

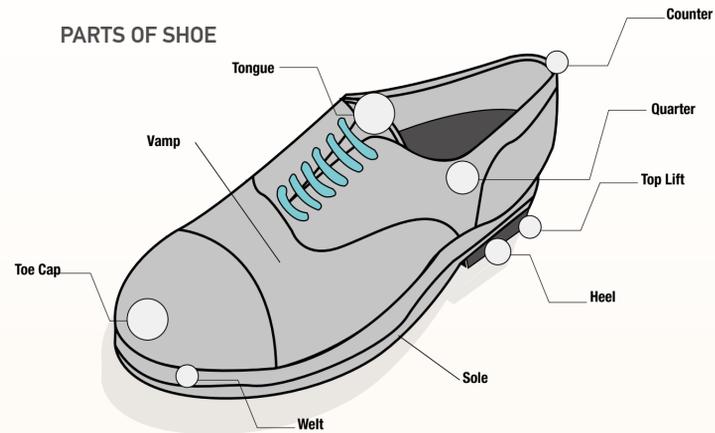
FOOTWEAR MANUFACTURING

Footwear Parts, Production Technologies, Manufacturing Methods, Manufacturing Stages and Actors

FOOTWEAR

All types of footwear made of leather, rubber and plastic raw materials, except for socks, are called **footwear**. According to Ministry of Development's sectoral classification, the sectoral products in the sub-division of the manufacturing industry, leather and leather products industry can be grouped as slippers, boots (industrial security), children's shoes, women's shoes and sports shoes.

Source: (Konya Ayakkabi-Tekstil Sektörünün Dünyü, Bugünü ve Yarını Konya Ticaret Odası Yayını, March 2017)



Source: Development Workshop Archive

| NACE Code | NACE Definition | Hazard Class |
|-----------|--|--------------|
| 15.2 | Manufacturing of footwear, slipper, boot etc. | |
| 15.20 | Manufacturing of footwear, slipper, boot etc. | |
| 15.20.15 | Manufacturing of leather footwear, boot, heavy shoes, slipper etc. (except for those produced entirely from textile, orthopedic footwear and ski boots) | Hazard Class |
| 15.20.17 | Manufacturing of plastic or rubber footwear, boot, heavy shoes, slipper etc. (except for those produced entirely from textile, orthopedic footwear and ski boots) | Hazard Class |
| 15.20.18 | Manufacturing of footwear, boot, heavy shoes, slipper etc. from textile or other materials (except for those produced from leather and plastic or entirely from textile, orthopedic footwear and ski boots) | Hazard Class |
| 15.20.19 | Manufacturing of the leather parts of footwear or footwear parts (except for rubber, plastic and wooden parts) (including the manufacturing of footwear-vamp and bottom parts, heels etc. and vamp activities) | Hazard Class |

NACE: Statistical Classification of Economic Activities in the European Community

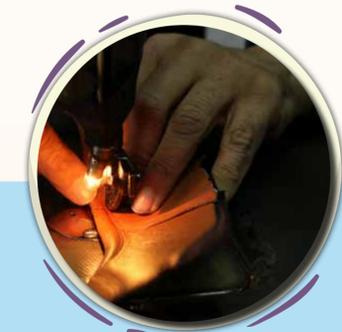


Footwear manufacturers are categorized into three groups according to the production technology

- Traditional manufacturers:** Almost every stage of production is done by basic hand tools without using any machinery.
- Semi-mechanized manufacturers:** Basic hand tools and machinery are being used during production.
- Fully mechanized manufacturers:** Machinery is being used in every stage of production.

