CHAPTER - II

A SYNOPTIC VIEW OF LEATHER INDUSTRY

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2.1 History of Leather :

According to Encyclopedia Americana, tanning or the production of leather, has been acknowledged as one of the man's earliest arts. The practice goes back to pre-historic times, when man turned his attention to obtain protection and warmth from hides and skins of the animals he killed for food. There is no reliable information on how primitive man cured skins to make clothing. Simply drying the skin was definitely ineffective. The dried skins would become hard and tend to crack and if made wet for any length of time would decay.

Most probabably the earliest method of dressing the skins, was to rub natural fats into them and allow them to dry. The fat enabled the skin to retain a greater degree of softness and flexibility and gave them a greater resistance to wetting. Other methods included treatment with animal brains and with wood smoke, somewhat like curing beckon.

2.2 Meaning of Leather :

According to Encyclopedia Britannica, "Leather is animal hide or skin that has been processed for use by man. Large animals are said to have hides (cow hide, buffalo hide), while smaller animals are said to have hides have skins (goot skin, ship skin). In either case, the hides or

skin is composed of water & proteins & unless preserved decays quickly".

2.3 Types of Leather :

Many verities of Leather produced through out the world find uses in hand reds of applications. The following classification lists the most important types of leather.

a) Cattle Group :

This group includes steer (OX), cow & bull hides producing leather for boot & shoes soles, heels, inner soles, uppers, harness, saddlery, horse collars, travelling bags, suitcases briefcases, straps, upholstery, funny goods such as handbags, belts, gloves, garments, industrial leather for aprons, buffing wheels, textile cadres & combers, hydraulic packings & washers, lithographic purposes, machinery betting football & other sporting goods, etc.

Calfskins for boots & shoe uppers & linings, gloves & garments, fancy leather goods & handbags fall under this heading, book bindings, hat sweat bands, raw hides & parchment, military helmets and gas masks grips for golf clubs & handicraft.

Also included are kid skins (from large calves or undersized or small breeds of cattle) for shoe uppers, fanny. leather goods & handbags, gloves & garments shoe lining.

b) Sheep and Lamb Group :

Included are woolly & hairy skins for shoes, slippers, gloves, coats, hats, leather goods & handbags; aprons; chamois, parchment, rollers on textile machinery.

c) Goat & Kid Group :

Primary uses are skins for shoe uppers; fancy leather goods & handbags; gloves & garments.

d) Equine Group :

Included in this group are horse, colt, ass, mule & zebra hides for shoes; gloves & garments; sporting goods; luggage; belts etc.

e) Pig & Hog Group :

This group provides pig, hog, bour, peccary & carpincho leathers for fancy leather goods & luggage, gloves, harness saddlery, shoe uppers.

f) Aquatic Group :

Animals whose main habitual is water are seal, sealion & walrus whose skins are used for luggage fancy leather goods & buffing wheels;the skins of shark, whale, black fish, dolphin are used for fancy leather goods, luggage & shoe uppers, & alligator & crocodile hides for shoes, handbags & luggage purses.

g) Buffalo Group :

Domestic land & water buffaloes provide leather for shoe soles & uppers, buffing wheels, luggage & handbags.

h) MISCELLANEOUS :

Skins of deer, kangaroo, ostrich, lizard etc. are also tanned and made into various kinds of leather goods.

Leathers are put to numerous uses, although the greatest portion, by far, goes into the manufacture of foot-wear. Other uses include upholstery, luggage purses, wall etc. bookbindings, transmission belts, machinery parts and specialized items as table taps. The use of leather for gloves is traditional but there has been increasing use for other garments as well.

The hides & skins of almost any animal may be tanned and converted into leather. How ever, the main sources of leather are cattle, buffaloes, sheep, goats, pigs, horses, seals & walruses. Other more or less exotic kinds of leather are obtained from the skins of kangaroos, crocodiles, alliga-tors, snakes, lizards, ostriches camels whales & even the ears of elephants.

2.4 Evolution & growth of Indian Leather Industry :

The Indian leather industry, presently under going a remarkable transformation, retains many of the traditional

skills for the manufacture of leather &/products, which were developed centuries ago to make utility items for everyday use & armour for warriors. It has reached its present position of importance in Indian economy through a series of qualitative shifts in the basic structure of the industry.

The traditional organisation of the cottage leather industry was based very largely on the principles of self sufficing village community which underlay the Hindu Jajmani System. Each village had its own workers in leather. These workers flayed the dead animals of their Jajmans (patrons(, tanned the hide or skin & the made the leather into shoes, irrigation buckets or drum heads for use by the latter. In bigger villages, a functional specialization between flaying tanning on the one hand, and leather goods production, on the other occurred amongst these leather workers. These local workers supplied the needs of the agriculture population without the intervention of traders. Only when the supply of hides within the village exceeded demand for leather goods, were raw hides or locally tanned leather sold to urban based tanners or goods manufacturers.

