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Review

Review of the challenges towards value addition of the leather sector in Africa

Mwinyikione Mwinyihija[1] and William Quiesenberry[2]

[1]Leather and Leather Products Institute (LLPI-COMESA), Addis Ababa, Ethiopia.
[2]SMC-University, School of Business, Department of Management, Transknowlogy Campus, Zug, Switzerland

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The leather sector is one of the most lucrative agro based industry in the world. The hides, skins and leather sector is characterized with a long value chain with multiple socio-economic dimensions such as enhanced employability, creation of wealth and acts as a precursor towards rural development. However, Africa contrasts this observation irrespective of having 21% of the global livestock population. Notwithstanding, the continent also produces 14% of the hides and skins production and an estimated 3.5% of value added leather and leather products globally. In retrospect, total earnings for Africa translate to about $4billion annually in comparison to a global earning of $100billion from the leather sector. This scenario is indicative of the high losses, low value addition initiatives and unexplored opportunities that are eminent in the continent's leather industry. Dilemma in translating negatives such as unexplored opportunities (e.g. value addition, high demand of leather products, increased consumption per capita etc.) to positives (e.g. availability of raw materials, qualitative increase of population, improved regional and international markets etc.) forms the greatest 'bottleneck'. Therefore, the inability to attain the potential accruals from the leather sector, denied Africa the opportunity to tackle on important socio-economic challenges such as employment, income generation, poverty alleviation and rural development. The review envisages that the solution to the challenges experienced lies in appropriate strategies, policy framework and prioritization by both the public and private sector in enhancing value addition initiatives in Africa.

Keywords: Competitiveness**,** Employability, Leather sector, Sustainability, Value chain, Wealth creation

INTRODUCTION

Leather is a product obtained after processing of raw hides (from bovines) or skins (from caprines, ovines, or young of the bovines, reptiles, etc.) and converting them into a non-putrescible material (of various shades and texture) ready for use in the manufacturing of leather goods (handbags, belts, etc.) and footwear (Mwinyihija,

Corresponding author Email: m_mwinyi@hotmail.co.uk

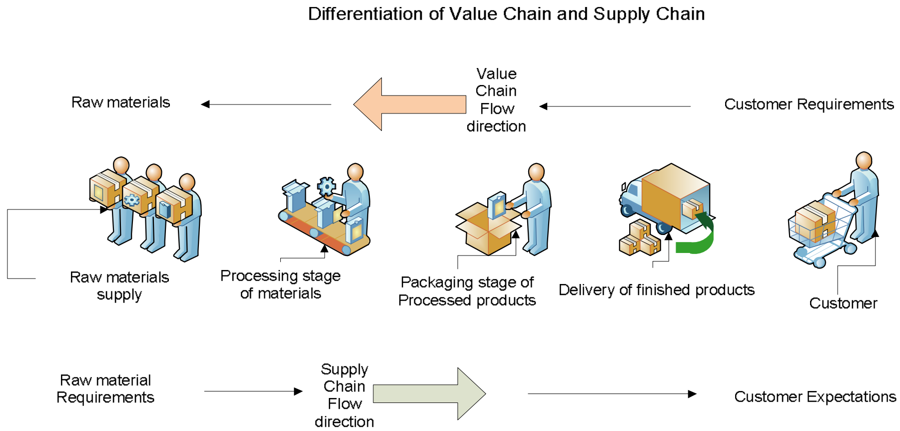

Figure 1. Graphical Differentiations of a Generalized Value Chain and Supply Chain Source
Note. Modified from Feller et al. (2006)

2010). When considering a leather sector, the whole value chain from pre-, peri-, to post-slaughter phases of the leather industry together with the supporting institutions (e.g. Government extension services, quality assurance agencies etc.)

The importance of understanding the leather value chain in this review is for the reason that as an important agro based sector, it is depicted as one of the several subdivisions for purposes of analysis or classification in an economic system (Kenessey, 1987; Somers, Cain, and Jeffery, 2011). Indeed, sectors are further classified into primary (involves raw material production), secondary (manufacturing), and tertiary (services). Sub-classifications of tertiary sectors include knowledge-based, or quaternary (Selstad, 1990; Thakur, 2011), and work affiliated, or quinary (Foote andHatt, 1953; Slattery, 2009) areas. Thusly, the leather chain,as a core focus in this review is fundamental in obtaining results through enhanced value addition by directly influencing crucial socio-economic indicators associated with agro-based commodity sectors.

