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A Study on Preference of Leather Industries and Its Contribution to Economic Growth

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Abstract

The leather industry plays a significant role in the economic structure of Tamil Nadu. This study focuses on understanding the reasons behind consumers' preference for leather products and examining the contribution of the leather industry to economic growth, particularly through employment generation. Using a structured questionnaire, the study captures public opinion on factors such as durability, quality, skilled labour, GDP contribution, and future growth prospects of the leather industry. The research also highlights how leather industries cater mainly to the middle-income group by offering durable and affordable products. The findings aim to provide insights into the economic importance of the leather sector and its role in sustaining livelihoods and regional development in Tamil Nadu.

Keywords: Leather Industry, Economic Growth, Employment Generation, Skilled Labour, Middle-Income Group, Tamil Nadu, Quality, Durability.

1. Introduction

The leather industry is one of the oldest and most important industries in India, with Tamil Nadu emerging as a major hub for leather production and export. The state is known for its skilled labour force, traditional expertise, and large number of tanneries and leather product units. Leather products such as footwear, bags, belts, and accessories are widely used due to their durability, comfort, and quality.

Apart from meeting consumer needs, the leather industry contributes significantly to economic development by generating employment for skilled and unskilled workers. It supports a wide range of people, including artisans, factory workers, exporters, and small-scale entrepreneurs. In this context, the present study attempts to analyze consumer preferences for leather products and assess the role of the leather industry in contributing to economic growth and employment in Tamil Nadu.

2. Statement of the Problem

Despite the leather industry being a major contributor to employment and economic growth, its role is often overlooked or underestimated. There is limited awareness among the general public regarding the industry's contribution to GDP and its ability to generate large-scale employment opportunities. Additionally, consumer preferences for leather products are influenced by multiple factors such as durability, quality, comfort, and style, which

require systematic study.

The problem addressed in this research is to understand whether the leather industry in Tamil Nadu truly contributes to economic growth through employment generation and whether it mainly caters to the middle-income group. The study also seeks to analyze public awareness and perception regarding the economic importance of the leather sector.

3. Review of Literature

- i). **Council for Leather Exports (CLE), India:** The Council for Leather Exports (2022) explains that the leather industry is one of the major contributors to India's export earnings. The sector generates large-scale employment, particularly for semi-skilled and rural workers. It highlights India's strong global demand for leather footwear, garments, and accessories. Government initiatives and export incentives have strengthened the industry's performance. The leather industry also supports allied sectors such as tanning and finishing units. Overall, the study establishes the leather industry as a key driver of economic growth ^[1].
- ii). **Nisa, S. (2007):** Nisa (2007) studied the export potential of the Indian leather industry and its contribution to economic development. The study found that leather exports play a significant role in earning foreign exchange. Availability of raw materials and low labor costs were identified as major advantages. The author

emphasized the need for modernization and policy support. Strengthening export performance was linked with higher economic growth. The study concludes that global preference for Indian leather products enhances national income [2].

- iii). **Invest India (2023):** According to Invest India (2023), the leather industry is a priority sector under India's manufacturing and export framework. The report states that the industry employs over four million people directly and indirectly. It contributes nearly 2% to India's Gross Domestic Product. Increasing preference for value-added and sustainable leather products has expanded market opportunities. Government policies encourage innovation and eco-friendly production. The study highlights the sector's importance in inclusive economic growth [3].
- iv). **Dubey and Yajurvedi (2023):** Dubey and Yajurvedi (2023) examined factors affecting exports of leather footwear in India. The study found that export growth positively influences employment and industrial output. Consumer preference for quality leather footwear strengthens market demand. Infrastructure development and policy reforms were identified as growth enablers. The authors linked export performance with overall economic development. The study concludes that the leather industry significantly supports India's manufacturing sector [4].
- v). **International Journal of Business and Economic Affairs:** The International Journal of Business and Economic Affairs (2021) analyzed the role of the leather industry in economic growth. The study found that leather exports contribute significantly to GDP and employment in developing economies. Growing global preference for leather products drives industrial expansion. The sector also supports small-scale industries and rural livelihoods. Export-oriented growth improves economic stability. The study confirms leather industry as an important contributor to economic development [5].

