CHAPTER - II
REVIEW OF LITERATURE

Review of literature involves the systematic, identification, location, and analysis of documents, containing information related to research problem. This review of existing literature will provide base for proposed study which will make the researcher to formulate correct plan for investigation. Understandably there has been a veritable explosion of research work, both published and unpublished relating to the broader domain of Leather Industry in India. Research on the leather industry has undoubtedly grown in recent years. This chapter makes on humble attempt to present brief review of the existing relevant literature on the leather industry of India. The review of literature is classified on the basis of eleven aspects of the leather industry.

- Overview of leather industry in various countries
- Micro Small and Medium Enterprises
- Marketing opportunities
- Export potential
- Financial performance
- Growth prospects and Future trends
- Challenges faced by leather industry
- Environmental compliances
- Reviews related to Human resource
- Reviews related to Reports
- Reviews related to other studies.
2.1 Overview of Leather Industry in various Countries:

Reviews related to Overview of leather industry are focused here,

- Saiful islam and Parag jafar siddique\(^1\) (2014), in their study they had analyzed the performance of leather industry in Bangladesh and made its comparison with India, Pakistan and China. They analyzed export of leather industry from year 2004-2013. This study has revealed that Bangladesh had a potentiality to invest more and expand in leather industry which substantially because of raw hides and skin exports.

- Agha Saidain\(^2\) (2013), in his article, “Leather Industry of Pakistan” made an attempt to Pakistan’s 2\(^{nd}\) most dynamic sector after textile with export earnings of US$1.048 billion. Leather sector is contributing 4.42% of export earning with 2.67% contribution to the manufacturing GDP of the country.
Paulina makhothu- ogolla and Kenneth wanjau³ (2013), in their study made an attempt to study “Factors affecting Value-Addition in the leather Industry in Kenya”. They focused that the role of technology in the outcome of the final leather and leather products need not be emphasized further, and it was one of the pillars of the success of the leather industry in Kenya. Information technology, for example, would enable innovative fashionable designs; and acquire modern machines which had higher production, low production time and low expenses.

Sadaf Shahab & Muhammad Tarid Mahmood⁴ (2013), in their article focused about comparative advantages of leather industry in Pakistan with selected Asian Economies. He concluded that the estimation for the years 2002 to 2009 provide evidence on the movement in the pattern of revealed comparative advantage for Pakistan, Chinna, India, and Iran. Pakistan had an increasing movement in comparative in leather industry. Pakistan’s leather industry had also faced a lot of challenges in the recent past, particularly world’s concern over child labour, which suddenly affected its output in the early years of this century.

Embassy of India, France reported about The France Leather Industry⁵ (2010). It was a large sized importer of luggage and leather goods and should be viewed as a potentially interesting market for exporters from developing countries. It was ⁴th largest exporter with more than 4.5% worldwide exports and ¹⁰th largest importer with 2.3% worldwide imports.

Talwar.S⁶ (2010), in his article gave an Overview of Indian Leather Industry. He discussed about the employment opportunities, growth aspects, strength, weaknesses etc, of the Indian leather exports as well as about Indian leather industry. At the end he proposed some strategies for the development of leather industry.
Tetsushi sonobe; john E Akoten; Keijiro otsuka\(^7\) (2009), this paper focused on the successful development of leather shoe industry in Ethiopia. The industry has been growing not only a number of new entrants but also has been product quality and developing of marketing systems. Such multifaceted improvement has been introduced by highly educated entrepreneurs, who had successfully expanded the size of their enterprises. The development pattern is similar to that commonly found in East Asia.

2.2 Micro, Small and Medium Leather Industry:

Reviews related to Micro, Small and Medium Leather Industry are presented here,

- Kumar Gautam and Ranja Sengupta\(^8\) (2011), in his case study, “India’s Free Trade Agreements & Micro, Small & Medium Enterprises,” this study concluded that FTAs may give gains to leather industry in terms of lower or zero tariffs. But in the longer run, higher competitive, upgrading standards while retaining price competitiveness will enable Indian producers to get real access and beat global competition.

- Muthee\(^9\) (2008), focused that the leather industry could be improved through skill development and capacity building, availability of credit finance, formulation of legal and regulatory framework, and a national policy which supported the growth of the industry and addressed the requirements of the Micro Small & Medium Enterprises.

- In an exclusive introduction with Support Biz, Ramesh Kumar\(^10\), Executive Director, Council for Leather Exports, shared an overview of this sector and the role of SMEs in it, “The Indian Leather Industry has significant share in the overall exports of the country. More than 80% of the business in the leather segment fall in
the category of SMEs, the government of India considers the leather industry as a focused sector.

