CHAPTER – II

2. REVIEW OF LITERATURE

INTRODUCTION

Review of related literature is an important step in undertaking research. It helps in clarifying and defining the problem, stating objectives, formulating hypotheses, selecting appropriate design and methodology of research as well as interpreting the results in the light of the research work already undertaken. In this chapter, an endeavour has been made to provide an overview of various aspects of this study through the review of existing literature. The sources referred from various journals related to exports of garment industry, export performance, benefits gained by the entrepreneurs and problems faced in hosiery garment industry.

2.1 Exporters opinion

Panthaki (1995)\(^1\) stated that the future of garment export from India predicts bright future and outlines the future course of action for the garment industry. The garment industry needs to pay greater attention to evolve markets favourably disposed to India for historic reasons, such as, South Africa, C.I.S., Venezuela, Chile, Columbia, where Indian garments are yet to take a foothold. The industry has to take advantage of the availability of special fabrics on OGL/SIL to manufacture and export industrial/

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institutional/sportswear of all types and also to enter into collaboration arrangements with manufacturers in West Europe to obtain the necessary know-how for benefit in the future export growth.

Koshy (1997)² examined that the perceptions of 107 exporters regarding the progress of overseas importers with respect to garments and fashion garments. The study pointed out that for basic garment sourcing; the exporters believed that production capability had an important generic value, forming the basis of value chain match in the eyes of the overseas buyers. According to this study, Indian garments exporters perceive that the importer-segments expect many additional dimension in fashion garments which distinctly different from basic garments. These factors can be termed as ‘production, product specialization and development function’ and ‘quality and quick response’. The exporters realized that the capability to design and develop fabrics, specialize in product categories, give the final finish and presentation of garments, deal with a short lead time and speed of response were some of the dimensions of the buyer expect from exporters of ‘fashion garments’.

Rajesh (2001)³ found that on the ongoing debate on the enactment of labour laws in India opined that while on one hand, by reducing trade barriers and wooing FDI, on the other hand, going to face competition induced growth

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and attract FDI. Highlighting the issue of a need for an industry friendly labour laws to enable the textile industry to face emerging world competition. China had two sets of labour laws, one for old companies and the other for the new ones. To attract investments, they had made labour laws flexible for new companies. Therefore, it expresses a feeling that government should allow a certain number of labour to be replaced so that the new set of workers can handle new technology efficiently.

Roy (2009)\(^4\) stated that garment industry worldwide was undergoing significant restructuring since the final phase out of the Multi-fibre Arrangement. The changes were taking place in terms of relocating production sites on the one hand and coping with the new competition on the other. In this context, the paper tried to look into the status of garment industries in India and see how the assumed release of constraints in demand both through liberalization in domestic trade policies and by phasing out of Multi fibre Agreement had impacted upon the growth and size distribution of firms in the sector. The paper focused on how the responses of individual firms were embedded in the evolving patterns of production organization, labour processes and institutional arrangements related to respective industrial sites.

Abraham and Sasikumar (2011) analyzed the implementation of the Agreement on Textile and Clothing (ATC) of the World Trade Organization (WTO), this agreement both threatens and provides opportunities to India’s Textile and Clothing (T&C) industry in the wake of liberal international trade. Firms acquire greater international competitiveness through various cost cutting and efficiency enhancing strategies. The question one tries to ponder on was what route does Indian firms take to join the international export market in T&C. Empirical analysis, using Tobit estimation techniques, supported the view that increasing the share of low cost labor was an important route through which export performance of the Indian firms in T&C was enhanced. Further, the use of this means the need to perform better in the international market aggravated in the period after the implementation of the ATC. On the other hand, capital and technology based factors did not have any perceptive effect on the export performance of Indian firms in the international market. This endorsed the view that the Indian T&C firms at large utilized the low road to competitiveness, rather than the other. Also the importance of the import intensity in export performance suggested that Indian T&C was increasingly getting integrated within the global value chain.

Aziz (2011)\textsuperscript{6} stated that the ready-made garments (RMG) export performance of India and its competitors in respect of the major import destinations. India was in a position to increase its market share in ready-to-wear garment export to USA after the removal of Quotas. The study has been carried on in two phases, the first phase was exploratory research and the second phase was primary research. The research is carried out on the exports of ready-to-wear garments only. The study will not give any detail of the fabric exports from India. The research is based on a questionnaire survey of ready-to-wear garment exporters in New Delhi, India. The impact of abolishing of quota system and economic crisis on exports of ready to wear garments to its major markets in post quota regime has been examined. The detailed analysis of recession hit markets brings out the winners and strugglers in the market. This research paper makes a critical appraisal of the prevailing issues affecting the RMG export import trend.

Marudhamuthu et al., (2011)\textsuperscript{7} discussed the implementation of lean principles in an Indian garment export industry. The objective was to evolve and test various strategies to eliminate waste and to improve the productivity. This paper briefly described the application of Value Stream Mapping (VSM) and Single Minute Exchange of Die (SMED). Existing state production floor

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\textsuperscript{7} Marudhamuthu, ravikumar; krishnaswamy, marimuthu, pillai, damodaranmoorthy (2011). The development and implementation of lean manufacturing techniques in indian garment industry. \textit{Jordan journal of mechanical & industrial engineering}, 5(6), 527-532.
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was modified by using VSM efficiently to improve the production process by identifying waste and its causes. At the same time, set up time was also reduced considerably. To conclude with evidence the early results of the programmes as well as a number of key learning points for other organizations wishing to follow similar path.

Shaikh et al., (2011)\(^8\) highlighted the impact of Global Financial Crisis on textile industry clusters in Pakistan. A cross sectional data was collected from 25 textile industries by using simple random technique and data were analyzed using E-Views software. Structural questionnaire was the basic tool for measuring the performance of textile industry during the financial recession in Pakistan. It was revealed that the industry was in urgent need of financial and technological investments. It was also revealed that the Global financial crisis had negative impact on the export of textile industry in Pakistan. The export of textile related products had decreased by 20 percent due to the decrease in textile demand. It was further revealed that textile industry was facing problems such as electricity and high taxes.

Bhadouria and Verma (2012)\(^9\) stated that Intra-industry trade (IIT) played a pivotal role in Indian textile industry. It was a new phenomenon. Since 1960, this concept had been used by Pieter Verdoorn and BelaBalassa. The aim of this paper was to measure the level of IIT in Indian textile

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industry. For this purpose, the Grubel–Lloyd index was calculated. The analysis was based on annual time series data of export and import. The results revealed that during 1990s, the level of IIT in Indian textile industry was higher, whereas since the inception of 21st century it went down. It was due to the rise in net export.

Gurusamy et al., (2012)\textsuperscript{10} discussed the development of women entrepreneurs’ in Indian Textile Industry that entrepreneurial development was one of the significant factors for sustainable socio-economic development. Especially, development of women had special significance because many small and medium firms were well operated through women though it was less recognized. Contemporarily less research had been conducted in rural and semi urban areas that had given specific focus on women entrepreneurs’ motivational factors. This was used to the women entrepreneurs for identifying the scope and opportunities in the textile industry, the Indian government had provided subsidies for women entrepreneurs and special provisions for category of entrepreneurs belonging to schedule caste, schedule tribe and women. This study was also explaining the various schemes for the development and promotion of women entrepreneurs in India. It was also focusing on how the government created awareness among women entrepreneurs and was encouraging them to invest in textiles and technical textile sector. Though our country has always show

very good growth in terms of apparel exports, when comparing with other countries, it was revealed that India had lost an opportunity in the past in growth trends of its textile and clothing industry. It needed to address internal challenges. It was definitely sure that the textile industry would get going because of its preparedness.

Maiyo and Imo (2012)\(^{11}\) found that with the Kenyan textile industry was one of the most important contributors to industrial development, liberalization of the country’s economy in the early 90’s and it resulted in great competition from imported clothing leading to closure of some textile industries. Firms that had been exporting under the African Growth and Opportunity Act (AGOA) were threatened by increased volume in exports from Asia. Though rated 3rd after Madagascar and Lesotho, with 20.7% of total African apparel exports to the US; Kenya’s textile industry’s development was hampered by manpower underdevelopment, high cost of production, competition both in the local and international markets, consumer preference for imported textiles and corruption. The purpose of this study was to address these crucial issues that hinder the Kenyan industry from flourishing globally. Using both primary and secondary data, this study analyzed the performance of the local textile industry in a liberalized economy; focusing on an overview of the industry before and after

liberalization, the industry under AGOA and challenges resulting from liberalization. Significantly, government support through reduction of operation costs and review of training courses in relevant institutions to meet industry needs and increase human development and training were important in increasing the industry’s performance.

Mohanraj and Manivannan (2012) found that people had started to across the boundaries in search of better job opportunities. In 2010, there were 200 million global migrant workers and their families. Garment exporters were adopting long run strategies that exploit information to achieve greater sophistication in planning and flexibility in operations to respond quickly to market shifts through migrated workers. The objective was to abbreviate lead times, reduce inventory levels, increase inventory turns and avoid stock outs and markdowns. Migrated workers were the right choice of the Garments exporters for establishing their manufacture schedules closer to the selling period based on quick response strategy that links apparel retailing and manufacturing operations to make available the right product at right time. The present study dealt with the present situation of migrated workers and garment industry in Erode and Tirupur districts. The study mainly focused on socio economic status of migrated workers and their problems in garment industry.

Siddiqi et al., (2012)\textsuperscript{13} dealt with the determinants of export demand of textile and clothing sector of Pakistan. Moreover it estimated coefficients of the variables of the study. This study used co-integration approach to check the long run relationship between export demand and its determinants. Results showed that world income was the major determinant of export demand as it showed high coefficient of income for export demand of textile and clothing sector while trade openness was also the second major determinant of export demand which was the part of the model as the proxy of trade restriction. Rest of the variables also showed that there was a significant contribution in determining the export demand. The study also revealed the long run relationship between the export demand and explanatory variables.

