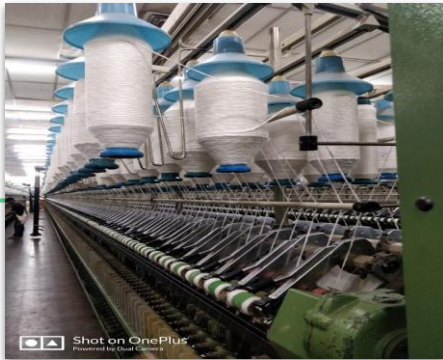


Creating a Discourse on Economic Policy to Generate Good and Better Jobs in India

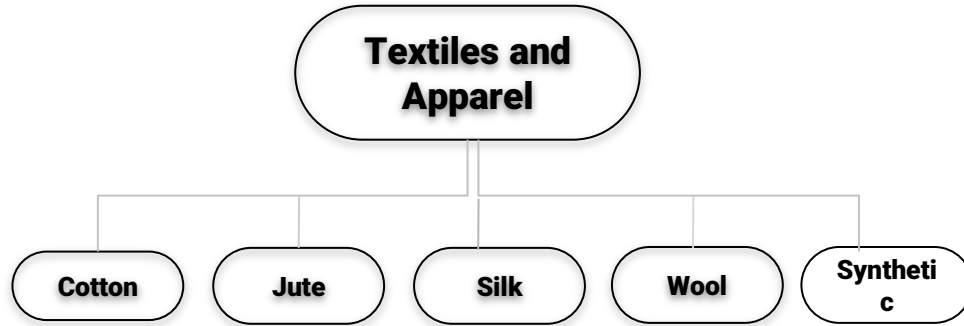


TEXTILE INDUSTRY IN BHILWARA -
Preliminary Understanding of Ecosystem,
Key Learnings, Identification of Next Steps

Category of Consulted Stakeholders



Industry Overview



2%-4% share in India's GDP

15% share in India's total domestic export earnings

7% share in total industrial output

India has **6%** share in global textiles trade

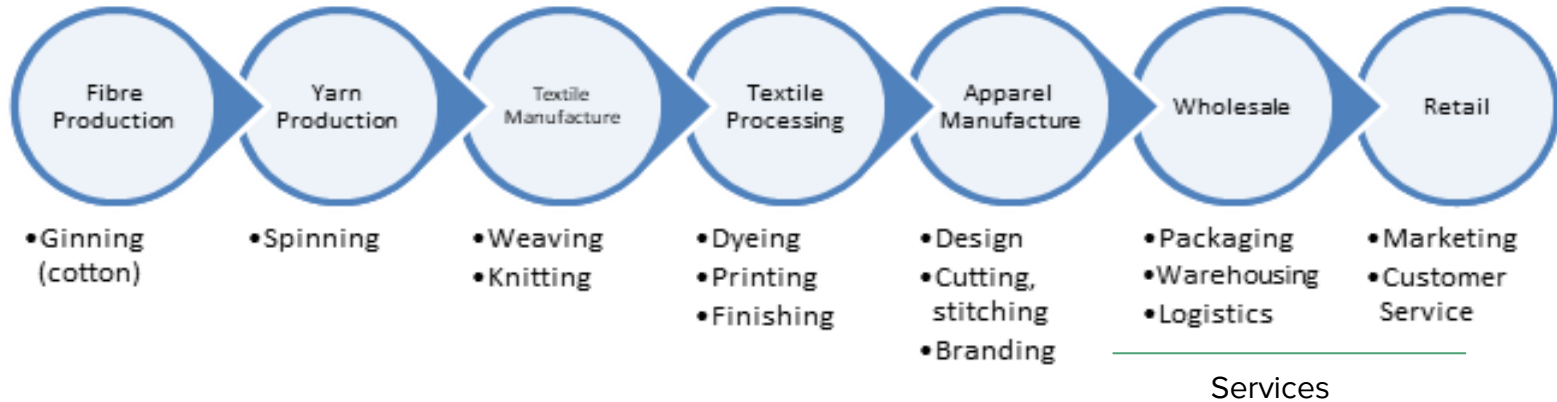
Employment provided to **45 million** (2nd largest after agriculture)

