

Growth and Prospects of Power Loom Industry in India

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Abstract

The Indian textile Industry is as much diverse and complex as the country itself, and it combines with equal equanimity this immense diversity into cohesive whole. The fundamental strength of this industry flows from its strong production base of wide range of fibres/yarns like cotton, jute, silk and wool to synthetic/ man-made fibres like polyester, viscose nylon and acrylic.

The growth pattern of the Indian textile industry in the last decade has been considerably more than the previous decades, primarily on account of liberalization of trade and economic policies initiated by the Government in 1990s. The textile policy attempted to promote mills and handlooms simultaneously and consequently ended up in contributing to sickness of mills and decimation of handlooms. A third sector, namely power looms, came up to push both sectors on the back foot and ran away with all incremental demand of textiles. It can be debated how far the ascendancy of power looms was policy induced or an outcome of gradual development of a different pattern of industrial organization.

Keywords: Liberalization, Textile Industry, Decentralisation, polyester, power loom sector, Textile Policy.

Introduction

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India's textile sector is one of the oldest industries in Indian economy dating back several centuries. After agriculture, the textile industry in India is the only industry that has generated huge employment for both skilled and unskilled labour. Textile sector is one of the largest contributor to India's export with approximately 11 percent of contribution. The Indian textile industry is extremely varied, with the hand-spun and woven textiles sectors at one end, while the capital-intensive sophisticated mills sectors at the other end. The close linkage of the textile industry to agriculture and the ancient culture and traditions of the country make the Indian textile sector unique in comparison to the industries of other countries. The English East India Company's focus on trade of cotton and silk from India made it one of the richest and most powerful corporations in the 18th century. China is beginning to exit the textiles and apparel sector due to rising domestic wage. This leaves a huge demand base for India to exploit as rightly recognized by the government.

India is the third largest producer of cotton, second largest of silk, and fifth largest of synthetic fibres in the world. India's textile industry is divided into two sectors viz; the organised sector and unorganized textile sector. Power loom is spread all over India, however, mainly it is concentrated in Maharashtra, Gujarat, Madhya Pradesh and Uttar Pradesh. The power loom industries in Uttar Pradesh are mainly located in the district of Kanpur, Varanasi, Mau, Bareilly, Agra, Saharanpur, Aligarh, Moradabad, Mirzapur, Lucknow etc.

The power looms were first introduced in India at the starting of the 20th century. During the great depression period (1929-1933) the mill sector started to switch to the power looms. The other reason for the growth of the power loom industry was conversion of handloom into power loom. In 1954, for the economic development of the handloom weavers, the scheme of conversion of handloom to power loom was introduced by the government. The power loom industry has done exceptionally well in India, in the long run and especially during an export boom after trade liberalization in the late 1980s.

Analytical literatures on small firms suggest several reasons for the growth of power looms. First, small economies of scale or the absence of indivisible inputs. Weaving in general satisfies this condition. Besides industry that satisfy this condition tend to be labour-intensive. Labour market segmentation can be added reason for the success of these firms. This is satisfied in Indian textile industry because input markets, such as yarn, cotton or processing, are generally well developed and competitive. Third, inter-firm co-operation can obviate the need to enlarge or integrate.

Growth in the Power loom Sector in India

The decentralised powerloom sector is one of the most important segments of the textile industry in terms of fabric production and employment generation. It provides employment to 64.36 lakh persons and contributes 60 percent of total cloth production in the country. 60 percent of the fabrics produced in the power loom sector are man-made, more than 60 percent of fabric meant for export is also sourced from power loom sector. The readymade garments and home textile sectors are heavily dependent on the power loom sector to meet their fabric requirement. There are approximately 25.74 lakh power looms as on 31st October, 2016.

The year wise growth in the number of power looms installed in India is depicted in form of table No. 1

Table:1 Growth of Power looms sector in India between 2006 and 2017

Year	No. of Power looms	Growth Percentage
2006-07	19,90,308	-
2007-08	21,06,370	5.8%
2008-09	22,05,352	4.7%
2009-10	22,46,474	1.9%
2010-11	22,82,744	1.61%
2011-12	22,98,377	0.68%
2012-13	23,47,249	2.12%
2013-14	23,67,594	0.86%
2014-15	24,47,837	3.39%
2015-16	25,22,477	3.05%
2016-17	26,29,269	4.23%
2017-18	26,66,229	1.10%
2018-19 (April-Sept)	27,77,575	---

* Annual Report of 2017-18 & 2019-20, Ministry of Textile, Govt. of India.

