CHAPTER-3
LEATHER INDUSTRY IN INDIA AND MUMBAI

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3.1 Unorganised sector in India:

Indian economy has tiny organized sectors where the enterprises are registered under the companies’ act where a small segment of labour under the formal cover gets social security and other legal entitlements. But at the same time there is a visible and vast unorganised sector where enterprises are featured with labour less than ten in any kind of business they are being employed in. The units under Unorganised or informal sector are neither registered nor provided with social security of any type. According to 1991 census, total workforce working in unorganised sector accounts for 90.6% whereas organized sector consist 9.4% workforce. The rate of growth of labour has been increasing in unorganised sector, mainly in Small and tiny enterprises or informal kind of employment. This sector is complex to comprehend and proves statistically as it is spread and scattered lacking statistical accuracy and data. The high employment flexibility is observed in this sector. It may be seasonal in case of agricultural labour or based on demand or contract assigned. It can be termed as ‘Unprotected sector’ too. The first national commission on labour, under the chairman of Justice Gajendragadkar, defined the Unorganised sector ‘as that part of workforce which has not been able to organize in pursuit of a common objective because of constraints such as casual nature of employment, ignorance and illiteracy, small size of establishments with low capital investment per person employed, scattered nature of establishments’. The main problem arises because of the nature

\[1\]Unprotected sector is the sector which lacks proper social security or is not covered under the organized segments.
and heterogeneity of this sector. It is based on various factors and bases to be well defined. It is too vast to be studied and defined.

The report also observed that the unorganised sector is characterized by high incidence of casual labour, mostly doing intermittent jobs at extremely low wages or doing their own account work at very uneconomical returns. The commission listed illustrative categories of unorganised labour. These are: Contract labour including construction workers, casual labour, and labour employed in small scale industry, handloom/power loom workers, beedi and cigar workers, employees in shops and commercial establishment, sweepers and scavengers, tribal labour and all those others which are unprotected.

According to NSSO\(^2\) (National Sample Survey Organization in 1999-2000), it was found that 20 Million workforces were from organized sector while 370 Million were from unorganised sector employed. The real growth has been taken into consideration after LPG policy\(^3\) adoption.

According to NCEUS set up by the Government of India in 2004, “The Unorganised sector consists of all unincorporated private enterprise owned by individuals or households engaged in the sale and purchase of goods and services, operated on proprietary or partnership basis with less than ten total workers.”

According to NSA (1993) “The informal sector consists of units engaged in the production of goods or services with the primary objective of generation of

\(^2\)The National Sample Survey Office is an organisation under the Ministry of Statistics of the Government of India which conducts regular Socio-economic surveys’.

\(^3\) Liberalization, Privatization and Globalizations policy of India as a part of economic reforms in after 1991.
employment and income to the person concerned. These units typically operate at a
low level of organization, with little or no division between labour and capital as
vectors of production and on a small scale. Labour relations –where they exist are
based mostly on causal employment, or personal and social relations rather than
contractual arrangements with formal guarantee. The informal sector forms part of
the household sector as household enterprise or unincorporated enterprises.’

Definition given by National Statistical Accounts (NSA) in 1993 of Informal sector is
in terms of characteristics of the enterprises rather than in terms of the workers.
The main loophole of this definition was that a large number of workers with informal
job status were excluded from this definition giving the following reasons.

1. The casual self employed person engaged in very small scale activities may
not be reported in statistical surveys that they are self employed, or employed
at all although they come within the same definition.

2. It is difficult to include all the increasing informalisation activity based
employment.

3. There are many chances of wrongly classifying persons such as out-workers,
    sub-contractors, free lancers or other workers who either do not come under
    self-employed or wage employed exactly.

4. Persons employed in private households as domestic servants, gardeners etc
    are likely to be left out in an enterprise based definition.
According to NCEUS\(^4\) estimates, out of total employment of 458 million people in January 2005, unorganised sector employment amounted to 395 million people thus accounted for over 86% percent of total employment.

The term ‘Unorganised sector’ and ‘Unorganised Employment’ can be understood as:

- **Unorganised /Informal sector:**
  
The Unorganised sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a propriety or partnership basis and with less than ten total workers.

- **Unorganised /Informal employment:**
  
  Unorganised workers consist of those working in the unorganised enterprises or households, excluding regular workers with social security benefits, and the workers in the formal sector without any employment/social security benefits provided by the employers- NSDC\(^5\)

  In short, unorganised sector represents the section of labour community who by the nature of their employment are casual, who do not get employment for all days in a year, wage rate and service conditions are bad and not protected by collective bargaining, which are not governed by any terms and conditions of employment etc.

### 3.1.1 Characteristics of this sector:

\(^4\)National Commission for Enterprises in the Unorganised Sector is an advisory and watchdog for the informal sector aiming improvement productivity of enterprises in the informal sector.

\(^5\) National Skill Development Corporation, study on mapping of human resource skill gaps in India till 2022.
They have complex problems lacking statistical accuracy and numerical gathered data so far.

It is low wage and earning sector.

Women are constituted mainly in this sector.

Health issue is main issue in majority occupations.

All aspects of this sector are not yet covered by adequate survey and so not much helpful in building adequate database.

They have scattered and dispersed nature of employment lacking legislative protection and formal employment.

No formal employer and employee relationship is found.

Workers are not often organized into trade unions. So it lacks collective bargaining.

Limited exposure to the world due to illiteracy and ignorance.

3.1.2 ILO and Unorganised sector:

The International Labour Organization (ILO)\(^6\) has played a vital role for the protection of unorganised labour. The preamble to the constitution of ILO declares that-

- Labour is not a commodity
- Freedom of expression and association are essential to sustain progress
- Poverty anywhere constitutes a danger to the prosperity of them
- The war against want is required to be carried on with unrelenting vigor within each nation.

\(^6\)ILO is United Nations Specialized agency which seeks the promotion of social justice and internationally recognized human and labour rights.
Principles laid by ILO in “Declaration on the Fundamental Principles and Rights at work.”

- Right to Organize and Collective Bargaining.
- Abolition of Child labour
- Elimination of Discrimination.
- Against Forced Labour.

Even the studies undertaken by ILO have shown that the unorganised sector has always been a source of good employment generation and growth. Large section of the population can be brought into the stream of work through self-employment or Entrepreneurship. There is interdependence of this sector with formal sector as they provide indirect assistance the later sector.

In India this sector is more visible almost in every market structure and work existed. Every industrial sector has segment of this type, employed with mass population without social security. There are several unsettled issues of this sector to be solved. According to ILO, informal activities have to be supported and “Any policy concerned with growth and equity cannot avoid the issue of how to increase employment and raise productivity on informal jobs. Many research scholars have carried major research work in the cities of India like Ahmadabad, Mumbai, Delhi, Chennai, and Calcutta drawing the attention of the policy makers towards this sector.

The Ilabhatt Commission, 1988 has brought out the comprehensive study of women working in the Unorganised sector and also has provided with the recommendations for workers towards social security.
In the same direction, studies of Dr. Deshpande (Mumbai), Mr. Kurup (Ulhasnagar), Papola, VishwaMittar (Patiala), Raju Satrya (Vishakhapatnam) have been a source of knowledge in this sector.

3.1.3 The Unorganised sector can be broadly categorized into four groups:

Occupation-wise: It includes Small and marginal farmers, landless labourers, those engaged in animal husbandry. This sector is found with high inequality. On one hand retailers and big landlords are occupying high status in the country and on the other; MNC’s are competing with tiny units as a big threat. The labour exploitation has been the main characteristics in this sector where the money wages does not equate to real wages or efforts of labour.

➢ Nature of employment –

It includes Migrant workers, contract and casual labour, ‘Mathadi’ workers (workers in construction industry). This class of unorganised sector is the biggest sufferer of globalization process. They are appointed on the contractual work basis. Either there is social pressure or caste influence on these workers that they have been in the same work since long. Leather industry workers, factory workers are also engaged in this sector.

➢ Especially distressed categories –

They are suffering the most and socially ill-treated labour communities who are much far from the concept of human rights so called. It includes Toddy tappers, scavengers,

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7Mathadi workers are Hamal or other workers who work manually.
and loaders. The condition of these classes of people is the worst and still no precise or specific measures have been adopted for them. They are the labourers who are engaged in the lower status social jobs. They are mostly from the lower communities. They are denied social rights; they are paid the meagre amount of wages.

- **Service category**

It includes Midwives, domestic workers, barbers, vegetable vendors. These workers so come under informal segment of business. They are huge in number and selling the goods is the only income source for them. They are paid when they serve or provide services. It is not wrong to say that the city grows at the cost of such labour.

Home-based workers or Artisans are the major category of unorganised workers. They are those who are engaged in the production of goods or services for an employer or contractor in an arrangement whereby the work is carried out at place of their own choice or say their home. Their issues and problems are very complex because of the absence of any direct formal relationship with the employer. Being ambiguous and indefinite relationship, they are subjected to exploitation in various forms. Home-based or domestic workers artisans are a major category of unorganised sector. These self account workers are engaged in the production of goods or services for an employer or contractor in a arrangement whereby the work is carried out at the place of worker’s home.

In India, there is no authentic data on home based works. Official data sources such as Census of India, do not recognize these workers as an independent category but have included them in the broad category of those working in house-hold
industries. Their problems are very complex because of the absence of any direct master-servant relationship between them and organization they are working for. It is estimated that crores of workers engaged in the unorganised beedi industry.

Handloom weaving, agarbatti makers, zari workers, Papad makers, Carpenters, tailors and Shoe Makers/ cobblers are a few of them. They are not visible in the national statistics. With a view to providing legislative protection, welfare measures and social security to a large number of home-based workers who have been hitherto neglected, the possibility of formulating a National Policy on Home based workers is being explored in consultation with other concerned Ministries/ Departments, state government. This segment also includes people working in leather industry. Their job is to make shoes, or leather products with less investment. The sector of leather manufacturing has been included in the occupation of Informal or Unorganised sector by NSSO and NSDC.

3.2 Leather industry in India:

Leather is a by-product of meat industry. The main source of raw material for the leather industry world-wide is cattle, sheep and goats which are reared specially for the production of the meat, wool and dairy products. The primitive men even before 7000-10000 B.C years ago used leather for their daily use, by drying raw skin and hide in the sun and softening by applying fat. All over the world, the making of leather has become a necessity and fashion and is in more demand. Leather is a renewable natural resource.
It is processed from tree bark, mineral salts, oils and chemicals by lubricating, softening and coating with allowable dyes and colours for end use. It has wide utility. (Aishtma)\(^8\).

