Decline of the Textile Industry and Its Impact on the Industrial Decline in Maharashtra

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The relative stagnation of the textile sector in Maharashtra has dragged the state's contribution to industrial employment and output at the national level. Moreover, the rate of reduction in the number of textile factories is disproportionately lower compared to the rate of reduction in the employment, wages and output, indicating that larger factories have either closed down in the state or exited to other locations.

Mumbai today has positioned itself as the financial capital of India, headquartering several financial institutions, top businesses, and home to the two major stock exchanges in the country. However, till the late 1980s, Mumbai (then Bombay) was a city most known for its working-class culture on account of its large manufacturing base and a unionised workforce. Since the colonial period, the city has been at the forefront of industrial development, with textiles being the leading sector. It witnessed pioneering efforts to unionise and radicalise the workers that partly culminated in one of the largest workers' strikes witnessed in India in 1982 involving nearly two and a half lakh workers. The beginnings of the long arc of worker mobilisation in the city can be traced to offshoots of Jotirao Phule's Satyashodhak Samaj that threw up the first trade union leader, N M Lokhande. He founded the Bombay Mill-Hands Association in 1890, and also edited the journal *Din Bandhu*, subsequently called the journal in the interests of the working classes. The expansion of the textile industry and its impact on the city's economy began to unravel in the 1980s due to a range of factors. Based on a comparative analysis of the secondary data on the organised textile sector at the state level, using the data from the Annual Survey of Industries (ASI), this paper seeks to shed some light on the processes leading to the decline of this sector in the city and the state.

Some attribute this decline to the large-scale strike that paralysed the industry in the early 1980s. Others cite the textiles policy of 1985 that increased competition, forcing out less efficient players. On a related note, the inability or lack of willingness to modernise the mills, too, is held to have played a part. Finally, efforts to restructure by selling a portion of the land and using the revenue to invest in new technology to diversify into related sectors failed to take off because of the nexus between the real estate lobby and the underworld mafia. Here, we attempt to focus on a comparative analysis of the industry in relation to other competing states like Gujarat and Tamil Nadu and see whether state-level variations in key economic ratios may offer any insights into this process. While the share of Maharashtra in the country's textiles output has fallen since the 1980s, the shares of Gujarat and Tamil Nadu have increased in post-reform India. Through this, we also ask whether the decline witnessed in the city is linked to issues of state-level factors.

Textile Sector at the National Level

The decline of the textiles sector has a logic in the structural transformation of an economy. While it is often the earliest of manufacturing sectors to emerge in the wake of an economic

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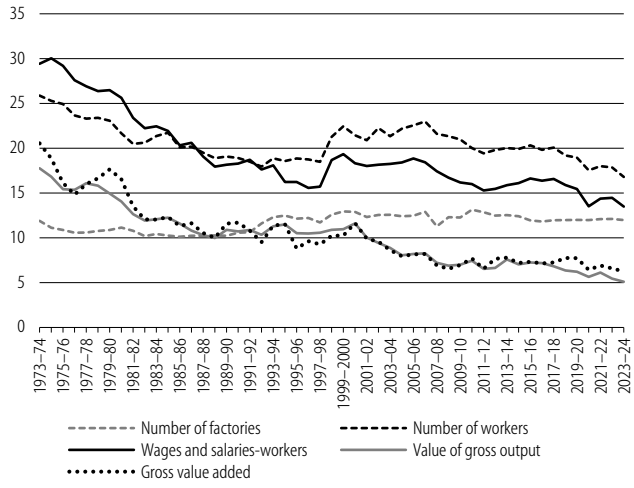
Figure 1: Textile Industry as Percentage of Manufacturing (ASI)—All India



transition, its significance tends to shrink over time, given its lower potential for value addition in relation to other manufacturing sectors. Nevertheless, it is significant because of the multiple backward and forward linkages it can create. Further, despite an overall shift from advanced capitalist to low-income countries, high-value-adding segments within the apparel sector continue to be retained by high-income countries.

In India, as shown in Table 1, the proportionate share of the textile industry in the number of factories remained at about 12% of the total factories covered in the ASI in the early 1970s, which dipped to around 10% in the 1980s and increased to nearly 13% since the late 1990s. In terms of crucial indicators like employment and output, the relative importance of the textile industry has waned over the last five decades or so. It used to contribute about 25% of the total employment (number of workers) in the registered manufacturing sector in the early 1970s, but this has reduced to 17% in recent years. The textile industry used to account for about 30% of the total wage income (wages and salaries to workers) of the manufacturing sector in the early 1970s, which has nearly halved to 14%. Back then, in 1973–74, its contribution to industrial output used to be 17.8% of the gross value of output (GVO) and 20.6% of the gross value added (GVA). In 2023-24, these measures have drastically reduced to 5.1% and 6.2%, respectively. The reductions in all these indicators took place gradually with some fluctuations on a year-on-year basis (Figure 1). The textile industry has, thus, been losing its traditional place in the industrial structure—it was described as the leading sector even in the 1990s (Roy 1998). This may not be an issue if there has been a dynamic process of diversification into more skill- and technology-intensive sectors. Textiles have been the lead sector of industrialisation for most countries in the early stages of economic growth, but tend to decline as countries move into more sophisticated manufacturing. The question that needs to be therefore asked is: Has it happened in the case of Maharashtra?

