CHAPTER 2
REVIEW
OF
LITERATURE
# CHAPTER 2

## REVIEW OF LITERATURE

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2.1 Introduction

The study mainly aimed at examining, and analyzing various features, problems, composition and direction of exports, branded and non-branded products of leather at Dharavi and willingness to shift leather units from Dharavi to Ambernath, policy interface and overview of Dharavi redevelopment policy. In order to achieve the aforementioned objectives of the study, the reviews from following resources were carried out various government reports, bulletin, journals, working group reports, articles, CLE reports, CLE News Letter, website, planning commission reports, Ph.D. thesis and speeches delivered by resource persons, ministers, government officers in various conferences, summit and seminars proceedings, Rajyasabha standing committee report, Loksabha Unstarred Question etc.

The wide variety of literatures both of academic and non-academic nature are available on the different aspects of the topic discussed in the Thesis. However, only few major literatures have been covered here to provide a comprehensive idea about the research trends on the different dimensions of current research.

The review of literature has been classified into six major areas:

- Literature on the Characteristic of Indian leather Industry
- Literature on branded and non-branded leather products
- Literature on export performance, growth and policy
- Literature on the Challenges faced by leather industry
- Literature on the workers' characteristic of leather industry
- Literature on technology, social and environmental issues.

2.2 Literature on the Characteristic of Indian Leather Industry

- **DR. P. CHENNAKRISHNAN (2012)**, in his research paper he studied some features of Indian leather industry as follows:
  - The Government policies on leather and leather product export started changing from 1974. Priorities were given for export of value added goods.
From the year 1991 onwards only finished leather were exported and export of raw or semi-finished leather was banned;

➢ Many tanners started setting up factories for manufacturing leather products after 1991-92 like shoe uppers, shoes, garments and leather goods. Similarly many shoe and garment manufacturers began to seek backward linkage, by taking on lease or setting up tanneries. This is a unique development in India, a tanner becoming product maker and the product sector setting up tanneries or leasing out tanneries;

➢ At the same, as incentive to the exporters, the import duties on capital goods have been reduced;

➢ Until 2002, the leather sector was reserved for small scale sector and this may have prevented Foreign Direct Investment (FDI) in this sector. The FDI in this sector from August 1991 to December 2005 is US$ 51.84 million. This is only 0.15 per cent of total FDI inflows and ranked at 30;

➢ Today the industry ranks 8th in the export trade in terms of foreign exchange earnings of the country;

➢ India is largest livestock holding country;

➢ The Indian leather sector meets 10 per cent of global finished leather requirement.

• **Italian Trade commission (2010)**, study found some of the features of leather industry as under:

➢ Own raw material source – 21 per cent of world cattle and buffalo and 11 per cent of world goat and sheep population are housed in India;

➢ Two Billion sq feet of leather produced annually;

➢ Second largest producer of Footwear and Leather Garments;

➢ Third largest producer of saddlery and harness items;

➢ Generating employment for 2.5 Million people, mostly from the weaker sections with 30 per cent women predominance;

➢ Nearly 60-65 per cent of the production is in the small / micro sector;

➢ Promising technology inflow and Foreign Direct Investment;

➢ World-class institutional support for Design and Product Development, Human Resources Development and R&D activities;
Presence of support industries like leather chemicals and finishing auxiliaries;
Presence in major markets—Long European experience and strategic location in Asian landmass.

2.3 Literature on Branded and Non-branded Leather Products

- In the research of Onicra Credit Rating Agency of India (April 2014) highlighted prospect of Indian leather industry and found to be bright future in near due to the country has emerged as a credible and reliable supplier of leather and leather products. As of today several international brands import leather and leather products from India. The Table below furnishes the name of the brands (both Indian and International) that sources leather and leather products from India:

Table 2.1

Name of the Brands that Sources Leather and Leather Products from India

<table>
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<tr>
<th>Footwear</th>
<th>Leather Garments</th>
<th>Leather Goods / Accessories</th>
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MNC Brands Sold in India

| Aldo, Bally, Clarks, Ecco, Florsheim, Ferragammo, Hush Puppies, Lee cooper, Lloyd, Marks & Spencer, Nike, Nine West, New Balance, Reebok, Rockport, Stacy Adams, Tod’s, Geox, Louis Vuitton | Red Tape, Bata, Liberty, Khadims, Lakhani, Metro, Action |

Indian Brands Sold in India
• ACE GLOBAL PRIVATE LIMITED, NEW DELHI, INDIA (2009)

Study focused on Market Research on Accessories Sector in India” and found Bags, handbags and office bags in the premium range are usually purchased through organized sector retail outlets at high streets and malls. Although the presence of brands is certainly limited as 74 per cent of the market is dominated by unbranded players, thus making it a style driven market.