Traditional occupation is a part of Indian Rural society; there are four socio-Economic classes in the production organization of Indian Rural system. Agriculturists, the Artisans, the service castes and the landless agricultural labourers. They are all found somewhere participating in their traditional occupations. The important characteristics of the Indian society is the classification of work on the basis of *Varna* where the division of labour is classified on the caste basis and work assigned is correlated with those classes as the identity. For instance, the castes like *Kumhar, Lohar, Sonar, Chamar,* were known for their traditional work and were known as Blacksmith, Potter, Sonar and Leather worker accordingly, since years. It did not only separate caste people but also showed high degree of functional specificity. (Patwardhan 1972).

Over the years these people have been carrying out the occupation in the traditional way accepting the changes in the industrial set up. In India, industrialization progressed with the disadvantage of broken traditional of crafts and craftsmen in the village by unequal competition and legal means. Since ancient times, artisans have been playing a very significant role in the productive activities of the rural economy. They produced goods and rendered services as professionals in the work engaged in. But with the influence of westernization, traditional textiles and

\[^8\]AISHTMA is ‘All India Skin and Hid tanners and Merchants Association’ serving leather trade and leather industry by setting up Common Effluent Treatment Plant in cluster where there are tanneries situated in South india.
other manufacturing units lost business and visible India artisans lost their livelihood in the waves of colonial powers.

Many had to give out their traditional occupation or struggle to keep it alive in isolated efforts. The craftsmen well known as artisan using traditional and manual process to manufacture their products are the skilled people or workers. They were learnt workers from the caste and family business. These artisans were dominating in the production system till the industrial revolution knocked in. It is found in their heredity. In case of leather, work like flaying and tanning was being done by the leather workers themselves. But the revolution brought non-artisan section with organized form of business lied in the hands of the upper caste people. And this unorganised class had to suffer from the powerful competition faced thereafter. These artisans were known as ‘Bara Balutedar’\(^9\) who took care of the whole production system and demand of the villages over the years with well established relationship among them. It has been observed till 1990 that almost all the household business like leather work was carried independently by the caste people which is showing downfall with rise in non-caste people business captured? They are being pushed out of the work being Unorganised and victim of inappropriate state policy to protect them. In case of the leather artisan workers, the business has already been shifted in the hands of a few urbanized factory owners lacking the flavor of traditionally made leather products.

\(^9\)Bara Balutedar system is a servant-cum-caste systems that was found in villages of Maharashtra state. Every Balutedar was assigned with particular business carry based on their castes.
The leather and leather product industry is one of the India’s oldest manufacturing industries that reached the foreign markets. The Leather Industry holds a prominent place in the Indian economy. It is known for its consistency in high export earnings and it is among the top ten foreign exchange earners for the country.

The Leather industry is bestowed with an abundance of raw materials. India is endowed with 21% of world cattle & buffalo and 11% of world goat & sheep population. Added to this are the strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and the dedicated support of the allied industries. The major factors responsible for the growth of Indian leather industry are availability of raw materials (hides and skins), cheaper labour, technology, support of Government policy etc. The leather industry is an employment intensive sector, providing jobs to about 2.5 million people, mostly from the weaker sections of the society. Women employment is predominant in leather product sector with about 30% share.

The leather industry is one of the significant industries in India. It is the oldest manufacturing industry generating huge employment for the people. It has more potential for the growth and export based business. The maximum employment in this industry has been traced to traditional craft and family knowledge skills. Now it has been transformed into technology based export-oriented industry. Still the large and massive labour force absorption in this industry are found from the rural base and weaker section of the society. According to the Murthy Committee Report (Ministry of Industry 1992), the total direct employment in the leather industry which comprises sectors of flying and carcass recovery, tanning and finishing and leather products is
expected average rate of employment in this sector is 0.12 million per year. The estimation of Ministry of industry 1999 the contribution will be 25 percent of total employment. After the Globalization and Liberalization policy this industry has shown tremendous growth and prospects for expansion with further research and training provided to the labour class.

It has to be considered as one of the basic industries contributing its share to the world market. Export policy 2009-2009 has considered this industry potential for massive employment generation and sector of investment. The sector is dominated by small-scale firms although there also existence of significant number of medium and large sized firms in all segment of the industry. It’s organizational structure has become complex as it consists traditional leather working caste, non-caste people in the position of entrepreneurs as well as workers, may be self account workers or hired one. The India approximately produces 700 millions of footwear pairs every year and constitutes 18% of the share in total exports. The basis benefit of developing this industry is the cattle production in our country. The cattle rearing and livestock production is much good in India, so the leather industry has good scope to flourish along with its traditional style and skills of making leather products. These industry enterprises are continuously influenced by the social, cultural, technological, political and legal changes around them on both strategic and tactical terms (Gonca).
The investment scope is there in various segments of this industry like tanning\(^{10}\), finishing leather products, leather garments, leather footwear, belts, purses, coats, handbags, travel wares etc.

The industry has gained a good name in the foreign market so for the home market it is an exchange earners industry. The main characteristic of this industry is that it comes under small scale industry and cottage industry form. At household level too, this industry provides family employment business.

India leather industry consists nearly 42,000 SSI units accounting 75 percent of the total production enabling millions of people to earn their income from the industry. Mainly footwear has been considered an engine of growth for the Indian leather sector.

Table 3.1 Estimated leather production capacities in India are:

<table>
<thead>
<tr>
<th>Items</th>
<th>Production capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hides</td>
<td>65 million pieces</td>
</tr>
<tr>
<td>Skins</td>
<td>170 million pieces</td>
</tr>
<tr>
<td>Leather Footwear</td>
<td>909 million pairs</td>
</tr>
<tr>
<td>Leather shoe uppers</td>
<td>100 million pairs</td>
</tr>
<tr>
<td>Non-leather footwear</td>
<td>1056 million pairs</td>
</tr>
<tr>
<td>Leather Garments</td>
<td>16 million pieces</td>
</tr>
<tr>
<td>Leather Goods</td>
<td>63 million pieces</td>
</tr>
<tr>
<td>Industrial Gloves</td>
<td>52 million pairs</td>
</tr>
<tr>
<td>Saddlery &amp; Harness</td>
<td>12.50 million pieces</td>
</tr>
</tbody>
</table>

*Source: DGCI & S*

\(^{10}\)Tanning is the process of treating skins of animals to produce leather. Under it skin is darkened or coloured in the tannery, a place where this process is carried out.
It is understood from the above table that the capacity of production of leather into various segments is quite high in India to cater to the need of global markets. The different type of leather products like shoe, footwear’s, garments, gloves and saddlers are in good demand in the domestic as well as in foreign market. It is amongst one of the industries in which India has abundance of raw material as endowed with hides and skin. Since Economic reforms the industry has undergone a significant structural change and has been the major exporter in the world of leather products. It is one of the major exports earning Industry in India. This sector comprises tanneries and manufacturing units. The spectacular thing observed in this industry is its unorganised sector where most of the business is still owned by the families or households engaged in it over the generations. Where the Unorganised sector caters to the need of domestic demand, organized sector caters to the need of both domestic as well as international market.

Though India is the second largest producer of footwear and leather garments in the world, India accounts for a share of 3.05% in the global leather import trade of US$ 159.89 billion. This industry is geographically diversified, though Tamil Nadu, Uttar Pradesh, and West Bengal account for bulk of the output. The major production centre’s for leather and leather products in India are located in – Tamil Nadu-Chennai, Ambur, Ranipet, Vaniyambadi, Vellore, Pernambut, Trichy, Dindigul and Erode; West Bengal – Kolkata; Uttar Pradesh – Kanpur, Agra, Noida, Saharanpur; Maharashtra – Mumbai; Punjab – Jalandhar; Karnataka – Bangalore; Andhra Pradesh – Hyderabad; Haryana – Ambala, Gurgaon, Panchkula, Karnal and Faridabad; Delhi; Madhya Pradesh – Dewas; Kerala – Calicut and Ernakulam / Cochin.
The key issues to be addressed for the leather industry have been classified into three categories namely at Industry level, Location specific Issues and Macro level. The objective to classify the industry in this way to understand its problems and solve it. The turn in the leather Industry came with the implementation of the recommendations of the Seetharamiah Committee in 1973, which banned the export of raw and semi-tanned leather and made it mandatory to export finished, value added leather (Sujatha).

Table 3.2 Production of leather and leather products

<table>
<thead>
<tr>
<th>Year</th>
<th>Organized</th>
<th>Unorganised</th>
<th>Total</th>
<th>Share of organized</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>12401</td>
<td>14972</td>
<td>27373</td>
<td>45.3</td>
</tr>
<tr>
<td>2005-2006</td>
<td>15406</td>
<td>15530</td>
<td>30936</td>
<td>49.8</td>
</tr>
<tr>
<td>2006-2007</td>
<td>17482</td>
<td>17263</td>
<td>34745</td>
<td>50.3</td>
</tr>
<tr>
<td>2007-2008</td>
<td>24392</td>
<td>19861</td>
<td>44253</td>
<td>55.1</td>
</tr>
<tr>
<td>2008-2009</td>
<td>24828</td>
<td>19228</td>
<td>44056</td>
<td>56.4</td>
</tr>
<tr>
<td>2009-2010</td>
<td>27017</td>
<td>20923</td>
<td>47940</td>
<td>56.4</td>
</tr>
</tbody>
</table>


It is clearly visible from the above table 3.2 and Figure 3.1 that the share of unorganised sector is increasing early till the year 2005-2006 and afterwards the share of organized sector is seen increasing. The result is overall increase in the production capacity. The share of unorganised sector is seen declined as compared with organised sector from the year 2007. It may be because of many reasons like competition worldwide or inadequate attention of the authorities on the industry growth or the development of human resources.
3.2.1 Classification of leather and Footwear Industry:

Leather from bovine animals is called hides and leather from sheep, goats, lambs are called skins. The raw material for the leather industry is hides and skins which originate from livestock. These hides and skins are converted into finished leather in a tannery. Finished leather is the input material for leather products like footwear, bags, gloves, garments etc. There are many centres of leather all over India. Ever centre either produces one type of leather product or different types of products. The more leather business is developed in Tamilnadu. The following table indicates the total manufacturing units in India:
Table 3.3 Number of leather centres in India