Bhaskaran (2013)\textsuperscript{14} found that the Indian textile industry was one the largest and oldest sectors in the country and among the most important in the economy in terms of output, investment and employment (E). The sector employed nearly 35 million people and after agriculture, it was the second-highest employer in the country. Its importance was underlined by the fact that it accounted for around 4\% of Gross Domestic Product, 14\% of industrial production, 9\% of excise collections, 18\% of E in the industrial sector, and 16\% of the country’s total exports (Ex) earnings. For inclusive


growth and sustainable development most of the Textile Manufacturers had adopted the Cluster Development Approach. The objective was to study the physical and financial performance, correlation, regression and Data Envelopment Analysis by measuring technical efficiency ($\theta$), peer weights ($\lambda_i$), input slacks ($S^-$), output slacks ($S^+$) and return to scale of four textile clusters (TCs) namely IchalKaranji Textile Cluster, Maharashtra; Ludhiana Textile Cluster, Punjab; Tirupur Textile Cluster, Tamilnadu and Panipat Textile Cluster, Haryana in India. The methodology adopted was using Data Envelopment Analysis of Output Oriented Banker Charnes Cooper Model by taking number of units (U) and number of E as inputs and sales (S) and Ex in crores as outputs. The non-zero $\lambda_i$’s represent the weights for efficient clusters. The $S > 0$ obtained for one TC revealed the excess U ($S^-$) and E ($S^-$) and shortage in sales ($S^+$) and Ex ($S^+$). To conclude for inclusive growth and sustainable development, the inefficient TC should increase their S/turnover and Ex, as decrease in number of enterprises and E was practically not possible. Moreover for sustainable development, the TC should strengthen infrastructure interrelationships, technology interrelationships, procurement interrelationships, production interrelationships and marketing interrelationships to decrease cost, increase productivity and efficiency to compete in the world market.
Dorathy (2013)\textsuperscript{15} found that the export-import trade among the countries was broadly guided and facilitated by General Agreement on Trade and Tariffs (GATT) before the setting up of WTO in 1995. During GATT regime under the Multi-Fibre Agreements (MFA), a popular system known as Quantitative Restrictions (QR) was in place in Textile and Clothing segment which included the hosiery products. Under this system a country could import from a particular country only up to the limit prescribed by QR. The hosiery industry of Tirupur, a major exporter of hosiery products to global markets was assured of its quota of exports and thus flourished under this system. But with the advent of WTO in 1995, the ATC declared that the QR would be phased out from January 2005. This carried new opportunities and threats for Tirupur’s exports which also meant that this industry must now acquire new strengths in order to compete in the new regime. Under such circumstances, the researcher had developed a framework for analyzing the competitive structure of this industry and to suggest appropriate strategies for enhancing its competitiveness under the WTO regime. The government, industry and firm by adopting the strategies presented above can play a proactive role by exposing its exporters to professionalism and modern business practices thereby enhancing the competitiveness of this industry.

Fakir et al., (2013)\textsuperscript{16} traced the history of EPZ in Bangladesh, its legislative structure for analysing its operation and performance. This study had explored the contribution of EPZ in Bangladesh and how much it contributed to the country’s economy in terms of employment, export and investment. The yearly growth rate of GDP was used as a dependent variable. It argued that developing countries took advantage of the opportunities provided by EPZs for the acquisition of superior technology, upgrading of labor and managerial skills and greater access to foreign markets. The paper then examined the development and economic significance of EPZs in Bangladesh. Export diversification and export-oriented activities, the development of stronger backward linkages, and the upgrading of the export-oriented legislation in Bangladesh were addressed. This study also tried to explore the contribution of EPZ in national economy, branding of products, export-incentives, infrastructures, investments and prospects including constraints of EPZ in Bangladesh.

Rajasekaran and Gokilavani (2013)\textsuperscript{17} found that a company’s supply chain now plays an important role and it was an essential strategic resource in the achievement of the strategic goals. Many companies were implementing supply chain management strategy in an effort to maximize profit with customer satisfaction. The objective of the study was to focus on the


innovative strategies of Supply Chain Management which was adopted by hosiery product exporters of Tirupur city. Based on the objective framed, a systematic research methodology had been adopted, required data was collected from available resources and analyzed with suitable statistical tools. The study had revealed that the hosiery exporters of Tirupur had followed a standard and systematic supply chain strategy and also outsourcing logistics system for their business. It created the awareness for a systematic supply chain strategy which lead to business prosperity. This particular study also revealed certain issue which affected the supply chain strategy in turn it helped the exporters to stabilize themselves for the betterment of the business.

Sheela and Singh (2013)\textsuperscript{18} stated that the Indian textile industry an age old industry employing more than thousands of workers changed its face of operation in the post liberalization period after 1991. In the year 1995, WTO had removed its MFA and adopted Agreement on Textiles and Clothing (ATC) which stated that all quotas on textiles and clothing to be removed among the WTO member countries by 2005. This policy benefitted some countries and with some it did not. The main objective of the study was to analyse the changes in the Indian textile industry in the post liberalization period. To study this phenomenon, this study was carried out. Two periods were considered, on the pre-liberalization period and the post WTO period.

\textsuperscript{18} Sheela, a.m., & Singh, R.J. (2013). Growth and changing directions of Indian textile exports in the aftermath of the WTO. \textit{Tij's research journal of social science & management}, 2(10), 17-23.
and the growth and changing directions were studied using a Markov chain model. The study revealed that while the momentum of cotton yarn exports had shown signs of declining, the exports of readymade garment were on the increase.

Shetty et al., (2013)\textsuperscript{19} presented that the textile and clothing industry in Karnataka was concentrated in Bangalore which houses some of the largest Indian export houses. The abolition of the quota regime under the WTO in 2005 had opened up the global textiles and clothing arena for exporters in Karnataka with its adequate raw material base complemented with state-of-the-art infrastructure facilities and skilled manpower supply. The paper studied the perceptions of exporters in Bangalore towards the opportunities and threats in the post-MFA global textile and clothing trade. The data for the study was collected from a sample of one hundred export-oriented textile and clothing units based in Bangalore through a structured questionnaire.

2.2 Export performance

Zhang and Dardis (1991)\textsuperscript{20} found that the determinants of the textile export performance of 27 major textile exporting countries. The authors measured export performance by a country’s gross exports and net exports. They used static and dynamic models for the analysis. Their independent


variables were physical capital, technological capital, human capital, unit labor costs and domestic apparel production. He found that in his study the more the stock of physical capital and the higher the level of human capital, the more were the gross and net exports of textiles and the more the domestic apparel production, the less were the gross and net exports of textiles.

**Shankar (1995)**\(^{21}\) found that the thorough analysis of the emerging post-MFA scenario, asserts that India had the components of a vital and internationally competitive apparel industry. India had the image of a strong and efficient garment manufacturing base able to offer scale, flexibility, service and a full range of apparels, thereby being able to secure a much larger share in the global market. However, to achieve this vision, various regulatory changes were needed to be effected. Thus, there was a need to establish a system by which Indian textile manufacturers might benchmark quality and performance against one another and eventually against international competitors. Besides, there was also a need to develop a service orientation. Most important of these, however, was the need to set up an agency that can integrate the respective talents of India's small and large firms.

**Pankaj (1999)**\(^{22}\) stated that the change in the global textile trading regime indicated that Indian textile industry had 'islands of excellence,' but the capability and performance of the average firm was not very high when


compared to those in several other countries. Thus, taking note of the fact that the trading regime was going to change drastically in future and Indian textile industry policy had to be re-organised and re-worked. The re-organisation of the textile sector had to be done at two levels—the firm level and at the industry level. Strategic thinking to improve the competitiveness of the sector will require new industry policies, more investment in workforce education and technology on a continuous basis, improvement of manufacturing practices in plants, better linkages between various entities that form the textile supply chain and continuous investment in process and product R&D.

Yu (1999) suggested the use of Kirzner’s concept of entrepreneurship to explain the economic success of Hong Kong. The city economy possesses neither natural resources, nor sophisticated technologies and yet it had successfully developed into one of the most prosperous economies in East Asia. This study argued that Hong Kong’s industrial dynamism relied mainly on a large number of adaptive entrepreneurs who were constantly alert to opportunities, maintain a high degree of flexibility in their production and respond rapidly to change. In the textile and garment industry, firms survived by pursuing a product imitation strategy, operating at a small-scale, extensively utilizing subcontracting networks, producing customer label garments as well as performing spatial arbitrageur ship. Employing these adaptive entrepreneurial strategies, Hong Kong

manufacturers had learnt from foreign firms and imitated their products. By selling improved commodities at lower prices, they had competed against the original suppliers from the western advanced countries. Furthermore, to exploit new profit opportunities, Hong Kong’s entrepreneurs had shifted their production activities from one product to another, from one industry to another, from higher cost to lower cost regions, from traditional fishing and agriculture into manufacturing and then to finance and other services. Their efforts had brought about structural transformation in the economy and enabled Hong Kong to catch up with early industrialized nations.

**Bhavani and Suresh (2000)** researched on international trade and industrial organisation theories, this paper identified variable affecting (a) export decision function i.e. to export or sell in domestic market, and (b) export performance function i.e. share of exports in output. These functions were estimated for Garment and Apparel producing units in Delhi. Form of business organisation reflecting access to capital turns out to be a key determinant in both functions. Estimated marginal impact of identified variables (scale and share of sales expenses) on the probability of exporting in estimated Probit model declines sharply in making from single proprietorship to partnership and further to limited companies. On the other hand, every

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single determinant (scale, share of wages, share of sales expenses and technical efficiency) had found the increasing marginal impact on export performance in estimated Tobit model in moving across the three forms of business organisation. Empirical results suggested two policy changes to boost export performance. One, given the importance of scale for exports, the existing policy of reserving garments and apparel for exclusive production in small scale units needs to be scrapped. Simultaneously, it was also necessary to amend current labour legislation applicable to large scale factory units as it introduced labour market inflexibility and hence served as an impediment to expansion of existing units and entry of new units.