Tabel 1: Percentage Share of Textile Industry to Manufacturing Total—All India (%)

Year	Number of Factories	Number of Workers	Wages and Salaries–Workers	Value of Gross Output	Gross Value Added
1973–74	11.9	25.9	29.4	17.8	20.6
1981–82	10.8	20.5	23.4	12.6	13.5
1991–92	10.6	18.5	18.7	10.9	10.8
2001–02	12.3	20.9	18.0	10.0	9.9
2011–12	12.9	19.4	15.3	6.5	6.6
2023–24	12.0	16.8	13.5	5.1	6.2

Source: Based on data extracted from the Annual Survey of Industries (ASI) module of EPWRF India Time Series (www.epwrfits.in).

Maharashtra Losing Out

The state-wise analysis reveals that there are 14 states, including the union territories of Dadra and Nager Haveli, accounting for over 97% of the total textile industry GVA (Table 2). Some major states like Bihar, Odisha, Chhattisgarh, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Telangana, Uttarakhand, and all of the north-eastern states together account for the remaining share of a mere 3% of the industry's GVA. Even among those 14 states, the share of states like Kerala and Andhra Pradesh remained meagre. Though Madhya Pradesh and Delhi are not major players in textiles, they have still been losing their respective shares in recent decades. Since 1991–92, Rajasthan maintained a share of 5%–6% of textile GVA. Haryana and Karnataka have been forging ahead gradually, and Uttar Pradesh shows a steady rise in recent decades—each accounts for about 7.5% of textile GVA in 2022–23.

Back in 1980–81, the textile industry was dominated by four major states, namely Maharashtra (24.4% of the total GVA of textile industry), Gujarat (19.4%), West Bengal (15.9%), and Tamil Nadu (12.9%); the four states thus accounted for 72.7% of the total GVA of the textile industry in the country. The four states accounted for 97.5% of the total factories in this sector, 69.9% of all textile workers, 77.3% of wages and 70.4% of GVO. By 1991–92, we find a greater spatial diversification and hence a less prominent role for these states. The shares of Gujarat, Maharashtra, and West Bengal in particular declined (10.1%, 20.3%, and 8.6% of the total GVA of the textile industry respectively). Meanwhile, Tamil Nadu did well, improving its contribution to 19.2% of the textile GVA. While Gujarat maintained a steady increase thereafter to about 14.7% of the GVA in 2022–23 and Tamil Nadu further to 24.4%, Maharashtra and West Bengal witnessed a continuous reduction in their respective shares.

Table 2: Share of Major States in Gross Value Added of Textile Industry
(As % to total of all states)

Sr no	Year	1980–81	1991–92	2001–02	2011–12	2022–23
1	Andhra Pradesh	2.6	2.7	3.5	3.3	2.1
2	Gujarat	19.4	10.1	13.5	12.3	14.7
3	Haryana	1.2	1.7	3.9	5.8	7.5
4	Karnataka	2.7	4.1	7.4	9.0	7.4
5	Kerala	1.6	1.6	1.6	1.1	0.9
6	Madhya Pradesh	4.2	4.1	4.9	2.5	2.7
7	Maharashtra	24.4	20.3	11.6	12.2	9.3
8	Punjab	2.7	7.3	5.9	10.7	5.7
9	Rajasthan	3.8	6.6	6.6	4.7	6.1
10	Tamil Nadu	12.9	19.2	20.1	19.0	24.4
11	Uttar Pradesh	4.9	5.4	3.5	3.8	7.5
12	West Bengal	15.9	8.6	7.9	4.8	5.5
13	Delhi	1.6	4.9	4.1	1.4	0.8
14	Dadra and Nagar Haveli	0.0	1.0	2.5	7.1	2.8
15	Share of 14 major states	98.0	97.7	96.9	97.5	97.3

Source: Based on data extracted from Annual Survey of Industries (ASI) module of EPWRF India Time Series (www.epwrfits.in).

