

Problems and Prospects of Garment Exporters – A Case Study of Davanagere District

Smt. Yallamma
Govt First Grade College
Davanagere

Dr. M.L. Guledgudda
M.Com.,Ph.D
Associate Professor
ASS COMMERCE
COLLEGE - GADAG

Abstract:

The development of Garments Exporters in Davanagere District sector contributes to the expansion of existing employment, output and export and fostering Exporters, so as to fulfill the socio economic objectives of the nation for balancing the regional development especially in rural, semi urban and backward area. Rapid Garments Garmentsization will contribute to the growth of large number of Garments Exporters in Davanagere. In the view of **Sir M.Viveshwaraiah**, “India must secure her essential enterprises as a mother ensures her kids against the entire world without being unfriendly to it”.

Introduction:

Amid the previous five decades, Garments Exporters in Davanagere District have gotten extraordinary consideration during the time spent Garmentsization and local improvement in a large portion of the creating nations. Garments Industries have in this manner, a vital task to carry out in program of improvement. The Garments Exporters in Davanagere District essentially, are in vogue since they are accepted to gangs certain uncommon highlights viz., less capital escalated, more work concentrated, embrace ideal innovation, scatter in provincial and in reverse territories, diminish local uneven characters. Adaptable in activity, send out

orientated, generally spread business and impartial convey the financial abundance of the nation. The Garments Exporters in Davanagere District assume a critical job in the assembling most recent assets, streamlining capital, making conceivable quick increment underway, fare, business and Garments Exporters in Davanagere District segment throughout the years has developed consistently and involved an imperative spot in the economy. Commitment of the segment as far as age of work amid the period 2015-2018 remained at 64.64 lakhs. Yield of Rs 61,324 crores and fare of Rs 63,968 cores are very critical.

1.2 Statement of the Problem

A balanced regional development through locational dispersal of industries has been one of the principal objectives of the Garments Industries five year plans. One of the vital objectives behind fostering Garments Exporters in Davanagere District development in our country is to initiate regional Garments balance by countermanding or neutralizing as for as garments Industries polarization of Garments activities within developed regions. Encouraging Garments Exporters in Davanagere District development in backward areas ensures maximum utilization of local resources both human and material and in consequence helps to bridge inter-regional gaps.

With a view to achieve this, the government has provided various incentives and Garments Industries from time to time. The government policies and plans recognize the Garments Policy programme as a tool for rapid Garmentsization through decentralization of Garments Exporters in Davanagere District to rural and backward areas.

In spite of this development, at the end of eleventh plan 2010-2018, the units in Garments areas in the country have contributed for 9 percent of estimated total output of SMSI, 8.5 percent of the total employment generated by the Garments Exporters in

Davanagere District sector. The share of rural and semi urban Garments areas to total functioning Garments areas stood around 22 to 26 percent and 27 to 33 percent respectively by the end of 70's. While the share of urban stood around 45 to 46 percent. By the eleventh plan document, one can observe that the number of Garments areas and areas are fairly large, but their functioning has not been uniformly satisfactory and, sheds and plots developed have not been fully occupied and become functional. In addition to that, the performance of semi-urban and rural Garments areas has been relatively less encouraging.

As for Karnataka State is concerned, the Garments areas and Garments areas programme have no doubt contributed to the development and growth of Small and Medium Exporters Industries. However, the establishment of such Javali Industries or areas is an extremely slow process and cannot become successful unless it is integrated effectively with development programme. The low utilization of sheds erected in the Javali Industries and the lack of occupants in Javali Industries in backward area would indicate the need for reappraisal of the content and place of the programme. Besides this, the growth of small Exporters industry has not been taken place to the desired extent. Shortage of skilled labour, poor infrastructure facilities, etc., have inhibited the development of Garments Exporters in Davanagere District in Garments Policy in the state.

