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Economic challenges experienced by clothing manufacturing industries in Zimbabwe: A case of Harare clothing manufacturing companies

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Abstract
The study assessed economic challenges in Zimbabwe clothing manufacturing industry and sought to understand how economic challenges are impacting on clothing manufacturing industries in Zimbabwe. It utilised the case study research design and collected primary research findings using structured interviews conducted on management and employees from four clothing manufacturing companies in Harare. The study sample was selected qualitatively using a non-probability sampling strategy and the convenience sampling technique. Research findings showed that while government is implementing laws to the advantage of the clothing manufacturing industry the laws passed by different ministries were not complimenting each other. It was noted that corruption was contributing a lot to the operations of this industry. The study recommended tough measures against perpetrators of corruption if the clothing manufacturing industry is to regain its status. The clothing manufacturing industries of Zimbabwe need to upgrade their standard of quality by initiating skills training opportunities to SMEs practitioners so that their products can compete on the international market. The clothing manufacturing industry needs to incorporate the use of ICTs in the production, distribution and marketing of goods and services to widen their customer base and encourage export markets.

Keywords: economic challenges, fashion industry, corruption, national laws

Introduction

The purpose of this study is to explore economic challenges impacting on Zimbabwe clothing manufacturing industries in Harare and their performance.

Fashion industry is one of the largest employers in the world and in the developed world it is still one of the most paying sectors of the economy. According to Brenton and Hoppe (2007) [6] the Fashion Industry absorbs large numbers of unskilled labour helping in the role of economic development. China has become a force to reckon with in the fashion industry because of its fame as the home of fast fashion. The garment industry in China confronts a major issue of lead time despite its life cycle and volatile demand (Choi and Sethi, 2010) [9]. Globalisation and technology brought change in marketing and selling of products between countries. Developed countries have an upper hand as this is evidenced by these countries dumping cheap products to under developed countries thereby impacting negatively to developing industries (Levitt 1983) [35]. Global competition has increased over the years hence governments need to align policies to the global changes for the success of their economies.

According to Levitt, (1983) [35] technology is the driving force behind the globalisation of markets. The author suggested that communications, transport, travel, products and processes were all leading to an irrevocable homogenisation of demand. Information and communication is related to globalisation and has also brought challenges to the fashion world through virtual shopping. Shoppers are now able to make an informed decision whilst having a variety of choice when buying clothes. Political forces and agreements between countries should be managed well by governments as they bring reduced trade barriers, intellectual property rights, development of trade blocks, technical standards and regional trade blocks.

Government support is important as evidenced by Thai government who decided that 2008 – 09 would be year for investment and arranged training seminars and workshops for clothing manufacturing industry leaders. Kunz and Garner (2007) [34] assert that Thailand apparel production offer better quality and shorter lead time compared with its neighbouring countries. Thailand is known for inexpensive labour, which was the initial catalyst for the nation's economic growth (Supachalasai 1998) [48]. This is true testimony because Thai products have found their way on the Zimbabwean market negatively impacting on its economy. In the same vein Jin and Moon (2006) [28] argue that cheap labour costs is not the only source of a national industry's competitive advantage because it can be easily secured through global sourcing.

In the case of Nepal, the story is slightly different entrepreneurs' access to credit as well as other banking facilities is severely restricted by discriminatory interest rates and the need for collateral. Exporters are facing new problems after the phase out of quotas. Nepalese commercial banks are increasingly becoming reluctant to make new investment in the clothing sector and are initiating stricter actions against debtors (Shakya 2005) [47].

The SADC double stage transformation requirements are affecting the penetration of markets in the region as it requires the fabric to be locally manufactured or imported within SADC. Madagascar has become number two African clothing exporter in sub-Saharan Africa behind Mauritius. According to Cling, Razafindrakoto and Roubaud (2007) [10] the reason for this success in Madagascar was the strong push for outward orientation led by the government, generous tax breaks, combined low wages and trade preferences. Jordan a country largely unknown regarding its prowess in textile and clothing has emerged as a significant player in this industry only after 2001 free trade agreement with the United States (Kunz and Garner, 2007) [34]

Mlambo (2006) [37], states that the 1980's was a period of rapid expansion of the Zimbabwe clothing and textile industry. Results of a survey conducted in 2000 are a testimony to this claim. This suggests that the decade was one of significant growth for the whole industry. Tariff quota restrictions aside the growth of the industry attributed to a range of export and investment facilitation and promotion schemes. The central location of Zimbabwe in the southern region coupled with an established and relatively new infrastructure contributed to this success. Johansson (2006) [29] posits that for a nation to sustain its advantage, upgraded machinery, technological development and expertise are needed. The low cost but relatively highly educated labour force was an added advantage. According to Porter (1990) [42] most trade theories looked only at cost. The high cost of inputs can be reduced by lowering tariffs on inputs across the board. Porter's preposition based on the theory of comparative strategy called advantage of nations or the diamond model. However, this may not be a desirable option given the reliance of developing countries on customs for raising government revenue (Adhikari and Kamamoto 2006). A new theory was necessary that would reflect a rich conception that includes segmented markets, different products, technological differences and economies of scale.