Figure 2: Maharashtra Textile Sector as Percentage of All-India Textile Industry

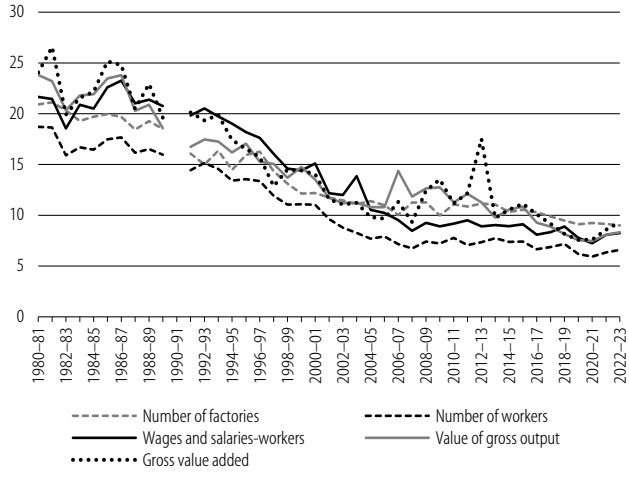


Figure 3: Textile Sector as Percentage of Manufacturing (ASI) Total—Maharashtra

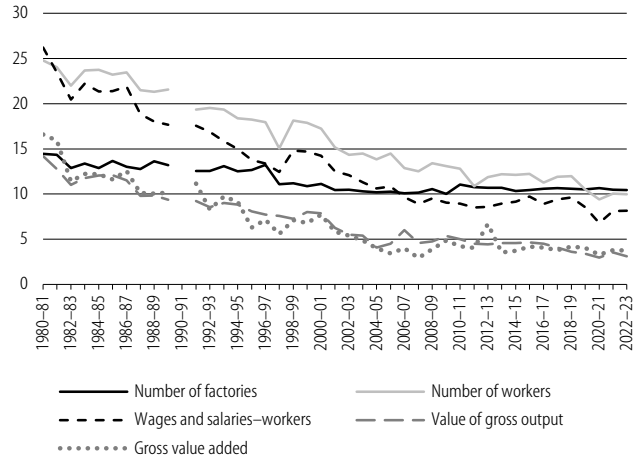


Figure 4: Maharashtra Textile Industry as Percentage of All-India Manufacturing (ASI) Total

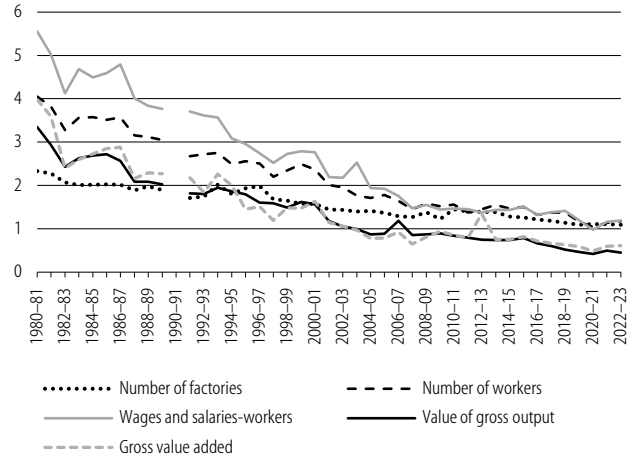


Figure 5: Maharashtra Manufacturing as Percentage of All-India Manufacturing (ASI) Total

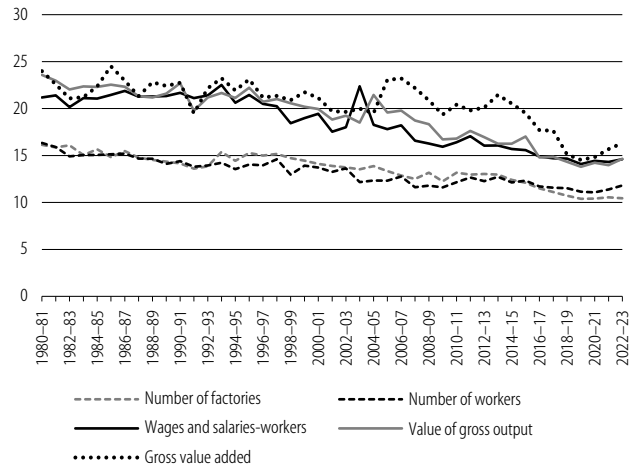


Table 3: Textile Industry in Maharashtra

	Number of Factories	Number of Workers	Wages and Salaries-workers	Value of Gross Output	Gross Value Added
Maharashtra textile sector to all-India textile industry total					
1980–81	20.9	18.7	21.7	23.8	24.1
1991–92	16.1	14.4	19.8	16.7	20.1
2001–02	11.7	9.6	12.2	11.7	11.6
2011–12	10.9	7.1	9.5	12.1	12.2
2022–23	9.0	6.6	8.2	8.3	9.3
Share of Maharashtra textile sector in the state's manufacturing total					
1980–81	14.5	24.8	26.2	14.2	16.6
1991–92	12.6	19.3	17.6	9.2	11.2
2001–02	10.4	15.2	12.5	6.2	5.8
2011–12	10.8	10.9	8.5	4.5	4.0
2022–23	10.4	10.0	8.2	3.1	3.8
Maharashtra textile sector to all-India manufacturing (ASI) total					
1980–81	2.3	4.1	5.6	3.3	4.0
1991–92	1.7	2.7	3.7	1.8	2.2
2001–02	1.4	2.0	2.2	1.2	1.1
2011–12	1.4	1.4	1.5	0.8	0.8
2022–23	1.1	1.2	1.2	0.5	0.6
Maharashtra manufacturing to all-India manufacturing (ASI) total					
1980–81	16.1	16.3	21.2	23.6	24.0
1991–92	13.6	13.8	21.1	19.8	19.5
2001–02	13.9	13.3	17.5	18.8	19.7
2011–12	13.0	12.7	17.1	17.6	19.8
2022–23	10.4	11.8	14.6	14.6	16.3

Source: Based on data extracted from Annual Survey of Industries (ASI) module of EPWRF India Time Series (www.epwrfits.in).

