

A Study on Problems and Prospects in Garment Industry in MP

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Abstract- India has one of the greatest apparel industries in the world. The door to India's incredibly innovative textile and apparel business is opened by this incredibly well-run sector, which includes garment makers, exporters, suppliers, stockists, and wholesalers. India's ready-to-wear line is incredibly well-liked worldwide. In India, the clothing and textile industries play a special and significant role. The industry, which was among the first in the nation to emerge, is responsible for 14% of the nation's industrial production, almost 30% of its exports, and the creation of jobs, second only to agriculture. Indian clothing has becoming more popular internationally due to its high quality, longevity, and attractiveness.

Keywords— Prospects in Garment Industry, Garment Makers, Exporters, Suppliers, Stockists, and Wholesalers.

INTRODUCTION

In the early 1990s, as the process of economic liberalisation was initiated in India, there was a shift towards increasing de-regulation of economic activities, more emphasis being laid on private and foreign investment, and greater integration with the global economy. The move helped India secure a higher growth rate, but it had limited success when it came to expanding employment opportunities. While the organised manufacturing sector has been characterised by 'jobless growth' in the post-reform period, new jobs created in the informal sector continue to be poorly paid and offer little or no social protection (Raveendran & Kanan, 2009; Papola & Sahu, 2012). In fact, as noted by Srivastava (2012), there has been increasing informalisation and flexibilisation of labour in recent years, as the 'formal is becoming informal' in numerous ways. There has been informalisation of regular work in the non-agricultural sector, even as there has been a revival of self-employment and putting-out work. The growth of the garment and textile sector has been characteristic of this trend. The post-reform period has seen the Indian garment industry and its exports expand at an unprecedented rate. Currently India occupies an important position in the global garments industry, and was ranked as the 7th largest exporter of garments in the world in 2014. Domestically, the textile and garments industry contributes to 4% of India's GDP and is the second largest employer after agriculture, employing nearly 51 million people directly and 68 million people indirectly in 2015-16 (Make in India statistics, 2015). Though the number of jobs available in the sector has increased in the past few decades, questions continue to arise about the nature of employment generated and its implications for workers in the sector. Moreover these developments are not particular to India and similar trends have been observed in other garment exporting developing countries. The increasing integration of these countries in global garments supply chains has transformed their structures of production and the nature of underlying labour processes.

STRUCTURE OF PRODUCTION

With the advent of globalisation in mid-twentieth century, new forms of industrial production and international divisions of labour emerged. Under the 'new' international division of labour², labour intensive processes were exported to parts of the developing world where labour was significantly cheaper and more 'flexible', resulting in the rise of global production networks (Elson & Pearson, 1981). As a result, developing countries started manufacturing goods for export to advanced industrial countries; goods which had hitherto been produced in advanced industrial nations. This helped

generate millions of jobs in developing countries. But increases in employment were accompanied by structural shifts in production, characterized by increasing informalisation, lower wages and deteriorating work conditions.

(i) The global garment industry and political economy of the supply chain- The trend may be best understood by looking at the global garments industry and its evolution since the late 1950s. The industry has seen a series of geographical shifts as capital has migrated from one region to another in search of the lowest costs and the most ‘flexible’ forms of labour available. This was also done in adherence to the quota restrictions under the Multi Fibre Agreement (MFA)³, so as not to exceed the quota limit of a particular country. These relocations were aided by advances made in communication and technology during the time, even as governments in third world countries set up the required infrastructure to accommodate these new businesses (Elson and Pearson, 1981) Consequently more and more countries were drawn into producing for the global garments industry. The first migration happened from the Western countries to Japan and other East Asian countries (namely South Korea, Taiwan and Singapore) in the late 1950s. But increasing labour costs in East Asia in the 1970s, determined a second geographical shift - first towards Southeast Asian, East Asian, and Latin American countries, then towards China and South Asia (LIPS Sedane, CLEC, & SLD, 2015). This global reorganisation of labour has been articulated by Gereffi et al (2011) as a system of production chains or global value chains which connected the core (i.e. developed countries) where consumption took place to the periphery (i.e. developing countries) where production took place.

