

CHANGING STRUCTURE OF EMPLOYMENT IN INDIAN TEXTILE INDUSTRY DURING THE GLOBALISED ERA

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ABSTRACT

The present paper focuses on changes in the structure of employment in Indian textile industry during the globalized era. The resulting increases in casualization in the Indian textile industry since the 1990s. The theme of paper is to analyze the reasons for the changes in the structure of employment in textile industry in India, particularly in rural areas. Since the textile industry typifies the low-end, labour-intensive manufacturing sectors, it was expected that boom in textile would improve the lives of low skilled poor by creating more jobs and better working conditions. The argument which is stressed, here is that the textile industry has undergone several important changes in its structure since the 1990s which have impacted the quality of employment. The spinning sector has experienced a structural change as a result of an investment boom in response to the revival of demand for textiles since the 1990s. This resulted in capacity creation and the associated economies of scale and increasing modernization. Delicensing in July 1991 and reducing tariffs during the course of result, productivity increased and a large number of workers became redundant. In this context an attempt was made in this paper to analyze the growth of employment in textile industry in India and particularly in rural areas, wage and salary issues, and government interventions towards empowerment of textile employees.

Key Words: *Casualization, Employment Opportunity, Wage & Salary, Structural Change.*

INTRODUCTION

The labour force in Indian economy consists of roughly 487 million workers, the second largest in the world after China. Indian economy is broadly classified into two sectors viz., organized and unorganized. Organized sector or formal sector in India refers to licensed organizations, that is, those who are registered and pay sales tax, income tax, etc. These include the publicly traded companies, incorporated or formally registered entities, corporations, factories, shopping malls, hotels, and large businesses. Unorganized sector, also known as informal sector or own account enterprises, refers to all unlicensed, self-employed or unregistered economic activity such as owner manned general stores, handicrafts and handloom workers, rural traders, farmers, etc.

The unorganized occupational groups include small and marginal farmers, landless agricultural labourers, share croppers, fishermen, those engaged in animal husbandry, beedi rolling, labeling and packing, building and construction workers, leather workers, weavers, artisans, salt workers, workers in brick kilns and stone quarries, workers in saw mills, and workers in oil mills. A separate category based on nature of employment includes attached agricultural labourers, bonded labourers, migrant workers, contract and casual labourers. Another separate category dedicated to distressed unorganized sector includes toddy tappers, scavengers, and carriers of head loads, drivers of animal driven vehicles, loaders and unloaders. The last unorganized labour category includes service workers such as midwives, domestic workers, barbers, vegetable and fruit vendors, newspaper vendors, pavement vendors, hand cart operators, and the unorganized retail. Over 94 percent of India's working population is part of the unorganized sector. The textile industry was the earliest to be established, since it satisfied a basic human need. In many of the developing countries, the industry has subsequently come to occupy an important position in the economy in terms of its contribution to national output, employment and exports. In India, Textile Industry provides direct employment to over 33.17 million people, and it is the second largest provider of employment after agriculture. Besides, another 54.85 million people are engaged in its allied Activities. It provides employment to all categories of people in the country both in urban and rural areas. In this context an attempt was made in this paper to analyze the growth of employment in textile industry in India, particularly in rural areas.

OBJECTIVES

The present study is mainly focused on the following objectives

1. To analyze the growth pattern of employment in Indian textile industry during the post liberalization period.
2. To examine the growth of wages provided to the workers employed in Indian textile industry and
3. To suggest the development of Indian textile and textile workers in rural India.

DATA AND METHODOLOGY

The study is based on secondary data, collected from the various issues of Annual Survey of Industries (ASI) published by Central Statistical Organization (CSO) Government of India, and EPW Research foundation. As such since the required data is available with different National Industrial Classifications (NIC), the NIC-1970 was followed to classify economic activities of the factories during 1981-82 to 1988-89. The NIC- 1987 had then been introduced and pursued until 1997-98. The NIC-1998 was then followed from 1998-99 to 2003-04. From 2004-05, the new series of classification, i.e., NIC-2004, NIC-2008 has been introduced i.e. NIC-200, 4-digit ie. 2004 to 2008 and NIC-2008, 4-digit of 2008 to 2011. The collected data were analyzed using various appropriate mathematical and statistical tools.