The decline in employment and output shares of Maharashtra is particularly perceptible. Between 1980–81 and 2022–23, Maharashtra's share in the textile sector got reduced by 11.9 percentage points each in the number of factories and the number of workers, 13.4 percentage points in wages and salaries to workers, 15.5 percentage points in GVO, and 14.7 percentage points in GVA (Table 3 and Figure 2). Since the rate of decrease in the number of factories is less than that of GVO and GVA, it is surmised that the state has lost bigger factories. This can be attributed to the closure of composite mills that were predominant in Bombay (and in other major centres in India) till the 1980s and the emergence of stand-alone spinning and weaving units with lesser output and value addition.

Implications of the Decline

How significant is the textile industry to Maharashtra? Does the decline in its relative share reflect in its contribution to the country's industrial employment and output? We examine these aspects by working out the ratios of (i) the state's textile to the state's industry total; (ii) the state's textile to the all-India industry total; and (iii) the state's industry total to the all-India industry total. These ratios have been worked out for the number

of factories, the number of workers, wages and salaries, GVO and GVA. These ratios have witnessed a secular decline over the last four decades or so, starting from 1980–81 (Figures 3, 4 and 5, p 91), suggesting that the relative significance of the textile industry has reduced both at the state and national levels.

In terms of the number of factories, the state's textile industry accounted for 14.5% of total factories in the state in 1980–81, which gradually declined to 10.4% in 2022–23. As a percentage of total factories in the country, the state's factories constituted 16.1%, while its textile factories accounted for 2.3% in 1980–81. However, the respective shares dropped to 10.4% and 1.1% in 2022–23. Between 1980–81 and 2022–23, the share of textile industry workers in Maharashtra in all-India textile workers reduced by 2.9 percentage points, wages and salaries by 4.4 percentage points, GVO by 2.9 percentage points and GVA by 3.4 percentage points. Simultaneously, there is also a reduction in the share of the state's manufacturing in India's manufacturing sector in all these parameters—the state's share of industrial workers stood lesser by 4.5 percentage points in 2022–23 over 1980–81, wage incomes by 6.6 percentage points, GVO by 8.9 percentage points and GVA by 7.7 percentage points.

That this declining importance of Maharashtra in India's manufacturing is largely due to the decline in its textile industry is evident from a comparison of the textile sector decline in the state and shifts in all-India manufacturing. The magnitude of the impact, however, varied across variables. For instance, while the share of the state's textile industry workers in the country's share reduced by 2.9 percentage points, the overall decline of the state's share of employment in the country's manufacturing sector fell by 4.5 percentage points. In other words, about 63% of the reduction in the state's contribution to the country's industrial employment is attributable to a fall in employment in the state's textile factories between 1980–81 and 2022–23. In a similar way, the reduced state's share in the textile industry resulted in about two-thirds reduction in the state's share in the country's industrial wages, 32% of the reduction in GVO, and 44% in GVA. The relatively lesser decline in terms of GVO and GVA compared to employment and wages can be attributed to the diversification of the state's manufacturing into more capital-intensive manufacturing.

The relative stagnation of the textile sector in Maharashtra has thus dragged the state's contribution to industrial employment and output at the national level. What is more, the rate of reduction in the number of textile factories is disproportionately lower compared to the rate of reduction in the employment, wages and output, indicating that larger factories have either closed down in the state or exited to other locations.

Table 4: Percentage Distribution of Textile Sector in Maharashtra at 3-digit Level of NIC 2008

	Number of Factories	Number of Workers	Wages and Salaries–Workers	Value of Gross Output	Gross Value Added
Code 131: Spinning, weaving and finishing of textiles					
1980–81	65.8	92.1	94.4	88.6	93.2
1991–92	61.1	89.0	91.8	80.9	80.8
2001–02	59.8	82.8	84.7	77.5	77.0
2011–12	54.0	68.6	61.3	70.7	67.1
2022–23	50.9	59.5	56.4	54.2	44.4
Code 139: Manufacture of other textiles					
1980–81	7.5	2.6	2.1	5.2	3.2
1991–92	8.0	3.4	2.9	6.1	5.1
2001–02	6.7	5.1	5.2	5.2	7.9
2011–12	9.6	11.4	19.5	14.1	13.8
2022–23	10.9	17.8	22.0	25.3	32.0
Code 141: Manufacture of wearing apparel, except fur apparel					
1980–81	22.7	4.5	2.8	4.9	3.0
1991–92	27.1	6.7	4.5	11.6	12.9
2001–02	29.0	9.9	8.0	10.6	10.3
2011–12	34.8	18.7	17.9	14.6	18.1
2022–23	37.0	21.3	19.9	19.3	21.8
Code 143: Manufacture of knitted and crocheted apparel					
1980–81	4.0	0.9	0.6	1.3	0.7
1991–92	3.8	1.0	0.7	1.4	1.2
2001–02	4.5	2.3	2.1	6.7	4.8
2011–12	1.6	1.4	1.3	0.5	1.0
2022–23	1.3	1.4	1.7	1.2	1.8

Source: Based on data extracted from Annual Survey of Industries (ASI) module of EPWRF India Time Series (www.epwrfits.in).

