



DHAKA, TUESDAY, MARCH 8, 2011, E-MAIL: business@thedailystar.net



ANWAR ALI

Labourers are seen at work at Kanij Shoes Factory in Kaluhati Purbopara Crossing of Charghat upazila, Rajshahi.

## Shoemakers mend the fate of the northern poor

from the larger ones or traders in the village.

The Kaluhati artisans basically produce sandals of about 20-25 types, made of leather and rexine. Prices of these sandals range between Tk 85 and Tk 500.

Some brands have also evolved, creating a niche in the northern Bangladesh markets.

Mamunur Rahman said these shoemakers should be given an opportunity to visit the big names in the industry, so that they can compare their products and learn. Banks should also need to take their financial products to them to help them grow.

Though the artisans do not produce shoes yet, they hope to do so with adequate financial, technological and infrastructural support in the near future. Manufacturers say the local demand of the products is good and it is increasing gradually, as prices are competitive.

Some entrepreneurs are also thinking about creating their own brands. Kaniz, National, Kazal, Mannan, Mukta, Bithi and Lucky are some smaller brands from the area. Factory owners are eager to popularise their brands at a national level but they have no idea on how to go about it.

With the production and sales of these competitively priced sandals in North Bengal, the entry and sales of smuggled Indian wares have diminished.

Two entrepreneurs have their own sales centres at the local Arani Bazar. Earlier, the factory owners had taken their wares to town for sales.

Hiring a qualified design master is expensive for any small firm. So, the small entrepreneurs lack designers and are unable to develop new designs. They mostly use the familiar, traditional designs, copying any new design that has just made a debut in the market.

However, frequent power failures disrupt their produc-

tion. Some big firms use generators to address the shortage.

For loans, most entrepreneurs depend on friends, family, or local lenders and associations that charge high rates of interest. They face a dearth of finance as they fail to meet the conditions required to get credit from banks. Some NGOs, like BRAC, Grameen Bank and ASA, however, offer some help in this regard. A group of owners, with the support of a local lawmaker, recently got loans from Rajshahi Krishi Unnayan Bank.

Most artisans learnt the trade from other workers. As a result, they lack adequate skills in pattern cutting, pattern placement, selection of leather, fault analysis and so on. Simple but structured training could improve the quality of their work a lot, Rahman said.

On the other hand, some firms that have developed brand names, face problems with packaging. "We fail to attract customers due to our poor get-up. The not-as-good products of some big companies are securing market shares because of attractive packaging," said Ali, an artisan in the village.

The sector also faces setbacks in finishing, pattern development, product variation, training, quality control measures and stock management knowledge. A recent major threat is the emergence of Chinese footwear, flooding the local markets, the assistant general manager of SME Founda-

tion said.

Artisans are aplenty in Kaluhati. By ensuring a minimum level of government support, Kaluhati can be developed as a regional hub in footwear manufacturing. It can create employment and eradicate poverty, added Rahman.

Nawshad Ali, owner of a brand, started making sandals in 1987 by investing a small amount of money. He said artisans in the area have limited incomes, as they cannot compete with the big companies, even though they produce quality products.

"We cannot improve and enrich our designs due to a lack of funds. We also lack skilled artisans."

He said the business is largely seasonal, confined to the two Eid festivals. "We need money before Eid to stock raw materials, but we cannot do so, and therefore, stay content with lower profits."

A shortage of power also hampers the business seriously, he added. "We do not have good roads that connect the village with district towns, so the big businessmen do not come here."

Mizanur Rahman, another manufacturer, said: "We have created a market in the northern region, but we need support from the government to expand the business across the country and abroad."

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MD FAZLUR RAHMAN

ONCE farmers or day labourers, they all struggled to make ends meet. That is when a group of entrepreneurs of Kaluhati village in Rajshahi decided to break free from the clutches of poverty and venture into shoemaking, bringing about a silent revolution in the village.

The entrepreneurs, mostly young, admitted that they had always considered shoemaking a lowly profession.

With little or no education and professional qualifications and a small working capital, the sandal makers of Kaluhati have changed the scenario of the area completely. They have emerged as a successful cluster of businessmen.

Kaluhati, a densely populated village on the river Padma, is 20 kilometres away from Rajshahi city, a divisional town. The village of 12,000 is close to the Indian border. It is under the Nimtoli union of Charghat upazila.

The villagers in the area are mostly illiterate small farmers and day labourers.

The social background of the footwear business owners in the area does not reflect any artisan roots, as is usually seen

in other cases. Traditionally, this business belongs to the low-caste Hindus.

The situation has now changed in Kaluhati. Members of the local elite are now engaged in this business. Many entrepreneurs between the age of 30-35 years are joining the band in the clusters.

Mamunur Rahman, assistant general manager of SME Foundation, who paid a visit to the village, said they have virtually brought upon a silent revolution. "It has played an important role in alleviating poverty in the area. Some artisans have become owners."