India has **4%** share in global apparel trade

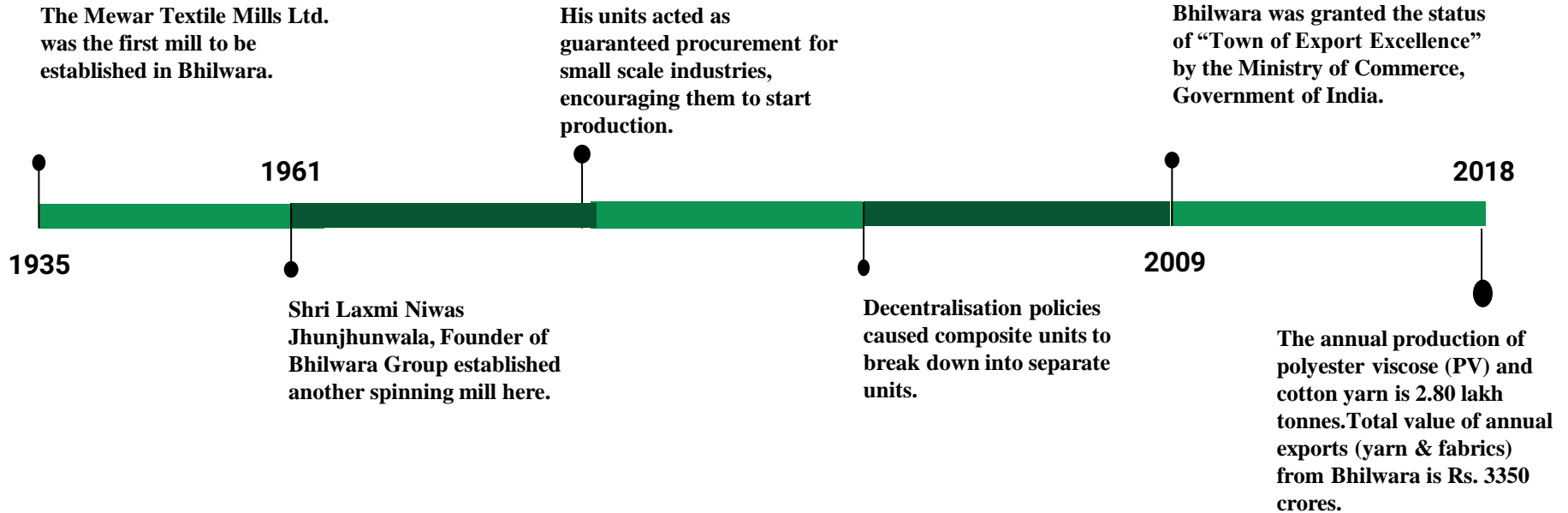
By **2030**, India's exports will increase to \$100 billion; domestic consumption to \$300 billion

