CHAPTER V

SUMMARY AND FINDINGS
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8.0 INTRODUCTION

The informal sector of the leather footwear industry in India plays a vital role in the production of footwear and creating employment. Out of the total production of 407 million pairs of footwear produced in 1991-92, 84% was by informal sector and 16% formal sector. Apart from catering to the whole of the domestic market, the informal sector contributes Rs.1,823 million worth of footwear for exports. This sector provides employment to 6 lakh workers mostly belonging to the traditional communities. Hence, it is evident that the informal sector has emerged as a leading producer of footwear and major source of employment besides playing a vital role in the export front.

A summary of the main findings of this study and the conclusions drawn are presented in this Chapter. Based on the empirical results a strategy for the development of informal footwear industry has been evolved for implementation.

8.1 SIGNIFICANCE OF INFORMAL SECTOR IN EXPORT FRONT

India’s export value of leather and leather products has reached to a phenomenal level of Rs.31,726 millions in 1991-92 from a level of just Rs.862 millions in 1970-71. During the last two decades, the structure of leather exports has undergone tremendous change. Of the total export value of Rs.1019 millions from the leather and allied products group in 1971-72, the share of unfinished leather was 84%. By the year 1981-82, the exports of finished leather claimed a share of 51% in the total export value of Rs.4,443 millions and the share of semi finished
leathers declined to just 12%. In the subsequent decade of 1981-82 to 1991-92, it has been the leather products that have made rapid strides into the export market. Of the total export value of Rs.32,726 million in 1991-92, the leather products viz. the footwear and footwear components claimed a share of 36% and leather goods and leather garments 41% whereas the finished leather share has dwindled to 23%.

With a just 5% share in the total leather group of exports, prior to 1985-86, the export of leather footwear has registered a share of 13.4% in 1991-92. In the case of footwear components which include mainly the shoe uppers, the export performance has been rapid and registered tremendous growth. With a negligible share in 1970's, the footwear components registered 17.4% in 1981-82 and reached to a record level of 29% in the country's leather group of exports in 1985-86. However during 1991-92, their share has declined to 22%. The increase in the share of complete footwear to 13.4% and decline in the share of components from 29% to 22% clearly indicate that in the years to come, it is going to be the exports of leather footwear in preference to footwear components to have higher unit value realisation.

Out of Rs.11,252 millions worth of leather footwear and footwear components exported from India, during 1991-92, the leather footwear components constitute 62% and the remaining 38% by the leather footwear. In case of leather footwear exports, valuing at Rs.4,254 millions, in 1991-92, the share of both closed and open leather footwear constitute 67%, part leather
footwear 22%, leather shoes 6% and the remaining 5% by Kolhapuri and embroidered footwear.

The Kolhapuri footwear accounting for an export value of Rs.203 millions, are mainly produced from the informal sector of the footwear industry. With regard to the other items of footwear which account for an export of Rs.4051 millions, they are produced both in informal sector units, small scale and partly in the mechanised units. It is estimated that 40% of the exports of closed/open footwear and part leather footwear accounting for Rs.1620 millions are produced in the informal sector of the industry.

Even the semi mechanised units and most of the registered small scale units catering to the exports of footwear in North India, mainly the informal labour as contract workers are involved on piece rate wage basis. In addition, almost all the export oriented mechanised factories in India provides jobwork to the domestic outworkers of the informal sector for labour intensive operations. Hence, the informal sector of the footwear industry in India contribute very significantly towards the exports of footwear. The major customers for India’s leather footwear and footwear components are USA, Germany, USSR, Italy, UK, France, Canada and Netherlands.

The actual export of leather footwear and footwear components valuing at Rs.11,252 millions in 1991-92 have exceeded the target of Rs.10,345 millions fixed for the same year. Further, 70% of the target value of Rs.16,480 millions fixed by the middle of VIII plan (1994-95) has already been achieved in 1991-92 itself. This fast rate of export performance
clearly indicate the rapid strides in the export front. India having strong raw material base, large low cost labour and favourable support from government has a definite edge in exploiting the situation and to enhance its exports.

