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## African blues

Last month *World Leather* published *Malawi Blues*, which, with the inspiration of readers with opposed views, I am expanding into *African Blues*.

One of my faithful Ethiopian readers criticised my *Malawi Blues* article and wrote: "Why do you always imply Africa is an unfit continent? Do you think Europe is always a perfect continent? Before putting your comment on your blog you should know in detail about the African continent and its capabilities. It is a one-sided comment, especially the last paragraph, which is baseless. We Africans have the capacity to run our tanning sector and we don't need negative comments that damage the ability of our professionals from anybody."

But a reader in Malawi wrote: "I used to work for Liwonde Tannery and I agree with most of the facts you have written. We had a domestic market for shoe upper leather when Bata, Phazi, and the smaller leathergoods manufacturers were able to get their leather requirements on time. However, due to management issues and the quality of the leather, Bata, the main buyer, started relying on imported finished leather so that it could afford continuous production. Yes politics does play a part in a lot of these African projects, especially when overseas aid is involved. Funding from UNIDO was meant to be a revolving fund for the leather and allied industries in Malawi. Liwonde Tannery was meant to pay money to the Leather Association of Malawi to help with the promotion and growth of the industry. Did they do that? The Malawi government, through the Trade and Industry Ministry, was supposed to ensure that the money was paid into the revolving fund since

external development aid is paid with the knowledge of the government. I wonder if they followed that up. As with the sale of the machines to Tanzania, someone should have stopped it. Last year, there was a launch of the Leather Industries Association of Malawi but if you look at the photos, the only people you see are government officials and not the association people. I wonder why."

Apparently, my friend in Ethiopia is not properly informed about the situation in Malawi because the Malawi reader underlines and confirms the content of the earlier article. Most likely my Ethiopian friend doesn't like criticism and follows the principle of the famous three monkeys: "see no evil, hear no evil, speak no evil". But that is not the way to solve problems and, trust me, the problems are many and some are quite big.

So let me frustrate my Ethiopian friend a little bit more with facts that he thinks I know nothing about. The fact is that Africa is the recipient of the great majority of international development aid. Graham Hancock wrote a book in 1994 called 'Lords of Poverty' in which he described how much of the \$60 billion in yearly development aid destined for Africa ended up as salaries and travel for UN and country officials and NGO collaborators, and how little reaches the project beneficiaries, if any. He actually stated that some US-based NGOs collected money from unsuspecting citizens and used the money for office space, travel and salaries. Not a penny was spent on the people for whom the money was collected. African countries are full of leather sector associations, training centres, NGOs, most of them with paid staff, fully equipped



offices, all funded directly or indirectly by development aid.

Now, what is being done with the money, those millions and millions of dollars? There are offices to be rented or equipped, with telephone and electricity bills, security, staff, travel, photocopying machines, transport, the usual stuff to make an office and organisation work. Then these organisations need to (find) work to justify being there, for which they need money: they organise workshops with relevant travel, boarding and lodging, develop sector strategies, organise missions and meetings, hold the ever-important photo sessions of the good old buddies who meet from one gathering to the next. Workshops on hide and skin improvement, leather improvement, training in buying, selling and management techniques, country strategies, regional strategies and a whole host of other nice-sounding inventions come to the surface at regular intervals. Each report is constructed in such a way that it recommends a new workshop, a new mission as a follow-up.

**What is produced in the end?** Usually nothing except tonnes of paper and bundles of photographs. My Malawi reader correctly points out that the majority of the participants are government officials who have a great time at the expense of the donors who provided the money, whereas the people on the ground have zero benefits. Then they all congratulate themselves on the great job done.

That is how Mr Jumbe from Malawi (mentioned in the previous article) got the exciting information that his country was missing billions of dollars in revenue from its leather value chain. Do you know how many regional and country strategies have been developed for the African leather industry? Dozens! Do you know what has happened with them? Nothing! Situations change and one needs to adapt continuously. What doesn't change are the organisations and people who develop the strategies and the money that they absorb like sponges.

Nobody talked about the scandal that the tannery in Malawi, set up with generous donations from UNIDO, was closed and its machines sold. The same happened with the only tannery that Rwanda had in 2005, to which UNIDO generously donated four machines for a comprehensive amount of \$200,000; the machines were sold privately, without the consent of UNIDO.

So you will wonder why most African countries are having such a rough time collecting quality raw hides and skins, preserving them, transforming them into leather and then into leathergoods and footwear. With all the "strategies", "training" and the "huge support" of its NGOs and sector organisations, with the hundreds of millions of dollars poured into efforts to develop the industry, one would assume that the sector would be thriving, like for instance is happening in the Indian subcontinent, Vietnam and Indonesia, which only get a fraction of the technical and financial support, if any. But no, regretfully, in spite of the confidence of my Ethiopian friend that the Africans know how to run their leather industry, and in spite of all the training, they are still exporting low-quality raw hides or wet blue and crust from some countries. There is little finished leather, tanneries are poorly equipped and professional slaughterhouses can be counted on the fingers of one hand. It is because the moment the donor

money is finished or a project officially closed, everything stops. Nobody builds on what is achieved unless more money is poured in.

**There are some very professional tanneries on the continent**, for instance in Kenya, Ethiopia, or the most recent Tannery Of The Year for Africa, White Nile in Sudan, and a few others. There are operators in Nigeria and Egypt who perform miracles. The tanneries that are successful are not in the workshop and training programme mainstream, but fend for themselves, including Mr Bedetse, who owns and runs the only tannery in Burundi and is doing a great job for himself. Ethiopia is an exception, but is also a most favoured nation for Italian aid, which comes in at regular intervals like a train on schedule. And in spite of this, Ethiopian tanners are going through an unprecedented crisis. The South African tanneries don't receive any aid at all and are nevertheless, or maybe because of this, very big and professionally run with excellent finished leathers and even finished car seats for top German brands.

The African leather industry doesn't need all those NGOs, training centres or "institutions". They are all dead-weight, a cast of people looking after their own interest and eating from the plates of the industry rather than filling those plates. African companies need access to affordable credit, the possibility to manage their own money and their earned foreign currency without restrictions, allowing them to buy machines, spare parts, chemicals, accessories, in short all the goodies needed to produce leather and leathergoods, which in other countries on other continents is freely available and the norm. That is the way to help people run their companies, not by letting them take the leftovers from project money. So if the development money that finishes up maintaining useless jobs, providing for meetings, workshops, travel, food, office rent and so on were to be invested as a back-up guarantee fund in a bank or banks, this money could be loaned at a decent interest rate to enterprises that could use the loans to get their businesses off the ground.

**I know of one superb development project**, that is run in several African (and other) countries, called Ethical Fashion. It gives work to (mainly) women, thousands of poor women to produce consumer goods, some made of leather, for brands like Vivian Westwood, Bottega Veneta and several others. These women get a job, are taught how to make good-quality objects, which are sold at honest prices to the brands under the motto 'work, not charity'. The women open bank accounts to deposit their salaries and are taught how to manage the account and run a family budget. That's the way to do development, not having government officers run all over the continent from one useless conference to the next.

If my Ethiopian friend still thinks that I, a taxpayer who contributes to this development money, know nothing, we can schedule another of these articles with more concrete examples, like wasted projects, salaries, the cost of workshops, travel, overheads and the like. Just let me know.

I am not against overseas aid, because some extremely good things have been done, particularly on healthcare and in the agricultural sector, but I am against the wasting of aid and, in the leather sector, the great majority of aid is wasted. ☹