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POWER LOOM INDUSTRY GROWTH IN MAHARASHTRA

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ABSTRACT

Bombay, Bhiwandi, Malegaon, Dhule, Ichalkaranji and Sholapur are the main centres of powerloom industry in Maharashtra state. All these centres have a specialty in the pattern of weaving and are known for their variety of cloths. Ichalkaranji is famous for its superfine dhoties and multi-coloursarees that are called 'Patal'. The powerloom of Sholapur are engaged in manufacturing Jacquard Chaddars and towels that earn a handsome foreign exchange for the country. On the other hand, Malegaon and Dhule are well-known for colouredsarees with silk and Zari border Irkal, Zar-Zamin, Apsara, Mangla, Boutique are some of the famous pattern of sarees. Moreover grey cloth is another product of the centre. Bombay has got main place in the textile industry. All types of cloths such as long cloth, grey cloth, suiting, shirting, printed materials, dhoties and silk sarees are some of the special products of Bombay textile industry.

KEY WORDS: *centres of powerloom industry , pattern of weaving.*

INTRODUCTION:

Importance to Mumbai (Bombay)

Earlier, it is mentioned that the textile industries are established near the cotton growing areas and near the port, which had the facility of import and export. After the First World War, the textile industry was mainly concentrated in Mumbai (Bombay) due to the following reasons.

- Humid climate of Bombay is suited for the cotton spinning
- Facility of Transport.
- Easy availability of funds.
- Provision of raw-material.
- Advertising facility.
- Import and Export facility.
- Supply of electricity and water.
- Banking facility.
- Cheap and skilled labour.
- Connected to all big cities of India by railways, roads and air.
- Head office of the Textile Commissioner.

- Main centre of mill industries on the textile field.
- International city due to air-port.
- Being the capital of Maharashtra state.
- Facilities of processing, sizing, printing, spinning and dying etc.

Other Power loom Centers in Maharashtra:

Apart from Mumbai, there are also some other important power loom centres in Maharashtra. They are Bhivandi, Malegaon, Ichalkaranji, Dhule Sholapur etc.

1. **Bhiwandi:**Bhiwandi has got more importance in the textile industry than the others centers of powerloom as it is located near Mumbai (Bombay). Because of locality, Bhiwandi received all facilities that are available in Mumbai(Bombay). Presently more than one lakh power looms are running over there. The power loom industry got rapid growth and expansion due to financial assistance and support of mill owners from Bombay. One more reason is that, in Bombay, after 1980, the mill mazdoors went on strike under the leadership of DattaSamant. Nearly 13 mills were locked due to less than enough capital and strikes. Lakhs of mazdoors became jobless. The mill owners turned towards Bhiwandi by supplying sized beams and yarn and encouraged the setting of powerlooms. The mill owners received prepared cloth. It is called "Master Weavers". Approximately 60% powerlooms are working as master weavers. At present, suiting and shirting are common products. Now a days, the famous powerloomcentre is experiencing a sever crisis of electricity supply. The charges are increased from Rs. 120/- to Rs. 300/- per power loom by the Government of Maharashtra which is unbearable not only for the power loom owners form Bhiwandi but also the other centers. Due to the crisis 50% power loom units are locked-up.
2. **Ichalkaranji:**Ichalkaranji is one of the eminent power loom centre in southern Maharashtra. The power loom industry started here in 1904. The specialty of this center is the product of multi-coloured ‘Patal’ sarees made from imported yarn. After 1956, the weavers of Ichalkaranji shifted their production to grey cloth in fine and superfine dhotis and mulls. Influenced with the present age of modernization, the weavers are on the path of modernization of power looms.
3. **Solapuer:** Sholapur is situated in the southern part of Maharashtra. Sholapur is a centre where mills, handlooms and power looms have developed side by side. In the beginning, the handloom was providing the local needs. After the First World War, a mill was established in 1950-55. Hence the weavers purchased and set up their own looms. At present, one lakh power looms are working there. They are busy in manufacturing Jacquard chaddars and towels. These products

HANDLOOM AND POWERLOOM INDUSTRY

Solapur is the home of Handloom and Powerloom weaving industry which provides employment to a large number of workers. Thereare around 6000 powerloom industries operational in the district. Out of these 300 establishments are registered under Mumbai Shopsand Societies Act 1948 and the other 3000 are registered under Factories Act 1948. There are about 25000 Powerloom and about30000 workers are employed. On the Jackardpowerloom the main production is Chadders, Towels and Napkins. These products areexported to various countries in the world. For the benefits of these workers the following worker unions have been formed and the employed workers are connected to one or theother unions.

