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Gender Dynamics in the South African apparel value chain: A case study on the Western Cape province.

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Contents

List of Acronyms

AGOA	Africa Growth Opportunities Act
CCTC	Cape Clothing and Textiles Cluster
CI	Continuous Improvement
CIP	Competitiveness Incentive Programme
CPUT	Cape Peninsula University of Technology
CTCP	Clothing and Textiles Competitiveness Programme
CTFL	Clothing, Textiles, Footwear and Leather
CSP	Customised Sector Plan
DAC	Durban Auto Cluster
DCCS	Duty Credit Certificate Scheme
EBA	Everything But Arms
EPA	Economic Partnership Agreement
FTA	Free Trade Agreement
GATT	General Agreement of Trade and Tariffs
GDP	Gross Domestic Product
GDPR	Gross Domestic Product Regional
GSP	Generalised System of Preferences
GVC	Global Value Chain
IDC	Industrial Development Corporation
IMF	International Monetary Fund
IPAP	Industrial Policy Action Plan
ISI	Import Substitution Industrialisation
JIT	Just In Time production

LDC	Least Developed Country
MFA	Multi-Fibre Agreement
MFN	Most Favoured Nation
NDP	National Development Plan
NGP	New Growth Path
NQF	National Qualifications Framework
PIP	Production Incentive Programme
QR	Quick Response
RoO	Rules of Origin
SACTWU	Southern Africa Clothing and Textiles Workers Union
SSP	Sector Skills Plan
TFG	The Foschini Group
TQM	Total Quality Management
WCM	World Class Manufacturing
WTO	World Trade Organisation

Chapter 1: Introduction

The South African apparel industry has a long and rich history. It is an important manufacturing sector to the country as it is labour absorptive in nature, employing mostly female workers. Until 1994, the South African clothing sector was sheltered by state protectionism and was locked into import substituting industrialization (ISI). At the advent of democracy however, the South Africa joined the World Trade Organisation (WTO) and became exposed to international competition. Subsequently, the new democratic government introduced radical policy changes in order to open markets and integrate South Africa into the global economy. These changes included a rapid phase-down of both tariff and non-tariff barriers as well as the implementation of an export-orientated industrial policy.

Traditionally, the apparel sector has been regarded as a springboard for economic development and a first step for countries embarking on an export orientated industrialization process (Gereffi, 1999). This is because of the existence of low barriers to entry in terms of low fixed costs and relatively simple technology. The labour intensive nature of the apparel sector enables it to absorb large numbers of unskilled workers and provide upgrading opportunities into higher value- added activities within and across sectors (Morris and Barnes, 2014). These characteristics prove particularly important in the context of South Africa where unemployment is high and there is an abundance of low and semi-skilled workers.

South Africa's drive for international competitiveness in the clothing sector has been met with significant challenges. Beginning in the early 2000s, the once thriving sector started to whither due to a combination of domestic and international factors. The result was a sharp decline in manufacturing output, low productivity levels, factory closures and massive job losses across the sector (Moodley, 2001). The blow to the industry was exasperated by the surge of cheap imports, both legal and illegal, primarily sourced from China.

The story of the clothing industry is often referred to as the story of its women. The poor performance and consequent contraction of the industry had a profound impact on the mostly female workers in the industry. Retrenchment pushed households into poverty as many of the female workers were often the sole bread winners of the household. Adding to this, finding alternative employment opportunities proved difficult due to the low rate of job creation in South Africa.

In recent years, however, the clothing industry has started to stabilise and is beginning to show positive trends in terms of performance and competitiveness (DTI, 2013). This paper therefore examines whether female workers have gained from the changes that have taken place in the industry, looking specifically at the Western Cape region. It finds that although the Western Cape clothing industry was severely hit by the challenges of global competition, it is now doing relatively well. Furthermore, it argues that the sector is upgrading and providing increased opportunities for women in terms of employment and skills development. This can be attributed to the changes in policy approach by government as well as new and improved methodologies that are being adopted by firms. Moreover, it argues that the Cape Clothing and Textiles Cluster (CCTC) has played a critical role in driving these processes in the industry primarily through high level trainings and the exposure of executives to the latest industry developments, both nationally and internationally.

