

CHAPTER I

INTRODUCTION AND RESEARCH DESIGN

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1.1 IMPORTANCE OF COTTON MILLS IN THE INDIAN ECONOMY

The cotton textile industry is the simplest and oldest industry in India. It has the history of its 150 years development. It experienced many ups and downs, before and after independence, still it has an important position in industrial sector in particular and in nation at economy in general. The cotton textile industry is a forerunner of India's transformation of an agrarian economy to industrial economy. Since it is an agro-based industry, it brought development in agricultural economy and certain changes, which are political and economic in nature, in rural life. the development of cotton textile laid the foundation for the development of a number of foundation for the development of a number of allied industries and services. The employment potential, export performance, share in national output and government income of the cotton mills indicates the national importance of them in national economy. Recongnising its crucial importance, the New Textile Policy of 1985 states : " The Textile industry occupies a place of unique importance in the economy of the country by the virtue of its significant share in industrial production, large work force employed and the fact that it not only caters of clothing needs of the community but also

generates substantial surplus for exports. The sustained and balanced growth and development of those industries is, therefore, vital to economic growth of the country as also for fulfillment of the most essential need of the people. "

In view of the importance of the textile mills and industry, the present study aims at meeting the following objectives:

OBJECTIVES AND METHODOLOGY OF THE STUDY

The present study aims at examining the working of cotton mills in Gokak town. The study covered 29 Ginning Mills, 6 pressing mills, 2 spinning mills and 2 weaving mills. The growth of cotton mills brought economic development in Gokak town. They made Gokak as industrial town. They provide employment to about 12,000 persons directly and indirectly. They encouraged much the cotton growing farm families. The development of cotton mills encouraged the development of finance, insurance, transport, warehousing and trade activities. There is much demand for cotton and cotton products from other places.

The study attempts to examine the main trends in size, location, financial viability and interdependence of cotton mills in Gokak town. Primary and secondary dates provide various information for the present study. Under the primary data, a questionnaire is prepared and by

interview method information (are) collected and recorded regarding the cotton mills in question. Simple arithmetical methods are used to work out, income, expenditure, profits, input-output operation etc. Government Gazetter, Census, Report, books etc. are used as secondary ~~datas~~ for the study. On the virtue of these ~~datas~~ some tables are prepared to show the trends.

The present study seeks to present an anatomy of the deep rooted problems of cotton industry in the Gokak town in particular and in the region in general . Inadequate supply of raw cotton, low efficiency of labour and units, uneconomic size of mills. Underutilization of capacity, problem of power, Lack of finance and worker problem are the main problems of cotton mills.

The main characters to be studied in this fact finding enquiry are the trends in growth of industries, scale of operation, capital investment, production and profit postion. The present study is intended of throw light on practical significance such as

- [1] Whether industrial units are organized on economic scale of output.
- [2] They can secure maximum production and distribution.
- [3] Proper evaluation of cotton mills.
- [4] Problems of cotton mills.

To explain more clearly, the study concerned with period from 1988 to 1995. This study is essentially a

field research which is supplemented by interviews, questionnaire and personal observations. The main objective of this study is to know how cotton mills are developed from time to time in this area.

However, after the study of cotton mills in Gokak town, we come to the conclusions that the industries face some serious problems. There are some sick unit which need financial help from government and co-ordination among them.