Background

The concepts of value addition and its related chain have existed for more than twenty years, yet to-date, the ideal approach in adequately addressing value addition has not been conclusively realized. In addition, when discussing value addition chains of various sectors, the implementation strategy of the supply chain is the most difficult to explain (Feller, Shunk, and Callarman, 2006). For example, in 1982, Keith Oliver introduced the term “supply chain management” with the perspective that it was a single entity rather than a group of overlying functions (Bacheldor, 2003; Laseterand Oliver, 2003; Oliver and Webber, 1982). Thus, as a new philosophy at that time, supply management referred to the flow of goods and services from suppliers and providers to end users or consumers. This notion later changed to encompass business processes along the chain of supply (Clemmer, 1990; Cooper, Douglas, andPagh, 1997).

The intensity of research integrating areas of business and economics has continued to pursue value addition concepts. Some of the disciplines include industrial engineering, whose interest in value chains has led to the notion that achieving operational efficiency requires a focus on production operations and supply chains (Tseng and Lin, 2005). However, in an effort to clarify the issues of value addition and related chains, Feller et al. (2006) indicated that it is prudent to pursue the principle tenets of the value chain such as:

Increasing competition with an increasing focus on innovation as an element of strategy; evolving governance models for the extended enterprise; the trend towards globalization of supply and production; benefits already wrung out of manufacturing and the supply chain and trends in management discourse. (p. 5)

This approach is also consistent with studies carried out in India to assess value addition in the dairy sector. The study conducted in India demonstrated that specific organized sectors that include all the core stages of the value chain were highlighted to attain the right perspective of value addition (Singh and Datta, 2010; Sharma et al. (2010). To avoid confusion about how value chain analysis and supply chain are related, the review attempts to differentiate the two terms using a general graphical representation as shown in **Figure 1**.

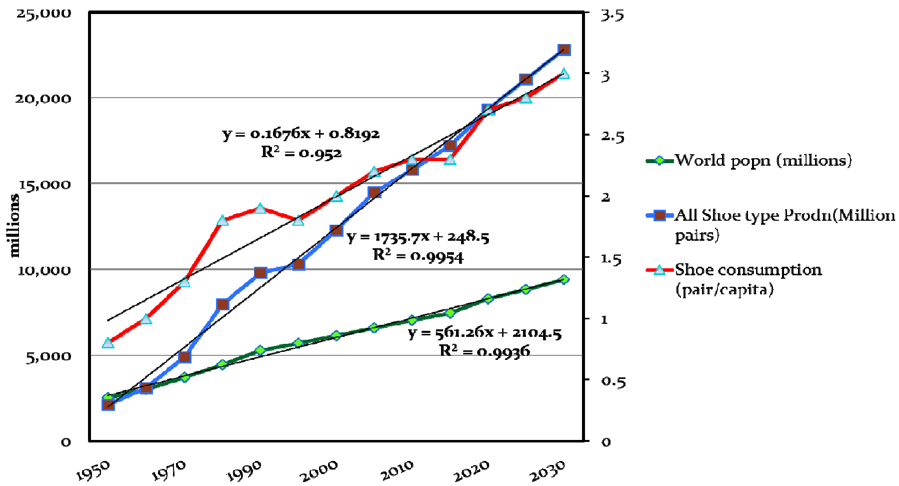

Figure 2. Forecasts to opportunities in the global leather sector based on past performances 1950 -2030 (Mwinyihija, 2012)

Purpose of the Review

The purpose of the review is to comprehend and articulate the threats and weaknesses in the leather sector in Africa. In addition, focus to address the concerns of the core stakeholders of the leather sector particularly in Africa as an important segment of the preview process (Balzarova and Castka, 2012). Subsequently, discuss the critical socio-economic indicators which closely impact on value addition initiatives in Africa's the leather sector and citing a case of Kenya.