Textiles and Apparel Value Chain

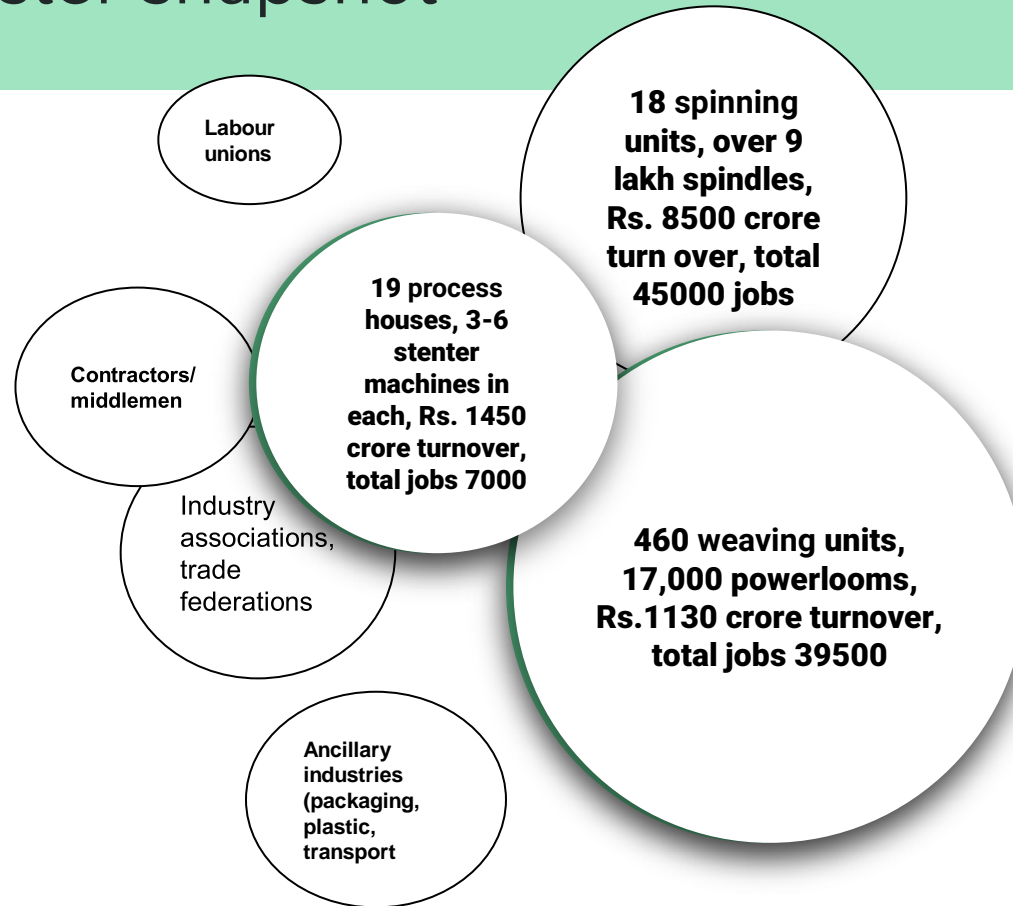
Manufacturing + Ancillary Services



History of Textiles in Bhilwara



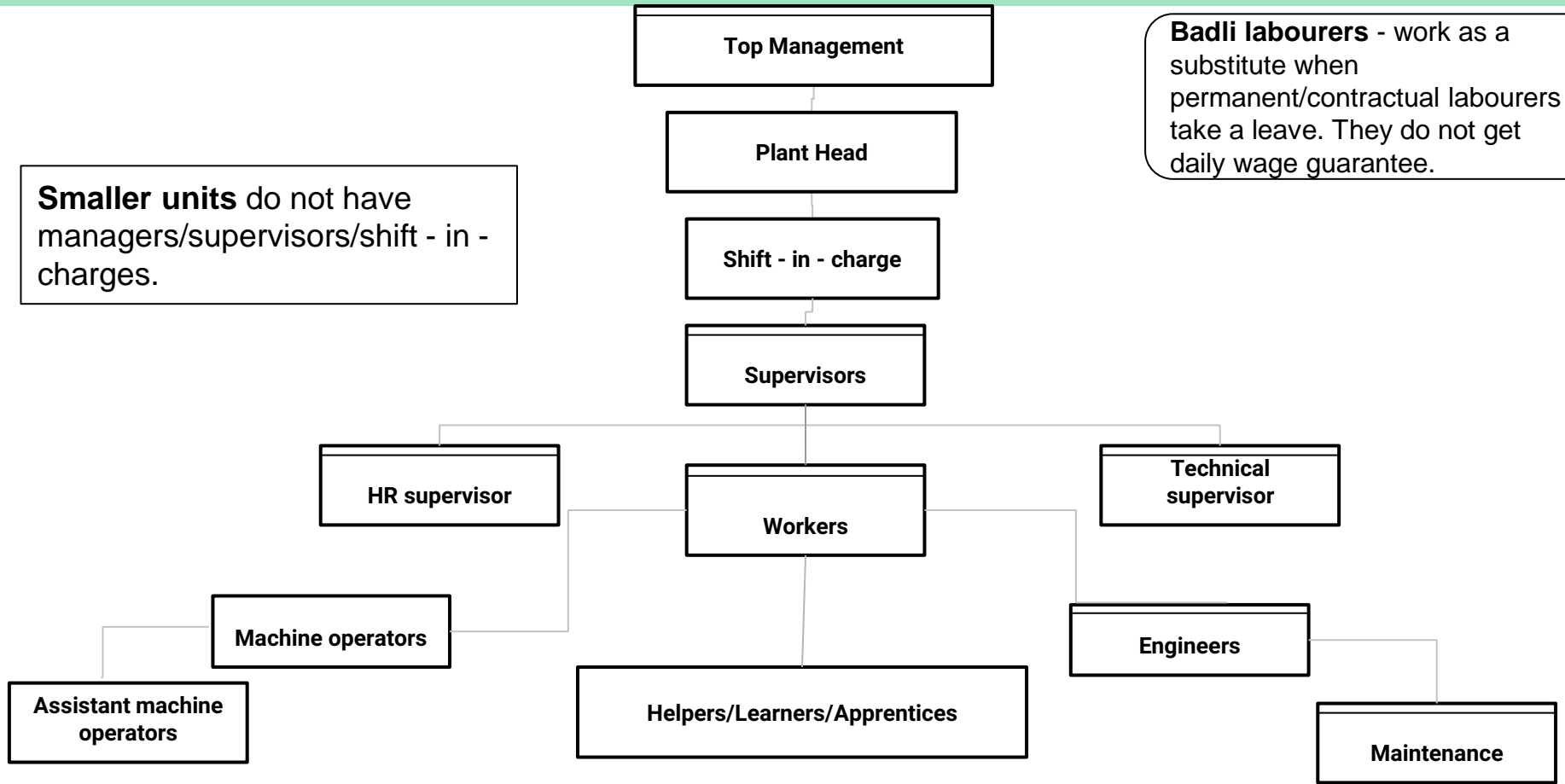
Bhilwara cluster snapshot



Worker Categories in Large units

Smaller units do not have managers/supervisors/shift - in - charges.

Badli labourers - work as a substitute when permanent/contractual labourers take a leave. They do not get daily wage guarantee.



Profile of Human Resources

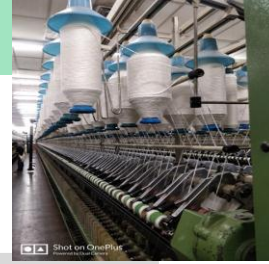
Functions/ Department	Procurement	Production	Sales	Quality	Engineering Maintenance	Support Functions
Spinning unit	1% - 2%	75% - 80%	2% - 3%	4% - 5%	4% - 5%	10% - 12%
Weaving Unit	1% - 2%	80%- 85%	1% - 2%	1% - 2%	1% - 2%	10% - 12%
Processing unit	1% - 2%	75% - 80%	1% - 2%	2% - 3%	4% - 5%	10% - 12%
	Design	Production	Merchandising/ Sales	Quality	Engineering Maintenance	Support Functions
Garment unit	1% - 2%	75% - 80%	3%-4%	3%-4%	3%-4%	10% - 12

Spinning



Blowroom is the first operation in Spinning where the fibre is opened, cleaned, micro dust removed and levelled.

BLOWROOM



The ringframe spins the fibre into yarn and TFO (Two for One) Twister twists two threads into one, making it thicker.

