

Readymade Garment Industry in Bangalore City – A study with special reference to problems associated with Production

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Abstract

The present study is related to the study of Readymade Garment Industry (Apparel Industry) in Bangalore with reference to the problems associated with production process. For this, primary data has been collected through interview and information schedules and the same has been processed and presented in tabular form by using suitable statistical methods. Firstly, the problem relating to the production has been analysed and interpreted. From that, it has been noticed that the labour is causing the serious handicap. Further, the reason such labour force has been analysed through variables like labour turnover, absenteeism, inefficiency and so. In addition to that, the causes for such labour turnover and absenteeism are also considered to bring a complete meaning to the problem in question. In addition to this, the secondary data has been collected through VITC, AEPC study reports, articles, various websites, etc. Conclusions are drawn from the analysis and interpretation of the information and suitable suggestions are also given to overcome the resultant problems.

Key words:- Apparel, Garment Manufacture, Labour Intensive, Labour Turnover, Labour Absenteeism

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1. Introduction

Readymade Garment (RMG) Industry in India is a bread earner for more than 33 lakh families. The manufacture of garments has emerged has a thriving business in India since 1970. Today, the Indian Garments Industry is truly a global one with intense competition for capturing the major consumption markets in America and Europe. Since the industry is labour intensive in nature and can be started with meagre investment, many countries are attempting to use this industry to boost their economic development. In addition to this, the reason for growth of the industry is because of a shift from tailor-made to readymade use of garments. In India there were about 1200 garment making units in India during 1970. But, now the total number of garment manufacturing units in 19 clusters of India is around 33,371. This figure excludes the entities with 10 and below sewing machines. Of these, 7% of the units are with more than 100 sewing machines, 15% of the units are of medium category with machines between 40 and 100 and the balance 78% are small units with less than 40 machines. Today RMG exports is contributing 4.48% to the India's GDP and the said industry is generating 17,21,700 direct employment and 33,41,700 indirect employment opportunities in the country.

Bangalore scenario:-

The Bangalore city, the silicon city of India and the capital city of Karnataka is known for many specialties like, education, culture, medicines, gems and jewellery, etc., in general and for software industry in particular. In the wake of this, we observe a lot of migration from different parts of the Karnataka, India and abroad too for many reasons. This, in turn, has made a lot of influence on production, productivity, socio-economic and social change in a very distinct order. Garment industry is one sector which has influenced the city's social and socio-economic scenario significantly, may be because of the magnitude of the industry.

The garment industry approximately has a four decade history in Bangalore for its settlement and growth. During this period, the industry has underwent many ups and downs for various reasons like technical problems, raw-material problems, economic problems, labour irregularities, economic problems, problems relating to non-meeting of the standards causing rejections and so. These are some of the areas where the quantification and analysis is needed.

Amidst all these, Bangalore city has emerged as one of the leading centres of RMG manufacturing units along with Tirupur, Kolkatta, Ludhiana and NCR region. The main products of the Bangalore cluster are Ladies' wear which includes Skirts, Blouses, Tops, Jackets, trousers, etc., Mens' wear, which includes Shirts, T-shirts, Trousers, Jeans, Shirts etc. and Kids' wear which includes shorts, Pants, Frocks, Shirts, skirts etc. The export market is mainly concentrated towards United States, EU, UAE in a significant way and also marginally the produce is being exported to Canada, South Africa, Hong Kong, Australia and Singapore. The following table shows the export performance of the Karnataka state in which Bangalore is contributing a lion's share.

Statement showing % share of Readymade garments in total exports of Karnataka

(Amount in Crore)

Sl No.	Commodity	08-09	09-10	10-11	11-12	12-13	13-14
1	Readymade Garments	5395.00	5125.00	6865.70	8143.00	7670.00	8900.00
2	Total exports of Karnataka	134255.37	142871.41	165523.04	218837.00	258368.00	290418.00
3	% Share of Readymade Garments	4.02	3.59	4.15	3.72	2.97	3.06

Source: compiled from office records of VITC, Bangalore.

2. Review of Literature :-

Govind Karajol said the Karnataka state accounts for nearly 20 per cent of the national garment production and 8 per cent of exports. The state already committed to the growth of the industry and implemented its textile policy from 2008 by making Rs.10,000 crore investment, envisaging jobs for five lakh people. The Government of Karnataka decided to set up textile parks at Koratagere, Belgaum and Bellary.

Anand Kumar, in his study identified that the biggest problem in Bangalore Garment Industry is that the workers lack organized unions to enforce their basic rights as human beings. Most of the managements are not adhering to the provisions in minimum wages,

employment state insurance scheme and factories act. Employees are denied their gratuity and pensionary benefits as the managements are terminating their services at the end of the fifth year and asking them to rejoin in service after a short break. Worker are forced to work more than 9 to 10 hours in a day, denying over time wage besides regular harassment of women workers by make supervisors.