Katsikeas et al. (2000)\(^{25}\) stated that couple of groups of variables that explained how export performance was impacted by various factors. One of these groups included background variables which indirectly had an impact on export performance while there were few variables which the researcher had defined under the group category of intervening variables which influenced export performance directly such as firm’s strategy about marketing and targeting market. Previous research papers had identified influence of marketing mix on export performance however there was a lot of scope to identify export performance.

Samar Verma (2002) revealed that export competitiveness leads to greater export share in world market. The relation of competitiveness with the productivity is a function of factors related to cost of products, as well as those related to non-price factors such as delivery schedules, reliability of producer and image of country/company and brand equity. There is a great potential for Indian Textile and Garment industry as the demand side factors of Indian clothing and textile exports of the identified products in US and supply side factors of Indian clothing and textile exports in EU Markets are vital. The Indian government can trust the entrepreneur for making the Indian Textile and Garment industry globally competitive.

Balasubramanyam and Wei (2005) compared the export performance of the textiles and clothing industries in India and China using the revealed comparative advantage and the Kreinin-Finger similarity indices. The results indicated that China had much higher shares in world exports of both textiles and clothing, while India had a comparative advantage in women's clothing of various sorts and men's shirts. With the abolition of the MFA, China was likely to gain at the expense of India in most items of exports of clothing, even in categories where India had a higher market share than China. India had to improve her competitive strengths in export markets.

vis-à-vis China, especially in high value design oriented products in the EU and the US markets.

Rameshan (2005) highlighted the textiles and clothing export performance of India and China during the ATC and post-MFA period, with focus on the two leading consumer markets, viz, the European Union (EU) and USA. To evaluate the proposition with China, India had not been able to gain significantly in these markets from the quota-removal on textiles and clothing, and that India had continued to be a smaller player in the world market for textiles and clothing when compared to China. Besides, the possible strategic options is available to India to become a major player in the leading export markets of textiles and clothing despite the competition and competitors. The results reported in the paper support our proposition that India's gains in textiles and clothing trade in the ATC and post-MFA era had not been commensurate with its hopes. The paper suggested various reasons for this unsatisfactory outcome and it outlines some measures to ensure better gains for India in future.

Sharma and Saini (2008) found that the major objectives were to study:(i) socio-economic profile of hosiery entrepreneurs(ii)Perceptions and motivation of entrepreneurs(iii)entrepreneurial competencies and(iv)their approaches for managing their small and medium enterprises (SMEs). Two

samples of 30 entrepreneurs from each of the two cities were selected with the help of simple random sampling technique. Hosiery SMEs located in two cities formed the population and lists of hosiery manufacturers associations constituted the sampling frame. The data was collected by partially structured and undisguised interview schedule which was personally administered to the sampled respondents. The collected data was tabulated, analysed, interpreted and inferences were drawn using simple statistical tools. The interview schedule included questions on profiles of entrepreneurs, their perceptions and motivation, entrepreneurial techniques and managerial approaches used to handle functioning of SMEs. Ludhiana hosiery entrepreneurs were found to be hard working than Tirupur. They were more quality conscious. Management techniques and strategies were applied better by Ludhiana entrepreneurs. However, Tirupur entrepreneurs were more systematic and effective with regard to growth and expansion. They earned a good name in export marketing than Ludhiana entrepreneurs. Both the cities entrepreneurs possessed competencies and attitudes for better management of their SMEs. Tirupur entrepreneurs had been both progressive and aggressive whereas Ludhiana entrepreneurs were stable and their growth rate had slowed down because the latter were older SMEs with traditional technology. Yet, both the hosiery cities had been contributing immensely to the economic growth of India on a continuous basis. The entrepreneurs had very ambitious plans to achieve higher targets in the near future.
Subhani and Habib (2008)\(^{30}\) conducted a correlation study of export performance determinants to investigate the interdependency between independent (Increase of pricing strategy adaptation, Increase of export intensity, Firm's commitment to exporting, Export market development, Export market competition, Past Pricing Strategy Adaptation, Past Export Performance Satisfaction, Past Export Intensity, Export market distance) and dependent variables (i.e. Expected Short-Term Export Performance improvement) of export performance. The framework was tested via a survey through questionnaire from industrial exporters of textile in Pakistan. Findings revealed that the past export performance satisfaction with r value reported was positive r=54.2% and p=0.002 < 0.01, which stated that the result was significant, therefore there was a positive correlation between two variables. Past export performance satisfaction was the only important determinant of short-term export performance improvement in textile sector of Pakistan.

Kongmanila and Takahashi (2009)\(^{31}\) examined the relationship between innovation and export performance and firm profitability of Lao garment factory using resource-based view theory to posit the conceptual model. Structure equation (path analysis) was used to analyze the data from the current field survey of industrial cluster of the Lao garment industry,

2007. The findings suggested that innovations (product and production process innovations) were important factors in determining export performance and hence, firm profitability. This study gave policy implications on how owners/managers of Lao garment firms decided to be an innovator and how public authorities promote and stimulate the investment in innovation.

Manisha and Anu (2009)\textsuperscript{32} explained that Indian history witnessed the glorious achievements of the textile industry. The diversity and richness of Indian culture reflects its textile products in terms of variety, colours, and patterns it offered to the world. Today, the Indian textile industry was one of the most important and vital industry of the economy not only in terms of output but also in terms of foreign exchange earnings and employment generation. The Indian textile industry managed to penetrate its roots deep in the international market but that was in the era when multi-fiber Agreement (MFA) was in existence, but now, since 1 January 2005, the Multi-fibre Agreement has phased out and India needs to strive harder to sustain its past achievement. MFA is an agreement through which developing countries of the world were restricted to export their textile products beyond a certain level to the markets of developed nations. Thus, the motive behind this was to provide a window of opportunity for developed and underdeveloped economies or to save the interest of the domestic textile industry of the European Union and the US. Now, since the quota was phased out it was a

grand opportunity for developing countries. This development might have been a positive impact not only on the textile sector of the country but also on the entire economy as a whole. The present research tried to make an attempt to analyse the export performance of the Indian textile industry after the abolition of the multi-fibre Agreement with the help of advanced statistical techniques such as cluster analysis and Regression. The variables taken for the statistical analysis were quality, training of employees, finances, and funds and technological upgradation.

Boso (2010) observed that predicting export performance remains an important issue at the heart of export research and management. This was because of the primary role of exporting to ensure the profitability, growth and survival of firms. Given these and other benefits that firms stand to gain for their active engagement in exporting, scholars had exerted efforts into explaining the causes of export success. Export marketing strategy, firm characteristics, capabilities and firms’ orientation towards export markets were some of the variables studied. Firms’ entrepreneurial orientation towards export markets had been one important variable that had captured the attention of the researchers. This study was an attempt to introduce an export context-specific entrepreneurial-oriented behaviour (or export EOB) to the study of antecedents of export performance. A theoretical model involving the relationship between export EOB and export performance was therefore,

developed and empirically tested using data from 212 exporting organizations. Findings suggest that firms’ overall level of export EOB was a major driver of export success. The study further established that a high level of market-oriented behaviour in exporting organizations could help firms to derive stronger benefits from their entrepreneurial activities. Specifically, the study found that export market orientation positively moderates the link between production innovation intensity and export performance. In addition, export customer dynamism positively moderates the association of product innovation novelty and risk-taking with export performance. On the contrary, export customer dynamism negatively moderates the link between product innovation intensity and export performance. Theoretical, export managerial and policy implications of these findings were discussed and useful areas for future research were proposed.

Joshi and Singh (2010) found that the Indian garment industry had witnessed a significant change since the inception of the New Textile Policy 2000 that suggested removing the industry from the list of small-scale industries with a view to improving its competitiveness in the global market. As productivity was the driving factor in enhancing the competitiveness of any decision-making entity (firm), a study of total factor productivity (TFP) and its sources can provide vital inputs to a firm for improving its competitiveness. Keeping this as a backdrop, the paper attempts to measure

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the TFP in the Indian garment-manufacturing firms; identify sources of the TFP; and suggest measures for the firms to enhance their productivity. The study is based on the firm-level panel data collected from the Centre for Monitoring Indian Economy for the years 2002-2007. One output variable, namely, gross sale and four input variables, namely, net fixed assets, wages & salaries, raw material, and energy & fuel, have been selected. The DEA-based Malmquist Productivity Index (MPI) approach had been applied to measure the TFP. The Indian garment industry had achieved a moderate average TFP growth rate of 1.7 per cent per annum during the study period. The small-scale firms were found to be more productive than the medium- and large-scale firms. The decomposition of TFP growth into technical efficiency change (catch-up effect) and technological change (frontier shift) revealed that the productivity growth was contributed largely by technical efficiency change rather than by technological change. Earlier studies on the Indian garment industry had applied the partial factor productivity approach, which had several limitations. This paper measured the TFP and identified its sources through applying a non-parametric DEA-based MPI approach. Through this approach, the productivity growth was decomposed into technical efficiency change and technological change. Further, an attempt had also been made to study the variation in the productivity growth rates across location, scale-size and type of garments.
Olayiwola and Rutaihwa (2010)\textsuperscript{35} studied the effect of trade liberalization on employment performance of textile industry in Tanzania. The basic issue of concern was that the implementation of trade liberalization had differential impact on employment and wage in many African countries. In addressing this issue as well as achieving the objective, econometric models of employment and wage were estimated using co-integration method of analysis. The analysis showed that effective rate of protection and export intensity had an insignificant positive impact on demand for labour, but import penetration had a significant negative impact on employment. Also, only import penetration had a significant negative impact on wage. The impact of import penetration was larger than that of export orientation, as the increase in import competition leads to a decline in labour demand. These findings pointed to the fact that to make trade liberalization to be effectual in Tanzania, the process of trade reform needs to be gradual and also need to be strengthened with appropriate institutional support.

