

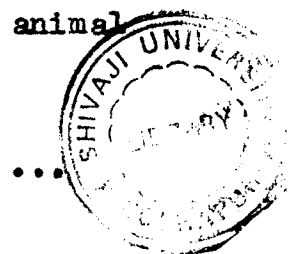
CHAPTER - VII

CONCLUSIONS, SUGGESTIONS AND RECOMMENDATIONS :

CONCLUSIONS :

I have drawn some conclusions while studying this subject. I am giving those as follows .

- 1) The basic raw materials of Kolhapur leather industries are hides and skins of animals. These raw materials are by products of the slaughter houses situated in Hubli, Belgaum, Goa and Miraj. These slaughter houses are not modern and systematic, Especially these slaughter houses are situated in unorganised sectors. Besides the existings carcass Recovery and flaying centres are not improved. Generally, old-aged, diseased, and starving animals are slaughtered for recovery of hides for this industry, Hides^{are} also taken from fallen animals. The Hides so collected are of very poor quality as such. In our country there is no animal



husbandry to get standard and higher quality hides and skins. There is also no proper preservation centres for hides and skins. Due to all these factors on the other hand the quality of leather is very poor.

2) There is a limit on the procurement of higher grades of leather due to inadequate development and finishing, old methods of tanning and poor quality of live stock. Other factors affecting the quality of finished leather are quality of finished leather are the use of old fashioned tools, poor techniques, adoption of wrong designs, low investments, lack of market intelligence etc.

In Kolhapur city 98 % tanners tan with bag tanning methods. To sell Kolhapuri leather in American market is difficult as American prices for finished leather are not more than those of ours.

3) As such these industries are labour oriented industries. In particular, these industries are scattered in very small household units. Traditionally, the Dhor and Cobbler families are engaged in manufacturing leather and footwears respectively in Kolhapur. As Artisans in footwear industry and leather labourers in tanning industry are illeterate, semiskilled, unskilled and untrained, they are unable to adopt innovations in production methods. The labourers do their work on piece-rate basis. The wages they earn are very low resulting in their

poverty and weakness that affect their productive capacity. Most of the labourers spend their wages foolishly in mirth, dalliance and drinking liquors. Artisans are not organised. They have not formed their union to solve their problems. Almost all the artisans have to sell their footwears to their agents and shopkeepers at very low prices. Their residences are their residential-cum-working places. Women workers in footwear industry are engaged in doing sundry and delicate works. On the other hand women workers in leather industry are engaged in making powder of babul-bark and myroblan-fruits. Agent and local shopkeepers exploit the artisans in dealings. It means, the agents purchase the footwears from artisans at very low prices and sell them at very high prices to customers. Every artisan is indebted to agents and local shopkeepers. Due to the indebtedness of an artisan, his economic conditions are dismal. All the labourers and artisans have to live and work in very bad conditions such as no ventilation facilities, out of fashioned tools and equipments, no holidays, water and air pollution, inadequate and improper working place, undeveloped roads, no welfare amenities, no leave rules, and so on. There is no training facilities in Kolhapur city. Labour turn over rate is also high in these industries. The factory and minimum wages Acts are not implemented properly. Bombay shops and Establishment Act is also silent, labour absenteeism is also high. Sons of Dhors and Cobblers take educations and wish to become officers, clerk, and even peons in any office but they not

wish to become industrialists. Generally skilled labour and qualified technicians are brought from Bombay and Madras. Both these industries are suffering from acute shortage of manpower. Government is promoting indirect employment programmes for backward classes which are engaged in these industries. Besides, the white collared people do not wish to join these industries. Government has also not paid proper attention to the uplift of the labour of these industries.

4) Leather Industrial Development :-

Corporation of Maharashtra has established its branch in Subhash Nagar, Kolhapur to develop the leather and footwear industries in Kolhapur District. But this body has, not made any kind of progress in the several years of its existence, I did not find any sign of developmental work in Kolhapur Branch of LIDCOM. LIDCOM has started a production and selling centre in Kolhapur for Kolhapuri and other types of Chappals. But unfortunately, these centres are being run in losses. Referring to the present crisis in the running the production and selling centres of this body in Kolhapur, the officials are not interested in finding the causes of the losses of the centres. So I can conclude that this body in Kolhapur is a mere show-piece of development of these industries. LIDCOM, Kolhapur Branch could not minimise the dominance of middlemen in these industries. It incurs heavy maintenance, administrative

and other expenses. Totally we find that there is an anarchy in the working of this branch of Corporation. In short, the LIDCOM, Branch Kolhapur is a MIRAGE to the leather and footwear manufacturers of Kolhapur.