This research paper is structured as follows: Chapter 2 comprises a review of the literature on the major thematic areas of the paper thereby providing a conceptual framework for analysis. Chapter 3 serves to provide greater contextual understanding by exploring the international and national trends in the apparel industry, before zooming into the trends observed in the Western Cape region which is the core focus of the research paper. Chapter 4 identifies and discusses the factors which have contributed to the revival of the apparel sector in the Western Cape. Thereafter, Chapter 5 explores the implications of this revival for women in the industry. In Chapter 6, the paper presents case studies of three clothing manufacturing firms, K-Way, Keedo and Pals Clothing in order to analyse their path in economic and social upgrading and the impact these processes have had on women. The section also presents perspectives from stakeholders in the clothing industry in the Western Cape, namely the Cape Peninsula University of Technology (CPUT) and the Fibre Processing & Manufacturing SETA. Finally, the paper provides a summary of the main findings and concluding remarks are made.

Significance of Study

Similar to most developing countries, industrial development and economic diversification is a major development objective for South Africa. Due to its labour intensiveness and potential for job creation in the context of high unemployment in the country, the clothing industry should be provided adequate government support and resources in order to promote economic growth and development. Importantly, as a major employer of female workers, the clothing industry has a unique role in furthering development in the country. It is now globally recognized that empowering women is essential for economic growth and an integral part of sustainable pro-poor development (Mayoux and Mackie, 2007). This research paper underscores these points in the context of women working in the clothing sector in the Western Cape.

The Global Value Chain (GVC) framework is increasingly being used as a methodology for capturing the gains in terms of economic development, capacity building and poverty reductions (Staritz and Reis, 2013). Increasingly, it is becoming recognized that GVCs are gendered structures due to the differences between the positions and roles of women and men in households, communities, labour markets and the global economy (Staritz and Reis, 2013). As such, it is acknowledged that these differences in the value chains need to be equalized. This research paper examines if and how this equalization is taking place in clothing manufacturing firms in the Western Cape, with respect to economic and social upgrading.

Much of the current literature on the clothing industry focuses on the massive decline of the industry, writing the sector off as not worthy of investment. In contrast, this research paper contributes to the literature by looking at how the industry is being resuscitated and the positive impacts this is having on women in the Western Cape thereby calling for greater attention and investment into the sector. In addition, the paper highlights the significant role that clusters can play in promoting economic and social upgrading within manufacturing firms by looking at the work done by the Cape Clothing and Textile Cluster in the Western Cape.

Methodology

The methodology underpinning this paper takes the form of a qualitative research analysis, drawing on primary and secondary data sources. The paper comprises a literature review component which reviews and discusses three bodies of literature. First, it looks at the GVC framework so as to provide context and understanding to the functioning of the apparel sector in this new era of global integration. Second, it focuses on literature on gender dynamics in apparel GVCs and then, finally, it looks at the literature on economic and social upgrading as it relates to women in the clothing industry with the aim of relating it to the South African context.

In order to facilitate an in depth analysis of the South African clothing industry and in particular, the Western Cape industry, data was obtained from a diverse range of sources. Macroeconomic and trade data was drawn from the World Trade Organisation, Statistics South Africa (Stats SA), the South African Reserve Bank (SARB). Western Cape employment and skills development data was sourced from the National Bargaining Council for Clothing Manufacturing and the Fibre Processing & Manufacturing SETA, respectively. Firm level data for the Western Cape region was obtained from the Cape Clothing and Textile Cluster with the support of Benchmarking & Manufacturing Analysts (B&M Analysts).