2.3 Marketing opportunities:

Reviews related to Marketing Opportunities are discussed here,

- R.Ramesh Kumar\textsuperscript{11} (2013), in his article “The Need for Market Diversification,” he noted that it looked beyond European Union, the major markets that come to our mind were Japan, Russia, Canada, etc; in which there was tremendous potential for export of leather and leather products with a view to adopt market diversification strategy, and made a SWOT analysis of Japan and the opportunities offered by Russian Federation for Indian exporters.

- Ron Sauer\textsuperscript{12} (2013), in his report towards, “Our Leather world through 2012”, concluded that there would be no lack of demand for leather products but the markets to sell them would continue to geographically change. The shortage of raw material was likely to persist. All the worlds’ hides and skins would found a tanner to buy them.

- Stephen sothmann J.D\textsuperscript{13} (2013), in his article, “Current Situation of U.S Hides and Skins Market” made an attempt that as one of the largest cattle producers, the United States had long been recognized as raising the most consistent high quality beef in the world. This was the result of selective breeding and an attention to the health of the animal from breeding and an attention to the health of the animal from birth to slaughter. The US is consistently working with the scientific community to find new way to process hides that will make them more environmentally friendly.

- Gonca telli yamamoto & Ozyur sekeroglu and Eser Eke bayramoglu\textsuperscript{14}(2011), in their study focused the world wide leather industry was structured with SME’s in
general which developed their brand images such as Italy, Spain came to the forefront in the world market by emphasizing their quality while China, India, and Brazil emphasize cheap labour and low cost. In the competitive environment, the improvement of the leather industry’s current situation and the development of its export potential depend on taking advantages of the information technologies and choosing electronic mobile commerce as an important way.

Dr. A. Vinayagamoorthy\textsuperscript{15} (2005), in his study, “Marketing of Leather Products in Tamil Nadu”, made an attempt to analyses the marketing of leather products, whether they are shoes, bags or garments, are out priced in the market. Shoe buyers who used to buy from India, have set up factories in country, like Nepal, Vietnam, Latvia etc these emerging markets are posing a threat besides the high profile growth of Chinese leather industry, which is moving up towards market value added production.

Jaganathan and Subbarama Naidu\textsuperscript{16} (1998), highlighted the marketing of leather products. Their study showed an efficient marketing system is of critical importance to a country under any condition and each stage in its development. Marketing plays a vital role especially in an agrarian country like ours. Marketing system comprises several agencies and institutions, each playing in its own role in the whole system.

Murugesan and Subramaniam\textsuperscript{17} (1990), try to study the extent of market potential for various leather and leather products, identify the countries where the market is perspective and formulate a suitable strategy for the improvement of export performance of the leather industry.
2.4 Export Potential:

Reviews related to Export Potential are presented here,

- A.Sahasranaman\textsuperscript{18} (2014), in his article, “Some thoughts about India’s Leather sector Exports” opined that Indian Leather Industry has really been able to get its legitimate share of the world market for leather and leather products. When one compares the condition of the industry in the early 1980’s with its current situation, there were many facets of the Industry that were truly impressive.

- Dr. M.Thamarai Kannan and C.Sencottuvel\textsuperscript{19} (2012), in their study, “India’s Growing Leather Industry: A Steady Source of Foreign Exchange,” stated that with a vast captive source of raw materials, a national network of tanneries, skilled manpower for leather goods manufacture and a well-established presence in export markets, India’s leather industry is poised to grow even further the Indian Leather Industry. The Indian leather industry aims to augment production, and enhance exports to $7.03 billion by 2013-14.

- Dr. Sathya Sundaram\textsuperscript{20} (2011), in his article “Leather time to step up exports”, highlighted that, leather sector holds just a minuscule share of the $ 116 billion global market. Even with a 5% in the global pie, the sector requires a 100% increase in existing exports.

- A.Sahasranaman\textsuperscript{21} (2011), in his article, “Indian Leather Industry sector- Road to Future” focused on the export performance of Indian Leather sector. India’s export of leather and leather products has been by far mainly sustained by the large domestic raw material base. Tamilnadu the largest tanning centre in the country was case in point. The zero liquid discharge rules that was not allowing any tannery to discharge even a drop of water into environment. There was no doubt that export of leather and leather products did not suffer much during the global recession.
G.P.Gandhi\textsuperscript{22} (2007), in his paper “Exports of Leather and Leather Goods”, took a strong support view for exports of Leather goods. The hand bags, footwear and leather garments have the largest export growth potential in the Leather sector, though china has traditional exporters, and there is plenty of scope for these products.