Moreover, the entry of multinationals to the Indian Garments scene is a major threat to the small units. Now they have to improve themselves in terms of quality to face the competition by multi-national companies and become successful. Under these circumstances, a study on challenges and strategies in Developing Garments Exporters in Davanagere District in Garments areas housed under the umbrella of Karnataka State Industries Development Corporation Limited is more keenly felt.

A micro study like this has not been carried out by any other researchers so far and documented. Hence, the present study is a pioneering one throws light on the issues

like evaluation of the performance of Garments Exporters in Davanagere District to plug the results to the future prospects. The study provides useful suggestions to the policy-makers of the Government to revamp existing visions towards SMSI in Garments divisions.

Definition and Justification for Garments Small and Medium Exporters Industries

The Small and Medium Exporters area has been appointed an exceptional job in the post autonomy modern economy of the country. The recovery and restoration of these modern has been a vital target of organizers. This has been by virtue of a portion of the intrinsic points of interest of the division, similar to low capital power, high business age, decentralized mechanical action and extending of the innovative base. The worry and endeavors of the state to advance this segment are likewise reflected in different mechanical approach goals since 1948 to New Garments Policy of 2016-2021.

Consistently, it is said by famous identities that, under explicit conditions, advancement of Garments Exporters in Davanagere District in India is attractive just as important. Here, it appears to be important to clarify the idea of Garments Exporters industry. Hussein, also known master and the director of master board on Garments business people saw that no attractive meaning of Garments, cabin and provincial enterprises had been endeavored by any specialist in the nation. Subsequent to evaluating the different angles, explicit highlights and attributes of Garments Exporters enterprises, he attempted to give the definition for general acknowledgment.

Prior to understanding the importance of Garments factories the qualification between house enterprises and Garments Exporters in Davanagere District ought to be checked.

Mahathma Gandhi . A visionary commented that cabin ventures and Garments Exporters in Davanagere District ought to be treated as two separate elements. These ventures and specialties, which are continued by and large in the home of the craftsman's, are known as cabin industry. For the most part no power is utilized in the

house ventures and devices and executes utilized are additionally basic. While, very unique in relation to these, the Garments Exporters in Davanagere District for the most part use power and Garments machines. These Garments Exporters in Davanagere District likewise utilize few specialist.

Gandhi has initially persuaded Garments Exporters in Davanagere Districts the best instrument for giving solid articulation to the 'Swadeshi Spirit' and his adherents likewise supported and acknowledged that the idea of Garments Exporters in Davanagere District may utilize different specialists, and may use the power.

1.3 Review of Literature

An attempt has been made to make a review of the studies carried on by the experts on Garments areas and other allied issues. It may be noted that interest in the study of Garments areas only after post-independence and post liberalization period. Many scholars have shown great interest in studying the various aspects of Garments areas around the world and in India. It is in the continuation of these works, a review of available literature on factors affecting the Garments Exporters in Davanagere District in Garments areas, to promotion of the small Enterprises, performance and problems of Garments Exporters in Davanagere District and other aspects of Garments areas has been made and presented.

Chandrashekar¹ in a study of 9 SMSI covering a sample of 86 units into the assessment of economic viability and accomplishment or otherwise of the objectives of the establishment of Garments areas in nine Javali Industries of Karnataka found that on all accounts Garments areas were not a great success. He has compared the efficiency of Garments units located in the Javali Industries with those located outside the Javali Industries. He found that they had not achieved many of the objectives for which they were established and that the programme proved costly in terms of capital

¹ Chandrashekar. *The efficacy of Garments Areas in India*, Vikas publishing house pvt. Ltd. Delhi 1975 p.3.

for generating output and employment. The study also found that the Javali Industries proved to be more capital intensive and the productivity of labour has declined. The cost benefit ratios indicated that the programme was not found to be worthwhile.

A study into the role of Garments Exporters in attracting the industries from outside the Javali Industries was conducted by **Shankar**² in 1972. The study revealed that the Garments areas and scheme launched by the government has been able to achieve great success in achieving its main objective of attracting industries from outside.