DEFINITIONS

Following are the details of the definition provided by ASI for different important variables used in this study.

Total Persons Engaged : Total Persons Engaged relate to all persons engaged by the factory whether for wages or not, in work connected directly or indirectly with the manufacturing process and include all administrative, technical, clerical staff as also labour engaged in production of capital assets for factory's own use. This 64 is inclusive of persons holding supervisory or managerial positions or engaged in administrative office, store keeping section and welfare section, sales department as also those engaged in the purchase of raw materials etc. and production of fixed assets for the factory and watches and ward staff. It also includes all working proprietors and their family members, who are actively engaged in the work of the factory even without any pay and the unpaid members of the cooperative societies who worked in or for the factory in any direct and productive capacity.

Wages: ASI defines wages to include all remuneration capable of being expressed in monetary terms and also payable more or less regularly in each pay period to workers (defined above) as compensation for work done during the accounting year. It includes (a) direct wages and salary (i.e., basic wages/ salaries, payment of overtime, dearness, compensatory, house rent and other allowances); (b) remuneration for the period not worked (i.e., basic wages, salaries and allowances payable for leave period, paid holiday, lay-off payments and compensation for unemployment, if not paid from sources other than employers); (c) bonuses and ex-gratia payment paid both at regular and less frequent intervals (i.e. incentive bonuses, good attendance bonuses, productive bonuses, profit sharing bonuses, festival or year-end bonuses etc.). It excludes lay-off payments which are made from trust or other special funds set up explicitly for this purpose i.e., payments not made by the employer. It also excludes imputed value of benefits in kind, employer’s contribution to old age benefits and other social security charges, direct expenditure on maternity benefits and crèches and other group benefits. The wages are expressed in terms of gross value i.e., before deduction for fines, damages, taxes, provident fund, employee’s state insurance contribution etc.

TABLE 1: AVERAGE DAILY REAL WAGE RATE FOR WORKERS (in 2004-05 Prices (Rs))

Year			2004 - 05	2009 -10	Growth Rate		2004 - 05	2009 - 10	Growth Rate
Rural	Male		145	165	2.8		55	67	4.5
	Female	Regular Salaried	86	103	4.2	Casual	35	46	6.2
Urban	Male		203	260	5.6		75	91	4.2
	Female		153	213	7.8		44	53	4.1

Source: Choudhury, 2011)

The above table 1 reveals that the wages for urban workers have been deflated by consumer price index (industrial workers) (CPI (IW)) and that of rural workers by consumer price index (agricultural labour) (CPI (AL)). This wage refers to the wage for casual workers engaged in work other than public work.

RURAL AND URBAN EMPLOYMENT TRENDS

The India's population growth rate has slowed down; the growth of the labor force has accelerated, and by the first half of the last decade was growing at 2.8 percent. The rural labor force has grown even more rapidly. Hazell et al. 2011 cite UN population projections that suggest that the rural population will peak at 900 million in 2022. They then project that the rural labor force may continue to grow until 2045. Rural and urban males have always had fairly similar labor participation rates, while the rates for rural females were much lower, and even lower for urban females.

STRUCTURE OF INDIA'S TEXTILE INDUSTRY

The industry today is divided into three segments: 1. Cotton Textiles, 2. Synthetic Textiles, 3. other product like Wool, Jute, Silk etc. Indian textile industry is comprised mostly of small-scale, nonintegrated spinning, weaving, finishing, and apparel-making enterprises. This unique industry structure is primarily a legacy of government policies that have promoted labor-intensive, small-scale operations and discriminated against larger scale firms. Relatively large-scale mills that integrate spinning, weaving and sometime fabric finishing are common in other major textile producing countries. In India, however, these types of mills account only 3 percent of output in the textile sector. About 276 composite mills presently operating in India are owned by the public sector located mostly in Gujarat and Maharashtra.

