

Analyzing Sustainable Performance of Indian Leather Industry

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With a capacity to produce 12.9% of world's leather goods, employing more than 4 million workforces and producing approximately 3 billion square feet of hides and skins, the Indian leather industry is highly attractive for foreign direct investment which has been recorded to be around \$193.7 million in the year 2019. As such, the leather industry has a strong bearing on the economic growth of the country. However, sector is not able to comply with sustainability standards, which has rendered the industry as the prime source for industrial pollution and reduced its economic competitiveness. While it may seem to be a far-fetched idea of achieving sustainable standards, responsible governance, implementation of growth policies aimed at upliftment of poor and business innovation can considerably enhance the quality of life of the people across the globe. To attain ecological sustainability, it becomes necessary to focus on effectively utilizing the available resources. The companies thus, need to identify determinants of the triple bottom line to achieve sustainable development. As such, the role of executives in implementing sustainable practices has become relevant in the present industrial environment. According to, the companies have now become considerate in identifying the executives who contribute towards sustainable development thereby resulting in overall profitability. Sustainable development in the context of small and medium enterprises especially the leather sector holds a significant position. Industries focusing on sustainable development tend to develop competitiveness in the market. It can be achieved through implementing cleaner technologies such as developing leather parks, pre-treatment of sewage and water recycling. In-fact, the adoption of cleaner technologies has been observed to reduce COD levels to 80 to 90%. Besides, proper knowledge of circular economy which helps in improving economic efficiency and resource capability is indispensable for attaining sustainable development. However, the implementation of CE is dented by the lack of accessibility of finance and the support of authorities. Also, lack of customer awareness, low commitment from top managers, inadequate reverse supply chain provisions and outdated machinery further pose significant barriers towards attaining sustainable development. The policy makers would therefore, need to benchmark practices for developing better insights for the industry. To address this problem, this study focuses on analyzing the sustainability performance of the Indian leather industry and present a comparison among the three major states including Uttar Pradesh, West Bengal and Tamil Nadu. The study also compares performance among sub-sectors including tanneries, footwear and overall manufacturing industries. The data has been collected for a period of 10 years from the annual survey of industries reports since 2008-09 to 2017-18. The variables that have been analyzed include economic (Percentage operational factories,

return on investment, fixed assets turnover, turnover per Manday, total productivity and labour productivity), environmental (Material intensity, electricity intensity and fuel intensity) and social (Gender ratio, percentage salary wage expense and percentage bonus expense).The researchers have compiled heat maps indicating areas of concern and high performing variables.

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