Subash Kumar\textsuperscript{23} (1997), in his study “Indian Leather Industry”, stated that the export sector of leather industry has emerged as one of the thrust sectors for foreign exchange earnings. The exponential growth rate for leather exports is higher than the growth rate of total exports of the country. Further, the significance of the industry is increasingly realized in recent years owing to acute shortage of foreign exchange. The author argued that India has emerged as an exporter of finished goods.

According to Reports of CLE (Council for Leather Exports) (1996)\textsuperscript{24}, The Leather Industry has acquired a place of prominence in the country’s economy. Since it has a high export potential and employment generation, there has been increasing emphasis on its planned and systematic development policies have given a fillip to the industry’s growth which has been sustained by the country’s large livestock population. The leather goods sector has a Share of 19% during 1994-1995 valued at 296 million dollars. It has been maintain an average growth average growth rate of 13% during the past 5 years.

Saurabh sinha & Sanjay sinha\textsuperscript{25} (1991), in their paper titled on “ Leather Export: An Illusory Boom?” attempted to analyse 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.
In their book, (1989), Rai & Reddy hold that leather is the major item in the export kit of India. The export of leather has been fluctuating because of the slackening of demand in the importing countries and increasing international competition. They argued that Indian leather exporters have been adequately exposed to market in the developed world so far. The requirements of U.S.A; Germany & other developed countries are met by the exports of Brazil, Taiwan, Portugal, Italy and Korea. But these exporters have poor raw material base. India can have in on these advantages. The Author felt that ion technology up gradation in the highly competitive markets is a necessity. In order to ensure smooth marketing of leather product, they suggested that, it would be necessary to have buy-back arrangements with foreign collaborators.

A.Sahasranaman (1987), in his paper titled on “Marketing of Readymade in the World Market in 1990’s Challenges before the Leather Industry”, analysed the export potentiality of leather and leather goods of India. He discussed the historical background of the leather industry. He remarked that the import & export profile of the importing country differ widely.

The report of Cooper and Lybrand (1982), was based on the study carried out in four European countries viz U.K, Italy, France, West Germany. The objective of this study was to identify the leather products with good export market prospects through joint venture collaboration and to explore the interest of major leather manufacturing firms of those four countries for collaborative projects in India.

He held that in the long run it was the exports of high value added products that should be encouraged. This is possible only through establishment of modern units.

The report of the committee under the chairmanship of Seetharamiah\(^3\) (1972), (i) examined the necessity of reducing the export of East India tanned and Chrome tanned hides and skins. (ii) Considered the impact of export ceiling on short term & long term earnings of foreign exchange; & (iii) Suggested measures for speedier switch over of export from semi-finished hides and skins to finished leather and leather manufactures. The committee has suggested certain restrictions on exports of semi-processed products while recommending additional facilities for setting up of the infrastructure etc; to increase the exports of finished leather.

Choudhery\(^3\) (1971) in his paper, “Standardization and quality control for export of Leather and Leather manufactures”, noted that India has been able to make a breakthrough in the fashion and trend of garment making in the world by introducing what is known as tie and die garment leather. He said that a new swing in the western fashion world has pushed the demand for leather and leather goods not only for the supplying traditional items like footwear, portfolios and travel requisites but also for offbeat clothing and garments viewing from this angle the author underline the significance of standardization, quality control and certification making for India to secure an effective breakthrough in the international market.

2.5 Financial Performance:

Reviews related to Financial Performance of Leather Industry are shown here,

Analysis,” showed that for overall leather industry, working capital management had significant impact on profitability of the firms. They further concluded that these firms properly manage components of working capital.

- Sarbapriya Ray³³ (2013), in his article, “Indian Leather Industry: A Post Reform Period Financial Overview”, discussed about financial performance of leather companies of India. The result of their study showed the shares of leather companies. Excepting a few years, total returns are either declining or negative during their study period. Market capitalization of selected leather companies are gradually increasing excepting a few years. Indian leather manufacturers should, swell a concerted marketing campaign to extract a share consistent with their inherent strength and potential.