TABLE 2, NUMBER OF TOTAL PERSONS ENGAGED IN TEXTILE INDUSTRY IN INDIA AND TAMIL NADU DURING 1991- 2011

	Total Persons Engaged	Total Persons Engaged	Total Persons Engaged	Total Persons Engaged	Total Persons Engaged	Total Persons Engaged	Total Persons Engaged	Total Persons Engaged	Total Persons Engaged	Total Persons Engaged
	23+24+25 ALL IND	26 ALL IND	23+24+25 +26 ALL IND	23+24+25 5+26 ALL IND (AGR)	23+24+25 +26 ALL IND (TREND VALUE)	23+24+25 TN	26 TN	23+24+25 +26 TN	23+24+25 5+26 TN (AGR)	23+24+25 +26 TN (TREND VALUE)
Year	(in '000)	(in '000)	(in '000)	(in '000)	(in '000)	(in '000)	(in '000)	(in '000)	(in '000)	(in '000)
1991 - 1992	1284	183	1467	0	1453.81	196561	50107	246668	0	229656.44
1992 - 1993	1327	204	1531	4.36	1490.10	204715	58546	263261	6.73	252701.12
1993 - 1994	1336	282	1618	5.68	1526.39	215748	99824	315572	19.87	275745.80
1994 - 1995	1321	327	1648	1.85	1562.67	225844	109369	335213	6.22	298790.48
1995 - 1996	1509	347	1856	12.62	1598.96	234653	106312	340965	1.72	321835.16
1996 - 1997	1423	361	1784	-3.88	1635.25	249831	111003	360834	5.83	344879.84
1997 - 1998	1440	373	1813	1.63	1671.53	265440	126816	392256	8.71	367924.52
1998 - 1999	1225	404	1629	-10.14	1707.82	211495	128947	340442	-13.21	390969.20
1999 - 2000	1138	440	1578	-3.14	1744.11	230405	146433	376838	10.69	414013.88
2000 - 2001	1113	505	1618	2.54	1780.39	227023	181986	409009	8.54	437058.56
2001 - 2002	1020	479	1498	-7.40	1816.68	217823	151911	369734	-9.60	460103.24
2002 - 2003	1001	513	1514	1.02	1852.97	223744	163131	386875	4.64	483147.92
2003 - 2004	968	621	1589	4.98	1889.25	218798	210965	429763	11.09	506192.60
2004 - 2005	991	723	1713	7.83	1925.54	219342	252139	471481	9.71	529237.28
2005 - 2006	1033	844	1877	9.56	1961.83	241488	273020	514508	9.13	552281.96
2006 - 2007	1101	1282	2383	26.96	1998.11	300319	655043	955362	85.68	575326.64
2007 - 2008	1108	978	2086	-12.47	2034.40	257250	265111	522361	-45.32	598371.32
2008 - 2009	1093	1102	2195	5.23	2070.69	269794	372472	642266	22.95	621416.00
2009 - 2010	1112	1137	2249	2.46	2106.97	288203	372407	660610	2.86	644460.68
2010 - 2011	1199	1125	2323	3.29	2143.26	294331	343269	637600	-3.48	667505.36
MEAN	1187	612	1799			239640	208941	448581		
S D	163	346	294			30346	143741	168934		
C.V	14	57	16			13	69	38		
MIN	968	183	1467			196561	50107	246668		
MAX	1509	1282	2383			300319	655043	955362		

Source: Calculated from ASI data

The analysis of the Table 2 shows that the employment (total number of persons' engaged) in the textile product manufacturing industry in all India and Tamil Nadu during the post-liberalization period. The aggregate employment in terms of total number persons engaged among the years, in 1995-1996 marked the maximum no. of persons engaged is 1509 in the product group of cotton textiles, wool, silk and man-made fibre textiles, jute and other vegetables fibre textiles (except cotton) and textile products (including wearing apparel). And the year 2003-2004 with the minimum no. of person engaged as 968 in the product group of manufacture of textile division of NIC-17, NIC-18 ie., manufacture of textiles, manufacture of other textiles, manufacture of knitted and crocheted fabrics and articles and manufacture of wearing apparel, dressing and dyeing of fur.