5) Tanners and footwear manufacturers have some other problems like undeveloped roads, disposal of tannery wastes, improper and insufficient drainage system, water and air pollution in Jawahar Nagar area. Kolhapur Municipal Corporation is not paying attention to solve these problems. So far as pollution problem is concerned, prevention of water pollution, Board has not taken any kind of efforts to solve these problems. Besides, the tannery sheds and adjacent residential houses, all are built in a hapazard way without any plan and programme.

6) Finance has always been a problem in tanning as well as footwear industries. Kolhapur bagged 15 % of the total exports of leathers and footwears from India. But of late it is seen that the share of export from Kolhapur has been declining gradually as other states are offering more financial assistance for creating and developing tanning and footwear industries in their own states. Generally, it is understood that the banks and financial institutions are reluctant to provide the financial assistance to these industries as they do not know the importance and export potentiality of these industries. In sufficient financial assistance is one of the major

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reasons for the sluggish progress of these industries in Kolhapur city, Government of Maharashtra does not grant subsidies to these industries. Due to the lack of financial assistance, the tanners have been tanning with their age-old tools and equipments. The banks release funds to other industries easily neglecting these industries. Industrialists borrow money ~~from~~ from their agents and shopkeepers at higher rates of interest.

7) In leather and footwear industries, family management has been in practice. Indeed, Kolhapur leather and footwear industries are in their infancy. They have no proper planning in purchasing the raw material and selling the finished product in the market. This is only because of lack of proper managerial ~~task~~ task.

8) It is seen that there is a great demand for sophisticated machines. Unfortunately, the small scale sector units turn out low-priced machines. They are not geared to produce sophisticated equipment but are unable to compete with imported equipment because of the high cost of production in India. The Government of India has given various facilities to leather exporters but not to leather machinery manufacturers.

9) Today, as the residential area has increased around these industries, it is an urgent need to shift or extend

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these industries. Government of Maharashtra has not earmarked a site for these industries. No site is reserved, in Shiroli Industrial Estate, Kolhapur for these industries. In addition to the negligence of Government, the manufacturers are not organised most of them do not wish to take initiative to expand or shift these industries.

10) Really speaking, the leather and footwear products are of very low quality because Kolhapur leather and footwear industries are undeveloped. Due to the lack of market intelligence these industries can not ~~make the exchange~~ produce the products as per market - demand. They do not make the changes in the product to match the modern fashions in the market. They also do not know leather - weather in internal as well as international markets. There is acute lack of marketing information and facilities in Kolhapur leather and footwear industries.

11) The leather industry is technology based industry. Unfortunately., there are no qualified technicians in Kolhapur leather and footwear industries to meet technical requirements of these industries. Both these industries are resource-based industries. But due to the lack of technical know-how, production of finished product can not be procured at a required quality to push the products into international market. Kolhapur leather and footwear industries bring qualified technicians from Bombay and Madras. Government of

Maharashtra does not provide technical assistance to Kolhapur leather and footwear industries. There is no training institute in Kolhapur as such, whilst Madras is moving fast fast for a National Footwear Institute. Even standard of our Indian leather. Machineries is below the standard of imported machineries.

12) The labourers engaged in these industries earn very low income and as they are illeterate and poor, their standard of living is very low. They can not improve their standard, of living and health in this critical situation. I can say that they can not breathe a fresh air in their living area. They live and work without making any grumblng regarding bad conditions of their working.

13) It is always found that every industrial family tries to attract the skilled employees of other leather and footwear manufacturing units promising them attractive and higher wages in order to harm to progressive units. It results in an unnecessary cut-throat competition among manufacturers. If affects production of whole industry seriously. In my opinion, the labour is being crushed in the dirty tactics of the industrialists.

14) Government of India and Government of Maharashtra have been levying heavy taxes on imported machineries ,

Chemicals required for production, wet-blue leather, myrobalan, babul-bark, finished leather and footwears such as import-duty, export-duty, octori-duty, general taxes and other taxes.