4. Objectives

- i). To find the main reasons for consumers' preference towards leather products, such as durability, comfort, style, and quality.
- ii). To analyse the role of skilled labour in the growth and success of the leather industries in Tamil Nadu.
- iii). To examine the contribution of the leather industry towards economic growth through employment generation.
- iv). To evaluate the level of public awareness regarding the leather industry's contribution to GDP and employment opportunities.
- v). To understand consumer perception about the future role of the leather industry in contributing to economic development.
- vi). To suggest suitable measures to strengthen the leather industry and enhance its contribution to economic growth and employment in Tamil Nadu.

5. Research Methodology:

This research is based on both doctrinal and non-doctrinal research. The sources of data collected by different newspaper, magazines, journals, and all India reports (AIR) & e-resources. The sample size of the respondent is 105. This research is used some statistical methods such as percentage method & average method. The duration of the research is

three months. This research is used stratified random sample.

6. Significance of the Study

This study is significant as it highlights the economic and social importance of the leather industry in Tamil Nadu. By analyzing consumer preferences and awareness, the research helps in understanding the factors that influence the demand for leather products. The study also emphasizes the role of skilled labour in the success of the leather industry.

Furthermore, the findings of this research can be useful for policymakers, industry stakeholders, and researchers to recognize the contribution of the leather sector to employment generation and economic growth. It also helps in creating awareness about the future potential of the leather industry in sustaining economic development.

7. Hypotheses of the Study:

This study is based on the following hypotheses:

- **H₁:** Leather industries in Tamil Nadu contribute to economic growth by creating more employment opportunities.
- **H₂:** leather industry mainly focus on middle income group.

8. Limitation of the Study

The study is based on primary data collected through a questionnaire, which reflects the opinions and perceptions of respondents and may not represent the views of the entire population. The sample size and geographical coverage are limited, which may affect the generalization of the findings. Time constraints and limited access to detailed industry data are also considered as limitations of the study. Additionally, the study focuses mainly on consumer perception and employment aspects and does not deeply analyze export performance or environmental issues related to the leather industry.

9. Results and Discussions

Part-I: Doctrinal Research

The leather industry is one of the oldest traditional industries in India. It involves the processing of animal hides and skins into leather and the manufacture of various leather products such as footwear, bags, garments, belts, wallets, and accessories. Over the years, the industry has evolved from a traditional craft-based activity to a modern, export-oriented industrial sector.

Historical Background of Leather Industry in India:

Leather production has existed in India since ancient times due to the availability of raw materials and skilled artisans. During the colonial period, leather goods gained importance for military and export purposes. After independence, the Indian government recognized the leather industry as a significant contributor to employment and foreign exchange earnings, leading to its systematic development.

Leather Industry in Tamil Nadu: Tamil Nadu occupies a prominent position in the Indian leather industry. Districts such as Vellore, Ranipet, Ambur, Pernambut, and Chennai are well-known leather clusters. The state has a high concentration of tanneries and leather product manufacturing units. Availability of skilled labour, traditional expertise, and industrial infrastructure has made Tamil Nadu a leather hub.

Economic Importance of the Leather Industry: The leather industry plays an important role in economic development. It contributes to national income through manufacturing output and exports. The industry also helps in regional development

by promoting industrial activities in semi-urban and rural areas. Its growth positively impacts allied industries such as chemicals, footwear components, transport, and packaging.

Employment Generation: One of the major contributions of the leather industry is employment generation. It provides large-scale employment opportunities to skilled, semi-skilled, and unskilled workers. The industry is labour-intensive in nature and supports millions of workers directly and indirectly. It also offers employment to women and marginalized sections of society.

Export Contribution: Leather products form a significant part of India's export basket. Finished leather, leather footwear, garments, and accessories are exported to various countries. Export earnings from the leather industry help in earning foreign exchange, which strengthens the national economy and improves the balance of payments.

Consumer Preference for Leather Products: Consumers prefer leather products mainly due to their durability, comfort, strength, and quality. Leather products are considered long-lasting and cost-effective in the long run. The aesthetic appeal and premium feel of leather also influence consumer choice, especially among middle-income groups.

Role of Skilled Labour: Skilled labour plays a crucial role in the leather industry. Traditional knowledge combined with modern techniques ensures quality production. Skilled workers are involved in tanning, cutting, stitching, finishing, and quality control. Skill development programs further enhance productivity and competitiveness.

