



CAPE TOWN, SOUTH AFRICA



## AN AGENDA FOR CIVIL SOCIETY: A BUSINESS CRITIQUE? SHAPING SOUTH AFRICA'S REGION-BUILDING ROLE

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## Background

The Centre for Conflict Resolution (CCR), Cape Town, South Africa, hosted a one-day policy advisory group seminar at the Double Tree By Hilton Cape Town Hotel, on 20 October 2017, on the theme “An Agenda for Civil Society: A Business Critique? Shaping South Africa’s Region-Building Role”.

## Introduction

The main aim of the meeting was to assess the challenges and opportunities for business and civil society in the agro-processing sector, in particular leather and leather products, in South Africa and the wider Southern and Eastern African regions, within the framework of South Africa’s region-building role. The seminar provided a platform for knowledge sharing, constructive dialogue, and critical reflection among 30 diverse representatives of civil society and business stakeholders in the agro-processing sector, including the South African Skin, Hide, and Leather Council (SHALC); the South African Footwear and Leather Export Council (SAFLEC); the Fibre Processing and Manufacturing Sector Education and Training Authority (FPMSETA); the Zambia Leather Industry Association; and key national and regional business actors, as well as emerging entrepreneurs, in the leather and leather products industries. The meeting also involved participation from senior office-bearers in South Africa’s Department of Agriculture, Forestry, and Fisheries (DAFF) and Department of Trade and Industry (DTI); the New Partnership for Africa’s Development’s (NEPAD) Southern Africa Business Forum; and the Common Market for Eastern and Southern Africa–Leather and Leather Products Institute (COMESA–LLPI). This policy brief is based on discussions at the meeting as well as on the seminar concept note.<sup>1</sup>

South Africa’s domestic socio-economic objectives and regional economic development prospects rest on the country’s New Growth Path (NGP) of 2010 and National Development Plan (NDP) 2030. These two policy frameworks together outline an economic growth proposition that includes the development of regional infrastructure and value chains to spur industrialisation in South Africa and the wider continent, reflecting recognition of South Africa’s important role in driving regional integration and cooperation, as well as the role of the region in contributing to the achievement of its own domestic socio-economic transformation. The country’s National Industrial Policy Framework (NIPF) and successive iterations of its Industrial Policy Action Plan (IPAP) since 2011/2012, meanwhile, have sought to promote value-added trade and production, with a view to creating conditions that can contribute to the creation of jobs, while reducing high levels of poverty and inequality. The 2016/2017–2018/2019 IPAP further recognises the importance of collaboration between government, business, and labour as a key pillar for the achievement of structural economic change.

Yet South Africa continues to face persistent hurdles and to struggle with the development of value chains in key agro-processing industries, in particular leather and leather products as mentioned, with the potential to boost economic growth. Leather is still predominantly exported as a raw material to international markets, with little to no processing in the form of shaving, re-tanning and dyeing, drying, and finishing of leather products, and value chains

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MEMBERS OF THE SOUTH AFRICAN FOOTWEAR AND LEATHER EXPORT COUNCIL (SAFLEC) EXHIBITING THEIR PRODUCTS AT THE PURE LONDON FASHION TRADE SHOW IN JULY 2017.

Image source - SAFLEC  
<http://saflec.co.za/sample-page/media/>

<sup>1</sup> The concept note drew mainly from research undertaken by Dawn Nagar, Senior Researcher at the Centre for Conflict Resolution (CCR), Cape Town, South Africa.

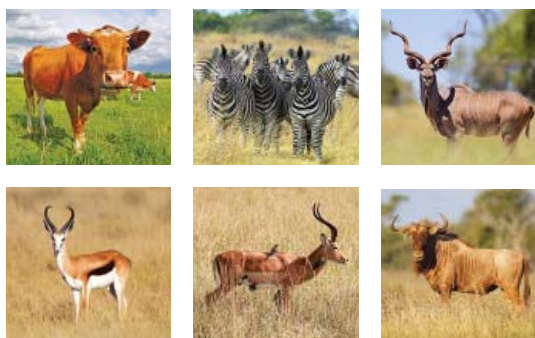
in the sector remain significantly under-developed. The African continent is, for example, the largest producer of raw hides and skins as semi-processed leather, but earned a meagre \$4 billion in 2015 from leather and leather products – a sector worth over \$120 billion annually.<sup>2</sup>