<table>
<thead>
<tr>
<th>State</th>
<th>Centre’s</th>
<th>No. Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamil Nadu</td>
<td>Chennai, Ambur, Ranipet, Dindigul, Tiruchirapalli</td>
<td>758</td>
</tr>
<tr>
<td>West Bengal</td>
<td>Kolkata</td>
<td>666</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>Noida, Agra, Kanpur</td>
<td>290</td>
</tr>
<tr>
<td>Chandigarh, Punjab and Haryana</td>
<td>Jalllandhar, Chandigarh, Ambala, Panchkula, Karnal</td>
<td>171</td>
</tr>
<tr>
<td>Delhi</td>
<td>Delhi</td>
<td>155</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>Hyderabad</td>
<td>138</td>
</tr>
<tr>
<td>Karnataka</td>
<td>Bangalore</td>
<td>88</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>Mumbai, Kolhapur</td>
<td>68</td>
</tr>
</tbody>
</table>

*Source: CLE*

The maximum leather clusters are in Tamil Nadu, situated in various cities of the state followed by Kolkata by West Bengal, Kolkata. Other centres are in states like Uttar Pradesh, Punjab, Haryana, and Andhra Pradesh, Karnataka and Delhi but the minimum centres are in Maharashtra. Only in Kolhapur, is there a centre of Leather. In Mumbai, at Andheri there is a cluster but there has not been a progress. No official information is available about the number of units of unorganised units present there.

**Leather Product Segments:**

- **Tanning sector:**

  In this section, the work of tanning is done by the community people or hired labour. It is one of the largest sections of leather industry which prepares raw leather for manufacturers. Annual production 2 billion Sq.ft Accounting for 10% of world leather requirement.
Footwear sector:

India is the second largest footwear producer after China. It is one of the large segments of leather where varieties of footwear are produced. India exports more footwear products to other countries.

Leather Garments:

It is the second largest produce with annual production capacity of 16 million pieces. Leather coats, jackets, hand gloves are in great demand in the local as well as foreign market. Third largest global exporter accounts for 11.28% share of India’s total leather exports.

Leather Goods & Accessories Sector including Saddlery & Harness:

It is the fifth largest global export section with an annual production capacity – 63 million pieces of leather articles, 52 million pairs of Industrial gloves & 12.50 million pieces of Harness & Saddlery items. Accounts for 25.76% share of India’s total export.

Strengths of Indian leather sector

- Own raw material source – 2 billion sq ft of leather produced annually
- Some varieties of goat / calf / sheep skins command premium position
- Strong and eco-sustainable tanning base
- Modernized manufacturing units
- Trained / skilled manpower at competitive wage levels
• World-class institutional support for Design & Product Development, HRD and R & D.
• Presence of support industries like leather chemicals and finishing auxiliaries
• Presence in major markets – Long Europe experience
• Strategic location in the Asian landmass

3.2.2 State-wise leather industries in India:

➢ **Leather Industry in Andhra Pradesh.**

The State is a major producer of hides and skins in India, contributing about 19 million pieces per annum, which constitutes about 10 per cent of the country’s raw material. Most of this raw material goes to States like Tamil Nadu and West Bengal for processing. The Major clusters are at Hyderabad, Bhimavaram, Cuddapah, Elluru, Karim Nagar etc. The State has about 450 slaughter houses. There are about 34 large and medium tanneries in the State producing about 40 million square feet of processed hides and skins per annum. Hyderabad and Nellore are the key leather production clusters in Andhra Pradesh.

➢ **Leather Industry of Odisha**

Odisha’s position in industrial growth is not very remarkable and leather and footwear units have not developed substantially. There are no large and medium industries available in this sector. The major clusters are Bhubneshwar, Behampur, Cuttack, Jatni, etc. Footwear industries are concentrated in cottage and small scale sector in this State, in case of footwear component industry, there is no unit established in the State.
Leather Industry of Punjab

Leather craft, especially the ‘Jootis’ or soft leather shoes, is a unique product form Punjab. These light slip-ons used to be embroidered in gold and silver thread, but are now embellished with coloured threads. Punjabi Jootis are being produced all over Punjab by artisans. Punjabi Jootis are being produced all over the State by. The major clusters are Patiala, Bhatinda, Muktsar, Malot, Abohar, Fazilka, Firozpur, Kotakpura, Gurdaspur & Amritsar. Products of each cluster have different characteristics in terms of shape, pattern, design and color.

Leather Industry in Bihar

Bihar State has good quality and large quantity of cattle hides and goat skins and sufficient human resource. Bihar accounts for third rank in the country next only to West Bengal and Rajasthan. Hence leather based industry is an important sector which has a great potential. The leather tanning industry in Bihar consists of three important segments. This industry is established under (BLDC), its sister concern (BFL) and a few private tanneries working at Muzaffarpur and BATA tannery at Moughamaghat. All its units were established with good planning.

Till 1990 all these units worked well and did good business but were closed since 1993. The major reason behind its closure was financial problem set in the form of working capital. Another problem faced is disposal of treated waste water. For this purpose the need of Effluent treatment plant was needed for which the State government allotted fourteen acres of land but could not be pursued further. After a long issue the state government agreed to adopt Tamilnadu model of CETP.11 Majority of the units are working here with low capacity due to effluent problems and

11 CETP stands for common Effluent Treatment Plant to be used for waste water to flow in nallah to protect environment.
also labour problem. Artisanal units located in all urban and semi-urban centres, namely Muzaffarpur, Bettiah, Danapur, Patna etc. As per industries Department data, there are about 1000 household and cottage footwear units in these places, making chappals, Sandals and handmade shoes for local wholesale and retail market both in leather and non-leather materials.

➢ **Leather Industry in Himachal Pradesh & Uttaranchal**

The leather industry in Himachal is located in Baddi, an industrial area which is upcoming mainly because of tax soaps and single window clearance given by the State Government for investment. Roughly 33 footwear units have registered themselves with the State’s Departments of Industries to set up production units in this region. A few of these units have already set up production lines for the manufacture of footwear. Indian leather finishing chemical makers, C& E have constructed a new plant to produce PU binders for the leather industry within their leather chemical finishing factory at Baddi in 2011. However a key issue facing the industry in this cluster is the lack of skilled manpower. An employment related rule in the State stipulates that 70% of the employment in any production unit (regular/Contractual/Sub-contractual/daily) is reserved for the local population. As a result of this, the industry has limited scope for trained migrant workers.

➢ **Leather industry in Uttaranchal**

Uttaranchal offers a wide range of benefits in terms of tax exemption, interest incentives, financial assistance, subsidies and concessions as a result of which leading companies of footwear manufacturing have established their units in the State such as
Zara Footwear, Metro shoes, Liberty Shoes Ltd. Prachi Leathers Pvt. Ltd., Neeraj Shoe industries etc. The State has transformed into a hub of industrial activity.

➤ **Leather industry in Gujarat**

The state of Gujarat is having shoe artisans in the Saurashtra region (also known as Kathiawar region due to the presence of kathi people). No special product is being produced in the whole of Saurashtra except the traditional farmer’s shoe called BharwadiDeshiJoda, which is made only in vegetable leather. The districts are producing nothing special except local shoes like simple Derby, Oxford, Mozadi and casual designs. chappals& sandal are being made for ladies and gents. Out of the total shoes made in the region, 75% are open shoes. Apart from that, a number of Leather processing Units are functioning there in the region, as co-operative societies, supported by (DIC) District Industry Centre. These Tanneries are mostly producing Vegetable Tanned Leather.

➤ **Leather Industry in Maharashtra**

The leather industry in Western India is primarily located in the State of Maharashtra. Leather clusters at Andheri (East) in Mumbai, Kolhapur and Bhiwandi are mainly engaged in the production of leather shoes, sandals and leather goods. Maharashtra accounts for 32% of the country’s production capacity of leather sandals and 15% of leather goods. Production in these clusters is highly seasonal with lean season in the period from June to August, a result of the monsoons. Currently there are no formal courses to train people for jobs in the footwear industry.
➤ **Leather Industry in Karnataka**

Bangalore is an important cluster for leather garments (contributing 15% of India’s capacity), with some small units engaged in production of shoe uppers. In 2008 -09, the cluster exported Rs. 269.1 crore worth of leather and leather products. Leather garments accounted for the largest share (51%) followed by leather footwear. Industry’s major concerns here are shortage of skilled manpower (mainly in leather cutting) and raw material availability.

➤ **Leather industry in Tamilnadu**

The state of Tamilnadu is a well known state for leather business. The north Arcot district (Vellore) of Tamil Nadu is the stronghold of leather industry. Right from the British period, Chennai was one of the important trading centres of leather work. Much of the export of hides and skins was from this city. Out of 25 tanneries reported in India in 20th century, 14 were from Chennai. In order to encourage the manufacturer and exporters to process the hides and skins into finished products and export, the Seetharamiah Committee set up by the Government in 1973 recommended that expert of raw hides and skins should be banned and exports of semi-processed leather should be restricted. In order to set up the industries out of the city in outskirt areas, the State government provided incentives to the industrialists. Over the years the growth of the leather industry was spectacular. According to CLRI, Adya, Chennai, 1990, there was 53.3 percentage share of leather industry consisting 536 small scale and 41 large scale industries in Tamilnadu. Whereas in Maharashtra it was mere 2.8 percent shares consisting of 27 small and 3 large scale industries. The hindrance in the growth of these industries is availability of water. The increase in population competes with the growing industries for water.
But the government tried to solve that problem with the help of CLRI, Chennai and UNIDO. Government of Tamilnadu has Introduced Zero Liquid Discharge (ZLD) norm for tannery for prevention of environmental degradation. Under this norm the industries are not allowed to discharge any liquid into rivers, lakes, drains and canals etc. for the mechanism is set in CETPs.

- **Leather industry in Goa**

Madagaon, Mapusa, Panaji, Zuari and Ponda are the important places for slaughter of animals in Goa. Madgao, a commercial city, which is 15 kms away from the capital city of Panaji, is the only place for raw hides and skins business. The Mandi is near Gandhi market. All the raw hides and skins move form Goa to Tamil Nadu by road.

