Textile and Clothing products in domestic marketing and composition of exports and imports in foreign marketing. In the sixth chapter we throw some light upon the Indian Textile and Clothing Industry, during WTO regime and the relative impact of provisions of WTO on the Indian Textile and Clothing Trade. A SWOT analysis and action plan to further boost the Indian Textile and Clothing Industry is given in the seventh chapter. Eighth chapter is the last but not the least. It shows the conclusion of the research study with some valuable suggestions in order to enhance the Indian Textile and Clothing Industry to further advanced horizons.

1.8 LIMITATIONS OF THE STUDY:

There are very large numbers of textile and clothing products industry traditional and non-traditional (modern) item in different varities, colours, fabrics, designs, styles, etc and all the details which could not be possible to study in research due to time constrains and limited resources. Therefore more with general problems of production, export and employment of textile and clothing from India. The detailed study requires visit to important textile centers and importing countries, which was not possible. However, study has made all possible efforts to point out problems in various countries, the issues in export promotion and efforts required by Indian exporters, government of India and Apparel Export Promotion Council. The
present research has been carried out under shadow of many limitations. Few significant limitations are presented below:

1. Study has been limited to textile and clothing trade only.
2. Self-constructed tool (Questionnaire) was administered for the sample because no standard prepared tool was available in the area of research.
3. Due to limitations of resources it was not possible to calculate reliability and validity of tool used for survey.
4. The questionnaire was only administrated to 100 organisation/ professionals due to scarcity of resources.
5. For discussing general problems of producers and exporters related to textile industry only secondary data were taken into account because it was not feasible to conduct survey at mass level.
6. Most of the manufactures are unaware of the government policy related to textile and clothing industry.
7. Most of the labourers are unaware of the wage policy related to textile and clothing industry.
8. Some labour replied that they are fully satisfied with the working conditions of the industry.
9. More than 65% of the labourers were uneducated.
10. Data of only 10 years considered to describe the trade scenario of Indian textile and clothing industry.
11. Some manufactures refuse to give any information of his own firm/company due to fear of Income Tax Department and factory inspector.