8.2 ESTIMATED PRODUCTION OF FOOTWEAR AND EMPLOYMENT

The estimated employment in the informal sector of the footwear industry was at 6.00 lakh persons in 1991-92 and it is expected to be double by 2000 A.D. Of the total leather footwear production of 407 million pairs in India in 1991-92, 342 million pairs accounting for 84% was produced in the informal sector of the footwear industry. This indicates the significance of the informal sector in the production of footwear. The leather footwear production is expected to increase to 882 million pairs by 2000 A.D., of which 562 million pairs for domestic consumption and 300 million pairs for export. The per capita consumption of 0.5 pairs of leather footwear although expected to grow to 0.6 pairs in future, this rate is far below when compared to 3.3 pairs in USA and 4.5 pairs in UK.

8.3 MIGRATION OF INFORMAL WORKERS

Large scale migration of rural artisans on one hand coupled with highly skilled urban footwear artisans mustering the support of their family members on the other hand, several informal units have sprung up in urban and semi urban areas to produce variety of footwear to meet the domestic demand and to supply to the merchant exporters. Government interventions towards financial, technical and marketing have been provided in a limited way and this development has led to formation of
concentrated clusters of informal footwear units in places like Athani, Nippani, Kolhapur, Malavalli, Madhubhavi, Madras, Agra, Kanpur, Calcutta, Delhi and Bombay.

8.4 STRUCTURE AND CHARACTERISTICS OF INFORMAL LABOUR IN THE THREE CENTRES

8.4.1 HEREDITARY SKILLS

About 95% of the household units in all the three centres surveyed continued their production based on hereditary skills acquired and transformed over generations. In Athani centre, 51% of the household units covered were traditionally operating in the same town, whereas 40% reported that they were migrated from other areas. A sizeable number (13%) of the newly started household workshops in Athani belong to "Madar community" whose traditional occupation was rope making.

A new class of workshops mostly engaging women from forward castes communities like Muslims, Vanniars and Mudaliyars have emerged since three years mainly due to the jobwork provided by the export oriented mechanised shoe units. The women in these units attend to hand knitting and hand stitching of shoe uppers and accept piece rate wages normally ranging from Rs.15 to Rs.20/- per worker per day.

8.4.2 COMPOSITION OF WORKERS

The size of the male members in the household units of Agra works out on an average 3 persons compared to one or two persons in Athani and Madras. The skills formation of each worker in specific operations of shoe making has been the main reason for more male members in the household units of Agra. In the case of
household workshops also, the hired workers per unit works out to six persons in Agra, four in Athani and three in Madras.

8.4.3 LITERACY LEVELS

The high level of illiteracy say 44% among the entrepreneurs of the household units clearly demonstrate the predominance of informal sector in the household units whereas increasing levels of education say 31% upto X standard and 20% of the entrepreneurs having higher education among the household workshops signifies the changes and diversification among the informal sector of the footwear units. With regard to the acquisition of skills, the skills formation among the informal units was by tradition, practice and observation.

8.4.4 GENDERWISE OPERATIONS AND DIVISION OF LABOUR

All the operations involved in Kolhapur chappal making are divided and shared by the family members. While gents attend to upper making, sole preparation, fitting and finishing operations, women attend to sole stitching, instep stitching, upper decoration, braiding, washing and cleaning operations. The school going children in their leisure time attend to punching and braiding. Hence this kind of division of labour has been prevalent even in the informal units. The daily earnings of hired workers in Athani attending on piece rate basis ranges from Rs.25 to 40 depending upon the specialisation of the operation. The women attending as jobworkers earn around Rs.15 to 20 per day.

8.4.5 ORGANISATIONAL CHANGE IN INFORMAL UNITS

The young male members in Agra no longer learn all operations of shoe making, but specialise each in specific activities like cutting, lasting, bottoming, fitting and
finishing. With such specialised skills formation, only big and extended families relying exclusively on the family labour only, continue the shoe production in household units. But in recent years due to the division of joint families and as the single artisan lacks skills in all operations he is forced to depend on hired workers to continue the shoe production. This phenomenon has led to creation of more and more household workshops intensifying the structural changes in informal sector. Due to the limited scale of production in such workshops coupled with wage system on piece rate basis, the hired workers have to depend on three or four such workshops to get continuous employment and regular earnings. A skilled hired worker in Agra daily earns around Rs.80 to 100 of which Rs.10 to 15 is paid to the assistant normally aged around 10 to 13 years.

