Chapter-I
CHAPTER-I
INTRODUCTION

The leather industry plays an important role in Indian economy. The skills of Indians in manufacture of leather footwear and articles of equipments for warriors have been well-known for centuries. Like many other industries, the leather industry also suffered a setback during the days of colonialism, and at the time of independence in 1947, India was reduced to an exporter of raw hides and skins.

The potential of leather industry was perceived by the Government of India immediately after independence. The industry was given special attention. The skills for tanning and processing of leather were revived. Export of hides and skins in raw form was discouraged. Tanning facilities sprung up in different parts of the country.¹

There have been a number of initiatives, which proved to be the turning point in the history of the leather industry. One of the first uses to which leather had been put in use in the history of human civilization was for making cover for feet. Over a period of time, the look and shape of footwear has seen many changes. During 1960s, a large quantity of hides and skins in the country was converted into semi-tanned leather. Some of this leather was converted into products, partly for consumption within the country and partly for export.

The beginning of the 1970s saw more changes in the leather industry. The Government realized that the country had the capacity to manufacture finished leather. Accordingly, export of semi-finished leather was discouraged.² Simultaneously, the
industry was encouraged to adopt the latest technology and process for manufacture of good quality finished leather.

During the 1980s, it witnessed significant changes. These changes were in the shape of modernization of production processes, improvement of human skills, standardization of quality of products, and hence, resulted into growing unit value realization.

During the 1990s, duty free import of all types of leather was allowed. Also, the Exim Policy favoured export of value added leather products, such as, footwear and garments, as against leather. This helped a lot in the development of footwear industry. Since 2000, the increasing demand of footwear and other leather products from foreign countries gave a new turn to footwear industry.

Footwear sector is the largest consumer of natural leather in the world. Footwear is an item of mass consumption all over the world. The Government liberalized import of machinery and equipments, raw materials and consumables required for manufacture of footwear. Chennai and other places around Chennai, such as, Ranipet and Ambur, and other cities like Mumbai (Bombay), Kolkata (Calcutta), and Delhi emerged as new centres for manufacture of footwear. Agra and Kanpur, traditional centres for manufacture of footwear, are also on their way to modernization and are developing fast.

However, no industry can survive without labour. Labour problems are found in almost all the industries, whether it is jute industry of West Bengal, cotton industry of Maharashtra, or lock industry of Aligarh.

In the midst of apparent prosperity and a phenomenal increase in goods and wealth, there arose a series of
maladjustments from which the workers suffered. The chief amongst them being unemployment and underemployment, insecurity of service, low real wages, insanitary and unsafe working conditions, physical ailments, industrial diseases, risk to life and limbs by accidents and social and moral degradation. These evils of industrialization and the lack of adjustment and harmonious relationship between the employer and his workers created problems.⁴

In every industrially advanced country of the world, rights and privileges of labour have been sought to be secured mainly through labour legislation. The labour legislation plays an important part in the economic and political life of a nation. It is of economic significance as it provides labour with what it cannot voluntarily get from the employers and thus seeks to establish harmonious relations between the employers and the employed. Besides, the part which labour policy plays in the general administration of the country and the controversies which have raged round the principles of legislation and social security and welfare measures, make it a subject of considerable interest.⁵

The Agra Footwear Industry is a fast growing industry with a massive potential for employment. The labour is cheap in Agra footwear industry, a large part of labour which, is unorganized. Hence, employees in large companies and registered firms only are covered under labour laws. Small and cottage manufacturing units are not covered by any labour legislation. Even today, there are no trade unions in Agra footwear industry. As a result, labour cannot protect their interests. They are exploited in the hands of employers. There is, thus, a need to probe into the labour conditions and highlight the problems of labour, both in organized as well as unorganized sectors. The present study is related to
labour problems in footwear industry of Agra District.

In the present research work entitled, "A Study of Labour Problems in Footwear Industry of Agra District", an attempt has been made to analyze the labour problems and to suggest ways to remove them.