Footwear manufacturing methods in Turkey

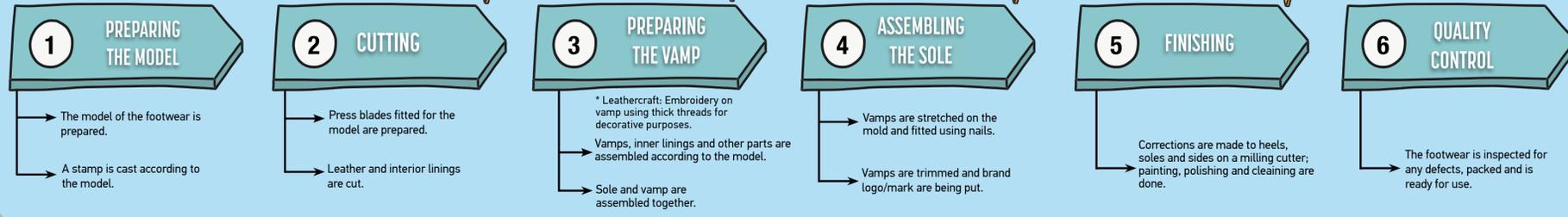
- Traditional manufacturing:** The vamps and the soles are made separately in different stages, later assembled together using adhesive, stitching or injection methods.
- Injection method:** Soles and vamps are made at the same stage. Generally, synthetic shoes are manufactured using the injection method.



INPUTS FOR THE MANUFACTURING OF FOOTWEAR

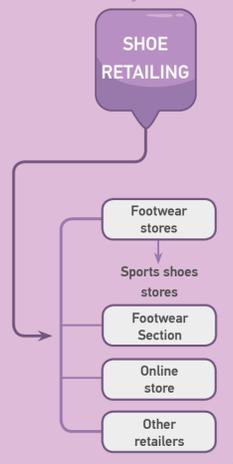


TRADITIONAL FOOTWEAR MANUFACTURING PROCESSES



Machinery and tools used
Apart from vamp planter, vamp razor and blade, sharpener, riffler, oil stone, scissors, hammer, marble, divider, glue fusing machine, bending machine, punch machine, blasting cap, pin and accessory machine, various yarns and glues

SELLING FOOTWEAR



Top Provinces in Footwear Manufacturing in Turkey



2014
280 million pairs of shoes were manufactured per year in Turkey.

MAIN ACTORS OF FOOTWEAR MANUFACTURERS

Trade Association, Chambers of Tradesmen and Craftsmen, Chambers of Commerce and Industry

The footwear manufacturers have two professional organizations. If a person establishes a company for manufacturing, s/he registers to Chambers of Industry and/or Trade. If it is a proprietorship, they register to professional Chambers of Tradesmen and/or Craftsmen or the Chamber of Commerce. The owners of corporate companies cannot register to Chambers of Tradesmen and Craftsmen. To establish a Chamber of Tradesmen and/or Craftsmen, at least 500 craftsmen in a specific area must assemble together. Therefore, as there are Chambers of Craftsmen established by only footwear-vamp manufacturers there are also Chambers of Tradesmen and/or Craftsmen where the members do similar works such as foot repairers, owners of stores selling footwear, leather processors. In some provinces, there are mixed Chambers of Tradesmen and Craftsmen including all types of occupations to meet the requirements to open a Chamber.

Non-Governmental Organizations

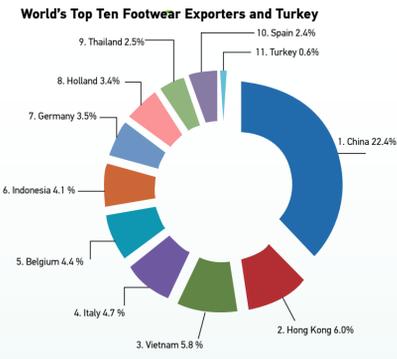
- Footwear Sector Workers Association of Solidarity and Assistance of (Adana)
- Association of Solidarity and Assistance in Leather, Textile and Footwear Industry (Izmir)
- Konya Association of Vamp Manufacturers
- Istanbul Association of Vamp Manufacturers
- Association of Subsidiary Footwear Industry - AYASAD (Istanbul)
- Turkey's Association of Footwear Industrialists - TASO (Istanbul)
- Aegean Region Association of Footwear Industrialists (Izmir)
- Konya Association of Footwear Manufacturers - KONAYDER
- Istanbul Association of Sports Shoes Manufacturers
- Footwear Industry Research, Development, and Education Foundation of Turkey - TASEV (Istanbul)
- Aydin Association of Tradesmen and Artisans for Footwear
- Anatolia Association of Footwear Manufacturers - ANAYDER (Konya)