Grandy and Grandys (2011)\textsuperscript{36} found that the increased global mobility, falling trade barriers and growth in international business, global expansion was a very important factor for most enterprises. The process of going international shows stage by stage how an organisation becomes a transnational corporation. Companies embark on such transformation to


improve their market position and to boost their growth. To achieve goals, internalisation had to take account of cultural determinants, as knowledge of cultural factors makes it easier to run a business on an international scale. Entrepreneurs were increasingly aware that the pursuit of formal and rational goals also involves ethical, legal and strategic aspects. This article deals with selected dimensions of national cultures that significantly affect negotiations with foreign partners, production management and the sale of products manufactured by transnational corporations. The article was based on surveys carried out in the textile and clothing industry.

Narayanaswamy and Joseph (2011)\textsuperscript{37} stated that Indian Textile Industry had omnipresence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also played a pivotal role through its contribution to industrial output, employment generation and the export earnings of the country. It contributed to about 14\% to the industrial production, 4\% to the GDP and 11\% to the country’s export earnings. The textile sector was the second largest provider of employment after agriculture. Thus, it had become an integral part of Indian policy making for not just the economic development but also for the social development. The Ministry of Textiles was responsible for policy formulation, planning, development export promotion and trade regulation in respect of the textile sector. Exports from Tiruppur, which provided employment to over six lakh

people had crossed the Rs.12,000 crore mark last year in exports and another Rs.100 billion in Indian domestic market and making the city Rs. 220 billion market.

**Singh (2011)**\(^{38}\) found that till May 2002, non-exporting garmenting sector was reserved for SSI, while for garment exporting units there was no such restriction. India and China came out of quota on Jan 1 2005. After quota elimination, there was huge opportunity for Indian garmenting sector to explore the world markets (JatinderBedi, 2009). But the performance of Chinese apparel industry was far better than Indian apparel industry. In few of the hosiery products, the volume increased by 2000% and more and more orders were flowing to China. U.S and EU textile industry started facing crisis. After a series of negotiations; quota was re-imposed on China for another four years till 31st December 2008 (Dong Shen, 2008). China has pegged exchange rate system while India has managed float rate system. Exchange rate played an important role in the export performance of a country. India had experienced significant fluctuation in last few years. Indian hosiery sector had grown over the period but the growth was not consistent as it was expected. Indian infrastructure, technology level and capacities were primary reasons. Exchange rate risk was another major risk which was not controllable and exporters were not taking any risk coverage to protect their

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\(^{38}\) Singh, a. (2011). Indian hosiery industry: away from the impact of exchange rate change. Asia-pacific journal of management research and innovation, 7(1), 139-152.
receipts. In this paper, an attempt had been made to achieve the following objectives: (i) To analyze the growth and performance of Indian hosiery sector. (ii) To analyze the effect of exchange rate on export performance of hosiery industry. (iii) To predict the growth of hosiery sector in the next four years.

Vanishree (2011) stated that the Indian Textile Industry played an extremely significant role in India in terms of share in value added, foreign exchange earnings and employment. It had created a niche for itself in the world textile market. It was one of those industries that were vertically integrated from raw materials to finished goods. The Indian textile industry had some strategic and commercial advantages. Indian textile and clothing industry had tremendous potential, which had to be cultivated for global performance. With the dismantling of quotas in 2004 under mandate from the Agreement in Textile and Clothing of the WTO, the focus was now on the future of the Indian textile industry. This study was an attempt to evaluate performance of the Indian textile industry.

Batavia (2012) examined that export played a key role in maintaining balance of payment for every country. Textile exports contributed significantly in obtaining foreign exchange for Pakistan. Various research had been conducted to explore the relationship between export Marketing

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Strategies and its impact on organizational export performance for many countries and various strategies were formulated to identify the right mix to enhance this performance. The research was aimed at identifying the role of export marketing strategies in export performance in the case of Pakistani textile sector. Conceptual framework was designed to identify the impact of number of markets served, number of products offered and 4 P’s of marketing on export performance of firm. Personal interviews were conducted to measure export marketing strategy element. Impact of standardization vs. adaptation of product, price, place, and promotion was also reviewed. Export firms who adapt marketing mix elements got competitive advantage and had better returns.

Chokchainirand (2012) focused on Thailand’s textile and clothing industry since its liberalization in 1995. The industry used to be the number one generator of export income for Thailand. As exports strongly declined in the late 1990s, the Thai government employed ‘industrial policy’ to reignite the industry in 2003 and 2007. However, the policies had a little effect on the export pattern. The way government had seen the industry was inappropriate and lead to ineffective industrial policy. The research findings illustrated that industrial analysis at ‘macro’ or ‘aggregate’ level was weak and impractical. These high-level analyses did not give policy makers and government a clear

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understanding of the industry, structure or drivers of performance. Furthermore, unable to identify common factors that differentiate well-performing firms from poorly performing firms. The approach required committed researchers with strong strategic and analytical skills who could divide or dissect the industry into various sub-groups and policy makers were with better mindsets. But most importantly, problematic policy was a result of a fragmented policymaking process that stems from poor economic governance.

Goel and Nigam (2012) found that presently the Indian textile industry was one of the most important and vital industry of our economy not only in terms of output but also in terms of foreign exchange earnings and employment generation. The Indian textile industry managed to penetrate its roots deep in the international market but that was in the era when Multi-fiber Agreement (MFA) was in existence, but since 1 January 2005, the Multi-fiber Agreement had phased out and India needed to strive harder to sustain its past achievement. MFA was an agreement through which developing countries of the world were restricted to export their textile products beyond a certain level to the markets of developed nations. Thus, the motive behind this was to provide a window of opportunity for developed and underdeveloped economies or to save the interest of the domestic textile industry of the

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European Union and the US. Now since the quota was phased out it was a
grand opportunity for developing countries. This development may have a
positive impact not only on the textile sector of the country but also on the
entire economy as a whole. The present research had to analyse the export
performance of the Indian textile industry after the abolition of the multi-fiber
Agreement. The textile engineering industry does not have adequate capacity
imports at concessional rates which becomes a necessity. Capital assistance
and modernization of textile engineering units were the prime requirements.

**Karuppusamy (2012)** stated the strength factors of Tirupur
exporters. The researcher showed that the knitwear industry was poised for a
giant leap and it would be the prime driver of garment industry in India. The
objectives of the study ranged from performance, trends, problems, export
and suggestions for the future development of the knitwear industry. From the
existing exporting units, a total population of 168 units was identified and
these were sole proprietorship, partnership, private and public limited
companies. The researcher also gave a clear picture of how the primary and
secondary data were collected. The limitations of the study were also
highlighted. The statistical tools like Trend Analysis, Kruskal Wallis
Analysis, ANOVA, Mann-Whitney U Test, H Value and F Test and Chi-
square test was used to arrive at clear results from the collected data.

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Shameek and Shahana (2012)\textsuperscript{44} found that the performance of India’s exporters and the various economic factors have contributed to the growth of exports, the paper also provides an overview of the export performance of three important commodities, namely, gems and jewellery, cotton and electronics goods and highlights key policy changes which could impact local production as well as international demand for these exports. The results show that the overall performance of the India manufacturing sector had widespread implication on various aspects of the economy, employment.

Shrimali (2012)\textsuperscript{45} studied the consequence of elimination of quota system under Agreement on Textiles & Clothing (ATC), it was projected that global textile & clothing base would be shifted to Asia. Furthermore, it was perceived that India along with China was going to be major gainer of quota removal in textile & clothing trade, however post quota exports of Indian textile industry to Euro-American markets was showing a different picture. The paper attempted to study the global textile & clothing trade pattern and export performance of Indian textile & clothing industry vis-à-vis its competitors in the United States market. The empirical findings suggested that India in textile & clothing market of United States was not only losing its share to China but also was finding it difficult to compete with countries like


Bangladesh and Cambodia in certain segments. It had also been noticed that Indian exports of textiles & clothing highly correlated with global trade pattern in contrast to China, Bangladesh etc.

Verma et al., (2012)\textsuperscript{46} stated that India was the world’s second largest producer of Garments and garments after China. It was the world’s third largest producer of cotton—after China and the USA—and the second largest cotton consumer after China. The Garment and garment industry in India was one of the oldest manufacturing sectors in the country and was currently it’s largest. The Garment and garment industry fulfilled a pivotal role in the Indian economy. It was a major foreign exchange earner and after agriculture, it was the largest employer with a total workforce of 35 mn. In 2009, Garments and garments accounted for about 16 per cent of industrial production and 18 per cent of export earnings. The industry covered a wide range of activities and these include the production of natural raw materials such as cotton, jute, silk and wool, as well as synthetic filament and spun yarn. In addition an extensive range of finished products were made.

