

Growth and Problems of Major Industries: Cotton Textiles

Growth and Development:

India held world monopoly in the manufacturing of cotton textiles for about 3,000 years from about B.C. 1500 to A.D. 1500. In the middle ages, Indian cotton textile products were in great demand in the Eastern and European markets.

The muslins of Dhaka, chintzes of Masulipatnam, calicos of Calicut, baftas of Cambay and gold-wrought cotton piece goods of Burhanpur, Surat and Vadodara acquired a worldwide celebrity by virtue of their quality and design.

This industry could not survive in the face of strong competition from the modern mill industry of Britain which provided cheap and better goods as a result of Industrial Revolution in that country. Moreover, the British textile industry enjoyed political advantage at that time.

The first modern cotton textile mill was set up in 1818 at Fort Glaster near Kolkata. But this mill could not survive and had to be closed down. The first successful modern cotton textile mill was established in Mumbai in 1854 by a local Parsi entrepreneur C.N. Dewar. Shahpur mill in 1861 and Calico mill in 1863 at Ahmedabad were other landmarks in the development of Indian cotton textile industry.

The real expansion of cotton textile industry took place in 1870's. By 1875-76 the number of mills rose to 47 of which over 60 per cent were located in Mumbai city alone. The industry continued to progress till the outbreak of the First World War in 1914. The total number of mills reached 271 providing employment to about 2.6 lakh persons.

The First World War, the Swadeshi Movement and the grant of fiscal protection favoured the growth of this industry at a rapid pace. Demand for cloth during the Second World War led to further progress of the industry. Consequently, the number of mills increased from 334 in 1926 to 389 in 1939 and 417 in 1945. Production of cloth also increased from 4,012 million yards in 1939-40 to 4,726 million yards in 1945-46.

The industry suffered a serious setback in 1947 when most of the long staple cotton growing areas went to Pakistan as a result of partition. However, most of the cotton mills remained in India. Under such circumstances, India faced a severe crisis of obtaining raw cotton.

The country had, therefore, to resort to large-scale imports of long staple cotton which was an extremely difficult task in view of the limited foreign exchange reserves. The only solution to this problem was to increase hectare-age and production of long staple cotton within the country. This goal was achieved to a great extent in the post partition era.

Present Position:

At present, cotton textile industry is largest organised modern industry of India. There has been a phenomenal growth of this industry during the last four decades. About 16 per cent of the industrial capital and over 20 per cent of the industrial labour of the country is engaged in this industry. The total employment in this industry is well over 15 million workers.

There are at present 1,719 textile mills in the country, out of which 188 mills are in public sector, 147 in cooperative sector and 1,384 in private sector. About three-fourths were spinning mills and the remaining one-fourth composite mills. Apart from the mill sector, there are several thousand small factories comprising 5 to 10 looms.

Some of them have just one loom. These are based on conventional handloom in the form of cottage industry and comprise decentralised sector of this industry. Table 27.4 shows that the constitution of decentralised sector is much more than the organised sector.

It has increased rapidly from a mere 19.31 per cent in 1950-51 to 58.96 per cent in 1980-81 and made a sudden jump to 87.95 per cent in 1990-91. It gradually improved during the first half of 1990s and stood at 94.63 per cent in 2003-04. (see Table 27.4)

Table 27.4 Production of Cotton Cloth (Mill Cloth) in India, 2002-03:

State/Union Territory	Production in Sq Mtr	Percentage of all India production

1. Maharashtra	3,82,257	39.38
2. Gujarat	3,21,775	33.14
3. Tamil Nadu	64544	6.69
4. Punjab	55,784	5.75
5. Madhya Pradesh	47305	4.87
6. Uttar Pradesh	32386	3.34
7. Rajasthan	28384	2.92
8. Pondicherry	24357	2.51
9. Karnataka	7,222	0.74
10. Kerala	6342	0.66
Total	9,70,756	100.00

Problems of Cotton Textile Industry:

Although cotton textile is one of the most important industries of India, it suffers from many problems. Some of the burning problems are briefly described as under:

1. Scarcity of Raw Cotton:

Indian cotton textile industry suffered a lot as a result of partition because most of the long staple cotton growing areas went to Pakistan. Although much headway

has been made to improve the production of raw cotton, its supply has always fallen short of the demand. Consequently, much of the long staple cotton requirements are met by resorting to imports.

2. Obsolete Machinery:

Most of the textile mills are old with obsolete machinery. This results in low productivity and inferior quality. In the developed countries, the textile machinery installed even 10-15 years ago has become outdated and obsolete, whereas in India about 60-75 per cent machinery is 25-30 years old.

Only 18-20 per cent of the looms in India are automatic whereas percentage of such looms ranges from cent per cent in Hong Kong and the USA., 99 per cent in Canada, 92 per cent in Sweden, 83 per cent in Norway, 76 per cent in Denmark, 70 per cent in Australia, 60 per cent in Pakistan and 45 per cent in China.

3. Erratic Power Supply:

Power supply to most cotton textile mills is erratic and inadequate which adversely affects the production.

4. Low Productivity of Labour:

Labour productivity in India is extremely low as compared to some of the advanced countries. On an average a worker in India handles about 2 looms as compared to 30 looms in Japan and 60 looms in the USA. If the productivity of an American worker is taken as 100, the corresponding figure is 51 for U.K. 33 for Japan and only 13 for India.

5. Strikes:

Labour strikes are common in the industrial sector but cotton textile industry suffers a lot due to frequent strikes by a labour force. The long drawn strike in 1980 dealt a severe blow to the organised sector. It took almost 23 years for the Government to realise this and introduce legislation for encouraging the organised sector.

6. Stiff Competition:

Indian cotton mill industry has to face stiff competition from powerloom and handloom sector, synthetic fibres and from products of other countries.

7. Sick Mills:

The above factors acting singly or in association with one another have resulted in many sick mills. As many as 177 mills have been declared as sick mills. The National Textile Corporation set up in 1975 has been striving to avoid sick mills and has taken over the administration of 125 sick mills. What is alarming is 483 mills have already been closed.

Exports:

India is a major exporter of cotton textiles. Cotton yarn, cloth and readymade garments form important items of Indian exports. Indian garments are well known throughout the world for their quality and design and are readily accepted in the world of fashion.