RINGFRAME and TFO



The finished product is packed and taken out for delivery

PACKAGING

CARDING



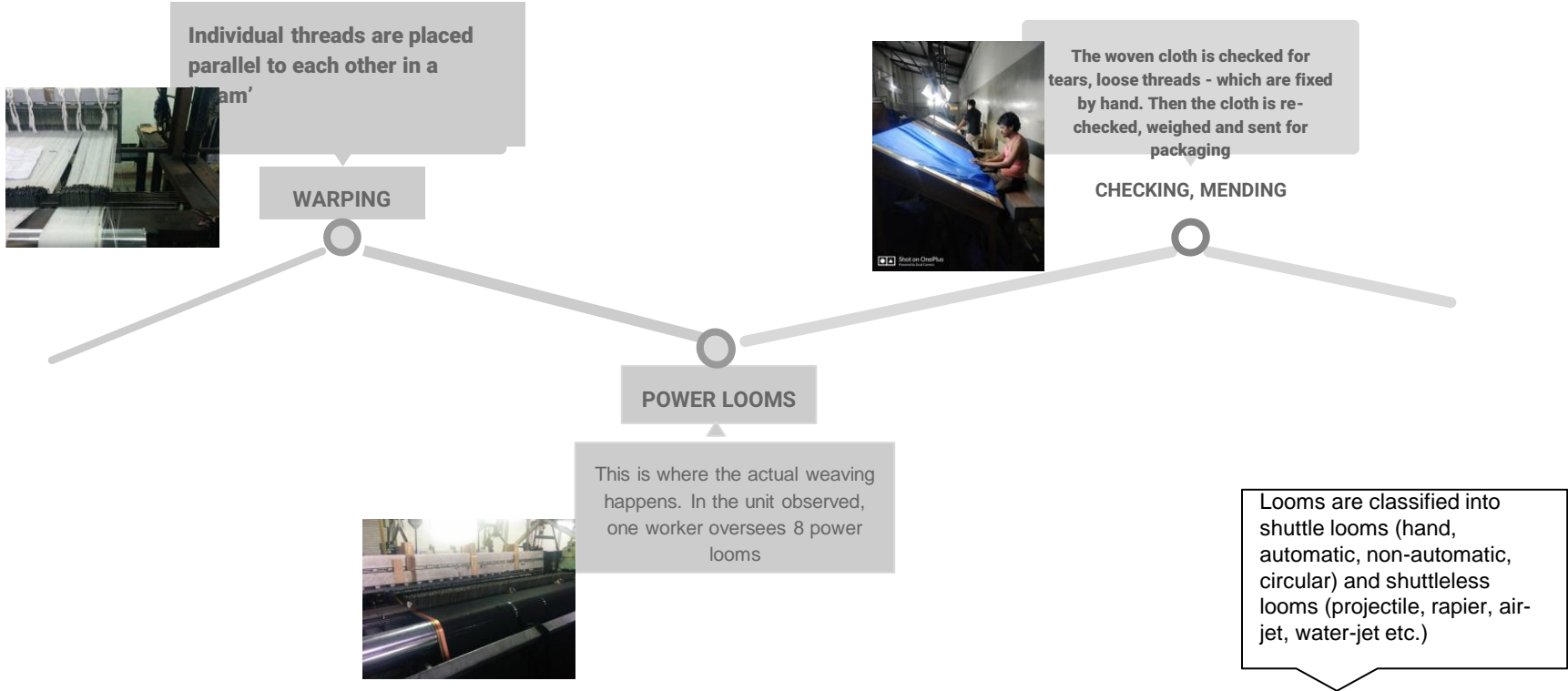
The fibre gets combed, warped and is made ready for yarn production. This determines the yarn quality

