

A TOUGH STORY OF LEATHER

Executive Summary

The truth behind leather production: A journey into the tanning industry via the Santa Croce District in Italy

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“Change your shoes” - Campagna Abiti Puliti

1) The global leather trade: Italy is a hub for the tanning of luxury skins

With only six million cattle farmed, a mere 0.36% of the global total, Italy does not have significant livestock farming. Therefore, production of raw skins is also minimal: only 1% of the world total. However, the country has a long tradition of leather tanning, and Italian finished leather represents 17% (5.25 billion euros) of the total world production value and 30% of exports value. Currently, of all cattle leather produced in Italy, only 25% is obtained through domestic processing of raw hides. The remainder comes from the re-tanning of wet blue leather skins originating abroad.

2) Less production, more trade: Even in the industrial districts

Leather tanning is mainly done in three districts, which together make up 88.6% of total Italian production. In order of importance, these districts are: Arzignano in Veneto, along the Chiampo Valley in Vicenza Province, Santa Croce in Tuscany, between the provinces of Pisa and Florence, and Solofra in Campania, between Naples and Avellino.

The family-run dimensions of Italian tanneries have not prevented some of these businesses opening tanneries abroad, and developing on an international scale. Examples of this are Antiba, a company in Santa Croce that owns tanneries in India, and Vicenza Pelli, an Arzignano firm with an operation in Serbia. But the kings of international expansion are the Mastrotto brothers, who have expanded their operations from Veneto to Brazil, Tunisia and Vietnam, in order to have access to low-cost finished leather. The world market is now flooded with new entrants that are managing to sell at prices much lower than those of the older, industrialised nations.

3) The secret of the Santa Croce district: little farms exploit the workers better

The Santa Croce District contributes 70% of all leather for shoe soles produced in Europe and 98% of that type of leather produced in Italy. There are a total of 240 tanneries, mostly small-scale businesses, most only have the machinery necessary for tanning activities. The district is also home to more than 500 subcontractors which undertake specific processing operations. In a few very rare cases, tanneries in Santa Croce form part of large-scale international capital. The most widely known of these are Blutonic and Caravel Pelli Pregiate (15 and 76 employees), both of which form part of

the luxury group Kering, the owner of brands such as Gucci and Bottega Veneta. The district employs 12,700 individuals, split into those who are employed directly by producer companies and those employed by employment agencies. The former represent 72% of the total, and the latter 28%. The majority of temporary work is registered to subcontractors, who are often the most exploited and in the most precarious employment.

4) The deregulation of labour relations: when flexibility promotes illegality

In 2012 there were 1,733 temp workers in the Santa Croce district. By 2014 this figure had risen to 3,451, exactly double the previous number. This is an indication that employment in the district has grown, but on an increasingly insecure basis. It is also proven by the fact that, in 2014, 4,650 new people found work in Santa Croce, but only 1,199 of them were directly employed by producer companies. The information available about contracts serves to confirm this insecurity. In 2014, temp workers numbered 3,451, but there were 5,021 contracts concluded: one and half times the number of workers. Even 4 hour-contracts are common: a worker can be hired at 8:00am and let go at midday.

Despite the vast range of hiring methods available under the law, the use of undeclared labour continues to persist. In the district, it is common to work more than the maximum overtime permitted, with remuneration not being recorded in the pay packet. From 1 January 2011 to 31 December 2014, the district saw inspections of 185 businesses (tanneries and subcontractors) and a total of 1,024 workers. Of these, 70% were Italian and 30% immigrants. In all, illegalities were identified in relation to 217 workers, 116 of whom were totally undeclared. 43% of the individuals working on an undeclared basis were immigrants.

5) Temporary workers represent modern slaves.

54% of temp contracts in 2014 in leather tanning industries related to foreigners, almost all from outside the EU. In the last ten years, foreign residents in the tanning districts have increased from 5,060 to 14,248. The economic crisis has further weakened the position of immigrants and many are losing the jobs they had managed to find. Some who managed in the past to obtain a permanent position have lost these jobs when they have returned to visit their families in countries such as Senegal. The blank resignations that they were made to sign when they were hired have been used by employers to lay off workers who were absent for too long.

Often, the temping agencies have an agreement with the companies, which insist that some good senegalese workers do not work for anyone else, even if under temporary contracts. Foreign workers have to be available at all times. So, the lives of these workers are totally in the hands of the bosses, not only their working hours but their leisure hours too.

6) Health at risk, mostly among subcontractors

Modern, large-scale tanneries that comply with the worker safety legislation exist alongside small tanneries and subcontractors that are reluctant to invest in health and safety and instead seek to increase their profits by defrauding the authorities. Temporary workers work under the worst safety conditions: they are required to work harder and the basic accessories required for the health of workers, such as earmuffs to protect against noise and masks to prevent inhalation of fumes, are almost never provided.

In 2011 the Occupational Health Office with jurisdiction for the Santa Croce district conducted a study on 101 workers involved in the splitting process, with an average age of 44 years, of whom 37 were foreigners. Of all workers examined, 31 tested positive for spinal problems.

There have been 493 cases of occupational illness recorded in Santa Croce between 1997 and 2014, divided into five major groups: musculoskeletal disorders (44%), cancers (19%), contact dermatitis, hearing loss from noise, and respiratory diseases.

7) Clear water, but a lot of haze

Although the Santa Croce district has a population of only 110,000, it is polluting at a rate comparable to that of a city of more than three million inhabitants. With efficient waste recycling and safe disposal, environmental conditions have recently improved compared to the past. Nevertheless, the research found an evident lack of cooperation from the private industrial company specialised in the treatment of liquid and solid wastes. Unfortunately, in the recent past the lack of controls also led to illegal practices.

Authorities discovered that, from 2006 to 2013, Consorzio di Fucecchio (now closed) has been able to discharge 5 billion metre cubes of toxic sludge directly into local watercourses, without any purification.



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