Ahimbisibwe and Abaho (2013)\textsuperscript{47} stated that the internationalization of business operations had become a crucial element of the enterprise based economies. This was because of the increasing need for global economies to

\textsuperscript{46} Verma, R., Kanti, T., & Verma, S. (2012). Role Indian Garment Industry AndHrm In Indian Economy. VSRD International Journal of Business and Management Research, 2(1), 567-569.

improve on their balance of payments and trade. Although this was the most desired economic situation, less was yielded from the SME sector in terms of export performance in Uganda. This study therefore was set to explore the conceptual feasibility of examining the possible relationship between Export entrepreneurial Orientation (as dimensionalised under innovativeness, proactiveness and risk orientation) and Export performance. 195 SMEs in Uganda were surveyed and findings revealed that SMEs in Uganda had significantly high levels of export entrepreneurial orientation and that EEO dimensions were significant predictors of export performance. Therefore, SMEs should be encouraged to always recruit entrepreneurial staff, open up for foreign partnerships and create international operations departments in order to streamline their export operations whilst committing resources towards the reinforcing of export performance.

Baiardi et al., (2013)48 investigated the clothing export performance of twelve top exporting countries (China, Honk Kong, France, Germany, India, Indonesia, Italy, Netherlands, Spain, Turkey, UK and USA) in the period between 1992 and 2011. Price and income elasticities were estimated for each country, after controlling its non stationarity, co integration and Granger causality. Price elasticities estimates were used together with market shares and unit values dynamics to assess the export performance and prospects of

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the various countries. A multifarious picture emerges from the analysis, whereby China plays the role of uncontested leader, but not all the advanced European countries which were supposed to be more severely hit by the competition of the low-labour costs countries, definitely lose competitiveness, since different outcomes were possible according to the specific price and quality strategies adopted. The analysis has confirmed that the medium-high price goods of advanced countries were still an important component of the exports of apparel and deserve the policy-makers’ attention with regards to competitiveness and social cohesion.

Khaliji et al., (2013)\textsuperscript{49} found that exports play a pivotal role in the economic affairs of Pakistan by providing benefits at both macro and micro economic level. The textile industry being the backbone of the Pakistan’s economy was participating significantly in the export sector of Pakistan. The aim of this study was to review the export performance of textile industry and to estimate the role of textile in total exports of Pakistan by using the time series data for the period of 1972-2006. The study used the co integration regression (OLS Principle) in estimation process. It was observed from export review of textile industry that progress made by textile industry was accorded to the natural advantage of the industry in the form of raw material base especially cotton. Despite having inbuilt potential, the industry failed to develop its highly value-added products. Due to which demand for textile

products were declining day by day in the new era of WTO. The fluctuation in exports of the textile industry occurred mainly due to fluctuation in cotton production, incompatible export policies and international market situations. The estimated results indicated there was a significant and positive impact of textile exports on total exports of Pakistan. The gross domestic product showed positive association with respect to total exports. A negative impact of exchange rate volatility was observed on total exports. The cotton production and consumption of raw material indicated positive and highly significant relationships with total exports of Pakistan as per its objectives.

**Singh and Lal (2013)** examined the export competitiveness and export performance of Indian textile with respect to rest of the world. The study focused on export performance and competitiveness of Indian textile industry during the period 2009-2011. Export competitiveness was calculated with the help of Revealed Comparative Advantage (RCA) of ten different commodities of Textiles like- silk, cotton etc., and results showed that some commodities were more competitive compared to other commodities. The commodities which were more competitive in the international market were cotton, vegetable textile fibres, manmade filaments, manmade staple fibres and carpets and other textiles floor coverings. The commodities that were performing fairly well in international market are manmade filament with the

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highest value of RCA for the year 2009 & 2010 and manmade stable fibres for the year 2011.

**Tandon and Reddy (2013)**\(^{51}\) observed that sustainability in Textile and Apparel industry had three facets social, economic and environmental. Globalization had a positive impact on textile exports of India. Countries producing and exporting textiles had increased investment in spinning and weaving equipment. Even though Developing countries had comparative cost advantage in domestic and international market still they were implementing structural changes to meet the needs of the global stringent buyer. Indian Government had changed its aim of incipient export growth to increasing productivity. Technology up gradation Fund Scheme, E marketing, CETP in Tiruppur, Postage Stamps, Integrated Textiles and Business were amongst the fifteen trends discussed in this paper.

**Yoganandan et al., (2013)**\(^{52}\) found that the present study aim at reviewing researches conducted in the area of determinants of and factors affecting the export performance of textile industry. The tools used by the various researchers and their findings were studied in order to establish the academic contributions made by these studies to the existing body of knowledge, new models were developed and also it highlighted the method

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adopted or suggested by researchers for conducting researches in the area of export performance of manufacturing industries with special focus on textile sector in developing countries. The article analyzed researches carried out in China, India, Sri Lanka, Bangladesh and Pakistan. These economies were the dominant textile exporters in the international trade. The review highlighted that most of the studies had been carried out on establishing the relationship between GDP, exchange rate, labor, capital (FDI) and technology with export performance of textile industry. Most of the researchers found a positive relationship between the above said variables and textile exports.

M’Nduyo et al., (2013)\textsuperscript{53} found that small and medium sized entrepreneurial enterprises (SMEs) play an important role in economic development of many countries in the world because they had potential of employing many people in environments where formal and full wage employment may be scarce or unavailable. There was limited information on the factors that determine their performance. The purpose of this research was to investigate factors that affected the competitive performance of entrepreneurial SMEs in textile sub-sector in Kenya’s Export Processing Zones. The estimate results an average of R2= 72.4% and adjusted average value of R2= 55.7% indicating that all the independent variables tested were significant determinants of competitive performance of EPZ textile SMEs in

Kenya. The study found that credit availability and affordability was essential for their competitive performance, growth and continued profitability. The study therefore recommended that quick interventions by the relevant authorities were necessary for their continued competitiveness and growth.

2.3 Benefits gained by the entrepreneurs

Vijay (2004)\textsuperscript{54} found that the Indian textile industry had to play a major role on the global stage, it was essential that it engaged itself in quick introspection on the specific internal and controllable factors and embarks on very speedy implementation of changes to be undertaken, while the government fulfills its obligation in correcting and restructuring policy framework. Advocating outsourcing on a wider scale, businesses desiring to improve and move faster should outsource as many of the functions as possible. Besides, the industry needed to invest in building business processes, improving competencies and skills of people and upgrading technologies by modernizing, with focus on cost reduction. Also, products and their mix need to be developed on 'consumer understanding,' keeping both domestic as well as export market preferences in view. Observing that so far there had been inadequate focus on building world class manufacturing facilities, quality of inputs, technology deployed and upgraded, output generated per unit of 'capital and labour' was the key for long-term competitiveness. In his opinion, industry therefore needed to take some real

and hard, out of the box thinking and actions to be able to take full advantage of the emerging opportunities.

Darlie (1996)\textsuperscript{55} examined that while analyzing the trend in Indian garment exports opined that in competitive positioning of Indian garment exports, only abundant labour and plentiful cotton were not enough to achieve competitive advantage. Without quality and timely delivery, cost leadership had no meaning. The positioning therefore should be aimed at moving from comparative advantage to competitive advantage, where fabrics, delivery speed, quality of fabrics in garments, productivity of labour and competitive prices will become the elements of the value chain to match that of the importers, leading to sustainable competitive advantage. However, the most important was the attitudinal change to be brought about to ensure consistency in the quality and timely delivery as major factors, besides the manufacturing capacity and productivity.

Shekhar (1996)\textsuperscript{56} concentrated on the findings of a study of technology development in the Indian textile industry undertaken by the author as part of a larger international study led by the World Bank. The study methodology included a field survey of 18 firms size, technological dynamism and location; interviews with 4 relevant technology institutions catering to the technology


\textsuperscript{56} Shekhar, c. (1996). Technology development in the indian textile industry: interaction between government policy, firms and cooperative research associations. Paper provided by indian institute of management ahmedabad, research and publication department in its series iima working papers with number wp1996-07-01_01392.
related needs of the textile industry; a questionnaire survey mailed to randomly selected firms to facilitate generalization of findings as well as a study of relevant published materials. The industry was characterized by a large number of firms, mostly small and technologically backward and some fairly large and technologically dynamic. Compared to countries competing in international markets, productivity levels and growth rates were lower in India. There was also a considerable variation in productivity between mills in the country. According to published research, ineffective management, inability to buy the right type of cotton at the right time and price, lower machine utilization, poor working conditions, lack of standardization, ineffective financial management were the main reasons for low productivity. These in turn were influenced by factors that were external as well as internal to the firm; lack of plant modernization, lack of timely availability of spare parts, capacity imbalance between stages of the manufacturing value chain, power shortage, lack of proper maintenance and worker absenteeism. The survey results indicated that firms in the industry spent very small amount on R&D and technical training. However, the interviews indicated that firms did carry out some product and process changes. The majority of these technological changes were implemented by the firms themselves without the support of technology institutions (TIs). Though lacking in technological dynamism, textile firms showed evidence of accumulated technical expertise to undertake technical changes in product and process within the boundaries
of the existing knowledge base. Wherever external support was required firms took the help of cooperative research associations (TIs) in the country rather than foreign collaborators.

Panthaki (2001) stated that on the basis of in-depth analysis that quota restrictions had been a distinct disadvantage to the Indian garment industry. They prevented the industry from venturing out into other fields and lured it to concentrate on items against which individual ceilings were raised from time to time. Quota restraints, thus merely curbed the enterprise of the Indian exporters, while continuously eroding the product base of garments at the will of the developed countries.

Tewari (2006) observed that India, a late integrator in the global market for clothing had followed a path of integration that was quite different from the experience of some of its major competitors. Unlike China, Mexico, Eastern Europe and other South Asian countries, India’s recent surge in clothing exports had occurred despite the lack of major foreign direct investment in textile and apparel production, the lack of entry into preferential regional trade agreements with buyer countries, or the lack of any significant direct role of global buyers. Arguing that changes in domestic policy and in the structure of domestic demand throughout the 1980s and 1990s played an important role in triggering new growth in India’s textiles and apparel.

exports, and in reshaping the capabilities of local firms and examined three features of India’s recent integration into global clothing markets: the striking emergence of design as a source of comparative advantage in Indian apparel, the growing importance of outward-bound investment by Indian clothing firms in recent years and the powerful new role that retail was playing in organizing the Indian domestic market, driven in part by surging consumer demand from entirely new mid-market youth segments associated with the country’s information technology business process outsourcing boom.