15) Kolhapur leather and footwear industries are exporting very small amount of products. Our leather and footwear industries have been confronted with an unfavourable situation in international market as a result of unique position of other countries which push their excellent products in world market. We are unable to compete in world market. To sell Kolhapur footwears and leather in American market is difficult as American prices, are not more than those of ours. Kolhapur leather and footwear industries have a great export - potentiality provided infrastructural facilities are provided. The persons in industries, unfortunately do not try to study the requirements of International markets.

II SUGGESTIONS AND RECOMMENDATIONS

CLARION CALL FOR ALL ROUND DEVELOPMENT OF LEATHER AND FOOTWEAR INDUSTRIES:

In the previous chapter I have observed various aspects of leather and footwear industries. Both the industries are confronted with the numerous problems. LIDCOM is silent on the point of developmental work of these industries. These industries are totally outside the purview of

infrastructural development. Now the question remains to be answered is, who is going to bell the cat ? can there be any organisations, say, for instance West Bengal consultancy organisation, or any ~~the~~ body you think fit, to take lead, act as a real promoter with an objective to achieve a social goal of creating something of which West Bengal can take pride one day on success ?. Now it is an urgent need of clarion call for allround development of leather and footwear industries in Kolhapur. I, therefore, would like to make the following few suggestions and recommendations :-

1) RAW MATERIAL :

In order to provide ~~to~~ the quality raw material to both these industries I would like to suggest and recommend the following measures.

a) Animal Husbandry :

While the availability of leather depends on the live stock population at a given time, the quality of leather depends on the health and well-being of the animals. The Government of Maharashtra as well as the Governemtn of India have to devote more attention to this area as the quality of hides and skins etc. available is not as good as those from some of the south American countries. There is also a need to draw up and implement a comprehensive plan of animal

husbandry with a view to developing live stock of modern breed and increase the animal population of the state as well as of the country.

b) Improvement of Carcass Recovery and Flaying Centres.

In order to increase the over all availability of hides and skins in the country it will also be necessary to improve the methods of flaying, curing and preservation of hides and also the handling of skins in the slaughter houses. This could be achieved by modernising the existing slaughter houses and improving the existing carcass Recovery and flaying centres in Hubli, Belgaum and Bombay.

There is also a need to establish additional carcass Recovery and Flaying centres along modern lines in the state as well as in the country. I insist that Government of Maharashtra should establish carcass Recovery and flaying centres in Kolhapur city to recover and to flay hides and skins available in Kolhapur District on a systematic and scientific lines. I ^{am} sure that the Government of Maharashtra, LIDCOM, and Khadi & Village industries, commission will give due attention to this aspect in their plans for development of Kolhapur leather and footwear industries as this activity has close relationship with the welfare of the members scheduled castes.

c) Slaughter Houses :-

The raw material of Kolhapur leather industry is by products of slaughter houses which are situated in Hubli, Miraj, Belgaum. It is an urgent need to make these slaughter houses modernised and systematic. Scientific development should be made in these slaughter houses. I am therefore, suggest that Government of Maharashtra should modernise and organise these slaughter houses as early as possible so as to procure the required quality of the hides and skins. It must also be seen that the hides and skins should be the main products of these slaughter houses for the Kolhapur leather industry.

d) Raw Material Bank :

For the proper preservation of the hides, skins and leather, there is a need of Raw material Bank. Besides, for the continuous supply of hides, skins, leather, babul-bark, myrobalan, chemicals and other raw materials there should be Raw Material Bank. I, therefore, suggest LIDCOM should establish a Raw Material Bank in Kolhapur City in the proximity of these industries to store the above mentioned raw materials of the leather and footwear industries. Raw Material Bank should supply the raw material to these industries at reasonable prices continuously. Raw Material Bank should store high quality raw material in order to produce high quality products. Basic development of these industries is dependent

upon the quality of raw material required for these industries, I stress upon the establishment of a systematic and modernised Raw Material Bank in Kolhapur City. Tanners have to bring the required raw materials from the slaughter houses which are situated in Belgaum, Hubli, Miraj etc. directly. And ~~it~~ due to these practices they have to incur more expenses on transportation, storage and preservation of these raw materials. These raw materials occupy a large part of their factories.

e) Better Raw Material Supply to Footwear Fabrications :

There is a need to ensure supply of better quality finished leather at reasonable prices to the footwear fabrications. The tanning and footwear making techniques should be improved to realise integrated and balanced growth of tanning and footwear industries.

I must say that one of the most neglected areas connected with the development of the leather footwear and leather goods industry is availability of quality accessories such as shoe lasts, and essential components like unit soles, insoles, decorative fittings etc. In order to enable the decentralised sector to play its due role in the development of the industry, it is essential that these inputs are made available to them, so that quality products could be turned out for the export market.

