Victims of New Economy and Crisis in Power loom Sector (Bhiwandi Nizampur Municipal Corporation)

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Abstract: India manufactures 5% of cloth through organized sector, 20% through Handloom sector, 15% through knitting sector and 60% of Indian cloth is produced through decentralized power loom sector. The decentralized power loom sector is the lifeline of Indian Textile Industry. India is having approximately 19.42 lakhs of power looms weaving almost 19,000 million meters of fabric, and provides employment to more than 7 million workers. The industry now produces wide range of fabrics ranging from grey, printed fabric, dyed fabric, cotton fabric, various mix of cotton, synthetic, and other fibres. The country exports Rs. 44,000 million worth of goods to countries like U.S.A., France, Germany, Bangladesh, Hong Kong, Italy etc.

Although the growth of power loom industry was slow initially; it has started gearing up now. Number of shuttle less looms has augmented to almost 50,000 and from this about 35,000 looms are working in the decentralized sector. Most of the Power loom units are concentrated in semi urban, or rural area. Among all; Maharashtra has highest number of power looms amounting to approximately 8 lakhs of power looms, Tamil Nadu is second with 5 lakh units, and Gujarat ranks third with 4 to 4.5 lakhs worth of power.

Powerloom sector of Bhiwandi

Bhiwandi, known for its powerlooms is situated at about 30 kilometers away from Mumbai in Maharashtra state. Bhiwandi is a key textile center of western India. Bhiwandi has approximately 6 lakhs power looms, which is 33% of country’s total power looms. Turnover of this segment is projected to be around Rs. 10,000 Crore annually. With approximately 1.6 lakh customers this industry is spread across 700 sq. km of area. Bhiwandis power looms support family of about 15 lakh workers; most of them being migrants from Uttar Pradesh and Bihar. Nearly 40 % of the national production from the power loom sector is contributed by this township.

Although in its early years, Bhiwandi entered into cloth making business with Handlooms, it slowly transformed itself into powerlooms hub. Powerloom industry of Bhiwandi started blossoming fully during era of 80s.

Majority of the powerlooms in Bhiwandi produce grey materials which are used as shirting and dress material later. Cloth produced in Bhiwandi is mainly consumed by Indian market as it is not up to the mark in the international market. One reason for this is the technology used. Most of the powerlooms in Bhiwandi is absolute and older, as manufacturer over here prefers low priced second hand powerlooms over new looms. Excluding some big players most of the units run in Bhiwandi are small scale units and could not afford to purchase or import high priced machinery.

This industry is also affected by insufficient power supply. Power consumption in Bhiwandi circle is around 2400 million units and more than 50% of this is consumed by Powerloom sector. Power cut has been a daily story of this region. Although regular supply of electricity is lifeline of this industry it is facing hard times as there is a load shedding of 9-10 hours and that to everyday. This is costing 40 crore of loss to the industry. Workers are being victim of this shortage as this is affecting there already low salaries. Apart from this cheaper products are flooding markets and industry is losing out to them as due to above mentioned factors manufacturing cost of Bhiwandi powerloom sector is higher compared to low cost cloth manufacturing countries.

I. INTRODUCTION

Bhiwandi-Nizampur City is developed on the fringes of Mumbai metropolitan region. Bhiwandi Nizampur City is one of the nine Municipal Corporation in the Mumbai metropolitan region and one of the twenty major cities in the Konkan division of Maharashtra. Originally named: “Bhimbari” during the Mughal rule Bhiwandi was a cluster of four hundred and thirty five villages. Bhiwandi Nizampur City which was...
located close to a wide but shallow creak got a boost as major centre of trade. The control of the town passed into British hands in 1817 as an Army Camp.