According to Mlambo (2006) [37], the 1990's marked the beginning of radical policy by the government. The first was the introduction of the World Bank/IMF structural adjustment programme ESAP in 1991. The situation changed drastically the clothing sector being no exception. The liberalisation of trade, reduction of tariffs and elimination export incentive schemes led to the fall of the fashion industry. In 1999 a total of hundred clothing firms and six textile firms had permanently shut down leading to reduction of employment and brain drain of the industry. From 1997 the clothing industries were forced to adopt strategies directed at survival rather than expansion. The years 2000 – 2010 have been the most difficult for the industry. This was caused by the macroeconomic environment that was prevailing characterised by high inflation and loss of jobs. Interest rates and repayment period were not favourable.

Companies which have survived are those producing corporate wear and those that have links in the export market. The clothing and textile sectors played and continue to play a major role in the Zimbabwean economy even though most companies are operating below capacity. According to the Confederation of Zimbabwe Industries (CZI) November 2011 publication, manufacturing companies operating at 100% capacity were 3% including the fashion industry. There was a need for government to constantly review high cost of utilities and the duties levied on raw materials in comparison with other countries. The political position Zimbabwe has also contributed to the fall of the fashion industry as some countries refuse to trade with her. Baldwin (2000) [4] succinctly describes the political economy of regulatory and technical barriers.

Company A is a company which was formed as a partnership husband and wife. According to Garnaut and Sing (2003) [24] small businesses shows many entities beginning as husband and wife or family units and they are typically labour intensive. Access to capital is core problem and compliance with regulatory statutes hinders growth of these entities. Company A is one of the manufacturing companies operating below capacity. The company specializes in manufacturing of ladies' clothes. In the past this company used to supply clothes to chain shops like Edgars and Truworths. At present company A is experiencing cash flow problems which have resulted in reduced revenue as the chain shops it used to deal with have severed ties with them and have taken their business elsewhere. This has also led to loss of qualified and experienced workers and longer led time in processing of orders. The devastating influx of cheap imported clothes in the country has proved to be the foremost challenge weighing in the company's performance. The importation of cheap new clothes mostly from Asian countries is also a challenge to the fashion industry in Zimbabwe. The influx has negatively affected the fashion industry in Zimbabwe.

Currently company A is operating with half the machinery installed in the factory some of which is now absolute. Work is constantly disturbed by meetings between workers and the workers committee trying to address remuneration issues. They have outstanding salaries back dating to 2014. The company has been under judicial management for the past year but there seems to be no joy to their challenges as their situation is yet to change. This situation may be compounded by poor assessment of the economic environment.

Literature Review

Globalisation of the Fashion Industry

Today's fashion is being shaped by globalisation. Jarnow and Dickerson (1997) [27] assert that globalisation process is having tremendous impact on the fashion industry and the effect is that where and how fashion is produced and marketed has changed. Hines and Bruce (2001) [26] also assert that globalisation is increasing the internationalisation of the production, distribution and marketing of fashion goods and services across the planet. Evidently globalisation is associated with technological advancement which facilitates the movement of people and goods worldwide (Borg and Gall, 2006:43) [5]. The business of fashion is now global economy and in the olden days, clothes were custom made and there was not much fashion world to talk about (Kumar, 2008; Grabowski, Call and Mortimer, 2001) [25]. However, with the coming in of new technologies such as the sewing machine, there was a rise in global capitalism resulting in the development of the factory system of production, and proliferation of retail outlets such as department stores. This marked the advent of the clothing industry which increasingly mass produces standard sized clothes that in turn are sold at fixed prices (Jarnov and Dickerson, 1997) [27]. Since then, the fashion industry has become an international and highly globalised industry as clothes can now be designed in one country, manufactured in another, and sold world-wide (Aikman, 2010) [2]. This has impacted negatively on the fashion industries of under developed countries including Zimbabwe as compared to the United Sates where the fashion industry has long been one of the largest employers in the United States (Saunders, 2007) [7].

While developing countries like China, India and Hong Kong are earning valuable foreign exchange and building their wealth for exportation of fashion products the story is not the same for

Zimbabwe who is experiencing negative impacts of globalisation. At the moment Zimbabwe's fashion industry is dominated by roadside dressmakers whose market value is very low at times due to poor quality of products. Finishing of products is below standards set by other players in the global industry and their production is based on custom made items therefore produced in small numbers.

Technology

In the global economy technologies are rapidly developing and improving business productivity(Duffy, 2016). Technology development cannot be ignored when speaking of factors responsible for economic growth. This should work in collaboration with tertiary institutions to ensure that they produce right products for the market. The curriculum should be relevant to the manufacturing companies for example at company A; the two fashion designers employed by the company cannot originate designs. Their work is to copy other people's designs and improve on them. This is the same story at company B. These two companies do not have new technology to help in the creation of designs and grading the patterns. Most of their production equipment is absolute. This compromises the quality of products and the numbers being produced. These products will not compete on the market both local and international.