- Meera Bai³⁴ (1989), tried to assess the performance of leather industry in terms of production, employment potential and its position in the world market. The production capacity in the footwear sector in India is very low compared to other countries like Japan and Korea. Although the industry provided large employment opportunities to the rural population, most of these units are in the household sector and managed by single individuals. She pointed out that the lack of good quality raw material & marketing facilities have been aggravating the adverse situation faced by the industry. Lack of financial resources, modernized production infrastructure training to the tanners and failure to check environmental pollution are identified by her as some of the major problems faced by the leather industry.
2.6 Growth Prospects and Future Trends:

Reviews related to Growth Prospects and Future Trends are presented here,

- Mwinyikione, Mwinyihija (2014), their discussion in their paper titled, “Emerging World Leather Trends and Continental Shift on Leather and Leather goods Production”, that had yielded several fundamental issues of importance to the leather sector. It’s had regained its prestigious position and provided credence to the sector’s future expectation.

- Priyanka Sahni (2014), said that India’s export performance improved significantly during the post reform (1992-93 to 2010-11) and there had been a perception change in the value, composition and direction of India’s exports. The Compound Growth Rate of India’s exports of leather and manufacturers were found to be 14.2% during pre-reform period (1980-81 to 1992-93). But the exports of leather and manufacturers declined sharply during post re-form period as C.G.R was found to be only 6% due to the factors such as: global recession, sharp drop in exports of finished leather. She also concluded that the leather exports promotion council has taken steps to improve the skills of technical personnel and to promote the development, fabrication and distribution of improved tools for tanning etc.

- Rangith Hetticarachhy (2013), in his article, “Srilanka Footwear Industry Growth and Future Prospects”, he examined that footwear industry is a thrust industry in Srilanka because its ability to take the country forward specially in exports. Srilanka’s exports of footwear earning near to 26 US$ Mn in 2012. An India has progressed well in the footwear components and leather tanning industry, India could play a major role becoming a major supplier of leather machinery tools to Srilanka industry.
Mr. Rajan Babu (2013), in his article, “Growth of Leather Industry in India: An Assessment,” stated that, the increasing trend in exports of leather and leather products in the last two decades indicates the prospects of foreign exchange earnings from this industry with well devised government marketing of leather and leather products, there is much scope for the growth of Indian leather industry.

Rafeeqe Ahamad (2011), in his paper titled, “Leather – Exciting Times Ahead” focused that it was reasonable to expect that while the global market would continue to be interest to the Indian exporters of leather and leather product, the domestic market would be equally if not more interesting in the next five years. The quantity demanded has increased and is growing at an impressive over 15% per annum.

Sarabapriya Ray (2011), in her study titled, “Econometric Analysis of Productivity Growth in Indian Leather Industry” focused about Performance of Indian Leather Industry in terms of partial labour productivity and total factor productivity for the entire period; 1979-80 to 2008-09. The results on labour productivity of factors showed improvement in productivity of labour during specific past reform period (1990-91 to 1999-2000). The industry certainly could achieve its potential provided efforts were made at the palming and policy level to ease its constraints. And she also concluded Indian leather industry could meet the challenges of globalization if appropriate steps were taken by the state in a timely manner.

Saswati Sanyal & Samila Banaerjee, Subrata Majumder (2010), in their study titled, “India’s leather in the world market Exploration of recent trends” analysed Constant Market Share (CMS) showed that compared to pre-reform days India’s export performance has improved significantly in this post WTO period keeping better pace with the world-trend. The commodity composition of the export basket
has undergone remarkable change during the late eighties and it continued in the later period. However the diversification effect in terms of destination is not the prominent. India’s product commanded larger market share in terms of significant enhancement of competitiveness.

- Jian-zhong, Zhi-iie,Yun (2004), in their article titled, “Preview of Advanced Technologies in Future Leather making Industry,” investigated that technologies could transfer the present conditions of traditional leather industry, which would also ensure the realization of sustainable development of the leather industry.

- A very significant project, sponsored by Indian council for research on international economic relations was carried out by Sengupta, Jay shree (1985), the author argued that in spite of the availability of skill and huge raw materials, India has not been able to capture a major share of the world market in leather goods. The author urged to the export efforts in leather and leather manufacture and to place it in the wider setting of world leather exports. She tried to identity the major lacuna in the governmental policies for the development of leather industry, the factors that responsible for slow rate of penetration of Indian leather products in global market. She also studied the future prospects of the industry with respects to its potential as a major foreign exchange earner as well as source of employment especially in the rural areas in the small scale and cottage sector.

2.7 Challenges faced by Leather Industry:

Reviews related to Challenges faced by Leather Industry are focused here,

- M. Rafeequa Ahmad (2012), wrote in his article titled on “Leather Challenges ahead”, “The first major challenges facing the industry is to evolve and implement a strategy that will help to retain and expand its current share in traditional markets.
Neeraj Prasad\textsuperscript{45} (2011), in his article gave about “The changing Competitive Landscape of Indian Leather Industry. He concluded that the development of global value chains also offered new opportunities to small and medium enterprises, although they faced important challenges in reaching international markets, management, finance and the ability to upgrade and protect in house technology could be hurdles. The Indian Leather Industry would necessary had to adopt a pro-active strategy accepted private and voluntary standards and industry bench-marked signaling marketing tools otherwise the risk of stagnating or being upstaged & overwhelm would become a very real possibility.

