IN-DEPTH ASSESSMENT OF THE SITUATION OF THE EUROPEAN FOOTWEAR SECTOR AND PROSPECTS FOR ITS FUTURE DEVELOPMENT

(CONTRACT NO ENTR/2010/16, LOT 2)

Task 5: Training

Final Report

prepared for

DG Enterprise & Industry

RPA

April 2012

EXECUTIVE SUMMARY

Training and education within the footwear sector play an essential role as manufacturing companies look to strengthen their position in European and other markets. Over the past ten years, the industry has seen an increasing number of companies relocate their production capacity to countries offering cheaper labour costs, mostly in Asia and at times to eastern Europe. This has not just been characteristic of European companies; by 2010 over 62% of the world's footwear production was concentrated in China. Other Asian countries such as India, Pakistan, Indonesia and Thailand were also among the top ten producers, accounting for an additional 20% of the total[1].

While production facilities were moved, the base for commercialisation, marketing and design has remained in Europe. This has allowed the potential and skills related to these areas to be retained and disseminated. However, the diminishing number of companies manufacturing in the EU has led to an important loss of skills. One of the reasons industry representatives gave as a driver of relocation is the lack of skilled workers in certain areas.

The three case study regions show a very diverse picture in terms of industry capacity, as well as the availability of education and training institutes. The main details of the training facilities of the regions are summarised in Table 1 (over page).

There is a variety of educational and training facilities in the three case study regions. These institutes, and their relationships with industry, provide opportunities for students to participate in research projects, exhibitions, competitions and apprenticeships. Training is available for secondary to tertiary level, with specialist courses ranging from design to marketing and IT.

[1] APICCAPS (2011): **World Footwear 2011 Yearbook,** Portuguese Footwear, Components & Leather Goods Manufacturers' Association.

Table 1: Training Institutes in the Case Study Regions			
Institute	***Courses***	***Outreach***	***Industry Links***
Rheinland-Pfalz			
International Shoe Competence Centre	*A range of specialist short, modular training short courses tailored to the specific needs of industry and trade.*	*Wide national and international appeal; it has about 400 national and international students.*	*Undertakes research for industry partners and co-operates in the 'Step up Shoes' campaign to encourage young people to apply for employment in to the sector.*
Pirmasens campus of the University of Applied Sciences Kaiserslautern	*Degree course on leatherwork and shoe technology leading to a Bachelor's degree in product and process engineering.*	*In 2011, 9 students enrolled in the Leatherwork and Shoe Technology programme. Overall, the school has 20% of its students from outside Germany.*	*Practical experience in industry is a key part of the bachelor degree course.*
Pirmasens School for Vocational Education	*A 3 year vocational course in shoe manufacturing and a 2 year course in leather processing.*	*Of the 42 students enrolled into the school in 2011, 20 are from companies in Rheinland-Pfalz the remaining 22 come from other German federal states.*	*Students participate in international competitions and work with manufacturing companies on specific projects. The students spend the majority of their training course at companies.*
German College of Footwear Design and Technology	*Vocational further education in technical design and industrial engineering (in footwear technology).*	*This is the only school for the footwear sector in the country. It has an international appeal.*	*Students work closely with industry and are also offered practical training at the facilities of the ISC.*
Veneto			
Politecnico Calzaturiero	*There are 51 courses listed in the catalogue of the school for the year of 2010/2011, ranging from secondary vocational to masters level degree programs.*	*A very wide national and international appeal and well established relationships with universities as well as manufacturers from all over the world.*	*Students participate in competitions organised jointly with industry (e.g. BASF). Collaborations with industry include the possibility for students to receive grants from and internship at local companies.*
Southern Poland			
Krakow School of Art and Fashion Design (Malopolska)	*Non-degree vocational design course of 2.5 years, which includes a 3 semester-long footwear design module.*	*A wide national appeal with 65% coming from other regions than Malopolska; also open to international students (with Polish language skills).*	*Students regularly take part in international fashion competitions.*
Leather Training Institute (Malopolska)	*Arranges specialist courses at the request of the manufacturing companies. These typically take place at the manufacturing site. No regular training courses.*	*National, with departments in Lodz, Warsaw and Poznan.*	*Acts as a platform for manufacturers of children's shoes in Malopolska.*

Business Strategies Related to Training

The employment and training practices that an enterprise adopts are critical in ensuring that the skills available to the operation match its business requirements. Based on the type of operation of the company and the subsector it is working for, there can be different skill requirements.

In both formal and informal training, apprenticeships and on-the-job training play an important role. This is one area that has been impacted by the reduction in manufacturing operations in Europe. In addition, the less significant an industry becomes in terms of production capacity, the less emphasis the education and training system will put on related courses.

