

TECHNICAL CHANGES AND REGIONAL INDUSTRIAL DEVELOPMENT :
THE CASE OF THE COTTON TEXTILE INDUSTRY IN INDIA, 1971-81

by

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ABSTRACT

In the period 1971-81 composite textile mills in Western India (i.e., in Gujarat and Maharashtra states) and in Southern India (i.e., in Andhra Pradesh, Karnataka, Kerala, Tamil Nadu states and in the Union Territory of Pondicherry) had relative increase in their shares of total cloth produced by the country's mill sector. As a consequence, the shares of mills in some regions, especially of those in Central India (i.e., in Madhya Pradesh and Uttar Pradesh states) and Northern India (i.e., in Haryana, Punjab, Rajasthan states and in the Union Territory of Delhi) declined. During this decade, wide technical changes have taken place in the industry. These include adoption of superior manufacturing techniques and the substitution of cotton fibre with man-made, particularly synthetic, fibres. There has also occurred, side by side, a structural change by which the composite mill sector as a whole has declined as producer, both relatively and absolutely. The inter-regional variations in the technical changes are analysed in the context of the structural change which was shaped by post-independence textile policy and by the behaviour of consumer and factor markets. Explanation is sought for the adjustment, or absence of it, by regional producers to the changing manufacturing context and conclusions arrived at for the inter-regional redistribution of textiles output in the cotton mill sector. Based on this understanding, directions to textile policy have been suggested with a view to enable the textile industry to contribute to inter-regional economic balance.