Public Institutions

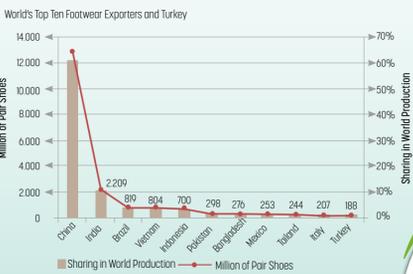
- Ministry of Family, Labour and Social Services
- Ministry of Customs and Trade
- Ministry of Economy
- Ministry of Health

Footwear Manufacturing Sites

- Aykent - Konya
- Aykosan - Istanbul
- Aymakoop - Istanbul
- Aykusan - Izmir
- Gatem - Gaziantep
- Footwear Manufacturers Site- Manisa



Source: 2012 World Footwear Yearbook, APICCAPS, 2013



Source: 2012 World Data Map, APICCAPS, 2013

Approximately 25 billion pairs of shoes are manufactured annually in the world. 84 percent were manufactured in Asia, 5 percent in South America, 9 percent in Europe and Africa, and 2 percent in North America. China takes first place in world footwear manufacturing and export. The size of China's production capacity and the low costs of labour is an advantage for particularly the Western countries.¹ China, a country that usually manufactures medium and low quality shoes, have exported 47 billion USD worth of shoes to the rest of the world in 2016.²

The size of footwear import worldwide increased from 50 billion in 2000s to 131 billion USD in 2014. The United States of America (USA), largest footwear importer of the world, imports approximately 26 billion USD annually each year. It is followed by Germany, France, United Kingdom, Italy and Japan as other large footwear importers³

¹ Nilay Gökçaya Akyol (2016), *Ayakkabı İmalatı Yapılan İşyerlerinde İş Sağlığı ve Güvenliği Risklerinin Tespiti ve Kimyasal Maruziyetin Belirlenmesi, İş Sağlığı ve Güvenliği Uzmanlık Tezi, Çalışma ve Sosyal Güvenlik Bakanlığı İş Sağlığı ve Güvenliği Genel Müdürlüğü*, (<https://www.csgb.gov.tr/media/5093/nilyagokkayaakyol.pdf> Erişim tarihi 02 Ocak 2018)

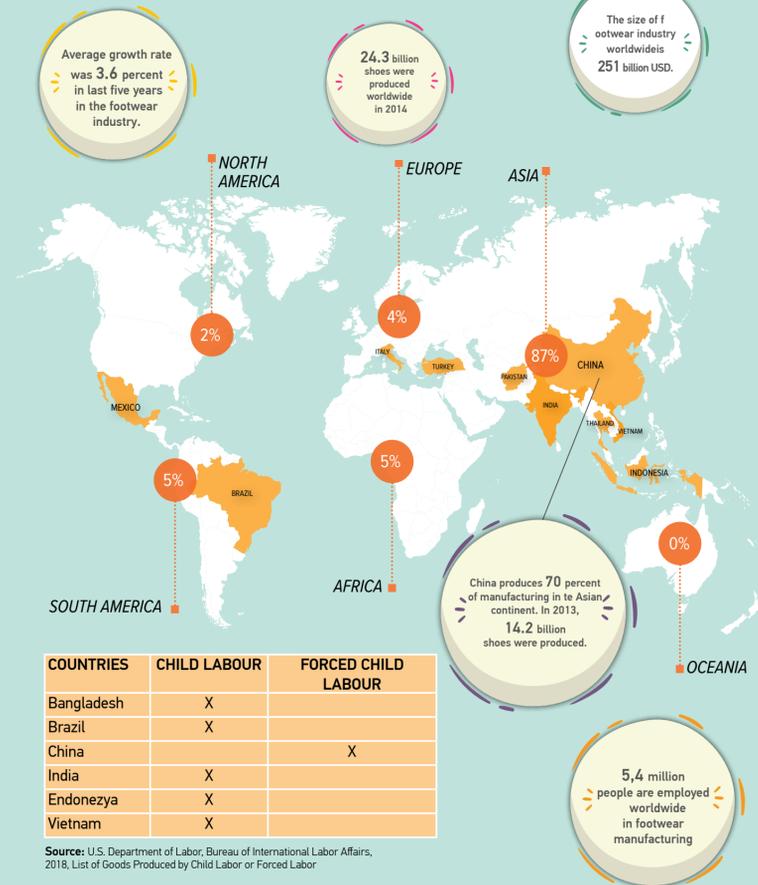
² <https://www.igeme.com.tr/ayakkabi-ithracati/> (Erişim tarihi 03 Ocak 2018)