The involvement of industry professionals in business courses is an important incentive for students. With the use of information technology becoming ever more advanced within the industry, it is important that experienced industry professionals work side by side with graduates. Similarly, working with and learning from designers can provide added value to the students by allowing them to experience not only the creative aspect of the work itself but the limits of everyday reality – what creation is actually makeable, wearable and can be sold.

Mentoring programmes that provide the possibility for personalised guidance in emerging and advanced technologies can also play a crucial role in supporting students with the most promising potential. Within these programmes, students can participate in working group sessions alongside an industry professional, developing products and directly interacting with customers.

While footwear manufacturing is an industry which relies primarily on manual labour, innovations are important in both the technological and the design field of the sector. Innovation in certain sub-sectors is more prominent than in others, therefore the reliance on skilled staff differs as well.

There is increasing awareness of the role that training and education can play in maintaining competitiveness, as well as of how development of human resources should be a key part of long-range business strategies. Initiatives for specific industry-related training and education can be launched by the enterprises as well as regional or national policy makers.

Collaboration

Collaboration between industry and education centres can become a key factor when providing training for employees and can serve as a point of information for policy makers and education centres on the changing skill requirements of the industry.

An additional important aspect is the strong regional concentration of the industry, which can result in close ties between stakeholders, thereby helping to develop projects that can encourage young people to seek employment in the sector.

From the point of view of the education institutes, cooperation with industry can ensure that the current challenges and requirements of the industry are included in the curriculum and that time students can be provided with the possibility to find placement at enterprises.

Collaboration between industry and research centres can also lead to the development of research projects through which university-industry-research centre relationships may function as knowledge intensive networks. While accessing funds for research might prove difficult, the creation of these networks is important as the research activity itself provides a rich basis for teaching and learning at both undergraduate and graduate level[2].

Challenges

One of the most serious problems for the industry in the EU is the aging workforce and the difficulties in attracting young workers. The economically active population in the EU has been increasing but there is a change in the age distribution of the population. The number of young people aged 15-19 is expected to reduce by 1 million (-5 %) and the number of those between 20-29 years by 9 million (-17 %). By contrast, the 50-59 age group will increase by 5.5 million (+ 12 %) and the 60-64 age group by 1 million[3].

An additional concern is that young people are generally turning away from the footwear manufacturing sector in favour of high-tech industries and the service sector. The reasons for this are various; the nature of manual work in the footwear manufacturing sector is not appealing, salaries and other benefits are uncompetitive.

In order to make the industry more appealing to the new generation, education institutes and companies are using a range of communication and other technology tools.

Companies in all three case study regions identified similar skills as being the most important. While design skills are especially important for companies that produce their own brands, no significant problems are being experienced with recruiting sufficiently qualified designers. The main problem lies in recruiting skilled production staff.

Marketing, sales and customer service are also an important skill requirement for the industry in all three case study regions. Some loss of customer service and sales skills has been experienced, due to the fact that some retailers have - as a cost cutting measure - scaled back on employee training.

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2 Aura Mihai (2010): **Relationship Between Higher Education and Research in Footwear Design**, paper presented at the 4th Scientific-Professional Symposium Textile Science and Economy, 26 January, 2011, Zagreb, Croatia, downloaded from http://www.shoe-design.ro

3 TEI Piraeus (2007): **Comparative Analysis of the Leather and Footwear Industries Concerning Aged Workers in Greece, Italy, Spain & Portugal**, downloaded from http://footwearsinfolinethree.tripod.com/greece_italy_spain_portugl.pdf

Best Practices

A number of best practice initiatives have been identified in the case study regions reflecting the stakeholders' willingness to identify solutions to their common challenges. As the industry is stabilising after a period of significant restructuring, companies are increasingly looking for new employees. Best practices highlighted in the individual case studies show joint efforts between varieties of stakeholders facilitating this process, including the involvement of young professionals.

Best practices in collaboration between industry stakeholders have been identified both in Italy and Germany. In both case studies, training institutes involve local enterprises to provide apprenticeships and implement promotional activities to encourage increased participation by young people. Similar initiatives have not been found in Silesia, where the manufacturers have not yet established a basis of cooperation.

Collaboration with companies that are part of the wider supply chain can also facilitate research as well as provide an expansion of the contacts the training institutes maintain - such as the case of BASF and its collaboration with the Politecnico Calzaturiero and other manufacturing companies across Europe. These contacts also enhance the development of knowledge in relation to the specific areas of collaboration, for example polymers. As the relevance of this knowledge for the industry is likely to increase in future, it can contribute to the maintenance of the specific production techniques in Europe. The areas of research can consequently have an influence on the content of training and a spill-over impact on the job market.

The successful engagement of industry stakeholders in education programmes is highlighted through examples in both Veneto and Rheinland-Pfalz. The close collaboration between the education centres and other regional stakeholders is crucial for maintaining an up-to-date curriculum that takes into consideration the best available technology as well as the limitations and necessities of the regional industry. These relations provide apprenticeship opportunities for students which can increase their future employability.

