

Chapter: 16

INDUSTRIAL DEVELOPMENT UNVEILED: DYNAMICS, CHALLENGES AND PROSPECTS IN INDIA'S TEXTILE AND APPAREL INDUSTRIES

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ABSTRACT

In recent years, India's textile and apparel sectors have experienced dynamic transformations driven by both domestic and global factors. A growing population, rising disposable incomes, and changing consumer preferences have boosted domestic demand for textile and apparel products. Additionally, government initiatives such as "Make in India" and favorable policies have further incentivized investment in the sector. As a result, India has emerged as one of the world's leading textile and apparel exporters. However, the industry faces a range of challenges. These include stiff competition from other low-cost manufacturing nations, fluctuating raw material costs, and the need to upgrade and modernize infrastructure and technology. Environmental and sustainability concerns are increasingly important, with a focus on reducing the environmental footprint of textile manufacturing. Labor issues, including fair wages and working conditions, also remain on the industry's radar.

Keywords: *Employment Generation, Make in India, Sustainability, Infrastructure.*



1. INTRODUCTION

The textile and apparel industry in India holds a prominent and enduring position within the country's economic landscape. Renowned for its rich history in textile production and craftsmanship dating back to ancient times, India has continued to evolve and adapt to the demands of the modern global market. The performance of the textile and apparel industries in India is of paramount importance, not only in terms of economic contributions but also for its significant role in providing employment and contributing to the nation's cultural heritage. This dynamic sector encompasses a wide range of activities, from the cultivation of raw materials like cotton and silk to the creation of intricate garments and textiles that cater to diverse domestic and international markets, Basu, B. (2021). With a history steeped in traditional craftsmanship, India has successfully combined its cultural heritage with modern technological advancements, thereby positioning itself as a key player in the global textile and apparel industry, Anand, N., & Kheterpal, V. (2014). The performance of these industries in India is marked by several key factors that contribute to its prominence on the world stage. These include its vast and diverse workforce, a wide array of textile and apparel products, a growing focus on sustainability and innovation, and robust export capabilities. However, the industry also faces challenges, such as fluctuating demand, global competition, and evolving consumer preferences, Landes et.al. (2005). This paper aims to delve into the performance of the textile and apparel industries in India, offering an in-depth analysis of the sector's historical evolution, its

current standing in the global market, challenges and opportunities, and the measures taken to ensure its sustainable growth. By exploring these facets, we can gain a comprehensive understanding of the pivotal role played by the textile and apparel industries in India's economy and the impact they have on the livelihoods of millions of people while reflecting the nation's enduring commitment to quality, craftsmanship, and innovation, Tewari, M. (2004). The objectives of the following study are as follows -

- i. Assessing the Indian textile industry and examining the obstacles it encounters.
- ii. Examining the industry's impact on the Indian economy.
- iii. Proposing solutions to address the challenges confronting the country's textile sector.

2. INDIAN TEXTILE INDUSTRY

India has been a prominent centre for textile production and trade since ancient times, and its textiles were highly prized around the world. The British imposed heavy tariffs and trade restrictions, which led to the decline of indigenous textile production. The Industrial Revolution in Europe transformed the global textile industry, making it difficult for handwoven Indian textiles to compete with machine-made fabrics. India's textile industry has undergone a transformation in the late 20th and early 21st centuries. It has embraced modern technologies and international markets. From ancient handwoven textiles to modern, globally recognized brands, India's textile heritage remains an integral part of its cultural identity and economic landscape. The study by Kumar, S., Kumar, V., & Singh, A. (2023) discussed various dynamics and challenges faced by MSMEs industry which covers textile firms also.

Challenges:

- i. **Competitive Global Market:** Indian textile manufacturers face stiff competition from other countries, particularly in Asia, such as China and Bangladesh.
- ii. **Environmental Concerns:** The industry's water and chemical usage pose environmental challenges. Sustainable practices are being increasingly adopted to address these issues.
- iii. **Labor Issues:** Labor disputes, low wages, and poor working conditions are challenges in some parts of the industry.
- iv. **Technology Adoption:** Many smaller, unorganized sector units lack access to modern technology, limiting their efficiency and quality.

Opportunities

- i. Innovation:** There's an opportunity for India to invest in research and development, innovation, and technology adoption to produce high-value textiles.
- ii. Sustainability:** The industry can transition towards sustainable practices, including organic and eco-friendly materials, to meet the demands of environmentally conscious consumers.
- iii. Skill Development:** Training and skill development programs can enhance the productivity and quality of the labour force in the industry.
- iv. Global Supply Chain:** India's strategic location provides opportunities for becoming a vital part of the global textile supply chain.

3. GOVERNMENT INITIATIVES

To boost the growth and competitiveness of this industry, the Indian government has implemented several initiatives and policies over the years. Some of these key government initiatives for the Indian textile industry:

- i. National Textile Policy (NTP):** The government introduced the NTP in 2000 to promote the growth and modernization of the textile sector. The policy aimed to provide various incentives and support measures to enhance the industry's global competitiveness.
- ii. Make in India:** The government's Make in India initiative aims to encourage the manufacturing sector, including textiles, to drive economic growth and job creation. It seeks to reduce import dependence and promote indigenous production.
- iii. Samarth Scheme:** Launched in 2017, the Samarth Scheme focuses on skill development in the textile sector, with the goal of training millions of workers, especially in the unorganized sector.
- iv. Promotion of Technical Textiles:** The government has encouraged the development of technical textiles, which find applications in various sectors such as agriculture, healthcare, and infrastructure. This not only diversifies the textile industry but also opens up new markets.
- v. Cluster Development:** The government has initiated cluster development programs to encourage the formation of textile clusters, which can benefit from shared infrastructure, technology, and marketing facilities. These clusters help in

reducing production costs and increasing competitiveness, Mann, M., & Byun, S. E. (2011)

- vi. **Digital India Initiative:** The promotion of digital technologies and e-commerce platforms has made it easier for textile manufacturers to access markets and engage with customers, both domestically and internationally.

4. CONCLUSION

In summary, the textile sector plays a significant role in both the Indian economy and the global textile industry. It has a notable presence in terms of industrial output, foreign exchange earnings, and job creation within India. Additionally, it makes substantial contributions to worldwide textile fiber and yarn production, including jute. To further promote textile exports from India, the government should explore innovative strategies, with an emphasis on skill development and the creation of a conducive environment for aspiring entrepreneurs to venture into this field.

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