Dr. Y. Narayana Chetty conducted a study of the sample survey of Garment workers in Bangalore city. Under this study, he focused on the aspect like rise in unorganized labour, social security and related legislations, caste composition of the labour force, marital status, etc. The study also highlights the absenteeism and labour turnover of the work force. He suggested the extension of fringe benefits like provision of paid leave, medical benefits and to strengthen the government departments relevant to labour.

Naiyya Saggi, CCS working paper no. 150, conducted a study on “The Garment Industry in BangaloreA critical analysis of adherence to labour standards and solutions”. The focus of the study was to see the effect of the all encompassing phenomenons of globalization and supply chain mechanism on workers and on women in particular and to examine whether the advent of globalization has been benefited or detrimental to the rights of workers and the effectiveness of domestic legislature framework in safeguarding the women rights.

Shramana Ganguly Mehta referred that the Indian garment exporting industry came to the limelight in 2007 when child labour was first detected on GAP’s contracts in New Delhi. One year later, shutterbugs captured the child labour at Tirupur, the knit wear apparel cluster in south India, working on UK retailer Prinkmark’s orders. As a result, Indian status of exporter was reduced to the level of Argentina and Thailand countries which are lower in the ranks. Apparel Export Promotion Council stated that the information relied upon by the US Department of Labour was outdated and inaccurate and the Indian garment industry should not be included in TVPRA List and EOL.

3. Objectives Of The Study

The main objectives of the study are

- 1) To understand the nature of RMG industry in Bangalore,
- 2) To Study the problems associated with the Production, and
- 3) To analyse the reasons for the problems associated with production.

4. Statement of the Problem :-

Production is the key factor for every business activity if it is engaged in manufacturing of goods. Specially, for the Garment industry, which is production oriented in nature, the study of the problems associated with production process which are being faced by the garment unit operators is of utmost important. Keeping this in view, the present study is undertaken to understand the problems associated with production and the causes for such problems which are more related to labour turnover and unscheduled absenteeism which are the prime factors affecting the manufacturing.

5. Methodology and field of Study :-

The present study is based on both primary data and secondary data. The primary data has been collected with the help of interview and information schedules and transformed into quantitative form and used suitable statistical tools to analyse and interpret the data so collected. Out of 270 units operating in export business in Bangalore, 108 units have been selected as sample size and purposive sampling method is used to collect the information. The secondary data has been collected from AEPC cluster study report, VITC office records, various web sites, Books, etc.

6. Analysis and Interpretation :-

The garment manufacturing units in Bangalore city are not free from production problems. In this regard, the researcher noticed six important factors which are related to production process. They include, labor, raw materials, power, Machine breakdown, poor and faulty planning and strikes and lockouts. For the purpose of better understanding of the intensity of the problem, respondents are asked to assign the ranks. Further, the RMG units have been sub-divided into two categories based on vintage and number of machines employed. Based on vintage, the units have been classified as type A (up to 10 years of age), type B (11 to 20 years) and type C (21 years and above) and based on number of machines employed the classification is like, type X (up to 250 machines), type Y (251 to 500 machines) and type Z (501 and above machines).

It is clear from the following table that in assigning the first ranks, all the respondents (108) have given their opinion. In that, 69 respondents (63.88 per cent) opined that the labour force is causing maximum handicap to the production process and 16 respondents (14.81 percent) opined that the availability of required raw material on time with requisite colour is the major problem. 8 respondents (7.4 percent) said they are not set with any problems with regard to production. The problems relating to the power, machine break-down, faulty planning and strikes and lockouts are not that acute and their intensity is negligible.

In this regard, it is important to note that type B units (27.78 percent) and type Y units (26.85 percent) have been affected more in relation to labour problems. This shows the intensity of the labour problem. These labour problem are in the nature of problem relating to the labour turnover, unscheduled absenteeism, inefficiency of the labour, high cost and access to the labour unions.

While assigning the second rank with respect to the intensity of the problem, 19 respondents (31.14 percent) expressed the fact that raw material is the major problem and 18 respondents (29.50 percent) stated that the labour is the prime reason causing production problems. 14 respondents (22.95 percent) said power shortage also affects the production process and rest of the variables are affecting less in the second rank. In this case only 61 respondents have assigned the ranks.

Only 28 respondents have given their opinion while assigning the third rank. In this, the major problem is again the labour. Out of the total respondents, 11 (39.28 percent) have said that the labour is the prime factor to be taken care during the production process. Rest of the variables have negligible impact.

