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EDITORIAL ANALYSIS

Reviving Textile Leadership: Build Institutions, Not Just Incentives

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Every fact web-verified against primary sources

THE LIFT LINE

A country that clothed the world for centuries now holds a shrinking sliver of the global apparel market, and the lesson from the competitors that overtook it is blunt: incentives buy time, but only institutions buy competitiveness.

WHY THIS EDITORIAL MATTERS FOR YOUR EXAM

Textiles is the classic Indian manufacturing story: labour-intensive, export-oriented, spread across small firms, and central to jobs for women and rural workers. For an aspirant, it is a rich case for writing about industrial policy, employment, and India's place in shifting global value chains. It lets you weigh subsidies against structural reform and to argue with data rather than slogans.

GS Paper 3: Indian economy and issues of planning and resource mobilisation, effects of liberalisation, changes in industrial policy, and inclusive growth through manufacturing and exports. For **Prelims**, hold the specifics: India's share of global apparel and textile exports has slipped to around **3 per cent**, behind competitors like **Vietnam** and **Bangladesh**; the government targets roughly **USD 100 billion** in textile exports by **2030**; the **Production Linked Incentive (PLI) scheme for textiles** targets man-made fibres and technical textiles; and **PM MITRA (Mega Integrated Textile Region and Apparel) parks** are being set up, with **seven** parks sanctioned. For **Mains**, argue that subsidies alone cannot restore competitiveness and that India needs institutions for design, scale, skilling and compliance to compete in a world of shifting trade pacts.

BACKGROUND AND CONTEXT

India entered the post-quota world after 2005 with real advantages: cotton, a deep textile tradition, and a vast workforce. Yet it is smaller rivals that captured the growth. **Bangladesh** built scale and duty-free access to Western markets around ready-made garments; **Vietnam** rode free-trade agreements and disciplined logistics to become a preferred sourcing hub. India, by contrast, stayed strong in cotton yarn and fabric but weak in the high-value, fast-moving garment segment where most jobs and margins sit.

The government has responded with incentives. The **PLI scheme for textiles** rewards output in man-made fibres and technical textiles, where India has historically lagged. **PM MITRA parks** aim to create integrated hubs that put spinning, weaving, processing and garmenting in one place to cut logistics costs. These are useful, but incentives address symptoms. The deeper gap is institutional.

THE CORE ARGUMENT / ISSUE

The value chain breaks at the top

India is competitive in cotton and yarn but loses value where it matters most, in design-led, man-made-fibre garments. Global fashion has moved toward synthetics and blends; India's strength in cotton is a partial advantage in a market that increasingly wants speed, variety and man-made fibre.

Incentives without institutions plateau

A subsidy can lift output for a few years, but it cannot build a design ecosystem, train a garment workforce at scale, or create the compliance and testing infrastructure that global buyers demand. Competitors won by building these public goods, not merely by cutting cheques.

Trade access shapes the ceiling

FACTOR	INDIA'S POSITION	WHAT COMPETITORS DID
Global export share	Around 3 per cent, slipping	Bangladesh and Vietnam gained share
Product mix	Strong cotton, weak man-made fibre	Built garment and synthetic capacity
Trade access	Fewer preferential deals in key markets	Vietnam used FTAs, Bangladesh used duty-free access
Scale and logistics	Fragmented small units	Integrated clusters and fast ports
Institutions	Thin design and skilling base	Invested in design, training, compliance

A **USD 100 billion** target by **2030** is credible only if institutions and market access move together.

HOW TO THINK ABOUT THIS (ANALYTICAL FRAME)

Use the frame of competitiveness versus subsidy. A subsidy lowers cost for existing producers; competitiveness raises the whole industry's capability so it wins without permanent support. The countries that overtook India invested in the second. India's **PLI** and **PM MITRA** are necessary first moves, but they must be wrapped inside durable institutions for design, skilling, financing and compliance, and matched with trade agreements that open large markets. The failure mode is a subsidy-dependent sector that stalls the moment incentives taper.

THE DIAGRAM IN WORDS

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Cotton strength but design and man-made-fibre gap -> subsidies (PLI, PM MITRA) lift output briefly -> without institutions the sector plateaus -> build design, skilling, financing, compliance + secure FTAs -> durable competitiveness toward USD 100 billion by 2030
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WAY FORWARD

1. **Institutionalise design and skilling.** Fund design schools, common design studios in **PM MITRA** clusters, and large-scale garment training so India climbs from fabric to fashion.
2. **Close the man-made-fibre gap.** Use the **PLI scheme** to build competitive synthetic and blended-fibre capacity, since global demand has moved beyond pure cotton.
3. **Secure market access.** Conclude free-trade agreements with major consuming markets so Indian garments enjoy the tariff access that lifted Vietnam and Bangladesh.
4. **Build compliance and financing rails.** Create shared testing, certification and low-cost credit facilities so small firms can meet buyer standards and scale up.

PYQ LINKAGE AND PRACTICE

This maps to recurring UPSC themes on labour-intensive manufacturing, employment generation, and India's integration into global value chains. It rewards data-anchored analysis of industrial policy over generic praise of schemes.

Practice question: "India cannot subsidise its way to textile leadership; it must build institutions." Critically examine, with reference to the PLI scheme, PM MITRA parks and the case for trade access. (15 marks, 250 words)

Sources: Indian Express Editorial, Ministry of Textiles

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