The city got its first Municipal Council on 10th October, 1864 and was approved as Bhiwandi Nizampur Municipal Council (Nagarapalika) on 15th March 1865. The municipal limit of Bhiwandi Nizampur Council (Nagarapalika) was extended in August 1918 and later in 1982, thereby extending the municipal area to 2635.94 Ha, which is 26.36 Sq.km. Subsequently in the year 2001 the rapidly evolving area of Bhiwandi and Nizampur were merged to join the Bhiwandi Nizampur City Municipal Corporation.

**Significance of the Study**

The paper throws light on the changing scenario of power loom industry which provides employment to a large section of informal sector. The paper also highlights the impact of MNC on the power loom sector. The paper will also analyze the progress made and the crises faced by the power looms industries and the workers.

Bhiwandi Nizampur City Municipal Corporation is known as the hub of textile industry and has the largest number of power looms in the country and sometimes dubbed as “The Manchester of India”. It is believed that about quarter of India’s “grey cloth” is produced here. It is also the centre for production and trading of plastic beads and crystals. The city also has a number of household industries like finishing of Cloth, manufacturing of artificial beads, making of Biddis. These household industries are not registered and their exact numbers along with the employment generated are not known. This is the main reason that attracted a large number of migratory labourers from the northern India to the city and now the migratory labour has outnumbered the local population. The city had the original population of 47,630 in the year 1961 (Source: Mumbai Gazette). Since then there has been a huge explosion in the population of the migratory labourers in the city. This can be highlighted with the provisional census data of 2011, the total population of the Bhiwandi Nizampur City Municipal Corporation area is 7,11,329 (Source: census2011.co.in).

This factor has played a major role in transforming a small town into a large city with the distinct characteristics. The census data reveals that the average growth rate of the city is almost 97 percent, indicating that population of the city has doubled every decade.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Decadal Growth Rate</th>
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<tbody>
<tr>
<td>1961</td>
<td>47630</td>
<td>N.A</td>
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<tr>
<td>1971</td>
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<td>0.5816</td>
</tr>
<tr>
<td>2011</td>
<td>711329</td>
<td>0.188</td>
</tr>
</tbody>
</table>

Source: Census Data, 2011 Bhiwandi Nizampur City.

**II. OBSERVATION AND FINDINGS**

The chart and the table of decadal percentage growth of the population highlights that

1. The average percentage growth of the population from 1991 to 2001 is 58 percent.

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4 Bhiwandi Nizampur Nagarapalika (Festival 1864-1965) Minister for Agriculture Food and Civil Supplies,1966
5 Ibid
6 Ibid
2. The percentage growth from 2001 to 2011 is 19 percent.
3. Therefore we can say that the percentage has increased 14.93 times when compared from the year 1961 to 2011.
4. The percentage has increased from 1961 to 2001, at an average of almost 92.42 percent per decade with maximum increase of almost 165% in the decade of 1981 and 1991.
5. The population increased at the rate of 80% in the subsequent decade that is further exhibited a still growth of about 58%.
6. There was a further drop down to a mere 19% from 2001 to 2011.
7. The Census report reveals that there is 92.42% growth rate in the city every decade. The population has almost doubled (between 1961 to 2001) and if we consider the same from 1961 to 2011, it will be an average annual growth rate of 77.69%.

The major pattern shows that there is internal as well as external migration, which takes place with the state of Maharashtra, especially from the district and the external migration occurs from the state of Uttar Pradesh, Bihar, Hyderabad etc. (Source: Primary Data)

Due to illiteracy of the migrant population they look for jobs in the secondary sector. This result in nearly seventy eight percent of the working population employed within the manufacture of goods from raw material that is power loom sector. And the remaining twenty-one percent is engaged in construction sites, which follows the pattern of earning on daily wages, some work as drivers on vehicles, and few impart religious teachings at madrassas. The upcoming warehouses and godowns in Bhiwandi Nizampur City outskirts has also lead to the migrant population seeking jobs in the packaging industries, godowns and the warehouses.

