

A LACK OF SKILLS HOLDS INDIA BACK

Somenath Ganguly

India is the world's second largest producer of footwear after China and is still growing. Its domestic footwear market in particular has expanded significantly in recent years. Per capita consumption stood at 0.12 pairs in 1990-91, increased to 1.6 in 2002 and is expected to reach some 2.2 pairs this year. Growth in footwear manufacture has also accelerated due to anti-dumping measures against China and Vietnam by the European Union and a global shift in manufacturing to lower cost producers.

Although India is a major producer of low cost leather footwear and leathergoods, its productivity per worker is still lower than in China. This underlines the need for training and technology to be upgraded. 2010-11's target for footwear exports of \$4,526 million is nearly twice that of \$2,597 million for 2008-09 and would need an additional 916,277 people working in the industry to achieve it. As over 890 million people in India are currently below 45 years of age and more than half of these under 20, there should be no shortage of the labour needed.

Unfortunately, a major weakness of the Indian education system is that it does not give due importance to vocational and technical training, leading to a mismatch between the skilled manpower required and what is available. India's manufacturing sector grew annually by an average of 6.3% from 1991 to 2003 compared to over 12% in China. Although it then accelerated steadily to reach 9.15% in 2005-06, the lack of a technically qualified and fully trained workforce prevents India from matching its competitors in terms of productivity.

Another key factor is that India exports only 5% of its footwear production, the other 95% being for domestic purposes where standards are lower than those in international markets. The leather sector overall employs between 2.5 to 3.5 million people, 30% of which are women. A very high number are also from deprived sections of society and these skilled and semi-skilled people constitute nearly 50% of the total. The export potential is huge if only we could properly train people in



Central Footwear Training Institute at Agra.
ALL CREDITS: SOMENATH GANGULY

Students must thoroughly understand the basics; learning upper skiving and stitching.



the direction of quality shoemaking. However, there is an unfortunate notion among exporters that trained manpower is not available; I do not believe this to be entirely true.

DEVELOPMENTAL FAILURES

The National Leather Development Programme (NDLP) under UNIDO, organised development projects throughout the country in two phases between 1994 and 2004. These have not yielded any benefit either to artisan shoemakers or the sector as a whole. The main problems faced by artisans were not looked into, primarily due to project leaders lacking any technical knowledge. As a result, not a single shoe cluster has developed as an example for the rest of the country to follow. They also failed to forecast the manpower crisis experienced last year which has proved to be a major set-back for the industry as a whole.

The NDLP distributed machines to technical institutes and arranged visits for staff to advanced countries without any basic planning on requirements and feasibilities. As a result—with a few exceptions—they failed to achieve anything of benefit. It is unfortunate that, in India, policy-makers and heads of developmental agencies are mainly non-technical government officials from the Indian Administration Service who are unaware of the actual developmental process required to solve the typical problems of the industry. We desperately need trained people to overcome this manpower crisis; 1% managers, 7% supervisors and the remainder skilled operators.

The country has spent millions of dollars developing the shoe industry but not in a systematic manner. Organising international fairs which help only exporters and purchasing machines for technical institutes which serve only 8% of the country's requirements is not achieving much apart from a possible waste of government money. This was a major failure in the NLDP programme

and has continued almost to the present day with policy still controlled by non-technical government officials. There are around 40 leather and footwear training institutes in total but, instead of upgrading all of them to create an overall improvement, most of the available funds have gone to just one, which is again headed by a non-technical government official.

Government help has been very generous but, if it is not applied in a professional and systematic manner, it will all be in vain. In recent years, a 30% subsidy has gone to shoe factories which actually only benefited exporters producing 5% of the total output. Now, billions of rupees have been sanctioned for a Leather Park and the overall development of the leather sector.

The small and tiny sectors of the industry also require nourishment to cope with the rapid growth of the global shoe industry, in particular, in countries such as China and Vietnam. If we want to compete with them we need these small and tiny industries to grow fast. The irony is, that these are the people who have not yet received any benefit from the government. One could view this as a major planning fault that continues to restrict growth.

REASONS FOR THE MANPOWER CRISIS

Agra is the main hub of India's shoe making and supplies about 90% of the domestic market. Labour super-skilled by heredity and needing no additional training by footwear institutes can be found in abundance here. Unfortunately, less and less of these people are joining the industry due to some fundamental root causes.

- A minimum salary of Rs.3000 (\$66) which is not sufficient to maintain a family of six or more people.
- Employment contracts are not issued by the factory and often minimum wage rules are not followed, with workers mainly engaged through manpower agencies that do not provide proper facilities and leave them

“...as a matter of fact...”

Indian leather exports fell 16.6% between April and December 2009 at \$2.4 billion compared with \$2.8 billion during the nine-month period in 2008. In rupee terms, leather exports fell 8% to Rs113.2

billion from Rs123.1 billion. A breakdown shows that exports of leather footwear dropped 12.3%, footwear components 23.3% and non-leather footwear 13.3%.

feeling insecure.

- The average working day in the north of India is 12 hours. If they fail to work 12 hours their employment will be terminated. Furthermore, there is no statutory leave, leading to much anger and dissatisfaction.
- No medical benefit as per the government's Employee State Insurance rule is provided although it is mandatory for factories with more than 20 employees.
- The Provident Fund, mandatory for employers to provide to all those who have worked more than 90 days for the factory, is also not available.
- As most workers hail from deprived sections of society they are usually illiterate and, as they are also unaware of trade unions, have nobody to look after them.

