

Problems and prospects of hosiery industry in India

Dr. Ashwani Kumar Varma¹, Lakhwinder Singh²

¹Principal Patel National Memorial College, Rajpura (Patiala)

²Research scholar, school of management studies, Punjabi University, Patiala

ABSTRACT

Indian Hosiery industry has a scope for generating huge employment opportunity for the people of the country. Not only this, since many years it has been generating employment to almost over 35 million people (A brief history of Hosiery Industry in India, January, 2010" PDF). But now the Hosiery industry of Punjab is in awful condition. Many renowned hosiery Industries have now been closed down due to various problems associated with it. In Punjab, Hosiery units are in several clusters. Most of the clusters have been studied. The only region left to study is Akalgarh Rishra belt of Ludhiana district. So, in the present study we have tried to depict the actual scenario of hosiery industry including the problems and prospects of this industry in Akalgarh region, where once upon a time many renowned hosiery Industries were situated. In this context, we have come to the conclusion that the nature of dire condition of the hosiery units in the study area is more or less same as the other clusters in Punjab. Hence, to make industry competitive, we have tried to recommend some way outs of the problems so that this industry can get back its lost glory in Punjab.

Key Words: Hosiery industry, SWOT, Ecofriendly, Bio-degradable, Printing mill

INTRODUCTION

At the time of independence, Punjab had only a few hundred industrial units' mainly processing food grains, cotton ginning and brick kilns. Most of the manufactured items of even common use came from outside. During the post-independence period, industrial development in Punjab took place in phases. Thus, in the fifties the cycle-parts and hosiery industries took their roots, while in the sixties, with the advent of the green revolution, agriculture-related industries like farm machinery manufacturing came up. The main focus in the seventies was on such industries as auto-parts and electronic items and during the eighties on such resource-based industries as food processing, vanspati, edible and non-edible oils and sugar in a big way. Diversification of industry started, with the process of liberalization and economic reforms, while many of the established processing units, both in the small and medium and large sectors, came under pressure. The industrial sector in the state is in the throes of a very significant phase of transition with severe challenges and many new opportunities.

The main industrial centres in Punjab are Ludhiana, Jalandhar, Amritsar, Mandi Gobindgarh, Batala and Mohali. Ludhiana is known for the production of hosiery and readymade garments, bicycles and components, sewing machines and parts, machine tools, auto-parts, industrial fasteners, 196 electrical and electronic goods. About 21 per cent of the total industrial units in Punjab are located in Ludhiana district. Famous for hand tools, pipe fittings, valves and leather products, Jalandhar is well-known for its sports-goods too. Mandi Gobindgarh, popularly known as the 'Steel-Town' of Punjab, hosts more than 300 steel re-rolling mills despite being situated far from the sources of raw materials. Batala is famous in the country for its castings and machine tools, while Amritsar is known for food products, paper machinery and textiles. Mohali near Chandigarh, which attracted a number of 'sunrise industries', thanks to its locational advantages and infrastructure, seems to have lost its momentum for growth in recent years. District Ludhiana leads Punjab in industrialization. More than 28 per cent of the industrial output of Punjab comes from Ludhiana, which has the highest number (166) of large and medium units. While Amritsar and Jalandhar were traditionally more advanced, Sangrur, which was one of the centrally declared Backward Districts and Patiala, have become fast growth areas.

Traditionally, the hosiery industry is the only industry in India that has generated huge employment for both skilled and unskilled labourers in hosiery after agriculture. Thus the hosiery industry can be considered to be the second-largest

employment generating sector in India ("A brief history of Hosiery Industry in India, January, 2010" PDF). Data also shows that the hosiery industry offers direct employment to over 35 million people in the country. The archaeological surveys have found that about four thousand years ago the people of Harrapan civilization used to practice weaving and the spinning of hosiery. At that time, the products generated by that civilization were highly famous all over the world. India held world monopoly in the manufacturing of hosiery hosierys for about 3,000 years from about 1500 B.C. to 1500 A.D. In the middle ages, Indian Hosieryproducts were in great demand in the Eastern and European markets. Products of Dhaka (muslins), Masulipatnam (chintzes), Calicut (calicos), Cambay (baftas), Surat and Vadodara (gold-wrought hosiery piece goods) acquired a worldwide celebrity by virtue of their quality and designs¹. In this way the production spread all over the country in several clusters and gradually the production units turned from cottage hosiery units to large Hosiery industry in those clusters. But the industry started to face problems in the colonial period. We all know that at the time of Industrial Revolution in Europe, during the late 17th and 18th century, India became the chief source of raw material as well as India considered as the market for the Hand loom generated products of England. In this way, the colonial ruler ruined the old traditional process of spinning of yarn and weaving of cloths in the country. But this industry invigorated at the time of Swadeshi Movement.