REVIEW OF LITERATURE

H. A. Silverman in his book, 'Studies in Industrial Organization', pointed out that the footwear is the basic necessity of man like clothing. Footwear is produced over a very wide range and varieties of styles, shapes and tastes of users. The human shoe does not lend itself to standardization and there is a tendency quite apart from superficial ornamentation and style to differentiation in the types of shoes so as to increase comfort and health.

He further says that the increase in the production of boots and shoes is closely connected with the growth of mechanization. But while the extension in the use of machinery has inevitably enlarged the scale of organization and lengthened the chain of processes, the essential stages in the making of footwear remain more or less unaltered. 6

He dwelt upon the technology of shoe-making and traced out six stages in preparing footwear. These are performed in Clicking Department (cutting of uppers and linings), Closing Department (stitching of several parts of uppers), Press Cutting, Rough Stuff and Preparing Department (soles or bottom leather are cut and the sundry grades are sorted), Lasting or Making Department (uppers are shaped), Finishing Department (the soles are given a smooth edge and finished surface), and the sixth stage is to gloss, clean and dispatch the footwear. He concluded that in shoe industry even though machines are being used, the stages in making footwear are generally the same.
Kothari (1996-97) in his book, 'Kothari's Industrial Directory of India', reviewed that Indian footwear and its components are mainly produced in cottage and small-scale sectors. The major production centres are Chennai (Madras), Agra, Jalandhar, Delhi, Mumbai and Kanpur. He states that the small family owned units, which have been in this business for generations, dominate it. But recent times have witnessed the entry of some big players.

He further says that today the tanning industry in the country has the technical expertise and modern technology to cater to the varied requirements of different types of leather of very high quality. He concludes that the leather industry requires constant modernization so as to be in a position to produce better quality product at cheaper prices in order to effectively compete in the world market under growing competition.

Llord G. Reynolds (1959) in his book, 'Labour Economics and Labour Relations', has identified major problems of labour in Indian industry and has suggested that they must be resolved if an industrial society is to operate peacefully and efficiently. He recommended some issues. These issues are (1) Maintaining adequate total demand for labour, (2) Developing effective labour markets, (3) Training, organizing and motivating the labour force, (4) Determining wage rates and labour income, (5) Balancing producer and consumer satisfaction, (6) Protecting against predictive risks, and (7) Assuring minimum level of living.

R. C. Saxena (1962) in his book, 'Labour Problems and Social Welfare', observed that whatever may be the system of economy and administration, without solving labour problems, productive efficiency will suffer in every country and concluded that those who believe that labour problems arise only under
capitalism and there can be no such problems under a controlled or socialistic economy, are living in a fool’s paradise.¹⁹

V. V. Giri, (1972) in his book, ‘Labour Problems in Indian Industry’, has stated that labour problems constituted a serious menace to society. Employers on their part were so obsessed by the capital they had invested for the installation of machinery and the resulting mass production from them, that they gave their sole attention to the maintenance of machines and their technical improvement to the utter neglect of the human hands employed to manage the machines, as they could be easily procured and readily replaced.

Employers showed a callous indifference to the well-being and needs of their workers with regard to these vital matters.¹⁰ He concluded that labour problems should have been attended from the very beginning and solutions should have been found to eradicate or, at least, to mitigate the evils.

S. C. Srivastava (1984) in his book, ‘Industrial Relations and Labour Laws’, has stated that labour problems in usufructuary or even retail handicraft types of industrial organization do not attract public attention. He further says that problems affecting labour management relations assume significance in wholesale handicraft and gets increasingly complicated as we proceed from the independent phase of the wholesale handicraft to the factory phase of the centralized production. Helped by industrial revolution and buttressed by energy revolution, it has become possible for the employers to engage thousands of workers at one and the same time. These employers cannot, and do not, maintain personal contact with the workers, who are not infrequently drawn from entirely different regions and who do not even appreciate the implications of the emerging industrial civilization.¹¹
He concluded that the employer is unable to see the problems of labour in a large-scale organization. Thus, production on large scale has resulted into the disappearance of personal touch between employer and workers thereby causing labour problems.