CREATIVE SHOE DESIGN

Creativity in shoe design has always been dominated by developed countries and, in particular, by Italy. Forecasting fashion is the driving force behind the global footwear industry. India, however, is still just copying European designs and producing them for export to the world market. As a result, it is not attracting good prices from buyers, which in turn is a great loss to the country.

It is not true that it lacks creative designers. Witness the Indian fashion designers who are dominating the market for cotton garments and apparel throughout the world. Our designers are also capable of creating fashion and forecasting trends for footwear. Unfortunately, existing policies have failed to attract them from the art colleges at the early stage when great designers are born. Even after 62 years of independence we still do not encourage these talented people to join the footwear industry and take on the Italians. It is a major failure on the part of various government organisations that are the policy makers and funding authorities for the development of the industry.

There are two fashion design institutes in India that, to my knowledge, do excellent work. It might be possible to request them to offer their services to boost the fashion design capability of the footwear industry. The National Institute of Fashion Technology in New Delhi and the National Institute of Design at Ahmedabad are the two institutes that I firmly believe can do what is needed. The government could provide them with funds and request

them to produce some creative shoe designers even though it might take anything up to ten years to see a result.

EVENLY SPREAD FUNDING

Although, as remarked earlier, there are some 40 technical institutes in the country specialising in footwear and other leather products, their status is not the same. The recent huge grant of money to a single institute to upgrade the skills of leather workers overlooked the fact that this institute had no previous track record in providing this type of grass roots level of training.

Instead of upgrading institutes across the country which would then reach out to a larger mass, this funding for one institute to open some five branch institutes will meet only 8% of the country's needs. There is no plan to upgrade the small and tiny units which account for almost 95% of the shoe making industry and which could act as a catalyst for overall growth. Merely spending money will not help actual growth. Our low level of footwear exports during the past 10 years is because we lack the skill to spend money in the right cause at the right time which could in turn, lead to the development of the shoe industry as a whole. Indeed, the huge requirement for skilled workers cannot be covered by existing Industrial Training Institutes (ITIs) and on-the-job training programmes. In this connection, past Executive Director of the Council for Leather Exports, Sh. K Elangovan has proposed the introduction of leather courses in ITIs and polytechnics at reduced fees and the actual adoption of some ITIs by the industry itself.

The Union Finance Minister in his 2004-2005 budget speech announced measures to upgrade 500 ITIs across the country. 100 have been financed from domestic sources and 400 with World Bank assistance. This upgrading will include the Leather Goods and Footwear sector for which broad guidelines of implementation have been announced. We can only hope this will, to some extent, meet the pressing labour shortage at skilled operator and lower supervisory levels. There still remains, however, a need for further initiatives such as on-the-job training for which a syllabus is being prepared by the Ministry of Labour. Although it is a good overall initiative by the government, after almost five years nothing has happened in practice.

“...and it should be noted...”

There is little doubt that a sound training programme is essential to any industry that hopes to succeed in competitive world markets. Despite intense competition from low cost producers, Italy remains the first port of call for buyers seeking the very best in fashion footwear. Why? As Somenath Ganguly points out in his article, its students have always received the very best training possible and over the years they have influenced every facet of the Italian footwear industry.

A chance meeting with Roger Beeby, retired Head of the School of Footwear at Leicester College UK, threw more light on the two successful CFTI institutes in Agra and Chennai referred to in this article. He was closely involved with the development of both them for a number of years and continues to serve as the external examiner for the Chartered Textile Institute which has approved the course that these two institutes follow.

In his opinion, the unique strength of both Agra and Chennai is that they are subject to a rigorous external moderation visit twice a year by Leicester College, as a result of which they are able to provide a stream of well qualified young people capable of making a valuable contribution to the development of the leather and footwear industry in India.

It would therefore appear that a high level of training in India can be achieved using the right methods. The developing footwear industry is clearly in desperate need of many more young people with this level of expertise if its growth is to continue. So why is such an obviously successful blueprint not being vigorously pursued throughout India before it is too late?

TEACHER TRAINING

Most teachers in footwear institutes are not in a position to update their theoretical or practical skills which, in turn, hampers the training of students. A comprehensive teacher training programme, in collaboration with experts either from Italy or China and Taiwan, should be organised so that existing teachers can upgrade their knowledge base. The syllabuses provided in those countries could be collected, studied and then blended with existing methods to formulate a new syllabus that will be of maximum help to Indian students.

At present there is no symmetry among the courses run by the various institutes. The new syllabus should be followed by all of them and examination conducted by one particular agency to maintain a national standard. Currently, with three or four exceptions, the level of training in government institutes is not satisfactory. Two institutes operating under MSME (micro, small and medium enterprises) have collaborated with the International School of Footwear at Leicester College in the UK and, with the approval of the International Textile Institute, used its continuous assessment and external moderation system to provide excellent training.

The functioning of the All India Council for Technical Education in the leather sector is also not cogent. It is a huge organisation and provides a very good system for the



Students must also understand machinery; learning to use a traveling head cutting press.

technical education of the country in general but, due to its size, it has not had sufficient time to look into this particular problem. Hence, there is a need for a separate agency that can. The government, Council for Leather Exports and the various leather associations should come together to form a separate agency under which all the leather and footwear institutes would work. The infrastructure of a good institute with modern facilities requires heavy investment. The government has done it for the engineering and IT sectors; it could do the same for the leather industry. 📌