Research also reported the market for branded belts was limited and there were handful of branded players like Bulchee, Allen Solly, Louis Philippe, Van Huesen, Hi design and a few clothing brands which offer belts as a part of their extended portfolio.

2.4 Literature on Export Performance, Growth and Policy

In this regard related reviews on export performance, growth, policies and barriers on exports has highlighted as under:

• Shri Virbhadra Singh (2012), Hon’ble Ex-Union Minister for Micro, Small and Medium Enterprises, Government of India expressed views that India was a significant global player in the leather Arena. It has around three per cent share in global leather trade and china maintaining 30 per cent share in the global leather trade.

• Rajat Acharyya (2007), in his study he compared India and China’s share in global leather exports. He sought answers to question why China has overtaken India, since 1980 and by the year 2002 China’s share has risen to 18 per cent while India’s share has risen by two per cent. Author suggested that efforts should be made to raise the growth in high technology export to strengthen the trade-GDP growth relationship. At the same time; India should ensure that the short-term costs of the targeted growth in high technology export are minimized. India must remove both supply and foreign demand constraints on exports of those goods in particular which are the potential source of demand for unskilled workers such as leather & leather manufacture.
• In a Conference organized by CLE (2012), "Development Oriented Integration in South Asia" on 3rd September 2012 at Chennai India, Mr. M. Rafeeqe Ahmed, (Chairman, Council for Leather Export) said that, "Global import of leather and leather product including Non-leather footwear had increased from US $ 80.62 billion in 2001 to US $137.96 billion in 2010, growing at a CAGR of 6.15 percent. Export of leather sectors of major exporting countries in SAARC region namely India, Pakistan, Bangladesh, and Srilanka had increased from US $ 4.5 billion in 2006 to US $5.36 billion in 2008 and then to US $ 5.65 billion in 2010, though the export declined to US $4.79 billion in 2009 due to economic slowdown".

• An empirical study conducted by Dr. Priyanka Sahni (2014), examined the pre and post-growth of leather industry. The C.G.R of India’s exports of leather and manufactures was found to be 14.2 per cent during pre-reform period. But the exports of leather and manufactures declined sharply during post-reform period as C.G.R was found to be only 6.0 per cent. The reasons were- (i) Demand contraction in developed countries resulting from global recession, (ii) Sharp drop in exports of finished leather and footwear components mainly due to the break-up of former USSR, (iii) Depressed market conditions for leather in European union countries and (iv) delay in clearance of imported consignment.

• Saurabh Sinha, Sanjay Sinha (1991), analyzed the export performance of the Indian leather industry with a view to determining the constraints to the future growth of the industry in the context of the policy measures introduced in recent years to facilitate leather exports. They reported that the value of exports increased by over the five times in terms of current rupees over the period 1980-81 to 1989-90. At constant prices that increase was only by a factor of 2.11 times. Study mentioned constraints to the future growth of leather industry such as substantial trade deficit, a depreciating exchange rate, a significant rate of inflation.

• In Lok Sabha (2014), Unstarred Question No.358 was asked on, whether there is a great potential for the growth of the leather based
industries in the country; if so, the details thereof along with the steps taken by the Government to tap it; the present share of Indian leather based industries in the world market; and the incentives and facilities provided to leather based industries along with the facilities made available to labourers engaged in the said sector, at present, State/UT-wise.

To be Answered on Friday, 11th July, 2014 highlighted the overall size of India’s leather sector was estimated to be Rs.25,000 crore. With an annual turnover of over US$ 10 billion, the export of leather and leather products increased manifold over the past decades and touched US$ 5.91 billion in 2013-14, recording a cumulative annual growth rate of about 14.77 per cent (five years).

India holds a share of 3.05 per cent in global leather trade of US$ 159.89 billion as per information available for the year 2011 said by minister.

The incentives and facilities provided to leather based industries by through Foreign Trade Policy (FTP) 2009-14, Concessional Duty for import of Machinery, Implementation of Indian Leather Development Programme (ILDP). Assistance was also provided by Department of Commerce, Ministry of Commerce & Industry for establishment of two new branches of FDDIs at Bihar and Andhra Pradesh during 12th Plan, MDA and MAI Schemes were also released.