Verma (1989) in his book, 'Management of Industrial Relations', has stated that it is necessary to understand the determinants of workers' attitudes and behaviour. Again, no simplified explanation can suffice. He concluded that one would need to explore the procedures of rule-making, the determination of a fair rate of return to capital and an adequate compensation to labour for its contribution to outputs and the organization of the firm including economic, technological and social situation with which a worker is confronted.\(^\text{12}\)

T. N. Bhogoliwal (2000) in his book, 'Economics of Labour and Industrial Relations', has explained that although the magnitude of labour problems usually increases with the tempo of industrial activity, there are a host of problems connected with labour in different countries of the world. Whatever be the causes of the origin of working classes in various countries, they have undoubtedly led to the occurrence of immense social and economic problems—problems of conditions of employment, hours of work, health and sanitation inside a factory or a workshop as well as outside it—housing, welfare and social security.\(^\text{13}\)

He emphasized upon the point that problems of industrial labour deserve a special attention because labour force is directly faced with the problems and consequences of development of the country's economy and the rate of growth and the nature of industrial civilization in the country depends on the extent to which their problems are solved successfully.\(^\text{14}\)
Ajay Garg (2001) in his book, 'Labour Laws', has written that it is generally understood, rather misunderstood, that labour laws are meant for large sized establishments only, having a large working force. He pointed out that though labour is undoubtedly a dominant factor of production in all kinds of organizations, but legislations have been made for all types of labour employed in different types of establishments, business, industrial, commercial, organized, unorganized sectors, etc., so much so that even establishments employing a single employee also come under the purview of labour laws.\textsuperscript{15}

Mohd Asif Khan (1996) in his doctoral thesis, 'Entrepreneurial Development in Leather Goods Industry of Uttar Pradesh Since 1981', stated that Uttar Pradesh (Kanpur and Agra) has the oldest leather goods industry in the country. All leather products such as shoes, garments, handbags, wallets and other accessories are personal consumer products. Accordingly, world over, these are demanded in a variety of designs, styles, colours, and material combinations. Typically, the size of order is small and varieties quite large. The consumption of such products is quite high in the advanced countries and low or negligible in the underdeveloped and developing countries.

He concentrated his work on the development of leather goods industry and marketing strategies for shoe industry and concluded that the appropriate strategy for the underdeveloped and developing countries would be to focus on the export market segment. The global market for leather and leather products is dominated by Italy, Korea, China, Taiwan, Brazil, Spain, Portugal, Turkey, and in the second category of countries attempting to gain a greater share of the world market, fall countries like India, Pakistan, Thailand and Indonesia.\textsuperscript{16}
Sunita Kalra (1994) in her article, ‘Problems and Prospects of Rubber Footwear Industry in Jalandhar’, has stated that rubber footwear has become an essential commodity because of its low price, durability and comfort. Rubber footwear industry is serving 80 percent of the Indian population. There are more than 350 units of rubber footwear in Jalandhar. She further states that prospects of large-scale rubber plantation in the northeastern states are very bright. At least 1.45 lakh hectares of land can be brought under rubber plantation.¹⁷

She concluded that the government should come forward to help the rubber footwear industry in order to solve marketing and financial problems of manufacturers, as it will certainly enhance revenue as well as foreign exchange and bring prosperity and additional employment opportunities in the state.¹⁸ She emphasized that to increase the requirements of natural rubber, its production should be enhanced and encouraged by improving methods of production. Besides, the government should arrange import of rubber through State Trading Corporation to bridge the gap between demand and supply.

Vijay Kumar (1996) in his article, ‘Leather Industry: Problems and Prospects’, has pointed out that the leather industry is one of the oldest yet fastest growing industries in the country, and today, it has also a significant place in the export profile of the country. It plays an important role in the Indian economy and contributes considerably to the foreign exchange earnings. It has also good potential for employment and re-exports. The import contents are quite low in export consignments and therefore, net foreign exchange earned by the leather industry is substantial. The rising graph of India’s leather export in the last decade indicates its popularity abroad. The trend amply demonstrates the growing
demand for leather products, not only because of their international standards but also for their price competitiveness.¹⁹

He concluded that India with strong raw material base and cheap labour has a very high potential to emerge as one of the top exporters of leather products. The reasons why such an obvious possibility has not turned out into a reality needs to be studied carefully at least at this stage. If proper environment is created for the industry to operate on terms comparable to those obtaining in the competing countries, there is a definite possibility of India achieving the target of 10% share in the global market by the turn of this century.