6.4.6 INFORMAL CONTRACT LABOUR

The prevalence of the practice of contract labour who work on piece rate basis in the big workshops, semi-mechanised and mechanised units under centralised management and decentralised production system in Agra reflects the true nature of the informal labour market which functions to the disadvantage of the working class. The unique speciality of the shoe industry in Agra is that although the full shoes and shoe uppers for export are made in the semi mechanised units employing each around 200 workers, the floor level workers constituting machine operators, skilled, unskilled workers and helpers are from the informal sector of the labour market who are paid on piece rate wages but not in terms of monthly salaries.
Unlike in other two centres of Athani and Agra, the hired male workers in the household workshops of Madras are paid on daily wages ranging from Rs. 30 to 40 per day per worker. The children assisting in pasting and folding operations are paid Rs. 7 to 10 per day. Their wages however are not regular. Whenever the units receive orders from the pavement shops, they get the wages otherwise they have to depend either on repairs or to migrate to other centres in search of work.

8.5 PRODUCTION PRACTICES IN THE THREE CENTRES

8.5.1 FACTORS FOR SETTING UP OF THE UNITS

The factors of heritage and availability of skilled family workers have together claimed 95% in Madras, 86% in Agra and 69% in Athani to set up the units. In the case of household workshops, heritage and availability of hired skilled workers claimed 82% in Madras, 79% in Agra and 68% in Athani in establishing the units. About 25% of the responses put forth in Athani relate to favourable market prospects.

8.5.2 EMERGENCE OF JOB WORK OPPORTUNITIES

While all the household workshops in Athani attend to their own work, 66% of the household units confined to own production, 25% found involved both in own work and jobwork and 9% exclusively depend on jobwork. In Agra, 91% of the household units and 86% of the household workshops were found engaged in own work and the rest on jobwork. In Madras, 66% of the household units and 80% of the workshops are engaged in their own work while the rest depend both on jobwork as well as own work. 83% of the household units undertaking jobwork in Athani and Agra and 38% in Madras were satisfied with the existing system of
subcontracting and expressed that such jobwork system has greatly contributed for continuous employment and enhanced earnings.

8.5.3 USE OF RAW MATERIALS

A wide range of raw materials depending on the nature of product-mix are used in the informal sector of the units. The cost effectiveness of such raw materials forms the prime factor in the production of leather footwear. Informal footwear units in Athani and Agra play a very significant role in converting the tannery wastes viz. the leather titbits into wealth by using them in the fabrication of footwear. The raw materials are available in the local areas of the respective three centres. However, high cost, inadequate availability of quality materials in time and under measurement (in Agra) are the problems faced by the artisans in procuring the raw materials.

8.5.4 USE OF INDIGENOUS MACHINES AND TOOLS

The small enterprises in Agra centre started using hand operated sewing, buffing, stamping and pasting machines which have far reaching effects on the quality and productivity. Use of such machines is very low among the informal units of Athani and Madras. However, hand tools like edge designing, punching and screen printing are being used in these centres.

8.5.5 CHANGES IN DESIGN AND FOOTWEAR PRODUCTION

The informal sector units have introduced various changes in the process of footwear production. Use of vegetable tanned pressed leather and E.I. tanned leather titbits in Athani, substitutes of non leather materials for leather and change in favour of pasting methods in Agra and introduction of non leather
materials in Madras are some of the notable changes. About 80% of the workshops in Athani, 27% in Agra and 53% in Madras reported that such changes have contributed for additional employment and earnings. More than 70% of the units in all the three centres have changed the designs in accordance with the change in fashions. Development of more than 40 designs in Athani, shifting from heavy types of Oxford, Derby shoes to light moccasin types in Agra and leather footwear to mixed leather footwear of "Jubilee", "Qowadies" in Madras are major changes noticed in the informal units. About 60% of the household units in Athani and Madras and 40% in Agra are in favour of expansion as against 73% of the workshops in Athani, 53% in Agra and 67% in Madras.

8.5.6 LABOUR PRODUCTIVITY

The daily productivity per worker in the informal units works around 4 pairs of Kolhapuries in Athani, 3 pairs of shoes in Agra and 6 pairs of mixed leather footwear in Madras. An average household, daily produces 11 pairs of Kolhapuri chappals in Athani, 10 pairs of shoes in Agra and 12 pairs of mixed leather chappals in Madras. In the case of household workshops, the average daily production works out to 35 pairs of Kolhapuries in Athani, 26 pairs of shoes in Agra and 27 pairs of mixed leather footwear in Madras.