In recent past during April–July 2010, the share of hosierys in total exports was 11.04% (The Ministry of Textiles). Dta also shows during 2009–2010, the Indian hosiery industry was pegged at 55 billion US\$, 64% of which was from domestic demand only. In 2010, there were 2,500 hosiery weaving factories and 4,135 hosiery finishing factories in all over India. According to A.T. Kearney's 'Retail Apparel Index', India was ranked as the fourth most promising market for apparel retailers in 2009. Further, as per the same data source, India was the second largest producer of fibre in the world and the major fibre produced here was hosiery. Previously, the Hosiery industry was concentrated in the hosiery growing belt of Punjab and Gujarat. Availability of raw materials, market, transport facilities, labour, moist climate and other factors contributed to the localization. Once, in the early twentieth century, this industry played a significant role in Mumbai's economy but it was decelerated after independence. Weaving has highly decentralized while spinning continues to be centralized in Punjab, Gujarat and Tamil Nadu. As of 30th September 2013, there are 1962 HosieryIndustries in India, of which about 80% are in the private sector and the rest are in the public sector or in the private-public partnership². Besides these, there are several thousand small factories with four to ten looms in allover India. India exports yarn to Japan, Sri Lanka, United Kingdom, Russia, France, United States, Singapore, Nepal and other countries. Although India has a large share in world trade of hosiery yarn, its trade in garments is only 4% of the world's total³. Data reveals that this is due to the incompetency of local spinning and weaving Industries to process yarn. Though there exist some large factories, but most of the production is fragmented in small units, which supplies for the local market. This disparity is a major drawback for the industry. As a result, many of the spinners export yarn while apparel and garment manufacturers have to import fabric. The Hand supply is inconsistent and machinery is old-fashioned and needs to be upgraded. Other problems include low output of labour and high competition with the synthetic fibre industry. While coming to Punjab scenario, according to the news published in Indian Express Newspapers (Bombay) Ltd. in 1999, the once flourishing Hosiery industry of Punjab is now in awful straits in the land where it took its birth.

The first Hosiery mill was established in Punjab in 1818. But the industry is now almost on the edge of its extinction in our state due to some policies of the then state government and a misconceived notion that Hand looms may harm the interest of the weavers (Indian Express Newspapers Bombay Ltd. in 1999). Though Punjab was never a hosiery producing area, but the first hosiery mill was started here because of the facility of port and the market availability. Not only that, according to the newspaper, Bengal continued to be the third largest consuming centre at that time. The magnitude of the recent problem can be determined from the fact that industrial relation scenario in Hosiery Industries in Punjab become satisfactory and regardless of that nothing mentionable was done to improve the situation. According to Kumar Dubey (1999) out of total 65 Industries in the Eastern region, there were 37 Industries in Punjab; out of which 19 were under private sector and 18 were under public sector. Again, out of those 19 Industries in private sector, only four Industries are running at present. Government data (1999) also shows, only six Industries in Punjab are surviving now.

This may be because of the fact that they are divisions of multi-unit companies like, Jayshree Hosiery or Eastern Spinning and Weaving Industries in Rishra, Ludhiana district. Dubey (1999) has said that, "The industry, which once provided direct employment to near about 1.25 lakh people, is now employing less than 10,000 workers". According to GL Moondra, president of Eastern India Hosiery Industries Association (near about 1999), the substantial deterioration in the industrial relation scenario during the latter part of the 70s in Punjab have forced promoters, managers and technicians to run away from the state and as a result of that many Industries were forced to close their shutters. He has also mentioned, on one hand, while in other states new Industries were started in rural areas and were permitted to pay lower wages openly or secretly, on the other hand, in Punjab, the wages of workers irrespective of locations were maintained at equal level and this was one of the most important reasons behind the downfall of the industry.