1. Lal-BawtaShramik Workers Union (CITU)
2. Powerloom Workers Union (AITUC)
3. National Powerloom Workers Association (INTUC)
4. Beedi and PowerloomKamgarSena (Shivsena)

A separate association for the power loom industry owners 'Solapur District Power loom Holders Association' is functional to look afterthe welfare of the power loomindustry. Most of the power loom industries are operational in day shift only from 8 a.m. to 6 p.m. with two hours break for lunch and recess.Some of the industries are operational in two shifts from 8.00 a.m. to 4.00.p.m. and from 4.p.m. till 12.00 midnight.

The employees working on the handloom/power loom machines mainly manufacture JackardChadders, Towels and Napkins. Theseworkers receive their payments on the 'Piece Rate' basis, based on category of the product. As the 'Piece Rates' of various productsare different there is variation in workers earnings. As per the traditional piece rate system the worker gets Rupees 70 to 90 per day onan average.

CHALLENGES BEFORE TEXTILE INDUSTRY IN INDIA:

The textile industry in India has been a pioneer industry. India'sindustrialization in other fields has mainly been achieved on the back of theresources generated by the industry. However, from the early seventies to theintroduction of liberalization in 1992, the industry tended to be neglected asmeasures taken by the Government with the apparent objective of protecting thecotton growers, the large labour force and the consumers have continuously erodedits profitability.

The recent liberalization measures have presented the industry with a goldenopportunity to regain its last glory. The process has begun but a lot of work remainsto be done. With the active help and encouragement from the Government, it will notbe long before India can recover the ground it has lost in an area it has traditionallybeen good at as a world supplier of high quality textiles. This chapter deals withchallenges in Indian Textile Industry, Indian and Maharashtra's Textile Scenerio. Statewise Power looms and Perspective of Ichalkaranji's Decentralised Textile Industry.

CHALLENGES IN INDIAN TEXTILE INDUSTRY:

The first challenge is the scalability of operations while the total size of theindustry is around Rs.140,000crores comprising of Rs.52,000 crores of exportsthere are hardly 2 or 3 companies clocking a turnover of 2000 crores. This showsthe fragmented nature of the industry compared to international standards ourcapacities are small. For example in the Spinning Sector, a capacity of 1,00,000. Spindles is considered as large in India. But compared to international standardsthis capacity is small to average. In China for example, a capacity of 3 lakh Spindlesis quite common there are units which are as large as one million spindles or 10lakhs. Similarly, in the weaving processing and garment sectors our capacities areminiscule compared to international standards. In China and Shrilanks the average machine per garment factories is 500 compared to 50 in India.

The second biggest challenge facing the industry is the supply chainmanagement. It is estimated that by 2010, more than 25% of the world's textile tradewill be controlled by retail giants. In such a scenario an efficient supply chainManagement cannot be over emphasized. The retail giants will determine the exportprices and only an efficient supply chain will be able to compete effectively. In fact itwill be competition between supply chain and not between companies. There arehardly any companies in India having a presence in the entire textile chain from yarnto garments.

The third challenge facing the industry is the effective integration of thevarious sectors of the textile industry. For more than 25 years the various wings ofthe industry like the power loom, handloom, mill sector, knitted garments, wovengarments have been competing with each other for fiscal incentives and dutyconcessions. Now that a level playing field has been brought about the role of eachsector has to be clearly defined while the power loom sector can cater to the massmarket in the domestic sector for the lower and mid sections of the society, with ofcourse the exception of some modernized units at the Apparel parks etc. The millsector could be allowed to take over garments units and cater to the export sectorand upper end of the market in the domestic market.