According to Rabine (2016) [43], transnational corporation, cyber technology, and electronic mass media have spawned a web of tightly linked networks that cover the globe. She further reiterates these forces have profoundly restructured the world economy more especially in the ways dress and fashion are produced, marketed, sold, bought, worn and thrown away. As fashion images in magazines, music videos, films, the internet and television speed their way around the world, they create a "global style" across borders and cultures (Kaiser; 1999) [30]. Kaiser (1999) [30] further notes that this tendency toward both increased variety within geographic locations and a homogenising effect across locations represents a global paradox. Marketing campaigns encourage the association of fashion consumption with pleasure, power, personal creativity and individual consumption in wealthier countries. The advent of technology has resulted in change in marketing impacting product substitution in the fashion industry as the most advertised may end up the most popular depending on prices (Easey, 1995) [18].

The same economies depend equally on massive amounts of cheap labour in poorer countries. Rabine (2016) [43] also notes that the global economy of high tech large scale networks works by exclusion as in third world countries, globalisation has resulted in destabilising and dismantling of official economies, massive unemployment and the rise in informal or underground economies. Once state economies are dismantled somehow by the World Bank and IMF impose structural adjustment programs that dismantle state economic controls whose effects are felt in the fashion world. One effect would be artisanal producers and suitcase vendors who sell to tourists or people in their homes.

The first important force is the bargaining ability of buyers, who can choose to push down prices, not buy products, or switch retailers. The buyer is the first force that influences any industry to include the fashion industry. It is the buyer who can decide whether to get a finished product or not. They get to compare from one producer or market to another and get what best suits them. In the case of the fashion industry, buyer power is a relatively large force, as previously highlighted in the first part of the document.

There has been an advent of second hand used clothes flooding markets in Zimbabwe at very cheap prices resulting in these being popular for the average Zimbabwean trying to make it in the current economy. This selection is being done at the expense of locally produced clothes that tend to be on the pricey side due to high production costs incurred by fashion companies. Zimbabwean has abandoned departmental store and boutique buying and preferring going for informal sellers affectionately known as "kumupedzanhamo" or "kwakotamai" solely because there they have a power to bargain to already very low prices offered for imported second hand clothes sold from bales because of low disposable income and high rate of unemployment.

Trade Blocks and Trade Barriers

The downside of Free Trade Agreements as noted by Amadeo (2016) [3] is they result in job outsourcing as foreign companies expand hiring more workers. With reference to the fashion industry, any low-cost imports to a country make it difficult for the receiving countries fashion industry to produce at cheap costs resulting in them being forced to reduce their workforce(Easey, 1995). A reduction in workforce in an industry with increased market means industry growth and more reach as products are cheaper. There can be theft of intellectual property as with developing countries, there are no protection patents. With respect to the fashion industry, ideas can be stolen where free trade is allowed resulting in lower priced domestic knock offs. The aforementioned author argued that all these will always affect all industries that contribute towards economic growth to include the fashion industry. Trade agreements do shape global trade and country economies as well as various industries.

Regional trade agreements, like international agreements are used for reducing tariffs and restrictions of trade in countries that are part of such agreements. Africa as a region has a block called the African Free Trade Zone (AFTZ) with twenty-six-member states. It was signed in 2008. It was endorsement of East African Community (EAC), Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA). It is also known as the African Free Trade Area. It has since extended to include ECOWAS, AMU and ECCAS since 2012. This basically is an African creation for the benefit of Africans as well as development of African nations. The AFTZ is an example of an all-encompassing block meant to deepen integration; it is transcontinental as it cuts across the whole African Continent. The SADC is the largest of the AFTZ member trade blocks and covers a population of approximately 248 million people with a cumulative GDP of $ 379 billion as of 2006 (Aikman, 2010; Kumar, 2008) [2]. COMESA on the other hand was a replacement of the Preferential Trade Area. It was formed in 1994 and aims to develop natural and human resources to benefit the regional population. The United Nations says its primary focus is to establish a large economic unit to overcome barriers to trade (Myers 2016). Zimbabwe is one of the 20 countries that is part of this regional block. With the goal of removing barriers to intra- trade, the fashion industry stands to benefit a lot from preferential tariffs and even more in the event there is a tariff free14common market and economic unit. According to Rothamel, 2016) [45], it has a combined GDP of USD 286, 7 billion as of 2006.

The EAC as noted by Easey (1995) [19] has the smallest GDP of USD 46, 6 billion in 2006. It is the smallest trade block as witnessed by the GDP. The three blocks could make an impact for Africa through advocating for a more equitable trade globally with African countries being the core as they offer so much resources (Collier and Venables, 2009) [11]. The fashion industry will stand to benefit as well as most raw, natural materials and skins used in the industry are most found on the continent. With increased cooperation and greater integration on a regional level, the fashion industry will benefit so much as the regional block can make a greater impact globally thereby benefitting the industry from each country that is member to this block (Collier and Venables, 2009) [11]. Markets will be enlarged, productivity may soar to all time high as full potential will be maximised. Development prospects on the African continent will be the order of the day.

Regional integration in Africa has been met with limited success due to factors chief among them parallel and often competing groupings (Riley 1999) [44]. These divert the political will needed to succeed. The promise that comes with such integration to include an increase in local markets, realisation of economies of scale and strengthened bargaining positions in global negotiations makes African countries try time and again to make such regional blocks work (Riley, 1999) [44]. Regional Trade Agreements reflect an increasing involvement of developing country economies in international trade. They also represent the unity of these countries post colonialism. Collier and Venables (2009) [11] show that regional integration has the highest payoffs for landlocked countries which are dependent on resource based exports.