**Chellasamy and Sumathi (2007)** explained that the textile and garment industry fulfilled a pivotal role in the Indian economy. It was a major foreign exchange earner and, after agriculture, it was the largest employer with a total workforce of 35 mn. In 2005, textiles and garments accounted for about 14% of industrial production and 16% of export earnings. In cotton yarn production, India had made a mark in the world textile scenario. It was the largest exporter of the cotton yarns in the world. Besides yarn exports, India’s growing garment industry was working as a driving force to improve the yarn quality and to increase the production of cotton yarn. This had resulted in an overall improvement in the quality of all textile products including yarn and fabric. The WTO era had seen remarkable improvement in the export of textiles. To help the mills in benchmarking, SITRA had

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conducted a survey on the cotton yarn quality for fine and superfine yarns, in which 58 mills from all over India had taken part.

**Haider (2007)** stated that the ready-made garment (RMG) industry of Bangladesh started in the late 1970s and became a prominent player in the economy within a short period of time. The industry had contributed to export earnings, foreign exchange earnings, employment creation, poverty alleviation and the empowerment of women. The export-quota system and the availability of cheap labour were the two main reasons behind the success of the industry. In the 1980s, the RMG industry of Bangladesh concentrated mainly in manufacturing and exporting woven products. Since the early 1990s, the knit section of the industry had started to expand. Shirts, T-shirts, trousers, sweaters and jackets were the main products manufactured and exported by the industry. Bangladesh exports its RMG products mainly to the United States of America and the European Union. These two destinations account for more than 90 per cent share of the country’s total earnings from garment exports. The country had achieved some product diversification in both the United States and the European Union. Recently, the country had achieved some level of product upgrading in the European Union, but not to a significant extent in the United States. Therefore, granting permission to establish in the private sector such warehouses with special incentives, such as the duty-free import of raw materials usable in the export-oriented garment

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industry for reducing the lead time in garment manufacturing was a critical issue for Bangladesh. The development of the port and other physical infrastructure, the smooth supply of utilities, a corruption-free business environment and political stability were some priority concerns for the Government to consider in its efforts to attract international buyers and investors.

Nelliyat (2007)\textsuperscript{61} stated that the rapid economic growth achieved after globalization by most of the developing countries, had imposed considerable social costs and had become a major threat to sustainable development. However it was also extremely important for developing countries to achieve a high level of economic growth to mitigate their socio-economic problems. But the major challenge here was to ensure development in a sustainable manner by achieving a proper trade-off between environment and development.

This paper attempted to operationalize sustainable development strategies using a case study of Tirupur, a major textile cluster in India. The textile industrial growth in Tirupur is discussed in the context of global diversification of textile manufacturing and trade with emphasis on employment, income and foreign exchange in regional economy perspective. Since, the environmental issues of textile industries were associated with bleaching and dyeing, an inventory of all processing units prepared for analysis included water consumption and effluent discharge. The existing pollution management efforts through IETPs and

CETPs and economics of production and pollution control costs were estimated for different size of units for understanding the burden of pollution abatement. Environmental impacts of pollution were analyzed with the help of physical data on ground water, surface water and soil quality. The economic value of the damage (social cost) was estimated for different sectors like agriculture, fisheries, domestic and industrial water supply. Different economic and environmental indicators of Tiruppur industry over the period 1980-2000 and the reasons for the environmentally unsustainable industrial growth of Tiruppur were provided. The paper concluded with some policy recommendations and recent development in Tirupur.

**Saluja (2008)** stated the international competitiveness of Indian textile industry. The Indian textile industry was one of the largest in the world, with a huge raw material and textile manufacturing base. Due to its extensive input, it occupied an exceptional place in the Indian market place. Today this sector was highly globalised but, it was further organizing itself to crave a bigger share to become the market leader. This large and ancient industry had carved out a special niche for itself as a facilitator of the county’s economic growth and participative development. However, since few years this industry was striving to recover from a stage of stagnation but today it was growing at a very fast pace. This dissertation elucidated the relevant

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literature on international competitiveness, and further describes various macro economic factors which were affecting the economy of India. The researcher had used qualitative research methods in order to satisfy the objectives of this research. Later, the findings had been discussed with the industry’s SWOT analysis. Lastly, the conclusion of this study discussed the limitations and recommendations.

Natsuda et al., (2009) examined the competitiveness of Cambodia’s garment export industry on which the country’s recent and successful economic development had depended to an unusually. Using primary interviews and drawing on the Japanese-language literature, it documented how Cambodia was inserted into garment global value chains, based almost entirely on inward investment. Despite its expansion in the face of strong Chinese competition since the end of the Agreement on Textiles and Clothing in December 2004, the industry remain vulnerable as a result of deficient infrastructure, labour unrest, official corruption and the absence of a domestic textile industry, all of which serve to diminish its attractiveness to global buyers.

Kumar and Bharathi (2010) found that India’s share of the global textile industry was expected to grow from 4% to 7% by 2011-12 and the share of apparel in the export basket was expected to increase from 48% to

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60%. The Vision 2010 for textiles formulated by the government after exhaustive interaction with the industry and export promotion councils to capitalize on the positive atmosphere aimed to increase India's share in world's textile trade from the current 4% to 8% by 2010 and to achieve export value of US $ 50 billion in 2010. All segments had their own place but even today cotton textiles continue to dominate with 73% share. These technical textiles were an emerging industry with a potential to reach a size of US $ 127 billion in 2010 and hold a great promise for Indian textiles industry. To understand India’s position among other textile producing countries, the industry contributes 9% of GDP and 35% of foreign exchange earnings, India’s share in global exports was only 3% compared to China’s 13.75% percent. Majority of Indian consumers look for definite universal parameters like design, quality and above all merchandizing. Innovation in product design and fabric selection, were vital elements that add to value perception for a product. As per a World Bank study, covering 181 economies, India’s ranking had enhanced marginally in 2009, on various indicators of charisma as a business destination. However, in absolute terms the ranking remains quite low. Significantly, India was ranked a respectable 33 on the limit of protecting the interests of the investors. The EXIM policy provided for the establishment of export processing zones (EPZs) and special economic zones (SEZs). Units in the EPZs that export all of their output could import industrial inputs free of customs duty. Looking at export shares, Korea (6%)
and Taiwan (5.5%) were ahead of India, while Turkey (2.9%) had already caught up and others like Thailand (2.3%) and Indonesia (2%) were not much further behind.

Prasanna (2010)\textsuperscript{65} found that in a globalizing world, export success could serve as a measure for the competitiveness of a country’s industries and lead to faster growth. Recently, a much optimistic view on the role of Foreign Direct Investment (FDI) on export performance in the host country had evolved. The Government of India moved in this direction in mid-1991 which had increased the FDI inflow into India. Viewing the increasing trend of FDI. This study explored the impact of FDI inflows on the export performance of India. The findings of the study proved that the impact of FDI inflows on export performance was significantly positive. The study also suggested that the policy regarding domestic efforts to enhance manufacturing exports needs reassessment in line with the FDI policy framework in order to reap maximum and long-term benefits.

Shaikh and Shah (2011)\textsuperscript{66} found that the present study was conducted to analyze the potential of SMEs in Sindh and its contribution to economy of Pakistan. Data were collected from 100 SME units in Rural Sindh by using Simple random technique. A formal structural questionnaire was developed to

get the response from different SMEs units in rural Sindh. It was revealed that SMEs in rural Sindh has 45% contribution, it can be increased by given facilities of marketing of those products. Moreover, SME exports were concentrated in labor-intensive sub-sectors where low wages were important to enhance the comparative competitive position of foreign markets and as well as SMEs do not necessarily export their products directly but through trade networks. The response rate was 90 percent only, three units were sick units for a last couple of years. It was further revealed that that potential contribution of SMEs to the sustainable growth of the Pakistan was large. And steps should be taken to ensure that more small firms were able to take advantage of the government services. This may be improve survival rates and stimulate development in lagging areas.

**Bhuiyan (2012)** stated that garments sector was the life blood of Bangladesh as the agricultural land had there been turned to a country of garments industries. Employment in the Ready-made garment sector in Bangladesh provided the workers with economic benefits and some empowerment. More than 3.2 million people were working in this sector and about 5000 garments factories were scattered across the country. 78 percent of foreign earnings had come from this sector. So, it would not be an overstatement to say that they earn the bread from garments industries. The study attempted to explore the present socio-economic status of the garments

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workers. The study based mainly on economic and social status of 100 garments workers from Rampura and Badda areas of Dhaka City. It was found that the socio-economic condition of the Garments workers was not in a lofty stage. Amongst the workers about 70 per cent were women who work dawn to dusk even upto late night when their wages were not in the satisfactory level. They cannot afford their foods, cloths, housing, medicines and educations of their wards as they were ill paid. On the contrary, their children were deprived of care and they suffered from malnutrition and unhygienic complexities. They had no time or scope for recreation. During the study, it was found that worldwide economic meltdown had affected RMG sector of Bangladesh as some workers had lost their jobs and trend of works had been declined. At the end of the study, some recommendations were placed to improve the present conditions of the garments workers as well as garments sector of the country.

