3.1 Introduction

Textile industry, the oldest industry of India occupies a place of significance both in providing employment opportunities and in its production and its export potential. This being the situation, it is necessary to examine the government stand in this regard. The attitude of the government will vitally influence the various activities of this industry. Hence, an attempt is made in this chapter to review the various government committees formed and the textile policy formulated from time to time.

The Indian textile industry has probably been one of the most tightly regulated in the world because, textile industry meets one of the basic needs of human life and as such its adequate production and proper distribution must be ensured by the state. The government stand can be examined by studying the various committees established and the textile policies formulated from time to time.

3.2 Fact Finding Committee on Mills and Handlooms 1942

During the II world war, the shortage of yarn became acute and the handloom industry received major setbacks. So to study the problems of the industry, Fact Finding Committee on Mills and Handlooms was set up in 1942.
The committee concluded that the major reasons for the crisis in the industry were due to changes in tariff policy, shift in consumer taste, competition from mill sector and powerloom sector and the strong dependency relationship between weaver and middlemen\(^1\).

On the recommendations of this committee, All India Handloom Board was set up in 1945 with the aim of supplying raw material and assisting the marketing of handloom products.

Handlooms witnessed greater emphasis in the policy formulation in the post-independent era. In all Five year Plans emphasis was given for the development of handloom industry.

### 3.3 Cotton Textile (Control) Order-1948

The Government of India passed the Cotton Textile (Control) Order in 1948. The main objective was to foster the development of handloom industry and to reduce competition between handlooms and mills. It prohibits the production of certain varieties of cloth like dhoties with border exceeding \(\frac{1}{2}"\) in width, bordered sarees, lungies, zamkhans, chadders, bedsheets, etc in textile mills. This order has been amended many times\(^2\).

### 3.4 Textile Enquiry Commission-1954

The Government of India constituted Textile Enquiry Commission under the chairmanship of Shri. Nityanand Kanungo in the year 1952. It submitted its report in 1954. This commission was to study the problems and prospects of Indian textile mills and also the
decentralized handloom and powerloom sectors. This commission was of the view that there was no future for handlooms and recommended a progressive conversion of handlooms into powerlooms through organized efforts over a period of fifteen to twenty years, in order to improve the living standards of the weavers. This gave a boost to the development of the powerloom industry even in semi-rural areas.

3.5 Karve Committee-1955

Karve Committee was setup in 1955 to study the problems and prospects of village and small scale industries. The recommendations of this committee were in sharp contrast with that of Textile Enquiry Commission. Karve Committee not only recommended the freezing of both mill and powerloom output at existing levels but also recommended deferring of any proposal for additional spinning capacity in the mill sector, in order to promote handloom sector.

3.6 Ashok Mehta Committee-1964

The Ashok Mehta Committee setup in 1964, nevertheless, echoed the views of Textile Enquiry Commission (Kanungo Committee) and recommended that powerloom be allowed to acquire a paramount position in the textile economy of India. It questioned the long term viability of handlooms and argued for the removal of regulations on powerlooms. Though the Government did not accept the recommendation in total, the permission for planned expansion of powerlooms marked the official recognition of the role of powerlooms in India.
3.7 Sivaraman Committee-1974

In 1974, Sivaraman Committee on Handlooms was constituted to study exclusively the problems of the handloom industry. It pointed out the inadequacy of government support and the product reservation which actually benefited the powerlooms.

The major observation of the Committee was that for every powerloom setup, six handlooms are rendered dormant i.e. for every job created 14 handloom weavers were displaced.

It urged the government to introduce fiscal arrangements to narrow the cost handicap of handlooms over the powerlooms and also to abolish the distinction of excise duty between the mills and powerlooms.

3.8 Textile Policy-1978

The Janata Government announced its textile policy in 1978. The aim of this policy was to meet the essential clothing needs of the people. The ‘controlled cloth scheme’ was recommended to achieve the aim. The important feature of this policy was that, it entrusted the responsibility to the handlooms to meet the additional requirement of cloth arising due to increase in population and improvement in per capita consumption.