CONE WINDING

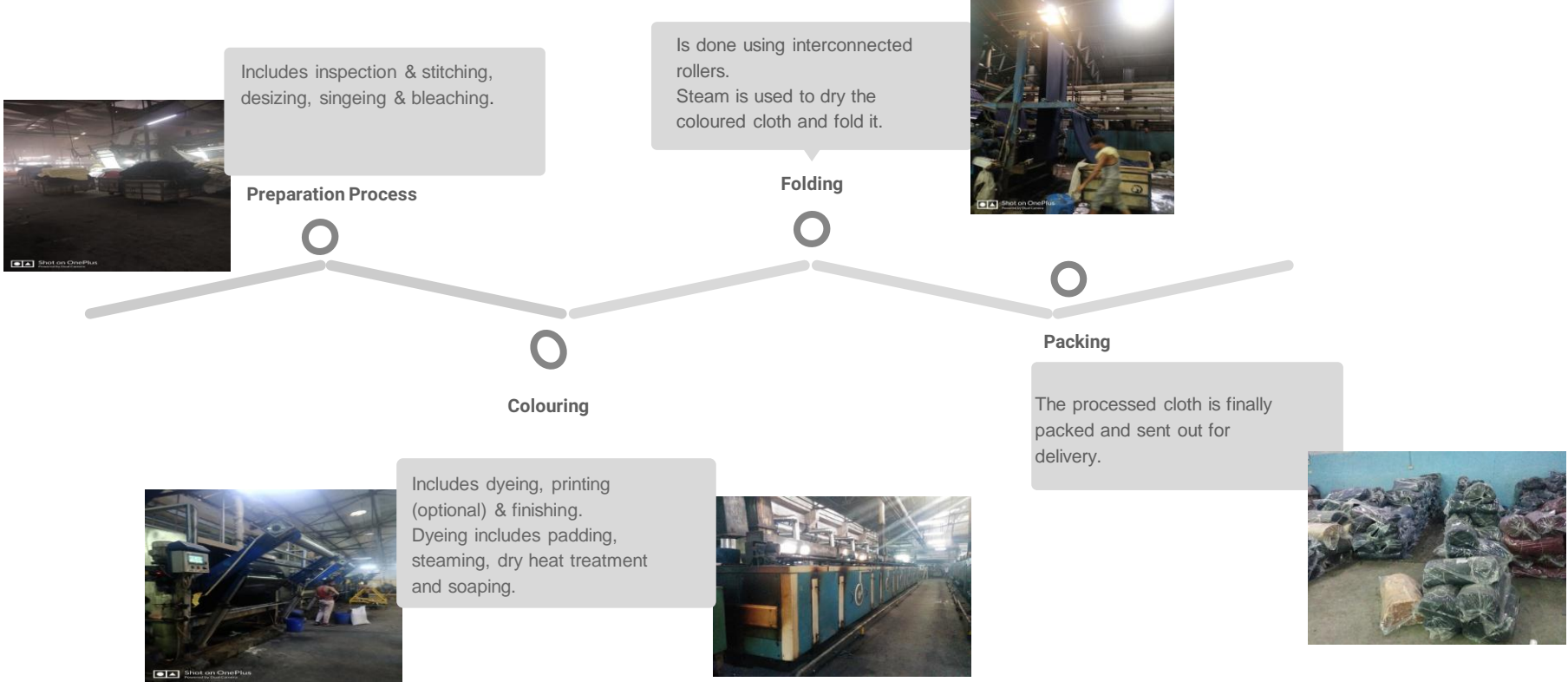
This is final stage of Spinning, yarn is wined into separate cones.



Weaving



Processing (Rollers and stenter machines)



Industry Ecosystem: Key Insights

ENTERPRISE

RESOURCES

- Low quality of raw material
- High power cost
- Land issues
- Water supply is depleting
- Inadequate connectivity
- Scarcity of skilled labour

GOVERNMENT

- Skilling programmes, *rozgar melas* not effective
- Not enough FTAs, EPCG not effective
- Misplaced focus on exports, domestic units need support
- Red tape, parallel bodies
- GST may encourage units to become composite