Government Policies

The plight of the fashion industry in Zimbabwe leaves a lot to be desired (Mlambo, 2006) [37]. A general perspective of the fashion industry of Zimbabwe shows an ineffectiveness of sorts in available policies in protecting the industry and allowing for growth and providing for industrial expansion locally, regionally and globally. In as much as there are several legislative and policy frameworks in place, these are failing to ameliorate the plight of the industry. Interventions are needful but not adequately funded to protect the ailing industry. According to Mlambo (2006) [37], a survey carried out in 2000 showed that the textile and clothing industry grew proportionately due to manufacturing commencement in the 1980s suggesting significant growth due to export and investment facilitation and promotion schemes, the central locality of the country in the region as well as the new infrastructure that was in place coupled with low cost relatively highly educated workforce. Radical policy shifts that followed in the 1990s and the introduction of the structural adjustment programme by the IMF and World Bank resulted in a drastic change in the fashion industry in the country (ZIMASSET: 2013) [53]. All schemes previously introduced fell off as there was liberalisation of trade.

Mlambo (2006) [37] highlights a total over 100 clothing firms and 6 textile firms permanently shut down. The author reiterates the depreciation of Zimbabwean dollar from 1997 adversely affecting industry as the clothing and textile industry adopted strategies for survival rather than expansion resulting in them being preoccupied with debt reduction and more cautious buying. The fashion industry was not spared much as most raw materials for example cotton is locally grown but processing companies are not viable hence it is being exported and clothing materials then being imported for the industry to make garments. Local cotton prices are not favourable or lucrative for farmers who prefer benefitting at the expense of growing dependent industries such as the fashion industry. This results in high production costs that are not feasible for the current economic climate resulting in the industry underperforming.

Zimbabwe experienced a deteriorating economic and social environment since 2000 that was caused by illegal economic sanctions imposed by the Western countries. This resulted in a deep economic and social crisis characterised by a hyperinflationary environment, industrial capacity utilization of below 10% and an overall cumulative Gross Domestic Product (GDP) decline of 50% by 2008 (ZIMASSET: 2013) [53]. The fashion industry has been failing to grow since the depressed economic days as there was a drop in the use of the Zimbabwean dollar and the adoption of a multi-currency system. This meant recapitalisation for companies in the fashion industry which has not been easy. The multi-currency however offers stability were growth is concerned post 2009. The cocktail of measures that were adopted by

Government in 2009 resulted in some modicum of economic stabilisation, with Zimbabwe achieving a real GDP growth rate of 5.4% in 2009, 11.4% in 2010, reaching a peak of 11.9% in 2011. However, the recovery remained fragile as growth declined from 11.9% in 2011 to 10.6% in 2012 and 3.4% in 2013 (ZIMASSET: 2013) [53]. The blueprint further notes the manufacturing sector remains in crisis with capacity utilisation declining from an average of 57% in 2011, 44% in 2012 and 39% in the 3rd quarter of 2013. This is attributable to structural and infrastructural bottlenecks such as erratic power supply, obsolete machinery and dilapidated infrastructure as well as lack of and high cost of capital, hence negatively affecting value addition and beneficiation as well as employment creation.

Raw Materials

The fashion industry requires raw materials and labour, components and other supplies that do not come free. In the third world to include Zimbabwe, raw materials that are home grown such as cotton tend to be costly for the manufacturer in the fashion industry as it is exported before the industry can access it as the farmer is all about profits. There also are few operating processing companies resulting in the industry suffering imports of cloth materials to then sew clothes for sale negatively impacting the industry. Suppliers, if powerful can exert an influence on the producing industry, such as selling raw materials at a high price to capture some of the industry's profits (Bush; 2016) [8]. In Zimbabwe cotton farmers are opting to farm other paying produce because cotton is bought at low price therefore farmers declaring it unprofitable. The little cotton harvested is exported at the expense of the domestic market. This is leading to an artificial shortage of cotton on the Zimbabwean market. If suppliers where to have power in the industry, the fashion industry could grow in an integrated manner as well as result in a concentration of suppliers thereby outshining the buyer and forcing them to buy whatever goods are available. However, the buying power and strengthening of supplying power also depends on availability of money to spend on the part of the buyer which is determined by the economy.

Market Forces

As mentioned previously, there is little that is unique to bring to the table in this industry, so this force is also somewhat small. However, new entries might find unique ways to popularize their own products (which might not even be particularly special), and as such build novel brands — perhaps through clever use of social media (Kinisu, 2016). The fashion industry in Zimbabwe is currently stagnant. It has very few to no new entrants with most companies closing and scaling down. Most new entrants given the new indigenisation thrust of the economy through the indigenisation policy has seen a rise in entrepreneurs joining the fashion industry. The current state is 'high risk, high reward' for new entrants — it's not too difficult to get a foot in the door and copy others, but will the markets care for those products (Kinisu, 2016).