- **Sangeeta Khorana and Kwok Tong Soo (2012)**, analyzed barriers faced by Indian textile and clothing and leather and footwear firms in exporting to the European Union. The study found out various types of barriers that make it difficult for Indian firms to export their products to the EU. Study also explored the relationship between perceptions of barriers to export and firm characteristic, using interview data from a sample of textile and leather goods exporting firms in India. They found that firms which were closer to ports reported lower transport cost and less corruption than firms further away from port. Firm size, exporting experience and whether the firm was from the textiles or leather goods industry had no significant impact on the firm’s perceptions of export barriers.
• **Dr. H.A.C. Prasad, Dr. R. Sathish, Salam Shyamsunder Singh (2014)**, highlighted the monthly export and import growth performance of the major trading countries and also the strategy to be devised by India to face challenge such as like Free Trade Agreement, Regional Trade Agreement.

• **Kumar Gautam and Ranja Sengupta (2011)**, highlighted India's expectations for getting additional markets through India’s Free Trade Agreement (FTA). FTAs may give some gains to the leather industry in terms of lower or zero tariffs. But in the long run, higher competitiveness, upgrading standards while retaining price competitiveness will enable Indian producers to get real access and beat global competition.

Author also reported that Indian leather industry should also look towards a growing domestic market and utilize the protection it still has to capture this to the fullest extent.

• **P. Usha (1985)**, Paper was based on discussions with groups of labourers, managements, workers and managements' associations and material collected during field surveys of tanneries in the North Arcot district of Tamil Nadu. Survey deals with the effects of an ‘Export Trade Control Order’ in August 1973, which attempted to encourage the exports of high value added products of finished leather and leather products by restricting the exports of semi-finished leather on the composition of labour in the tanning and finishing industry in Tamil Nadu.

Author observed that in early seventies, the industry was highly labour intensive and was producing predominantly finished leather for exports. The decade of seventies witnessed capital intensification of the tanning industry. An important development during this period was the gaining of the momentum of production of finished leather for exports. The composition of labour which included more than 75 per cent of traditional workers in early sixties included approximately 60 – 66 per cent of traditional workers only in the late seventies. This evidence drew from the 1961 Census of India and annual survey of industries.
2.5 Literature on the Challenges Faced by Leather Industry

Indian leather industry faced many problems related to manufacturing, workers', environmental, technological and social problems has been considered in the reviews as follows:

- **In National Manufacturing Competitiveness Council’s Final Report (2009)**, on “Enhancing Competitiveness of Indian Manufacturing Industry” highlighted challenges and problems faced by leather and footwear industry in India on the basis of primary and secondary survey which was done in two states in India viz. Tamil Nadu and Uttar Pradesh. The key issues and challenges which were classified during the primary survey as, (a) Infrastructure and Raw Materials; (b) Manpower; (c) Technology; (d) Government policies; (e) Free Trade Agreement and Regional Trade Agreement; (f) Competitiveness Benchmarking. Recommendations were made such as The Common Effluent Treatment Plant (CETP). It was suggested that CETP offers the best solution to small and medium scale companies which are involved in the leather tanning. It further suggested that CETP provides the benefits of economies of scale through sharing of common infrastructure. However, the key aspect for successful implementation of CETP is to have a well-defined institutional framework with guidelines on design, installation and distribution of operations and maintenance cost of CETP among the players.

- **Planning Commission, Government of India (2011)**, the Manufacturing Plan, Strategies for accelerating growth of manufacturing in India in 12th Five-year Plan and beyond, the steering committee analyzed reasons for India’s poor performance in manufacturing and has identified the root cause analysis for it. Leather industry is also one part of manufacturing sector. The committee identifies poor performance of leather manufacturing and suggested measures to improved performance of leather industry. The policy measures recommendation such as attract large scale investments through FDI & domestic companies, skill development initiatives, ensure environmental sustainability, improve export competitiveness, improve the availability of raw materials.
• Shri Uday Kumar Verma (2012), Secretary, Micro Small and Medium Enterprise (MSME), also described the leather industry as a fine example of inclusive growth. He also listed out the challenges faced by the industry on various fronts like Financing/credit, Technology, Infrastructure, Marketing and Skill in the same summit.