The other reason was the development of Hand-looms. A misconceived view was raised in Punjab that the looms may harm the interests of the legwear weavers and for this reason the spinning did not find any market here. So, producers had to sell yarns in distant markets. Most of the hosiery industries in our state were established with spinning sectors only while the weaving of cloth was subsequently transferred to Hand-loom sectors to encourage small entrepreneurs and to decentralize the control of the industry. It has also been said in the above mentioned newspaper that out of the 18 Industries in the public sector, 12 belonged to National Hosiery Corporation and they had bad profiles. Even a suggestion by the centre to the state government to consider taking over the NTC Industries has failed to bring in anything positive so far. The state government has urged the centre to arrange for funds for modernization and working capital of these units, but nothing had materialized till then and till now. In the meantime, the central trade unions and federation of hosiery workers have submitted fresh charter of demands of the workmen on expiry of the last industry wise tripartite settlement. While East India Hosiery Industries Association (an association of the employers on behalf of their member Industries) has also issued notice intending to give effect to certain changes in the conditions of service of the workmen which was pending before the government. According to the Chamber of Hosiery, Trade and Industry member Arun Kumar Mehta (near about 1999), Punjab is the third largest consumer centre of hosiery goods and in spite of that the activity of manufacturing here, is minimum. According to him, the position of Bengal is now in such condition that if yarn is manufactured here, it is sent to the other states for finishing, because there is no such kind of facility in our state, and from there the finished goods come here again which finds almost a ready market here. It is not that we cannot set up state-of-the-art Industries in Punjab, but lack of infrastructure is the fundamental problem in the present situation.

REVIEW OF LITERATURE

S.V. Chorghade (1976) in his research he studied the “Legwear Industry in Punjab”. Punjab state has a lion’s share in the growth and development of the Legwear industry. He attempted to undertake a detailed study of structure and problems of Legwear industry in Punjab.

P.R. Ojha (1978) studied the dividend distribution of 51 hosiery companies. He analyzed the dividend distribution of the companies on the basis of size, region, ownership group, management pattern and age of the companies.

R. R. Ansari (1984) in his research work explained the marketing problems of Legwear industry in Malegaon City of Nashik District. He has very specifically indicated the marketing problems faced by the Legwear industry.

Omkar Goswami (1985) has made an analysis of demand and supply in the Hosiery industry. According to him, only the Legwear sector and the pure spinning units seem to be doing well. Sixty five to seventy percent of composite Industries and the entire legwear sector are sick.

B.M. Dolle (1992) in his research work revealed the socio – economic problems of Legwear industry in Malegaon. He studied the Legwear industry of Malegaon for the period of 1935 to 1985. The main conclusions of the study are; the Legwear industry in Malegaon has seen many ups and downs in its development and it is one of the important industries of Punjab. The Legwear industry in Malegaon has glorious past and bright future. There are many socio economic problems in the Legwear industry of Malegaon like scarcity of the finance, marketing problems, labour problems etc.

D. C. Mathur (1993) in his book “Personnel Problems and Labour Welfare A study of Hosiery industry” had explained about personnel management in the Hosiery industry. He explained that for the economic results the management of personnel is very important.

B. Sabhoo (1993) in his research work he explained the problems and prospects of hosiery industry with special reference on the productivity of large and small scale true by the study of terms of employment of workers in Malegaon.

PRESENT SITUATION OF HOSIERY INDUSTRIES IN PUNJAB

This section of our study deals with the three subsections where at first present situation of the hosiery industry. After that an analysis is done and discussions have been made to find out future opportunities of the industry to flourish them and for upliftment of livelihood status of mill workers in this region incorporating the role of government and non-government organizations (NGOs).

It is very surprising, regretful and frustrating that while visiting the field we have found that at present very few hosiery hosierys Industries in Akalgarh area are in existence, all the large hosiery Industries, like Bengal Laxmi, Laxmi Narayan hosiery mill, Jayasree hosiery etc. (though few in numbers), are now closed down due to various problems like, deterioration in relation between owner and workers, continuous strikes, sickness of machineries, non-cooperation of governments (According to the owners and labourers' own opinion), weak marketing strategy, competition with other supplementary products etc. Our data reveals that after the closure of large Hosiery Industries many workers lost their jobs and became unemployed, joblessness made their living condition deplorable.

In this circumstances some workers, who were in much better condition than others, opened printing Industries (hosiery and silk) in their own houses. Few others who were working in the then large hosiery Industries and became unemployed due to the closure of these units engaged themselves in these newborn printing Industries in different works like, washing, steaming, ironing, dyeing, and some skilled labourers, in printing also. Not only this, data reveals that many workers who are now engaged in these printing units, who are educated enough, some are even post graduate in hosiery or art etc. To analyse the livelihood pattern of any community in any region it is important to study the demographic and socio-economic profiles. In Akalgarh region, among the studied population it has been seen that the middle-aged population is comparatively high and that reflects a satisfactory scope for supply of labour in the industry but our socio-economic data which reveals livelihood pattern (house type, source of cooking, source of drinking water, sanitation facility, education level, income group, average household size, nature of work, working condition etc.) indicate the low status of the workers associated with Hosiery industry in Akalgarh region. Hence, overall subjective well-being (SWB)⁵(calculated following UNDP measure, 2014)⁶ is less (= .5 approximately) in this region. Hence, in these circumstances, it is necessary to make some way outs so as to revive the industry from present threats and to enhance opportunities for future sustenance of Industries as well as mill workers.