2.8 Environmental compliance:

Reviews related to Environmental Problems are discussed here,

Govindarajulu and Priya\textsuperscript{46} (2011), in their study, “Leather Tanneries and Environment” made an attempt to environment and developments are like two sides of coin and both are inseparably linked to each other. Always there is some tradeoff between environment and economic development. Industrialization is one of the important means to usher economic and social transformation in the developing countries. Through the tanneries have substantial export and employment potentiality. They need to work hard to ensure environmental literacy and necessary knowledge about the state of environmental pollution. Governments and industrialists should use their conscience for welfare of mankind and work for the global of sustainable development.

Rajamani\textsuperscript{47} (2011), in his article, focused on “Leather Industry and Environmental updates in Taiwan” made an attempt to the capacity of world leather process was 15 million tons of hides and skins per year. Waste water discharge from tanneries
was more than 600 m$^3$/y. solid waste generation from tannery process is estimated at 6 million tons per year. The treatment effluent in meeting the standards and disposal of large quantity of sludge which is about 45 million tons per year from effluent treatment plants was one of the major unresolved issues in most of countries including in Taiwan.

- Sheweta Singh and S.Rajamani$^{48}$ (2011), in their article, titled “Environmental Compliance and Sustainability of Small and Medium Leather Industry”. In the present scenario, 80% of the tanning industry is reserved for SME’s processing raw to semi-finished leather mostly processing less than two tons per day. However to make the picture more realistic for survival and sustenance of the SMEs in leather industry, it may be available alternative to carry out the tanning process in a decentralized fashion such that the raw to semi-finished process is carried out in the large scale sector while the semi-finished to finished process could either be reserved or open to competitions as per the counties requirements.

- M.Rafeeqe Ahmad$^{49}$ (2010), wrote in his article “Capacity Constraints, Environment Problems”, though export growth has been consistent over a period, unlike in some Southeast Asian countries like China, Vietnam, There has been no dramatic acceleration. Completion of the zero liquid discharge projects in Tamil Nadu would change the face of the industry dramatically.

- Chandrasekaran et al$^{50}$ (1996), in his article, “Industrial Pollution”, has identified the leather industry discharges many toxic pollutants like sulphide, phenolic compounds, chromium and other mineral salts, dyes, etc; chromium is a major component of the potential hazardous tannery effluents.

- Denesh Mehta et al$^{51}$ (1994), came with the assumption that with very poor environmental control exercised by the authorities, the tannery industries have been
causing severe water and air pollution. Vaniyambadi and Ranipet have grown in an unplanned manner and without any environmental control mechanism more water bodies in these clusters are containing become unfit even for irrigation and drinking water.

- CLRI a survey\(^{52}\) of (1993) around Palar river basin of North Arcot District revealed that the effluents from the tannery units had heavily contaminated the ground water and soil. It was estimated that three million liters of effluent containing 0.8 (ml) of soak liquor wastes are let off every day in the entire belt area. The amount of sodium chloride discharge was about 3 tones. The survey has concluded that if present rate of discharge is not controlled. The neighborhood would acquire calamity within 100 years. Paddy, Sugarcane, Banana, Groundnut, Millets, Maize and Cocoanuts grown in these areas have yielded only 25 to 50% of the normal output. The survey pointed out that reduction in production of the above crops is the result of soil contamination due to tannery effluents.

- Muthu\(^{53}\) (1991), in his article “The Spoilt Environment,” has reported that the effluents are the major reasons for causing many disease like malaria and filarial. The ‘soak waste’ the effluent released after the 1\(^{st}\) stage of hide processing contains dirt, dung, blood soluble protein and other bacteria. Many scientific reports have also confirmed and proved the effluent to be an ideal medium for the proliferation of germs of many tropical diseases.

- Saranya and Rajan.A\(^{54}\) (1990), their survey on Errant, Tanneries in Dindugal District reported the existence of high chloride concentration in the soil in the region. This had affected adversely the fertility of the soil as well as the quantity of ground water, particularly well water.
Khasim and Nanda kumar\textsuperscript{55} (1989), in their paper titled on “Environment Contamination of Chromium in Agricultural Animal Products near a Chromate Industry”, have opined that tanning industry, commonly utilizes, chrome liquor in the tanning process and discharges the effluents, which contained chrome salts in excess of the maximum permissible limits. This ultimately affected the natural environment.

