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PROBLEMS OF LEATHER AUXILIARY LINK INDUSTRIES 1/
IN DEVELOPING COUNTRIES

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Leather industry is an important industry for the economy of developing countries for many reasons. It is a labour intensive industry, providing job opportunities to skilled and semi-skilled people at urban and village levels. Leather making as well as the production of various leather goods, footwear etc. require the usage of a large number of auxiliary chemicals, materials, etc. Hence a host of link or feeder industries can also be set up which in turn will provide employment opportunities to the local population besides contributing to the economy of the developing country. So far as leather auxiliaries are concerned a good number of them are still being imported by India while there are quite a number of developing countries which depend almost entirely on import of these auxiliaries.

Setting up of link or feeder industries in developing countries will have to face many problems. They are lack of (a) capital (b) entrepreneurship (c) technical expertise (d) selling ability (e) uniform availability of raw material of standard quality, etc. In addition to this another important factor which decides the success of a specific link industries is the economy of size; the quantity of the auxiliary required may be so small that the starting of a separate link industry may not be worth while.

Solution to these problems are (a) intervention of the state to provide the capital and entrepreneurship; they may start link or feeder industries in the small sector by themselves or to back and finance small scale

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industrialists if any one comes forward (b) states may seek the technical expertise and aid of organisations like UNIDO and CLRI and STC(India) in the setting up of plants for the production of materials as well as in organising their sales (c) states may also seek the aid of CLRI/UNIDO in standardising the quality of the raw material as well as of the final produce.

As regards the economy of size it is to be noted that all developing countries are not in the same state of development. While certain developing countries may have the advantage of availability of raw material others may have the advantage of a better consuming market. Hence it is suggested that instead of attempting to start as many link or feeder industries for producing items like leather auxiliaries in each developing country, a group of developing countries may join together, pool their requirements and raw materials and start leather auxiliary industries in locations mutually suitable and convenient e.g. fatliquor based on cotton seed oil can be produced in Egypt or Sudan whereas powder extract of *Acacia Nilotica* pods may be produced in Nigeria. This approach based on the philosophy of mutual co-operation may not be appealing at the first instance. The present trend of mutual co-operation emerging in developed countries e.g. ECOM should be emulated by developing countries. Further similar to the purchase of petroleum crude from petroleum producing countries by many countries of the world and processing them or refining them for the production of a variety of petroleum products at factories located near the consuming centres leather industries of developing countries can import partly or fully the basic material for the production

of certain leather auxiliaries and other materials which are at present being imported by them. The benefits of this approach are not only the creation of greater employment potential but also avoidance of import of certain materials rich in water content which results in obvious wastage of valuable exchange e.g. Acrylic binders used in leather finishing are 40% dispersions of acrylic resins in water. Import of acrylic dispersion will result in the import of 60% water too! Similarly if any developing country is not self supporting in the requirement of oils used in the preparation fatliquors it is better that country or a group of countries import raw oil and convert it into fatliquor. While doing so the countries can use locally available salt, water and labour in the production of the product.

The advantage of setting up of link industries producing leather auxiliaries also lies in the fact that the developing countries can produce two classes of leather auxiliaries: One for local consumption and the other for making exportable leathers. Leather auxiliaries meant for local consumption can be made either partially or fully from indigenous substitutes for imported raw materials e.g. Fatliquor for local consumption in developing countries need not be based on internationally accepted standard oils like neatsfoot oil and cod oil but can be made from locally available oils like peanut oil, cottonseed oil, pongam oil, etc.

Setting up of link industries alone, or by a group of countries will result in the requirement of mini-laboratories for quality control and research which could be established with the co-operation of CLRI.

It is concluded that by the setting up link industries for leather auxiliaries in developing countries by the active intervention of state, preferably in collaboration with other developing countries, employment opportunities for the local population will increase, economy of countries concerned will improve. The developing countries may take the help of CILRI, UNIDO, STC(India) in building up infrastructure for link industries for the purpose of setting up of plants, production of leather auxiliaries and their sales.



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