Simultaneously, the female migrants usually seek jobs as domestic servants and many of them are engaged at home base work which involves bead/moti work, handicraft work, making of papads, pickles etc. The beedi works carried out by the females of Telugu families are. (Source: Primary data)

The expansion of the power-loom industry in Bhiwandi Nizampur City resulted in an influx of migrant population. The immigrant population consists of Muslims from Uttar Pradesh, Madhya Pradesh and Malabar and Telugu-speaking Hindu immigrants known as Padmashalis from Andhra Pradesh and a few Keralites. And as a result there of zopadpattis and hutment colonies sprung up all over the place. This also resulted in the increase in the uneducated migrant population who come to Bhiwandi Nizampur City in search of jobs and a place where they can manage to earn their daily livelihood. As mentioned in the earlier power loom has always been the major and booming business in Bhiwandi Nizampur City.

The decline of Mumbai's textile mills also spurred the growth of the power loom sector. In order to meet the demand for grey fabric, power loom centres sprang up in various parts of the State. Textile and migrant workers came in droves to find work at these centres. Bhiwandi, about 50 km from Mumbai, became the largest power loom centre in the country. The State government estimates that over 40 lakh people are dependent directly or indirectly on the looms of Bhiwandi.

But recently due to fluctuation in the power loom industry the immigrants are joining into the other secondary sector like bead work /moti work, which are used for the making of artificial jewellery, bindis, bangles etc. beedi work, and the other upcoming secondary sector are the warehouses in the local areas this have attracted the population to work in warehouses at Kaler, Chavindra in packing industries, tailoring and so on.

But over the past five years, this power loom town 37km northeast of Mumbai has emerged as a key “sorting hub”, in the logistics chain serving the region. Bhiwandi has become the ‘mother godown’ for several industries and the nodal up-country booking and transit point for several goods transporters. Fields that were once covered with paddy and vegetables have sprouted high-tech warehouses. All the e-commerce, from Flipkart to Amazon to Snapdeal, as well as niche players have warehouses here to route products to Mumbai homes. In the process, the new warehouse industry is reshaping the Bhiwandi economy and changing the lives of some of the local farmers. The transformation has happened slowly, and without any regulation. No one

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7 Ibid


10 Retrieved from: http://www.bhiwandicity.com

http://indusedu.org
knows how many warehouses there are here. The local police verbalize the number runs into the thousands. Tehsildar Vaishali Lambhate also articulates that a survey has now been initiated, as the government looks to start generating revenue from the sector.

Bhiwandi has always enjoyed a location advantage, sitting astride highways that connect Mumbai, Thane, and the JNPT port. It had warehouses years ago, too; old-fashioned godowns to store cement and the like. But those were too few to make a difference to the local economy. Bhiwandi remained a town of power looms, with a largely poor, migrant and Muslim population, and a history of communal riots. Then, between 2005 and 2008, Indian companies began strengthening their logistics chains. This was when villagers in Rahnal first gave their farm land on lease for constructing warehouses, says social worker and local resident Surendra Tiwari.

But it was the post-2010 e-commerce boom that changed everything. Online companies wanted fulfilment centres at a place that could serve their key markets within a day. Bhiwandi fit the bill — the rentals were cheap as these were panchayat areas and there were no taxes, says an industry insider. Vashi or Koparkhairane also had the location advantage but skyrocketing land prices made those areas uncompetitive. Big warehouses range in size from 1,000 square feet to 5-10 lakh square feet, with rentals from Rs 13 to Rs 25 per square foot per month.

With the crisis in powerloom soon the demand shifted to getting employed in another sector that was warehouse and logistics. From the outside, the warehouses look like huge factories but they do not make things, only store them. Still, they offer semi-skilled and unskilled jobs such as picking and sorting goods, and employ anywhere from 15 to 500 people, depending on the size of the warehouse. Wages can go up to Rs 25,000 per month, and more for managers.