Future Prospects of Power loom Business

The industry is related with many diversified activities. Expanding power loom business will directly contribute to expand many other business and profession. The following business and profession have a great prospect in the locality for expansion of power loom business.

1. Loom making is new profession in suitable area. The need for the profession arises with the expansion of textile business in many areas.
2. The power loom business is related with many inputs like yarn, dye, yarn beam, inner shuttle, beam cover, shana This bow etc. To meet up the demand for these inputs many people involved themselves with buying and selling of these materials after expansion of power loom business in the selected area. This business will expand more in the future with the expansion of power loom business.
3. In the entire power loom industry women are involved in various stages of work such as reeling bobbin, cutting loose threads and doing block design on ready-made sarees. However women are now working as weaver, designer and entrepreneur. Women are main consumers of sarees, women can also be involved in a large number in different sectors of the production, which may help in revival of the industry. As women are creative by nature and they can understand the taste of the consumers better, if they are given necessary professional training on designing they can be involved in this sector. Women's honesty, managing quality and capacity for good interaction with consumer will help them to work as a good entrepreneur. This opportunity will help them to support their family financially. Especially the female-headed family will be highly benefited. It will also create the scope of engaging a large number of women as worker under a women entrepreneurship programme. Thus more involvement of women will be ensured in the power loom industry and women empowerment will also be promoted.
4. This is a great prospect of social infra development in these localities with the expansion of this business. Society will develop in all aspects like in literacy rate, health facilities, transportation and communication facilities, standard of living etc with pace of time for doing this business

Problems of this Business

Problem of electricity: The first and foremost problem of this business in the scarcity of electricity. This business is totally on electric availability. Everyday businessmen have to face 3-4 hours of load shedding in their working period. To continue their work in these periods, businessmen use generator machine which increase their production cost by a great extent.

Unhealthy working condition: The power loom machines create a very high decibel sound when they are operated. The noise is so strong that it is very difficult for a worker to hear his own voice at the time of working. This noisy environment create serious health hazards for workers like hearing issues, insomnia, sinus etc.

Marketing problem: The businessmen of the power loom industry are not aware about the management skill in the area of marketing. They are mostly dependent on middlemen. The businessmen face not only marketing problem but they are exploited by the middlemen.

High cost of raw materials: Shortage of raw material is also a hurdle for the power loom industry. The shortage of raw material takes place because of two main reasons. First when the export of cotton rises and another when artificial shortage is created by the yarn merchants/agents.

Decreasing demand of production: Open market policy pursued by the Government has opened the country to foreign sarees and apparels. Due to their cheap prices, varied designs & availability they lure more local buyers. So gradually the sale declines.

Lack of variation in design: The design of Lungi and sarees are almost traditional. The local designers do not have any institutional training and have no interaction with professional designers. So lack of variation in design is one of the main cause of decreasing demand.

Lack of Government policy: The Government has no adequate policy regarding this business. For lack of policy indigenous businessmen in this industry can not go for purchasing their raw materials directly from foreign country and also exporting their products.

Aim of the Study

This paper highlights the growth and prospects of power loom industry in India.

Conclusion

The power loom industry exhibits extreme diversity in terms of products, modes of production, as well as in relation within the production structure. The diversity is not reflected in aggregate data on the industry, but it is aggregate data that becomes the basis for forming impression and policies pertaining to it. Aggregate data do not tell us what is happening to the industry at the grass root level; nor do it diversities in organization and products according to state, region, or even district. What is needed is a realistic appraisal of the industry, facilitated by direct inputs from the field. This should be the starting point for policy exercises, which should come to recognize regional specificities as the greatest strength of the power loom industry.

The textile industry has the potential to scale new height in the globalized economy. The textile industry in India has gone through significant changes in anticipation of increased international competition. The textile industry today is divided to three segment, i.e. cotton, synthetic, and others like silk, wool, jute, etc. All the segment have their own place but even today cotton textiles continue to dominate with the first place. Textile export plays a crucial role in the over all export from India. The over all performance of the textile industry in the India is satisfactory during the study period. The Government of India has encouraged the handloom sector by the freezing the growth of looms in the mill sector. A policy of 'Loom to Loom' replacement in the interest of modernization and export has been followed by the government and was welcomed by all. However, more steps should be taken which must include socio-economic betterment of people involved in this sector.

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