TABLE 3: WAGES TO WORKERS IN TEXTILE INDUSTRY IN INDIA AND TAMIL NADU DURING 1991- 2011

	Wages to Workers	Wages to Workers	Wages to Workers	Wages to Workers	Wages to Workers	Wages to Workers	Wages to Workers	Wages to Workers	Wages to Workers	Wages to Workers
	23+24+25 ALL IND	26 ALL IND	23+24+25+26 ALL IND	23+24+25+26 ALL IND (AGR)	23+24+25+26 ALL IND (TREND VALUE)	23+24+25 TN	26 TN	23+24+25+26 TN	23+24+25+26 6 TN (AGR)	23+24+25+26 TN (TREND VALUE)
Year	(Rs Crore)	(Rs Crore)	(Rs Crore)	(Rs Crore)	(Rs Crore)	(Rs Lakh)	(Rs Lakh)	(Rs Lakh)	(Rs Lakh)	(Rs Lakh)
1991 - 1992	2382	200	2582	0	1191.38	37123	4026	41149	0	20825.59
1992 - 1993	2740	261	3001	16.23	1757.76	46154	5327	51481	25.11	32323.58
1993 - 1994	2883	370	3253	8.40	2324.15	49222	9073	58295	13.24	43821.58
1994 - 1995	3137	494	3631	11.62	2890.54	58535	12177	70712	21.30	55319.57
1995 - 1996	4048	589	4637	27.71	3456.93	72344	12625	84969	20.16	66817.57
1996 - 1997	3964	671	4635	-0.04	4023.32	79586	15061	94647	11.39	78315.57
1997 - 1998	4338	757	5095	9.92	4589.71	80612	21055	101667	7.42	89813.56
1998 - 1999	3817	778	4594	-9.83	5156.09	68385	20517	88902	-12.56	101311.6
1999 - 2000	3877	1032	4910	6.87	5722.48	65660	27310	92970	4.58	112809.6
2000 - 2001	4123	1223	5346	8.88	6288.87	72611	35690	108301	16.49	124307.6
2001 - 2002	3999	1315	5314	-0.60	6855.26	65819	29539	95358	-11.95	135805.5
2002 - 2003	3894	1455	5349	0.66	7421.65	68808	35971	104779	9.88	147303.5
2003 - 2004	3744	1789	5533	3.43	7988.03	65694	48390	114084	8.88	158801.5
2004 - 2005	3971	2220	6191	11.90	8554.42	66642	64103	130745	14.60	170299.5
2005 - 2006	4305	2790	7095	14.60	9120.81	75297	73108	148405	13.51	181797.5
2006 -	4524	3627	8151	14.88	9687.20	93249	115204	208453	40.46	193295.5

2007										
2007 - 2008	5071	3809	8880	8.94	10253.59	88358	84058	172416	-17.29	204793.5
2008 - 2009	5204	4759	9963	12.19	10819.98	101127	144288	245415	42.34	216291.5
2009 - 2010	5788	5361	11149	11.91	11386.36	120454	156032	276486	12.66	227789.5
2010 - 2011	11610	10522	22132	98.52	11952.75	145358	166539	311897	12.81	239287.5
MEAN	4371	2201	6572			76052	54005	130057		
S D	1889	2488	4311			24991	52523	75594		
C.V	43	113	66			33	97	58		
MIN	2382	200	2582			37123	4026	41149		
MAX	11610	10522	22132			145358	166539	311897		

Source: Calculated from ASI data.