## 1. Building a Globally Competitive Regional Market in the Agro-Processing Sector

Agro-processing is a subset of manufacturing that includes all economic activities seeking to transform, or add value to, products originating from the agriculture, forestry, and fisheries sectors. In Africa, the transformation of agro-processing industries is increasingly regarded as a critical vehicle for achieving socio-economic development, given their potential to contribute to food security, generate large-scale employment and income, and stimulate industrial growth through backward and forward linkages. The significance of agro-processing also lies in its potential to extend the life and enhance the economic value of perishables. This is particularly important in the African context, where poor or non-existent infrastructure, food wastage, and post-harvest losses continue to undermine the productivity and profitability of the agricultural sector. However, the creation of regional value chains and participation in global value chains in agro-processing requires greater government-business collaboration. Furthermore, the emergence of globally competitive regional agro-processing value chains in Southern Africa ultimately depends on the ability and willingness of governments to formulate and implement policies regionally, rather than nationally; and to envision the region as a single economic space bound by a shared vision and common objectives, rather than a collection of national economies defined by at times divergent objectives and aspirations.

The Southern African region has a comparative advantage in at least four sub-sectors – livestock, oilseeds, sugarcane, and wool – based on which it could develop a globally competitive advantage in the agro-processing sector. However, there is a dearth of political will and leadership for collective, cross-border approaches to enhancing the competitiveness of the agro-processing industries in the region. Despite its immense potential, Southern Africa remains one of the least globally competitive regions in the livestock sub-sector, owing primarily to factors such as poor infrastructure, low production and productivity, out-dated technology, and lack of sectoral organisation and integration. The region also has enormous potential to develop a competitive agro-processing industry around oilseeds, but currently accounts for less than one percent of total global oilseed production.<sup>3</sup> The use of out-dated technology, as well as under-developed irrigation systems and post-harvest capacity, partly explains this low productivity. Similarly, wool production presents a significant opportunity for

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APART FROM COW SKINS, THE SOUTH AFRICAN LEATHER INDUSTRY OFFERS A WIDE VARIETY OF EXOTIC GAME SKINS LIKE ZEBRA, KUDU, SPRINGBOK, IMPALA, BLESBOK, HARTEBEEST, AND BLUE WILDEBEEST.

Image source - African Leather and Skins  
<http://www.africanleather.co.za/>

2 Mwinikione Mwinihija, 'The Transformational Initiative of Africa's Leather Sector, Dependence from Commodity to Value Created Agro-Based Products', Common Market for Eastern and Southern Africa-Leather and Leather Products Institute (COMESA-LLPI), 15 July 2016, [http://unctad14.org/Documents/GCF2016\\_Mwinikione\\_Mwinihija\\_en.pdf](http://unctad14.org/Documents/GCF2016_Mwinikione_Mwinihija_en.pdf) (accessed 15 August 2017).

3 Kudzi Papaya, 'Agro-Processing: Opportunities in Southern Africa', presentation, *An Agenda for Civil Society: A Business Critique? Shaping South Africa's Region-Building Role*, CCR seminar, Cape Town, 20 October 2017.

developing a regional agro-processing industry. The sub-sector is already relatively developed in South Africa, despite challenges such as predation, stock theft, and the effects of a changing climate.

Market competitiveness is key to developing a viable and economically productive agro-processing industry. Such competitiveness needs to be sought at the level of the firm, within the domestic industry, as well as at the regional level. Building a globally competitive agro-processing industry in Southern Africa requires, among other prerequisites, technological innovation and skills development, improved infrastructure, greater collaboration between the public and private sectors, strong institutional systems to efficiently regulate the industry, as well as capital-intensive investment. Likewise, enhancing the competitiveness of the regional agro-processing industry also requires a careful balancing of political considerations and commercial imperatives.

## 2. Regional Perspectives: The Leather Sector in Southern and Eastern Africa

Africa has a largely untapped potential to develop more globally competitive leather and leather products industries. In Eastern Africa, Kenya, for example, is the third largest livestock holder on the continent – behind Ethiopia and Sudan – with an estimated total livestock population of 67 million, making agro-processing of critical importance as a potential means of value-driven industrialisation. But in 2016, Kenya on average produced only 2.46 million hides and 8.22 million skins. Furthermore, it is estimated that about 14 percent of the hides, 34 percent of the sheep skins, and 29 percent of the goat skins were not collected from abattoirs, with the combined loss estimated at \$3.4 million.<sup>4</sup> A combination of factors, such as poor road infrastructure and lack of investment in modern technology, have left the Kenyan leather industry under-developed, with tanneries by and large operating significantly below their installed capacity due to lack of hides and skins. By 2013, about 70 percent of the hides and skins produced in Kenya were being exported unprocessed as raw material.<sup>5</sup> In an effort to develop the domestic leather industry and encourage value addition, the Kenyan government has increased the export tax on raw hides and skins from 40 to 80 percent. Training programmes have also been instituted to develop skills and promote technological innovation. The curriculum at the University of Nairobi, for instance, offers training at different levels, from a diploma in leather technology to a master's in leather science. It is worth noting, though, that this effort to develop the Kenyan leather industry has had an inward-looking national focus, and as such carries the risk of losing out on the potential advantages of developing a regional value chain.