Performance Trends in the Leather sector

The leather sector worldwide has registered improved performances, contrasting on the recent past occurrences in the 2009/2010 resulting from economic slowdown. Interestingly, Africa and Asia as regional economic blocks were least affected during that period, with the domestic markets supporting the leather sector production chains (Mwinyihija, 2010; 2011). However, currently the complication is not falling prices but raw material being overpriced, which narrows profit margins through increased costs of production and subsequently resulted to the close down of smaller tanneries. The effect of these highly priced raw materials on operational tanneries, equally affected other factors of leather production, particularly the competitiveness of the leather-goods and footwear subsectors (National Productivity Center [NPC], 2010).In addition, prices affect the dynamism of production when related to the supply chains of the leather sector in Africa which has long chains in comparison to other agro-based commodities. For instance, the leather chain sector encompasses different strata in its long chain such as producers, traders, tanners, and manufacturers of leather-goods, as such, depict a complex chain that requires a holistic approach to its review. In retrospect to pricing, moreover, Africa has continued to experience higher demand of its raw hides and skins, irrespective of quality and this further complicated the market behavior and demean on government policies that relate to encouraging value addition.

The high pricing of raw materials to the tanneries meant few finished leathers were produced by them due to low availability of the material and this resulted to decline in production. Regardless, the central issue of concern for the review is to analyze the leather value chain in Africa and determine the 'bottlenecks' impacting negatively to performance in production and marketing, despite the upward trends in other parts of the world. It is, therefore, opportune toreveal what hampers Africa's transformation into a global leader through its leather value chain when such draw backs are cited. The oxymoron of Africa's productivity is that it seeks lower prices for leather and leather products when prices are getting even higher (Mwinyihija, 2011). As earlier mentioned, this contradicts global performance where other players of the sector continue to register improved performances.

Production patterns at Global, Africa and selected country level

It is imperative to understand the principle stages of the leather value chain to understand its potential. Therefore, a deliberate dissection of these stages proved a deeper understanding of the problems affecting the leather value and production chains in Africa. Thus, value addition as a term is comprehended as the process of improving a product or service resulting in an enhanced value or competitive edge when compared to its original status (Ngore et al., 2011). Indeed, the process is even more enriched when previewed from global, continental, and regional perspectives for clarity.

At the global level, 60% of 23 billion square feet of leather production is directed towards footwear alone (Food and Agriculture Organization [FAO], 2011). Overall the leather sector depicts a strong growth worldwide with increasing population and consumption per capita (Figure 2). Thus, reflecting on the global level, the graphical representation (covering 1950 to 2030) denotes that the total production of shoes is higher than the human population, retrospectively, indicating also increased shoe consumption per capita. The world shoe demand is highly influenced by consumption trends in Europe, America and strong Asiatic countries where their consumption capita are above 2.5% per annum (Mwinyihija, 2012). This is in contrast to Africa's trends whose shoe consumption per capita on average is below 1.0% and as discussed hereafter portrays a scenario where the production cannot meet the population demand on shoes, thereby, opening the continent to external market entry.

Global performance on the sector indicate that the total accruals in revenue from leather and leather products are estimated at $100 billion annually with Africa earning only $4 billion irrespective of commanding a 14% global raw hides and skins market (Mwinyihija, 2011, 2012; FAO, 2012) . From a continental analysis, Asia leads in both consumption of leather products and the production of footwear with over 9 billion out of a total of 13 billion pairs of shoes produced (FAO, 2011). With the presence of countries such as China, India, Pakistan, Thailand, and Vietnam, footwear production in Asia is vibrant due the competitive edge that they have established.