- **Leather Industry in Uttarpradesh:**

A General survey of the leather footwear industry of UP was undertaken through the agency of the Planning Department, Government of UP in the year 19612. The leather footwear industry was found in more than 3000 villages of the state.

The districts like Meerut, Jhansi, Hamirpur, Bulandshahar, Rae Bareli, and Kanpur had the highest number of families engaged in this business. Agra in UP is considered to be the biggest footwear manufacturing units of the state. Their product demand is traced to the royal families of those times. The training was given to the artisans by Britishers who were to cater to their need of different kind of shoes. Agra had large concentration of traditionally skilled primary leather works estimated to be about 60,000(Kaul, 1984) that too working as unorganised workers. Besides, Agra, Kanpur, the Industrial capital of UP is the major centre for manufacture of slippers,
shoes and sandals, the main reason for flourishing the industry here is the Ganga river and its infrastructural connectivity to other nearby states. This city produces the maximum number of slippers even today.

3.2.3 Cluster development centres in India:

It can be noted from Table 3.4 that the cluster development of leather industry in India is not adequate in number. In Mumbai it is absent though Dharavi, the centre of Mumbai known for its leather business. The sector is featured with micro and small units with bigger units accounting for just around Five percent of the total manufacturing units. The production data for the leather sector is available in the National Accounts statistics (NAS) which provides data for both the organized factory sector. In most of the clusters the footwear is produced more. The most of the work is done manually. Handmade products are popular of these clusters.
The table given below shows the clusters developed in India

Table 3.4 Cluster developed in India

<table>
<thead>
<tr>
<th>Centres</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hyderabad</td>
<td>Leather other articles</td>
</tr>
<tr>
<td>Ambala</td>
<td>Leather Footwear</td>
</tr>
<tr>
<td>Karnal (Haryana)</td>
<td>Leather footwear</td>
</tr>
<tr>
<td>Panipat(H)</td>
<td>Leather other article</td>
</tr>
<tr>
<td>Rewari</td>
<td>Leather footwear</td>
</tr>
<tr>
<td>J&amp;K (Srinagar)</td>
<td>Leather articles</td>
</tr>
<tr>
<td>Bhopal (MP)</td>
<td>Leather other articles</td>
</tr>
<tr>
<td>Indore</td>
<td>Leather other articles</td>
</tr>
<tr>
<td>Ahmednagar</td>
<td>Artistic chappals by hand</td>
</tr>
<tr>
<td>Aurangabad</td>
<td>Artistic chappals by hand</td>
</tr>
<tr>
<td>Jalna</td>
<td>Artistic chappals by hand</td>
</tr>
<tr>
<td>Kolhapur</td>
<td>Artistic chappals by hand</td>
</tr>
<tr>
<td>Pune</td>
<td>Artistic chappals by hand</td>
</tr>
<tr>
<td>Sangli</td>
<td>Artistic chappals by hand</td>
</tr>
<tr>
<td>Satara</td>
<td>Artistic chappals by hand</td>
</tr>
<tr>
<td>Thane</td>
<td>Artistic chappals by hand</td>
</tr>
<tr>
<td>Patiala (Punjab)</td>
<td>Leather other articles</td>
</tr>
<tr>
<td>Barmer (R)</td>
<td>Leather footwear</td>
</tr>
<tr>
<td>Bharatpur</td>
<td>Leather footwear</td>
</tr>
<tr>
<td>Bharatpur</td>
<td>Leather other articles</td>
</tr>
<tr>
<td>Jodhpur</td>
<td>Leather other articles</td>
</tr>
<tr>
<td>Tonk</td>
<td>Leather articles</td>
</tr>
<tr>
<td>Dalai (Tripura)</td>
<td>Chappals by hand</td>
</tr>
<tr>
<td>West Tripura</td>
<td>Chappals by hand</td>
</tr>
<tr>
<td>Kanpur</td>
<td>Chappals by hand</td>
</tr>
<tr>
<td>Luck now</td>
<td>Chappals by hand</td>
</tr>
</tbody>
</table>
3.2.4 Communities involved in Leather Industry:

Making the leather products was reserved for the lower strata of the society. This industry is basically craft based and was considered as domestic and cottage industry initially to be carried at village level. Turned from agriculture, cobbler communities took this profession and grown industry over the years. Where the total population constitutes 15 percent of the total population in the country, they are not excluded from the population falling under poverty. In the hierarchy of the society to the community, Chamars always acquired lower status and prestige. The largest manual leather work is done by these communities. The leather based working communities are found in the states of U.P, Rajasthan, Gujarat, Karnataka, Maharashtra, Delhi, West Bengal, Andhra Pradesh, Tamil Nadu, Bihar, Punjab, Haryana, H.P, Tripura etc. They are named Bambhi, Chakkliyam, Chamar, Chandal, Dhor, Chambhar, Dehar, Holder, Valhar, Mang, Pogodal, Samagr, Jatava, Balai, Ramagar and Sarki, rager, Kureel, etc. Although the Chamars are associates with a variety of occupations, their primary occupation is flaying and curing of skins, and shoe-making etc. they always catered to the local demand by using the hides and skins of the animals. Status wise, the chamars belong to a lower level in the hierarchy of the scheduled castes in India. Their caste occupation is related to working on animal hides and skins, particularly, their tanning, dyeing and manufacturing leather.

In the Hindu society they are known untouchables due to the work they carried which deals with the dead animals and their food eating habits. Even among them there are the categories. The ones who tan, who flay the skins of the dead animals are considered more impure and low.
Whereas the one who do perform on leather to convert it into usable goods, are more superior to them. There is clear stratification among them based on their rituals and work specification. The process of tanning is quite dirty and obnoxious as it has to undergo from many processes like Soaking, Liming, unhairing, Fleshing, Scudding, Checking, Splitting, Rounding, Deliming, bating and pickling. These hides and skins are obtained from domestic animals like cows, buffaloes, goats and sheep. The place of footwear and leather goods industry is very important in the rural economy. The artisans in these sectors are self employed having skills but are economically and socially unwell. Although produced in large numbers, the handmade footwear lags far behind in artistic qualities, durability and workmanship as compared to the products of the large producers who use machinery tool for the production process. The most used terms for these artisans are ‘Karagir’\textsuperscript{12}. According to NSSO the workers are classified according to the mode of payment as self-employed and wage employed. Wage work is further classified into regular wage salaried and casual wage employment. In these self-employed workers called artisans belong to informal sector more. Self-employed artisans are those for whom household work forms the major source of income.

### 3.3 Institutions in India in the leather industry sector

There are many institution set by Government of India for the betterment and welfare of the leather industry. Those are:

\textsuperscript{12}‘Karagir’ is a world in Marathi language used for ‘Artisans’- one who carry his occupational work by hands.
Central Leather Research Institution (CLRI):

It is the largest leather research institute founded on 24 April, 1948. CLRI made an initiative with foresight to link technology system with both academy and industry. CLRI, today, is a central hub in Indian leather sector with direct roles in education, research, training, testing, designing, forecasting, planning, social empowerment and leading in science and technology relating to leather. State-of-art facilities in CLRI support innovation in leather processing, creative designing of leather products viz. leather garment, leather goods, footwear and development of novel environmental technologies for leather sector.

Council for Leather Exports (CLE):

The Council for Leather Exports (popularly known as CLE) was set up in July 1984. It is an autonomous non-profit company registered under the Indian Companies Act, 1956 entrusted with export promotion activities and development of the Indian leather industry. It is functioning under the aegis of the Ministry of Commerce and Industry, Government of India; CLE is the apex body of the 2400 member rapidly growing Indian leather Industry. CLE's activities are multiple and directed towards assisting its members in extending their global reach thereby increasing their exports. This way, CLE acts as a facilitator for building relationships between overseas buyers/investors and their Indian counterparts to promote exports from the Indian leather industry. CLE’s status as the apex Leather Export Promotion Organization in India also calls for its active involvement with the Central and State Governments in the evolution of suitable action plans and formulation and dissemination of pro-active Government policies to promote Indian leather exports as well as the infrastructure and fiscal support available to exporters. Ever since its inception about two decades
ago. It is committed to promote, facilitate and attract FDI into the leather industry through Joint Ventures, Collaboration and strategic alliances. It also disseminates market information, trends and policy implications and publishes it, it participates in major International Fairs and specialized trade shows across the world. It provides technical, marketing and design assistance to Indian exporters in various ways. The foremost feature of it is that it connects the government and industry members.

➢ Footwear design and Development Institute (FDDI):

It has been established under the Ministry of Commerce and Industry, Government of India and is rated amongst the premier leather products, footwear, fashion and design. Its main objective is to provide skill the youth for employability and entrepreneurship. Its priority is skill development. It has total eight campuses in prime cities of India. It conducts many programs at graduate and Post graduate level in the area of fashion leather. It has distinct presence not only in higher education but also in sphere of industrial consultancy, Research and development and Training of active industrial professionals.

➢ India Leather Product Association (ILPA):

It is an organization of manufacturers and exporters of leather and leather products. From 1987 to 2011 within a period of 25 years, ILPA has grown up to the status of an apex National Body representing the Indian Leather and Leather products industry. Presently with strands of 150 reputed manufacturers- exporters on its role, ILPA’s name is reckoned with respect by other sectors, both in national and international level. Over the past 25 years, ILPA has been striving relentlessly to promote the image of Indian Leather Products in the international markets and bring the buyers
closer to the Leather Industry through International Exhibitions. Being service oriented industrial association; it serves every segment of the leather industry. It provides specialized and exclusive services to the industry. It organizes International leather goods fair in eastern region of the country. It organizes meet of buyers and sellers for leather products, disseminates vital market information and to the marketers, procures direct trade enquiries from overseas buyers for our members etc.

➢ **The Indian Institute of Leather Products (IILP):**

It is jointly sponsored by the All India Skin and Hide Tanners and Merchants Association (AISHTMA) and Indian Bank. It was established in 1992 with the primary objective of training people for the footwear, garment and goods industries.