"I began my career as an artisan at a small footwear firm and later set up my own shop," said Moksad Ali, a successful entrepreneur of Kaluhati. Rahman said many have emerged as entrepreneurs from artisan like Ali, who were day labourers before. "Now, they raise their voices in society too and have created employment for other villagers."

A small group of unemployed youths in the mid 1980s decided to set up a small footwear firm with their own capital and labour. Two of them had some experience working as artisans at a footwear factory in Dhaka.

It was the initial success of this group that attracted others in the village. Over 400 labourers are now directly engaged in this industry, with another 1,500 to 2,000 indirectly.

Workers in the industry are categorised into three -- sole man, upper man and fitting man. A group of suppliers have also emerged, who provide raw materials and components. Similarly, some agents take the products out to distant markets for sales.

A semi-skilled labourer earns Tk 200 to Tk 300 a day, while skilled labourers make up to Tk 500-600. Working from dawn to dusk, a shoemaker can produce at least one dozen sandals. A small firm with family labour can produce up to 3-4 dozens a day.

A medium-sized firm with 10 employees manufactures 10-12 dozens a day. An average-sized firm produces about 120 pairs. In the peak season, about 1,000 pairs are produced at Kaluhati everyday.

Seasonal workers also contribute in the peak season, beginning three months before Eid-ul-Fitr and again two months before Eid-ul-Azha.

Factory owners or traders collect raw materials from Dhaka, particularly from the tanneries in Hazaribagh. Small shops get their raw materials

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## Support for footwear makers

Lawmaker says growth of the industry would help eradicate poverty in the area

MD FAZLUR RAHMAN

THE SME Foundation and the government will work together to solve the problems the shoemakers in Kaluhati face, a local lawmaker said. "We need to take up short-, mid- and long-term strategies to help them, as these people have huge potential to grow," said Shahriar Alam.

He was speaking to The Daily Star recently at a training workshop at SME Foundation in Dhaka. He believes, by propelling this sector forward, more factories would be set up in the area that would help eradicate poverty.

The lawmaker took the initiative to organise the five-day workshop to assist the shoemakers from one of the country's remotest villages, which falls under his constituency. The initiative was aimed at helping them grow further, develop their products and get better prices.

Alam said the prospects for the artisans in the area are huge. "We are trying to create opportunities so that they can become bigger and expand globally."

He said he would personally try to create more employment in the shoemaking hub in the next three years, and turn it into a medium industry, as they are now mostly cottage.

The industry has grown in a scattered manner in the last 25 years, using very traditional equipment, he said. It started with one or two,



Shahriar Alam

and now has about 35 small factories. They do good business during the two Eid festivals.

About 450 people are involved with the cottage industry and most of them are villagers. Some of the workers are part-timers while others are full-timers. But they have created a big market in North Bengal. They even supply sandals to Dhaka.

Alam said they should get new designs, as the product is highly design-driven. "We also have to help them market their products."

The lawmaker told the SME Foundation that the entrepreneurs have to be nudged forward to tap their potential. "The industry is still in an incubator stage. If we can give it a modern outlook, the industry will go a long way."

Following requests from the lawmaker, SME Foundation completed a study to find the types of assistance the sector requires.

Accordingly, the foundation organised a training workshop in Dhaka for the manufacturers and employers of sandal factories.

SME Foundation officials said it would initiate a pilot project to give training in various phases, to help set up more factories and create more employment in the long run.

Alam said the entrepreneurs also have poor storage facilities. Unsold goods from this season cannot be sold the following year as quality deteriorates.

The lawmaker urged financial institutions to stand by the manufacturers. "There are barriers to providing an access to funding for them. We have to remove these barriers."

"In the past, many had to shut down their business for a fund dearth. They sold their land and some took loans at high interest rates."

"There are a number of government vehicles, like SME Foundation, to help them. The foundation will try to find alternative sources of funding. I will also try to find such funds."

The lawmaker said a second phase of the training would be held in Rajshahi, so that they

can easily attend the programme.

"We will try to take the number of workers to 2,500 in the next three years from 450 now. We will move on, keeping this target in mind."

Alam said an association of the shoemakers would be formed in Kaluhati to provide assistance in a more organised way. A generator, a stitching machine, an embroidery machine and a packaging machine would be provided through the association at a common service centre in the village, so that all members can get the benefits.

He said they have already provided loans to some entrepreneurs at low interest rates, and now, the foundation would talk to their allied funding agencies so that the makers get loans on a priority basis.

Alam said the present government, in its election manifesto, has promised to develop "one product in each district" for which the district has a special name. "We will try to do that in this area."

Aftab ul Islam, chairperson of SME Foundation, said the entrepreneurs have to be given loans at a rate that helps them run the business in a more profitable way.

Syed Rezwanul Kabir, managing director of SME Foundation, said a bridge must be created between these small entrepreneurs and big companies. "We also need to help them in their supply chain management."

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