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SKILL DEVELOPMENT

Tanning Talent For A Glowing Shine

The leather industry has been one of the hot spots for forex earning for the country. In the wake of availability of best of material, skill and technology, planned intervention and encouraging policies from the key players should make the golden dream of making India a global lead player possible.

- BY GAYATHRI VASUDEVAN

With increasing liberalised trade, India is expected to play a major role in the global leather export goods, and, in such a scenario, the role and pertinence of skill development in the leather industry has become more significant as well. The leather industry has witnessed a spurt in growth in the recent past, and, this can be attributed to the huge demand for leather based products, in the conventional shoe -ware and luggage products, and, in the areas of fashion and sports as well. With a

growing economy and an increased consumption pattern, the demand for leather-based style-wear and other commodities are on the rise.

This sector conventionally known for its consistency in high export earnings, is among the top ten foreign exchange earners for the country. With an annual turnover of over US\$ 12 billion, the export of leather and leather products has increased manifold over the past few decades, and, has touched US\$ 6.5 billion during 2014- 15, recording a cumulative annual growth

rate of about 13.10% (5 Years). The industry is expected to witness growth of around 23 percent over the next five years.

Opportunity to scale-up

With the present Government dispensation taking long strides with the "Make In India" initiative, it is good to know that the leather industry is among those sectors that has been marked for growth. One of the primary targets set under this initiative is to enhance the turnover of this industry from the current \$12 billion (nearly Rs 79,392 crore) to \$27 billion (Rs 1.78 lakh crore) by 2020.

Our country is uniquely poised at an advantageous position. In terms of availability of raw material, we have huge resources of cattle, buffalo, goat and sheep population, which in fact, accounts for 20% of the world



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population. The recent government initiative to permit 100% FDI investment and 0% import duty of hides, skins, etc. have been growth riders for the sector. In terms of skilled manpower, India has a huge tangible population that can be nurtured into the trade with the requisite skills. The leather industry single-handedly employs approximately 3.7 million people, and the projected growth for 2022 is around 6.8 million. The opportunity is on the grab! Can we allow ourselves to miss the bus?

Challenges faced by the sector

While the scenario looks upbeat and promising, it is important to address many of the challenges that can be a stumbling block for its growth. Besides the raw material, two major inputs to this industry need include technology and manpower.

This sector is primarily managed by SMEs that need a proper industrial ecosystem to enhance their productivity such as specialized, dedicated zones, technological upgradation from design to production, proper incentives for power supply and logistical support. The sector also looks forward to the imposition of favourable environmental norms on it.

Another major hurdle that needs to be addressed is the availability of skilled manpower. A large section of the industry employs a workforce from the unorganized sector (~76%) involved in various stages of the leather procurement. Most of those employed are candidates who are 10th/12th passouts, and, do not have the requisite skills to handle the technical aspect of finished goods production. In most cases, they are trained on the job, which approximately takes between a few weeks to a couple of months to be skilled. This results in increase in training time, low on productivity and high on cost. A major stumbling block is the lack of sufficient training institutes to train the operators, shop floor workers, machine operators and maintenance personnel who

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actually constitute 80% of the workforce. As such, the industry also does not have a high perception in the minds of the potential employees and jobs are taken only when other avenues are not available.

Drivers that can propel the industry

The present employment figure of 3.5 million needs to be raised to 6.8 million by 2022. An estimated five lakh people need to be skilled to sustain such a demand. This needs enough propellers to be enabled for the smooth trajectory of its growth. There have been some major developments in this direction, yet, it leaves a lot for desire, and is doable.

The constitution of the Leather Skill Sector Council has been a significant step in this direction. The council has been doing due justice to its role in mapping the skill demands and designing the required