8.5.7 COST OF PRODUCTION OF FOOTWEAR

The cost of production per pair of gents Kolhapuri kapsei type works out to Rs.28/- in Athani. The cost of production of moccasin shoes ranges between Rs.100 and Rs.120 per pair in the informal units of Agra. The cost of mixed leather type of footwear in Madras works to Rs.23 per pair. Of the total cost of
production per pair, 80% constitute the raw materials and 20% the labour costs in all the centres.

8.6 MARKETING OF FOOTWEAR IN THE THREE CENTRES

8.6.1 ATHANI

Of the total footwear produced in the household units of Athani, 60% is procured by the Government agencies viz the "Charmalaya" and the "LIDKAR" centres and 35% by the wholesale dealers stationed in major cities of India. If the value of the footwear supplied is less than Rs.2000/- the "Charmalaya" pays cash otherwise by way of cheque. The "LIDKAR" centre issues cheques only. At the time of placing orders, to the informal units, the wholesale dealers provide advances to the artisans. Earlier the artisans used to supply footwear and wait for months together to receive the payment.

Out of an estimated 41 lakh pairs of Kolhapuri chappals produced in the informal sector units in Athani, Nippani and Kolhapur. 13 lakh pairs valued around Rs.203 million were exported from India during 1991-92 by the merchant exporters-operating from Bombay.

8.6.2 AGRA

About 84% of the household units and 75% of the household workshops covered in Agra, supply shoes to the wholesale dealers and the commission agents operating in the "Hing-Ki-Mandi" market. The Institutional agencies although were set up to provide marketing assistance, their share in the marketing of shoes in Agra is not that much significant. The poor
performance of the institutional interventions has been a great handicap to the artisans of Agra in marketing of shoes.

About 32% of the household units and 22% of the household workshops in Agra receive the payments in terms of cash, whereas 58% and 61% of the respective units supply the shoes both on cash and credit basis. In the "Hing-ki-Mandi" shoe market of Agra, the prevailing "Purcha" system greatly affect the informal units. Under this system, two months interest at the rate of 2% on the value of shoes supplied is deducted as commission and the balance only is paid to the supplier. This "Purcha" system of payment in the biggest shoe market of the country clearly indicate the degree of exploitation faced by the informal footwear units in the hands of middlemen and unauthorised financiers and commission agents.

The informal production units, supplying to "B.C.S." and "Charma Kuteer" receive the cheques if the amount exceeds more than Rs.2000/- or otherwise the cash against supply. The so called institutional interventions set up to provide marketing assistance to the informal units viz. the "Lamco" and "BLC" delay the payments extending for two or three weeks.

The workshops effecting supplies to the leading companies of "Bata" and Corona receive payments after two or three months. This act of delayed payments by the well established companies clearly exhibit the degree of exploitation while procuring the shoes from the informal sector footwear units in Agra.

Out of Rs.11252 millions worth of footwear and footwear components exported from India during 1991-92, the full shoes and
open footwear constitute around Rs.4254 millions and the remaining Rs.6998 millions are through shoe uppers and components. It may be noted that all the shoe uppers exported are made in the factory sector, whereas the full shoes both in informal and formal sectors. Out of the total annual production of 108 million pairs valued at Rs.15,120/- millions in Agra, Rs.1,555/- million worth of shoes made in the informal units of Agra are exported through the merchant exporters stationed in "Hing-Ki-Mandi" market. Even the semi-mechanised registered units which account for an export of Rs.2,000 million worth of shoes from Agra mainly involves informal contract workers on piece rate basis. This phenomenon clearly reveals the significance of informal sector in the export front.

8.6.3 MADRAS

In Madras 55% of the household units and 47% of the household workshops supply the mixed leather footwear to the pavement shops directly, and the rest both to pavement shops as well as to the established retail shops. 50% of the value of the footwear supplied is only paid to the artisans by the pavement dealers at the time of supply and the rest in equal instalments within a week's time. The platform shop dealers always keep an outstanding balance of Rs.500/- due to the artisans with a view to have assured supply from them. The partial settlement of bills by the pavement shop owners and retailers in Madras city signifies the degree of exploitation in informal units.
8.6.4 PRICE MARK-UP

The price mark up of the shoes produced in the informal units of Agra, if marketed through the "Hing-Ki-Mandi" wholesale dealers followed by outside wholesale dealers and retailers would be around 100% over the cost of production. In the case of Kolhapuri chappals of Athani, the mark up price goes to the extent of 79% by the time they reach the ultimate consumers. The price mark up of mixed leather footwear in Madras works out to only 50% because of elimination of middlemen in the market chain.