Shifting or Closing of Traditional Textile Mills

The analysis presented so far considers the textile industry as a whole. The industry consists of mills, power looms, handlooms, hosiery and khadi. Based on major economic activities, ASI classifies the textile sector into five groups, namely spinning, weaving and finishing textiles (NIC 2008 code: 131); manufacture of other textiles (Code: 139); manufacture of wearing apparels, except fur apparel (Code: 141); manufacture of articles of fur (Code: 142); and manufacture of knitted and crocheted apparel (Code: 143). Maharashtra has traditionally been home to composite textile mills (131 and 139). It is, therefore, interesting to examine trends at a disaggregate level. A close examination of the data for industry code 142 (manufacture of articles of fur) shows its sporadic availability without much economic significance for the state, that is, the data for this industry group is reported only for some years, that too these are not large enough to influence the total of the industry. Thus, we focus more on industry groups 131, 132, 141 and 143. Moreover, as the proportionate shares of these groups in the total textile industry show a secular trend, rising or decreasing without much fluctuations on year basis, we present their respective shares for a few time points starting from 1980–81 (Table 4).

The percentage of factories engaged in spinning, weaving and finishing textiles (Code: 131) has a predominant share in the total, but has reduced over the years. The number of these units accounted for 65.8% of the total textile units in 1980–81, and this came down to 50.9% in 2022–23, a reduction by about 14.9 percentage points. There is also a reduction of 2.8 percentage points in the total number of units in the manufacture of knitted and crocheted apparel (Code: 143). Simultaneously, the number of factories in the manufacture of wearing apparel (Code: 141) has sharply gone up by 14.3 percentage points, and the manufacture of other textiles (Code: 139) has also gone up by 3.4 percentage points. This suggests that while traditional spinning, weaving and finishing textile factories have declined, the decline has been partially offset by an increase in garment production and manufacture of other textiles.

That being said, the industry group 131 recorded a steep reduction by 32.6 percentage points in workforce in 2022–23 over 1980–81, 38.1 percentage points in wages to workers, 34.5 percentage points in GVO and 48.7 percentage points in GVA. It was partly compensated by the rising share of the industry group 139, though it recorded only a 3.4 percentage points rise in the number of factories. The industry group 141, which registered an increase of 14.3 percentage points in the number of the factories, witnessed a disproportionately larger increase in its share of the workforce (by 16.8 percentage points) and wages (by 17.1 percentage points). This indicates labour-intensive nature of the manufacture of wearing apparel. The state has, thus, been losing out on the activities, such as spinning, weaving and finishing of textiles (Code 131), normally performed in composite textile mills. These evidences also highlight the diversification taking place within the textile industry in the state. Despite this, the industry as a whole has been waning in the state, arguably because of the departure or closure of textile mills. This decline has however not been compensated entirely by the rise of apparel production.

Growth of Textile Industry

What has been the growth performance of the industry over the years? For comparison purposes, we have considered the growth rates of GVA of the textile industry at the 3-digit as well as of the industry total (ASI), both for all India and Maharashtra (Table 5). The GVA was deflated using the wholesale price index (WPI, 2011–12 = 100) for the commodity groups "manufacture of textiles" and "manufacture of wearing apparel," which were appropriately combined using their respective weights; and the industry total was deflated using the WPI for the "manufactured goods." Further, we have considered the period starting from 1991–92 for which the back series of WPI was generated using the splicing method. The growth rate was computed using the semi-log function for various periods. As 2020–21 experienced COVID-19-induced lockdown, the growth rate was computed up to 2019–20, and also up to 2022–23.

The period average growth rate of GVA of the textile industry and the industry as a whole at the all–India level remained higher than in Maharashtra. The period 2001–02 to 2010–11 could be considered as a high growth phase: 11.3% by the textile sector and 13.4% by the industrial sector at the all-India level. In the following period, 2011–12 to 2022–23, the growth rate has fallen, while the textile sector recorded a growth rate of 4.3% and the industry total of 4.8%. Industry group 131 registered a considerable decline in its growth rate to 1.7% during 2011–12 to 2022–23 compared to 9.4% in the preceding decade. All other industry groups, such as 139, 141 and 143, recorded relatively higher growth than the industrial sector as such.