• Shrabanti Maity (2013), highlighted leather industry’s several problems such as; Government failed to maintain balance between the demand for livestock product for the citizens, and for industry and exporters, increase in cost of production, high bank rate. The tanning industry also faced the problem of funds because the funds allocated under the Strategic Trade Policy Frame Work (stpf) 2009–2012 and notified under Trade Policy 2009–2010 were not being released.

• Rajya Sabha, (2009), 89th Report of Standing Committee on Development of Leather Industry, the committee took up for an in depth studies of the subject of Development of Leather Industry. The Committee visited Uttar Pradesh, Madhya Pradesh Rajasthan, Punjab, Maharashtra, West Bengal, and Tamil Nadu for an in depth examination of the subject. The information collected at each of the places and recommendations forwarded to Rajya Sabha as below:
  ➢ In order to improve competitiveness of the leather sector in the international market, the Government should provide financial support for infrastructure improvement, technology upgradation, etc. The Government should consider to set up more leather parks, leather SEZs, etc., which would help augment investments, production and marketing of leather products.
  ➢ Department of Industrial Policy and Promotion should take steps to identify the reasons for low productivity in the leather sector and find out ways and means to ensure that the productivity standards in this sector can match the international standards.
  ➢ Government should take necessary steps for identifying natural unorganized clusters concentrated in the country and develop
infrastructure around them, in order to ensure that they are also able to benefit from development of the leather sector.

➤ There is also a need to set up centers to provide appropriate technologies, supported by world-class research and development facilities and infrastructure.

➤ Government should strive to create storage facilities in public-private partnership.

➤ The Committee appreciate that a substantial portion of the leather sector employs women. The advantage the Leather Sector which provides employment to women which, in a way, helps in the economic advancement of the women, should be consolidated by the Government, by providing special incentives, so that more and more women get employment.

These were some of the important recommendations proposed in Rajya Sabha and it was approved in June 2009 in Rajya Sabha.

In 2009 Rajya Sabha approved, 89th Report of Standing Committee on Development of Leather Industry but there were no such kind of reforms made by government to develop leather industry at Dharavi.

• A Report of Working Group of Planning Commission (2011), study focused on long term aim to be achieved in terms of growth, competitiveness and share in world trade, and also examined status and effectiveness of all on-going schemes, estimate year wise demand, identify the environmental related issues. To fulfil long term aims report was suggested proposed intervention in Twelfth five year plan as- Infrastructure to be created by way of development of Mega Leather Clusters, Setting up of new/upgradation of Testing Lab, Modernization, Technology upgradation & expansion of production capacities of the enterprises functioning in the leather sector, National Design Studio, Upgradation of Footwear Design & Development Institute (FDDI) (NOIDA, Raebareli, Chennai, Kolkata and Chindwara), Animal Husbandry measures, Slaughter and Skin Collection Improvement Measures and Rural Tanning Improvement Measures, Environmental Management Measures in Tanning
Sector, Establishment of CETP, Technology Upgradation and Modernization of the Tanneries, Socially Inclusive Solid Waste Utilization Program, Technology Bench Marking of Tanneries, Footwear and Component and Leather Goods, Centre of Excellence for Development of leather like material.

Constitution of Domestic Council - Footwear & Leather Products Development & Promotion Council (FLPDPC), Indian Leather Mark, Research & Development and Design & Development, Outsourced Consultancy programme, Informative publications on leather sector to be brought out.

None of the above mentioned schemes and programmes have been implemented and operated in Dharavi to develop leather industry.

- **A quick diagnostic Study (2009)**, of Kolkata Leather Cluster on implementing BDS in the Kolkata leather cluster. Study focused on to assess the exiting business development services market, identify and priorities the area of intervention, develop a dynamic and sustainable market for BDS. The report observed that past intervention were proved that for a sustainable growth of cluster, a well-developed BDS market was important. With this view, report were identified several clusters in India for implementation of Business Development Service (BDS). Similar projects were selected for Kolkata leather cluster. The study was provided an understanding of the Kolkata leather cluster and BDS market. On the basis of this study interventions were designed in tannery sector, raw materials, market, industrial glove, and footwear value chain, human resource development, technology, infrastructure and finance and an action plan was developed.