³ Ekonomi Bakanlığı (2016), *Ayakkabı Sektörü*, (<https://www.ekonomi.gov.tr/portat/content/conn/UCM/uuidd/DocName-EK-171008> Erişim tarihi 03 Ocak 2018)



FOOTWEAR MANUFACTURING IN THE WORLD

TOP COUNTRIES IN FOOTWEAR MANUFACTURING IN THE WORLD



| COUNTRIES | CHILD LABOUR | FORCED CHILD LABOUR |
|------------|--------------|---------------------|
| Bangladesh | X | |
| Brazil | X | |
| China | | X |
| India | X | |
| Endonezya | X | |
| Vietnam | X | |

Source: U.S. Department of Labor, Bureau of International Labor Affairs, 2018, List of Goods Produced by Child Labor or Forced Labor

Comparison of Number of Entrepreneurs in Turkey and in Footwear Manufacturing (2009-2015)¹

| Turkey and General | Number of Entrepreneur | | | | | | |
|------------------------|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Turkey | 2.483.300 | 2.321.979 | 2.591.082 | 2.646.117 | 2.695.131 | 2.677.316 | 2.689.910 |
| Footwear Manufacturing | 4.996 | 3.986 | 4.794 | 4.928 | 5.051 | 4.878 | 4.622 |



Photo: Cemre Yazıkıçtı, Konya, November 2017

According to 2014 data of the Social Security Institution, there were 64.553 employees and 6.767 enterprises in the manufacture of the leather and leather products. Most of the enterprises operate in Istanbul, Izmir and Gaziantep and 53 percent of these are situated in Istanbul. Other important locations of footwear manufacturing include Izmir, Konya, Bursa, Ankara, Manisa, Denizli, Adana, Malatya and Iktisat district of Çorum.²

In footwear industry 670 million USD export was realized in 2015 mainly to Iraq, Russian Federation, Germany and United Kingdom. These are followed by the United Arab Emirates, Algeria, Italy, the Netherlands and Libya. On the other hand, 794 million US dollars' worth of footwear import was realized in 2015, half of which originated in China³

While Turkey had 500 million pairs of manufacturing capacity, only 280 million pairs were produced, which equals to 60 percent of total capacity.⁴

¹ Turkish Statistical Institute Online Database (2018)

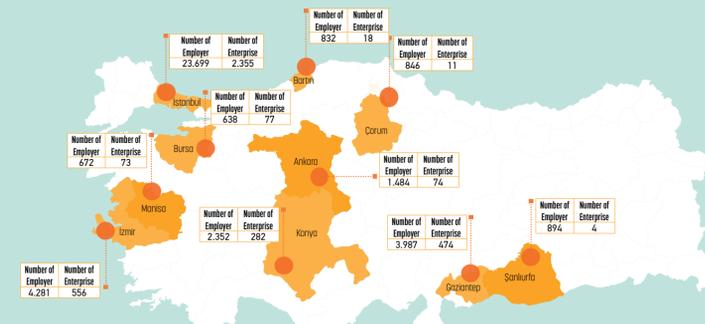
² Ministry of Economy (2016) Footwear Sector s:1

³ Ministry of Economy (2016) Footwear Sector s:3

⁴ Ministry of Economy (2016) Footwear Sector s:1

FOOTWEAR MANUFACTURING IN TURKEY

First, 10 provinces in Turkey According to the Number of SSI-insured Workers and Registered Workplaces in Shoe, Boot, Slipper, etc Manufacturing.