Environmental Concerns and Legal Regulation: Leather processing, especially tanning, has environmental implications. Discharge of untreated effluents can cause water and soil pollution. To address this, environmental laws and judicial interventions regulate leather industries. Courts have emphasized sustainable development, precautionary principle, and polluter pays principle to ensure environmental protection.

Judicial Approach towards Leather Industry: Indian courts have played an active role in regulating leather industries to balance economic growth and environmental protection. Judicial decisions have recognized the importance of the leather industry while enforcing strict compliance with pollution control norms. These rulings highlight the need for sustainable industrial development.

Challenges Faced by the Leather Industry: The leather industry faces challenges such as environmental compliance costs, competition from synthetic substitutes, fluctuating export demand, and technological limitations. Small-scale units often face financial and regulatory difficulties in adopting modern eco-friendly technologies.

Government Policies and Support: The government supports the leather industry through various policies, incentives, and schemes. These include export promotion measures, skill development programs, and infrastructure development initiatives. Such support helps the industry remain competitive in global markets.

Future Prospects of the Leather Industry: The future of the leather industry remains promising due to increasing demand for quality leather products. Adoption of sustainable practices, modernization, and focus on value-added products can further enhance growth. Strengthening environmental compliance will ensure long-term sustainability.

In Conclusion the leather industry is a vital contributor to economic growth and employment generation, particularly in Tamil Nadu. While environmental concerns exist, effective regulation and sustainable practices can ensure balanced

development. The industry continues to play an important role in supporting livelihoods, exports, and overall economic progress.

Case Laws

- i). **Vellore Citizens Welfare Forum v. Union of India (1996):** In *Vellore Citizens Welfare Forum v. Union of India* (1996), a public interest petition was filed against leather tanneries in Tamil Nadu for discharging untreated chemical effluents into agricultural lands, groundwater, and River Palar, causing severe environmental damage and shortage of drinking water. The Supreme Court held that the right to a clean and healthy environment is part of Article 21 of the Constitution. The Court recognized Sustainable Development and declared the Precautionary Principle and Polluter Pays Principle as part of Indian environmental law. It ruled that polluting tanneries are absolutely liable to compensate affected people and restore environmental damage. The Court ordered payment of pollution fines, compensation, and closure of non-compliant tanneries ^[6].
- ii). **M.C. Mehta v. Union of India (1988):** Mehta filed a PIL against Kanpur Nagar Mahapalika and tanneries for discharging untreated sewage and industrial waste into the Ganga, making the water unfit for drinking, bathing, or fishing. The Supreme Court held this pollution as a public nuisance, making the Mahapalika responsible. The Court directed sewage treatment, stopping industrial effluents, building public toilets, preventing dumping of dead bodies, and promoting environmental awareness in schools. These measures were extended to other cities along the Ganga ^[7].
- iii). **State of M.P. vs Kedia Leather & Liquor Ltd. & Ors. (2003):** The SDM ordered closure of leather and liquor factories for causing air and water pollution under Section 133 of the CrPC. The factories argued that the Water Act, 1974, and Air Act, 1981, had impliedly repealed Section 133. The Madhya Pradesh High Court agreed, holding that the pollution Acts covered specific nuisances and Section 133 did not apply. The Supreme Court overturned this, stating that the CrPC and pollution Acts operate in different fields and can coexist. Section 133 is preventive, while the Water and Air Acts are preventive, curative, and penal. The Court allowed the appeals, directing the Pollution Control Board to handle pending applications without commenting on specific infractions ^[8].
- iv). **Council for Leather Exports vs. All India Small Scale Tanners (1995):** The case challenged a 5% development fee on exported finished leather meant to fund treatment plants and maintain ecological balance. Small-scale tanners argued against the levy, claiming it was burdensome. The Court recognized the environmental impact of leather production and upheld the fee. It emphasized that pollution from leather industries required funding for proper waste treatment and ecological restoration. The judgment reinforced that environmental protection can justify regulatory charges. This became a precedent for balancing industrial growth with environmental responsibility ^[9].