Furthermore, in order to gain greater insights and understanding into the dynamics of clothing manufacturing firms as they relate to female workers, the paper provides a case study analysis of three firms based in the Western Cape. Personal interviews were conducted with both management and female workers in each firm to analyse economic and social upgrading strategies they have pursued in the last five years, the impact they have had on the female workers and the role that the Cape Clothing and Textile Cluster has played in introducing and directing these strategies. The workers that were interviewed were mostly machinists, however, pressers, clerks, line managers and supervisors were also interviewed in order to get perspectives from individuals at different levels of employment. At K-Way, 6 employees ranging from the general manager to line managers and machinists were interviewed on 22 August 2015 and 13 September 2015. At Keedo, 4 employees were interviewed on 29 August 2015 including the founder of the clothing firm, the production manager and machinists. Lastly, at Pals Clothing, the interviews were conducted on 19 November 2015 with 6 employees including supervisors, pressers, clerks and line managers. The research instruments for management and general workers are included in the appendix.

Moreover, in order to provide a broader perspective on the research question, interviews with stakeholders in the clothing industry in the province were conducted. Interviews with key informants were conducted with Prof. Mike Morris (Director of Policy Research International Services and Manufacturing) as well as Dr. Justin Barnes (CEO of B&M Analysts). These key informants have in depth understanding of the clothing industry landscape in South Africa and have published extensively on the South African clothing and textile sector. The paper also contains key insights from interviews with Mr. Shamil Isaacs (Manager of the CPUT Technology Station for Clothing and Textiles) and Ms. Leigh Hayes (Regional Manager of the Western Cape FP &M SETA)

Limitations of Study

Although clothing and textiles are often grouped together as one sector, this research paper is focused on the analysis of the clothing industry. The clothing industry in South Africa has a large number of small unregistered manufacturing firms which make up the informal sector. The analysis of this informal sector falls outside the scope of this study which is focused on the formal sector.

Chapter 2: Literature Review

This section of the research paper provides a review of the relevant literature. Firstly, it outlines the GVC framework. This serves to facilitate an understanding of the changing patterns of trade, production and employment in the current era of globalisation thereby providing an analytical foundation for the paper. Secondly, literature on gender dynamics in GVCs will be explored, with particular emphasis on understanding how these dynamics manifest in the apparel global value chain. In so doing, it will be possible to gain greater understanding of the gender dimensions of employment in this new paradigm. Lastly, this section will briefly review the concepts of economic and social upgrading so as to ascertain their implications as they relate to female workers in the Western Cape clothing sector.

Global Value Chains

Since the late twentieth century globalisation has taken on a different character distinguishable from the preceding period of global integration which took place during the late nineteenth century. Most notably, the global economy entered a new phase of unprecedented interconnectedness in terms of production, trade, finance, communication and popular culture.

Prior to the integration of economies, nations produced most of their total consumption due to poor transportation technology (Baldwin, 2012). The later invention of steamships and railways made it possible to spatially separate production and consumption (Baldwin, 2012). Steam power's significant impact on trade costs enabled producers to maximize profits through economies of scale and by focusing on comparative advantage areas (Baldwin, 2012). What resulted from this was accelerated growth in innovation and income gains which spread mainly across Britain, Europe and the United States.

These improvements in technology and changes in production processes were complementary to agreements that had been made in the 1944 Bretton Woods conference. This conference was aimed at establishing appropriate institutional infrastructure to support global economic progress (Kaplinsky, 2005). From this conference materialized a multitude of structures that would support this objective including, a coherent system of controls over capital flows, the establishment of stable exchange rates and the creation of global financial institutions such as the World Bank, the International Monetary Fund (IMF) and the General Agreement on Trade and Tariffs (GATT). This institutional infrastructure together with the surge of technological innovation at the time facilitated increased trade between countries in heterogeneous products.