8.7 FINANCIAL ASSISTANCE

In Athani centre, 60% of the household units and 73% of the household workshops have availed financial assistance through the commercial banks and related organisations. The financial assistance also includes the subsidy provided by these agencies. In the absence of such financial assistance both in Agra and Madras, the informal units are forced to depend mainly on the money lenders and conventional chit systems wherein the interest rates are exhorbitant.

8.7.1 CAPITAL FORMATION

All the household units of Athani and Madras possess tools and equipments worth less than Rs.5000/- each, whereas in Agra about 30% of them have fixed capital ranging from Rs.5000 to Rs.20,000 each. In the case of household workshops, 34% of them in Athani possess fixed capital each ranging from Rs.5000 to Rs.15000/- whereas in Agra, 45% of the workshops possess fixed capital each ranging from Rs.15,000 to Rs.40,000/-. Similarly, turnover of working capital by the informal units has been 3 or 4 times more in Agra when compared to Athani and Madras centres.
8.8 STRATEGIES FOR DEVELOPMENT OF INFORMAL FOOTWEAR UNITS

8.8.1 NATIONWIDE SURVEY

A nationwide comprehensive survey has to be conducted systematically among the informal footwear sector units to build up the information system and data on different facets of production, raw material usage, employment and marketing practices followed. The proposed study should identify the growth centres, the concentrated areas of footwear units, their types of production, levels of employment and the problems in marketing of footwear. Such detailed study report has to suggest long term policy measures to develop this industry. However, in the absence of such survey and based on this study an attempt has been made to build up a strategy for the development of footwear industry in the informal sector.

8.8.2 SETTING UP OF COMMON FACILITY CENTRES (CFCs)

There is an urgent need to set up Common Facility Centres (CFCs) with necessary machines viz. sewing, buffing, stamping, strap cutting, upper cutting, sole cutting and pasting in the major concentrated clusters of informal units. The artisans should be trained in the operation of such machines and be allowed to have the services of the machines. Nominal service charges on piece-rate basis may be collected from them.

Introduction of such machines may vary from centre to centre depending upon the nature of the product-mix. Programmes of this nature is a pre-requisite because the single informal family units could not afford to have large investments on such machines. The selected Non-Governmental Organisations (NGOs), the
Khadi and Village Industries Commission at the national level, Khadi and Village Industries Boards at the state level and the state Leather Development Corporation should be involved in effectively implementing this scheme. Depending on the magnitude of the clusters of informal units, more of such CFCs should be thought of in each centre.

8.8.3 CUT COMPONENTS DISTRIBUTION SYSTEM (CCDS)

To facilitate uniformity, perfect fitting and finishing of footwear, the cut components may be made in the proposed CFCs and then be distributed to the informal units for assembling. Once the quality cut components are made available, all the family members can be involved in assembling the footwear. This scheme facilitates the informal units to produce footwear in different designs and styles as the pattern making and cutting is being taken care of by the master cutters in the centralised agencies (CFCs). Such a centre should ensure regular supply of cut components to the informal units for effective functioning of this scheme. The CFCs should also set up an end-products procurement wing to assist the informal units in marketing. Under this scheme, the artisans are left with only assembling work as the supply of cut components and the procurement of end-products are taken care of by the central agency.

8.8.4 PACKAGE OF MACHINES AND TOOLS KITS

The Bharat Leather Corporation, the State Leather Development Corporations and the KVIC/KVIB should evolve a programme to provide necessary machines and improved tools to the selected informal units. The cost of the machines should be subsidised to 50% and the loan amount should be collected from
the informal units at equal monthly instalments. Such a measure would definitely increase the productivity, reduces drudgery and improve the quality of the footwear made in the informal units.

8.8.5 FOOTWEAR PRODUCTION COMPLEXES (FPCs)

The existing informal sector footwear concentrated clusters excepting in Athani and Kolhapur are located in the congested slum areas with narrow lanes and open drains in the major cities of Madras, Calcutta, some parts of Agra and in Bombay. Over the years, these clusters were formed without improvements of basic amenities like working place, ventilation, proper drainage and as a result, the working and living conditions of the informal units is far from satisfactory. Further, division of existing joint families and migration of artisans to these clusters in search of employment has aggravated the problem of accommodation in almost all the artisan concentrated clusters in major metropolitan cities. Thus, the informal units suffer from lack of proper working and living conditions and also facing difficulties in transporting the raw materials and finished products.