Part-II: Non-Doctrinal Research

A survey was conducted through Google form and data is collected. The survey results are presented through pie-charts and tables and percentage method is used in tables. The total

number of sample respondents is 105. Below are the data collected through Google form survey and percentage method

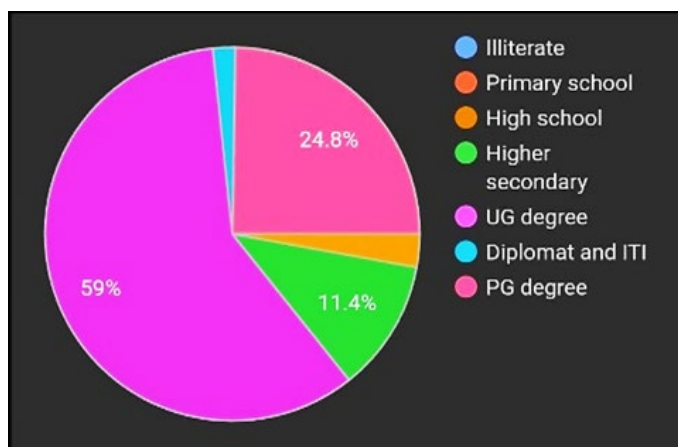
is used in each tables. It also includes pie charts.

Table 1: Educational status and occupation of the respondents:

Particulars	Government employee	Private employee	Self-employed	Old-age and pensioner	Unemployed	Student	Total
Illiterate	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)
Primary school	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)
High school	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	3(2.85)	3(2.85)
Higher secondary	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	12(11.42)	12(11.42)
U.G.	1(0.95)	2(1.90)	0 (0.00)	0 (0.00)	0 (0.00)	59(56.19)	62(59.04)
Diploma & ITI	0 (0.00)	0 (0.00)	1(0.95)	0 (0.00)	0 (0.00)	1(0.95)	2(1.90)
P.G.	1(0.95)	6(5.71)	4(3.80)	0 (0.00)	0 (0.00)	15	26(24.74)
Total:	2(1.90)	8(7.62)	5(4.76)	0 (0.00)	0 (0.00)	90(85.72)	105(100.00)

Source: Primary data

Educational Status of the Respondent:



respondents fall under high school, diploma/ITI, primary school and illiterate categories.

Table 2: Leather industries in Tamil Nadu contribute to economic growth by creating more employment opportunities.

Particulars	Yes	No	Total
Male	24(22.9)	7(6.7)	31(29.5)
Female	52(49.5)	22	74(70.5)
Transgender	0(0.00)	0(0.00)	0(0.00)
Total	76(72.4)	29(27.6)	105(100.00)

From the above chart, it is evident that a majority of the respondents (72.4%) are aware that the leather industry generates large employment opportunities, while 27.6% of the respondents stated that they are not aware of it.

Occupation of the Respondent:

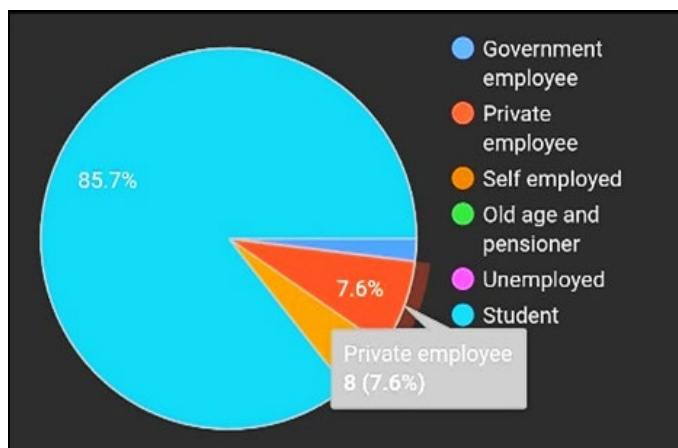


Table 3: Leather industry mainly focus on middle income group.

Particulars	Comfortability	Durability	Style	Quality	Total
Male	13(12.4)	8(7.6)	7(6.7)	3(2.9)	31(29.5)
Female	24(22.9)	16(15.2)	19(18.1)	15(14.3)	74(70.5)
Transgender	0(0.00)	0(0.00)	0(0.00)	0(0.00)	0(0.00)
Total	37(35.2)	24(22.9)	26(24.8)	18(17.1)	105(100)

Source: Primary Data

The above pie chart shows the main reasons for choosing leather products among the respondents. It is clear that 35.2 percent of the sample respondents prefer leather products mainly due to comfort. This is followed by style, which accounts for 24.8 percent of the respondents. Durability is cited as a reason by 22.9 percent of the respondents, while 17.1 percent of the respondents choose leather products because of quality.