Similarly, in Southern Africa, there is a conspicuous disconnect between the leather value chain in South Africa and that in the rest of the region, with Tshwane (Pretoria) as well having adopted a predominantly inward-looking approach to safeguarding its own industries. In any case, differing barriers to the export of raw and semi-processed hides and skins, even within the Southern African Customs Union (SACU), make it difficult to develop a regional value chain in the sector. Furthermore, the abundance of raw materials alone – as is the case in

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HON. ADAN MOHAMED (CENTRE), EGH, CABINET SECRETARY OF KENYA'S MINISTRY OF INDUSTRY, TRADE, AND COOPERATIVES, HOLDS A COPY OF THE STRATEGIC PLAN DOCUMENT AT THE LAUNCH OF THE KENYA FOOTWEAR MANUFACTURERS ASSOCIATION STRATEGIC PLAN 2017 - 2021 AT THE ROYAL TULIP HOTEL IN NAIROBI, KENYA, IN FEBRUARY 2017.

Image source - Twitter  
<https://twitter.com/comesallpi>

4 Jackson N. Ombui, "Building a Globally Competitive Regional Market in the Agro-Processing Sector: A Case of Leather Sub-Sector", presentation, *An Agenda for Civil Society*, CCR seminar, 20 October 2017.

5 Ombui, "Building a Globally Competitive Regional Market in the Agro-Processing Sector".



the Southern African Development Community (SADC) – does not guarantee the viability of a leather value chain. The availability of raw materials and labour is but one key factor for global competitiveness. Other important factors, particularly from a business point of view, include cost effectiveness and, in the context of a globalising world economy, flexibility and the agility to adapt to fast-changing market dynamics (for example, in the footwear industry – see below).

A key challenge for the development of a viable and profitable regional leather value chain relates to falling global demand for lower grades of leather. In this regard, South Africa has an advantage over its regional peers, given that it produces high-quality hides and skins compared to other countries in Southern Africa. For example, South Africa is highly competitive globally in processing leather for car seats. Beyond the automotive leather industry, however, the South African leather and footwear sector ranks low on most of the drivers of African competitiveness. South Africa and other SADC countries also face stiff competition in the footwear industry from China and, increasingly, Vietnam, due in part to the advantage that the two Asian countries have in terms of their lower unit costs of labour. Southern African countries, however, need not engage in a race to the bottom for lower wages, and should instead consider alternative ways of countering China's competitive advantage over them.

### 3. Strengthening the Leather and Leather Products Sector

A collaborative regional approach to developing the competitiveness of the leather sector in South Africa and the wider Southern African region is important. But it may be more prudent first to address obstacles in the domestic context before adopting a regional perspective. During apartheid, South Africa's leather industry was heavily subsidised and protected by the state, and this created a disincentive for manufacturers to invest in new technology, develop the requisite skills, or modernise the sector. South Africa's unreserved accession to the World Trade Organisation's (WTO) system of trade liberalisation after 1994, therefore, spelt disaster for the country's ageing leather industry. Speedy liberalisation and poor regulation resulted in dumping from China, India, and Brazil, which undermined the local leather industry. Currently, and in addition to skills shortages, the industry also suffers from a disconnect between local manufacturers and the retail sector, with the latter generally disposed to sourcing its leather products from outside the country.

“The South African Department of Trade and Industry has identified the footwear and leather industry as a priority sector for growth, and has developed a set of initiatives to strengthen the competitiveness of the sector.”



WORKERS ON THE FOOTWEAR PRODUCTION LINE AT THE BEIER GROUP FACTORY IN PINETOWN, SOUTH AFRICA, IN OCTOBER 2017.