Comparatively, it is estimated that Africa contributes about 21% of the livestock production and 3.5% of the global leather (a paltry representation of the 14% supply of rawhides and skins mentioned earlier) which at most is semi processed annually within the 2005 – 2012 period. This translates to the continent that registers high losses within its production chain and exhibits missed opportunities for its value addition pathways (Decreuxand Spies, 2012). All this occurs while the forecasted consumption potential in the next 20 years in leather goods and footwear in the continent portrays growth (Hattingh, Russo, and Sun-Basorun, 2013). The growth of the leather sector in Africa's small- and medium-sized enterprises (SMEs), poor trickling down effect for its hides and skins producers, low market entry, lack of well-designed skills development, low investment, and slow technology transfer have all hampered the continent's zeal to explore potential 'quick wins' from a sector (Decreuxand Spies, 2012) that is pertinent to population that depends on livestock livelihood.

Impact to Socio-Economic Indicators

When compared to accruable factors attained at the global level, critical socio-economic indicators such as employment, wealth creation, rural development, gender, and youth empowerment are poorly attained in Africa (African Development Bank, 2012). Yet, with all the challenges indicated, the continent appears to be the next hub for the leather sector development from Asia. This perception is slowly gaining ground as more development of infrastructure takes place in certain countries in Africa, evolving policy towards value addition of their commodities, including the leather sector (Sharma, Pathania, andLal, 2010). This prominence is more pronounced in Africa because of increased visits from various delegations exploring opportunities for raw materials, investments, and agreements with other major continental players on different areas of cooperation. Currently, strengthening regional blocks in Africa to develop the national and global leather sector can possibly provide an alternative pathway to improve on the continent's general economic performance in trade (Rojid, 2007).

What are the Problems of the Leather sector in Africa?

In Africa's leather sector there are policy factors that are ignored, partially addressed or not identified at all during planning or implementation stages. Some of these include the dire need to conceptualize the underpinning factors that impede the leather sector growth in Africa. For instance, identifying unexplored opportunities, strengthening of socio-economic fundamentals and instituting appropriate policy and legal frame work can form the basis to stimulate growth of SME's (Small to Medium Enterprises) in the region. Essentially, this warrants interventions or optimization to identify unexplored opportunities within the leather production chain for the purpose of agility in value addition (Swafford, Ghosh, and Murthy, 2006). Moreover, comprehending the constraining aspects, trends (i.e. past, current, and future), and forecasting could assist to determine the underlying potential which the leather

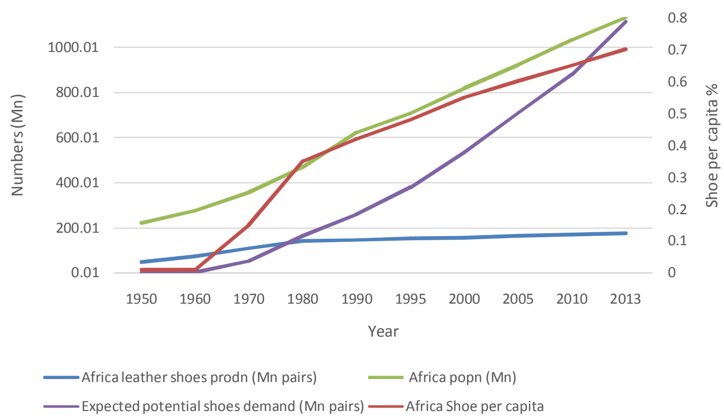

Figure 3. Preview of Africa's Leather Shoe Demand, Shoes per Capita, and Production Level Related to Its Growing Population (1950-2013)
Note. Adapted from FAO (2011), Mwinyihija (2012) & U.N. DESA (2011).

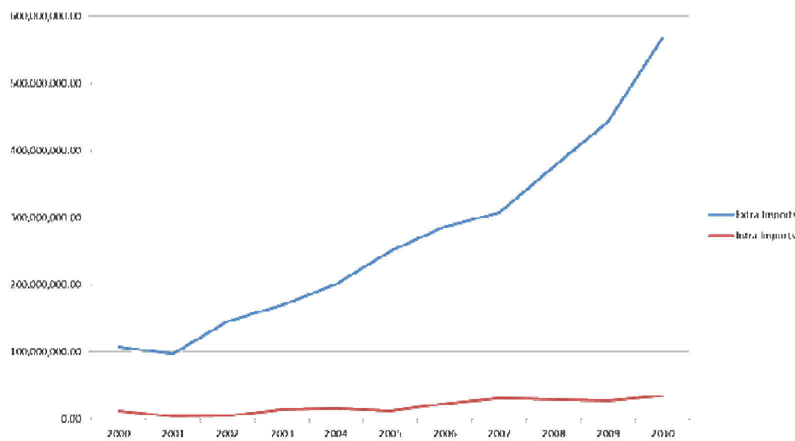

Figure 4. Intra and Extra imports of footwear in COMESA region (2000-2010) (Mudungwe, 2013)