(ii) Garments industry in India- In the past few decades, India has emerged as a major garment exporter and has been progressively integrated into the global garment supply chain. But this “success” may be owed to India’s unique industrial trajectory based on small-scale, regionally specialised production. Garment production for exports in India are mostly based out of a number of production hubs scattered all across the country; each cluster specialising in a particular product and having a distinctive social composition of labour (Mezzadri, 2014). Garment clusters include Delhi, Noida, and Gurgaon (together called the National Capital Region or NCR for short), Ludhiana and Kanpur in northern India, Kolkata in eastern India, Mumbai and Gujarat in western India, and Chennai, Bengaluru, and MP in southern India (LIPS Sedane, CLEC, & SLD, 2015). Each of these clusters has had its own unique historical trajectories and routes of entry into garment production and export. While the northern clusters (e.g. Delhi and Jaipur) have capitalised on their craft legacy, southern clusters (e.g. MP) have exploited their geographical advantage of being situated near major cotton centres. It is of no surprise then that northern clusters specialise in embellished products for niche markets and southern clusters, in volume based production of basic products for exports (Mezzadri & Srivstava, 2015). There has also been an unprecedented surge in demand for readymade garments in the domestic market in the past few decades. As noted by Mezzadri et al (2015), there has been an increase in domestic organised production and the number of large domestic retailers to cater to this demand. Since 2005, exporters have been increasingly engaging with domestic markets, as these markets emerge as viable options for expanding their sales and profit opportunities. Thus, various actors in garment export networks and domestic supply chains often overlap and interact with each other. Exporters with medium and small production capacities also use the domestic market as a supplementary outlet for their products, which helps cushion them against economic shocks and volatility in the international markets.

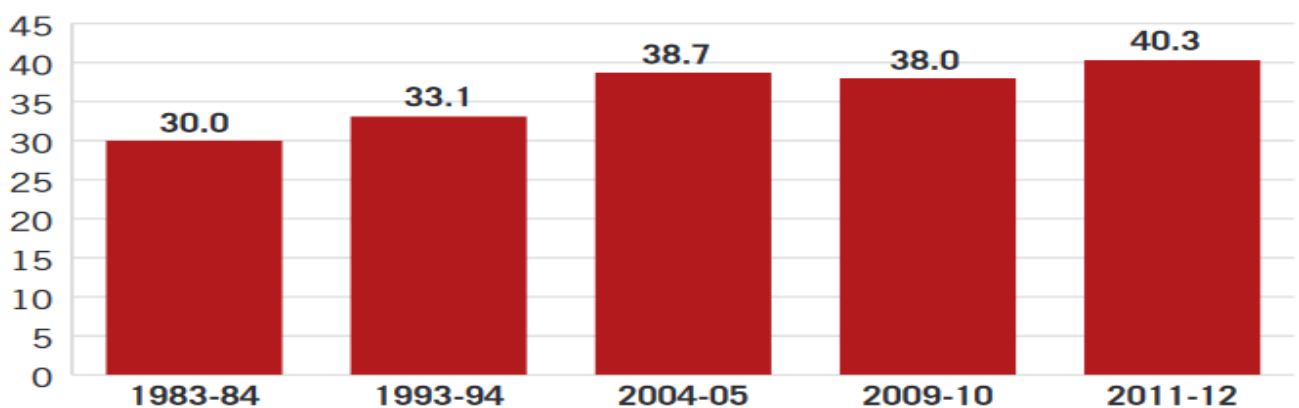


Figure 1- Percentage Share of Women Workers in Garment Manufacture

(iii) Implications for garment workers- The consolidation of retail power with the simultaneous fragmentation of production processes has several implications for garment workers, mainly in the form of: (1) flexible job contracts and unemployment (2) downward pressure on wages and lack of social security (3) obstacles to unionisation (AFWA, 2016). According to National Commission on Enterprises in the Unorganized Sector Report (NCEUS, 2007), hiring regular workers is on the decline; instead employers favour employing casual and contract workers in the formal sector. Along with an increasing number of ‘informal workers in the formal sector’, work is also often subcontracted out to workers in non-factory enterprises (such as workshops and home-based work) to augment production capacity during peak seasons, for repetitive unskilled jobs or for ancillary craft based activities (Mezzadri 2014). This is especially true of the NCR region where 60-80% of the workers are contract workers (Chan, 2013). Contract and casual workers are often paid lower wages and lack job security, social security and freedom of association (AFWA, 2016). Real wages in the sector has only increased moderately from 2001-11, but are far from ensuring a decent standard of living for its workers (Worker Rights Consortium, 2013). Wage theft practices abound, overtime work often underpaid and social security benefits are rarely provided to the workers in the sector. Given the highly unorganized and segmented nature of the workforce, unionisation is low amongst garment workers. Union activities are also quickly suppressed by the management wherever they do arise.

WORKING CONDITIONS OF GARMENT WORKERS

(i) Recruitment -There are principally three methods by which workers get recruited: (1) direct recruitment by the employing company (2) labour contractors or recruiting agencies (3) informally through personal connections (4) vocational skills training providers, accredited by NCVT (providing skilling under govt. schemes) or unaccredited/informal training providers (range from informal training centres to karkhanas/workshops where training is held). But there are marked differences in the way which workers are recruited in the North and the South according to a survey conducted by ILO (2015) for garment workers in the NCR and Bengaluru region. Most workers in the Bengaluru are recruited directly by the company (70%), while in NCR, the most popular method is through personal connections (42%). Employment through contractors is also much more common in the NCR (25%) than it is in Bengaluru (1%). But not all Southern garment clusters may be the same; recruitment by contractors is fairly common in MP. In MP, contractors are mostly used to recruit distant inter-state migrants (Mezzadri & Srivastava, 2015). In addition, sometimes workers double up as informal contractors, to recruit other workers from their network of friends, relatives and acquaintances (Verite, 2010).

