





CENTRE FOR POLICY STUDIES CHENNAI



### India begins to Come into her Own

Mahatma Gandhi had reawakened the spirit of India. Under his leadership India aroused great expectations in the world.

On gaining Independence, we could not entirely fulfil the high expectations the world had from us. But, we began the task of restoring our lands and our society to some state of health in earnest. People of India began to improve their lands and their agriculture. The craftsmen and artisans began reviving the manufacture and industry. The State began to pay attention to rebuilding the infrastructure. Roads were laid. Some attention was paid to reviving the rivers. Big irrigation works were undertaken. Some large steel plants were built.

The State also began some effort to correct the land relations that had been severely distorted. Attention was paid to improving availability of education, especially at the higher levels. Efforts were made to bring India up to date with the world in matters of modern science and technology.

The fact of being Independent, and the invigorating experience of having participated in the great and righteous struggle for freedom, restored the initiative and the dignity of the Indian people, and they began a revival of their country and their society.





# Revival of Agriculture and Population

After Independence, agricultural production and productivity began to improve quickly, especially during the first 15 years. Soon availability of food rose to the level of 200 kg per capita per year: sufficient to keep gross hunger and famines at bay, though not enough to provide two square meals to all Indians or to properly feed our animals. We have managed to keep the availability at this level for our rising population. We are still far from the historical abundance of India.

With the devastating famines of the British times having become a matter of the past, and with the people and their communities regaining some level of initiative, dignity and affluence, Indian population began to rise. And, India's share in the population of the world, that was on the decline for two centuries, began to be restored to some extent.





## Revival of Industry and Manufacture

On achieving Independence, India began a conscious effort to reindustrialise. The State took up the task of creating the necessary infrastructure; of producing and supporting the production of steel, coal, petroleum, electricity, cement etc.; and of building communication and transportation networks. In all these sectors, India made large strides within the first two decades of independent functioning. Thus the basis of an industrial revival of India was laid, though our efforts in all these sectors seem to have slackened at some stage.

The people of India took hold of the opportunities of revival offered to them. The scientists and technologists attained significant success in mastering the new technologies and bringing India abreast with the world, especially in the fields of nuclear technology, rocketry and missiles, metallurgy and materials. India today is on the frontier of technology in many of these areas. India's leadership position in the field of information technology today is grounded in these earlier successes in high technology areas.

Indian entrepreneurs made use of the industrial infrastructure to substantially increase production of various goods, such that today India produces almost every industrial product that the people need. And, India exports large quantities of manufactured products, especially textiles, leather-goods, machinery and chemicals.





The families and communities of India made effective use of the newly opening opportunity for industrial enterprise. Utilising their age-old traditions of mutual support, implicit faith and internal discipline, and with little help from the State or its various agencies, the families and communities in different regions took to a variety of industrial enterprises with great success. Agriculture in any case has remained entirely in their hands.

The public and the corporate sector together today contribute only about one-third of the gross domestic product of India. The remaining two-thirds is contributed by the family and community enterprises, including agriculture. Ninety percent of the Indian work force is employed by these enterprises. The public sector and corporate private sector employ only about 2.7 crore people today; the remaining about 27 crores of the work force of India finds sustenance in the family and community enterprises. And, even the private corporate sector of India is largely anchored in families and communities.

As in the past, India is once again being rebuilt through the enterprise and discipline of the families and the communities.





### Communities Create Spectacular Success Stories

In certain pockets of India, the family and community enterprise has achieved spectacular success. Ludhiana, Gobindagarh and Batala in Punjab; Coimbatore, Tiruppur, Sivakasi, Bhavani and Namakkal in Tamil Nadu; Morvi, Rajkot and Surat in Gujarat; Bhiwandi and Sholapur in Maharashtra and several other towns in other states have turned into extraordinarily efficient and active centres of specific industries through such enterprise. The bicycles of Ludhiana, the lathes of Batala, the hosiery of Tiruppur, the fireworks of Sivakasi, the clocks of Morvi, and cut diamonds of Surat dominate the Indian market today and form a substantial proportion of Indian exports.

These success stories are built entirely through dispersed small-scale indigenous enterprise supported and promoted by the families and communities. Such enterprise has transformed entire towns, cities and regions, and turned them into islands of prosperity. There are no unemployed workers in Ludhiana, Coimbatore, Tiruppur or Sivakasi. Workers gravitate towards these towns from far and wide; and having arrived they soon turn into entrepreneurs themselves, with the extensive opportunities that are available, and with the support and resources of their families and communities.

This is *swadeshi* enterprise at its best. India would be a prosperous country, if only we could replicate the story of these centres of enterprise and excellence in every region and district of India.





# Success Stories: Hosiery Exporters of Tiruppur

About 40 kilometers from Coimbatore, situated in the usual rural ambience of India's small towns, is the small town of Tiruppur. On the surface, nothing distinguishes Tiruppur from any other suburban town of India. Even the bold hoardings, advertising hosiery garments, do not seem very different from what is seen in other towns. And the lanes and by-lanes of Tiruppur seem quiet and sleepy.