Source: Compiles from the data provided by Social Security Institution

Size of Footwear Manufacturing Workplaces and Number of SSI-Insured Staff in Turkey (December 2017)

| Size of workplace | Number of SSI-Insured Staff | Distribution (%) |
|-------------------|-----------------------------|------------------|
| 1 person | 1.094 | 2.4 |
| 2-3 people | 2.886 | 6.4 |
| 4-6 people | 3.664 | 8.1 |
| 7-9 people | 2.897 | 6.4 |
| 10-19 people | 5.728 | 12.7 |
| 20-29 people | 4.782 | 10.6 |
| 30-49 people | 6.032 | 13.4 |
| 50-99 people | 5.546 | 12.3 |
| 100-499 people | 8.465 | 18.8 |
| 500+ people | 3.876 | 8.6 |
| Total | 44.970 | 100 |

Compiled from the data provided by Social Security Institution



Photo: Cemre Yazıkıçtı, Konya, November 2017

WORKING CONDITIONS OF CHILDREN IN FOOTWEAR MANUFACTURING

The working conditions of children in the footwear manufacturing must be considered in two separate manufacturing fields: footwear and vamp manufacturing. Because, a great deal of these manufacturing takes place in different locations with different employers and the tools, machines and equipment they use also change. The hazards and risks within the scope of working hours, wages and occupational health and safety are addressed within the context of working conditions.

Working Hours

The working conditions of children in the footwear manufacturing must be considered in two separate manufacturing fields: footwear and vamp manufacturing. Because, a great deal of these manufacturing takes place in different locations with different employers and the tools, machines and equipment they use also change. The hazards and risks within the scope of working hours, wages and occupational health and safety are addressed within the context of working conditions.

Footwear manufacturing consists of model and mold preparation, cutting the leather and textile materials, preparing vamps, applying embroidery or accessories on vamps depending on the model, assembling the soles and the vamps together, painting/polishing/cleaning, quality control and packaging. Vamps are generally manufactured in a different location outside the factory or the workshop where the rest of the production takes place. Child workers are usually employed in sole assembly, cleaning and packaging stages. They also run simple errands during production.

On the other hand, vamp manufacturing is generally done in small workshops employing 3-10 workers or even in smaller enterprises, except for sneaker manufacturers. Since the volume is usually large in sneaker manufacturing, the process is generally mechanized and takes place in large-scale enterprises with an assembly line set-up. In vamp manufacturing, child workers are commonly employed under the supervision of one or two master craftsmen. According to the field research results, the workday usually starts at 8 a.m. and ends at 8 p.m., in cases of backorders even lengthier workdays are common.

It was asserted that, working is 6 days in a week in both production phases. It is stated also there are no leave days such as annual leave and holiday leave. Although, there is no work between the seasons, it has to be used a non-paid leave.

Wages

Wages in footwear takes the form of monthly, weekly or piecewise payments, depending on the process. Vamp manufacturing is usually outsourced to smaller workshops paid in piece rates. They employ office staff to conduct cutting, molding, finishing works, quality control and packaging Works in their business.

Generally, the designing and office staff is paid monthly, the workers who cut the leather and fabric for vamp are paid weekly or monthly and the trainees who carry out molding works are paid either per piece or weekly. While formal and institutional enterprises make monthly payments for these works, they make either weekly or monthly payments to those who carry out finishing works, quality control and packaging works.

Vamps are manufactured by smaller-scale subcontracting workshops owned by vamp-masters that are independent from the shoe manufacturer both in terms of location and business registration. The vamp manufacturers get paid on a piecewise basis.

The preparation of vamps is outsourced to vamp masters who work by contract and they are paid per piece (per pair). The vamp master makes weekly payments to apprentices, kol altı (senior apprentices), assistant trainees (junior trainees) and trainees. In some cases, vamp masters are employed in formal and registered sector enterprises for monthly wages or, as observed in the field study in Hatay, they manufacture vamp for that enterprise and on their own account and/or for other enterprises for per piece payment.

The average gross wages of registered workers in footwear manufacturing is TRY 2.050 for permanent workers and TRY 1.777 for seasonal workers. These data show that the registered workers in footwear manufacturing work for minimum wages.

Gross Average Wages (Try) in Footwear Manufacturing Industry (December 2017)

| Permanent Worker | Seasonal Worker | Private Sector Employee | Female (W) | Male (M) | F+M average |
|------------------|-----------------|-------------------------|------------|----------|-------------|
| 2.050 | 1.777 | 2.053 | 1.967 | 2.072 | 2.050 |

Source: Data provided by Social Security Institution.