Image source - IOL  
<https://www.iol.co.za/mercury/network/firm-puts-its-best-foot-forward-11612759>

Tshwane has since taken steps to help increase the competitiveness of the leather products sector. The South African Department of Trade and Industry, for example, has identified the footwear and leather industry as a priority sector for growth, and has developed a set of initiatives to strengthen the competitiveness of the sector. These include the Clothing and Textiles Competitive Improvement Programme, which incorporates the footwear and leather industries. The DTI has also developed a hide policy that is awaiting the approval of the National Treasury. The policy will ban the export of raw hides and impose an export levy on the export of semi-processed hides. With the support of the DTI and the Industrial Development Corporation (IDC), industry stakeholders have also organised themselves into a not-for-profit company (NPC) – the Footwear and Leather Industries Cluster – which aims to strengthen the competitiveness of the industry and unlock its potential for socio-economic development.

There are early indicators that show some of these initiatives, such as the DTI Clothing and Textile Competitiveness Programme, are bearing positive results, with local retailers such as Mr Price and Foschini beginning to source footwear, for example low-cost women's shoes, from South Africa. Another

positive development relates to initiatives undertaken by local South African manufacturers to enter into partnerships with counterparts in other African countries, like Nigeria, to enhance trade, though greater collaboration is still needed for the continent's leather industry to achieve its full potential. South Africa and the SADC region can also learn from the experiences of countries such as Ethiopia, which has used a combination of approaches, including export taxes and incentive schemes for local manufacturers, to develop a relatively competitive leather value chain. The establishment of a leather research institute to support the development and increase the competitiveness of the country's leather industry has been a key factor in Ethiopia's success.

Since 1998, the South African government has sought to address critical skills gaps in the country, including its leather and leather products sector, through various initiatives such as the creation of a National Skills Authority (NSA) and Sector Education and Training Authorities (SETAs), and the implementation of a National Skills Development Strategy (NSDS). Institutions representing the rights of workers include the National Bargaining Council of the Leather Industry; the South African Clothing and Textile Workers Union (SACTWU); and the National Union of Leather and Allied Workers (NULAW). Although a skills audit has recently been conducted in the case of leather by the sectoral SETA, such research should be shared on an ongoing basis with stakeholders in the industry, with a skills database based on the audit made readily available. There is also a need for a dedicated research unit and framework to be developed within the services SETAs for the leather sector.

Businesses in the sector, meanwhile, have been responsive to the emergence of new demands. The South African Crocodile Industry Association (SACIA), for example, was established in 2015 in response to a global trend of crocodile skins gaining greater export value over those for hides and skins. However, lack of skills and experience have remained a persistent challenge in the leather industry, particularly in the context of South Africa's Broad-Based Black Economic Empowerment (B-BBEE) programme. The need to strengthen relevant Sector Education and Training Authorities – particularly the Fibre Processing and Manufacturing SETA – for improved skills training and development, thus remains pressing and vital. In this context, it is further worth noting the importance of greater attention to training for diminishing specialties and areas of expertise, such as taxidermy.

#### 4. Addressing Gaps in the Agro-Processing Sector in South Africa and Southern Africa

The agro-processing sector has significant potential to contribute to job creation and economic growth in South Africa. The South African government's National Development Plan prioritises economic growth centred on two main goals: eliminating poverty and reducing inequality. Towards these ends, the NDP's target is to create 11 million jobs by 2030. To meet this target, South Africa's economy will have to produce about 600,000 jobs annually. Notwithstanding the considerable opportunities in agro-processing industries, there are major impediments in the sector that need to be addressed, including those related to access to capital and investment; relevant research and technology; and infrastructure including electricity, water, road, and rail. Furthermore, the South African agro-processing sector is, generally speaking, characterised by an ageing workforce. Relatively low wages in the sector have made it difficult to attract and retain young people, while contributing to continuous turnover. There is thus a critical need to find ways to

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EXAMPLES OF CROCODILE LEATHER PRODUCTS AT THE LALELE CROCODILE FARM IN MOOKGOPONG IN THE LIMPOPO PROVINCE OF SOUTH AFRICA.

Image source - Lalele  
<http://lalele.co.za/product/crocodile-leather-ladies-trifold-wallet/>

South Africa needs to consider ways of expanding its business footprint into Southern Africa, as well as other regions and markets such as COMESA and the EAC through the COMESA-EAC-SADC tripartite arrangement.



