Appendix – I

AP Textile and Apparel Promotion Policy (2005-2010)

On the basis of the report of the Experts Committee government has announced a policy to promote textile and apparel parks, through GO Ms. No. 300, dated 8th November, 2005.

AP Textile and Apparel Promotion Policy 2005-2010 is a hotchpotch of promises and incentives – while the promises are for suffering handloom weavers, incentives are for the organized textile industry. There are many new initiatives in this policy:

➢ For the first time, government has accepted that powerlooms can also supply livery cloth to government departments. Corporate textile sector is going to gain from the enormously.

➢ Diversion of handloom officials to provide services to the private parks and industries is now official. Officials who have done a shoddy job of delivering any welfare assistance can now happily ignore these jobs.

➢ This policy endorses the AP vision 2020 document, developed by the previous Telugu Desam Government, According priority to textiles / apparels. The present government has come to power promising reversal of this approach.

➢ Appointment of consultants to promote exports. While the governments have been trumpeting that their capacity in markets is limited, it is important to know that they are willing to appoint consultants to help the exporters.

➢ Government would invest an amount of Rs. 100 crores to create employment. However, it is not interested in spending a single rupee to protect the employment of handloom weavers.

➢ Government would develop infrastructure and construct roads, effluent treatment plants and install capacity for garment manufacturing in the Apparel Parks.

➢ Government would provide infrastructure grants to all spinning units at the rate of Rs. 1,000 per worker, training incentives of
Rs. 5,000 per worker employed for all units in the Parks and other stand alone units as well. One can see the extension of public – private partnership to its logical end – aggrandizement.

- Garment production capacity to be enhanced 1000 fold. For this to happen, all garmenting units would be provided power subsidy of Rs. 1 per unit.

- Government would be provide free of cost land to all the units in the Parks, to provide housing for the workers at the rate of 1 acre per 1000 workers.

- Government would reimburse 100 percent stamp duty, transfer duty and registration fee for all units in the Parks.

- Government would relax all land regulations-zoning, ULC, conversion fee, etc. It would provide water and power at doorstep of the units – they need not pay anything.

- Government will notify all Parks as public utility service and Essential Services Maintenance Act (ESMA) would be made “applicable to the Textile and Apparel Parks to provide facility of engaging workers beyond the normal working hours.

- Consultants would be paid incentive of 1 to 2 percent on the investment brought in by them. Companies which employ a minimum of 200 and more workers will be paid an amount of Rs. 150 per worker employed.

There are incentives galore for units setting up most modern machinery in Parks producing garments; all this in the name of promoting the livelihoods of handloom weavers. One cannot understand how handloom weavers would benefit from the garmenting and powerloom units.

Firstly, they are not eligible to work on the modern machines to be set up there. Secondly, the automatic machines would not require any great number of workers – one person can handle five powerlooms. Thirdly, handloom weavers are not skilled to do cutting and sewing jobs in garment units. Even if they want, one is not sure if
garment units would like to employ them. Fourthly, there is no guarantee that units in Textile / apparel parks, who get incentives on the basis of providing alternative employment to handloom weavers, would employ them. There is no law or perspective which can force them to do so.

A policy for textile / apparel parks is entirely a different matter. What is appalling is that why it should be linked with the misery of handloom weavers. All these do not address the problems of handloom weavers. (Source: D. Narasimha Reddy, AP Textile and Apparel Promotion Policy 2005-2010, Handloom News, Issue No – 7, November 2005)