N. R. Jagannathan and A. Subbarama Naidu (1998) in their article, ‘Marketing of Leather Products’, remarked that major brand names in the world like Nike, Reebok, etc., have started sourcing footwear from India to market in other countries. He stated that though this would enhance the export trade, the Indian manufacturers may not be able to derive much benefit since they have to operate with less margins.²⁰ In order to make their business profitable, Indian producers should directly market their leather wares in foreign countries with strategies designed to compete the existing players in the global market.

K. C. Damodaran (1999) in his article, ‘India’s Bid to be the Largest Footwear Supplier’, pointed out that India is the world’s second largest producer of shoes. The recent trends in India’s shoe production capacity using modern methods of production and design is already earning India added value for her exports.

He summed up that the liberalization policy has enabled the shoe manufacturers to import shoe components and parts to make shoes as per the buyers’ needs. Slowly and steadily Indian
A. Subbarama Naidu (2000) in his article, ‘Indian Leather Industry in 21st Century: Challenges and Opportunities’, stated that leather and leather based industries occupy an important place in our economy. Leather sector accounts for the fourth rank among the major commodities exported from India. In terms of percentage share, leather export earnings account for 8% in the total foreign exchange earnings. In addition, this sector provides direct employment to more than 2 million people, among them majority represents economically weaker sections. However, this sector may have to get ready to face new challenges in 21st century, though it has inbuilt strengths.

He concluded that the major challenges faced by Indian leather industry are competition from other countries, tannery pollution problems, eco-labelling and management.

NEED AND IMPORTANCE OF THE STUDY

The Indian footwear industry is spread at more than one place in the country. Moreover, it is in the form of organized as well as unorganized sectors. The footwear industry in Agra exists mainly in the form of cottage units. About two lakh people work in Agra footwear industry. Their welfare assumes significance as they form a sizeable chunk of Indian labour population.

Fair wages, good working conditions, health and safety measures are essential for the welfare of industrial worker. These facilities and amenities contribute to increase the efficiency of work force, which is conducive to raise the labour productivity and the industrial production.

Developed countries like America and Japan, provide all facilities to their labour. That is the reason that the condition of
labour in developed countries is better than that of India. Their productivity is higher, output is larger and the countries avail economies of efficiency. But labour are considered as servants in our country and their normal entitlements of welfare, health, safety, etc., are ignored.

A number of labour laws and welfare schemes have been enacted for the welfare of labour but they are ingeniously circumvented by the employers. The condition of labour in Agra footwear industry is far from being satisfactory. They work in dirty atmosphere that affects their efficiency. As a result, the labour productivity and output also decrease. Labour, being unorganized in Agra footwear industry, have not been able to form trade unions so far. Therefore, they cannot take support of trade unions to protect their interests. Absence of trade unionism renders the workers of Agra footwear industry helpless in bargaining individually or collectively for their terms of contract.

A comprehensive study on labour problems in footwear industry of Agra district needs to be conducted. Studies, which particularly focus on labour problems in footwear industry of Agra district, are negligible. Hence, the present study covering this topic aims at breaking new grounds in the 21\textsuperscript{st} Century so as to highlight the plight of labour of Agra footwear industry and to suggest measures for alleviating their sufferings. A healthy workforce yields healthy production which in turn contributes to the economic health of the country.

Although other footwear producing cities of India have also been taken into account, but the study is restricted to one major city, Agra. The reason for selecting this city is that it is ranked a major footwear production centre in India and a large part of world requirement is met by this city only. The footwear industry
of Agra provides employment to a large number of persons. Therefore, Agra has been selected for the study.