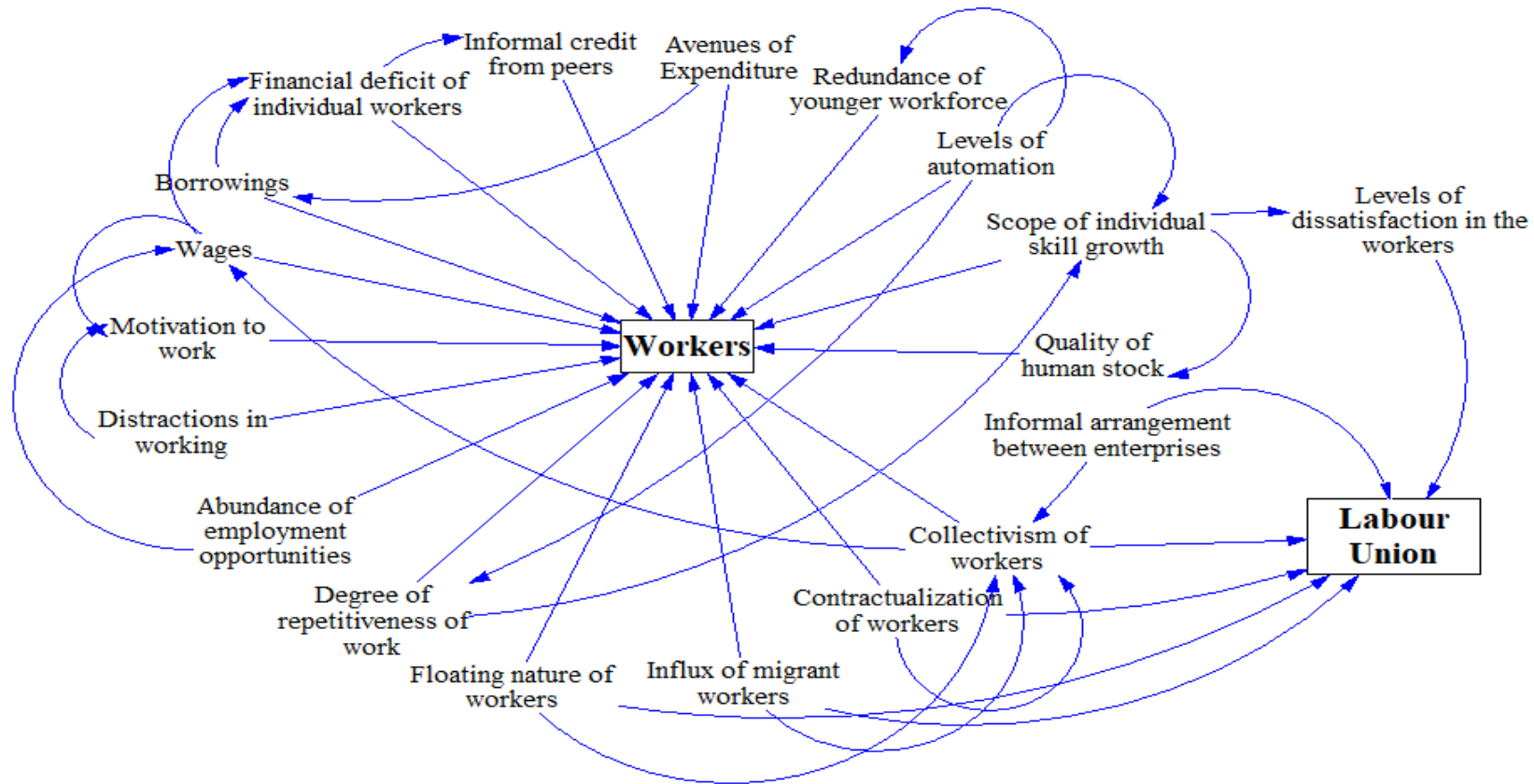
TECHNOLOGY

- High level of automation at all stages of production
- Routine tasks like packaging also automated in large units
- Automation necessary to get desired quality and volume