sector value chain could realize as illustrated in Figure 3. The graphical illustration indicates that while the population increases the demand for shoes equally increases but in contrast to the observation noted at the global production trends, in Africa the production of leather shoes has not significantly responded tothe demand.

Thusly, not surprising the continent has become one of the most lucrative markets for imports which essentially are not of quality and at worst a 'dumping ground' for second hand shoes. For example in COMESA (Common Market for Eastern and Southern Africa) region extra imports (outside the region) far outweighs intra imports (amongst member countries) (Figure 4). The regions production depicts a market potential of 365million per annum and a short fall of 280 million pairs as the region can only attain a production level of 85million pairs with the deficit to be filled by extra imports (Mudungwe, 2013).

In retrospect, the review also underscores the lack of importance given to developing value addition in the leather sector as fundamental to the development of the leather sector. Conspicuously, in developing countries, this is a pertinent issue that has not been addressed adequately. For example, the inability to develop the potential of the leather sector, adversely impacted on policy direction towards alleviation of poverty, employment creation, wealth generation, gender parity, rural development, and the overall productivity of the leather sector in Africa (Conceição, Mukherjee, andNayyar, 2011; Handoussa, 2009). In tandem to this scenario, deducing from the world statistics over time, indicates that Africa was not in a position to value add on

Table 1. Kenya's performance and Impact over three phased period (1995– 2010) (Mwinyihija, 2012)

	1995-2000	2001-2005	2006 -2010
Export of trends	-15% Processed -85%Raw	-75% Processed -25% Raw	-90% Processed -10% Raw
Prod of Hides and Skins (Pieces)	6.3million	7.82million	8.25million
Tanneries (Nos)	17	9	13
Cottage units	15	17	24
Leathergoods units	15	12	47
Direct Employment (Nos)	1700	2500	16740
Total earnings (Ksh)	**2.0billion**	**2.8billion**	**5.86billion**

Note: K.Sh 85.00 is estimated at US$1.00

its commodities but was better off exporting its raw material (Elliot, Ekpott, and Sieper, 2011). However, this description of the continent's performance was contrary to the sizeable share (21% of the global livestock population) in the world (FAO, 2011).The problem is further compounded in the continent with observed high losses in the supply and production chain, lack of appropriate strategic interventions, and implementation modalities that would have ensured tangible value addition in the leather sector. The impact mentioned formed the basis of concern and captioned the mantle of problems in Africa's leather sector.

Other detrimental factors, such as lack of initiatives towards value addition, lack of skills, and abject investment opportunities propelled the sector's problems to unimaginable levels (Gale, 2012: Mwinyihija, 2010). Thus, areas that predominantly depend on livestock, normally exhibit high livestock populations (e.g. countries in northern, eastern, and southern Africa) and inhabited with pastoralists are conspicuously low in productivity and have undervalued hides and skins as their main raw material (Little, McPeak, Barrett, and Kristjanson, 2008). Furthermore, the pastoral areas that also have high poverty levels and have sporadic rains leading to drought conditions experience this calamity. Indeed, the review contends that certain specific challenges need to be addressed urgently to improve on its sectoral economic performance. This includes aspects such as lack of tangible value addition initiatives, unexploited potential opportunities attributed to a lack of awareness, and the need for appropriate policies directed towards most of the commodities in Africa, with the leather sector being no exception (Elliot et al., 2011). Without appropriate "opportunity management" strategies, rural development, income generation, wealth creation, gender parity, youth empowerment, and poverty alleviation remains elusive in Africa.