➢ **Central Footwear Training Institute (CFTI):**

The Central Footwear Training Institute (formerly CFTC), Chennai is the premier Institute of its kind in the country. It came into being in July, 1957, with the assistance of Ford Foundation. The CFTC was conducting 18 months "Advanced Footwear Technology Course" and Practical oriented need based short - term courses. The CFTC has trained about 6000 candidates, which includes 154 foreign nationals from countries like Nigeria, Mauritius, Philippines, Figi, Tibet, Guyana. Uganda, Zambia Hungary, Sri Lanka etc. The Departmentally run Central Footwear Training Centre was converted into an autonomous Institution (Government of India, under the Ministry of Micro Small & Medium Enterprises, Govt. of India) w.e.f. 1.14.1996 for better functional autonomy and was renamed as "Central Footwear Training Institute" Chennai, (CFTI, Chennai). The Institute is modernized with UNDP assistance under the National Leather Development Programme and is fully equipped with state-of-the
art machinery to impart training in the modern methods of Footwear manufacturing. It provides training and research facility to trainers, designers, personnel dealing in footwear. It introduce modern technology in footwear design, assist in promoting technology up gradation, undertake testing and assessment work, establishes linkage with educational, research and development institutions etc.

➢ **Indian Shoe Federation (ISF):**

ISF was started in 1992 and has come a long way as many leading manufacturers and exporters of footwear and footwear components from India are its members. In addition to helping its members to constantly upgrade technology, use best materials and skills, maintain strict quality control and fine tune customer orientation, the ISF co-ordinates with the Government in overcoming procedural and policy bottlenecks for smooth conduct of the business. Its pro-active initiatives have helped the industry tremendously and have brought it to the position of eminence that it enjoys today. The ISF is committed to promote the growth of the Indian Footwear Industry globally through the adoption of modern, transparent and superior industry practices. To facilitate this process, the ISF is actively pursuing the following initiatives with a missionary zeal of setting up training centres at various footwear clusters, implementing productivity techniques in various footwear factories, collaborating with CLE, CLRI and UNIDO, promoting joint ventures and attracting FDI.

➢ **All India Skin Hide Tanners Merchant Association (AISHTMA):**

The Association was founded in 1917 under the name’ The Southern India scheme and Hides Merchant’s Association (SISHMA). In 1978 it was renamed AISHTMA. The association is an apex body to which various district and Regional associations
are affiliated. The association has been representing both Central and state Governments of the matters of import-export policies, labour and taxation. The industry gives priority to social associations. It also helps the tanners by importing the most essential pollution free and eco-friendly tanning material.

➢ Indian Leather Industry Foundation (ILIF):

It is a non-Profit organization formed to address the environment, common infrastructure, health and safety related issues of leather and allied industries. The main task of it was to take over, and further propagate many of the pilot and demonstration projects established by the UNIDO under its Regional Programme for Pollution Control in the Tanning industry in South East Asia.

3.4 Government Policy on Leather Industry:

Government policy towards the leather industry has been guided by two primary aspects: the first is based on the premise that the lower class, from bottom of the economic and social hierarchy people are part of traditional leather industry catering employment to mass population.

In this section production is based on small scale backed by traditional skill of production. The small scale policy influences particular section of the society. Whereas the second aspect is based on the fact that the sector has always been a prominent foreign exchange earner so exports should be kept on rising trends. The export policy influences the leather industry in this contest.
➢ **Small Scale Sector Policy:**

This policy is backed with reservation, subsidized finance and various incentives to the traditional artisans who are a part of its massive population. There are chances of their displacement due to mechanization and modernization of the industry. Being from the vulnerable section of the society, these artisans may get affected economically, socially with modernization of the industry. For this purpose many segments of the leather industry have been reserved for the small scale sector from 1967 and continued till 2003. The subsidized long-term finance and various incentives have been provided to the small scale dominated industry. The list of reserved items was gradually expanded over the years until the late nineties. But a gradual process of de-reservation has been taking place since the late nineties. An important committee constituted to provide suggestions on the reforms of the small scale sector in India argues that in important sectors such as leather, the pace of expansion of exports is threatened because India is not able to supply adequate quantities in stipulated time.\(^\text{13}\)

➢ **Export Policy:**

The year 1973-74 has seen significant changes in the policy regime for leather and leather product exports. It emphasized on the exports of value added products over time, in order to promote the development of domestic leather industry, as well as to keep in line with overall international trends in leather industry exports. In 1972, a government committee, Seetharamiahcommittee appointed to look into the export potential of the leather industry and to make it earn foreign exchange for the country. A large number of incentives were given to export, following the recommendations of the committee. Duty drawback and Cash Compensatory Support for exports was

\(^\text{13}\) Report of the expert Committee on Small Enterprises (1997)
extended to leather exports in 1973. This was a production oriented recommendation that targeted producers and left out pure traders who did not have manufacturing facilities.

The second major policy thrust came in the form of the adoption of recommendations made by a second committee (known as Kaul Committee) in 1979. Its emphasis was on making available the capital goods needed in the production of leather and leather manufacturing through imports. The more integrated view of the problems faced by the industry was adopted in the mid-eighties when the need for producing value added leather products was recognized and given utmost priority. According to Pandey Committee, concentration was on evolving measures to augment raw material availability, the modernization process and promote footwear as the most important item of exports. Committee also recommended that imports of finished leather be permitted to compensate for shortage of raw material and import of raw hides and skins. In order to promote footwear exports in keeping with world trends, it recommended the production of footwear on large scales as well as development of manpower in footwear engineering, design and pattern making. Another major committee that submitted its report in 1992 considered measure that were necessary to achieve a 10 percent share for India in the global market for leather and leather products by the year 2010, based on objectives. This committee favoured employment generation as a major objective for a traditional industry like leather, this can be achieved best if export growth is accelerated share of exports is increased.

Policies of the India Government since 1991 have been supporting liberalizing various manufacturing industries in India. The leather sector was opened up to 2001.
After 11 items were de-reserved in 2001. No industrial license is required to manufacture most of the items in the leather industry except footwear, garments, for exclusive manufacture by small units. Government approved modernization of segments, leather parks in some states like Andhra Pradesh. Leather sector is also seen as an area of focus in the present negotiations on NAMA under the WTO. The present negotiations severely limit government’s abilities to increase tariff levels to protect their industry. In case of India, while a small number of big businesses may gain market access to the developed countries, millions of small scale producers and artisans are being exposed to harsh competitions of the international market, directly affecting employment. Some steps were:

- Government support for leather industry enhancing its competitiveness through upgradation and modernization providing financial assistance:

- Department of Industrial Policy and Promotion (DIPP) provides a comprehensive schemes for modernization and technology upgradation in all the segments of the leather industry, from tanneries, footwear, saddler, leather goods and garments.

- This scheme is called “Integrated Development of Leather Sector” (IDLS) started in 2002.

- Government sanctioned Rs. 290 crores for this project and will be implemented through two Program Implementation Units (PIU) and CLRI and FDDI.

Even in Union budget 2012 various initiatives were taken for the promotion and progress of Indian leather industry through various schemes proposed. Limits of the Central excise exception was enhanced for footwear which would be highly beneficial to the manufacturers selling footwear in
domestic market falling under Micro, Small and Medium Enterprises (MSME’s). Special schemes were introduced for women to attract towards leather industry especially of unorganised nature.

Foreign Trade Policy 2009-2014 looked at this industry as 1. It would particularly benefit those women whose residence was located 50-km from their work place. Thus, this scheme will help in attracting more women workforce to the leather industry. 2. Leather sector shall be allowed re-export of unsold imported raw hides and skins and semi finished leather from public bonded ware houses, subject to payment of 50% of the applicable export duty and 3. Enhancement of FPS rate to 2% would also significantly benefit the leather sector.

3.3.1 Support to artisans (Outlay- Rs. 40 crore)

Numbers of clusters in India are making traditional footwear and other leather goods. The aim behind this is to promote the clusters at various forums as they are in integral part of rural Indian economy and have potential for generating local employment and exports. Both the rural and urban clusters would be supported for enhancing their designs as per the requirements. The main purpose of the scheme is to ensure better and higher return to the artisans involved in the leather business. According to the report of MOCI/DIPP\(^\text{14}\), till date about 14,400 leather artisans have been covered under this scheme for providing livelihood support and marketing support along with promotion of the traditional rural and urban clusters. The scheme is being

\(^{14}\text{MOCI/DIPP Working Group Report/ 12th Five Year Plan / Leather Industry.}\)
implemented in Arunachal Pradesh, Bihar, Orissa, Madhya Pradesh, Andhra Pradesh, Maharashtra, Tamil Nadu, Karnataka, Rajasthan, and Punjab Etc. It is not possible for the government to support large number of the artisans without the support of interventions of SHGs\textsuperscript{15}, CRC’s, Advertisements and Market linkages. The roles of these interventions are to synergies and build awareness among the artisans for their Socio-Economic upliftment. Interventions are done through various skill development & skill diversification product range at regular intervals.

In Maharashtra, the cluster is HarshalGraminVikaSanstha, Chadrapur, with approved project cost 262.50 Lac of which released cost is 65.625 lac with intervention areas Nagpur, Chadrapur, Bhandara, Wardha etc. Along with the financial support the HRD mission targets non-traditional potential work force in the industry by training and preparing them to be fit to work at all size of industry levels. Up gradation of skills of persons already employed in the sector besides training for trainers and supervisors is also be undertaken. Till date about 22,000 unemployed persons have been provided skill development training and placed in the leather sector. This scheme is being implemented in the above stated states.

The centres of PLSDP are at Kanpur, Agra. Its sub-centres are at Bangalore, Chennai and Mumbai to get employment in the footwear industry at eh shop floor level operation. The youth from the weaker section of the society are selected and trained along with providing assistance to get employment in the industry. Following infrastructure Development Activities implemented during Eleventh Plan Period are:

\textsuperscript{15}SHGs refer to village-based financial intermediary committee comprising mainly 10-20 men or women formed for mutual support to each other.
- **Scheme for ‘Development of Leather Parks**
  It is a part of ILDP scheme named ‘Development of Leather Parks’ with an outlay of Rs. 300 Crore. The objective of the scheme is to create additional capacities in the leather sector and assist the industry in holistic manner. As per the scheme guidelines, a group of minimum seven legally independent companies which is interested to set up production units in the Park could form a Special Purpose Vehicle (SPV). The part is to be funded through GOI, Equities and Financial institutions.

- **Industrial Up gradation Scheme (IIUS)**
  It is the Central Government scheme with a view to enhancing competitiveness of industry by providing quality infrastructure through public-private partnership in selected functional clusters. The scheme targets existing Industrial Clusters with high growth potential requiring assistance for up-gradation of infrastructure to world class standards in the area of physical infrastructure, R&D, Certification, Common facility centre, TQM, Benchmarking Centre’s’ etc.