- **A quick diagnostic Study (2006)**, of Kanpur Leather Cluster was conducted with a view to broadly identify and priority areas of interventions for developing a dynamic and sustainable market for Business Development Services. This study gave; (i) an overview of global and national scenario of this sector; (ii) profile of Kanpur leather cluster; (iii) dynamics of existing BDS market; (iv) broad contours of needed interventions for facilitating sustainable BDS market and (v) scope of intervention. On the basis of this
study, intervention has been identified and prioritized and operational plan has been developed.

- **Saibal Kar and Sujata Marjit, Saibal (2008)** evaluated the Impact of Globalization on Informal labour/Traders/Entrepreneurs at Dharavi and discussed the problems related to leather industry at Dharavi. "Researcher chooses 567 leather units as a sample for study, classified problems as, buyers from Europe and US have scant regard for the unorganized work that goes on in Dharavi, sourcing of the animal skin from tanneries and abattoirs it was not properly processed, to add to Dharavi’s woes is the depleting rank of chamars, much of the work has little official status and lacks professionalism, Migration of artisans, a final factor pushing most entrepreneurs out of Dharavi is the issue of access to credit.

New generation is not much interested in joining this uncertain struggle. Institute such as Ahmedabad-based National Institute for Design, Central Leather Research Institute (CLRI), Chennai and the Footwear Design and Development Institute (FDDI), Delhi, have an elaborate plan – from studies mapping skills and analysis to gauge gap in technology and designs to create an international market for leather products through “Dharavi Leather Gram”.

- **Mrs. Anamika Singh (2007)** conducted a survey on leather goods manufacturing in Dharavi area. She used Rapid Assessment Survey Method through informal conversations with the concerned people. The objective of the survey was to assess the strengths and weakness of the naturally formed Dharavi Leather cluster so as to design thoughtful strategies to enhance its competitiveness. Study observed that weakness of Dharavi’s leather manufacturers such as unorganized & tiny units, lack of negotiating power, inefficient supply chain – most of the raw material were brought from far flung towns/cities, Illiterate man power, no formal training available to the manpower, multiple constraints due to lack of access to finance. Study also found strength of this industry such as abundant availability of skilled manpower, cheap labour, ability to make leather goods in small batches, custom made leather goods, lower conversion cost, proximity to market,
closely knit social circle. On the basis of these findings she had suggested a clustering and networking model for the leather manufacturers of Dharavi to enable them to build their competitive strength through, cost reduction, value chain upgradation, technological upgradation and collective economies of scale.

2.6 Literature on the Workers' Characteristic of Leather Industry

- A Report of ICRA Management Consulting Services Limited (2008), highlighted human resource requirement in leather and leather industry. Based on their analysis for the long-term forecast till 2022, they expect that the leather industry would employ about 7.1 million persons from the current level of about 2.5 million persons i.e., an incremental human resource requirement of about 4.6 million persons (domestic and exports).

- Sandip Sarkar (2009), empirical research presented three case studies namely West Bengal, Tamil Nadu and Uttar Pradesh to get a complete picture of the complexity and dynamism of leather industry. He found that structure of employment in leather industry was very different in the above three different states.

- Meenu Tewari and Poonam Pillai (2004), paper made an empirical contribution to the emerging literature on global standards and export competitiveness by analyzing how a labor-intensive developing-country industry (Indian leather goods) complied with a developed-country environmental standard that affected trade and market access (German regulations banning two commonly used leather chemicals, PCPs and Azo dyes in the 1990s). The paper's key empirical findings was that while the stringent standards did add to firm costs, the widely presumed trade-off between compliance and export competitiveness did not materialize.

- Millie Nihila (1999), tried to measure the effects of liberalization on employment in leather industry and quality of employment. They found liberalization that may have increased employment but it has worsened the
quality of employment, especially for women and found that much of women's work remains invisible in leather industry.

- **Sarbapriya Ray (2011)** evaluated performance of Indian leather industry in terms of labor productivity growth and total factor productivity growth for the period; 1979-80 to 2008-09. SWOT analyses were also conducted in estimating the industry's future growth prospects. The result on labor productivity of factor showed improvement in productivity of labor during specific post-reform period (1990-91 to 2009-10) but present decade (2000-01 to 2008-09) of post-reform period, labor productivity growth has been declined negatively. Using Translog Division Approach under three inputs framework, the result on overall productivity displayed that total factor productivity growth has dramatically improved during post reform period as compared to pre-reform period. The liberalization process was found to have favorable impact on total factor productivity growth.