2) BETTER QUALITY OF FINISHED PRODUCT :

Due to the poor quality of raw material and low technology, quality of finished products is also very low. In order to procure better quality of finished product, I ~~must~~ suggest and recommend the following measures -

a) Modernisation :-

Modernisation on a selective, phased, planned and integrated manner can be attempted. Efficient use of materials and manpower and improved product performance, factory lay out and in plant training besides better central management information, would form the goals of modernisation.

b) Standards :-

There are twenty standards for footwears and twenty seven for miscellaneous footwear materials that cover lasts, buckles and designs available. However adoption of standards by the industry has to be encouraged.

The poor performance in the leather sector was largely attributable to an unprecedented international recession which had resulted in serious crisis for leather industry all over the world. However, the export prospects are now getting brighter.

I assure that in view of the requirement of maintaining high quality, import of upto-date technology and

modern machines would be permitted whenever necessary.

3) MANPOWER :

The Kolhapur leather and footwear industries are labour oriented industries. The manpower of these industries is facing so many serious problems. I, therefore, make following suggestions and recommendations :-

It is necessary that the attention should be paid to the problems of flayers and primary workers in the leather industry and the exploitation they are facing. It is also understood that the flayers have no option at the moment but to sell the hides cured by them to the middlemen at throw away price. The same hides are sold by middlemen at as such as four times the original cost in urban markets. This applies to leather products too. A definite and precise programme covering all aspects of leather production namely flaying, tanning and manufacturing of footwear should be drawn up with the focus on the amelioration of the lot of the primary leather workers. Keeping in view the extremely dismal conditions in which the leather workers live and work. I suggest that every possible effort should be made to improve the working and living conditions of the leather workers and definite provisions should also be made.

I have come to conclusions from wage data that the standard of living of the workers in leather and footwear industries is very low. Problems of labour force of these

industries can not be solved by increasing the wages of the workers. So far, those have not been solved. Government of Maharashtra has, therefore, to come ahead with financial assistance to all facilities upto the production place and also all the industrialists have to organise and they should adopt modern techniques of production. Without increase in quality production, the future of these industries, industrialists and workers is dark.

I advise, Government of Maharashtra and IIDCOM should pay attention to the upliftment of these weaker sections of the society in the following ways -

a) Minimum wages and factory Acts should strictly be applicable to these industries in Kolhapur.

b) Welfare amenities should be provided to the workers working in these industries.

c) Provident Fund facilities, medical facilities are also to be provided to the workers of these industries.

d) Leave-rules should be laid down and those should strictly be implemented.

e) Working hours should be fixed and those should be maintained strictly.

f) The leather and footwear industrialists should try to minimise the labour turnover, absenteeism by providing them

better working conditions, attractive wages, incentives, bonus, welfare, amenities, better treatments and training facilities.

g) LIDCOM should setup training-cum-production centre in Kolhapur city to train the workers in leather and footwear manufacture.

Making footwear is covered by numerous operations involving the dexterity of workers and greater flexibility can be facilitated for planning the flow of work if the operators are trained to do more than one job.

Efforts are required to remove the inadequacies, improve the resources and facilities with the main objective of maximising the employment potential without affecting the economics and quality of production and competitiveness in the overseas markets.

The appropriate technology which will provide for additional employment facilities coupled with quality production should be evolved. The programme should include development of improved tools and techniques which would not call for complete revamping the production process of the large number of traditional cobblers.

Due to illiteracy and primitive methods of production the workers can not accept innovations in production of leather and footwear. It is, therefore, an urgent need to educate the workers in order to apply modern methods of production .

Government of Maharashtra should introduce the importance of these industries to new generation and induce them to work in these industries. White collared persons are reluctant to work in these industries. They should be introduced with the importance of these industries. Government should chalk out a plan systematically for the upliftment of the manpower of these industries.

4) LEATHER INDUSTRIAL DEVELOPMENT CORPORATION OF MAHARASHTRA. (LIDCom).

The performance of leather Industrial Development Corporation of Maharashtra Branch Kolhapur has been dismal in most cases. I would like to make some suggestions to the officials of the LIDCOM Branch Kolhapur for allround development of Kolhapur leather and footwear industries.