Small to Medium Enterprises (SME) in the form of sole proprietors are another order of the day in the fashion industry in Zimbabwe. These are the new entrants in the Zimbabwean industry that rent out small corner of shops; consumers buy material and bring them for sewing to the tailors. They have taken the fashion industry by storm as they try and build a name and brand for themselves. They have competitive advantage over companies as they share space and sew as per consumer specifics, running away from the standardised outfits churned by companies. The owner of the SME is usually the tailor hence profits are not shared and realised by the owner who is also the employee. This makes the new entrants realise more profit in comparison to established companies of the industry. It is not only incumbent rivals that pose a threat to firms in an industry; the possibility that new firms may enter the industry also affects competition. In theory, any firm should be able to enter and exit a market, and if free entry and exit exists, then profits always should be nominal (Svensson, 2003).

This however is not the case in the Zimbabwean fashion industry as the economy is not favouring large firms' production but small scale sole proprietors who at any time can close shop. Because of the prevailing economic environment, it is easy to enter and exit a market the industry for one or more reasons to include lack of profits or market share to name a few. The fashion capital continues to note that, industries possess characteristics that protect the high profit levels of firms in the market and inhibit additional rivals from entering the market known as barriers to entry. This however is not the case with the Zimbabwean situation as the economy is ailing and policies are not fully protecting already established fashion companies.

Corruption

Corruption is a form of dishonest or unethical conduct by a person entrusted with a position of authority, often to acquire personal benefit (Kinisu 2016). Corruption leads to a diminished business climate when the public trust is put at risk. According to Stanford Graduate School of Business corruption can take many forms that can include graft, bribery, embezzlement and extortion. Its existence reduces business credibility and profits. Improper use of resources negatively affects the efficiency of a business. Once news about corrupt business practices breaks, customers loose respect and trust. Investors are wary of doing business with companies that are known for corruption. The trickle down of corruption usually ends up feeding the black-market interests and may even support the efforts of organised crimes. This can lead to total closure of a company. This is supported by Mauro (2005) cross country study of the relationship between corruption and growth.

Svensson (2003) surveyed firms in Uganda and examined how much they paid in bribes. He reported payments of about US$88 per worker. Mocan (2008) for example finds that income and education of the individual have positive impacts on the likelihood of being asked for a bribe in developing countries. However, McMillan and Zoido (2004) [54] believe the best way to measure corruption is to observe directly.

The forms of corruption observed whilst attached at company A include low pricing of goods made from expensive fabric when they are despatched from the company (Muzariri, 2010) [39]. Some employees believe this is benefiting a few employees at the expense of the company. There is a lot of misuse of company property especially fabrics most of which are imported (Youmans, 2011) [52]. Employees are not being paid, even when the company makes money they still lie to the employees that the company is under performing. At company C, the researcher discovered that individuals without companies would get orders to supply chain stores like Edgars and they contract ABBA to do the job due to corruption. The researcher had an informal interview with a worker of company D, which manufactures ladies and men's underwear, who told the researcher that their company manufactures ladies' bras at the cost of $4 each. They take the bras to their company in South Africa and import the same bra for Edgars at $12. This is another form of corruption which responsible authorities might not be aware of.

Many Acts have been passed by government to curb corruption among them, The Prevention of Corruption Act (1993), Public Service Act (1995) and Anti-Corruption Commission Bill (2004). In Zimbabwe today trade sanctions have taken the form of denied access to foreign lines of credit. Undeclared sanctions are not explicitly announced but are implied from the actions of the perpetrating nations for example the relocating of operations by non- governmental organisations and embassies to neighbouring countries. This outlines the scope of targeted sanctions on Zimbabwe negatively impacting on the economy (Youmans, 2011) [52]. Financial sanctions attract high risk premium on offshore lines of credit and eventually scare away alternative creditors, as they anticipate a credit squeeze in the future (Drezner 2003) [15].

Zimbabwe pulled out of the European Union meaning it can be difficult to enjoy trade policies associated with the EU though she is still a member of the African, Caribbean and Pacific (ACP) group that benefits from the EU trade preferences throughout the Lome 1 + IV conventions and Cotonou agreements. One might argue that Zimbabwe is not losing much by pulling out of the EU because a number of countries enjoying preferential market access to US or EU market did not necessarily fare well. Examples include Lesotho, Malawi, Namibia and Swaziland. Anti-dumping measures unlike other trade remedy measures can be applied to targeted firms in specific countries almost with absolute impunity (Adhikari and Yamamoto, 2005) [52].

Influx of Cheap Imports in the Market

The rival of the clothing manufacturing sector continues to face serious challenges as the importation of duty free finished clothing continues. According to estimates 40% of total clothing consumption in Zimbabwe is second hand clothing being charity imports from Malawi, Mozambique and Zambia (Youmans, 2011) [52]. Of growing concern in the clothing sector, especially among smaller companies is the continuous growth in the second-hand clothing market and illegal imports within SADC region (Kanyenze 2006) [31]. Players in sector have consistently complained that Zimbabwe has become a dumping ground of low quality and cheap goods threatening the livelihoods of thousands of people (Muzariri, 2010; Youmans, 2011) [39, 52]. Former chairman of the Clothing Manufacturing Association of Zimbabwe, Muzariri said that the problem faced by the clothing sector were diverse. In the Herald of 28 April 2010, the association requested the government to invoke statutes of the World Trade Organisation to help protect the local industry. This statute gives a country rights to protect it from the dumping of goods.