OBJECTIVES OF THE STUDY

The following are the main objectives of the study:

1) To find out the current position of footwear industry in Agra as well as in India.
2) To identify the potential of footwear in the economic development of India.
3) To find out position of tanneries in India.
4) To assess the weaknesses of Agra footwear industry.
5) To identify the factors responsible for low export of footwear.
6) To assess the legislative provisions regarding labour welfare and social security schemes in India.
7) To evaluate the causes of labour problems.
8) To find out the problems of labour and to examine the welfare and security aspect in footwear industry of Agra district.
9) To recommend the ways through which the problems of labour may be solved.

HYPOTHESIS

1) The footwear industry at Agra has vast potential for growth and a means of providing employment to a large number of persons of both gender.
2) That the potential has not been fully exploited because of the poor working conditions for labour in the footwear industry of Agra.
3) That the labour in Agra footwear industry is suffering from numerous problems.
4) That the manufacturers/employers have taken proper measures for the labour welfare despite the various legislations enacted by the State and the Central Government with regard to labour welfare comprising their well-being, health, safety and security as well as general economic conditions or they have ingeniously circumvented the statutory provisions concerning the welfare of labour in the industry.

5) That the miserable working conditions of labour in Agra footwear industry are responsible for low labour productivity and lesser exploitation of their productive potential.

6) That improvement in labour welfare and working conditions shall be conducive to higher productivity, increased output, growing employment, and the economic development of the region.

RESEARCH METHODOLOGY

For the purpose of the study, both primary and secondary data have been collected from various sources. Primary data have been obtained through questionnaire prepared for the research purpose and has been shown at the end of this work. This questionnaire was taken to the selected sample of workers engaged in Agra footwear industry. Moreover, short interviews from manufacturers and labour have also been taken to know the problems of labour, position of tanneries, weaknesses of Agra footwear industry, etc.

In addition to primary data, discussions were also held with a number of persons from governmental and non-governmental officers. Personal visits were made to various places in Agra, such as, DIC (District Industrial Centre), CLE (Council for Leather Exports), NLD (National Leather Development Programme),
CFTI (Central Footwear Training Institute), Labour Office, etc.

Secondary data have been collected from various books, magazines, journals, newspapers, etc. The scholar visited various Libraries, Universities and Departments, noteworthy among them are Maulana Azad Library, Department of Business Administration, Department of Agricultural Economics and Business Management, Sociology Department of Aligarh Muslim University and Library of Bhimrao Ambedkar University.

Apart from this, the scholar visited various shoe factories-registered companies as well as small-scale and cottage units.

LIMITATIONS OF THE STUDY

There are no published data anywhere in Agra. Most of the institutions like DIC, NLDP, Labour Office, etc., do not keep published data regarding actual number of workers in Agra, development of footwear industry in Agra, etc. Therefore, limited data could be collected with great efforts.

The manufacturers and workers of footwear industry were not ready to co-operate despite repeated requests. They were more interested in their work rather than to spend their time with the scholar in answering the questions. Some of the labour were very rude. In the evening they were tired. Therefore, some of them were addicted to drinking wine.

The suspicion of the manufacturers and labour was that the information was needed for some other purpose. They would think that someone from government office had come and would investigate the matter. The scholar assured them that the data are needed only for research purpose, yet they were reluctant to give any information. They were not ready to disclose the problems and other issues related to the study.
Some of the footwear manufacturers did not allow the scholar to meet their labour. Although they were fully assured that neither their name nor their factory's name would be published, yet they did not budge from their place. But a few manufacturers showed their concern and co-operated with the scholar fully and information was gathered from them. The information from the labour was elicited by personal interview and questionnaire, which was a tedious task.

Because of the above-mentioned difficulties, it became very difficult for the scholar to take a larger sample of labour. The scholar restricted the size of sample to 5% of the universe that is, the scholar chose 10,000 workers out of 2,00,000 to conduct the research. However, due to non-co-operation of labour and manufacturers, out of the sample of 10,000 workers only 2,000 responded to the questionnaire and provided information to the researcher. The study is based on this information.