Most of the skilled jobs are done by labour from outside Bhiwandi, says Biren Thakkar, an accounts manager at prettysecrets.com. Every day, thousands of warehouse workers are bused in and out of Bhiwandi from Kalyan, Dombivli and Navi Mumbai. Kalyan resident Santosh Rai used to work in Mumbai at a grocery distribution company but now works as a loader at a tea warehouse in Bhiwandi — at better pay, he says. Some locals have also landed jobs. "Earlier there was no employment in my village and my father used to go to Bhiwandi city for work and bring home about Rs 4,000-Rs 5,000 every month," says Dinesh Gayakhe from Pogoon village, who works as a biller at a warehouse. "But I now work in my village itself and earn Rs 12,000 a month."

But locals are more likely to make money from land rents, from loading contracts, and from providing services. Many no longer look for work in Kalyan to supplement their incomes. This change in the economy has resulted to bring drastic change in power loom sector. Edmund Caternight defined power loom a “the power loom was a steam powered, mechanically operated version of a regular loom, and that combined threads to make cloths”.

Among many developing counties that active participate in textile and apparel trade, the Indian textile industry is exhibiting significant growth potential in the global market with its advantage as low production costs, abundant resources of raw material and cheap labour forces. However, with an increased level of competition, the industry is under tremendous pressure to increase productivity to improve performance to improve production quality and to advance management system.

The worker are demanding good prices and salaries and permission to export cloths and the reason of all is, Bhiwandi is migrant town with a floating population local government is far less accountable, workers live in shockingly unhygienic, cram condition, some live where they work. Diseases are rampant. They have to pay rent and food, and at the end of the months they have no money to send home.

A strike called by loom owners in 2004 to protest against the Central government’s proposal to levy excise duty on grey fabric led to the closure of sheds for one month. More than four lakh workers had no source to a livelihood.

A similar situation was visualized in 2015 when nearly three fourth of the 9 lakhs power looms units in Maharashtra’s Bhiwandi have been on strike (August 17, 2015) leaving lakhs of workers jobless and daily losses of about Rs 150 crores according to estimates of textile industry association. According to media reports, while about 2.5 lakhs power looms are running only 2,3 days on a week since last one month, the weavers in Bhiwandi have decided to stopped work from August 17 to August 31. The striking power looms in Bhiwandi are demanding control on yarn prices and permission to export cloth. Power looms owners say operations are no longer profitable because of rising power tariff labour charges and falling price. Approximately 9 lakh people are dependent on Bhiwandi power loom and related business. The strike aim at ensuring less cloth is sent to the
market in order to boost prices. According to industry source, the closure of power loom units in Bhiwandi and Malegoan is bound to impact textile business in Surat and other parts of the country.¹⁵

Shoaib Guddu, conveyor of the action committee stated that the recession of over one and half years has hit us hard illegal yarn, and its over increasing prices are to worry and on the other hand, the cloth prices do not rise had called for a strike in Bhiwandi.

Due to the crisis of power loom in Bhiwandi city many owners are interested in new technology loom based work on machine. The owners are find it difficult to run it profit, because of the power loom tariff, labour charges and dropping prices. So mostly the owners of power loom are removing the old looms and preferring highly technology looms, which is running automatically. In connection with the crisis, the textile association have brought a meeting with PM Narendra Modi. Besides demanding restructuring of duties and taxes the confederation has demanded that government discontinue the procurement of cotton at minimum support prices instead give farmers direct subsidy.¹⁶ Similarly people are looking for other ventures like rickshaw driving, logistics and warehousing.

Limitation of the Study

- The data available is primary (oral) as well as secondary data but the secondary data were found missing to some extent.
- The hesitation of the employers and employees acted as a hurdle.

Direction for Future Research

The focus for the research should be to bring reform improvement in the working conditions of informal sector. The reach for SHG should to be easily available. The policies implemented should be enacted in goal reaching objectives.

Sources of Funding of the Study

The funding for this publication is self funded and single authored.

III. REFERENCES

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