- **Integrated Development of Leather Sector (ILDS) Scheme:**
  This scheme is an investment grant scheme approved for the 12th Five Year Plan 200-2007 for technology up gradation, modernization, capacity creation in all segments of the leather industry. It provides financial assistance to the SSI units. It is implemented through multiple agencies lie CLRI, FDDI, SIDBI, CLE etc. Its Total outlay was Rs. 290 crore for this scheme.
Micro & Small Enterprises- Cluster Development Programme (MSE-CDP)

The MSME, Government of India has adopted the CDP as a key strategy for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises and their collectives in the country. Its objectives are to support the growth of MSEs by targeting common issues such as improvement of technology, skills and quality, market access, and capital access, providing training, testing centre’s formation of SHG’s etc.

3.5 Leather Industry in Post-reform Period:

The economic reforms have provided scope for business sectors to boost up with Foreign Direct Investment. The effects of Globalization are visibly seen on the manufacturing units of India where the competitiveness has become matter of concern for survival of industries. The Effect of Globalization on leather industry is also observed in its exports capacity. The Domestic market for leather products is also poised for manifold growth consequent emergence of affluent class population and demand for consumer products such as footwear, leather goods and accessories will be higher in the future. For this India has to build production capacities and make investments into the sector. The industry is yet to increase the production capacity. The Industry comprises nearby 70 to 80 percent of SME’s and they are mostly family-owned companies. The FDI and Domestic investments are needed to be attracted to the development of Industry.

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16 Family based or owned business is business carried or started as traditional based business grown with time.
For this, the responsibility has been given to the Council for Leather Exports. (CLE) to promote the leather business worldwide. The road shows have been arranged in the overseas for promotion of Indian leather business potential. The lesson from China and Vietnam has to be taken for developing their leather sector through FDI. GOI has permitted 100 percent FDI through the automatic route for the leather Sector. No permission is required either from Government of India or from RBI for the investment. Only regional office is to be notified. Under the global economic crisis, leather companies are struggling to survive. Many companies have opted to reduce their capacities due to stagnancy during the crisis. In the study of Gonca, it is observed that the necessity of certain activities such as increasing the export potential concentrating into marketing activities, giving more importance to branding and endeavouring for international marketing by penetrating into new markets have been indentified for overcoming crisis. The big challenge in the post reform period is the changing consumer preference and trends that let the consumers to adopt different expectations and necessitated the development of new products with different characteristics. It not only needs the modification of products by adopting new technologies but the marketing activities efforts too. The leather industry has been set with a target to enhance export to US$8.50 billion by the year 2016-2017. The sector needs to attract both foreign investments and domestic investments to be a dominant player in the international market. Foreign collaboration is needed toward this mission. India has inherent strengths to reach this destination. Indian leather industry has significant factor advantage to support it to command a prominent position in the global leather trade. Today the entire leather sector is de-licensed paving the way for expansion of capacities on modern lines with state-of-the-art machinery. Government
of India has also permitted 100 percent FDI through the automatic route for the leather sector. The Post liberalization era has opened up lots of opportunities for the Indian leather industry. Along with China and Vietnam, India stands to gain a bigger share of global market. The domestic producers have also started to realize the opportunities ahead. In fact, almost every player in the organized sector is on an expansion spree, and many are doubling capacities. Hence, looking at the global trade scenario and domestic demand it may be said that the Indian Leather Industry has the potential to grow by leaps and bounds in the future years to come (NMCC)\(^\text{17}\). No prior permission is required either from the Government of India or RBI for the investment. In order the promote the leather industry the activities being carried by CLE are:

- Organizing road shows for showcasing domestic market potential for investors
- Participating in international exhibitions, trade fairs and buyer-seller meets in foreign countries as well as in India.
- Deputing of business delegations from leather industry to other countries for exploring new areas of technology, up gradation etc though Joint Ventures and Foreign Collaborations
- Holding international Conferences and Seminars in India on topics and themes of interest to the leather industry.
- It has been proposed to organize investment meets in India alongside the major leather industry events such as IILF, DILF and ILGF.

\(^{17}\)National Manufacturing Competitiveness Council: aims to provide continuous forum for policy dialogue to sustain the growth of manufacturing industries in India.
Future outlook:

The Government of India had identified the Leather sector as a focus Sector in its Foreign Trade Policy 2004-09 in view of its immense potential for export growth prospects and employment generation. Accordingly, the Government is also implementing various Special Focus initiatives under the Foreign Trade Policy for the growth of leather sector. With the implementation of various industrial developmental programmes as well as export promotional activities; and keeping in view the past performance, and industry’s inherent strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and dedicated support of the allied industries, the Indian leather industry aims to augment the production, thereby enhancing export, and resultantly creating additional employment opportunities for an overall one million people. Even according to the National Skill Development Corporation, leather industry has key jobs in the demand for cutting, clicking, stitching, finishing etc. Such skills can be obtained in lesser time duration as compared to engineering or ITI courses. As many as over two million persons are required in the above segment.

Thus the skills of tanning, cutting, stitching, and finishing are potential areas to channelize skill building initiatives in the leather industry are moving ahead.

3.6 Export performance of the leather industry in India:
Exports of leather and leather products have gained market during last 3 decades. Due to this leather industry has gained name in international markets for its leather finished products. Today approximately 10 percent of the world demand is catered by India. Therefore number of attempts are being undertaken by Government of India to growth this industry by offering incentives to set up more units. Nearly 32 percent exports consists shoe and footwear products. This industry is one of the largest foreign exchange earner industries.

Indian tanning industry has a capacity of producing over 2 billion square feet of leather per annum. It is 10 percent in capacity of global leather requirement. There are over 2091 tanneries in the country situated in states like Tamilnadu, West Bengal and UttarPradesh as report of leather industry. Composition of Indian leather exports has undergone a radical change, from being a mere exporter of raw hides and skins, to a status of an exporter of value added leather products. From 1991-92, India has been exporting only finished leather because of export restriction on semi-finished leather. In 2004-2005 total exports were Rs. 10,286 crores. Footwear stood as largest component of leather exports, with a share of 26%. In the same year the industry recorded satisfactory export growth at 5.8%. Following table gives an idea of leather exports and manufactures between 1960-2004.

Table 3.5 Leather exports and manufactures between 1960-2004

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>59</td>
</tr>
<tr>
<td>1970-71</td>
<td>106</td>
</tr>
<tr>
<td>1980-81</td>
<td>493</td>
</tr>
<tr>
<td>1990-91</td>
<td>1,449</td>
</tr>
<tr>
<td>1995-96</td>
<td>1,731</td>
</tr>
<tr>
<td>2000-01</td>
<td>1,951</td>
</tr>
</tbody>
</table>

It is observed that the exports show increasing trends right from 1960 till 2004. In 1960, 1970 and 1980 exports were of US$ 59, 106 and 493 US$ million trade. After economic reforms, 1991 there was tremendous rise in leather export. In 1991 the export stood at 1,449 US million and till 2004 it got almost doubled and reached to 2,323 US$ million.
- **Share of finished goods of total exports:**

It is seen in the figure 3.3 that the share of finished goods in total export was 21.02 percent in 2011-12. It increased to 21.81 percent in 2012-2013 and fell to 21.74 percent in 2013-2014. Though there are fluctuations in Indian leather exports, in recent time, there is declining trend experienced.

Figure 3.3 Share of finished goods of total exports (*Value in Million Rs*)

![Graph showing Share of Finished Goods of Total Exports for different years with values and percentages.](image)

Source: DGCI&S
India’s export of finished goods in world market:

Figure 3.4 shows the major markets for Indian Finished Leather with percentage share are Hong Kong 37.84%, Italy 13.50, China 9.06%, and Korea rep. 3.90, Indonesia 2.30%, Spain 2.53% and Germany 2.53%. The demand for finished goods is all over the world covering South east and European countries.

Figure 3.4 India’s export of finished goods in world (Value in Mn US$)

Source: DGCI&S
Figure 3.5 shows that in 2012-13 the quantity wise exports of finished products were 37 percent for buffalo leather followed by 30 percent goat leather. 14 percent export of Cow leather and rest was of sheep, sole cow calf leather. The huge production of livestock cattle’s in India leaves more scope for the export of leather.

Source: CLE

➢ **Footwear Products**
The footwear sector is a very significant segment of the leather industry in India; rather it is the engine of growth for the entire Indian leather industry. India is the second largest global producer of footwear after China, accounting for 11.63 % of global footwear production of 17.7 billion pairs. Its production capacity is 2065 million pairs footwear comprising footwear- 909 mn, shoe uppers-100 mn, Non-leather footwear-1056 mn, and exports 115 mn. About 1.10 million people are engaged in footwear manufacturing industry in Industry. Footwear exported from India is dress shoes, Casuals, Sport shoes, Sandals, Boots, Sandals and Chappals. This sector is de-licensed and de-reserved today for expansion. 100 FDI has been permitted through the automatic route for this sector. Initiative is being taken for the development of leather parks too.

- Importers of footwear products (*Value in Million US$*)

Figure 3.5 shows that the major importers of footwear during 2008-2012 were European nations such as Germany, France, Uk, Belgium, Spain, Netherland and Italy. The demand for footwear is also from USA, Canada and nations like Japan and Hongkong.

Figure 3.6 Importers of footwear Products(*Value in Million US$*)
Footwear exports– Indian scenario (Value in Million US$):

Figure 3.7 shows that India’s export of footwear has increased from US$ 1534.32 million in 2009-10 to US$ 2531.04 million in 2013-2014, growing with an inconsistent percentage. In 2009 its share was 44.28 percent which rose to 42.83 percent in 2013 with no major fluctuations.

Source: ITC Geneva
Export of leather garments:

Figure 3.8 show that India’s leather garment products have a good market abroad. India’s export of Leather Garments for three consecutive years 2008-09, 2009-10, 2010-2011 was near 14%. In 2011-12 and 2012-13 it was near about 19% with an increase of 5%. In 2013-14 it recorded 20%. It further rose by 5%. It shows the demand for leather garments from the rest of the world.