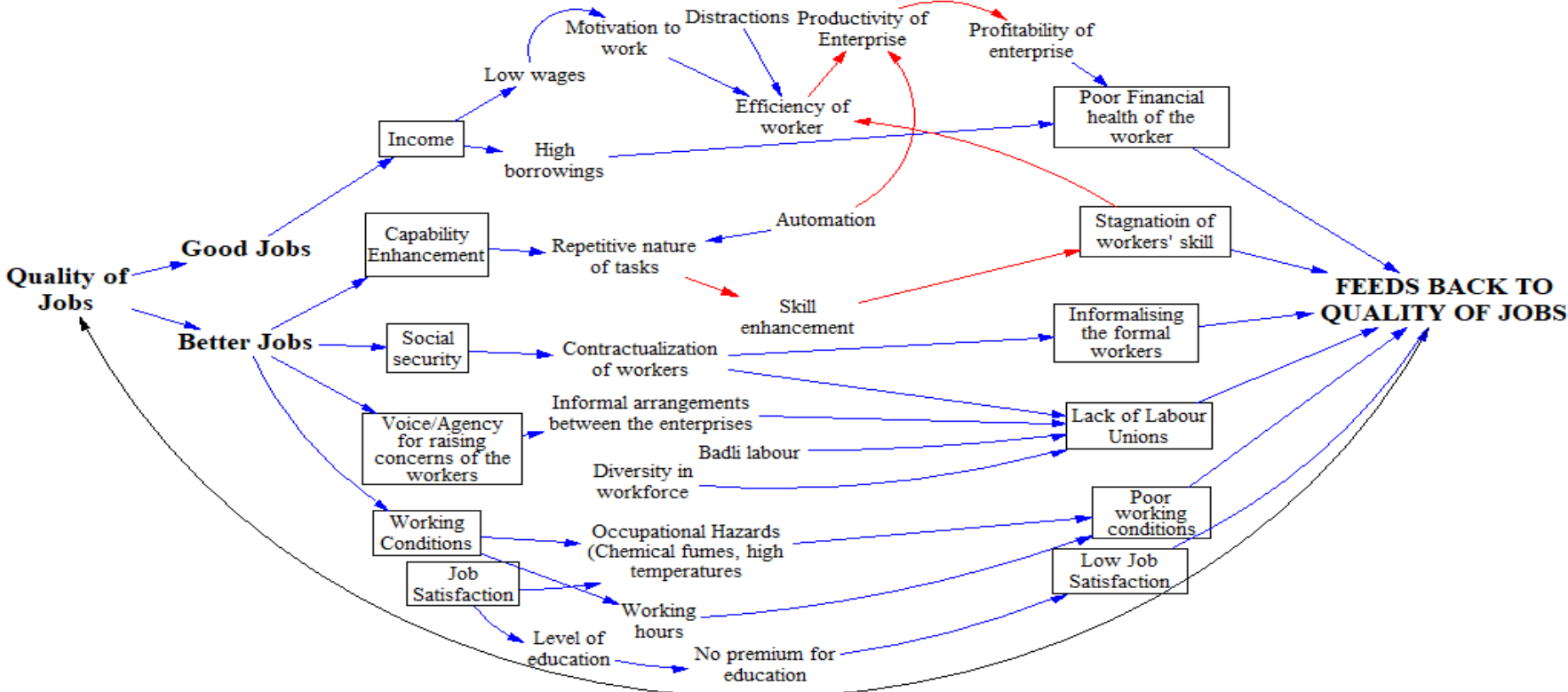
MARKETS

- Most trade is domestic; exports only 30%
- Very low margins
- Product diversification needed to maintain profits
- Bounded by size of apparel industry

Workers and Labour Union: Key Insights



Emerging scenario in the Context of Good and Better Jobs



Key Learnings

- **Industry growth constrained** by power cost, infrastructure, lack of conducive policies, small size of apparel sector etc.
- This may be leading to **low margins**; but even if reasons are eliminated, gains not likely be shared with workers (lack on **intent** on part of industry)
- Large units may pay slightly more than minimum wage; but **wages not likely to rise much because of ready pool of unskilled migrant labour, contract system and badli labour**
- **High automation** in large units - (i) absolute decline in jobs, (ii) decline in low and medium skill jobs
- As scale increases, labour increases by much less
- Smaller units take on a lot of **job work**, at sub-optimal prices
- At any given scale, **limited scope for worker to add to productivity or quality**; labour only needed to run machinery and do repetitive tasks
- Limited scope for enhancement in technical skills; also these skills are not transferable
- Enhancement in soft skills may help, but few avenues are available to build these
- Overall working conditions poor; **mundane, repetitive, fatigue-inducing work**

Questions for Further Research

- What is the situation in **garmenting**?
- What is the situation in **handlooms**?
- Down the value chain, where can more and better jobs be created for **women**?
- What are the **regional differences** in quality of jobs? (Rajasthan vs Tamil Nadu/Delhi/Gujarat)
- What are the differences between **bigger and smaller clusters**? (Bhilwara vs Pali)
- What role do **migration patterns** play in the ecosystem?
- How does **household income** gets affected as the industry grows?
- What is the situation in ancillary activities like **logistics**?