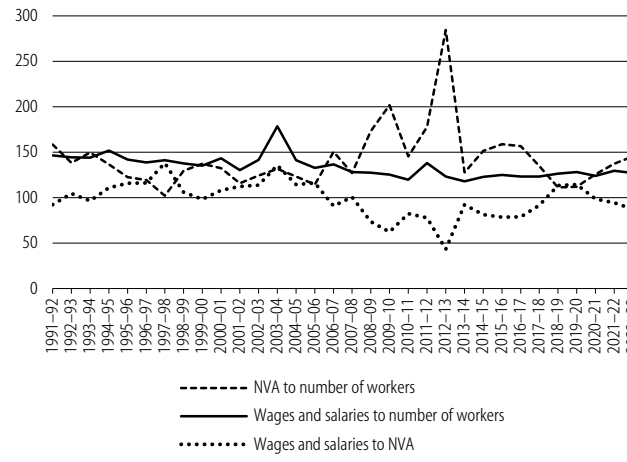
Table 5: Growth Rate of Real Gross Value Added of Textile Sector and Manufacturing Sector, Maharashtra and All-India (At 2011–12 prices)

Period	131	139	141	143	Textile (Total)	Manufacturing
All India						
1991–92 to 2022–23	4.8	13.9	8.3	10.9	6.6	7.3
1991–92 to 2000–01	7.3	15.2	12.7	16.3	8.7	7.1
2001–02 to 2010–11	9.4	20.0	13.1	11.7	11.3	13.4
2011–12 to 2019–20	2.7	10.1	8.0	13.0	5.7	5.0
2011–12 to 2022–23	1.7	8.7	5.7	9.0	4.3	4.8
Maharashtra						
1991–92 to 2022–23	2.6	10.6	5.4	3.6	4.1	6.2
1991–92 to 2000–01	3.1	5.1	2.4	11.9	3.1	7.2
2001–02 to 2010–11	8.0	22.6	24.9	0.6	12.4	13.9
2011–12 to 2019–20	-4.7	8.8	0.3	6.7	-1.7	0.5
2011–12 to 2022–23	-3.7	9.0	-0.05	6.9	-0.6	1.4

Growth rate has been computed using semi-log function.
Source: Based on data extracted from Annual Survey of Industries (ASI) and Price Indices modules of EPWRF India Time Series (www.epwrfits.in).

Figure 6: Labour Productivty, Average Wage per Worker and Wage Share in Textile Industry of Maharashtra

(As percentage of respective indicators of the rest of India)



Maharashtra also exhibits a growth pattern in the GVA similar to that of all India. The growth rate of the GVA of the state's industrial sector has drastically reduced to 1.4% during 2011–12 to 2022–23 from 13.9% recorded in the preceding decade. In fact, the state's textile industry grew by (-)0.6% during 2011–12 to 2022–23 against 12.4% in the previous period of 2001–02 to 2010–11. As in all-India, the industry group 131 performed very poorly in Maharashtra, growing by (-)3.7% during 2011–12 to 2022–23, against 8.0% in the preceding decade. Similarly, the industry groups 139 and 143 in the state registered a higher order of growth than the state's industry average, whereas unlike all India, the growth rate of the industry group 141 had fallen substantially to (-)0.05% in the period 2011–12 to 2022–23 from 24.9% recorded in the preceding period of 2001–02 to 2010–11. Though the groups 139 and 143 had performed better, the predominant position of 131 and to some extent 141 has dragged down the sector's overall performance in the state. Thus, Maharashtra has been witnessing deceleration in the industrial sector (ASI) since 2011–12, and its textile sector (that is, groups 131 and 141) has exacerbated the declining process.

Labour-related Issues

Being a labour-intensive industry with relatively lower barriers to entry, the state may lose out to other locations if it cannot sustain productivity increases, especially if the wage rates in the state are relatively higher. To examine this, we use the following three ratios: (i) NVA to number of workers (a measure of labour productivity); (ii) wages and salaries to workers to number of workers (that is, average wage per worker); and (iii) wages and salaries to workers to NVA (wage share). The

Figure 7: Labour Productivty, Average Wage per Worker and Wage Share in Textile Industry (As percentage of the rest of manufacturing in Maharashtra)

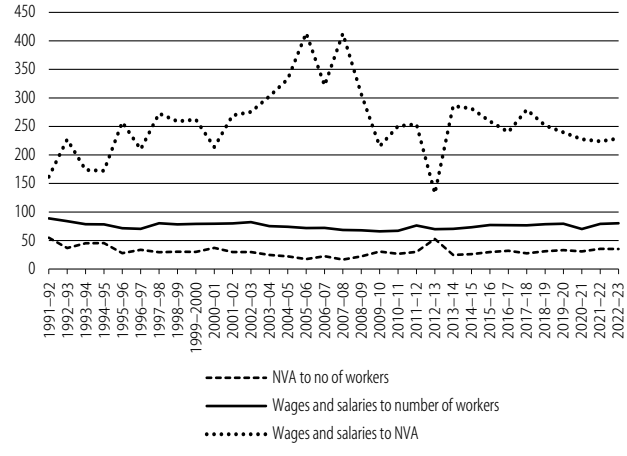
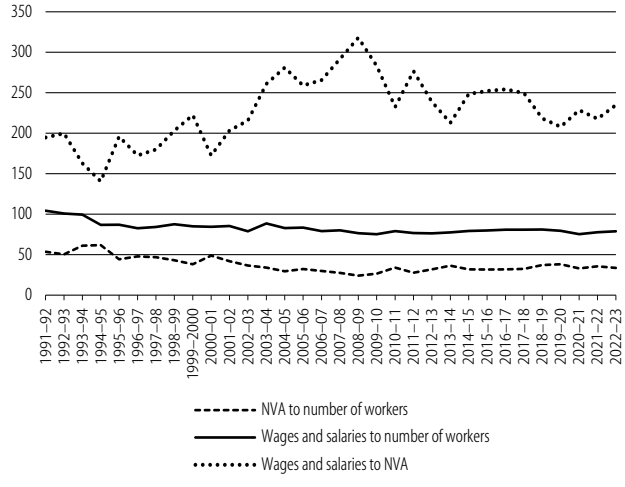