Kalyani Bondopadhyaya³ has conducted a study in 5 selected Garments areas of West Bengal to look in their returns of investments. He had compared the performance of the Garments units located inside the Javali Industries with those which are outside the Javali Industries. The study revealed that the return earned by the located the Javali Industries has been higher than that of the Garments units located within the Garments areas.

Devi⁴ examined the progress and performance of 13 Garments industries a in Rajasthan. He probed into the degree of success of Garment areas in promoting Exporters in various locations and compared the efficiency of the units located within the Javali Industries with those located outside the Javali Industries and units in rural Javali Industries with those in urban Javali Industries. The performance of the units located within the Javali Industries of each district is compared with the performance of the units at the state level. His findings is almost similar to that of the findings of Kalyani bandopadhyaya study in West Bengal. He found that the progress in the

² Shankar, *Garments Areas in India*, Asis Publishing House, New Delhi 1963 p.64.

³ Kalyani Bondopadhyaya, *Garmentsisation through Garments Areas*, Calcutta, 1696. cited D. Nagaiah, *effective of Garments Areas A locational comparision, theses, University of Rajasthan Jaipur, 1984.p.3.*

⁴ devi., *Garments Estes, An evaluation – A case study of the programme in Rajasthan thesis, Year 1976.9.15*

implementation of Garments areas programme in Rajasthan was slow and also the Garments areas in urban areas showed higher capacity utilization than those in rural areas. The urban Javali Industries showed better performance in profitability, utilization of factory sheds and working capacity than the rural Javali Industries. Again, in respect of economic efficiency and viability of units, the urban Javali Industries appeared more successful than rural Javali Industries.

Pathak⁵ studied 12 Garments units during 1969-70 to 1970-71 with a view to evaluate the performance and problems of Small and Medium Exporters Garments Industries. The units were selected from Garments areas enjoying identical facilities and engaged in different lines of manufacturing. He studied the problems of Garments Exporters at three different stages namely inception, operation and expansion. The study observed that factors like contacts, education and finance play an important role and the problems at the stage of inception received relatively more attention than the problems of the remaining two stages.

Subba Rao⁶ examined the effectiveness of the Garments areas programme in 18 Javali Industries of Andhra Pradesh. He analyzed the allotment and utilization of Govt schemes developed plot in urban, semi-urban and rural Javali Industries, adequacy of entrepreneurial response and examined the entrepreneurial and managerial abilities and also explored the need to give priority to certain type of Garments Policies. He had chosen the samples by selecting a few from those who are Garmentsists earlier and those who become Garmentsists for the first time. The characteristics of these two type of Exporters exhibited more and managerial ability towards Exporters. They came from distant locations, started units with higher capital intensity and higher capital investment, expanded their units, utilized plant capacity to a great extent and catered to

⁵ Pathak.H.H. *The Exporters, technician and manager in Small Exporters units, economic and political weekly, Review of Management vol .7.p.48*

⁶ Nagaiah.D.Ibid., p.16.

distant and wider markets. Educational background and emergence of entrepreneurial class were found to be positively correlated. The study suggested that in rural areas, conventional Javali Industries should be established with work sheds of the type needed by artisans and tiny sector units and pleaded that greater attention should be devoted to locational aspects and development of necessary infrastructure before establishing an SMSI. The study advocated that priority should be given in the future programme of allotment of plots/sheds to Exporters below the years with trading background.

1.5 Objectives of the Study

The establishment of Garments Exporters has been one of the institutional devices adopted for promoting, Garments Industry in several countries like U.S.A., U.K., Turkey, Kenya, Malaysia, Canada, France and India. These Garments areas are considered as important and extensively useful technique for the programme of rapid development in any economy. The Garments areas support to provide the healthy Garments environment, climate and encouragement to small Exporters and take care about number of problems of sites, plots, building, power, infrastructure facilities and incentives and concealments Garments Industries and it is also necessary to make an evaluation of the role of Garments Exporters in promoting.