El-Haddad (2012)\textsuperscript{68} indicated that the textile and clothing (TC) sector had not escaped the slowdown in Egypt in response to the crisis. But it had been in decline since 2001 in response to a changing global environment. Exports, which had been surviving on account of the Qualifying Industrial Zones (QIZ) and Euro-Mediterranean Partnership agreements, had been hit hard by the crisis. Domestic sales were in decline as a result of liberalization and non-QIZ exporter unprotected by the agreement had been turning to the

domestic market in competition with non-exporters. If domestic sales continue to decline, without being offset by growth in exports, the industry will continue to decline. To deal with the crisis, short-run mitigation policies can be considered as ensuring banks credit and paying social insurance for workers in distressed firms. But the sector was suffering from inherent structural problems resulting in high costs. In other words, the crisis had exacerbated the shrinkage of an already struggling industry, so a longer run strategy was needed beyond the crisis response, comprising moving up the clothing industry value chain, conditional export incentives, skills upgrading and undergoing comprehensive institutional reform.

Taneja (2012) observed that textile sector was India’s second largest manufacturing sector. The textile sector contributed about 4% to the gross domestic product about 14% of the total industrial output; 21% of the workforce and about 14% of the gross export earnings. But in the present scenario, non-conventional sectors viz., engineering, chemicals were replacing this sector especially in terms of export performance. Textile sector including apparel which was the largest export sector and accounted for almost a quarter of our exports had dropped to being fifth in rank and less than half its earlier share. This was despite dismantling of the textile quota regime in the developed markets from 01.01.2005 as per the World Trade Organisation (WTO) Agreement on Textiles and Clothing (ATC). In this

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study, aim was to analyze the export trend of textile sector since 2001-02 and would try to identify the possible reasons of falling exports of one of the key sectors. On the basis of the study, make an effort to put certain suggestions to revive its export growth which might contribute to the growth of the Indian Economy.

Adebayo and Jenyo (2013) found that entrepreneur was defined as an individual who had taken risks and starts something new. Briefly the entrepreneur had organized and operated an enterprise for personal gain and pay current prices for the materials consumed in the business, for the use of the land, personal services and for the capital requirement etc. The net residue of the annul receipts of the enterprises, after all costs had been paid and retailed for himself. These principles and theories apply also to the indigenous entrepreneurs in the textiles and clothing industries. Today most Nigerian indigenous textile and clothing industries had closed down, sending thousands of thousands of Nigerian workers to premature retirements. The focus of this paper was to highlight the history and the background of the evolution of the textile industry and why the industry was badly affected. The paper discussed the sorts of entrepreneurial initiatives and innovations that could be pursued by the interested indigenous textile entrepreneurs, if remained in business. The paper concluded by making inferences on why some of the industries

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were still in operation and waxing stronger and stronger, even in the face of so many obstacles to the growth of textile and clothing industry in Nigeria.

**Karaveg (2013)** found the factors affecting the innovation capacity of Thai textile industries. The data was collected by 113 entrepreneurs with structured questionnaire. The data analysis was carried out by the structural equation modeling (SEM). The research results revealed that the Thai textile industries were mostly the small and medium sized enterprises (SMEs) in the middle stream industry which had low rate of R&D investment and had limited number of skilled labor in science and technology. Hence, most new products were more towards incremental innovation. The factors directly affected and had the positive values towards the innovation capacity including 1) internal factors which were knowledge management, absorptive capacity and product development as well as 2) external factors which included innovation sources, innovation types, innovation system actors and innovation supports.

**Sharma (2013)** found that the main focus of the study was to assess the competitiveness of the Indian textile and clothing industry in general and the textile industry of state of Punjab in particular. The MFA had governed the world trade in textiles and garments since 1974 through imposing quotas,

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thus hampering the market access. The quota restrictions finally abolished in January 2005 (10 years Progressive phase out of ATC-WTO came to end on 31 December 2004). This marked a significant turnaround in the textile world as it poses both an opportunity as well as a threat. In order to respond to the changing scenario, by the Textile Industry world over, efforts were being made to sharpen the competitive edge. Today, in the global textile market, China was the biggest competitor of India besides other countries. It was therefore essential to identify the true competitiveness of Indian textile firms in order to cope up with the situation, favorably. Keeping in view the above cited facts, an attempt had been made to study the problems of the industry and to find the solutions to tackle the challenges before it. The review of existing literature& related issues broadens the mental horizon and the vision about the implications. The paper crystallized that the relevant literature on competitiveness along with other macro economic factors.

2.4 Problems faced in Hosiery garment industry

Sanjay and Anjali (1999)\(^73\) found that the capability of the textile industry in meeting the challenge of a post-Uruguay round world, with not only increased competition for export markets, but also increased competition for the domestic market. They opined that the dismantling of the quota regime represents opportunity as well as a threat, an opportunity because markets will

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no longer be restricted; a threat because markets will no longer be guaranteed by quotas and even the domestic market will be open to competition. They advocate adoption of an assembly-line, factory type system of production to take exports beyond the current levels by catering to the demands of mass market for clothing which demands good and consistent quality across large volumes of a single item of clothing.

**Muthusamy (2004)**\(^{74}\) focused on modernization and expansion in existing knitting units, found that productivity increased due to modernization. The fixed cost per unit reduced very much after expansion. The sales increased by 50 percent after expansion. The capacity of knitting machines increased to 1179 cases from 843 cases per year. The capacity of the sewing machines increased to 90,000 dozens from 60,000 dozens per year. He concluded from the financial analysis that the project was profitable and payback period was very low. Knowledge of review of earlier studies conducted in this area would be useful to the investigation to analyze the problems pertaining to hosiery industry particularly in Tirupur.

**Kelegama (2005)**\(^{75}\) presented that with the phasing out of the Multi-Fibre Arrangement (MFA), the Sri Lankan economy highly dependent on garment exports that had become vulnerable to the changing scenario affecting this industry in the global trading system. In such a global


environment, strengthening the competitiveness of the garment industry had become a sine qua non for Sri Lanka to remain as one of the suppliers of choice in major markets. The industries therefore need to articulate new response mechanisms to address the emerging challenges. A realistic course of action should involve addressing the major constraints in both the supply and demand sides of the industry. This paper highlighted these issues and suggests some strategies for coping with the new global challenges.

Jain (2010) found that the challenges faced by Ludhiana Hosiery entrepreneurs and entrepreneurship were more than the mere creation of business. Entrepreneurs were individuals who recognize opportunities where others see chaos or confusion. They were the aggressive catalysis within the market place. They had been compared to Olympic athletes challenging themselves to break new barriers, to long distance runners dealing with the agony of the miles. The Indian Economy had been revitalized because of the efforts of the entrepreneurs and the world had turned how to free enterprise as a model for economic development. The passion and the drive of entrepreneurs would move the world of business forward. They challenge the unknown and continuously create the future. After the establishment of first woolen unit in 1902, the hosiery industry of Ludhiana had traveled a long and tumultuous path to reach the present state. Today there were about 15,000

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hosiery units in Ludhiana. They represent 95% and 92% of the total hosiery unit of Punjab and India – respectively. The total production of these units was around Rs.5000 crore. The industry employs 5 lakh people out of which more than 1 lakh were skilled laborers. Despite all this contribution, Ludhiana Hosiery Industry was facing immense challenges and some of the entrepreneurs had dubbed the government as anti-exporter and anti-entrepreneurs, because of so many procedural problems. Government was totally following the instructions of bureaucrats, instead of making them follow the guidelines. It was like cart before the horse and not horse before the cart. Non-availability of raw material at international prices was another challenge.

Jain et al., (2010)77 found some of the challenges faced by Ludhiana Hosiery entrepreneurs which was the backbone of the State Economy. The Indian Economy had been revitalized because of the efforts of the entrepreneurs and the world had turned how to free enterprise as a model for economic development. The passion and the drive of entrepreneurs moved the world of business forward. They challenge the unknown and continuously create the future. After the establishment of first woolen unit in 1902, the hosiery industry of Ludhiana had traveled a long and tumultuous path to reach the present state. Today there were about 15,000 hosiery units in Ludhiana. These represent 95% and 92% of the total hosiery unit of Punjab and India.

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Jayabharathi (2010) stated that the global business milieu today was turbulent than ever before and today’s organizations were forced to find innovative ways of managing business to cope up with the environmental pressures. In the current scenario of economic recession and stringent business challenges, they were forced to learn continuously and update their competencies to survive and grow in the long run. In this knowledge driven world, learning had become a necessity. In this context, the concepts like organizational learning, learning organization, knowledge management etc., have gained momentum. This paper elaborated upon a study conducted to examine the facilitating and inhibiting factors that influence the learning capability and various learning opportunities of select knitted garment export units at Tirupur, one of the prominent knitted garment export hubs in India. The Research was descriptive in nature and survey method was used for collection of data. Data was collected from a sample of 191 knitted garment

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export units in Tirupur. A judicial combination of relevant statistical tools was used to bring out useful findings. The major findings of the study indicated that the extent of possession of learning facilitating factors and inhibiting factors and utilization of learning opportunities in Tirupur knitted garment export units was moderate. There were significant differences found across select categories of the industry in all learning aspects. Based on the results, the study proposes suggestions for improvement in areas like learning from external sources, promotion of organizing wide learning and implementation of learning oriented human resource practices.

Venkatachalam and Palanivelu (2010) found that one of the basic needs of civilized mankind was clothes. The garment industry in India caters to this need to a considerable extent. The ever-increasing demand had led to the phenomenal growth of the industry especially during the past three decades. Apart from the domestic market, the growth of knitted garments export industry was far reaching in exports also. Textile industries gave more number of employment opportunities and foreign exchange. The Indian textile industries meet high competition in global market. So, exporters make different marketing strategy to develop the export business. Among various industries, garment industry had grown significantly for the past three decades. This was due to increase in demand for garments, particularly due to increasing demand for Indian knitted garments abroad. Due to larger demands

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of foreign buyers, the garments industry was able to flourish. However, this industry was also not an exception to problems. This study was needed to solve fowling problem. The various marketing problems were faced by the garment exporters and solving above problems based on following objectives to know various marketing strategies followed by garment exporters, to analyze the marketing strategy of garment exporters, to offer suggestions for improving export marketing of garments.

