

# **The Emergence and Performance of Modern Tanning Industries in Kano, 1949-2000**

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## **Abstract**

The traditional tanneries and the production of leather have long been one of the most important crafts for the people of Kano, and tradition has it that it is the most ancient. However, records confirm that Kano rulers in the 19<sup>th</sup> century made conscious efforts to encourage and expand these industries. This paper examines the historical development of modern tanneries in Kano from 1949 to 2000. The year, 1949 witnessed the establishment of the first modern tannery in Kano and the year 2000 marked the five decades of the establishment of modern tannery industries. The paper attempts a comprehensive assessment of the operation of the industry in Kano. It also analyses the debates that the foreign-managed modern tanneries are viable and are surviving, while the indigenous-managed ones are collapsing even though both operate under the same condition of the waves of bad economy blowing right from the middle of the 1980s.

## **Introduction**

The contribution of the leather working industry to the economy of Hausaland is well known and had been in existence since the 16<sup>th</sup> century. This was the time when Hausaland tanned and dyed red leather that was exported by caravan across the Saharan desert to parts of the western Mediterranean as 'Morocco leather' (Asebe, 1996). The leather eventually found its way to European markets. During British rule, hides and skins served as one of the major items of export (Asebe, 1996). There have been debates that centred on the reason foreign-owned tanneries, especially those owned or controlled by Lebanese, Pakistani, Indians and Spanish are surviving in Kano, while indigenous-managed ones are collapsing. The plausible explanation for this trend in the modern tanning industry in Kano is the major thrust of this paper.

## **Historical Development of Modern Tanning Industries in Kano, 1949-1960**

The development of any craft industry whether leather dyeing, smiting or carving occurs to or is reflected by the pattern of the development of the economy and demographic characteristics. The abundance of the supply of raw materials often gives rise to manufacturing no matter how crude a form it takes. This was the case for the development of leather processing in Kano and Sokoto. The availability of easily workable fine leather gave rise to a hand-made leather industry with which Sokoto and Kano's people are reckoned. Kano people once dominated this

significant aspect of the profitable Trans-Saharan trade, but they have been driven out by Europeans and Yemeni in the last one hundred years and reduced to labourers and middlemen to their jobs and in their city (Mukhtar, 1994).

The growth of the industry brought a sign of economic development. There was the emergence of traders of hides and skins in Kano who came to be actively involved in the colonial economy. The pioneer families who right from the pre-colonial era were traders on hides and skins readjusted their trading activities to suit the contents of the colonial economy. These families included the Nabegu, Ina Ila and Sule Garo and a host of others (Interview with Baba Nabegu, Chairman, Nabegu Group of Companies, April 23, 2001). These traders acted as agents for foreign firms by buying hides and skins and selling imported manufactured goods. The leather trade and especially, hides and skins were so profitable that they added to the wealth of the people. The expatriate companies established stations very close to production centres, and employed middlemen and clerks who did the actual buying for the foreign merchants; Kano became the centre of hides and skin export trade due to the high rate of involvement of both indigenous and foreign merchants (Mukhtar, 1994).

After the Second World War, there were a lot of openings for commercial activities in the world. The European businessmen were more exposed to the potential in the colonial territories. Besides, the British were under political pressure (domestic and foreign) to open up the economy as independence was imminent. These potentials attracted prospective investors to think of manufacturing various items in the colonial territories, instead of exporting raw materials. This was what guided the John Holt Investment Company to establish the first modern tannery in Kano in 1949. By the late 19<sup>th</sup> century up to the early 20<sup>th</sup> century, England had about five hundred tanneries, all sited near the seaside, but due to the affluent and residential values, labour was more expensive and as a result, many tanneries were shut down. (Interview with John Ryder, January 10, 2001) This explains the shift to a place like Kano in Nigeria where their problems were solved. Apart from the abundant supply of raw hides and skins, some European investors discovered that there was a cheap supply of labour in Kano. More still, the effluent treatment plant could be neglected since the government at that time was not emphasizing environmental control (Ryder, 2001).