Hence, to have a healthy working environment, setting up of exclusive FPCs in the notified areas of the respective metropolitan cities may be the need of the hour. The informal artisans moving into such complexes should be provided with well planned work cum living sheds with proper drainage ventilation and electricity. About 50% of the cost of such sheds should be subsidised and the remaining amount be collected in equal yearly instalments. The magnitude of each such complex should be at
least to house about 100 artisan families so that the commercial facilities like setting up of Raw Material Depots-cum-Procurement Centres and a CFC for each such complex can be started. Setting up of such exclusive footwear complexes with basic amenities and commercial services will go a long way in improving the productivity in the informal footwear industry.

It may be gratifying to note that such artisan footwear complexes has already been in existence in Kolhapur of Maharashtra, Athani and Nippani towns of Karnataka. Similar system of providing living-cum-workshed complexes should be encouraged by the respective state governments through their Housing Development Corporations and Cottage Industries Development Corporations.

8.8.6 RAW MATERIAL DEPOTS (RMDs)

On account of the severe competition and threat posed by the export oriented mechanised sector, the informal footwear units are unable to procure leather and allied accessories in time for their use. In most of the times, they have to content with only the low quality raw materials and as such the footwear made out of such materials could hardly provide profit margin. Hence, some of the informal units started shifting their production process to mixed leather footwear or non-leather footwear. Hence to protect the skills and interests of the informal units in leather footwear there is an urgent need to set up RMDs in all the artisan concentrated clusters. The State Leather Development Corporations, the Khadi and Village Industries Commission and some non-governmental organisations may undertake the responsibility of setting up of RMDs for supplying
the raw materials at reasonable rates. This measure would go a long way in helping the informal footwear units by way of regular production and in realising higher unit margin. The raw material supplying bank-cum-shoe procurement centre started by the Bharateeya Charmodyog Sangh, a non-governmental organisation, in Agra was proved to be a great success in this direction.

8.8.7 FOOTWEAR PROCUREMENT AND MARKETING CENTRES (FPMCs)

The workers in the informal footwear units have abundant skills in the fabrication of specific types of footwear, but really lack skills, in marketing the footwear. They can only produce the footwear but could not effectively sell. Marketing is entirely a separate segment of the business activity which needs education, awareness and exposure to the general market conditions and the prevailing rates. Due to their inherent weakness, the informal footwear units suffer from lack of marketing skills and are often being exploited by the men operating in the market chain. Hence, there is strong felt need to provide the assured marketing assistance to the informal units.

The Footwear Procurement and Marketing Centres (FPMCs) set up in the midst of the artisan colonies by "Charmalaya" of Khadi and Village Industries Commission, the procurement centre by LIDKAR in Athani and "Bharateeya Charmodyog Sangh" and "Charmakuteer" of Agra have been very successful in providing assured market for the footwear made by the informal units.

These procurement centres have made very significant impact not only in providing assured marketing assistance but
also in acting as liaison between the informal units and the commercial banks and institutions in arranging loans and subsidies to the artisans.

Hence with the experience of such success stories given above, it is suggested that similar type of marketing centres to assist the informal footwear units should be set up in the major concentrated clusters. Setting up of such procurement and marketing centres would greatly contribute for the improvement of the informal units.

8.8.8 FINANCIAL ASSISTANCE FOR THE INFORMAL UNITS (FAIU)

At present financial assistance has been extended to informal units under several programmes, viz.

1. The Integrated Rural Development Programme (IRDP)
2. National Rural Employment Programme (NREP)
3. Rural Landless Employment Guarantee Programme (RLEP)
4. Training for Rural Youth in Self Employment (TRYSEM)
5. Self Employment Programme for Urban People (SYPUP)
6. Self Employment for Educated Unemployed Youths (SEEUY)