Figure 8: Labour Productivty, Average Wage per Worker and Wage Share in Textile Industry (As percentage of other manufacturing in the rest of india)



ratios obtained for the Maharashtra textile industry have been expressed as a percentage of the respective ratios of the rest of India (that is, all India sans Maharashtra).

As shown in Figure 6 (p 93), the textile industry in Maharashtra had better labour productivity and more average wage per worker compared to the rest of India. At the same time, the wage share in textile units of Maharashtra remained higher than the rest of India till the mid-2000s, after which it became lower. More so, the extent to which the average wage per worker was greater than the rest of India was more than the degree by which the state excelled in labour productivity till the mid-2000s, but this trend is reversed subsequently. This suggests that the relative gains for labour could not be sustained by increases in productivity in the wake of competition from other regions. A disquieting tendency is that the higher productivity of textile workers in the state relative to the rest of the country in recent decades did not transform itself into higher wages and wage share for these workers.

Further, disparity in the returns to textile workers in relation to other industrial workers within the state has been examined. This attempt is based on the aforementioned ratios for the textile industry and other industries within the state (that is, the state's industrial total excluding its textile sector). As shown in Figure 7, the labour productivity in the textile sector is about 31% and the average wage per textile worker is about 76% of other industries in recent decades. At the same time, the wage share in the textile industry is more than 2.5 times of the wage share in other industries owing to its higher labour intensity. Looking at similar ratios for the rest of India (Figure 8), the structure of Maharashtra's textile sector is not too different, and yet, the sector's role has diminished in the state.

Conclusions

Since the 1980s, the state has lost its dominance in textile output and employment, particularly those engaged in spinning, weaving and finishing of textiles (NIC 2008 Code: 131) and manufacture of wearing apparel (Code: 141). Further, this decline feeds into an overall decline of the share of Maharashtra's manufacturing sector in relative terms. As per a study published by the EPW Research Foundation in 1997, mills ought to have invested 7.5% of their turnover in modernisation to stay competitive. However, in practice, the mills in Mumbai invested only one-fourth of that towards modernisation. The state government had agreed to a plan to allow mills to sell a portion of their land to help them mobilise capital to revitalise the mills and also redeploy redundant millworkers. The nexus between the land mafia and the mill owners, however, prevented that from taking off. While a section of workers' representatives called for transferring land to workers' cooperatives and modernisation, the view that a revival of textile mills in Mumbai would be unviable in the wake of competition from the decentralised and unorganised power loom sector as well as from imports had begun to assume dominance among the stakeholders in both industry and financial institutions. Further, fearing a fall in real estate prices due to an increase in supply, the builder–politician lobby in Mumbai ensured that the sale of mill lands did not take place immediately. This was also accompanied by the use of the underworld by mill owners to threaten workers to agree to their terms for exit (EPW Research Foundation 1997). Moreover, the discussion that followed the strikes in 1982 on the fate of textile mills in Mumbai city, arguably the epicentre of the state's textile sector back then, had centred more on the modes of disposal of land rather than on their modernisation or relocation elsewhere within the state. This had resulted in the exit of textile mills from Mumbai city and hence diminished the city's role in the country's industrialisation process.

The decline of the composite mill sector has a larger spatial history in India. Such closures and sickness could be observed in the mills in Ahmedabad and Coimbatore as well. Mill lands in Coimbatore too began to be converted into real estate. However, the closure of composite mills in the Coimbatore city region was accompanied by two parallel developments that sustained and dynamised the textile sector in Tamil Nadu. Thanks to better infrastructural endowments in rural Tamil Nadu such as access to electricity and transport, the decentralised power loom sector emerged in different semi-urban and rural

parts of western Tamil Nadu. Maharashtra too has a large power loom sector dispersed across small towns like Bhiwandi, Ichalkaranji, and Malegaon, but the structure of the industry continues to pose barriers for competitive dynamism (Roychowdhury 2020). Second, in Tamil Nadu, spinning mills began to be set up in rural hinterlands of the city to begin with and further away to more remote locations in the state, again taking advantage of better rural–urban linkages and infrastructure in the state. Importantly, they took advantage of the Technology Upgradation Fund (TUF) scheme to upgrade and even compete in global markets. While such shifts did not take place in Maharashtra, the decline of Bombay's textile industry continues to hold lessons for building competitiveness for manufacturing in contemporary India. Place-based policies are increasingly seen to be critical to embed industries in specific geographies which in turn are seen to be important to build long-term dynamism as well as foster progressive employment and learning linkages. The role of sub-national governments in fostering such place-based linkages need to be emphasised in the ongoing efforts to revive manufacturing in India.