From 1949 onwards, various tanneries were established in Kano either by Europeans and Lebanese or by indigenous businessmen. The first modern tannery was established by John Holt Investment Company. This family venture was founded in 1876 and was one of the oldest foreign merchant firms in West Africa. The John Holt tannery is now known as First Tannery located at No 9, Maganda Road in the Bompai area of Kano. Between 1960 and 1975, five modern tanneries were established in Kano. They include the Great Northern Tanning (GNT) established in 1961 and incorporated in 1963, Darum (now Gashash) established in 1965, Arewa Tannery, 1972 and Intertan established in 1973. In the 1960s, John Holt Tannery and G.N.T. were tanning hides and skins for the local market. They

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later went into vegetable tanning (Vegetan) using *Bagaruwa* (Acacia) to tan sheep, goat skins and pickles for exports, while Arewa Tannery was exporting raw skins to Spain despite the Federal Government's ban on the exportation of raw skins. This ban was meant to encourage the establishment of more modern tanneries by the industrialists. The years between 1977 and 1978 witnessed the introduction of a black-market skin trade controlled by some Lebanese in conjunction with some Spanish (Interview with Leo Hutchison, May 25, 2000).

The hides and leather industry in Kano had grown in size and sophistication over the years. By 1987, the number of modern tanneries had reached eleven and the total capital investment was about N100 million. The commendable growth rate in tanneries continued into the 1990s and 2000s. There were five tanneries at Bompai, eight at Sharada Industrial Layout and eighteen at Challawa Industrial Estate. In total, thirty-one modern tanneries were established in Kano. Ten out of the thirty-one were owned by the indigenous Kano entrepreneurs, while the rest were owned or operated by foreigners, mostly Lebanese, Italians, Spanish and Indians (Hutchison, 2000). It is, however, worthy to point out that, it was probably because of the 1976 Indigenisation Decree that spurred up the indigenes to acquire some modern tanneries in Kano. The decree encouraged and protected indigenous participation in the commercial and industrial sectors of the nation's economy. Tanneries fell under Schedule II which stipulated that all enterprises listed under this schedule must have Nigerian equity participation of 60% (Olukoshi, 1986). The process of implementing the indigenization policy was very difficult since the indigenous tanners were faced with an exodus of foreign technicians and personnel who knew how to operate the machines effectively. Similarly, the marketing outlets were disrupted. Moreso, the new indigenous tanners had to purchase their chemicals and spare- parts directly from abroad whose sources were hitherto not very familiar to them. Hence, the decree forced local tanners to a level of frustration in the running of the leather industry. However, there was a solution to the dilemma as foreign investors with understanding and agreement sold shares to their buyers and not the control. This was to ensure that their investments did not collapse.

This was the case with John Holt Tannery; the company was sold to Northern Nigeria Development Investment Company and later resold to Alhaji Nasiru Dantata, who had a large share in the tannery during the indigenization policy. In 1988, his shares were bought by Alhaji Abubakar Dan Azimi and in the early 1990s, Akkad bought the factories and Azimi became the General Manager (Kalu, 1986).

The ever-increasing claimed ownership of new tanneries by Nigerians is to be questioned since they lacked the financial muscle to execute such projects. This is because according to Chief Matthew Musa, some of the new tanneries sited at Challawa Industrial Estate were owned and controlled by foreigners.

### **Successes and Failures**

Many sections of the tannery industry have a thorough grasp of their part of the market but had only a limited understanding of how the market as a whole operates, and how the market could affect their businesses. Nigeria has immense potential and the country's goat skins were the best leather and were valued all over the world (Yakubu, May 2, 2001), but the question remains why were the indigenous tanners not doing well in the business?

Before the early 1990s, Nigeria had about forty viable leather industries, but by the middle of the 1990s, it was observed that most of the industries were struggling for survival; some were temporarily closed down, while others went completely out of business. The viable ones were the ones managed by the Lebanese or other foreigners (Fieldwork, 2001).