Figure 3.8 Export of leather garment (Value in Million US$)
Quantitywise exports of leather garments:

In Figure 3.9, it is observed from the pie chart that the major demand for the industrial leather garment was 31%, followed by leather garments for gents comprising 24% with other garments comprising 25%. The rest consist of small export garment items which were children garments, long coats, leather pants, shorts, ladies leather jackets, aprons etc.

Figure 3.9 Exports of Leather Garments (Value in Million US$)
**Major Markets Of Leather Garments:**

Figure 3.10 shows that major markets for Indian Leather Garments are Germany with a share of 23.23%, France 11.55%, Spain 12.17%, Italy 10.07%, USA 9.459%, UK 6.68%, Netherlands 3.77%, Denmark 4.49% and Canada 2.19%. European nations import major garments products from India.

*Source: CLE membership records*
India’s Export Of Leather Good And Accessories Including Gloves:

Figure 3.11 Indian leather goods exported to other countries in the 2008 to 2013-14 show inconsistent growth. In 2008-2009, the export was 14%, in 2009-10 it came down by 1% reaching 13%, in the year 2010-2011. It again stood at 14%. From the year 2011-12 to 2013-14, exports grew by 18%, 19% and 20 %. The most of the importers were European and American countries.
Quantity wise exports of leather goods:

In figure 3.12, it is seen that quantity wise leather goods exported in the year 2012-2013 was in different percentage for different products. Export of wallets was 39% followed by ladies handbags and other bags at 11%. Leather belts at 8%, purses at 5% with rest of the product accessories like travel ware, pouches etc.

Figure: 3.12 Quantity Wise Exports of Leather Goods (Value in Million US$)

Source: DGCI&S
3.6.1 ‘Make in India’ Initiative for Leather industry and its highlights:

- Leather industry is the industry of USD 11 Billion earning capacity, with USD 6 billion worth of exports in the year 20314, caters to 10% of the world’s Leather production, 24% growth projected growth in the coming years employing 55% workforce below the age group of 35.
- Industry enjoys comparative cost advantage in cost of production and labour costs due to cheap labour force.
- India is endowed with 21% of world’s cattle and buffaloes and 11 percent goat and sheep population
- Industry targets more training to you with the help of HRD and FDDI like institutions under various schemes
- For establishment of production unit, state government has single window fast track clearing system.

Source: CLE membership records
3.7 Leather industry in Mumbai:

Mumbai is the capital city of Maharashtra. It is the most populous city in India, and the fourth most populous city in the world, with a total metropolitan area population of approximately 20.5 million. Along with the neighboring urban areas, including the cities of Navi Mumbai and Thane, it is one of the most populous urban regions in the world. Mumbai lies on the west coast of India and has a deep natural harbor.

Mumbai consists of two distinct regions: Mumbai City district and Mumbai Suburban district, which form two separate revenue districts of Maharashtra. The port area is under BrihanMumbai and the remaining areas belong to Defence, Mumbai Port Trust, Atomic Energy Commission and Borivali National Park, which are outside the jurisdiction of the BMC.

Mumbai lies at the mouth of the Ulhas River on the western coast of India, in the coastal region known as the Konkan. It is on Salsette Island, partially shared with Thane district. Mumbai is bounded by the Arabian Sea to the west. Many parts of the city lie just above sea level, with elevations ranging from 10m to 15m; the city has an average elevation of 14m. Northern Mumbai is hilly, and the highest point in the city is 450m at Salsette in the Powai-Kanheriranges. Sanjay Gandhi National Park (Borivali National Park) is located partly in the Mumbai suburban district, and partly in Thane district, and it extends over an area of 103.09 km².

Mumbai is the largest metropolis of India covering 430.86 Sq. k. m area with more than 2 crore population. It is located on the western seacoast of India along the
Arabian Sea. Greater Mumbai region is also known as Bombay (renamed Mumbai) consists of seven islands in the city region and four islands in the suburbs. Presently city is divided into two revenue districts, Mumbai City District i.e., the island city in the South and Mumbai Suburban District comprising the Western and Eastern Suburbs. The story of the city is quite unique because of its unique identity. It is the most visited city of India visited by citizen from other states and by foreigners. The city history is traced to the Portuguese and later by the Britishers who took over it in the year 1662. It was a dowry gift from Portuguese to Charles II, the King of England, in his marriage with Infant Catherine Braganza, the Princess of Portugal. This city was developed commercially by the Britishers being staunch traders. The city was a cluster of seven islands till it came in the possession of British. The seven islands were inhabited by different fishing tribes called Kolis. They are the true inhabitant of this city till today. Some of them have been converted to Christian as a impact of Church Culture. Among the seven islands, Colaba, Mazgoan and Mahim were comparatively large and prominent. The most flourished area under commercial trade was Mahim in the historic period.

The name Mumbai, however, is derived from the Mumbai devi (called Mumba Devi), the patron Goddess of the kolis, the main habitant community of the islands. From this word came Mumbai. But the British started calling these islands Bombay. The name remained in practice till recent years. But, now it has been changed to the original name Mumbai. Still the temple of Mumbai Devi a place worth worshipping for all the mumbaikars. It is true that initially Britishers built forts, docks, a huge customs house and other building. The real development of Mumbai as a magnificent city began around 1857, the year of Indian Mutiny. The political movement centre
was shifted to Mumbai by the Britishers and they started growing city for their requirements and in real sense Mumbai started developing.

Municipal Corporation of Greater Mumbai also referred to as Brihanmumbai Municipal Corporation (BMC) area is divided into two major geographic divisions. One is the island city, which is a strip of 24 sq.km and other is suburban area, north of the island city. The island city and the suburbs together form Greater Mumbai or Brihan-Mumbai. Greater Mumbai is considered as one district and has been divided into 6 zones and 24 wards to facilitate the administration of the Municipal Corporation. The entire region encompasses rich natural heritage, such as hills, lakes, coastal water, forests and mangroves, built alongside areas. The train coverage in Mumbai is Western Railway, Central Railway and Harbour branch. By Air ways Mumbai is connected to domestic Airport- Santacruz and International Airport- Sahar. The well famous areas of Mumbai are Colaba, Fort-Flora Fountain, Nariman Point, C.S.T- Churchgate, Dhobi Talao& Girgaon, Marine Drive, Malabar Hill, Mahalaxmi and Worli, Masjid Bunder and Byculla, Dadar- Prabhadevi, Western Suburban area including major interesting places and Eastern Suburban area such as Powai, Navi Mumbai, Vashi etc.

Mumbai is the city of population where mass employment is provided through organized and unorganised industries set up. It is the capital city of Maharashtra and has complex characteristics of the institutions set up, vast employment in the unorganised sector and slums as well, catering to the need of high profile societies. It is the land of mixed population migrated from all over India in search of jobs. The leather industry has been prevailing in Mumbai since decades and was initially in the
hands of people form schedule caste or particular communities like Mahar, Chambhar\textsuperscript{18}, Dhor, Chamars etc. Being traditional handicraft it had limited but adequate scope in those days too. Now being globalised segment, various other classes have also plunged into this business due to commercial profit. The locations in Mumbai where these markets have settled are Dharavi, Kurla, Thakkarbappa colony and Chembur and Govandito some extent. Majority of the people are from Muslim community and Scheduled castes, Particularly Chambhars or Charmkars are involved in this industry since long. They are engaged in producing chappals and sandals, purses, corporate bags, belts, gloves, coats etc. Good number of people works at home or run cottage industry where not only are family people involved but also the workers are hired on target work basis. Most of the commercial shop owners buy raw leather and get work done from this artisan on conditional payments. The real surplus is enjoyed by them in the form of market price prevailing over the cost of these workers who have sufficient funds to buy material by self and expand business. This industry has its own identity in these areas and the people or workers of it stay in slums having complex socio-economic conditions to live in. Years have passed, the face of Mumbai has changed but these people have still been engaged in the same kind of work residing in the said areas. Many migrant workers have also been a part of this industry.

The table 3.6 shows the number of leather manufacturing and tanning units in Mumbai. Many of which have been closed down now.

\textbf{Table 3.6 Leather units in Mumbai}

<table>
<thead>
<tr>
<th>Particular</th>
<th>Units</th>
<th>Employed</th>
</tr>
</thead>
</table>

\textsuperscript{18}Chambhar is a community of Maharashtra which carries labour work traditionally and are the well known artisans from whom the industry flourished at beginning.
The focus area under study:

Dharavi is one of the famous city slum areas due to the largest number of slum-dwellers in the world who have been staying here in informal way within Mumbai. It is spread over 525 acres with thousands of land flourishing small businesses and providing shelter to lakhs of residents to it. The city is too socially, culturally and economically very vibrant comprising all religions, communities and castes engaged in traditional business work. It has enterprises where residents have been engaged in manufacturing leather goods, Garments, Foods and Pottery and other small works. Dharavi did not get developed over night but took generations to get a stand with mixed clan and neighbourhood. Dharavi slum lies on prime property right in the middle of India’s financial capital, Mumbai. It is rightly known as a home to more than a million people vividly considered as the second generation residents, whose parents have been here since many years from different part of country. The slum grew in part because of settlement of factories and the residents from peninsular city centre by colonial government, and majority from the migration population from the country. It is multi-ethnic, multi-cultured, multi-religious and diverse settlement. It has population in millions in small concentrated areas.

The main peculiarity of Dharavi is that it is place of informal economy where many household enterprises are being run employing residents and migrated numbers. It is estimated than its annual turnover is over million dollars from the export of leather goods, textiles and pottery products. Along with it many cottage and small industries are situated in Dharavi. Population wise Hindus are dominating in Dharavi with 60 percent; while the second largest community resides in Dharavi is Muslims.
(33 percent), with Buddhists, Christians and others. Majority people from the community class were involved from long in tanneries, skin production and manufacturing goods. Apart from it retail trade has also flourished here with time.

Figure 3.13
Map of Mumbai showing major leather centre

According to the survey of Dharavi by the National Slum Dwellers’ Federation (NSDF) nearly 1044 manufacturing units of all kinds, big and small are there. But the actual numbers may be more as many smaller and household level businesses have
not registered or recorded properly. According to the survey, large poor population is engaged in pity kind of work for their livelihood here. Like Dharavi, kurla, Chembur, Sakinaka, Govandi, Thakkarbappa colony are also the commercial areas where the leather manufacturing households and units are found on a large scale. In Thakkarbappa colony there are wholesale shops for the small retailers who intend to buy and sell the leather and non-leather products on retail in the city and nearby districts. There too the leather business more is of unorganised nature. No official records are available about the number of units working there in the leather work.