The highlights of this policy were-

1. The textile needs of the country must be met by Handloom and Khadi sector.
2. Production of controlled cloth to be carried on by the handlooms instead of the mills.

3. The policy assigned major role to National Textile Corporation to meet clothing requirements of weaker sections.

4. The policy stressed on growth of handloom and Khadi sector by constraining the capacity of mill and powerloom sector.

5. The policy wanted to regulate the use of synthetic fibers to avoid the adverse effect on cotton growers.

3.9 Textile Policy-1981

The congress Government announced its policy towards the further development of handloom sector in 1981. It wanted to regulate the fresh expansion of capacity of powerloom in order to promote the development of handlooms.

This policy also emphasized on the need for the revival of dormant looms as well as sustained modernization of handlooms.

This policy also provided for the setting up of National Handloom Development Corporation which will ensure the procurement and distribution of adequate yarn at reasonable prices to the handloom sector.

3.10 National Textile Policy-1985

The most comprehensive textile policy of independent India was the National Textile Policy of 1985. It differed from other textile policies with the shift in emphasis from employment potential to that
of enhancing productivity. It also viewed the textile sector in terms of processes involved—spinning, weaving and processing rather than the sectors involved—handlooms, mills, powerlooms and Khadi.

The important policy measures under this policy were as follows:

1. Development of handlooms through co-operatives and corporations to be intensified;

2. Greater emphasis on modernization and provision of technological inputs for improving productivity, quality and finish;

3. Special efforts to ensure the availability of yarn and other raw materials through the operations of National Handlooms Development Corporation (NHDC);

4. Production of mixed and blended fabrics to be encouraged;

5. Protection to handloom sector under the Handloom Reservation Act;

6. Removal of cost handicap of handlooms vis-à-vis powerloom products through suitable fiscal measures;

7. To improve the marketing of handloom products, strengthening the infrastructure of marketing complexes, organizing the training of marketing personnel and intensive publicity;

8. To strengthen the database and better planning in the handloom sector a census of handlooms has to be undertaken;
9. Welfare schemes for handloom weavers such as a contributory Thrift Fund scheme and workshed cum Housing scheme have to be introduced;

10. The entire production of control cloth has to be transferred to the handloom sector;

11. Compulsory registration of all powerlooms as a significant number of powerlooms had remained unregistered since long; and

12. The organized mill sector and the powerlooms to be treated on par and allowed to compete on the basis of their inherent strengths and capabilities.

3.11 Dr. Abid Hussain Committee-1990

Inspite of the various measures under New Textile Policy of 1985, the textile industry of India continued to face problems. The Government therefore appointed a committee under the chairmanship of Dr. Abid Hussain to review the working of the policy (1985). After interacting with all the concerned agencies and state governments, the committee submitted its report in Feb 1990\textsuperscript{10}. A number of recommendations were made by the committee to tone up the textile sector as a whole. These were-

1. Focus on the weaver rather than looms.

2. Area based promotion to enhance weavers’ earnings and productivity.
3. Results oriented institutional infrastructure.

4. Search for new organizational forms for target oriented handlooms and

5. Stepped up plan provision for handloom promotion.

However, the government has not so far come up with its final view on the recommendations and actions proposed there in.

### 3.12 National Textile Policy-2000

In view of changed scenario in 1990s decade occurring due to globalization and to formulate a new textile policy for the millennium, the Government of India appointed a committee in 1999 under the chairmanship of S. Satyam. Based on the recommendations of Satyam Committee New Textile Policy was announced in the year 2000. The main thrust of this policy was to make the textile industry globally competitive.

The various provisions of the policy are as follows:

1. Giving thrust on the availability, productivity and quality of raw materials like cotton, silk, wool and jute at reasonable prices for the industry.

2. Establishing textile / apparel parks with necessary infrastructural facilities with the financial institutions and the private sector.

3. Continuing efforts to modernize and upgrade technology to international levels in jute, spinning and mill sector.
4. Modernizing powerloom service centers and testing facilities and clustering of facilities to achieve optimum levels of production in powerloom sector which occupies a pivotal position in the Indian textile industry.