It is very necessary to organise and reinforce the basic development of leather and footwear production in the industry. This task should be undertaken by LIDCOM. LIDCOM should extend all possible help and assistance to the leather and footwear industries to enable them to develop on sound lines. LIDCOM has announced many schemes for the development of these industries. But those are not implemented. The officials of the LIDCOM Kolhapur Branch should go to the door of each tanner, workers, footwear manufacturer and footwear traders to understand their problems and grievances. The officials should

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consider their suggestions too. In short they must take keen interest in them. They should try to find out the causes of losses at production and selling centres of their Kolhapur Branch.

I suggest and recommend that Government of Maharashtra should give all rights to LIDCOM to establish.

- a) Common Facility Centre.
- b) Design Centre.
- c) Training - Cum - Production Centre.
- d) Retail Shop.

a) COMMON FACILITY CENTRE :

LIDCOM should establish common facility centre or modern workshop in Kolhapur city to help the small tanners in converting their semi-finished leather into finished leather and also in favour of small scale units which desire to convert their semifinished leather capacity into finished leather capacity.

b) DESIGN CENTRE :

To capture the domestic as well as foreign markets, LIDCOM should establish Design and fashion institute for footwear and leather goods to meet the changing fashions and needs.

c) TRAINING -CUM-PRODUCTION CENTRE :

Really speaking, these industries are facing very

serious labour problems such as acute shortage of skilled, trained and educated labour. As a result many footwear as well as leather manufacturers bring skilled labourers and qualified technicians from Bombay, and Madras. To solve this problem LIDCOM should set up Training-Cum-Production centre in Kolhapur City.

Government of Maharashtra should start a special school for giving education regarding production of leather and leather goods in Kolhapur City, in which Diploma courses should be arranged.

d) RETAIL SHOP :

In order to supply all raw materials to leather and footwear manufacturers at fair prices, LIDCOM should establish a Retail Shop in Kolhapur City.

5) WATER AND AIR POLLUTION, IMPROPER DRAINAGE SYSTEM AND UNDEVELOPED ROADS :

The local tanners have some other problems like undeveloped roads, disposal of tannery waste, improper and insufficient drainage system in Jawahar Nagar area. Development of roads and drainage needs huge outlays. The problem of effluent disposal which is causing extreme pollution menace in Jawahar Nagar area which requires urgent attention.

The effluent resulting from leather processing

activities tends to pollute soil and water sources much to the detriment of the health of the people living in and around the areas of heavy concentrated of leather processing units.

Effective measures will have to be taken to see that effluents are properly treated before their discharge into sewerage or other waste outlets or on open areas. " The industry should take precautionary steps to ensure that public health is not jeopardised in the pursuit of commercial activities ". For the prevention of water pollution a scheme was proposed by the Kakkaya Samaj Co-operative Charn Utpadak Society, Kolhapur i.e. a Mini Plant should be installed for prevention of water pollution, it will cost near ~~xxx~~ about Rs. 6 lakhs for proper filtration and neutralisation of tannery water. In order to implement this scheme Government of Maharashtra should bear 50 percent of total expenditure, 25 percent of total expenditure should be borne by Kolhapur Municipal Corporation and rest should be recovered from all local tanners in equal installments over a period of twenty years as if loans are granted to tanners. Kolhapur Municipal Corporation should modernise the drainage system in Jawahar Nagar.

Regarding undeveloped roads in tanning industry, I suggest Kolhapur Municipal Corporation to develop the roads. If the tanning industry is not going to be shifted anywhere else, the mini plant should be installed in Jawahar Nagar area. To minimise the air pollution all tanners should build a compound

wall around the leather industry in Jawahar Nagar.

Besides, to decrease pollution of chrome by reducing the amount of chromium salt used in tanning, research and investigations on the application of multiple metal complexes are to be progressed. With the development of the petroleum industry, new leather chemicals should be increased.

Thus the problem of water and air pollution should be ~~skand~~ solved on a priority basis. LIDCOM should extend all possible help and assistance to the leather industry to enable it to develop on sound lines.

6) FINANCE:

In sufficient financial assistance is one of the major reasons in lagging behind these industries in Kolhapur City. As banks and financial institutions do not provide financial assistance to tanners and footwear manufacturers, they borrow money from their agents and footwear shopkeepers at higher rates of interest. For the solution of financial problems of these industries Government of Maharashtra and LIDCOM should enhance the importance of these industries from the view point of export potential to banks and financial institutions. Government of India and Government of Maharashtra should give a clear charter to Banks and financial institutions to provide financial assistance to Kolhapur leather and footwear industries at reasonable rate of interest. Besides,

Government of Maharashtra should grant subsidies to tanners and footwear manufacturers to purchase machineries. The procedures of obtaining financial assistance should be easier.