The Fourth Challenge facing the industry relates to moving up the valuechain. There are two dimensions when it comes to moving us the value chain onerelates to what China did. China consciously decided that they will export valueadded products instead of exporting yarn, the highest value being in garmentsChina's share in Global Textile Trade is 13.5% and in Global Clothing Trading is20.6% amounting to 20.56 Billion US $ and 41.30 Billion US $ respectively. Whilethis may hurt some of the sectors adversely in the short run over an extended periodof time; this will be beneficial to the entire industry. This could also give filling to thedevelopments of weaving and processing sectors which at present are the weaklinks in the textile value chain, the other dimension of moving up the value chainrelates to the higher end of the market. A majority of exports of garments cater to thelower end of the value chain. The industry needs to move up to the middle andhigher end, where the value realizations are much higher.

The fifth challenge facing the industry is improvement in the crop yield ofcotton, while we boast of availability of all the varieties of cotton, our yields are oneof the lowest in the world and in consistent in quality. Enough attention had not beenpaid to the modernization of the ginning sector in the past.

Yet another challenge facing the industry relates to the managementstructure. Most of the textile units are family managed. In order to overcome thevarious challenges outlined here and as a measure of good corporate governance, ownership needs to be diverted and distinct from management control. We haveseen this trend taking roots in other industries but textiles being an industry havingpresence in both the organized as well as the un-organized sectors. There are goodowner managers of spinning sectors but to accelerate growth and vertically integrateto value addition and economics of scale professionalism is the need of the hour.

STRENGTH AND WEAKNESS OF INDIAN TEXTILE INDUSTRY:

The Indian textile industry has inherent strengths in terms of rich legacy oftextile production, strong multi-fiber raw material base, large and expandingproduction capacities, very low import intensity, vast pool of skilled workers andtechnical and managerial personnel, flexible production systems, large andexpanding domestic market, dynamic and vibrant entrepreneurship, etc. However,these strengths have been diluted to a great extent due to severe disadvantagessuffered by the industry in certain other areas affecting its productivity, quality andcost competitiveness. Such factors are technological obsolescence, structuralanomalies, poor productivity of labour and machine, lopsided fiscal policies,multiplicity of taxes and levies, high cost of capital, redundant and outdated controls/regulations, restrictive labour and industrial laws, lack of aggressivemarketing, poor perception of Indian products abroad, procedural problems inexporting, poor infrastructure relating to transport, communication and banking,high power tariff, etc.

The technological obsolescence which is pervading almost all the segmentsof the textile industry has placed it far behind its major competitors in the worldtextile economy, and is threatening its very existence. The reasons fortechnological obsolescence are structural anomalies created due to lopsided fiscalpolicies, high interest cost, excessive controls and regulations, and restrictiveprovisions in the Industrial Disputes Act relating to closure, retrenchment etc.,denying the entrepreneurs their basic right to make decisions based on techno-economic norms, and also social obligations imposed on the organized sector inthe form of hank yarn obligation, etc. All these factors have created negativeenvironment stifling investment in technology up gradation. The consequentialimpact has been sickness and closure of mills on a large scale. Such adversefactors have led to the failure of the Indian textile industry to exploit its distinctiveadvantage in terms of strong multi-fibre raw material base to the optimum level.

The Indian textile industry has a significant presence in the Indian economyas well as in the international textile economy. The spinning capacity is the secondlargest after China's. India has the largest hand weaving sector and a long traditionof producing some of the finest and costliest fabrics in the world. India occupiessecond place in terms of spindles (after China) and fourth in terms of cottonconsumption (after China, Russia, and USA).

India is the 2nd largest producer of cotton in the world, but in terms ofproductivity per hectare we are one of the lowest. Similarly, our cotton is amongthe most contaminated in the world. With regard to man-made fibres / yarns,production of such fibres and yarns has spurted during the last five years to theextent that we are now the 5th largest producer in the world but in terms of quality,price competitiveness and innovative product range, we are nowhere in the picture.
The man-made fibres / yarns are produced in the country as a ‘commodity’ and notas a ‘product’.