SOUTH AFRICA'S MINISTER OF INTERNATIONAL RELATIONS AND COOPERATION, MAITE NKOANA-MASHABANE, AND EXECUTIVE SECRETARY OF THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC), STERGOMENA LAWRENCE TAX, AT THE MEDIA BRIEFING OF THE 37TH SADC SUMMIT IN TSHWANE (PRETORIA), SOUTH AFRICA, IN AUGUST 2017.

Image source - Twitter  
<https://twitter.com/hashtag/37thsadcsummit>

South Africa also needs to consider ways of expanding its business footprint into Southern Africa, as well as other regions and markets such as the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC) through the COMESA-EAC-SADC tripartite arrangement; and creating and fostering regional partnerships that positively impact economic growth and development. This can over time improve socio-economic welfare, owing to the benefits derived from the comparative advantages of producing and manufacturing goods regionally and the gains achieved from greater innovation and competitiveness.

Notably, it has been part of the strategy of the South African Department of Trade and Industry to use the Southern African Customs Union to scale up the different initiatives it has put in place in South Africa, to develop globally competitive regional value chains. In this regard, there is ongoing collaboration with Zimbabwe, Mozambique, and Malawi to develop a regional value chain around the production of cotton. Likewise, the DTI is looking to tap into the comparative advantage that Botswana and Namibia enjoy in the production of livestock to develop a regional value chain in leather in collaboration with these two SACU countries. Funding, however, remains a major challenge in scaling these initiatives, as some countries in the region, such as Zimbabwe, have been unable to muster the necessary finances for these projects. The private sector and external actors could play a major role in funding the development of regional value chains, although care needs to be taken in accepting external funding that may come with conditions that are not in the interest of the region and continent at large.

However, developing a globally competitive regional value chain in the leather sector, and the agro-processing industry broadly, requires more than just the availability of financial resources, or the scaling up of isolated nationally conceived initiatives. A regional mindset should form the basis for conceiving, designing, and implementing initiatives intended to transform the fortunes of the agro-processing industry in Southern Africa. This makes region-

develop and retain skills in the sector; to address the matter of low wages through the industry's national bargaining councils; and to increase cooperation in South Africa, as well as across the region, between business and organised labour groups such as the Southern African Trade Union Coordination Council (SATUCC).

It is important as well to address a growing trust deficit between government and business within the leather industry. With a view to strengthening relations, new and existing initiatives should consider a paradigm shift towards (re)creating a new "state business model" that complements suppliers as well as enterprises, and develops strategies to access markets, while addressing issues of investor confidence, company losses, and cost recovery finance. Cooperative governance in this regard should involve both the private and public sectors in a manner that protects investments. At the same time, however, care needs to be given to the different industries within the leather sector. For example, within the ostrich industry, a profit-sharing model must be well thought through, given the sensitive nature of the skills shortage within that industry, and any "new" business model must consider and ensure that supervisory performance is not over-stretched.

Comparative advantage must form an integral part of regional integration. For example, Zambia is a significant hide producer, but does not have the market for trading in hides. Meanwhile, South Africa has relatively low import duties of 30 percent for finished products and 10 percent for raw materials. Beyond tariffs, quality assurance is a key trade barrier, and the region could benefit from a uniform approach to promoting quality and, in so doing, strengthen its prospects for participation in global value chains. The South African Bureau of Standards (SABS), for example, has made significant strides in this area.

building and regional integration key to enhancing the global competitiveness of the agro-processing industry and its sub-sectors. Effective regional integration policies would ensure substantial investment in addressing existing infrastructure and logistics challenges, while leveraging the comparative advantages of different national economies and enhancing industry linkages. A regional perspective will also make it much easier and cost-effective to develop the standards, skills, and technology required for the agro-processing industry to be globally competitive.

## 5. Challenges and Opportunities for South Africa

An estimated 17.2 million South Africans – close to one-third of the country's population – were dependent on social grants in 2016–2017,<sup>6</sup> with persistently high levels of poverty and unemployment continuing to exert pressure on this social welfare system. In this context, there is a case to be made for the South African government to reassess its grant-making schemes and consider setting up some grantees in small business cooperatives. In the case of the leather sector, much of the industry is concentrated in a relatively small number of large businesses, with the high costs of chemicals for tanning and dyeing processes, for example, posing a significant barrier to entry. A key focus of the small business cooperatives would be to access capital and investment – not only locally, but from the wider continent and beyond – to help their membership of small and micro-enterprises to become self-sufficient. These South African cooperatives could also serve as a vehicle for individual entrepreneurs, and small and micro-enterprises, to more readily access national and regional training programmes for skills development and training, such as in Kenya and Ethiopia.