The rapid assessment illustrated children as apprentice are paid net amount of 150-400 TL, the trainees are paid a wage of TRY 350-700 per week and masters earn a weekly income of TRY 600-800. The tasks that children do at the workshop determine the amount they are paid. Children who have just started to work and do the errands get the lowest wage, whereas the apprentice children who do more qualified tasks get the highest wages. The wages increase when children promote from apprentice to trainee status. These wages are net amount and social security or retirement benefits are not included. Because field researches show that, almost children and youth people are employed informally. Institution study it was observed that almost all of the children are employed informally.

Distribution of Footwear Manufacturing Industry Wages by Provinces (2017)

| Name of Province | Apprentice | Trainee | Master |
|------------------|--|--|-------------------------|
| Adana | TRY 150-200 per week | TRY 450-500 per week | TRY 700-750 per week |
| Gaziantep | TRY 100-250 per week 200-350 per week (senior apprentice) | TRY 400-600 per week (trainee) TRY 350-500 per week (assistant trainee) | TRY 500-600 per week |
| Hatay | TRY 125-150 per week | TRY 400-500 per week | TRY 2500 per month |
| Istanbul | TRY 1000-1300 per month TRY 1000 per month for Turkish TRY 900 per month for Syrians | TRY 1700-2200 per month If they work on machine TRY 700 per week | TRY 2000-3200 per month |
| Konya | TRY 100-300 per week | TRY 400-700 per week | TRY 600-700 per week |

Source: Rapid Assessment findings

Registration Status and Social Security

Except for manufacturing of sports shoes and slippers, a significant amount of manufacturing is carried out labour-intensively in small- and medium-sized enterprises. Besides, the fact that vamp manufacturing falls within the scope of contract manufacturing in workshops shows that the manufacturing takes place under the counter, such as in informal workplaces. During the interviews, it was stated that preparing vamp constitutes 60-70 percent of footwear manufacturing and that almost 90 percent of vamp manufacturing is informal. Within the scope of the research on footwear manufacturing in Antakya district of Hatay showed that, the owners of the firms stated that most of the interviewed companies employed high percentage of informal and unregistered workers. Although it doesn't specifically emphasize the footwear manufacturing, TÜİK Household Labour Force Survey data shows that 34 percent in Manufacturing of Leather and Relevant Product.³ The field surveys and workshop visits in six provinces validate this outcome in every single province. Furthermore, one can state that informal employment practices towards immigrants from Syria and other countries have increased this ratio even further after 2011.

Except for the organized industrial zones, large-sized companies carrying out mass production with machines and companies manufacturing for brands that are subject to inspections, it

can be said that footwear manufacturing is mostly informal. Moreover, small- and medium-sized footwear manufacturers who perform labour intensive manufacturing and especially vamp workshops and those who are employed in these places are mostly informal. Within the scope of this study, there is not found any registered worker in the vamp workshops. Especially Syrians and other all foreign workers work informally.

The vamp workshops are places where informality is prevalent and the main reasons why both the workshops and workers including workshop owners are operating informally are, the wages for per piece (per pair) is low, the workshops do not earn revenue to cover the taxes and enterprise registration costs, and the vamp manufacturing is not constant. Because, vamp

workshops can work only when the footwear manufacturers place an order: there is huge demand when the orders are high and there is not enough work in seasonal vacancies. Moreover, it was stated that costs such as rents, rental taxes, accounting costs, income tax and social security payments cannot be covered with such revenue. The owners of formally registered vamp workshops shared that they cannot pay their own BAĞKUR debts (social security payments) and other tax payments. The main reason for low wages is reported to be the price pressure applied on the manufacturers by the brands. The small manufacturers are forced to keep their costs low and to resort to especially Syrian and other migrant labour.

Occupational Health and Work Security Hazards and Risks

Within the scope of this study, a direct and detailed investigation regarding worker's health and workplace safety was not conducted, only general questions regarding these issues were directed during the interviews.

As is known, manufacture of footwear, boots, slippers etc. with NACE Code 15.2. listed in C Manufacturing section of Notification on Workplace Occupational Health and Safety Related Hazard Classifications is included as hazardous class. According to data on occupational health and safety in manufacture of leather products and footwear manufacturing for the years 2013-2014, the number of work accidents and temporary incapacity to work due to work accidents are striking.

Photo: Cemre Yazıkıçtı, Konya, November 2017



Child Labour in Footwear Manufacturing