The above table 3 shows that wages to workers in textile industry in India and Tamil Nadu during 1991- 2011. The period of the post reform, the year 2010-2011 marked the maximum wages to workers that is Rs.11610 crore in the product group of spinning, weaving and finishing of textiles, manufacture of other textiles, manufacture of wearing apparel, except fur apparel and manufacture of knitted and crocheted apparel. And 1991- 1992 with the minimum wages to workers of Rs. 2382 in the product group of cotton textiles, wool, silk and man-made fibre textiles, jute and other vegetables fibre textiles (except cotton) and textile products (including wearing apparel). The trend value is increasing from 1191.38 to 11952.75 and 20825 to 239287.5 in India and Tamil Nadu.

TABLE 4: TOTAL PERSONS ENGAGED IN INDIAN TEXTILE INDUSTRY FROM RURAL AREAS (IN '000)

Year	Total Persons Engaged	Annual Growth Rate	Trend Value
1991 - 1992	336	0	342.08
1992 - 1993	376	11.90	366.77
1993 - 1994	385	2.39	391.46
1994 - 1995	406	5.45	416.15
1995 - 1996	472	16.32	440.84
1996 - 1997	523	10.74	465.53
1997 - 1998	599	14.53	490.22
1998 - 1999	527	-12.05	514.91
1999 - 2000	527	0.13	539.60
2000 - 2001	545	3.24	564.29
2001 - 2002	476	-12.61	588.98
2002 - 2003	488	2.46	613.67
2003 - 2004	535	9.67	638.36
2004 - 2005	576	7.62	663.05
2005 - 2006	634	10.12	687.74
2006 - 2007	1017	60.41	712.43
2007 - 2008	752	-25.99	737.12
MEAN	540		
S.D	160		
C V	30		
MIN	336		
MAX	1017		

Source: Calculated from ASI data.

Table 4 provides the employment (total number of persons' engaged)) in the textile product manufacturing industry in India during the post-liberalization period. The maximum number of persons engaged is 1017 in 2006-07 is in the division of NIC- 17, NIC-18 ie. Manufacture of textiles, manufacture of other textiles, manufacture of knitted and crocheted fabrics and articles. And minimum number of persons engaged is 336 in 1991-92.ie., The product group of cotton textiles, wool, silk and man-made fibre textiles, jute and other vegetables fibre textiles (except cotton)and textile products (including wearing apparel). In 2007-2008 the annual growth rate was -25.99. The trend value registered from 342.08 to 737.12 in Indian textile industry from rural areas.

TABLE 5: WAGES PROVIDED TO THE RURAL WORKERS IN INDIAN TEXTILE INDUSTRY

(Rs. Crore)

Year	Total Wages to workers	Annual Growth Rate	Trend Value
1991 - 1992	506	0	423.68
1992 - 1993	645	27.47	557.61
1993 - 1994	685	6.20	691.54
1994 - 1995	787	14.89	825.46
1995 - 1996	1026	30.36	959.39
1996 - 1997	1182	15.21	1093.32
1997 - 1998	1485	25.63	1227.25
1998 - 1999	1334	-10.15	1361.18
1999 - 2000	1510	13.20	1495.11
2000 - 2001	1603	6.10	1629.04
2001 - 2002	1392	-13.13	1762.97
2002 - 2003	1489	6.96	1896.90
2003 - 2004	1709	14.77	2030.83
2004 - 2005	1943	13.70	2164.76
2005 - 2006	2197	13.07	2298.69
2006 - 2007	2771	26.13	2432.62
2007 - 2008	3153	13.78	2566.55
MEAN	1495		
S.D	722		
C V	48		
MIN	506		
MAX	3153		

Source: Calculated from ASI data.