In the 1960s, Limson and 1989, Ajalyn tanneries were located in Lagos to salvage the shoe industries in Lagos and the Western states as a whole, but they later collapsed. In the defunct Anambra State, the Oji River Tannery (now in Enugu State), was established in the 1960s, but it could not survive for long. In the former Sokoto State, the Gusau Tanning Company (1967), Denge Leather Processing Company. (1988), DS Sokoto Leather and Tanning Industry Ltd (1985) and Leather Products Company, Sokoto (1959) were all established, but were short-lived and collapsed in the late 1980s. In Maiduguri, the Borno Tanning Company (1967) and Nainital Tannery (1980s), had similar stories to tell. In Katsina, Danzami Tannery (1980), and in Bauchi State, Bauchi State Investment Company had no different stories to tell. Kano, where the largest numbers of tanneries were located, shared similar experiences of collapsed tanneries as there were about thirty-two tanneries located in Bompai, Sharada and Challawa industrial areas of the Kano metropolis. Out of the number, nine are owned by Nigerians, four were jointly owned, while the rest were foreign-owned. The foreigners that had a firm grip on the Nigerian leather industries were mostly the Lebanese, Sudanese, Italians Spanish and Indians.

What seems to be the leading and prominent indigenous-owned tannery industries such as Nabegu Tannery, Arewa Tannery, Tan Arewa, Garo, Great Northern Tanning and others were battling to survive. Some of the Nigerian technicians and leather technologists broke away from the collapsed leather companies to establish unregistered poorly equipped tanneries with improvised machines to manufacture leather meant for the domestic markets. These tanneries were Slimpot established in 1998, God's Little Tannery (1999), Shagari Leather Industries, AFRI Leather, God's Unit, Fine Leather and Deras. They were established in the late 1990s.

In the main, the foreign-owned tanneries made remarkable progress in leather manufacturing. Other foreign industries were making waves, yet the indigenous-owned were shutting down. For example, Multi-tan (Lebanese-owned) originated from the textile industry, but ventured into leather production after eight years, and had produced about 10,000sq ft of leather a month for export to the

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United Kingdom, Italy and Spain and these were countries with enormous potential to buying huge sheep and goat skins.

In contrast to the indigenous-owned tanneries, the Spanish-owned tanneries such as Mario-Jose at Challawa Industrial Estate established in 1981 continued manufacturing leather products by shifting from Wet blue skin to Crust and Finished leather production. An estimated 99% were exported including sole and textile leathers. International Tanners (Intertan) owned by a Lebanese is one of the prominent tanneries in Kano that produced a wide range of leather products mainly from hides which were used for the production of shoes, garments, belts, and other goods exported about 880,000sq. ft. per month to Italy, Spain and South Korea. Mahaza Tanneries, another prominent tannery in the Kano leather industry was established in 1997/98 and specialized in sheep and goat skin production. Ninety-nine per cent of its finished products were all exported to Italy, Spain and other countries. The company's total annual output was estimated at 120 million sq. ft.

### **Reasons for the Collapse of Indigenous-Owned Tanneries in Kano**

Many factors have been identified to have contributed to the collapse of indigenous tannery industries in Kano and they are discussed below.

#### ***Lack of Adequate Contacts Overseas***

Leather was in high demand, but meeting the demands was a problem. In the international market when samples of products meet the required specifications, they do not care whether the colour was black or white, yet the indigenous tanneries were not doing well. There must be an existence of a close association between potential exporters and importers and this served dual purposes. Firstly, it allowed importers to show exporters what was required in the market while allowing their exporters to know what products they could offer, and secondly, importers could advise exporters on how to adjust their production to suit current market demands. Unlike most foreign-owned tanneries, the indigenous-owned ones did not have reliable close associates in the international market and this made them lack bargaining power and importers capitalize on this (fieldwork, March 16, 2001).

#### ***Poor Capital Base and High-Interest Rates***

The financial base of many indigenous-owned tanneries was very weak as a result some of them had to rely on short-term loans to finance their operations. Some of the tanneries faced the problem of high-interest rates on the funds they borrowed from the banks for their operations in the early 1990s at the rate of 21%. From the late 1990s to early 2000, the interest rates were generally as high as 31%.