In India Leather Summit held on April 20 and 21, 2011 in New Delhi.

- **Jesim Pais (2006)**, studied the workers in the leather accessories manufacturing in Dharavi, Mumbai. The core data for the research was from field surveys conducted in the leather industry in Dharavi in 2000-01; roughly 10 years after the economic reforms of the 1990s were initiated. Some of the features of migration and labour mobility in leather accessories manufacture in Dharavi were highlighted, based on primary field surveys conducted. It found that about 88 per cent of the workers were migrants and had migrated mainly from Bihar, other districts of Maharashtra and Uttar Pradesh.

This study showed that rural-urban migration in Dharavi’s leather accessories manufacture was not permanent in nature (pp. 27-29).

Study has found that a booming industry with large growth in output, exports and employment, does not necessarily ensure enhanced quality of jobs. Taking wages as a proxy for quality of employment, their study found the conditions of work in the leather accessories manufacturing in Dharavi, Mumbai to be extremely poor, bordering on sub-human conditions.
• **Prof B.V Bhosale (2012)**, conducted a research study to understand the Charmakar’s and Dhor’s traditional occupation. The study made observation of Dalit artisans in Maharashtra and Dharavi. This study highlighted some problems like, provident fund, medical benefit, training in latest technologies. Dalit artisan from Dharavi area pointed out that there facilities are important for their very survival in this highly competitive market. To solve these problems, the study suggested that state government should give them assistance for survival in a high competitive market. Study showed that the kind of transition that has taken place in the leather occupation in Dharavi, where a majority of the artisans were continuing their profession using old technology. They were, however, finding it very difficult to carry on their trade and most fear that in the years to come, their occupation may slip into the hands of new entrants who are well-versed with the latest technologies and have easy access to capital.

• **P.K. Anand (August 2014)**, study compared social security for workers in small and medium scale leather enterprises between Dharavi Mumbai (India) and Shanghai-Zhejiang province (China). He observed that in both the countries leather based enterprise do not fall under the formal organized sector. Most of these industries were individual or family based entrepreneurial initiatives, encouraged as well as incentivized by the state to boost diversified production, promote innovations and provide jobs, to both skilled and unskilled workers.

Also he pointed out that in both the comparable region of Dharavi and Wenzhou, relations of labour and social security systems were extremely scarce.

• **B. Vaiithegi (2007)**, conducted a study at Ambur town, Vellore in 2007. The objective of the study to understand the decentralized production method, by analyzing the labour process and associated labour flexibility in the context of leather footwear industry. The study was based on primary data and information was collected through personal observation, structured interview schedule and interviews. Based on the findings, author observed that leather footwear industries located in Ambur were ‘highly mechanized
and used assembly line form of production. The structure of production was
decentralized, which implies that certain production operations were
subcontracted by registered factories to informal small units and to home-
based women workers through subcontractors. It was reported that labour
flexibility was quite prevalent in Ambur leather footwear industry.

2.7 Literature on Environmental, Technology and Social Issues

• **Ane Schjolden (2000)**[^34], described and analyzed the leather tanning
  industry in India. She focuses on explanation of the lack of conformity
  between the relatively strict environmental regulation and still high effluents
  from the tanning industry. The discussion was mainly on the data collected
  in 42 tanneries in the state of Uttar Pradesh. The result found that one of the
  most important reasons for lack of firm’s compliance with the
  environmental regulation is that the enforcement of regulation is poor and
  fraudulent.

• **Pavel Chakraborty (2007)**[^35], studied the Environmental Regulations
  in Indian Leather Industry. Their study found that Tamil Nadu leather
  industry has complied satisfactorily with the required environmental and
  pollution control standards. Author suggested that the government and
  industry bodies should be more proactive in helping the smaller firms all
  over the country to meet environmental pollution control standard so that
  they can keep up with rising competition from China.

• **Roy Chandan (2012)**[^36], studied the far-reaching impact of
  environmental regulations on export sector of Indian leather industry. He
  found a positive relation between environmental quality and volume of
  leather exports.

• In a project by **Andreas von der Heide and team (2002)**[^37],
  analyzed and documented various success and failure stories of Industry
  networks from Sweden/Europe and Asia/India, and ascertain their impacts
  on environment and sustainability aspects of the respective micro regions.
  From the report, it was observed that the leather industry network comprises
  of largely unsustainable characteristics especially from the point of view of
  use of water. The only sustainable contribution of this network was the
employment that it provided to the local population in the industries that were dependent on the use of leather to manufacture their products. It emerged from this study that leather sector network presented a rather grim picture from the point of view of the sustainability component that was desired, to enhance the synergies amongst the various components of this network.