Youmans (2011) [52] acknowledges that most companies were operating below capacity. An industrial analyst Guyana (2012) said that the clothing sector should get preferential treatment for tenders from government departments who should consume locally manufactured goods before considering imports. He urged that the local industry had the capacity to satisfy the local market demand on supply and quality but could only be revived if the country stops de-industrialising itself. Muzariri (2010) [39] reiterated that the major challenge for this sector was cheap imported clothing from China and lots of second hand clothing sold in open spaces like Mupedzanhamo in Mbare as this lower demand for locally produced clothing. The sector also has a large wage bill of $110 compared to Malawi which pays $35 and Mozambique $45 (Muzariri 2010) [39].

The other challenge was of transhipment of clothes from China through Tanzania enjoying preferential treatment due to fake rules of origin. Another challenge was corruption at border posts ZIMRA officials were being bribed to let second hand clothing into the Zimbabwean market and under valuing of duty invoices. This has resulted in the clothing sectors loss of local market share forcing companies in the sector to close, down size its labour force and reduce production capacity (Muzariri 2010) [39]. Selective application of laws by ZIMRA is also a challenge. When people or companies import goods ZIMRA sometimes changes the prices for the goods declared even if one has some receipts and in most cases the goods will be over stated. They do this to increase their revenue collections but results negatively impact the clothing industry.

Trade Liberalisation

Trade liberalisation in Zimbabwe entailed a shift from the rationed allocations of foreign currency to market based access (Youmans, 2011) [52]. The main purpose for this was to extend the growth opportunity provided by international markets. These reforms were referred to as ESAP and trade liberalisation was designed to be gradual over a five-year period from 1991 to 1995 (Youmans, 2011) [52]. However, the implementation was very swift impacting negatively on the economy. The liberalisation of trade brought about the implementation of a market based exchange rate system. Trade liberalisation began with the removal of selected input items from quantitative import controls to Open General Import License in 1991 which included raising the minimum import tariffs to 10% on all imported goods and additional 10% on items on Open General Import License (Tekere 2001) [50].

This clearly indicated that there was a problem in timing and implementation of some of the key policies. 15% of imports were restricted. Foreign currency accounts were introduced which allowed 60% which was later increased to 100%. Some components of the liberalisation episode include, introduction of an Export Retention Scheme, introduction of export support facility, devaluation of the dollar, liberalisation of imported goods and export subside removal. Another contributing factor is the use of US dollar as the official currency. The US dollar is overvalued in Zimbabwe leading to a parallel market. Existence of a parallel market points to serious distortions which in the case of a foreign currency market could have disastrous effects to the overall economy including the fashion industry (Tekere 2001) [50].

Research Methodology

According to Burns and Grove (1997) [7], the research design of a study is the result of a series of decisions made by the researcher concerning how the study will be conducted. It is the blueprint for conducting the study that maximises control over factors that could interfere with validity of the finding (Flick, 2005) [20].

The exploratory case study design was adopted for the study. A case study design focuses on a phenomenon to be studied, the case, unit of analysis and focus of the study (Gall *et al* 2007) [23]. The phenomenon in this case is the four companies in the fashion industry in Harare, Zimbabwe. The fashion industry of Zimbabwe has undergone a lot of negative knocks resulting in the industry collapsing due to the ailing economy of the country. The Management and workers of select companies made up the units of analysis.

Management and staff at companies in fashion industry as key informants were studied in their natural setting were part of the phenomenological paradigm of the case study design that stresses reality is rooted in the perceptions of the participants (Yin 2003). Gall *et al* (2007) [23] agree and add that, the case study is appropriate for studying the management and staff because it views them as competent informants and interpreters of their own experiences in the fashion industry given the current economic situation of Zimbabwe. The case study design therefore enables an in-depth understanding of fashion industry experiences in Zimbabwe from the perspective of the research participants (management and staff). This will be the strength of the research as the management and employees of the fashion industry are the area of focus in line with the topic of research.

The case study design adopted for this study is exploratory in nature. The research was done on a relatively unknown topic to gain new insights on a phenomenon (Creswell, 2003). This design was the most suitable for exploring the identified knowledge gap. The exploratory case study design adopted consists of both qualitative and quantitative methods of data collection. Emphasis will however be on qualitative methods to allow contextual description of findings. The research design will ensure a comprehensive understanding of fashion industry experiences. The case study design helps with an in-depth study of a subject such as the fashion industry processes and how they are impacted by economic issues.

The main disadvantage of case studies is that findings are based on a limited number of cases and can therefore not be generalised (Gall *et al*, 2007) [23]. The findings of this study will basically be generalised for the companies studied. They possibly can be used to explain the situation in the fashion industry that have a similar set up and standard of running. The findings will illuminate the structural constraints of the fashion industry running during the ailing era of the economy of Zimbabwe.