Kenya as an example

Kenya is an exemplary in the review due to the complexities of the country's leather value chain. A brief review of the leather sectors background was important to illustrate where and how the performance of the industry was impacted. For instance, before and after independence of Kenya, the leather sector in the country has not benefited from appropriate policies, programs, or affirmative actions designed for its development. Yet**,** Kenya's leather sector has been in place since 1905, but the policy and legal frameworks that have been evolving over time fail to revitalize the sector despite its untapped potential. However, with the advent of a mega government policy in Kenya dubbed as 'Vision 2030,' which was intended to revamp the sector, the pace of implementation process remains slow (Vision 2030, 2007). For example, from 2006 to 2012, 90% of the hides and skins were semi-processed, accruing earnings of $73.3 million per annum instead of $293.2 million for finished leathers or $879.6 million for leather goods per annum (Mwinyihija, personal communication, June 5, 2013).At the end of 2010, employment stood at 16,740 persons directly employed by 13 tanneries nationwide, mostly operating at 60-80% installed capacity (Kenya National Bureau of Standards (KNBS), 2012; Mwinyihija, 2011) (Table 1). In retrospect of high potential with estimated footwear demand of 35million pairs of shoes with local supply only providing 8million pairs per annum.

This shows clearly that the country cannot meet the deficit and has to allow for imports mostly based on second hand. Moreover, there are caution to consider with the results indicated in Table 1 as mostly the total leather produced is 85% semi processed and the returns are not optimal (estimated at 3.9% whilst footwear represents 60.6 of the global value). These statistics underscored the inability of Kenya to maximize its potential in the leather industry.

In lieu of the slow implementation of the reforms by both the public and private sectors including Identifying the constraining factors, pursuing unexplored opportunities, and conceptualizing the historical perspective, Kenya urgently require these remedial measures to transform the leather sector. These measures are meant to sustain the development of the leather sector in Kenya as failure to address these goals could result in unemployment, declined income generation, wealth creation, lower productivity, and underdeveloped small to medium size processing units(Onaolapo and Oladejo, 2011). Incidentally, this also serves as a panacea to Africa's dilemma in the leather sector value chain.

Importance of value addition chains.

Sustained value addition chains are pertinent because they provide attention to customer needs, such as their demand for the production of goods and services through respective supply chains. The current view on supply chains that is beneficial to value addition is that efficiency in supply chains reduces costs, whereas value chains focus on demand, cash flow, and achieving a competitive edge (Assey Mbang, 2013; Kumar and Kapoor, 2010). Thus, unlike the relationship depicted in Figure 1 which portrayed value and supply chains, the relationship is not antagonistic but complements each other.

Research activities to date have failed to adequately identify differences between value and supply chain, particularly regarding their roles and importance to value addition. Therefore, focusing on value addition in the leather value chain analysis will demonstrate that the two processes are related (Lukac and Frazier, 2012). This is conspicuous with the presence of market outlets at all critical stages shown in the value chain map depicting the stages where the potential accruals could be attained. Other pertinent factors that emerge indicate the supply chains are associated with reduction of costs and attainment of operational excellence. On the other hand, value chains are closely related to innovation, product development, and improved market entry (Rao, Raju, Reddy, and Hussain, 2013).

Complexities of the leather value chain.

Studies elsewhere related to the leather sector have so far had varied positions on the actual composition of the value chain. This has resulted in some schools of thoughts expressing that the value chain begins at the live animal stage whilst others at post slaughter stage (Mwinyihija, 2010; NPC, 2010; Viju, 2008). The varied stands in determining the value chain could potentially impact the way the leather value chain is stratified and determine whether to deal with raw hides and skins as by-products or co-products. This is an assumption that has great consequence concerning the number of stages in a leather value chain, type of product to be produced, and standards to be applied, and associated life cycle assessment. Furthermore, the complexity is more evident in these strata where conspicuous variation of socio-economic background, academic status, professionalism, and experience diversity in the leather sector is experienced. Therefore, this complexity predisposes the sector to over generalization or underestimation of the sectors challenges and interventions.