The government, time and again, takes initiatives to promote the textile sector, though the substance of the policy is time varying. Recently, the Government of India introduced several schemes, such as Scheme for Capacity Building in Textile Sector (SAMARTH), Amended Technology Upgradation Fund Scheme (ATUFS), production-linked incentive (PLI) scheme to promote the production of man-made fibre (MMF) apparels, the PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks, Scheme for Integrated Textile Parks (SITP) and so on (Ministry of Textiles 2022). It appears that Maharashtra is expected to benefit from these schemes, as PM MITRA Park is to be set up in Amravati district and as many as 13 SITP are either completed or under implementation (Ministry of Textiles 2025). Whether such initiatives will help Maharashtra regain its past dominance in textile industry in the country remains to be seen. Until then, it is safe to say that what Mumbai has lost since the 1990s has contributed to the state's decline in industrialisation.

NOTE

1 Of these, handloom is not only labour intensive but is considered as the largest employer, mostly in self-employment (Saksena 2002).

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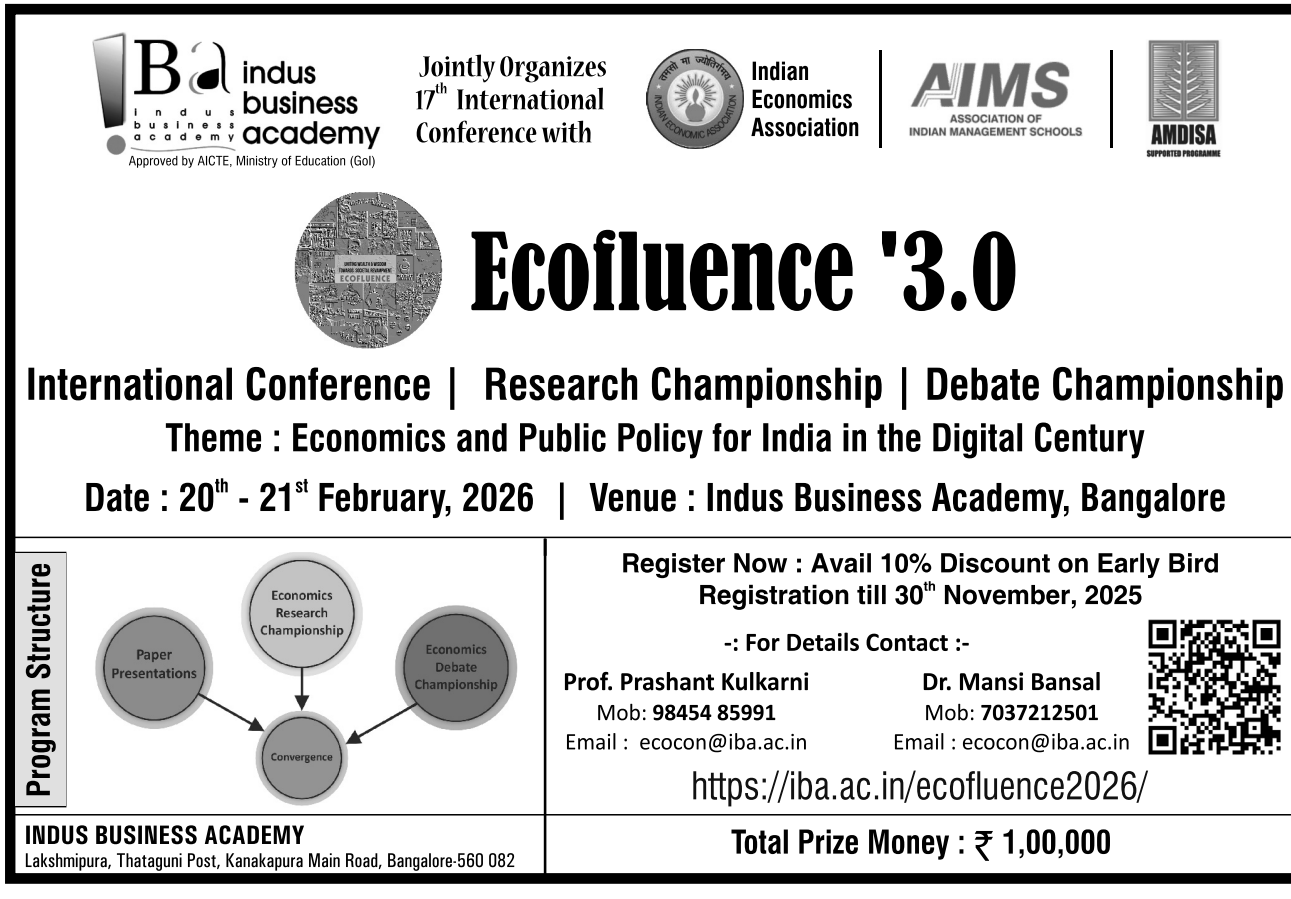
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