This means that any delay by customers in making payments for the goods supplied to them would mean that the tanneries had to bear the heavy burden of debts arising from such costly transactions. All these led to a situation whereby

tanneries eventually started laying off their workers and embarked on skeletal production.

### ***Ban on the Export of Wet Blue Products***

In 1999, the Nigerian government under President Olusegun Obasanjo enforced the ban on the export of Wet Blue leathers except for the finished leathers. This ban threw most tanneries off balance as they could not adjust immediately coupled with the devaluation of the currency, which made the importation of machines, spare parts and chemicals for finished leather costly beyond the affordability of most tanneries. This resulted in the reduction of the number of indigenous-owned tanneries that expanded to the finishing department. Between 1999 and 2002, there was a huge devaluation of the naira from 40% to 70% and this placed some of the tanneries in a very difficult position as they did not have the financial strength to invest in some imported machines and other aspects of technology required for leather production. This is vital because, without the acquisition of the relevant machinery, the tanneries could not produce high-quality finished leathers that could compete favourably in the international market. As a result of the ban, some indigenous tanneries did not like to be caught in acts of illegal exportation of the Wet blue and did not have the necessary machines for producing finishing leathers either and they resorted to contracts to tan or close down entirely (Nebagu, 2001).

### ***Increase in Fuel Price***

The increase in the price of fuel during General Abdulsalam Abubakar's regime was an additional challenge to the already distressed industry as caused phenomenal production costs. The effect of a hike in fuel price adversely affected the profit margins of the tanneries. Some of them could not break even and the only option open to them was to close down and lay off their workers (Interview with George Emmanuel, March 1, 2001).

### ***Erratic Power Supply***

The central power supply in Nigeria was highly erratic. Industries including tanneries resorted to the use of private generators to ensure steady and seamless production. Considering that, the increase in the cost of running the generators became prohibitive and exerted considerable pressure on the profit margin of the tanneries and partly led to low production levels and consequently the closure and laying-off of workers (Ihuoma, 2000).

### ***Poor Management Style***

This ranged from the inability to set goals realistically, and a lack of strength and willingness to work hard. In some cases, it involved the lack of willingness to take risks that are sometimes large gambles, but worth it. There is also a problem of lack of financial discipline. Some of the salient factors which go unnoticed, but were major factors in the failure of the indigenous-owned tanneries were as follows:

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Firstly, the indigenous tanners had a 'brown box policy', which entailed keeping the capital behind the office seat and dipping hands to dish out money to friends and relatives (Interview with Ron Terry, January 29, 2001).

There is the inability to separate the running capital from the profits, thus there is financial indiscipline. The attitude of display of affluence by some owners of indigenous tanneries was due to concern with increasing their *Girma* social status in the society. This has eaten deep into the indigenous tanners' social fabrics and they were unable to adapt to the bad economic condition in the country. They did not realize the need to maintain a low profile to reduce the high costs of production. This meant that they were yet to change from the high taste for luxurious things—including expensive cars (both in cost and maintenance) to cheaper fuel economy cars. Expensive cars such as Lexus, Legends and others that they had desired to possess were another way of making additional unproductive expenses to tie down their capital (Fieldwork, 2001). The capital used for the purchase of expensive cars could have been channelled into purchasing a huge stock of raw materials and importing machines for leather production.

Besides, the most significant factor was the 'Nigeria factor' which means self-gratification and 'one man shows' without proper accountability. At times, loans received from banks for the running of the industries were squandered as if they were 'national cakes'. For example, in 1998, Globus Enterprise Limited (an indigenous-owned tannery) received the sum of N200 million naira from Liberty Bank and an additional 100 million from other banks to salvage the tannery, but the monies were diverted into purchasing fleets of expensive cars, the building of an ultramodern palace and other miscellaneous expenses including trips to overseas countries for holidays. What was left as working capital was not enough to pay for labour and overhead costs thereby contributing to the collapse of the tanneries. In 2001, Liberty Bank confiscated the tannery and took over its administration and production. With the taking over of the tannery, the bank helped to revive it and recover its money. Similar scenarios applied to many indigenous-owned tanneries. Another vital factor that militated against the success of the indigenous industries was the 'Nigerian culture problem' that entails family feuds and disputes over the inheritance of family business. This at times degenerated to the extent of taking opponents to courts. Arewa and Globus Tanneries were good examples where family feuds and struggles over the inheritance of the companies contributed to their collapse (interview with Samuel Ogah, February 3, 2001).