Considering the significance of raw material to the finished textile product,be it spun yarn, fabric, garment or made-up, it is imperative to augment theavailability of different varieties (from standard to specialised) of textile fibres/yarns of internationally acceptable quality at reasonable prices to provide theplatform to the value added textile products to acquire 'world class' status. Theemphasis has to be on building up necessary capabilities including R&D facilitiesfor improvement of fiber quality and for development of 'specialized' fibers/yarns,especiallyfibers/yarns required for manufacture of technical textiles.

PROBLEMS AND CHALLENGES FACING THE TEXTILE INDUSTRY:

The in-house problems relate to inadequate infrastructure, obsoletemachinery, lack of trained manpower, decentralized and fragmented nature of theindustry, besides the inflexible labour laws. Though a large number of policymeasures have been undertaken by the Government in terms of making easy andsubsidized credit available for modernization of technology, supporting theindustry for cluster development and establishment of integrated textile parks,provision of duty drawbacks on exports, etc., the Indian T&C exports doesn't seem to have converted these benefits to their advantage.

In the Indian case, besides the short term relief measures and stimuluspackages, some fundamental policy changes are needed. For the merchandise tradesector, these include continuation of the reduction in customs and excise duty tomake our exports and industry competitive, streamlining of existing exportpromotion schemes, giving special attention to export infrastructure along withrationalization of port service charges based on services rendered by ports in tunewith our competing countries, weeding out unnecessary customs duty exemptions,rationalizing the tax structure including specific duties in a calibrated mannertaking into account the specific duty levels in our trading partner countries,checking the proliferation of SEZs, evolving clear-cut policy for beneficialComprehensive Economic Cooperation Agreements (CECAs) even with somedeveloped countries instead of just Free Trade Agreements / Preferential TradeAgreements (FTAs / PTAs) which should be well integrated with our economicand trade policy reforms and the blueprint for possible changes due to WTOnegotiations.

The biggest challenge before industry will be to radically change itsmindset. No more can industry continue to survive behind high tariff barriers and/or non-tariff walls like import licensing, etc. Neither can it keep on dependingupon the Government for subsidies and doles to earn a profit. The earlier regime ofimport substitution at any cost is over. There is no enduring alternative to Indian industry but to gear itself to raise its efficiency and competitiveness to meet theinternational competition even in the domestic markets.

In the domestic market, industry must be prepared to meet growingcompetition from three sources, viz., from imported goods coming into thedomestic market at lower and lower import duties; from goods produced in thecountry for the domestic market by foreign controlled enterprises using their trademarks and latest technology; and lower prices because of an inability to raiseprices in the face of low world inflation.

SME'S PROBLEMS IN TEXTILE INDUSTRY:

The textile SMEs, located in identifiable clusters in India, face severalcommon problems:

1. Lack of technology up gradation,
2. Inadequate capacity to source the requisite raw materials,
3. Marketing of products,
4. Inability to avail institutional credit,
5. Diversification and inadequacies in the area of infrastructure

MARKET ENTRY BARRIERS TO TRADE

Two types of market entry barriers for trade in textiles and clothing (T&C)are faced by developing countries: (i) arbitrary conditions imposed by powerfulapparel contractors possessing large distribution channels in the major markets;and (ii) closed networks created by preferential rules of origin under the regionaltrade agreements.

RAW MATERIAL SHORTAGE:

While India has adequate raw material for polyester production, it is deficient in cotton, Though India is the second largest producer of cotton in theworld next to China, our production figures are not even half of what the worldleader China produces. The yield per hectare is among the lowest. At 524kg perhectare in 2008-09, India is way below the world average yield of 766 kg, China's1,251 kg, and USA's 912 kg, Further, cotton production is subject to widefluctuations. Since 85% of Indian garment exports are linked to cotton, thefluctuations in production and the poor yield per hectare necessitate the need forimports at varying prices. This creates problems in production planning andachieving cost efficiencies. Further, the industry is heavily dependent on importsfor long and extra-long staple varieties from the US and Egypt as they are notgrown except in a limited area around Salem in Tamil Nadu.