5. Continuing to accord priority to the handloom sector to develop its exclusiveness for the global markets.

6. Training to upgrade skills in the handloom sector and introducing welfare and social security measures for better working environment and better security to the weavers.

7. Introducing support system for commercial intelligence, design and fashion inputs for the growth of hosiery, knitting due to expansion of hosiery in to global fashion knitwear.

8. Making available defect free and colour fast processed fabrics;

9. Facilitating product development, production and marketing arrangements for made up sector which occupies the highest position in the textile value addition chain alongside garments.

10. According priority to technical textiles by taking into consideration the growing prospects in world markets.

11. Adopting IT in the textile industry and trade by recognizing the importance of IT driven global economic environment.

12. Introducing innovations in institutions like National Institute of Fashion Technology (NIFT), Indian Institute of Technology (IIT) and the National Institute of Designing (NID).
13. Reorienting and restructuring the institutions working under the ministry of textiles in order to act as facilitators and not as regulatory bodies.


The New Karnataka state Textile Policy was announced on February 21st, 2004. It has the following aims.

1. Overall development of ginning, pressing and spinning units, textile mills, handlooms, powerlooms, knitting and garment units.

2. Imparting training to handloom weavers.

3. Adoption of handloom and powerloom technology upgradation.

4. Implementation of welfare schemes for handloom weavers.


6. Attracting private investment in textile industry.

7. To provide additional employment of over 40 lakhs people by the end of 2010.

To achieve these aims the policy proposes to undertake the steps enlisted below.

1. To revive and restructure Karnataka Handloom Development Corporation (KHDC), Karnataka Co-operative Handloom weavers
Federation (Cauvery Handlooms) and Karnataka State Co-operative Woollen Federation.

2. To develop six clusters in the state-Bangalore-Bommanahalli (readymade garments), Doddaballapur (powerlooms), Mandya, Chamaraj nagar (silk), Bagalkot, Ilkal (Handlooms), Rabakavi-Banahatti (Powerlooms).

3. Design development and textile design center activation and revival of 1,000 idle handlooms and 15,000 powerlooms.

4. Establishment of powerloom parks in four places in the state-Bangalore, Davangere, Belagavi and Gadag.

5. Establishment of powerloom complexes at 10 places in the state.


7. Revival of financially weak mills on selected basis.

8. Establishment of apparel park at Bangalore and Bellary.


3.14 Suvarna Vastra Neeti-2008-13

The garment industry in Karnataka has achieved rapid growth in the last 10 years. The total turnover has increased from US $ 3300 million in 1995-96 to over US $ 9600 million in 2005-06. There are over 1500 apparel units in the state. Yet there is considerable scope for expansion of Apparel manufacturing activities in the state. Keeping
this in view a New Textile Policy 2008-13 was announced in the budget speech for 2008-09. The salient features of this policy are as follows;

1. It aims to achieve balanced, higher and sustainable growth in the entire textile value chain from fibre to finished products, with emphasis on balanced regional development.

2. It aims to increase income levels of people dependent on SMEs (Small and Medium Enterprises) within the textile and garment sector, thereby creating additional employment opportunities to at least 5 lakhs people during the policy period.

3. To facilitate emerging units in critical areas such as production technology, market research and development, HRD and ITES for exploring emerging global and domestic trade opportunities.

4. To attract investment to the tune of Rs.10,000 crores during the policy period.

The textile and garment industry to be covered under this policy will include all units, which are engaged in various value chain activities of the industry such as spinning, weaving (powerloom and handloom) including pre-loom activities, knitting, processing, garmenting, units engaged in manufacturing technical textiles and all other supporting ancillary activities including textile machinery manufacturing.
Recognizing the potential of Bangalore, which is today the IT capital and fast becoming the Garment Capital of India, the NTP-2008-13 proposes to establish The Fashion Hab near Bangalore\textsuperscript{13}. 
REFERENCES