In the meantime, the discovery in America of the chrome processes of tanning created an enormous demand for raw hides & skins in the west. From 1899, increasing quantities of raw hides & skins were exported from Madras as both demand for Indian vegetable and bark tanned hides fell in foreign markets and the prices of raw hides rose to levels

that local tanners could no longer pay. The indigenous industry declined during this time mainly due to its inability, successfully to introduce the chrome process in tanning.

Technical improvements introduced in the tanning process, helped to lay the foundation of the Madras tanning industry around 1845. The modifications were adopted by a large number of tanners in the Madras presidency and an export trade in Indian tanned hides and skins developed. The extension for railways provided increased access for the Madras tanners to raw hides and skins from the hinter land. This made the Industry extremely prosperous, leading to export of substantial quantities of toned and semi-tanned hide and skins to foreign countries.

What really broke the industry's back, was the long spell of colonial rule during which the industry had to be subservient to British economic interests. Raw Material exports were meant primarily to support the chrome tanning industry in Britain to its ultimate financial benefit. yet while every stage of tanning and manufacturing in the west was being organised into extensively mechanized large-scale enterprises using sophisticated chemical process, on the one hand, and cheap raw materials from the colonies, on the other, some technological up gradation of tanning also took place in the Indian sub-continent. This brought about the first qualitative shift in the basic structure of the Industry.

In the North of Indian, the foundation of the modern leather industry were laid a direct consequence of the uprising of 1857. The system of obtaining boots, harness and saddlery for the British army from Indian contractors was disrupted. The subsequent costly and wasteful system of obtaining stores from England led to the proposal to produce high quality leather locally. After the training of tanners, the government flarness and saddlery factory was established at Kanpur in 1867 by captain J.Etewart. The functions of the factory were to undertake tanning and carrying of leather and to supply harness, saddlery etc. for the entire (British) army in Indian. Later, a number of private tanneries were also established at Kanpur. So Kanpur emerged as the important centre for tanning and subsequent manufacture of saddlery and harness items. Footwear at Agra, Kanpur & Calcutta.

With the Introduction of modern technology into tanning, the output increased. The independent artisans were steadily replaced by the small capitalist, usually with a workshop employing, on an average, five to ten workers. As a result, the volume of production also increased. But the increased availability of somewhat better quality tanned leather could not be absorbed locally, since the village level worker tanned the leather that, he needed for leather goods which was not large enough. Thus, the industry had to be dependent largely upon exports to sustain itself and India

remained almost entirely a handicraft producer of leather goods and an exporter of raw or only half tanned leather.

The potential of the leather industry was recognized soon after independence and the traditional tanning and processing skills were reviewed. New tanneries were established all over the country and by 1960s, large number of hides were being converted into semi-processed leather. The early export dependence of the Indian Industry helped to forge strong links with the world market. Over the past two decades these inter-linkages have considerably strengthened. India's two major advantages-large raw material base and comparatively low wage rates are responsible for the countries presence in the global leather industry. These two factors coupled with a significant international relocation of the tanning sector resulted in the second structural shift of the Indian leather industry.

The early 1970's was a period of turmoil for the leather industry across the world. Unable to survive rising wage levels and mounting investments to meet stringent pollution control regulations, tanning units in the developed countries were compelled to close down. In any case rapid economic growth n the advanced market economics facilitated the absorption into other industries of those workers displaced by the tanning sector. Thus, tanning capacity was created in the developing countries which enjoyed a compara-

tive advantage of cheap labour and did not have pollution control regulations. In many instances, partner's from the developed countries assisted in this process by providing technology, machinery and other support.

The process of transformation was strengthened in India as a result of the implementation of the Seetharamaiah Committee's recommendations at the beginning of the 1970's; the outflow of semi-processed leather was restricted and the industry was encouraged to adopt the latest technology and processing for the manufacture of good quality finished leather. investment in the industry grew and adequate tanning and finishing capacity was created to process all domestically available hides and skins. More emphasis was given for the production of value added leather goods for export purpose. In the subsequent period, Indian leather and leather products industry has recorded a satisfactory growth.

With all these changes taking place in the Indian leather industry, the village leather work still continues, and forms an important component of this industry. The carcass collection, flaying and curing of hides and skins and the production of footwear and sundry leather goods are the crucial activities traditionally undertaken at the village level. The above activities still possess a strong rural orientation. Domestic availability of hides and skins for production of value added leather products is, therefore,

determined to a large extent by the efficiency of these rural based pre-tanning activities. It is estimated that the leather industry offers employment to nearly 1.4 million persons of whom almost 6,00,000 (42%) are engaged in flaying and recovery of hides and skins.

The implementation of the Seetharmaiah Committee's recommendations led to a substantial growth of the industry viz. over 60% of small scale tanning units and nearly 50% Directorate General of Technical Development (DGTD) units were established after 1973. This very fact indicates roughly 5% to 6% annual growth rate of tanning capacity in the counting during this period.

According to 1989 CLRI survey, there are 1083 tanneries in India with a total installed processing capacity of 62.05 million hides and 161.34 million skins of these tanneries, 1008 are in the small scale sector and over 90% are registered.