Banks should release funds to these industries easily to purchase modern and sophisticated machineries so as to attain a healthy position of these industries in Kolhapur. LIDCOM should eliminate the dominance of the agents which has ever been continued on the tanners and footwear manufacturers.

As I have stated earlier that the banks are not interested in creating the infrastructure for leather industry in Kolhapur City and do not come to the aid of entrepreneurs, I further suggest that Government of Maharashtra should ask the banks to set aside 10 million Rupees every year for creating 10 new units in the state. This would help to build the infrastructure for leather goods industry. Tanners and footwear manufacturers should establish a co-operative credit society to raise funds against working capital.

7) MANAGEMENT :

As these industries, leather and footwear, are scattered in various small household units in Jawahar Nagar, management can not be separated from ownership. For the solution of the managerial problem I suggest that LIDCOM Kolhapur Branch should extend all possible help to all the tanners and footwear manufacturers and dealers by the way of

providing the latest managerial information continuously.

8) LEATHER MACHINERY INDUSTRY :

The Government of India has given various facilities to leather exporters but not to leather machinery producers. I suggest that the Government of India should assist the industry in the export of finished goods through finance at special concessional rates, easy credit facilities, tax concessions etc. This approach will generate greater enthusiasm in the manufacturers and they will strive hard to up date their technology and build the much needed sophisticated machinery.

Government of India should extend all possible help to leather and footwear machinery manufacturers in all respect, encourage them to collaborate with foreign companies, so as to produce sophisticated machineries.

9) SHIFTING AND EXTENSION :

The residential area in and around the leather and footwear industries is increasing very fast. And there is no chance to these industries to expand in Jawahar Nagar and Subhash Nagar as such. Now-a-days these industries are in their infancy as there are no infrastructural facilities available. Almost all the manufacturers produce with primitive methods of production. For the development these industries,

it is an urgent need to shift these from Jawahar Nagar or to expand these industries. I suggest and recommend the Kolhapur Municipal Corporation to grant 200 acres of land in Kolhapur City or near the city to these industries free of cost, to shift these industries entirely from Jawahar Nagar, which should be named as KOLHAPUR LEATHER AND FOOTWAR INDUSTRIAL ESTATE . In this estate Government of Maharashtra should provide electricity and water facilities in abundance because these industries need ample water and electricity. For the shifting nearly Ten crore Rupees will have to be ~~ix~~ invested or raised, say for construction of buildings, making availability of water and electricity, establishing sophisticated machineries, construction of roads and common facility centres in industrial estate. 80 to 90 percent expenses for shifting should be borne by Government of Maharashtra and rest should be recovered from tanners and footwear manufacturers in equal instalments over a period of 20 years.

If shifting is not possible in near future, Kolhapur Municipal Corporation should grant fifty acres of land near Yallama Temple B Ward for expansion of these industries to the leather and footwear industrialists free of cost or just at a nominal price.

10) MARKETING :

Regarding marketing problem of local tanners and

footwear manufacturers Leather Industrial Development Corporation of Maharashtra should explore the possibilities of extension of marketing ~~as~~ facilities to local tanner and footwear manufacturers. I suggest that LIDCOM should supply internal as well as external marketing information to local manufacturers so as to meet changing demands.

The industrialists should take initiative to adopt innovations too. I stress upon the advertisement of Kolhapur leather and footwears in local as well as in foreign markets. I also insist upon the improvement of the bag tanned sole leather by retanning it with extracts which would have better market and which would fetch better price. With a little technological and mechanical improvement, the industrial gloving leather also will find better markets. Inadequate marketing facilities and insufficient finance sometimes force them to sell their products at a lower price. To match the modern fashions in the markets, production must be sophisticated. As our industrialists are illiterate and poor, LIDCOM should arrange ^{marketing activities at frequent} lecture series and movie-shows ~~an~~ leather and footwear/ intervals. LIDCOM should also make arrangements for marketing the products of tanners and footwear manufacturers. Besides, all the local tanners and footwear manufacturers should ~~me~~ come together and form a manufacturers, Association to market the products being ~~to market the products being~~ manufactured by them. The objectives and goals of this association should be determined