- **SER Division Planning Commission Report (2002)**[^38], utilized the empirical data generated by the survey of small scale industries in the four states of Maharashtra, Delhi, Haryana and Rajasthan to access the problems faced, especially in respect of adoption of improved technology. Report find out the barriers in adoption of improved technology in the small scale industry sector are lack of finance, knowledge, low level of research and development, inadequate management skills, non-availability of technically qualified persons to operate the technology. On the basis of these findings they recommended policy measures for leather sector such as, it should be made aware of new technologies and Excise duty on chemical used for leather processing must be reduced to achieve the target. Ancillary tie-ups of SSI units with large manufacturing houses in this sector should be encouraged.

- **B. Bowonder, S. Sadhulla and Akshay Jain (2005)**[^39], they observed that by using ICT and giving training to ‘Kolhapuri Chappal’ craftsman, their skills increased that resulted in better quality and standardization of manufacturing process of ‘Kolhapuri Chappal’. This also helped them to get better market accessibility. Women is a significant part of ‘Kolhapuri Chappal’ craftsman force, their contribution were not duly credited. This study emphasis that paying attention to develop skills of women in this business will add values to the industry.

This was a case study of the manner in which the design process, manufacturing process and marketing was reengineered using ICT interventions helped leather industry to reposition itself.

- A study by **K M Mohapatra,Kavita Srivastava (2002)**[^40], explored how socio-economic factors interlink producer’s businesses and

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[^39]: B. Bowonder, S. Sadhulla and Akshay Jain (2005)
[^40]: K M Mohapatra,Kavita Srivastava (2002)
production activities, and how business inter-linking’s caused extra-economic coercion on producers of both the Hindu and Muslim communities, as well as those of various sub-castes and investment sizes. They observed that in Kanpura cooperative could help alleviate many problems of the producers, and also mitigate caste and religious prejudices.

- **Kavita Srivastava (2011)**, had made an attempt to provide a moderate financial analysis across different categories of producers in the leather goods industry at Kanpur. She prepared their average monthly Balance Sheet Statement and Income Statement. Using these two statements, various financial ratios were estimated across religions, sub-caste groups as well as production size classes. Author was reported that on the assets side, the Hindu producers have less proportion of fixed assets than the Muslim producers.

On the liabilities side, the proportion of fixed liabilities to the current liability was greater for the Muslims than the Hindus. In overall terms, the Muslim producers were a better efficiency than Hindu producers in the disposal of goods to markets and in the raw material stockpiling.

The Hindu producers were better liquidity position than the Muslim producers, but their ability to meet long term obligations were not better than the Muslim producers.

In spite of many constraints, the Hindu producers displayed relatively a better performance than the Muslim producers in the respect of raising profits per unit of investment and in using fixed assets more efficiently.

- **Karen Coelho, M Vijayabaskar (2014)**, explored how the town’s proximity to a metropolis can be a source of underdevelopment rather than a spur to steady and rapid urbanization. It put the spotlight back on a class of small industrial towns, where the dirty work of production, particularly of recycling industrial cast-offs, assembling secondary products and catering to low-end domestic markets is not moved out of urban spaces. Instead it is kept hemmed into unplanned and serviced town spaces, while large formal manufacturing firms colonize rural hinterlands. It also highlighted how
disconnects among sectors, space and place can keep a town at low levels of
dynamism and social welfare.

2.8 Summary and Conclusion

Plethora of research study have been conducted in the field of leather
industry especially in the area of features, branded and non-branded leather
products, Growth of Global leather industry, Growth, size and policy of
leather industry in India, Exports policy, performance and related problems,
Environmental related issues, policy and problems faced by leather industry,
Employment situation and socio-economic problems of leather industry. All
the above studies were carried out on national level. Furthermore numbers of
small studies such as article and research papers on said area were carried out
by individuals/institution. Some of the studies on leather industry located at
Dharavi have been attempted before 2001. But there is no such specific in-
depth integrated study so far undertaken by any individuals. Therefore, there
is a need to embark upon such kind of the study. Hence, the present case
study of problems of leather industry is being undertaken. The observation at
Dharavi will be accommodated in further chapters.
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