Statement Showing the Problems Associated with the production

Ranks	Labour	Raw Material	Power	Machine Break Down	Faulty Planning	Strikes & Lock Outs	No Problems	Total		
Units (Percentage)										
I	69 (63.88)	A	15 (13.88)	2 (1.85)	0	1 (0.93)	0	0	108 (100)	
		B	30 (27.78)	8 (7.40)	3 (2.78)	2 (1.85)	1 (0.92)	1 (0.93)		5 (4.63)
		C	24 (22.22)	6 (5.56)	2 (1.85)	2 (1.85)	2 (1.85)	1 (0.92)		3 (2.77)
		X	14 (12.96)	3 (2.78)	0	1 (0.93)	0	0		0
		Y	29 (26.85)	9 (8.33)	2 (1.85)	2 (1.85)	1 (0.92)	1 (0.92)		4 (3.70)
		Z	26 (24.97)	4 (3.70)	3 (2.78)	2 (1.85)	2 (1.85)	1 (0.93)		4 (3.70)
II	18 (29.5)	A	3 (4.91)	4 (6.56)	2 (3.28)	2 (3.28)	0	0	61 (100)	
		B	6 (9.83)	11 (18.02)	7 (11.47)	3 (4.91)	1 (1.64)	1 (1.63)		0
		C	9 (14.76)	4 (6.56)	5 (8.19)	2 (3.28)	1 (1.64)	0		0
		X	2 (3.28)	3 (4.91)	2 (3.28)	3 (4.91)	0	0		0
		Y	9 (14.75)	12 (19.66)	9 (14.75)	2 (3.28)	1 (1.64)	1 (1.63)		0
		Z	7 (11.47)	4 (6.56)	3 (4.92)	2 (3.28)	1 (1.64)	0		0
III	11 (39.28)	A	0	2 (7.14)	0	0	0	0	28 (100)	
		B	7 (24.99)	1 (3.57)	4 (14.28)	2 (7.14)	0	1 (3.57)		0
		C	4 (14.29)	3 (7.14)	3 (10.72)	1 (3.57)	1 (3.57)	0		0
		X	0	1 (3.57)	0	0	0	0		0
		Y	6 (21.42)	2 (7.14)	3 (10.71)	2 (3.57)	0	1 (3.57)		0
		Z	5 (17.86)	2 (7.14)	4 (14.28)	1 (7.14)	1 (3.57)	0		0

Source:- Field investigation.

7. Suggestions

For the above labour related problems, it can be suggested that the present employer should identify the genuine problems of the workers and try to solve them. The workers are to be provided with minimum benefits of welfare and well-being like maternity leave (paid), maternity benefits as the majority of the workers are women, medical, educational and conveyance facilities. “FEEL GOOD” factor at the work place may help the unit holders to retain the workers.

In addition to the above, gender sensitization needs to be created. Because, in many cases, workers, particularly women, quit the job because of the harassment at different stages in a different way. For this purpose, NGO's, educational and research institutions, trade unions must carry on a sustained campaign through seminars, workshops, etc. Further, the government departments concerned with the labour should be strengthened, which, in turn, workout sound procedures and mechanism to identify the genuine causes for the problems.

At Present the minimum wages Act is in vogue for the wage fixation. Here, the minimum wage is assured for the workers irrespective of their active engagement in the production process which is causing intentional inefficiency of the workers at the work place. If the OT is given, then the workers will produce above the normal. Therefore to avoid this it is suggested to introduce the piece rate system of wage payment, i.e. performance based wages. This linking of wage to performance may help to understand the workers that they should not be negligent during the production process and may avoid their intentional inefficiency and may result in improved productivity. This may be the possible solution because the output of the RMG industry is measurable in terms of units produced.

In the RMG industry, the labour cost is proving not only costlier but also the number of problems associated with labour force or more. In addition to these dependency on the workers is inevitable for the manufacturers. To avoid these over dependency on the workers, the integration of production processes by using modern technology is suggested, which is rarely being practiced in Bangalore units. This will reduce the number of workers required at a point of time and also the cost, in terms of wages, associated with such labour force.

8. Conclusion

It can be concluded from the study that among the different problems associated with the production process, labour force is causing the major problem. 69 unit holders (63.88 percent) ranked the labour as a prime factor resulting in production handicaps. Majority of these labour problems are in the form of more labour turnover and unscheduled absenteeism. Further, it emerges from the study that, getting the other jobs, marriage of the female workers and related family problems, travel inconvenience and pursuing the higher education are the major contributors for such labour turnover and absenteeism.

Further discussion with the RMG unit holders reveals that the reason for labour turnover and unscheduled absenteeism is, in Bengaluru city, these days, because of more and more employment opportunities, it is quite easier for the workers to find the alternative jobs. This is happening because of the exposure to the city. The unscheduled absenteeism is being observed during the times of elections and rainy seasons. In addition to this, retailing and booming construction industry in the city are attracting more workers. Here, it is observed that the marginal increase in the wages of the workers is resulting in more labour turnover. Such things, many times cause serious handicaps to the manufacturing activity.

9. References:

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