(Table 5) While looking at the growth rate in the wages to workers over the years 2007-08 recorded maximum of Rs. 3153 crore in the product group of Manufacture of textiles, manufacture of other textiles, manufacture of knitted and crocheted fabrics and articles. and minimum of Rs 506 crore recorded in 1999-92 in the product group of cotton textiles, wool, silk and man-made fibre textiles, jute and other vegetables fibre textiles (except cotton)and textile products (including wearing apparel). In 2007-2008 the annual growth rate was 13.78(Rs.crore). The wages provided to rural workers trend value from 423.68 to 2566.55.

SUMMARIES AND FINDINGS

The summaries the main findings of the study based on the collected from secondary data. It is hopes that the findings of the made have would prove useful in raising the textile growth, employment, wages to workers, output etc. The findings of the analysis are summarized here; it is observer from the study the changing structure of textile labour in rural India. Industrial sectors play a vital role in economic development of a country. A part from textile products, it also helps to promote industrial development in the country. If industrial sector is more prosperous in a country, which would provide for an abundant supply of output which in turn would supply for healthy and

efficient labour force. The Indian textile industry has an overwhelming presence in the economic life of the country. It plays a pivotal role. Apart from providing the basic necessities of life the textile industry also contributes to industrial output, employment generation and export earning of the country. Thus, the growth and all round development of this sector has a direct bearing on the improvement of this sector has a direct bearing on the improvement of the economy of the country.

The cotton textile industry is the largest organized industry in the country. The textile industry occupies a vital place in the Indian economy and contributes substantially to its exports earnings. Textile exports represent nearly 30 percent of the total exports. It has a high weight age of over 20 percent in the National production. It provides direct employment to over 15 million Pederson's in the mill, power loom and handloom sectors. India's is the world, second largest producer of textiles after china. It is the worlds the cotton textile industry occupies a preeminent position in India's industrial sector. Its contribution to industrial production is around 14 percent. The textile industry is upward; it would mean that country would have to export industrial output, there by earning more on foreign exchange which in turn would improve the overall economic development of a country. The Indian Textile industry contributes a certain amount of import of goods and raw materials. Such as Cotton yarn, cotton, Fabrics, etc. Import of textile in India was Rs.1197.8 crores in 1995-96; it has increased to Rs.9964.3 Crores in 2007-08.

The government thinks India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5 per cent to 8 per cent and reach \$80 billion by 2020. India has the highest number of looms – 1.8 million shuttle looms (at 45 per cent of global capacity) and 2,00,000 shuttle-less looms (at 3 per cent of global capacity). We also have 3.9 million hand looms (at 85 per cent of global capacity) and the second highest number of spindles at 23 per cent of global capacity. The US accounts for about 40 per cent of India's total garment exports. Exports started growing in August 2010 after witnessing deceleration in the initial months of the current fiscal. India, the world's third-largest producer of cotton and second-largest producer of cotton yarns and textiles the study also utilizes reports of government of India and other institutions. In the analysis data the study used simple statistical tools like Mean, Standard Deviation, Co-efficient Variation, Trend value and to findings.

BASIC PROBLEMS OF THE INDIAN TEXTILE INDUSTRY

The textile industry is India's largest foreign exchange earner and our largest employer in the industrial sector. India has the largest and arguably the best spinning industry in the world. Indian cotton yarn commands excellent brand equity in the international market where it now holds a share of over 25 per cent. In fabrics, our mill industry contributes nearly 50 percent of our exports, despite accounting for less than 5 per cent of the production. Yet, indeed the Indian cotton textile industry faces many problems.