Population and Sampling

The population for this study comprised 3 managers and 15 employees currently managing and working at fashion manufacturing companies at the time of undertaking the study. Population is described by Yin (2001) [29], as the entire number of subjects under study which is the whole. Gall *et al* (2007) [23] added that population in a study can be found in two types that is target population and accessible population. Target population includes all the members of a real or hypothetical set of people, events or objects to which researchers wish to generalize the results of their research (Burns and Groove 2005) [7]. In the study, the target population refers to the people working and managing the companies in fashion industries in Harare.

According to Burns and Grove, (2005) [7] a sample is a subset of the population that is selected for a study. Gall *et al* (1996) [23] say a sample is a part of a whole. Data are generally collected from a sample rather than the entire population because using a sample is more practical and less costly than collecting data from the entire population (Polit and Hungler, 2003) [41]. The sample selection ensured age, gender sensitivity and equitable representation, unstructured interviews with management and staff.

Research Instruments

Data was collected using recorded structured interviews. These are tools to be used for collecting information and data needed to generate themes to the problem under investigation.

In-depth structured interviews were used to gather qualitative data from the employers and employees working for the selected companies. The structured interviews encompassed questions concerning the fashion industry and how the economy has affected company operations. These interviews allowed the researcher to probe and clarify answers as Yin (2001) [59] states that, skilled interviewing can follow up a respondent's answer to obtain more information and clarify vague statements. Furthermore, non-verbal as well as verbal cues werebe noted in the face to face interviews.

Non-verbal cues helped in identifying the key points in experiences of the fashion industry. Kumar (2008) says that observation is purposeful, systematic and a selective way of watching interactions or phenomenon as it takes place. In the case of interviews, issues focus on how to capture behaviour in real time and consider the sequential and reciprocal nature. This is in line with Patton (2002) [40], who stated that in-depth interviewing is repeated face to face encounters between the researcher and the informants directed towards understanding informants' perspectives on their experiences or situations as expressed in own words. The interviewer had the opportunity to motivate the participants leading to higher response.

Results

Having used the methodology and research design highlighted in the previous chapter, results were drawn from structured in-depth interview responses from participants working in the clothing manufacturing industries in Harare.

The study sought to answer the following research questions: What are the economic issues affecting the fashion industry in Harare, Zimbabwe? How are they affecting the fashion industry in Zimbabwe? What can be done to solve the economic implications on the clothing manufacturing industry?

Demographics

Findings of the study have been drawn from discussions with management and staff in four selected clothing manufacturing companies in Harare Zimbabwe. Management from the four selected companies hold Ordinary and Advanced Level Certificates with over 16 years' experience in the industry. One has professional qualifications of a Bachelor's Degree in Accountancy and the other one has two Bachelor's Degrees in Accountancy and Marketing respectively and were both over 40 years of age.

The selected staff respondents are ten and they are all semi-literate. They do not hold any qualifications and are aged between 25 and 35 years old. Most of them are long serving members of the companies they work for even though the companies have changed a lot of hands in the past few years. Staff focus group discussions were divided by company to allow for continuity in gathered data and specific experiences being shared. Consent was sought from the companies and participants before partaking in the research.

Fashion Industry Operations

Managers from both companies stated that they were not guided by the traditional business model because of the prevailing economic conditions. They are working as per request from customers. Most of their work is school uniforms and corporate wear the reason being no imports pertaining to this range. The managers agreed that the economic issues impacting to the fashion industry were mainly as a result of influx of second hand clothing into the country, high wage bill and low disposable income, selective application of laws by ZIMRA and the continued shift of financial policies by government. In Zimbabwe a machinist is paid $196 per month, whist in Malawi and Mozambique the range is $75 – $86 per month.

The managers said a combination of high utility bills, high rentals and high production costs is resulting in companies failing to meet their obligation of paying workers. Another challenge which is contributing to failure by companies to pay salaries is the inaccessible of cash from banks. Employees at company A were made to open accounts with a bank and salaries were credited to their accounts, employees received half salaries because part of their money had to cover bank charges accrued. The company did not want to take responsibility of the bank charges and there was a heated misunderstanding between the two with the employees opting to get their salaries in cash. The employees did not want to wait in queues to get their small wages. Withdrawal limits were also frustrating the already hurt employees.

Company A and B manufacture clothing forlocal market only because of the continuous shifting of the financial policy making exporting goods expensive. The use of the US dollar as the official currency stabilised the economy but was hurting the export market because the US dollar is overvalued making products expensive when there is a cross rate of the US dollar to other official currencies. Institutional financing is making it difficult to afford continued operations and production in the industry more especially as there was a gap created when the multi-currency system was introduced. Financing has ever since been a sore thorn in the company running and negatively impacting the stability of operations in the industry. Banks are concentrating on consumption of loans to business loans. Company B thinks government policies on export incentives has been over taken by events because most of the laws were last reviewed a long time ago.

Company A and C are importing raw materials from China whilst B and D are importing from India, China and Mauritius. The four companies are affected by ZIMRA's selective application of laws, where similar goods imported by different companies are being charged different rates. They also complained about the disparities on duty rates for example raw materials used to attract 40% duty whilst second hand clothing attracted a duty of $2 per kg before the introduction of Statutory Instrument 64 of 2015. Company B believes the liberalisation of the economy was a great move by the government but thinks problems were being created by the official currency being used in the country. One of the managers pointed out that there is not much regulation governing the clothing industry because of the liberalisation which is free for all.