Muthu\textsuperscript{56} (1989), in his paper “Health Hazards in Dindigul”, reported that sodium sulphide used for unhairing causes dermatitis, ulceration and burns. Inhalation leaded to irritation in respiratory tract and damage of lung tissue.

Baskaran T.R\textsuperscript{57} (1989), in his article titled, “Treatment and Disposal of Tannery Effluents”, has examined the treatment facilities available in tanning and confirmed that many of the tanneries in India don’t have necessary and sufficient treatment facilities. Whenever the tannery industries treat the effluents which may be broadly termed as physical, chemical and biological, the treatment is confined to providing artificial means for purification through exposure to sunlight and atmospheric oxygen. However, these methods are insufficient as the quality of effluents increase and very large open land is needed.

Kbziouroushi and Kuhaski\textsuperscript{58} (1989), in their article, “Industrial waste Disposal”, have suggested different methods of treatment of the tannery effluents with some chemicals and shown considerable reduction in suspended solids and BOD values, but the cost involved in treatment with the chemicals seems to be high. Hence this procedure is not widely used for treatment of tannery effluents and thus, it can be treated by chemical coagulants like alum, carbon dioxide from the gas, sulphoric acid, ferric chloride, and lime.
Varadawathy D.M (1986), in her paper titled on “Epidemiological on Tannery Industrial Workers Exposed to Occupational,” revealed that on the whole the tanning industry is chemical intensive and approximately 250 chemicals are used. The combination of unorganized industrial and human conditions of work environment like improper handling of chemical and leather-dust create specific health hazards to the workers involved in different training process.

Nirmala lakshmana (1986), in his paper, “Effluent from Affluent Industry” has made survey on soil pollution and its effects on agriculture in Vaniyambadi. The carbonate content of the soil was 155 mg/ liter which was above the tolerance limit of 75 mg/liter. The sodium chloride content of the soil estimated at 1250mg/lt. it was far above the tolerance limit of 200mg/ltr. Further he found that most of the land has become unfit for cultivation. About 40,000 hectares of fertile agricultural land which constituted more than 12.0% of the total cultivable land has been polluted, and 3911 hectares of agricultural land has been severely affected by tannery effluents and the agricultural productivity had been reduced to $1/4^{th}$ of normal yield over a span of 12-15 years.

The work of Dhulasi Birundha Varadarajan and SaradhaKrishnamoorthy was an effort to assess the economics of the growth of leather and its impact on environment. While emphasizing the importance of growth of leather industry for its positive effects, one was aware of the negative effects viz. environmental damage through the spoilage of drinking water, water for farming and land fertility. So a trade-off occurred while emphasizing the growth of the leather and its environmental damage.
2.9 Human Resource Management:

Reviews related to human retention, labour work force, training of leather industry are revealed here,

- Indranil Bose and R.K. Mudgal\(^{62}\) (2014), in their study titled on “Employee Relations Climate in Leather Industry in Kolkata”, conducted on the two Leather manufacturing units of Kolkata employing more than 400 workforce comprising both supervisory and workmen. Their study analyses the employee relations climate existing at various levels. They identified the employee attitudes and determined the employee relations in the sample leather units of Kolkata. They were concluded that working conditions, level of supervision, communication, work participation, inter-personal relationship, etc.; included the employee relation climate in the surveyed units.

- Alvaro Junior Caicedo Ralon; Jullytion Vivina Nino Rico; Yebrail Alexis Romer Arces\(^{63}\) (2013), in their paper titled on “The Reality of Training and its needs, for Production Managers of the Footwear, Leather and Manufactures sector in the Metropolitan Area of Culcutta”, The study was addressed by applying a validated and reliable, which led to current profile for the 20 managerial skills sector production managers. The areas with greater training received were: Inventory management, supervisory skills, improving product quality and design of new products. The most commonly used types of training were lectures, seminars and short courses and the institutions they support were external consultants and other private or public institutions.

- Muhammad Hassan, Sobia Hassan, Kashif Ud Din Khan, M.Akram Naseem\(^{64}\) (2011), in their paper, “Employee Retention as a Challenges in Leather Industry” focused on Leather Industry of Pakistan which was facing the same problem of
retention of employees due to many reasons. Its observed that mostly second line managers change their job’s for high salaries offer, recognition, authority and also to seek for more knowledge and to get more competitive edge in terms of processing.