1. Availability of Raw Materials: The success of the cotton Textile industry mainly depends upon the adequate supply of raw cotton. While India has largest area under cotton (26 per cent of the world acreage) in the world, it accounts for only 10 percent of the world's output of cotton. Even today cotton cultivation, in India is dependent on the vagaries of monsoon. Thus, raw cotton production varies from year to year. This fluctuating production of raw cotton adversely affects the textile industry. One effect is the non-availability of raw cotton and the other is the consequent rise in prices. So whenever, the productions of raw cotton get affected for whatever reason, it largely affects the industry. However, things have now changed from the period of low level of output and shortage, raw cotton has now reached an era of self- sufficiency. The cause for concern now is the fluctuating and highly volatile prices of cotton month after month, such large fluctuations adversely affect the decentralized sector and hand loom weavers in particular, and escalation in prices of fiber makes it expensive in domestic market as well as for export purpose. Therefore, the stability of raw cotton prices is vital for the industry to maintain its growth in the export of the value- added yarn, which has become an important foreign exchange earner. Even the equality of cotton in our country is inferior and a very small amount of superior long staple cotton is produced.

2. Problems of Power: Frequent power cuts and load shedding has adversely affected the textile industry. An inadequate supply of coal to the industry has made the problem more acute.

3. Obsolete Machinery: The Indian cotton textile industry has been established a long time age and hence most of the mill machinery (about 75 percent) has become obsolete. This not only affects the production capacity but also affects the quality of cloth produced. In this competitive era, where Indian textile have to compete with the textile industry of countries like Taiwan, Hong Kong, South Korea, Japan, China etc. Indian cannot afford to produce inferior materials.

4. Low Capacity Utilization: The capacity utilization of the industry is far from efficient particularly due to shortage of raw materials, power and low labour productivity this lead to low productivity.

5. Labour Problems: The cotton Textile industry faces frequent labour problems like strike, lockouts, etc. due to lower wage. This causes overall loss to the industry.

6. Industrial Sickness

Because of the entire above problem, a number of cotton mills are facing recession and turning sick. Since these sick give employment to a larger number of workers therefore, the closure of these units is not possible. Hence they continue to run at a loss. The sickness in textile industry is due to a number of factors:

Broadly they can be grouped under the following needs:

- **Macro or environment factors:** These factors include government policies, high cost of inputs, stagnated demand etc.
- **Structural factors:** Preferential treatment to one segment of industry, particularly, power loom units in terms of cost and wage flexibility of production has caused sickness, high labour intensity due to early unionization in the organized sector has led to poor labour productivity and exit restrictions in uneconomical working of units.
- **Local factors:** Due to location advantages, industrialization in the initial stages get concentrated in places like Bombay and Ahmedabad. All the textile units clustered in these two areas leads to early unionization with high overheads. The government could hence increase taxes in a concentrated manner and the collective burden on the textile industry increased from time to time.
- **State Precept ion and lack of foresight:** It related to cotton prices, technology, products and markets closed our industries expansion. Government had set up the National Textile Corporation (NTC) in 1986 for taking over and running the sick units. But the amount of loss has increasing since then. In 1988-89, the cumulative losses of NTC mills had amounted to Rs.2000 Crores.

7. Reduced Share of the Cotton Textiles in the Market: The export earnings from the cotton textile in the post-independence period have been most important, ranking only after tea and jute. But, due to changing preferences are towards mixed fabrics and strong competition from Japan, Hong Kong, South Korea, etc.

8. Increasing Competition: Not only in the international market but also in the domestic market, the cotton textile has to face a stiff competition from synthetic fabrics.

9. Government Controls and Heavy Excises Duties: The government has sought control prices, distribution of yarn pattern of production, etc. The duty on the imported yarn is quite high which makes the import of cotton not only expensive but also exercise an upward pressure on the price of the indigenous cotton. Also government's excise duties on the cotton cloth are not only excessively high but also discriminatory for different varieties of cotton cloth.

STRENGTHS

1. Abundant Raw Material Availability:
2. Low Cost Skilled Labour

3. Presence across the value –chain
4. Reduced Lead times
5. Super market
6. Growing Domestic Market

SUGGESTION TO IMPROVE INDIAN TEXTILE INDUSTRY

The following measures can be implemented for the improving the textile production. This is potential for textile products.