The planning commission's (1985) Report of the VII plan working group on leather, estimated more than 60,000 units to be existing in the cottage sector. The capacity of these units for processing to the finished stage is negligible. This sector was estimated in the mid 1980s to have a leather making capacity of 21 million hides and 10 million skins.

The CLRI 1989 report shows that the small and cottage sector accounts for over 85% of the total capacity for processing both hides and skins. The tiny units in the unorganized cottage sector process just over 6% of the available raw material in the country. There is a remarkable concentration of leather finishing capacity in the small scale sector. In the semi-finished leather production sector, out of the total installed capacity of 23.8 million hides and 59.6 million goat and sheep skins, the SSI Sector together accounts for more than 77%. In the finishing sector the SSI share is around 70%.

The CLRI survey also highlights the emergence of job work as a recent phenomenon with the mechanization and production of finished leather that took place in the tanneries after 1973. It was estimated that 21% of the SSI Units and 15% of DGTD units undertook job work exclusively apart from another 26% in the SSI and 17% in the DGTD sector which offered job work facilities along with their own production. The increase in job work strictly was due to the emergence of a productive mode largely on account of government policy.

The basic matter of concern, however, is the underutilization of tanning capacity. The problems which lead to this state of affairs was lack of demand, poor technological up gradation, availability of hides and skins, higher prices, shortage of electric power during summer, sickness of tanning units, the poor quality of hides and skins and the

seasonal nature of the production system on account of high livestock mortality under extreme climatic conditions.

The employment position in the tanning sector is basically dependent on the size of the unit, degree of specialization, extent of mechanization and stages adopted for processing. The CLRI Survey, indicates, that nearly 66000 workers are estimated to be employed in tanning operations of which almost 70% are absorbed in SSI units and the rest in DGTD units.

The Domestic requirement of leather is mostly for the footwear industry and a marginal quantity for the leather products. For the reasons of climate and comfort there is a general preference in India for chappals and sandals. Owing to limited purchasing power there is lack of domestic demand for articles of leather. It is estimated that about 60% to 65% of hides and skins available in the country are processed in to finished leather or leather products for markets abroad.

Footwear obviously plays a major role in the export sector. Nearly 400 million pairs of footwear were exported in 1989-90. Unfortunately like other industries, the leather industry is predominantly rural oriented and largely unorganized.

Manufacturing takes place mainly in the small scales and cottage units that are scattered all over the

country. Important centres of footwear production are located at Agra, Kanpur, Bombay, Madras and Calcutta. Though India's textile garment export are making steady progress the export of leather garment is still in its infancy. Most of the leather garments are exported to Germany and few to Australia and then, the rest of the world. The leather most favored is sheep or lamb leather. Delhi, Madras and Banglore have turned out to be important centres for the manufacture and export of leather garments. Style wise, India draws heavily from foreign buyers and fashion magazines so that the goods and garments can perform to international specifications.

The leather industry had made tremendous progress since independence making it one of the major export earners for the country. Today the business of leather is not just restricted to shoes and bags but garments, accessories and industrial ware. The three important leather producing areas are Kanpur, Calcutta and Madras, each having its own speciality. Kanpur's forte is in tanning and finishing buffalo hides besides being a prominent centre for the production of harness and sole leather. Calcutta is the stronghold for tanning and finishing cow hides, besides processing goat (kid) skins too. Madras and Tamilnadu are the leaders in the country with high production in goat, sheep, buffalo and calf leather. The domestic use of leather is mainly restricted to shoes and sundry accessories. Around 60%-65% of leather from hides and 20%-25% of leather from skins is used within the country,

while 60% of hides and skins are converted into finished leather products and exported abroad.

Another traditional occupation of the leather industry is the manufacture of saddlery and harness. For this, the main centre is Kanpur, where nearly 90 manufacturers are engaged in this highly labour intensive industry. The Demand for these items for the domestic market is practically nil, but Australia, New Zealand, U.S.A., Canada and the European Countries are important buyers. The "Spuga Fair" is an important happening for exporters of saddlery and harnesses. It is, here that the latest trends like producing saddlery on polyurethane frames instead of wooden frames (as is done in India) have enabled Indian manufacturers to meet the international needs. many small manufacturing units are engaged in the production of handbags, wallets, luggage bags and miscellaneous items. Cow leather is popular for these items through sheep and lamb, cows are also used in articles made in Bombay, Delhi and Madras.

The industrial sector's needs for leather items are restricted to gloves, belts and parts needed by the textile industry. Calcutta is the main centre for industrial gloves which are mainly manufactured out of split leather or cow soft leather depending upon the requirement of the buyer. The leather industry of India has a bright future and with careful planning and quality control the country can give stiff competition to its international rivals like Brazil,

New Zealand, Australia and Turkey and even take on Italy in the future. The Indian leather industry contribution to the global market is just 3.5. percent. The Union Government has taken up a programme under UNDP (United Nation Development Programme) to increase this contribution to 10%.