Intrinsic and extrinsic factors of leather Value addition

The model approach to value addition integrates both intrinsic (aspects that occur within the sector but also influenced by external environment e.g. inculcating entrepreneurship etc) and extrinsic factors (refer to external factors that influence internal aspects of the value chain e.g. market trends, policies etc). In pursuance of these phenomena aspects such as knowledge, processes, and technology use become fundamental dimension to ascertain potential value in the leather sector to enhance competitiveness (Amanor-Boadu, 2003; Fiore, Niehm, Oh, Jeong, and Hausafus, 2007). In addition, the initiative towards leather value addition is deemed fundamental at each production stage of the chain(including service offered) from pre-slaughter to finalization of leather and leather product. Relevance of value addition is on the basis of understanding the leather production outlets, innovation potential, product diversity, income stabilization, wealth creation, profitability, employment, and both intrinsic and extrinsic opportunities related to the value chain. Moreover, to articulate the potential of leather value addition, nine aspects (employment, trade, costs, price, productivity, competitiveness, income were found crucial in further understanding the thematic areas of the review (i.e. trade, productivity, competitiveness and innovation):

a. *Employment*. According to Budd (2004; 2013), employment forms a fundamental balance between economic efficiency and social equity. In respect of this balance, the employer must evolve profits to sustain economic efficiency and create social equity that allows employees to enjoy reasonable lifestyles. However, it is pivotal to evaluate how the complex nature of the leather sector's employment matrix impacts value addition initiatives. This is a sector whose employment encompasses both the agricultural (source of its raw material) and the manufacturing (processing of leather/leather goods) sectors. Melamed, Hartwig, and Grant (2011) emphasized that both the agro based manufacturing sectors (which encompasses the leather sector) are pertinent in evaluating economic performance.

b. *Trade*. This relates to financial transactions or commerce and is a critical aspect of determining the prognosis of the leather sector. For this study, the trade transactions related to the leather sector along the value chain will be evaluated at each stratum and such observations will be analyzed for potential impact (Powers, 2012). This is a key factor to consider in capturing domestic and international trade potential of the sector and ascertaining its direct impact on economic growth, job creation, and sustainable income at both community and production levels (Kliesen and Tatom, 2013). The importance of trade is its inclusivity of economic growth of the leather sector. Growth is fundamentally driven by trade and investment and would facilitate sustainable development in the leather sector.

c. *Costs*. Costs can be considered as fixed (rent, salaries etc.), variable (wages, raw materials etc.), direct or indirect. Costs can also be related to aspects such as stock financing, borrowing or loans, retentions, recapitalizations or capitals, investments or operationalization of enterprises (Durand, 1952; Jacobs and Shivdasani, 2012). This is an important aspect whether fixed or variable when related to the leather sector because it guides profitability and decision-making processes (Schäffer, 2008) in all sectoral enterprises. As such, it become prudent when evaluating the leather value chain to understand the dynamics related to costs and apportion factors that either enhance or deter value addition in the leather sector.

d. *Price*. Price is associated with revenue of the enterprise and its profitability. Setting the right price determines an enterprise's survivability and subsequently influences the value perception for a product or service (Aalto-Setala, 2005; Beck, Hubrich, and Marcellino, 2011). Thus, for value addition and its inherent potential, it is fundamental to take into consideration the pricing dynamics as an essential variable in determining demand and supply in the leather value chain.

e. *Productivity*. Productivity depicts a situation where an enterprise has the ability to utilize its available resources in order to produce or supply goods or services profitably while meeting the clients' expectations (Boothe and Roy, 2008). Moreover, classic research indicated that establishing a relationship between input and output in the perspective of considering capital, labor, and consumer satisfaction provides a picture of productivity (Hirsch, 1947). However, current ideas about productivity consider it more important than profits and revenue, as it directly reflects on the efficiency and effectiveness of an enterprise's policies and processes (Young, Wilkie, Ewing, and Rahman, 2008). Therefore, based on this notion, the leather sector value addition initiatives and opportunities could easily be used to measure productivity. This is paramount in particular when total productivity issues of the leather sector are to be determined.