The visibility of the industry on a regional and national scale is also an important factor in attracting prospective young workers to the sector. Stakeholders in Rheinland-Pfalz have initiated projects to attract young people into the industry, such as the 'Step up Shoes' campaign. This campaign is part of a larger, regional initiative called the "Footwear Industry Roundtable" set up in late 2010. Participants include local footwear companies, the Central Federation of the German Footwear Industry (Bundesverband der Schuhindustrie), ISC Germany, the Pirmasens Job Fair, the Chamber of Industry and Commerce, and the Pirmasens School for Vocational Education.

Recommendations

Based on the information gathered in the case study regions, the challenges identified by the stakeholders and the literature review, a number of recommendations aimed at

bringing in line the needs of the industry with the capacity of the training and education institutes have been identified.

The economic significance of the footwear manufacturing sector is different in each of the case study regions, which affects the availability and type of courses offered by the training centres. The recommendations listed in Table 2 aim to correlate with the views, ambitions and planned future initiatives of the stakeholders related to development of the industry.

The recommendations target two main areas, the improvement of relationships between stakeholders and the evaluation of the capacity and composition of the labour force in the regions. Improvements in these two areas could on the one hand mitigate differences in the networking and training needs forecasting abilities of stakeholders in the different regions. On the other hand, they could contribute to the strengthening of representation of the sector at the national level.

Cross border initiatives between education and training centres could provide a platform for collaborations and knowledge transfer. As industries in the Member States can differ significantly in size and value, some experiences and processes cannot be transferred without taking into consideration national and regional specificities such as the characteristics of education and training systems.

The goal of education is often to help students utilise their knowledge by applying it to new situations or procedures. Within the footwear sector, the practical experiences students gain throughout the course of their studies can support their employability as well as their personal development. Apprenticeships and placements are also important for the companies, as they gain insight how well fitted the curricula are to the local industry requirements.

Strong ties between educational institutes, manufacturing companies and industry associations can help foster a mutually beneficial environment where education and training centres receive feedback from the companies regarding the content of the courses. In the absence of such relationships between stakeholders, the support of regional or national organisations and the establishment of a joint platform might be necessary in order for companies of all sizes to benefit from an apprenticeship or placement program and increased communication.

Moreover, information exchange and joint projects between stakeholders can support the promotion of the industry among young people and help to understand the reasons for their reluctance to join the sector. The decreasing appeal of the industry, and low wages compared to other sectors, as appear to be the main reasons why young people turn away from employment opportunities in the sector. Investment in the development of human resources is crucial to the future of the industry. Most of the available training courses reflect regional and/or national industry requirements and are self-financed by the students in hope of finding employment in the sector. Without further initiatives targeting the development of the industry, the availability and diversity of the education and training courses could potentially reduce.

Table 2: Recommendations		
Areas	***Rationale***	***Activities***
Promote the improvement of cross border relationships between training institutes	*Education and training institutes could benefit from increased communication related to industry trends and research areas, as well as offering opportunities for student exchange programs.*	*Encourage joint projects to aid integration, facilitation of exchange programs etc.*
Promote the extra-regional relationships between training centres and businesses	*Stakeholders in regions such as Silesia, where currently there is no specialised training centre for the industry, could benefit from the exchange of best practices.*	*Facilitate knowledge transformation by initiating wider collaboration between training institutes and local businesses.*
Promote the improvement of local business relationships	*Improving relationships between local businesses in regions such as Southern Poland, where there is no real collaboration could help the identification of solutions for common training-related challenges.*	*Facilitate the establishment of a platform for the stakeholders for communication and integration. This could also support strengthening the representation of the industry at the regional and the national level.*
Involvement of wider groups of stakeholders, such as research institutes, companies in the supply chain etc. in joint projects	*Facilitating wider collaborations between footwear businesses, training institutes and supply chain companies can initiate further research projects and contribute to the strengthening of the knowledge base and provide graduates able to meet future skill demands.*	*Facilitation of projects involving graduates, businesses (particularly SMEs), research centres and other stakeholders such as employment authorities for new lines of research, cutting edge technology and the dissemination of knowledge at training centres.*
Improve the image of the sector amongst young people	*The industry is less appealing for young people as it is seen to be technologically outdated.*	*Initiate local small-scale projects, specific to industry requirements in the regions/cities, such as promotion of the diversity of opportunities available and the different technological skills required.*
Dissemination of information regarding to the potential impact of demographic changes	*The aging workforce and the lack of skilled workers in certain region may require companies (especially SMEs) to develop new training techniques.*	*Educate stakeholders on future prospects for employment in the regions and the changes in training methods this might require.*
Optimisation of recruitment and retention techniques	*Effective recruitment policies and HR management can help companies to retain skills and make optimum use of their employees.*	*Support on recruitment and employee retention practices for footwear companies - especially SMEs – through collaboration with local/regional industry associations, and training institutes.*