From the above charts, it is shown that students constitute the majority of the respondents, accounting for 85.7 per cent of the total sample, followed by private employees with 7.6 per cent. A very small percentage of the respondents belong to categories such as self-employed, government employees, unemployed persons, and old-age pensioners, while the remaining respondents fall under other categories. It is also shown that respondents who have completed an undergraduate degree form the largest group in the sample with 59 per cent. About 24.8 per cent of the respondents have completed or are currently pursuing postgraduate studies, and 11.4 per cent of the respondents have completed higher secondary education. Only a negligible percentage of the

10. Testing of Hypotheses:

The hypotheses proposed in this study were tested using primary data collected through a structured questionnaire administered via Google Forms. A total of 105 respondents participated in the survey.

To examine the first hypothesis, respondents were asked whether leather industries in Tamil Nadu contribute to economic growth by creating more employment opportunities. The results showed that a majority of respondents (72.4%) agreed or strongly agreed with the statement, while only 27.6% disagreed or were unaware. The dominance of agreement responses indicates that the leather

industry is perceived as a significant source of employment, supporting livelihoods and contributing to the state's economic growth. Based on these findings, it was concluded that leather industries in Tamil Nadu contribute to economic growth by creating employment opportunities. Hypothesis 1 is accepted. Therefore, it is the null hypothesis (H_0).

To test the second hypothesis, respondents were asked whether the leather industry mainly focuses on the middle-income group. The findings revealed that a majority of respondents choose leather products for comfort (35.2%), style (24.8%), durability (22.9%), and quality (17.1%), and most respondents were students and private employees, representing the middle-income category. This strong level of agreement suggests that the leather industry targets products towards the middle-income group, providing affordable, durable, and quality products. Accordingly, it is concluded that the leather industry mainly focuses on the middle-income group. Hypothesis 2 is accepted. Therefore, it is also the null hypothesis (H_0).

Overall, the hypothesis testing results clearly support both proposed hypotheses and highlight the significant role of the leather industry in employment generation and in catering to the middle-income group, thereby contributing to economic growth in Tamil Nadu.

11. Conclusion

This study was carried out to understand consumers' preference towards leather products and to examine the contribution of the leather industry to economic growth in Tamil Nadu. The study mainly focused on employment generation and the target consumer group of the leather industry. Data for the study were collected from respondents using a structured questionnaire, along with information from books, journals, reports, and case laws.

The findings of the study show that the leather industry plays an important role in economic growth by providing employment opportunities to a large number of people. Most respondents were aware that the leather industry creates jobs for both skilled and unskilled workers. This clearly shows that the leather industry supports livelihoods and contributes positively to the state's economy. Hence, the hypothesis that leather industries in Tamil Nadu contribute to economic growth through employment generation is supported by the study.

The study also reveals that leather industries mainly cater to the middle-income group. Respondents felt that leather products are affordable, durable, and of good quality, making them suitable for regular use by middle-income consumers. This confirms the second hypothesis that the leather industry focuses mainly on the middle-income group.

In conclusion, the leather industry holds a significant place in Tamil Nadu's economic development. It not only provides employment but also meets the needs of a wide section of society. Although the industry faces challenges such as environmental concerns and limited public awareness, it continues to be a key sector contributing to economic growth. With proper support, sustainable practices, and increased awareness, the leather industry can further strengthen its role in the state's overall development.

12. Suggestions

Based on the findings of this study, the following suggestions are recommended:

i). Expand Employment Opportunities: Leather industries can create more jobs by increasing production capacity

and encouraging new units in semi-urban and rural areas. This will help reduce unemployment and support local livelihoods.

ii). Focus on Skill Development: Regular training programs and workshops for workers can improve craftsmanship and productivity. Skilled labor enhances product quality and competitiveness in domestic and global markets.

iii). Adopt Eco-Friendly Practices: Industries should use cleaner tanning processes, proper effluent treatment, and waste management to reduce environmental impact while ensuring long-term sustainability.

iv). Maintain Affordable Pricing for Middle-Income Consumers: Since leather products mainly target middle-income groups, industries should balance cost and quality to remain accessible while ensuring durability.

v). Raise Public Awareness: Campaigns, seminars, and social media initiatives can help consumers and stakeholders understand the leather industry's contribution to economic growth, employment, and regional development.

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