### ***Fraud***

Most indigenous tanners were victims of some Italians and other foreign swindlers. Arewa Tannery was established in 1972 by Baba Nna Ila in partnership with Brandler U.K. Ltd. and after two decades of successful operations, he bought the tannery from Brandler U.K. Ltd, Arewa Tannery later employed an Italian who became a partner and a technical adviser, but by the middle of the 1990s, the Italian partner swindled the company to the tune of N1billion naira. This was the

beginning of the end of what used to be a viable company. Since then, the company became a shadow of itself. In 1990, Akkad, a Kano-based Lebanese industrialist who was one of the shareholders of the collapsed company bought it at a very low price (Interview with Uwale Jakanda Biu, February 15, 2001). Similarly, Chief Ikenna Isoffia, a Nigerian tanner and exporter of leathers in Kano had a taste of the swindlers too. To participate in the international market, he had an Italian partner, Mr Logno D'Viso in 1993 and based on trust, they had a good business partnership for four years. By 1997 when Chief Ikenna travelled home to the eastern part of Nigeria for his traditional marriage ceremony, his Italian partner transferred the sum of N44M to Italy and left the country (interview with Ikenna Isoffia, February 15, 2001). This act made Chief Ikenna end up in the police net because part of the money his foreign partner embezzled was a bank loan. Chief Ikenna Isoffia became broke and was thrown out of business. Many indigenous tanners have fallen victim to fraudsters.

### ***Lack of Acquisition of New Techniques***

The foreign-owned tanneries had survived despite the downward trend in the economy compared to the indigenous-owned ones. This situation became a source of concern for many industrialists including the Industrial Training Fund (ITF). The ITF was established under Decree 47 of 1971 with its headquarters in Jos and twenty-four branches spread across the country. The ITF is charged with the responsibility of promoting and encouraging commerce and industries to enhance the development of manpower and the economy in general. ITF trains personnel from industries on areas such as financial discipline, better management, supervisory skills, safety and health matters, and finally exposes personnel to current modern equipment (interview with Alexander Ugowe, February 15, 2001). Most indigenous tanners and their directors failed to send their staff to attend the ITF workshops on the excuse that businesses were badly caused by bad economic conditions. On the other hand, the Lebanese and other foreign-owned tanneries sponsored their staff on yearly basis to the ITF workshops to enhance their skills, techniques, knowledge and better attitude to work. ITF also carried out in-plant training for workers aimed at solving deficiencies identified in a particular industry. The lukewarm attitude shown by the indigenous tanners towards ITF programmes had adverse effects on the operations of tanneries. This goes to confirm an adage that says 'if one is not well -informed will be deformed' (interview with Alexander Ugowe, February 15, 2001).

### **Reasons for Successes of Foreign-Owned Tanneries**

The Lebanese and other foreign companies have succeeded in the leather trade in Kano due to some factors:

#### ***Strong Financial Base***

Foreigners owned companies prospered better than indigenous owned because they had a strong capital base in their countries and could access loans abroad at lower