But Tiruppur is the centre of hosiery manufacture in India. The town manufactures hosiery garments worth Rs.5000 crore a year and the exports of Tiruppur amount to almost Rs.3000 crore. In every one of the houses in those quiet lanes of the town, there is happening some activity or the other connected with the hosiery industry. There is none unemployed in Tiruppur town; in fact there is scarcity of workers throughout the Coimbatore District, of which Tiruppur is just one town.

The turnover of Tiruppur is comparable to that of the largest automobile manufacturer of India, and is several times that of some of the largest textile mills. The export earnings of Tiruppur are of course incomparably larger.

This level of industrial activity is created by small entrepreneurs who began a few decades ago by investing their meagre savings in tiny units. They have created this hugely successful industrial centre through personal diligence and through mutual support, envy and emulation that are so typical of small town communities. In this sense, Tiruppur is a bright example of an entirely *swadeshi* enterprise.







Sivakasi is situated in the extremely dry belt of southern Tamil Nadu. This belt, consisting of parts of Virudunagar, Tuttukudi and Ramanathapuram districts, falls in the rain-shadow of the Western Ghats and is away from the Eastern Ghats; so it receives neither the summer nor the winter rains. Within this dry belt, Sivakasi and towns around it have a specially hot and dry climate, because they are the farthest from the sea.

The people of Sivakasi have converted this natural disadvantage into a special advantage, by developing match and fireworks industry. Almost all the fireworks that India uses in large quantities, especially on the festive occasion of Diwali, are produced in Sivakasi and a few towns around it. And, almost all the matches are produced here.

The industry was started in the 1920's in a small way by two enterprising Nadars, who had learnt the technology while engaged in business at Calcutta. The community mechanisms of mutual support, envy and emulation, and the congenial climate of the region, soon made it the centre of all match and fireworks production.

The match industry of the region today has a turnover of about Rs. 1000 crore. The fireworks industry contributes another Rs. 450 crore. And, in order to meet the demand of labels for the fireworks, a huge printing industry has sprung up, making Sivakasi one of the major centres of high quality colour printing in India.

Thus has community based small town *swadeshi* enterprise turned a naturally deprived region into one of the richest parts of the country.







Sivakasi was the first to engage in the match and fireworks industry; the units of Sivakasi have now graduated to larger scale and higher technology production. Kovilpatti, Sattur and other towns nearby manufacture matches at the cottage and tiny scale, though there are a few bigger units in these towns also. Almost every house in these towns is a matchworks unit.

Making of matches is a highly labour intensive work. The sticks have to be first individually filled in wooden frames. The frames are dipped in wax and ignition compounds by hand. Empty matchboxes are made manually, and the sides of the boxes are painted by hand to prepare the striking surface. The finished matches are taken out from the frames and filled into these boxes and labels are stuck on individual boxes, by hand. And finally the matchboxes are hand-packed into larger wholesale packages.

Almost all households of the region are involved in performing these various operations. The frame-filling work is often carried out at homes. The empty frames are delivered to the homes and filled frames are collected back. Thus the industry has converted not only the towns but also the entire region into an industrial hub.





# Towns form the Backbone of Industry

Industrial towns like Tiruppur, Sivakasi, Sattur and Kovilpatti of Tamil Nadu form the backbone of an industrialised nation. It is in such towns that the technological and entrepreneurial skills of a people find their widest expression. Great industrial empires grow from such family and community based enterprise and skill blossoming in small towns.

The people of these towns are raring to take on the world. The young people of Tiruppur keep themselves abreast of the changing trends and technologies in the international garment markets. They know all about the weaknesses and strengths of their international competitors. They are ready to dominate the world markets, if only they could find proper encouragement.

Similarly, fireworks manufacturers of Sivakasi have strenuously tried to upgrade their technologies and work environments. The larger fireworks factories of Sivakasi are a pleasure to watch for the attention they pay to cleanliness and safety of operations. And the manufacturers are so keen to take on the competition in the world that they sent a representative to China to learn about the ways of their main competitor.

It is such concerted enterprise that builds great nations. There are some 25 towns in India where more than 60 percent of the population is employed in industry, and which are as intensely industrialised as the towns we have described. India is being re-industrialised in these towns. Their success is anchored in the *swadeshi* spirit, and this spirit shall certainly lead to the multiplication of such success stories.





## Intensely Industrial Towns of Tamil Nadu\*

District	Town	Population	Percentage in Industry
Chengalpattu	Kanchipuram UA	1,71,730	44
North Arcot	Arcot UA	1,14,760	48
	Gudiyattam UA	90,560	53
	Vaniyambadi UA	92,310	43
Dharmapuri	Hosur	41,740	49
Tiruvannamalai	Arani	54,900	43
Salem	Salem UA	5,78,290	45
	Tiruchengodu	63,030	51
Tiruchirapally	Karur UA	1,13,670	41
Erode	Erode UA	3,61,750	44
	Bhawani UA	97,160	68
Coimbatore	Coimbatore UA	11,00,750	45
	Tiruppur UA	3,06,240	68
Dindigul	Chinnalapatti	22,870	45
Virudunagar	Rajapalayam	1,14,200	40
	Sivakasi UA	1,02,170	67
	Aruppukkottai	78,980	55
Tuttukudi	Kovilpatti	78,830	50

\* Towns with 40% or more of Workforce in Industry; UA: Urban Agglomerate