in advance . Some standards and specifications of products are also to be fixed so as to maintain uniformity in the production and prices. To eliminate middlemen, sales should be made through association directly to shopkeepers. Retail shops also should be opened by this association to sell the footwears and leather to customers. Export of footwears and leather should be made through this association as well. This association should maintain upto date record of production of every tanner and footwear manufacturer and supply upto date information of international marketing activities to local tanners and footwears manufacturers. Production of footwears and leathers should be consumer oriented i.e. based on a through understanding of the needs and desires of the customers who constitute the market segments. Manufacturers' Association should check the position of the product in domestic as well as in foreign market at frequent intervals so as to understand frequent fashion changes. Technocrats and scientists should be requested to attend leather workshop which will offer a good opportunity for exchanging the views between our country and developed countries.

11) TECHNOLOGY :

Local labourers and artisans in these industries have their hereditary skill. Now-a-days the leather and footwear industries are technology based industries. The technology is continuously developing and a technician has to

keep track on the development. Unfortunately, there are no technicians in Kolhapur to meet these requirements. Labour must have a working knowledge not only of producing leather and footwear but also of engineering, innovations in manufacturing and marketing processes, advertising, finance and economics. At present skilled workers and qualified technicians are brought from Bombay ~~and~~ and Madras. In Madras technology in these industries is growing very fast. Progress without information is impossible. Technological progress can be of benefit only to the well informed footwear manufacturer. In accordance with the requirements of the protection of environment, the solution of leather industry contamination is to implement the principles of improving the technologies of adopting full use of by-products and of chrome re-using and policy of precaution. I would like to suggest that Government of Maharashtra should establish a technical ~~and~~ school in Kolhapur to give technical education in leather and footwear manufacture. Study should cover operations of modern machines, use of chemicals etc. A stipend of Rs. 130/- should be granted to each student. Besides, LIIDCOM should provide technical assistance to leather and footwear industrilists in Kolhapur City. Government of Maharashtra should encourage leather and footwear manufacturers to install modern machineries by granting them subsidies, releasing funds and curtailing taxes.

12) SOCIAL :

Traditionally, the Dhor and Cobbler families are engaged in manufacturing leather and footwear in Kolhapur. All the labourers have to live and work in very bad and dirty atmosphere. They should be provided better working, places, attractive wages and better working conditions. There should be fixed working hours per day and also holidays for labourers. Government should take firm steps to improve the position of Dhor and cobbler communities in the society.

13) CONSORTIA APPROACH :

It is essential to form consortia of manufacturers under the auspices of the LIDCOM in Kolhapur City to reduce the sales overheads and increase the competitive position. Footwear and leather manufacturers should avoid the ugly rivalry for the healthy growth of these industries. They should make rules and regulation for the working of these industries under their consortia, which should be strictly applicable to each production unit.

14) TO REDUCE HEAVY TAXES :

I refer to the high prices of indigenous chemicals, and that of the raw materials resulting into high cost of production, it is only due to heavy taxes. Government is levying Octroi duty, excise duty, import duty, export duty and other general taxes on these resource based industries. Both

these industries can not bear the burden of the taxes, I, therefore, suggest that Government of Maharashtra and Government of India should curtail the taxes to some extent or in some cases the taxes should be completely abolished.

IMPORT DUTY ON WATTLE EXTRACTS :

In this connection, I mention the high import duty on wattle extract exclusively used by the leather industry. Considering present condition of leather trade, it is not justified to continue the present import duty of 68% on wattle extract. I appeal to the Government of India to eliminate or reduce the duty to 25% on wattle extract to tide over the present trade difficulties. The tanning industry will continue to protect the indigenous wattle extract industry.

15) CHEMICALS :

Our country is at present importing sizeable quantities of leather chemicals required by the tanning and leather goods industry. Special attention requires to be given to the development of this industry. And the country's dependence on imports of these essential inputs should be eliminated as soon as possible.

16) SPEEDY INTEGRATION OF THE PRODUCTION AND MARKETING ACTIVITIES :

It is necessary to give adequate thought to the problem of speedy integration of the production and marketing activities of the finished leather manufacturers with those of

the leather footwear and leather goods manufacturers who are mainly in the small scale and cottage sectors. The former should not rest content merely with producing finished leather, but should assume the larger role of suppliers of raw material and essential inputs to the latter and take back the finished goods for marketing and exports. The industry can not develop on the desired lines if both these sectors are to work at cross purposes.