Emerging entrepreneurs and small businesses could benefit from a stronger safety-net, buttressed by supportive government policies. This calls for the implementation of a two-pronged approach: first, the enhancement of South Africa's economic transformation programme to actively engage, and create space for, existing and new African entrepreneurs through, among other things, increasing incentives for big businesses to use smaller company suppliers; and second, the implementation of a government policy that encourages leather industries to tap into regional markets, with a view to accessing regional downstream beneficiation products, which could, in turn, create further employment potential. In this context, it is particularly essential for the South African government – through, for instance, its Departments of Agriculture, Forestry, and Fisheries, and Trade and Industry – to sponsor, and make provisions for financing, leadership programmes for young entrepreneurs, with more than one-third of the country's youth (aged 15–34) unemployed.<sup>7</sup>

“Emerging entrepreneurs and small businesses could benefit from a stronger safety-net, buttressed by supportive government policies.”



JINGER JACK IS AN EMERGING LEATHER GOODS COMPANY BASED IN CAPE TOWN, SOUTH AFRICA, EMPLOYING A TEAM OF LOCAL WOMEN TO PRODUCE A LINE OF MODERN LEATHER BAGS AND ACCESSORIES.

Image source - Lydali  
<https://www.lydali.com/blogs/blog/tagged/artisan-partners>

## Policy Recommendations

The following ten key policy recommendations emerged from the Cape Town seminar:

1. Civil society actors, including business stakeholders, should lobby Southern African governments to increase the momentum of regional integration. This would help to create and strengthen the necessary institutional and policy frameworks to support the development of globally competitive regional value chains in the agro-processing industry.

6 South African Social Security Agency (SASSA), *Annual Report 2016/17* (Pretoria, 2017), p. 10.

7 Statistics South Africa, "Quarterly Labour Force Survey - QLFS Q1:2017", media release, 1 June 2017, <http://www.statssa.gov.za/?p=9960> (accessed 10 November 2017).



2. Both the government and key leather industry actors in South Africa should initiate a campaign to create greater awareness among local retailers about the hidden costs associated with importing leather products compared to sourcing them locally.
3. Mentoring should be used by the South African government and industry as a strategy to develop the requisite skills and encourage entrepreneurship in the footwear industry, including tapping into the large pool of unemployed youth in the country. Towards this end, a good starting point would be for the Fibre Processing and Manufacturing SETA to conduct a skills audit to identify existing gaps in training and expertise in the industry.
4. Small, medium, and micro-enterprises in South Africa's agro-processing sector, including leather and leather products, should consider forming cooperatives, with a view to pooling their resources to access capital and investment, develop skills, and strengthen their prospects of participation in regional value chains.
5. There is a need to restructure the education system in South Africa and the wider Southern African region to give vocational training institutions the same priority and status enjoyed by universities. This will contribute to developing the skills needed in the leather sector, and the agro-processing industry generally.
6. South Africa and the SADC region should learn from the experience of Ethiopia, which has used a combination of export taxes and incentive schemes for local manufacturers to develop a relatively globally competitive leather value chain. Ethiopia's success in exporting high-end leather products to the global market has also contributed to changing domestic perceptions about the value and quality of locally manufactured leather products.
7. Another lesson that Southern African countries could learn from Ethiopia's experience in developing a globally competitive leather industry is the need for greater collaboration among different sectors of society, including the government, the private sector, as well as academic and research institutions. Insights should also be borrowed from the common sense of purpose that drives the automotive industry in South Africa.
8. Ongoing efforts to establish a leather research institute in South Africa should consider leveraging corporate social investments as a source of funding. This could take the form of public-private partnerships, which should also finance the development of skills needed in the sector. Furthermore, business stakeholders, with the support of the South African government, should consider implementing an exchange programme to encourage the sharing of lessons and experiences with peer associations and institutions in the region, which could also facilitate the development of regional value chains in the leather sector.
9. The private sector and external development partners should be approached – in particular by small businesses – to obtain funding for initiatives aimed at developing regional value chains in the agro-processing industry. However, care needs to be taken in accepting external funding that may come with conditions that are not in the interest of the region.
10. There is equally a need for African governments to ensure greater enforcement of trade rules and regulations that seek to protect local textile industries from harmful competition, especially that from illegal imports. In the case of SADC, Southern African governments need to implement the Community's trade policies, with a view to strengthening regional integration and supporting the development of regional value chains that can be a source of employment for its 281 million citizens.