The clothing manufacturing industry management were concerned about the corrupt activities taking place at border posts. The corrupt actives were two sided when the companies import goods they all fight to pay low duties and government has banned second hand clothing into Zimbabwe but these still find their way into Zimbabwe. The shifting of financial policies in Zimbabwe has disturbed the operations of the clothing manufacturing industry once more. People are in panic mode and they are not buying. They are keeping their US dollars because they don't know what tomorrow brings. The use of plastic money has also limited buying activities of people because not all people qualify to be card holders and some of the clothing shops are refusing plastic money transactions. The managers said they do not consider qualifications when recruiting. They recruit semi-literate employees and do on the job training. One employee is trained to specialise on one function since they do chain production. Managers of company A and B acknowledged that cross border traders are their biggest competitors. They are the ones supplying shops with cheap imported goods.

Challenges Concerning Employees

Staff acknowledged having found themselves in dire situations with the downturn in the economy and having to go for months with no salaries and still having to somehow run their households and provide for their families. For some it has been a difficult path to walk. Others have contemplated leaving with no viable alternatives as most have no capital to start their own business that will be self-sustaining. Most of them do not have the skills to compliment the start of self-help projects. Most workers are worried about if ever they will get their salary arrears. Employees are borrowing money so that they can come to work but are not sure if they will get their salaries. Employees are stealing from employers for survival.

Employees at company B appreciated being paid in kind because they were getting clothes at market value and selling at a profit. Their worry is the offer is limited to a specific range of clothes and limited numbers. At company A the numbers are limited whilst the clothes are overpriced. Workers at company B think company executives are spending lavishly at the expense of workers. Workers at company C think some of their corrupt colleagues are benefiting at the expense of others since company A is under judicial management. The workers also believe that the owners of the companies are involved in corrupt activities with the judicial management at their expense.

The employees are nowhere because government and the clothing manufacturing industry union have failed to bring solutions to the current crisis of wages. They also highlighted merits of staying on with companies they have worked for, for years in the event things pick and life goes to normal. There was a consensus among participants that survival skills have been learnt during the downturn of the economy as they dearly hold onto their positions within the various companies waiting a new dawn for the clothing manufacturing industry.

ZIMASSET as a policy document for motivating growth in the fashion industry is a noble idea. Product (GDP) decline of 50% by 2008 (ZIMASSET: 2013) [53]. This has seen the populace accepting anything and everything. The staff mentioned how they value job security over none payment of salaries. Surviving against all odds and still having to show up for work regardless of arrears that have no clear payment plan to offset them. Findings revealed that the executive had essential knowledge to manage the running of the companies as they have immense years of experience in the industry and suitable qualifications.

Conclusions

Salient findings of the study show that the Zimbabwean economy has in the past decade or so been most negative in impact to the fashion industry as it has not allowed for growth and stability thereby not equipping the industry to better adjust on getting back on its feet in the advent of economic downturn. The clothing manufacturing industry in Zimbabwe is near dead with very few companies fighting for continued existence at the expense of the consumer who buys end products that are expensive and inferior in quality in most cases. Of course, another school of thought supports bales that have become the "in thing" as they offer very cheap clothing for all. In trying to accommodate the ever changing economy and fragile political climate, the clothing manufacturing industry has been left out in terms of development and growth as it has somehow become the forgotten industry whose actual potential has been overlooked for economic gain for the country. The government has directed most of its resources to the Agricultural and mining sectors. Economic growth for the industry has not had the intended impact as gaps continue to be there and created based on government response to industry needs and demands.

Findings from participant's unveiled gaps related to policy formulation and implementation. Gaps have also been identified in terms of moving with global trends of incorporating information technology to daily activities. The clothing manufacturing industry and companies under this industry need to be adequately equipped for optimum production and feed into the overall economy whilst making use of the productive citizens of Zimbabwe who are resilient and adjust to every situation regardless of lack of economic back up. Local universities churn fashion graduates every year who get absorbed by the unemployed quota resulting in untapped brains that could well be put to good use for the clothing manufacturing industry's stability as well as economic growth for the country.

Recommendations

From the findings, the study makes the following recommendations:

- The clothing manufacturing industries of Zimbabwe need to upgrade their standard of quality so that their products can compete on the international market. This can be achieved by initiating skills training opportunities to SMEs practitioners.
- Clothing manufacturing industries are encouraged to establish export markets.
- The clothing manufacturing industry needs to incorporate the use of ICTs in the production, distribution and marketing of goods and services to widen their customer base.
- This industry to make use of high technology machinery being introduced on the market to produce quality products.
- Clothing manufacturing companies to organise workshops and refresher courses for their employees to improve their skills and employees to be encouraged to attend.
- Government to continuously review trade policies in line with prevailing economic conditions.
- Government to ensure responsible authorities enforce laws passed for example Statutory Instrument 64 of 2015 which ban the importation of second hand clothing was passed yet second-hand clothing are still finding their way on the market because enforcement of this law is weak. Furthermore, laws passed by different government ministries should complement each other.
- Government to tighten laws to minimise corruption and punish those found guilty to deter others from engaging in corruption.

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