Leather industry in Mumbai is mostly artisan-based and the maximum production falls under cottage sector, in particular at domestic level which is scattered throughout the city with significant concentration in Dharavi, Kurla, Govandi, Thakkarbappa colony. Dharavi and the nearby areas are known for the manufacturing of leather products. The place Dharavi is famous for leather products, the leather purse, belt, wallets, bags; shoes are in more demand throughout the year at reasonable rates. But since last twenty years, in the post reform period the business has receded. The reasons are many but the exact cause is traced to the competition from fancy leather products. Many segments have been closed in Dharavi since last few years. Instead of growing into flourishing based industry, the leather units have remained Unorganised and artisans have no option but to work as self account worker contributing little to the total production of the output. The leather business is one the biggest contributors to the Mumbai slum’s informal economy. Over the year the leather trade has been hit hard by increasing competition, rising raw material cost, labour shortage and sale of cheap Chinese goods etc. once a fishing village know for its shellfish, till discharge from local industries finished off aquatic life, Dharavi saw the leather industry being
berthed in the late 19th century by backward communities like Charmakars, Dhors and immigrants from Tamil Nadu like the AdiDravidars who came to Mumbai to escape the tyranny of caste and crippling poverty back home. Skins were sourced from the abattoir (Devnar). Today this city accounts for a huge chunk of Maharashtra’s leather sector. The state in turn, accounts for 15 percent of India’s leather production, much of its in small and medium units. Hundreds of households in Dharavi supplement their income by working in the leather industry; the official data is available with no government institution working for industries in Mumbai. But the number of employed are in thousands. Leather production was one of the first industries to be established in Dharavi when Muslim tanners migrated from Tamil Nadu to Mumbai. Along with Muslims and Tamilians, there are people from Andhra Pradesh who are involved in this business. The main reason for Mumbai’s leather product is entrepreneurial skills of the artisans. Today also many domestic artisans do their work by hand and that too without proper training provided. Variety of leather products are being sold on ninety feet road of Dharavi. The business is no more only in hands of the caste people but has been shifted in the hands of the non community based people too. The reason behind it is the commercialization of the business. As per the records of DIC-Mumbai, there are 72 registered leather units Mumbai with an investment of 1531 lakh rupees. The following institutions work for the growth and development of the leather business in Mumbai:

3.7.1 Leather Industries Development Corporation of India (LIDCOM)

Leather Industries Development Corporation of Maharashtra Ltd. (LIDCOM) was established on 1st May, 1974. State Govt. participation in the Share Capital is 100%.
As per Govt. Of Maharashtra Resolution No.LID/1095/6461/IND-5, dated 24.6.96, LIDCOM has been brought under the control of Social Welfare Cultural Affairs and Sports Department from Industries Department. The said decision was taken in order to give financial assistance to the community people mainly from the schedule caste category called ‘Charmakars’ or ‘Chambhar’. Its head office is in Mumbai, Veer Nariman marg.

It aims to promote & boost the Leather Industry and people engaged in Leather Industry of the Maharashtra State, Government of Maharashtra has established a company under the Company Act, 1956. The Corporation's objectives are broadly divided into Commercial and Social activities. The Commercial activities - To arrange procurement and supply of raw material for those engaged in the Leather Industries or to make necessary arrangement for production of Leather Goods. To ensure quality control in order to get qualitative product. To take necessary steps for improvement in production techniques. To assist and act as an agent for sale of finished products by opening of show rooms, exhibition counters within and outside the state. To promote the sale of finished leather goods in foreign market. To procure capital or financial assistance and to sanction loans, subsidies and Resources, machinery, equipment for promoting leather and leather based industries and other industries of Scheduled Caste Charmakar Community. To give financial assistance, loans, subsidy to Charmakar Community(Scheduled Caste) for rendering any legal service, transport, leather and other industries, agricultural and other sectors for over all development of said community. It also aims at providing financial assistance to the leather artisans from the state and central government sources to develop the business and create the market. The main production centre’s of LIDCOM are Daryapur (Amravati), Hingoli,
Kolhapur, and Satara (particularly the research centre). The selling centres of the corporation are Mumbai, Vashi, Dhule, Jalgoan, Solapur and Nanded.

They produced soft shoes, sandals, Chappals, Kolhapur chappals, fancy shoes, Jungle boots, Cash bags, Office bags, Oxford shoes. All these orders are done by government concerns from time to time and thus the orders are taken produced from the four centres accordingly. There is not such a centre in Mumbai region except one from Dharavi. LIDCOM also provide training to the artisans to enhance the skill of producing better quality of goods to meet the new demand patterns. It also provides loans to the cobblers for cottage and small scale industries. But it is not only confined to the leather business but today any kinds of business they are intended to do, loans are provided to them. Loans are made available from NSFDC, Delhi. The primary objective of the institute is the welfare of the scheduled caste communities. So the loan is granted for the purpose of sewing, beauty parlour, electric shops, toy making, mechanical work, computer training, welding, automobile repair, and leather making. Though the selling centre is in Mumbai, no work is done from clusters of Mumbai by the institute. Therefore exact number of artisans working in the vicinity is neither known nor recorded.

3.7.2 Leather Goods Manufacturers Association (LIGMA)
It was established in Dharavi, Kalakilla for the development of the leather industry and the leather artisans. It aims to organize them and improve their economic, psychological, educational and social conditions. Its main objectives are:

- To bring all the leather workers together and to organize them.
- To solve the problems faced by them in the production process
- To support them financially through the government schemes.
- To train, educate them through the seminars, workshops, lectures, and exhibition.
- To carry the leather research and communicate.
- To curtail the sales tax for the marginal artisans.
- To import the required raw material and export the finished goods.
- To make market available for the raw leather and tanneries.
- To develop clusters for business expansion.
- To establish cooperative association of workers.

Even though the set up of LIGMA is an attempt to develop the leather business in Mumbai, the situation is different today. After having talk with the one of the office bearer Mr. Mane, it was known that the old workers have almost stopped business due to problems; the numbers have come down from 1100 to a mere few hundreds. The products to be manufactured where travel leather, Non-leather goods, Industrial leather goods, small leather goods and articles. The formation looked to cater to the need of the domestic market, Mumbai and other cities of Maharashtra and all over India.
It also intended to export goods to European, Asian and Middle East countries. The main reason behind are environmental issues and disposal of wastage, lack of financial assistance, high cost of semi-tanned leather, unhygienic working conditions leading to health issues of workers, no quality testing facilities, no proper working environment, illiterate and poverty struck workforce, no technical knowledge to cater to today’s need of leather designs, inadequate training centres, market disparity on large scale, competition from cheap goods from foreign countries, mainly from China. Lack of access to information and proper leadership. Even there was an initiative to develop a cluster in Dharavi, but it was futile due to the stated problems and issues.

‘The current state of India’s artisans is a matter of grave concern… Though some have managed to adapt to changing times, and a few have even thrived, most of them live in poverty with no prospects for a better tomorrow’ (Satyanand)19.

Dharavi is a very large densely populated slum in Mumbai. There the leather accessories manufacture is dominated by small and household enterprises. More than 90 percent of the firms or household enterprises hire less than ten workers. It has been more in the hands of the self employed workers who are almost half the total population. The leather manufacturing business in Dharavi is more of informal nature. Workers do work on time and piece rates. More of them are paid daily or weekly for the labour provided in making leather products. There is no question of job security, medical and minimum wages and retirement benefits here as industry is Unorganised in nature and more seasonal in terms of employment and output matters. After the economic reforms it is visible that the leather manufacture has shifted in the hands of

migrated workforce, who at first worked as labour in the industry and today is self account workers competing with traditional artisans engaged in the work since years. The industry in Dharavi is a powerful magnet of the total migrant workers as 77 percent came from other states. (JesimPais). The leather manufacture in Dharavi is carried at household level where all are the family members. The karta of the family keeps him engaged in the leather product making on a small scale within the room at one corner. The family members do also assist him in some process of product making. They are neither paid nor are their services visible in the national output.

Majority of the household taken for the sample have same kind of work management. All family members do assist in the work to get it over as it is more of contractual kind of work. These household/ domestic self employed workers /artisans are the real victims of globalization. Lacking proper structure of the industry and not accounted officially, they are suffering from migrated labour force attracted by the industry and cheap Chinese products sold at cheaper prices in the market.

Apart from this there is also the existence of the boarding room workers who are not family member but are migrated workers to just work and earn in the city. They stay as co-workers with each other led by one who brings them from their villages. They are co-villagers. These workers carry leather work in rental house for maximum hours. The observation is that they do work for late hours and produce more sold at a fewer prices. It has created problem for the local artisans who have families and spare time as per convenience in the work. So their price range is quite high as more time is needed to finish the leather product. Still the footwear, belts, purse, office bags, wallets, garment clothes are more manual in Dharavi. The previous studies on
Dharavi show that there is total absence of any form of public announcement of the employment opportunity in Mumbai. The need of employment is fulfilled by network of relationships within the industry and outside. As stated early people engaged at one place are from same state, language, caste or defined relations. Undoubtedly after the reforms the caste and community based leather business has been shifted to the hands of non-caste and non-community business affecting not only quality of the products but the livelihood of the local artisans. Study of Pushpa(1985) reveals that labourers from other castes and from among the Muslims entered the industry in the post-reform period. The presence of workers and artisans from other Hindu castes is less significant. But the entry of Muslim workers is spectacular. Thought not trained well, they have been doing business by trial and error method. They are the new artisans group in Mumbai emerging in post reform period. Studies of Romatet(1983), Gothoskar(1998), Srivastava (2001) stated that the employment is in informal sector is obtained through relatives, friends and community members. In the study of JesimPais (2001) it is observed after the reforms there is no indication of the decline in the role of caste and community based on informational networks in favour of more impersonal recruitment procedure. The study shows the leather manufacture is not permanent in nature but rather temporary. The labour problem is severe today. Lacking good wages, permanent jobs, social security there is continuous labour job skipping. The one who was employed days before may not turn up the next day on the job.

To understand the structure and functioning of leather industry in Mumbai, complete profile of the leather artisans carrying out leather business is explained in the next chapter.