However, due to low levels of education and lack of awareness the informal footwear units in general could not able to avail the opportunities of getting financial assistance under these programmes. Even the schemes of financial assistance implemented by the Khadi and Village Industries Board, Scheduled Caste and Scheduled Tribe Corporations which involve a sizeable amount of subsidies are not reaching effectively to the informal units. It was found that the financial assistance provided under various programmes to the informal units, mostly in rural areas,
is not adequate. Further, it was stated that there is no cooperation among various State Departments in implementing these programmes. Thus, there is an urgent need to evolve an integrated financial assistance system for informal units. This system can as well be linked with FPMCs and RMDs. If such linkages are made effective, the informal units may emerge as viable economic units in the long run. The success of providing financial assistance with proper linkages has been found from the fact that about 70% of the informal units in Athani could able to procure the loans and subsidies by various financial institutions. This has been possible because of the timely interaction of the marketing centres like "Charmalaya" and "LIDKAR" with the concerned agencies. Even the commercial banks have come forward to provide loans to footwear artisans in Athani because these marketing centres mentioned above have taken the responsibility of collecting the repayments from the artisans for onward transmission to the banks. Hence such a system has to be encouraged through the proposed procurement-cum-marketing centres.

8.8.9 EFFECTIVE TRAINING PROGRAMMES (ETPs)

As has already been mentioned, the informal footwear units are enriched only with the traditional skills transmitted from earlier generations. But in order to cope up with the production of footwear in newer designs and styles that very often changes, there is need for the informal workers to undergo short term training programmes to improve and upkeep the skills in designing and pattern making. The Small Industries Service
Institutions and the District industries centres in collaboration with Central Footwear Training Centres and the Footwear Design and Development Institution should propose effective training programmes for implementation in the concentrated clusters of informal units. The nature of such training programmes may vary from centre to centre. If such improved skills are inculcated to some selected artisans then it would have its own spread effect among the workers of other footwear units. As an experimental basis, the specialist designers of Bata have organised a Design Development Programme (DDP) in certain areas of Agra. More such programmes will have to be envisaged to improve the skills of the artisans in designing and pattern making. The community Polytechnics should be involved in training the footwear artisans in the near future.

8.8.10 INDUSTRIAL STUDY TOURS (ISTs)

With a view to have broad exposure to the latest developments that are taking place in the footwear industry, the skilled workers from the major clusters of the informal units have to be selected to participate in the Industrial Study Tours and in Footwear Exhibitions. The Khadi and Village Industries Commission and the respective State Leather Development Corporations should evolve suitable study programmes for the benefit of the workers in informal units. By participating in such industrial study tours, the informal workers could not only get the benefit of exposure from the industry and can interact with the specialists involved in various operations of footwear production.
WELFARE MEASURES

A package of pragmatic and innovative welfare measures should be initiated by the concerned development institutions for the benefit of the informal workers in the respective centres. To start with, the following welfare programmes may be implemented by such organisations:

1. Provision of Rs. 5000/- as an immediate death relief to the artisan family;
2. Providing annual medical grant of Rs. 250/- per worker;
3. Cash incentive awards for the best footwear supplier and best designer;
4. Distribution of gifts to the workers at the time of marriages and social functions;
5. Cash incentives to the children of the artisans securing highest marks in 5th, 7th and 10th classes;
6. Conducting games and sports competitions among the workers of the informal units.

It is gratifying to note that effective implementation of most of these welfare measures has greatly contributed for the success of "Charmalaya", the procurement centre of KVIC (Athani), in creating a sense of belonging among the informal workers to this institution. Hence, to maintain cordial relationship and improved cooperation with the informal workers and create confidence among them, the proposed procurement-cum-marketing centres should implement the above welfare measures. The funds for such programmes should be earmarked from the profits accrued out of the sale proceeds of footwear.
CONCLUSION

The informal sector needs a formal approach to bring it on a sustained footing. The first and foremost issue that requires immediate attention is building up of authentic and dependable information base for this sector so as to plan for systematic development. A series of development strategies as brought out in this study are necessary to strengthen and promoting this sector. Regular supply of quality raw materials and components at reasonable prices through the proposed RMDs is considered as most appropriate programme.

Execution of production demands skilled workmanship, support of machines and congenial working conditions. While improvement in skills and workmanship emanates from training, infrastructural developments by way of machinery and congenial atmosphere could be brought out through establishing CFCs and Integrated Footwear Complexes. The weakest aspect of the informal units viz. the marketing, can effectively be taken by starting Procurement-cum-Marketing Centres in their neighbourhood with the facility of spot payments. With regard to the finance, the institutions concerned should provide timely assistance so as to enable this sector to continue the production activity without hindrance.

In the whole spectrum of reactivating the informal sector, the material assistance forms one angle and welfare measures form another dimension. Introduction of welfare measures as has already been indicated will go a long way in bringing real development in the standard of living of the people associated with this sector.

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