17) EXPORT :

A sustained growth in exports is possible only with a strong and stable industrial base, supported by necessary infrastructural facilities. The over all availability position in respect of hides and skins have continued to be rather static for quite soemtime, now. It is very essential to ensure that domestic availability of hides and skins both in terms of quantity and quality is improved, for widening and improving the production base and export efforts in the leather industry.

I say that modern infrastructural support in terms of flaying centres and carcass utilisation centres along with effective delivery mechanism would have to be evolved. Keeping in view the quality requirements of the end products and also the need to adopt uptodate machines, it is necessary that Financial Institutions and Banks should give financial assistance to entrepreneurs for the imports of technology and machinery. Even ~~thru~~ though our production base needs to be strengthened in the

finishing of leather and manufacturing products, imports of critical machinery, at least in the short, run, would be inescapable, if our products are to compete in the over seas markets. I feel that a systematic periodical review in respect of critical inputs and machinery needed for leather industry should be undertaken by the Government of Maharashtra. It is also necessary to ensure increased availability of quality accessories.

I mention that there is no escape from recession and it would come and go. If the Governemtn policy is fixed the industries will try their best to face the problems and stand up to meet the demand of the world market. If regular supply of required chemicals and auxiliaries, imported modern machines are available, then only industry can produce sophisticated leathers and leather goods acceptable to foreign buyers.

Our export performance may be viewed against the back-drop of the Indian economy becoming heavily dependent on oil import. But during last few months, there has been no appreciable increase in the oil prices. It is possible to maintain reasonable levels of export provided certain constraints and drawbacks experienced in our basic policy are removed. Predominantly the leather industry being under small scale sector, it requires our Government's patronage wherever necessary. The present state of affairs in the leather industry requires a deep and careful study by Government of Maharashtra

so that the industry could regain its health. The present conditions in the industry and export trade is not satisfactory and does not warrant continuation of any kind of financial burden.

I can go to the extent of saying that the export quotas on semi-finished leather requires no further cut whatsoever and the present export duty of 10 % is required to be completely eliminated, so that the small scale sector which is under great pressure could be sustained. The finished leather and leather goods industry requires a complete policy review so as to make it more responsive to international situations. Our export policy could be based on product - mix philosophy which seems to be the only via-media policy for all sectors of the industry to maintain a sustained growth in production and export.

The Government of India have fixed an export target of Rs. 600 crores for leather and leather goods for the year 1983-84. Kolhapur leather and footwear industries have also to play a vital role in export target as expected by the Government of India. The leather industry and export trade shall live up to the expectation to achieve this provided some of the industries' genuine requirements are met well in time and some constraints removed. For instance while the cost of finishing of aniline uppers works out to Rs. 2.50 per

Sq. Ft. in Italy, the same works out to Rs. 3.50 per Sq.Ft. in India despite the advantage of cheap labour. The wide gap in the finishing cost is attributed to the high incidence of import duty both on raw materials, consumables, spares and machineries while our competitors enjoy the benefit of proximity of markets, we in India suffer from a geographical limitation.

The Government of India is requested to devise a mechanism to neutralise these constraints. There should be an all-out effort to promote the exports of leather products as these items open up new avenues to earn more foreign exchange. It is highly essential that in order to achieve our export target, import duties, on all the items required by leather and leather goods should be slashed down uniformly to 40 % advalorem or less. Our neighbouring competitors like Pakistan, Bangladesh, etc. are effectively competing on account of concessional export finance they enjoy from their Government.

It is fore seen that the Kolhapur leather products would make a very good dent in U.S.A. Markets. No doubt our manufacturers have to adopt latest methods of production and improve the quality further, and produce products that are exactly required in the U.S.A. Markets. Without such capability, it would be rather difficult to catch up with the other countries.

There is immense potentiality for marketing our leather products in the U.S.A. markets.

Summing up :- It is clear that there is extremely low development of leather and footwear industries in Kolhapur city while we do desire the tremendous degree of progress of the ix industries as it has been in Tamil Nadu, the fact of matter still remains that quite a large part of India, where the generation of the basic raw material is fairly large, is not able to process it.

LIDCOM should follow the examples of Orissa their leather Development Corporations purchase hides from flayers directly.

The state should give a clear charter to the LIDCOM and concerned agencies for all activities connected with leather right from the stage of collection, recovering carcasses for flaying, raw material banks etc.

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