PRESENTATION OF THE STUDY

The study has been divided into seven chapters. Chapter-I gives a brief introduction of footwear industry, makes a review of the available literature, mentions the need and importance of the study, sets out the objectives of the study, hypothesis, research methodology and limitations of the study. Chapter-II deals with the synoptic view of footwear industry in India, development of footwear industry, growth stimulating factors, location of tanneries in various parts of India and the pollution created by them, domestic demand of footwear, major footwear producing cities in India, world footwear industry, export of footwear from India, reasons for decline in exports, etc. Chapter-III traces the shoe production technique of the manufacturers. Chapter-IV discusses the development of footwear industry in Agra, history of
footwear industry in Agra, modernization of footwear industry, present position of footwear industry, number of footwear units in Agra, number of workers employed in Agra footwear industry, institutions established in Agra for the development of Agra footwear industry, export of footwear from Agra, reasons for decline in exports, weaknesses of Agra footwear industry, etc. Chapter-V makes an analysis of the legislative provisions of welfare measures and security. It also deals with the provisions relating to hazardous process, working hours, holidays and overtime, etc. Chapter-VI brings to fore the problems of labour in Agra footwear industry and application of various legislative provisions. Chapter-VII draws conclusions with regard to problems faced by labour in Agra footwear industry and presents suggestions for the improvement of working conditions of labour in Agra footwear industry.

**SELECTION OF UNITS FOR RESEARCH WORK**

The footwear units in Agra are located almost in every part of the city. It was not possible for the scholar to visit each footwear unit. Therefore, the sample of 30 footwear units was taken through simple random sampling for the research purpose. The list of these units taken for the survey is given below.

1. **Name of Footwear Units Taken for Research Purpose:**

1) J. K. Enterprises, Rui ki Mandi, Shahgang, Agra  
2) Manoj Footwear, Gyaspura, Agra  
3) Jamos Air, Prakash Nagar, Agra  
4) Saheb Singh, (Local Manufacturer) Gyaspura, Agra  
5) Hero Shoe Factory, Gyaspura, Agra  
6) Metro and Metro, Halwai ki Bagichi, Mathura Road, Agra
7) Suhani Enterprises, Dholpur House, Agra
8) Basant Overseas, Bypass Road, Kailash Puri, Agra
9) Fashion Shoes, Jaipur House, Agra
10) Atlas Shoe Factory, Khoja Haveli, Nai ki Mandi, Agra
11) Hits Exports, Panchkuiyan, Agra
12) Park Exports, Krishna Kunj, Agra
13) Rotomac Shoe Factory, Pratap Nagar, Agra
14) Tej Shoe Factory, Jeoni Mandi, Agra
15) Foot On Shoes, Kamla Nagar, Agra
16) Roger Exports, Dev Nagar, Agra
17) Foot Style, Rajiv Nagar, Sheetla Road, Agra
18) A. V. I. Exports, Charbagh, Shahganj, Agra
19) Eastern Shoes, Mantola, Agra
20) Indian Footwear, Bypass Road, Nagla Jawahar, Agra
21) Neelson International, Transport Nagar, Agra
22) J.R.D. Exports, Site-A, Industrial Area, Agra
23) Jandial Shoe Limited, Indira Mill Compound, Jeoni Mandi, Agra
24) Navraj Footwear, New Raja Mandi, Agra
25) Vaishno Shoe, Johns Mills Compound, Jeoni Mandi, Agra
26) Trend International, Foundry Nagar, Agra
27) S. V. Shoe Enterprises, Sadar Bhatti Crossing, Agra
28) Wasan and Company, Old Bharatpur House, Bodla Road, Agra
29) Shoe Point, Sita Nagar, Ram Bagh, Agra
30) Young Style, Kamla Nagar, Agra

The next chapter titled ‘Synoptic View of the Footwear Industry in India’ gives a brief account of the development of footwear industry in India.
REFERENCES

2. Ibid, p.12
3. Ibid, pp.12-13
10. V. V. Giri, op. cit., p.130
13. T. N. Bhagoliwal, op. cit., p.9


18. Ibid, p.22


21. K. C. Damodaran, ‘India’s Bid to be the Largest Footwear Supplier’, Leathers, Published by Council for Leather Exports, Chennai, Vol. 15, No. 8, Aug-Sep 1999, p.17


23. Ibid, p.16