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interest rates. Most times, they borrowed money from their banks abroad at the interest rate of 8% and when the money was transferred to Nigeria, the money will yield more value for them due to the devaluation of the local currency. With this huge financial outlay at hand, a Lebanese tannery such as Mahaza Tannery was able to purchase the highest grade of skin. The foreign-owned tanneries used their superior financial strength to outsmart indigenous tanneries by paying more for the skins. For example, they could pay the sum of N1000.00 for a piece of sheep skin when the ideal price was N700.00. With this differential, the indigenous skin dealers reserved good and high-quality skins for the expatriate tanneries. For instance, the skins that were regarded as grade 'D' skins or 'rejects' in Lebanese and other foreign-owned tanneries were classified as 'standard grades' of skin in some indigenous-owned tanneries (Terry, 2001) The foreigners' success begins from raw skin because good quality skin produces good quality leather that would attract higher prices in the international market. The irony of the whole thing is that the same quantity and quality of chemicals used in processing the high-quality skin were also used in processing the low-quality or grade skins. Expectedly, while good quality leather attracted higher prices, the bad or low-quality ones were sold at very low prices. It appears the devaluation of the naira favoured the foreign-owned industries. It should be noted that most foreign-owned industries sprang up after 1986 when Structural Adjustment Programme (SAP) was adopted. Presently there exists a great deal of competition among foreign-owned companies namely: Mahaza, Multi-tan, Mario-Jose, and Yaaunris. This is because the exchange rate had favoured them since they bring in Dollars and Pounds since the Naira, the local currency was depreciating.

### ***Easy Access to International Market***

The Lebanese were fully visible and well represented in the export business has the advantage of sourcing for markets and exporting their products overseas since they had already established personal contacts with buyers abroad. Apart from having representatives and warehouses overseas, many of them travelled abroad for summer holidays where they utilized the opportunity to have business discussions with their customers. This personal contact helped in confidence and trust building between them and their customers. It also offered the Lebanese leather exporter additional opportunity to have strong bargaining power, which the indigenous tanners lacked. They co-operated and avoid stiff competition among themselves, while the indigenous tanners remained victims because of the obvious advantages the foreign tanners possessed. This, in essence, means that a Nigerian tanner could ship a piece of skin for \$100.00, but by the time the leather arrived at the destination, either Italy or Spain, the buyer will communicate to the Nigerian exporter that the prices had fallen or that the quality was not good enough and as such he could only buy it at \$70.00 per piece and not \$100.00. At this juncture, the Nigerian exporters' will have their hands tied since they had no warehouses overseas to store the goods. Out of frustration and despair, the indigenous exporter

will accept the sum of \$70.00 from the buyer. The frustration is obvious, as many indigenous tanners became victims of the circumstances. The overseas` buyer, knowing that he did not give the correct prices in the international market, will purchase the skin or leather and then sell it higher prices thereby making extra maximum profits.

### ***Undermining of Government Policies***

The Lebanese had maintained a cordial relationship with some persons in government, especially in the 1980s, and late 1990s as a way of getting by. Through this strategy, they were able to secure their businesses in Nigeria. The Nigerian government did not regulate the activities of the foreign industrialists; hence they circumvent the government policies without being penalized.

In 1978, the then military regime of General Obasanjo placed a ban on the export of raw skin, and the Lebanese resorted to a black-market raw skin export. In 1999, when Nigeria returned to a democratic government under president Obasanjo, his administration banned the export of Wet blue skins but allowed the export of Crust and Finished leather, but the Lebanese smuggled the Wet blue skins outside the country. Most times, when smugglers were intercepted by the Nigerian Customs Service, they were never prosecuted nor reprimanded. All necessary actions that would have been taken to punish the culprits ended up on the pages of the newspapers. The Nigerian Tanners' Association of Nigeria decried the smuggling of skins through Lagos and Katsina routes, but to no avail (fieldwork, 2001). The Association described the involvement of both Tanorth Tannery and Kaftan Tannery (both Sudanese and Lebanese tanneries in Kano) in the devilish act in connivance with the Nigerian Customs as unfortunate. The Tanners Association of Nigeria had earlier threatened to drag the Federal Government to court for what it described as the government's 'nonchalant attitude to the clarion call of the Association to checkmate the activities of the smugglers of Wet blue skin at the ports (Abubakar, 2001).