**Padmini and Venmathi (2012)** observed that the Garment industry was one of the most important strategic industries which constitute about 7% of total industrial production in the world and 8.3% of the total trade in industrial materials. Also, it occupies more than 14% of the total labour force in the world. It had employed about 40 million people in various countries of the world. Tirupur, located in Western Tamil Nadu, South India was one of the largest knitwear garment manufacturing and exporting clusters in South Asia. It had boomed almost without interruption since the early 1970s when manufacturers began to export to Europe and today it is a leading centre of garment exports for the world market. Tirupur was also known as “T-shirt city” accounts for approximately 80% of India’s total production of knitwear for export. The work environment in the garment industries was unhealthy and unsafe for the workers resulting in several health problems. Five hundred and fourteen workers employed in 13 large, medium and small scale garment

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industries in the present study, the workers were participated in a face-to-face confidential interview. The workers were exposed to an interview schedule comprising their details of socio economic background, personal habits, their knowledge, attitude, practice regarding occupational health, body parts that experience discomfort and other health problems. The aim of this study was to measure work environment parameters such as lighting, noise, temperature and humidity and also to assess the safety measures practiced in garment industries using a checklist. The study revealed that the congested work area, poor illumination, improper ventilation, excessive noise, dust and use of personal protective equipments not in practice were the major problems faced by the workers in these industries.

**Plieth et al., (2012)** presented that during the last decade, pressure on companies to transcend the focus on economic success and technological innovation in order to address more ecologically and socially desirable outcomes had increased. Commitment to sustainability-oriented innovation was still rare in the textile and apparel industry, but there exists first classe examples of highly eco-innovative companies. This article presented an in-depth case study of the sustainable company manomama where manufactures individualized clothes for women, men and children in Southern Germany. Ecologically harmless and thereof mostly organic material was procured only

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regionally and highly experienced workers from the ancient textile region had been provided with secure, full- and part-time jobs. The article discussed the major challenges of manomama when entering business (knowledge and experience, site and machinery, suppliers, staff and supporters) and presents the innovative solutions the founder identified to address these. This paper used a case study approach to present a highly innovative company which had incorporated sustainability into its founding mission and related business model. In addition, the article derived implications for traditional companies.

Shah et al., (2012) found that the challenges faced by the textile industry of Pakistan. A specific objective was to find out main reasons through qualitative study and suggest solution for further progress. Pakistan was the largest manufacture and exporter of textile goods and the total exports earnings of textile industry of Pakistan was about $ 13.8 Billion per year. The major markets of Pakistani textile goods was United State and European markets and its exports were about more than 63% of the total exports of the country and contributes 8.5% of Gross Domestic Product (GDP). This study revealed that the textile industry was the backbone of the economy of Pakistan and the main challenges were energy crises, fluctuating yarn prices, shortage of gas supply and load shading, law and order situation, devaluation of Pakistani currency, lack of research and development (R&D) institutions, lack of modern equipment and machinery and production cost. It was

recommended that the textile sector can play a vital role for the development of the economy if challenges and barriers remove on time. Although, several challenges were uncontrollable but it can be resolved by well defined policies and procedures by government institutions and textile association bodies in Pakistan.

Islam et al., (2013)\(^3\) found that the importance of the textile industry in the economy of Bangladesh was very high. The garments manufacturing sector earned $19 billion in the year to June 2012, one of the impoverished nation's biggest industries. Currently, this industry was facing great challenges in its growth rate. The major reasons for these challenges could be the global recession, unfavorable trade policies, internal security concerns, the high cost of production due to increase in the energy costs, different safety issues specially fire, etc. Depreciation of Bangladeshi Taka had significantly raised the cost of imported inputs, rise in inflation rate and high cost of financing had also effected seriously the growth in the textile industry. As a result neither the buyers were able to visit Bangladesh frequently nor were the exporters able to travel abroad for effectively marketing their products. With an in-depth investigation, it was found that the Bangladesh textile industry can be brought on top winning track if government and others individuals takes serious actions in removing or normalizing the above mentioned hurdles. Additionally, the government should provide subsidy to the textile

industry, minimize the internal dispute among the exporters, withdraw the withholding and sales taxes etc. Purchasing new machinery or enhancing the quality of the existing machinery and introducing new technology could also be very useful in increasing the research and development (R and D) related activities that in the modern era were very important for increasing the industrial growth of a country.

Jahid (2013) observed that the challenges that originate from changes in the global trade regime and the relative competitive environment in the global markets were reasons for deep concern for Bangladesh. Because of quota system abolition, many of the less efficient suppliers would lose quota rents and market shares as they were forced to compete with more efficient suppliers among developing countries. Since, 1974, Bangladesh was enjoying a quota free access of garments under the Multi- Fibre Arrangement (MFA). But the phase out of the Multi- Fibre Arrangement (MFA) had completed in 2005 under the Uruguay round of GATT (General Agreement for Tariffs and Trade) in 1994. The freeing of trade in textiles and clothing had created a formidable challenge to the Bangladesh Ready Made Garments (RMG) Industry. The phase-out of the MFA, emergence of competitors such as China, India, Vietnam, Turkey, Mexico and African nations had negatively impacted on the fortunes of Bangladesh RMG sector. Dependence on imported raw materials, political instability, turbulent economy, high bank

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interest rates, lack of government incentives, poor knowledge of international marketing, port problem, poor infrastructure and labor union were some of the internal problems of Bangladesh RMG. This sector was being incrementally faced with the burden of obligations imposed by the developed countries in the guise of compliance issues. There were two types of views about the future of Bangladesh Ready Made Garments (RMG) Industry after MFA era. The optimistic view emphasized that Bangladesh had held a strong position in the global market due to its abundant supply of cheap labor. On the other hand, the pessimistic view revealed that there was no opportunity for Bangladesh to survive in the competition. This paper was prepared in the context of phasing out of the MFA and its impact on the export performance of Bangladesh Ready Made Garments (RMG) industry.

Kumar and Ananth (2013) suggested that Tirupur, the well-known textile hub of India had more garment manufacturing and job work units in the district. Tirupur was the biggest centre for exports of knitwear in India and seen as one of the most dynamic garment clusters in the developing world. In fact, when the textile industry was booming, Tirupur was portrayed as 'Dollar City' and 'Little Japan' by media. The growth of Tirupur textiles did not continue for long time due to growing global economic crisis and with the rising cotton prices and faced many serious troubles. The present study was

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carried out to find the problems faced by these industries. The study thus found that these industries suffer from various problems like management problems, finance problems, marketing problems, quality problems, documentation problems, production problems, vendor problems etc.

Tambi (2013) observed that Jaipur had always served as a platform for entrepreneurs and small scale industries in textiles; especially in the thriving business of hand printing and made ups. Although the textile industry was one of the largest source of income in Rajasthan and the ‘Sanganeri Print’ being internationally used in garments and furnishings, there were only a few researches in the specific niche of hand printing and made ups (furnishings and decorations such as wall hangings etc). The purpose of this paper was to examine and analyze the challenges faced by the local small and medium scale textile industries in the aforementioned niche. It also explored the solutions and problem solving methods used by textile entrepreneurs to cope up with the changing market scenario. The study was conducted in Jaipur, Bagru and Sanganer and investigated 15 representatives of small scale firms and 10 start up executives. The research tools used were surveys and interviews. Through location intensive study, the research resulted into a classification system based on the following dimensions of the challenges faced, Personal, cultural and social, included family, culture and society

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issues. Logistical and financial included barriers related to machinery capital, rent, electricity and water, transport and supply etc. Managerial and marketing, encompassed issues related to labor, health, strategy and communication, competition etc. Government policies included rebates, taxes and policy problems etc. The most pressing issues faced by the industry were lack of knowledge, poor communication skills, financial and marketing problems.

Yoganandan et al., (2013)\textsuperscript{87} stated the problems faced by small knitwear exporters in Tirupur (India). The Government has identified the garment export sector as a thrust area and was providing the support required to boost exports from this sector. Modernization was expected to help in product and market diversification as well as better price realization for various categories. This also saved time and enables quick delivery of products to customers. Dogged by problems, investing in brands was still not preferred by the majority of exporters in Tirupur. Therefore, some exporters were adopting the other route. They were trying to bring in value addition through outsourcing or by using the brands of their international collaborators. During the period of study, it was found that the main problems such as competitors, government rules and regulations, transportations, lack of finance, lack of labor, lack of economic stability of buyer’s country, lack of space, unexpected rejection of goods and export orders and profit fluctuation

had a greater influence in export performance. The problems that affected the performance of the exporters were identified by using the Henry’s Garrett Ranking Technique.

CONCLUSION

On the basis of literature reviewed above, the following major conclusions can be drawn. Since the approach of hosiery entrepreneur was initially conceived in terms of their production of the hosiery and garments has come to the fore recently, much research is focused on export performance rather than benefits gained and problems faced by the entrepreneurs in their hosiery and garment exports which is a broader term.

The researchers who studied the antecedents, focused mainly on the benefits gained and problems faced by the hosiery garment entrepreneurs related variables; and have not taken only of export performance related variables into account. There are hardly any studies to be found in the Indian context, and hence the issue of benefits gained and problems is wide open for research in India. Moreover, garment industry has not been studied specifically; and this industry has peculiar problems which make it imperative to study the issue of their export business in the context of this industry. Hence, the present research is an effort to fill some of these gaps.