Garments industry comprises a major fragment of India's Textile texture. It is the greatest division giving business chances to the Indians beside agribusiness. Be that as it may, the Garments units are the most exceedingly terrible sufferers after the advancement of Indian economy opposite with the passage of mammoth global organizations and the present monetary condition has likewise influenced javali exporters area and it is additionally important to assess the execution of undertakings, their development and issues experienced by them.

In the perspective on the abovementioned, the present investigation is done with the beneath referenced targets is relied upon to toss a light on act, issues, prospects and issues identifying with business in Garments Exporters in Davanagere District

especially in Garments territories that have stayed lethargic and turned out with recommendations for execution at various dimensions for growing right kind of Garments enterprise required in provincial and in reverse zones.

To investigation the execution of Garment exporters in the development and advancement of units in Davanagere Districts

1. To study the performance of Garments Exporters growth and development of Davanagere District.
2. To enquire into the socio economic background of Garments Exporters entrepreneurs emerging in Davanagere Districts.
3. To evaluate the Garments Exporters efforts and performance in industrial estates at Javali Park and other industrial areas.
4. To study the problems being faced by the Garments Exporters in Davanagere and Karnataka state.
5. To estimate the Development and growth options for Garments Exporters in the state.
6. To offer suggestions based on findings.

1.6 Hypotheses of the Study

So as to accomplish the above goals, the accompanying speculations have been set for the investigation.

1. The locational advantage have its own effect on the business people execution.
2. The family foundation of the business people has its own effect on the enterprising execution.
3. The pioneering execution is affected by the Garments Industries to which they have a place.
4. Formal training has affected the effective business.
5. The much better execution of the business visionaries is influenced by such a significant number of issues.

1.7 Methodology and Sampling Design

Garments Exporters in Davanagere District with the capital not exceeding Rs.500 lakhs Garments and Medium Exporters Industries with the capital not Garments

Industries Rs.500 lakhs which incorporates modest units, auxiliary ventures, send out arranged businesses, ladies endeavors, Garments administration units have been considered for the assessment of execution, issues and prospects of Garments Exporters in Davanagere District. So as to test the speculations and meet the targets of the examination, the information has been gathered from the both essential and optional sources. A detailed survey was set up for managing on business people and essential information was assembled. An irregular example size of 400 business people from 34 Javali Industries of SMSI was chosen. Due thought has been given to the units situated in various Garments territories. Out of 400 examples business visionaries,

Apart from the above: secondary sources was also tapped from annual report of SMSI, Progress Reports, MIS Report on Garments Policies, booklets, information brochures of SMSI, Kaigarika Vartha, ICSI Herald, Books, Journals, Articles etc. The materials have been collected from planning and statistics department, Directorate of Industries, SISI, AWAKE, Ministry of Small Industries, KSIMC's office, NISC, SIDO and even from Websites, University library and ICSSR-NASSDOC.

1.8 Scope of the Study

The Garments Exporters have gained a lot of significance on account of several factors particularly due to rapid Development and balanced growth in rural and backward area. In this connection, it may be mentioned that the establishment of Garments Policy has given great importance for the growth and development of small Exporters Garments units. There are at present 841 sheds constructed in which more than 5,000 units are operating in 11 Garments areas spread in Davanagere districts of Karnataka. State. The study is confined to Garments Exporters in Davanagere District functioning in Garments areas of SMSI in Karnataka State. Moreover, the researcher hails from the same state and problems can be better perceived.

1.9 Analysis of the Data

So as to demonstrate the deductions or invalidate the theories, the information gathered was dissected with the Garments Exporters assistance of factual procedure like proportions, rate, development rate, weight focuses and positioning strategy.

1.10 Limitations of the Study

The study is confined to Garments units in SMSI only, since the units are facing identical problems and enjoying identical facilities. Moreover, time and money constrains have also affected the researcher's decision to limit the study the Garments exporters. Lack of knowledge about the importance of research among the respondents also affected the study. Some Exporters are reluctant to give the data due to known and unknown reasons. The analysis of data is purely based on the information given by the respondents during field survey.

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