In circumventing the government's policies, the Lebanese devised another system of exporting Wet blue skin. They soak the Wet blue skins in a special chemical that could change the colour to Crust colour, and they tagged them 'Simple Crust'. When the 'simple crust' arrived at its destination in either Italy, Spain, U.K. or France, the customers can immediately soak all the skins in another chemical and the colour changes back to the original wet blue skin, in colour and texture, then they process it to their taste. One thing is basic, that the Lebanese tanners in Nigeria must have advised their overseas customers on what to do immediately after the goods arrived (Fieldwork, 2001). The understanding and cooperation between them undermined the Nigerian government policies. This suggests that it is difficult for the indigenous tanners to compete with the Lebanese and other foreigners who enjoy export help. They tried as much as possible to cut down on the cost of production by not paying water and electricity bills through

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special arrangements and 'cooperation' with electricity and Water Corporations' staff (Abubakar, 2001).

#### ***Commitment***

By any account, the Lebanese-owned industries in Nigeria were successful, partly due to their selfless input. The Lebanese Directors did not only confine themselves to administrative duties in the office and issue instructions to their managers and supervisors but also were involved from stage-to-stage supervision of the production process. Most of them were seen in the factory working as labourers. For example, Hassan, the chairman and owner of the most successful tanneries in Kano-Mahaza and Mamuda was always at the factories by 6.30 am daily, and immediately started supervision of work from the raw skins department to the finishing department. Most of them were workaholics. Efficient personal supervision and enforcement of a good attitude to work count a lot in any business and these were one of the factors that made the expatriates have an edge over the indigenous tanners. They were flexible and easily adjust to the prevailing economic conditions in Nigeria (Interview with Matthew Musa, January 12, 2002).

#### ***Declining Real Wages***

Every capitalist and entrepreneur strive to maximize profit at a minimum cost. This applies to foreigners who exploited cheap labour in Nigeria caused partly by the devaluation of the Nigerian currency and a drastic drop in the standard of living of an average Nigerian labourer. For example, in the late 1970s, a labourer in a Tannery was earning N120.00 monthly, and yet he was living comfortably. But the reverse was the case in 1978/1979 in which labourers' take-home pay was from N5,000.00 to N7,000.00 range monthly the labourers were suffering. Considering the prices of the leather abroad and the profits that accrued to the companies, a labourer was expected to earn not less than N16,800 to N17,700 in 2000 (Interview with Vincent Akpakwu, January 10, 2022).

As earlier mentioned, between 1978 and 1979, labourers were earning N120.00 per month, and the exchange rate of naira to the dollar was one naira to a dollar (₦1 to \$1). This meant that if the (Naira) salary earned were converted to dollars as of then, it would have been \$120.00. Even if the companies were to pay labourers that rate in 2000, this would have been ₦120 x 140 = ₦16,800.00 since \$140 is the present exchange rate of the naira to the dollar. But they were paid peanuts of ₦5,000.00, N6,500 to N7,000 as it applied to Multi-Tan Tannery and others.<sup>36</sup> This means that the real wages of tannery workers in the late 1970s were approximately \$120.00 per month. The average real wage of leather workers was only \$50.00 per month. This indicates a clear decline in leather workers' real wages to the benefit of foreign owned tanneries.

### ***Absence of Community Pressure***

Freedom from community pressure could be said to be one of the major factors that contributed to the sustenance of foreign-owned tanneries. They were free from unanticipated expenditures from relatives since they were away from their homes; it enabled them to have a planned budget.

Many Nigerians on the other hand, were faced with pressure to face the events around them. Such disturbing events frequently oblige them to put in their time and money. The reoccurrence of such events can be so often that they may not be able to plan successful business strategies (Interview with Phillip Shea, November 13, 2002).

### **Conclusion**

This paper has examined the processes and forces that have shaped the transformation of a craft-based cottage industry into one powered by modern machines with sophisticated transnational marketing and production linkages. The processes correspond roughly to the transitions that the Nigerian state has been undergoing since pre-colonial times. It should be argued that to approach a subject such as the development and decline of the leather processing industry in Kano is to simultaneously ask questions about how colonialism and different post-independence regimes (both military and civilian) affected the general economy and by extension the leather processing industry in particular. Leather was a major item in Kano's pre-colonial trade that contributed to its pre-eminence during the Trans-Saharan trade. The famed Moroccan leather was traded widely in the Maghreb and beyond and actually originated from Kano, but leather works remained crude, their scope small, and their markets somewhat restricted at least geographically, what colonialism did was to open up a direct market in Europe for the Kano leather. The waves of failures of locally managed tanneries could lead one to the error of validating the colonial myth of expatriate managerial superiority. One would not then be blind to some contemporary advantages the expatriate tanners possessed over their Nigerian counterparts.