(ii) Contract labour- Generally, as defined by Theron et al (2005), labour contracting refers to the ‘triangular employment relationship’ where the legal employer is separate from the person for whom the work is carried out (Barrientos, 2011). There is no commonly agreed definition for the term “contract worker”. A contract worker usually refers to a worker employed by a third party contractor, who is different from the principal employer (Chan, 2013; SLD, 2013a). Similarly, given the heterogeneity in the kind of contractors found in India and the range of functions they perform, there may not be a set definition for contractors in the literature. The attempt in this paper has been to encompass all kinds of employer-worker relationships, especially the ones existing in the more informal settings. Hence the terms “contract workers” and “contractors” in the paper have been used in their broadest interpretations to include all kinds of contract workers and contractors.

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the support towards garment industries, 12% of respondents are research problem. It may be understood as a science of satisfied with the government support towards garment studying how research is done scientifically. In it we study industries, 56% of respondents are neutral with the various steps that are generally adopted by a researcher government support towards garment industries, 30% of in studying his research problem along with the logic behind respondents are dissatisfied with the government support them. Research design is the basic plan which guides to towards garment industries and 10% of respondents are collect relevant information accurately and economically for highly dissatisfied with the government support towards objective setup of the project. A Descriptive study has been garment industries adopted to accomplish the objective requirement of the Table 1,2,3. The Reasons for Labour Shortage study. This is the method to describe the existing state of affairs. Here the information are collected both from primary and Primary data. Primary data refers to the information that is gathered to meet the specific requirements of the investigation at hand. Primary data means the data which have already been collected and analyzed by someone else.

(i) **Interpretation-** The Primary data has been collected from various 25% of respondents stated that heavy work load is the main Magazines, Journals, Newsletters and Websites. Reason for labour shortage, 22% of respondents stated that salary problem is the main reason for labour shortage, 31% of Sample size, respondents stated that basic facility problem is the main. It refers to the number of items to be selected from universe. Reason for labour shortage, 22% of respondents stated the samples are selected depending upon the variance in other reasons for labour shortage.

Reasons	Number of Respondents	Respondents in Percentage
Heavy work	28	25
Salary & bonus problem	24	22
Basic facilities	34	31
Others	24	22
Total	110	100

Table 1- The Reasons for Labour Shortage

Satisfaction level	Number of Respondents	Respondents in Percentage
Highly satisfied	2	2
Satisfied	12	11
Neutral	56	50
Dissatisfied	30	28
Highly dissatisfied	10	9
Total	110	100

Table 2- Satisfaction towards government assistance

Major threats	Number of Respondents	Respondents in Percentage
Dyeing factory problems	46	42
Environment pollution problem	22	20
Increase in yarn price	36	33
Labour shortage	6	5
Others	0	0
Total	110	100

Table 3- the Future threat to Garment Industries

SUGGESTIONS IN GARMENT INDUSTRY IN MP

- The government may concentrate on removing the capacity constraints on infrastructure.
- The export benefits and incentives for exporters must be such as to enable them to compete with a lower price and are at least at par with their counterparts in other countries.
- The government may Endeavour to end the burning government assistance provided to garment problems of the processing units on a war footings industries.
- With regard to labour, an atmosphere may be created for the employer to feel comfortable and secure in order serve the nation by running his industry smoothly and successfully.
- Clear-cut policies on raw materials, in the interest of indigenous industries, should be planned and discussed well in advance.
- Prohibiting/banning the export of raw material is to be invariably considered in detail and enforced.

CONCLUSION

The current paper attempted to present a comprehensive literature review on the working and living conditions of garment workers in India. However there remain several research gaps in the literature review presented, which may be looked into to further augment our understanding of the issue. Firstly most studies included in the review are concerned with workers in export oriented units; little attention has been paid to the domestic garment sector and the nature of its relationship with the export sector. Secondly, except for a few studies on home based work (HWW, 2013; Mezzadri & Srivastva, 2015 and Raveendran, 2013), majority of the literature on the garment sector tends to concentrate on the organised sector.

This is in spite of the fact that around 84 per cent of the garment workers are employed in the unorganised garment sector. Moreover as pointed out by Mezzadri et al(2015), the unorganised sector is not just limited to home

based work but also encompasses other forms of “peripheral labour” employed in small workshops and fabrication units. But discussions on the latter have been limited in the literature. The study was conducted in MP town for Scotts private limited “a textile company”. The study revealed that respondents were facing several problems in running the garment industries in successful manner. The statistical analysis of data has given insight into several problems and prospects of garment industries and provides some solution to solve those problems. Based on research study suggestions were given for textile industries in MP city to improve its performance and to run the garment industries in successful manner.

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