- Sinha and Sanjay\(^6\)\(^5\) (1986), examined The Rural Leather Workers in Gorakhpur, Kanpur and Meerut districts of Uttar Pradesh in 1983, which covered 47, 44 and 46 families respectively. He assessed the status of the industry in 3 different economic environments. He concluded that the development of this traditional industry based on widespread natural resources holds out considerable promise of employment generation in rural areas.

- Usha\(^6\) (1985), in her study “Mechanization and Labour Utilisation in Leather Industry in Tamil Nadu,” made an attempt to analyse the effects of an export trade control order 1973. This order envisaged to encourage the exports of semi-finished leather. The study was based on labours, management workers, and workers management associations during field survey of tanneries in North Arcot district of Tamil Nadu.

2.10 Reports:

This includes the various institutional reports, buyer and seller of leather goods meet in various countries and reports from various journals and magazines.

- CII\(^6\) study on Leather and Leather Footwear, According to the finding of a recent study “Indian Footwear and Leather Industry: Key Challenges and Opportunities” by the confederation of Indian footwear and leather industry has its short comings in the manufacturing segment, which lacks high-value investment and training faculties to build a large base of skilled workers and artists. The country it says
need to build strong brands in footwear and finished goods sector to promote image building and competitiveness. For this, the government needs to have a proper policy approach.

- A report is presented by Mohamed Rafeeqeque\(^6\) (2013), “Buyer Seller meet for footwear and leather products” in that report reflected, the buyer seller meet in Jeddah, Saudi Arabia organized for the first time created a positive image on the Indian leather industry among the Saudi buyers and businessmen. Saudi Arabia has been having a significant GDP growth and huge potential for footwear and leather goods especially chappals/sandals, casual of mid-end market has good potential in Saudi Arabia.

- A report by Ramesh kumar\(^6\) (2013), “he reported about the Buyer Seller meet in Dubai. It served as an opportunity to create the India brand image among the UAE buyers. This would help to enhance the India’s Export to UAE to US$ 300 million by 2016-2017. This has increased from US$126.43 million in 2012.

- This information was given by Shri Jyotiraditya M Scindia, Minister of State for Commerce & Industry, in a written reply in the Rajya Sabha\(^7\), (2009), this report showed about Steps taken by Government to boost export of leather and leather goods, inter-alia, included reduction in interest rates on rupee export credit @ 4.5 percentage, provision of Drawback facility for boots/half boots/shoes and sandals made of leather cum synthetic/textile materials w.e.f. Sep, 2008; extension of facilities to leather sector under Market Linked Focus products Scheme (MLFPS) etc.
2.11 Reviews related to Investment Pattern, Technologies, and the like:

Review of literature related to other studies such as Investment pattern, Technologies used, Strength and Weakness, and Foreign Direct Investments of leather industry are presented here,

- Anup Kumar Bhandari\textsuperscript{71} (2012), in his paper titled on, “Global Crisis, Environmental Volatility and Expansion of the Indian Leather Industry,” made some policy prescriptions regarding the expansion of the industry by examine Technical Efficiency (T.E) as well as scale efficiency of individual leather producing firms for some selected years since the early-1980s. That paper observed a significant positive association between a firm’s size and its TE. He also suggested the policy makers to go forward in expanding the industry, particularly keeping India’s severe unemployment problem of both skilled as well as unskilled labour forces in mind.

- Witkowska Janina\textsuperscript{72} (2011), in his article, “Globalization and Foreign Direct Investment in the Textile Garment, and Leather Industry, that the subject of that paper was analysis and assessment of foreign direct investment as made by transnational corporations in the textile, garments and leather industry on a world economic scale under condition of globalization. The dynamics of the FEI streams flowing to industry was one of the lowest in manufacturing. Over the long term (1990-2007) the share of textile, garment and leather industry in global FDI stock decreased from 1.5% to 1.6% in 2007. In spite of the labour-intensive character of industry. In their bulk, the FDI were designated to the highly developed countries.

- Sabir\textsuperscript{73} (2010), in his article “Declining Leather Export” discussed several reasons for the decline in the exports of leather and leather goods from India to different countries. In his article he also mentioned the weaknesses as well as the strengths
of the Indian leather industry and also made several recommendations for the long term development of the Indian leather industry.

- Habib Gubta Hussain\(^74\) (2009), chairman council for leather exports, mentioned that Indian leather needed a long term project for the all round development of Indian leather industry.

- V. Sujatha\(^75\) (2009), in her article titled on “Leather Processing: Role of Indigenous Technology”, she discussed about a leather artisans in Tamilnadu, which looked at the effects of export oriented growth use of chemicals in tanning and sidelining of the age-old local knowledge, on the survival of small village-based leather processing units.