f. *Competitiveness.* Competitiveness refers to the capability and performance of the enterprise to supply or sell goods and services in an identified market in competition with other enterprises (Armitage, 1999) and in the process integrate social, economic, and environmental dimensions (Jiang andShen, 2013). For the value addition initiative in the leather sector, the aim is to evaluate the competitiveness of the leather sector, underlying its potential to improve its current national performance in the leather value chain in various countries in Africa (Delgado andKetels, 2011; Delgado, Ketels, Porter, and Stern, 2012). Furthermore, policies and factors along the value chain impacting on productivity, such as the quality of human resource and infrastructure (both social and physical) are worthy of consideration when evaluating value addition in the leather sector.

g. *Income.* According to Barr (2004) and Case and Fair (2007), income is expressed in monetary terms to depict consumption or saving opportunities gained by an entity, though the actual meaning varies depending on whether it is referring to a nation, sector, or individual. In relation to the leather sector, the focus should be directed towards the entrepreneurial and sector levels in order to determine if there are positive gains or otherwise, in income in the sector at large.

h. *Technology.* Technology is related to the enhancement of efficiency and promotion of growth in business. Over time, enterprises have increased their dependency towards the use of Information and Communication Technology (ICT) to address to needs of their clients (Lally, 2013). Increased used of e-commerce and social networking has become a necessity and influences decision-making processes, marketing, and operation of enterprises (Kramer, Jenkins and Katz, 2007; Riahi, Rahbargazi, Mahmoodoghli, and Abbaszadeh, 2012). It is with this background that efforts towards the leather value addition should evaluate the ICT profile and determine its impact on the leather sector value chain as a preamble to its performance.

i. *Innovation.* Potentially is also referred to as research and development (though many consider it as a stand-alone). In relation to business management, innovation is considered the stimulus or catalyst that induces growth in enterprises. Innovation is considered a mode of delivering value to enterprises and effectively improves processes, products and services (Frankelius and Eliasson, 2011; Frankelius, 2009). Thus without due consideration of innovation as an integral process of value addition aspects such as competitiveness and productivity becomes elusive to the leather sector.

Strategy towards leather development

In leather development while the intent to pursue value addition is critical to enhance performance it is imperative to strategize on all the activities that impact on the leather chain. For instance**,** *S*trategy is aptly a plan or drive that shapes the future wherein people attempt to attain desirable results with available resources or means to meet expectations of the stakeholders in the leather sector. Accordingly, therefore, strategies could be directed towards various domains (e.g. corporate, political, operational, etc.), but there are fundamentally three main components of importance: strategic choi*ce, strat*egic implementation, and strategic analysis (Lombriser and Abplanap, 2005; Müller-Stewens and Lechner, 2005).

In direct relation to the leather sector after incorporating aspects on choice and implementation, the analysis of strategy could assist in identifying aligned or misaligned strategies of organizations (Kaplan and Norton, 2008). Thusly, the relevance of strategy attributed to the leather value addition initiatives is to facilitate an understanding of the factors impacting on the leather chain. Some of the most applied strategy tools include PEST analysis, SWOT analysis, five forces analysis, market segmentation, directional policy matrix, competitive analysis, scenario planning, and critical success.

CONCLUSION

The review of the leather sector in Africa elucidated the general constraints and shortcoming that hinder the continent's zeal to upscale the potential the agro-based industry harbors. The review attempted to highlight the unexplored opportunities that could easily have escalated the enormous raw material availability to the much sought after value added products. Critical aspects such as Markets, demand levels and consumption per capita further demonstrated that Africa's problem are more related to lack of conceptual direction or implementation framework. Therefore, poor value addition initiatives, inadequate quality assurance strategies, inappropriate policy, and a legal framework compounded the continents challenges in developing and benefitting from the leather sector. At the global value revenue accruals were attractive but dismal for Africa irrespective of the large livestock base and supply of livestock provided. Analysis of Kenya as a country case provided an important insight of the complexities associated with value addition at that level. It is pivotal for Africa to step back and strategize on the best way forward, prioritize and structure the leather sector towards exploring and optimizing the potential in its value chain. The impact of the leather sector in Africa on employment, wealth creation, rural development and poverty alleviation is enormous.

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