Besides, most of the Nigerian tanners were not fundamentally industrialists or manufacturers, but mere traders or merchants. They had no manufacturing background, no experience in the modern tanning industries and nothing qualifies them to be such order than their participation in the nation's economy due to the 1976 indigenization policy. Even if they had access to bank loans, it became difficult for a merchant to manage a long-term loan. This suggests that the economic environment in which the leather industry operated had changed and its future development appears uncertain. The government needs a re-thinking otherwise, the future of Nigerian leather and allied products would be bleak unless necessary steps are taken with utmost seriousness.

The first is to check on the human consumption of hides and skins, referred to in local parlance as *Ponmo*. The second measure is that there should be an improvement in the quality of hides and skins produced. Third, there should be

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strict enforcement of the ban on the exportation of Wet Blue Skins (WBS) by the federal government. There is a need for improved livestock farming in the country. Fourth, the government should look into the high cost of chemicals and spare parts caused by the continued depreciation of the domestic currency. As more capital flow from foreign sources into the tanning sector, due to the abandonment of the indigenization policy in the early 1980's the pattern of activities within the Nigerian tanning industry brings to the fore a burning debate over whether it is possible, as capital travels more due to the information revolution to make it more responsive to local needs and to saddle it with, social responsibilities whether it is in the long-term interest of capital to make local sensitivities seriously and treat local labour more decently, and whether labour and environmental standards can be internationalized. The debates inevitably call into question the conduct of transnational capital in the local environment. Naples and Santa Croatia where the government provides central efficient treatment plants and the tanneries just pay a token fee at the end of the month. But, for this exercise to be successful in Nigeria, the zoning and location of tanneries in the industrial estate must be put into consideration.

Similarly, there is a need to place an embargo on the importation of used leather products from overseas; these include shoes, handbags, sandals, belts, wallets and so on. Importation of these products had greatly affected the growth of the leather market in Nigeria. Finally, the activities of the Nigerian security officials at the airport and seaports should be checked because they aided smugglers and defaulters to shift exporting banned skins which is detrimental to the Nigerian economy. Successful implementation of these recommendations would improve the state of the Nigerian leather industry and other multiplier effects. It should be noted that the leather industry has not collapsed completely; it was only going through a struggling phase. But in these struggles, there had been winners, the expatriates and losers, the indigenous tanneries.

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NAME	DATE OF BIRTH	DATE OF INTERVIEW	OCCUPATION
Attar Fatai	1951	1-3-2001	G.M Mario-Jose
Akpakwu Vincent	1970	10-11-2001	An Igbo Leather Trader
Emmanuel George	1962	1-3-2001	Prod. Manager
Hutchison Leo	1937	25-3-2000	Independent Tannery
Ismaila Ahmed	1960	11-11-2002	Raw Store Multitan
Isoffia Ikenna	1956	3-5-2001	Wet Blue Skins Exporter
Moses Victoria	1975	12-11-2002	Finishing Dept. Multitan
Malu Sunday	1947	26-8-2001	Veteran Tanner
Musa, Matthew	1953	12-1-2002	Tanner, Great Northern Tanning
Nabegu Baba	1924	23-4-2001	Chairman, Nabegu Tannery
Ogah, Samuel	1960	10-8-2001	Freelance Tannery
Ryder, John	1949	10-1-2001	Independent Tannery
Terry Ron	1959	29-1-2001	A Leather Consultant
Ubale, Jakanda Biu	1954	15-2-2001	D.G. Kano Chambers of Commerce
Ugowe, Alexander	1947	15-2-2001	Area Manager I.T.F