- Dr. I. Satya Sundaram\(^76\) (2007), said that in his study, “Leather; Investment Pouring”, Investment in India’s leather industry are flourishing from countries like Italy, Spain and Portugal through joint ventures.

- Qamar Zaman\(^77\) (2006), in his article, “Diagnostic Study of Korangi Tanneries Zone (Korangi Leather Cluster),” found that korangi tanneries zone was an under archiever cluster with low capacity utilization and narrow product range. Networking among SME is possible but very difficult due to very psychology of the people in the industry. Trust has to be built among SMEs through practical steps such as export order for SMEs.

- Bansal\(^78\) (1989), in his article highlighted the problem involved in the process of flying and carcass recovery in India. The author held that the leather industry has 3 important facts. A) Flaying, curing and preservation of hides and skins. B) Tanning and C) Footwear and leather leather goods making, flaying of animals, curing and preservation of hides and skins is essentially a decentralized activity. Tanning and manufacturing of various leather products exists in all levels of production viz,
small large and cottage sector. He remarked that with the fast changing social and economic science in the country, the age old occupation of flaying and carcass cannot be compensated for small firms. Further, data on average unit cost showed that small firms are incurring losses in the leather footwear industry. In short, the analysis of the relative cost-efficiency of small manufacturing firms for 3 industries showed that small firms on an average are not profitable nits of production and have higher cost compared to large firms.

- Chakravarti\(^79\) (1981), in his article titled on “Plight of Leather Industry in India” said that in spite of huge potential a large portion of leather output of the country is of very low quality causing a low return not only to the capital invested but also provides a meager remuneration to employees. The productivity has remained very low level due to erratic to collect leather from all centers. The author emphasizes the need to instill discipline in the unorganised sector to bring about a radical change in the prevailing scenario.

- Srinivasan\(^80\) (1980), in his paper titled on “Promoting implementation of Indian Standards for footwear and Leather Industries” discussed briefly the various constraints faced by Indian leather industry. In his opinion exports from India can be increased if certain constraints faced and flaws in the governmental policies are removed the problems highlighted in the paper are shortage of finance for modernization and expansion, problem of tannery effluents, defects in ISI norms and government policies. The author considered EI tanned leather finished leather, and hence, imposition of export duty is not justified. Lastly, he pleads for government help to small tanners, allowing import of wallet extracts under OGC and modification of ISI norms.
Najappa\textsuperscript{81} (1971) in his paper said that the leather has developed from the primitive stage of an unplanned cottage industry to a well organized modern industry largely due to the result of the encouragement it has received after independence and during the successive 5 years plan.

In Salims\textsuperscript{82} (1971), opined in spite of having all requisite natural resources, India’s share in the world trade of footwear is insignificant. He believed that the supply positions of hides and skins is almost inelastic due to improper recovery of fallen animals, outmoded methods of flaying and poor techniques of curing leading to substantial losses and wastage in the leather industry. The author reviewed the efforts of the Khadi and Village industries commission in plugging these breaches by setting up leather co-operatives and providing guidance to flayers, tanners and fabricators for improving their techniques.

2.2 Research Gap:

The reviews presented above focused about the performance of leather industry in various countries like Bangladesh, Pakistan, France, Kenya and Ethiopia. Further, some reviews focused about the Indian leather industry in terms of its marketing opportunities, export potentials, financial performance, challenges and environmental compliances.

Moreover, a very few reviews were made about leather industry functioning in Tamil Nadu. These reviews were focused towards the marketing of leather product, environmental compliance and mechanization & labour utilization in leather industry in Tamil Nadu.

Hence, the researcher made an attempt to study about the leather industry functioning in Tamil Nadu. Leather industry in Tamil Nadu is considered to be very
ancient and it is of more than two centuries old and at present there seems to be a tremendous industrial development has taken place over a period of 20 years.

Tamil Nadu is the biggest leather exporter (45%) of the country and its share in India’s output on leather products is 70%. Tanneries operate with access to any Effluent Treatment Plan and 100% connectivity to pollution control devices is a specialty of Tamil Nadu.

Moreover, leather industry in Tamil Nadu is functioning in a clusters form. Hence, it is taken up for the present study. The present study focused on the Origin and development of Leather Industry in Tamil Nadu state. Further, the study highlights the export growth, its future prospects. Hence, this study is a comprehensive; covering all aspects of Leather Industry functioning in the state of Tamil Nadu. The present study is first of its kind in the study area.
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3. **Journal Article: with more than two Authors**


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