

## SKILL DEVELOPMENT IN TEXTILE INDUSTRY – AN OVERVIEW

Uday S. Shetty

Associate Professor, Ramanand Arya D. A. V. College,  
Bhandup East, Mumbai.

**Abstract :** Textile Industry is one of the leading industries in our country. It is also one of the oldest and gives employment to a large section of our population. An attempt has been made to review the conditions faced by the industry.

**Keywords:** Indian Textile Industry, Skill development.

### 1. INTRODUCTION

The Indian Textiles Industry is one of the oldest industry in India. It has a significant presence in the economic life and is the basic fabric of the country. Textile Industry provides one of the basic necessities of human life. India being an agricultural country from time immemorial as always provided the raw materials to the textile industry at a global level. India is also a large exporter of textiles thereby generating foreign exchange for the country. Currently, it contributes 17% to the country's export earnings. India has a large population base, the textile industry absorbs a major chunk of its population in giving employment directly and indirectly. After agriculture, the Textiles sector is the second largest provider of employment. It provides direct employment to over 35 million people. The textiles industry also plays a major role through its contribution to industrial output. Currently, it contributes about 14% to industrial production and 4% to the GDP. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

The Europeans made their adventure in India due to the huge presence of textile raw materials. They were in need of raw materials for their industries which they could procure from India at cheap rates and also India with its huge population was an easy market for dumping the finished goods. The long history of foreign rule on our land is also attributable to the textile industry of our country. The foreign rulers slowly killed the textile handicraft sector for their benefits and greed.

In the early days, before Industrial revolution, the textile industry used to generate large scale employment as all the products were hand-spun and hand-woven. There were not big textile mills as we see today. With the advent of Industrial revolution, hugh machines came into being. They were capital intensive and started mass production. These machines ate away the employment generation capacity of the industry. Even today the handiwork industry exists, but on a very low scale. Thus the Textile Industry is both – machine made and man made.

Textile Industry is closely linked with agriculture. With its ancient culture and rich traditions, India has a rich legacy and unique identity as compared to the textile industries in other countries. The decentralized powerlooms, handlooms / hosiery and knitting sector form the largest section of the Textiles Sector. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country

**Factors affecting the Industry :** Textile Industry has been in turmoil for a very long time for different reasons. It effects the productivity, quality and cost-competitiveness. There has been sickness in the industry and has witnessed closure of a large number of textile mills. Some of the factors affecting the textile industry is enlisted below. :

## **Skill Development In Textile Industry – An Overview**

---

### **1. Technological obsolescence,**

The advanced countries have advanced technological achievements. India is lagging behind in its technology in the textile sector. Obsolescence has crept in. This creates a negative impact and keeps our country far behind when compared to major players in the market.

### **2. Structural anomalies,**

Structural anomalies are also a threatening factor. The same if not corrected will threaten the very existence of the sector.

### **3. Poor productivity of labour and machine,**

Since the machines are very old, the productivity is very poor. Even the labour productivity is low due to less incentives and bad pay structure.

### **4. Lopsided fiscal policies,**

The government policies play a major role in any industry. Lopsided fiscal policies have created a negative impact on the growth of the textile sector.

### **5. Multiplicity of taxes and levies,**

The industry is burdened with a lot of government taxes and levies. This impacts the cost of production and thereby we lose our stand in the International market.

### **6. High cost of capital,**

Cost of Capital plays a major role in developing the industry. Since the cost of capital is high, it hampers the growth of the industry.

### **7. Redundant and outdated controls/regulations,**

There are a lot of government controls/regulations

### **8. Restrictive labour and industrial laws,**

The laws regarding labour are restrictive in nature. Also the provisions in the Industrial Disputes Act relating to closure, retrenchment etc. are draconian. The laws impose a lot of social obligations on the industry. They act as an hindrance to the upcoming entrepreneurs. Due to changes in technology, the labour gets displaced. However, due to laws protecting the labour, technological changes cannot be implemented.

### **9. Lack of aggressive marketing,**

China has been very aggressive in marketing its product. India is lagging behind in marketing its product. India does not enjoy a good reputation in the International arena.

### **10. Poor perception of Indian products abroad,**

India does not enjoy a good rapport as far as our products are concerned. Our products are considered to be of inferior nature in the International market.

### **11. Procedural problems in exporting,**

Undertaking exports is not easy. The exporter has to go through a lot of formalities before exporting. This creates a major hurdle to enter in the International market.

### **12. Poor infrastructure relating to transport,**

The transportation facilities have not grown as seen in other countries. Poor infrastructure not only affects the textile industry but also other sectors in the country.

### **13. Communication and banking,**

Communication and banking have not reached the remotest part of the country.

### **14. High power tariff,**

Power is not cheap in our country as compared to other advanced countries. Textile Industry requires huge power. Due to high power costs the cost of production increases and to stand in the International market, our price should be competitive.