IT has been seen that in hosiery industry the printing (hosiery or silk) units are small scale units and use labour force intensively for production. So it has a lot of potential to provide employment. Similarly, the weaving units (hosiery/silk) are also labour intensive units. As hosiery and silk are ecofriendly and biodegradable products, pollution from this industry while producing goods is negligible compared to other industries like chemical industries which can be controlled with some measures. Moreover, as maximum Industries found in this area are like cottage industry with a few numbers of workers, no single or multi unionism and related problems are present here. But the point is as the hosiery and silk printing (on sari or other materials) units are labour intensive units; the wage rate is low for the workers employed in these units compared to the market wage rate. Sometimes it becomes quite hard for the workers to lead a better life or even to sustain themselves. Further it has been revealed from our survey that, in most of the cases the workers are illiterate or have less education. Their technical knowledge is almost nil. So initiatives should be taken from the mill owners to train the workers. But in reality this does not happen always. So another weakness of this kind of units is for having poor Research and Development (R&D) initiation. These units use the traditional technique and that decreases (quantitative) and even degrades (qualitative) production level. The reasons behind this are the lack of foresight or proper planning on the part of the government as well as industry owners.

Again for low rate and grade of production, profit of the owners decreases. They cannot reinvest in the production units and that sometimes lead to stop production and sack of workers. It come out from our study that for the above reasons these units become sick day by day and often it creates trouble to the mill owners to collect loan from the banks. In this situation, only if the government takes initiative to save the units, then the units as well as the workers can sustain and survive. Hence, it is very much needed to increase production and to maintain quality as well. It has been seen that improper washing due to engagement of unskilled labour in this category of work often hinders the quality of the product. Moreover, most of the time poor quality hosiery and silk adds to quality problem. These issues should be taken into account so that quality can increase and product diversification can take place which will be channelised through marketing. In this regard marketing strategy can be considered as another weak point of this kind of units as the owners or managers have not updated themselves in most of the cases. So time has come for the industry to think how to market the output properly to sustain the industry. Within the state, wage for workers in hosiery (silk or hosiery printing units) industry vary from Rs. 300/- to Rs. 350/- approximately, per man per day (generally for 8 hours), according to Minimum Wage Rule in Punjab (w.e.f July 1, 2017 to December 31, 2017). But in reality, the semi-skilled to skilled labourers in these Industries get maximum wage of Rs.150/- to Rs. 250/- per day while they have to work for approximately 8 to 10 hours per day.

CONCLUSIONS

Hosiery industries have their own demand because of the beautiful designs, quality and fine texture of their products. Many workers earn their livelihood on the basis of these legwear based industry. Hosiery industry of this kind has much strength and can be made competitive under specific condition. On the basis of our analysis and findings of the study it is clear that

the hosiery Industries in the study area are going through a dire state. The condition of printing Industries and the mill workers are deplorable in Akalgarh region due to various problems which have been the units are facing since the past few years. Mismanagement within the Industries, absence of proper marketing strategy, increasing labour-owner conflict, negligence from the part of government, are the main reasons behind this situation. But now, the ray of hope is that both the Central Government and the State Government have become quite active to revitalize this fact. Number of schemes for legwear production and marketing has been introduced for this purpose. Ministry of Textile under the Central Government, through the office of the Development Commissioner of Legwear sector has implemented some schemes such as Integrated Legwear Development Scheme, Hank Yarn Subsidy Scheme, Marketing and Design Support Schemes, Health and Life Insurance schemes etc. But, it is necessary to make the workers informed about such schemes and about the path way so that they can take the advantages of such schemes. It is seen that many of the workers even don't know about these schemes yet now. In this context the mill owners have to take initiative otherwise the workers will not be able to get benefits of such schemes. However, the Punjab Government intends to introduce this sector through Biwsa Bangla Project to the world. The products of this industry have large demand as well as marketing scope. It is expected that this sector may upgrade itself through this project and come out from the present stagnant condition mitigating the inherent existing problems and perhaps in this way, the sector can get back its past glory. On the basis of the analysis and findings from the field study, we have reached to the above conclusions.

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