1. Financial assistance can be given for adoption Production, Machinery, Raw materials, Marketing etc.
2. Government provides priority loans to Textile industries.
3. The Textile industry's should try to increases the production so a as to get economics of 4.large scale production. It will assist in raising the rate of return on capital employed.
4. To reduce power and fuel cost, company should find out other alternatives for this.
5. To regular supply of raw materials and the final product infrastructure facilities require further improvement.
6. The labour problem and Strike out the industry a separate organization formed and settlement.
7. Encouraging the cultivation of cotton crops through from agriculture sector

CONCLUSION

The period of the post reform, the year 2010-2011 marked the maximum wages to workers that is Rs. 11610 crore in the product group of spinning, weaving and finishing of textiles, manufacture of other textiles, manufacture of wearing apparel, except fur apparel and manufacture of knitted and crocheted apparel. And 1991- 1992 with the minimum wages to workers of Rs. 2382 in the product group of cotton textiles, wool, silk and man-made fibre textiles, jute and other vegetables fibre textiles (except cotton) and textile products (including wearing apparel). The trend value is increasing from 1191.38 to 11952.75 and 20825 to 239287.5 in India and Tamil Nadu. Table 4 provides the employment (total number of persons' engaged) in the textile product manufacturing industry in India during the post-liberalization period. The maximum number of persons engaged is 1017 in 2006-07 is in the division of NIC- 17, NIC-18 ie. Manufacture of textiles, manufacture of other textiles, manufacture of knitted and crocheted fabrics and articles. And minimum number of persons engaged is 336 in 1991-92.ie., The product group of cotton textiles, wool, silk and man-made fibre textiles, jute and other vegetables fibre textiles (except cotton)and textile products (including wearing apparel). In 2007-2008 the annual growth rate was -25.99. The trend value registered from 342.08 to 737.12 in Indian textile industry from rural areas.

(Table 5) While looking at the growth rate in the wages to workers over the years 2007-08 recorded maximum of Rs. 3153 crore in the product group of Manufacture of textiles, manufacture of other textiles, manufacture of knitted and crocheted fabrics and articles. and minimum of Rs 506 crore recorded in 1999-92 in the product group of cotton textiles, wool, silk and man-made fibre textiles, jute and other vegetables fibre textiles (except cotton)and textile products (including wearing apparel). In 2007-2008 the annual growth rate was 13.78(Rs.crore). The wages provided to rural workers trend value from 423.68 to 2566.55. Textile workers across South Asia are badly paid, and India leads the pack, finds a new report that surveyed 12 leading textile-exporting countries. Textile workers across South Asia are badly paid, and India leads the pack, finds a new report that surveyed 12 leading textile-exporting countries. Indian textile workers receive the second lowest wages in the world, despite India being one of the world's leading textile-exporting countries. So says a recent media report in The Washington Post, a prominent US daily newspaper. Only Cambodian textile workers receive lower wages than those in India. An analysis of workers' wages in a dozen textile-exporting countries by The Post found that while India's annual textile exports stood at \$12.9 billion, workers were being paid an average wage of just \$0.38 an hour. This was only marginally better than conditions in Cambodia, which had an average wage of \$0.32 an hour and exported a significantly lower \$1.9 billion worth of textiles. In South Asia, Pakistan, which exported textiles worth \$12.3 billion, paid workers a wage of \$0.41 an hour, while Sri Lanka, with exports of \$2.8 billion, paid its workers \$0.48 per hour. China paid its workers in the industry a rate of \$0.68 an hour, exporting a mammoth \$79.7 billion worth

of textiles. The figure for Thailand, where exports bring in \$6.1 billion, stood at \$0.91 per hour. The most point is that the textile sector has a golden opportunity which has come after ages and this opportunity has come at the initiative taken by government has now come forward with a large number of vital measures and our exports are expected to go up. A massive government intervention particularly in modernization is expected. So the government should give top priority for creating basic infrastructural facilities like road, power, transport and communication to the backward areas of our country.

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