Thus, put simply, the era of internationalisation was characterised by the geographic spread of economic activities beyond national boundaries (Sturgeon, 2008). It expanded from what was largely regionally-based trade to incorporate peoples in distant regions including, Africa, Latin America, and large parts of Asia (Kaplinsky, 2005).

The transition from internationalisation to globalisation was propelled by reduced trade restrictions and regulations. During the second half of the twentieth century the global economy underwent a process of trade liberalisation, facilitated by concerted programmes orchestrated by GATT and its successor the WTO (Kaplinsky, 2005). These programmes had the effect of eliminating a large proportion of the quantitative controls which had previously governed global trade and also reduced many of the tariffs applied to cross-border trade (Kaplinsky, 20015). Soon the idea that trade should not be restricted became a commonly upheld notion among policy makers (Kaplinsky, 2005). Trade liberalisation discussions were mainly between developed countries but gradually protectionist low-income countries were incorporated into these policy discussions, albeit unwillingly. After some time, however, the initial reluctance subsided as it became more apparent that it is not about whether to participate in the global processes but how to do so in a way that provides sustainable income growth (Kaplinsky, 2005).

Since the period of internationalisation, global integration has become more complex and multi-dimensional. There exist low barriers to labour, capital, knowledge, information, technology, and belief systems, among other things (Kaplinsky, 2005). As such, countries are more interlinked than ever before. Trade, particularly of manufactured goods, has increased significantly as a result of footloose investment. Consumer buying power has never been stronger. In addition, the increasing availability of cheap and sophisticated communication systems has brought the world closer together and increased the speed at which things are done (Kaplinsky, 2005). The world has changed.

As such, the late 20th century and the early 21st century have witnessed a trade pattern significantly different from the previous era. Firstly, trade openness has intensified. Although there was a trend of growing trade under internationalisation, it rapidly increased under globalization (Kaplinsky, 2005). Using the share of exports in Gross Domestic Product (GDP) as a measure of trade openness, Table 1 depicts a trend of growing trade under internationalisation but more so under globalisation. Looking at the world economy, the ratio of merchandise exports as a share of GDP increased from 4.6% in 1870, to 7.9% in 1913 and to 17.9% in 1998.

Table 1: Merchandise exports as a share of GDP, 1870, 1913 and 1998

	1870	1913	1998
Australia	7.1	12.3	18.1
France	4.9	7.8	28.7
Germany	9.5	16.1	38.9
Japan	0.2	2.4	13.4
Netherlands	17.4	17.3	61.2
Spain	3.8	8.1	23.5
UK	12.2	17.5	25
USA	2.5	3.7	10.1
USSR/Russia	NA	2.9	10.6
Argentina	9.4	6.8	7
Brazil	12.2	9.8	5.4
China	0.7	1.7	4.9
India	2.6	4.6	2.4
Indonesia	0.9	2.2	9
Korea	0	1.2	36.3
Mexico	3.9	9.1	10.7
Thailand	2.2	6.8	13.1
World	4.6	7.9	17.2

Source: Kaplinsky, (2005)

Secondly, in this era of globalisation, there has been a fragmentation and geographical expansion of international production and trade networks in the global economy (Gereffi, 2005). Importantly, trade in this era tends to be in parts and components of goods (Baldwin, 2012). 2009 marked the first time that world exports of intermediate goods exceeded the combined values of final and capital goods, accounting for 51% of non-fuel merchandise exports (Gereffi and Sturgeon, 2013). This geographic fragmentation of industries, where value is added in multiple countries before products make their way to consumers, has created what have come to be known as Global Value Chains. Simply put, a value chain describes the full range of activities which are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final consumers, and final disposal after use (Kaplinsky and Morris, 2003). The development of these value chains was propelled by intensifying competition which forced firms to refine and specialize their roles in the production process. Moreover, the liberalization of trade, decline in transport costs and the ease of communication due to improved technology made it easier for firms to focus on their core competencies while outsourcing the rest of the production process of the good or service to other parties often in other countries (Kaplinsky, 2013).

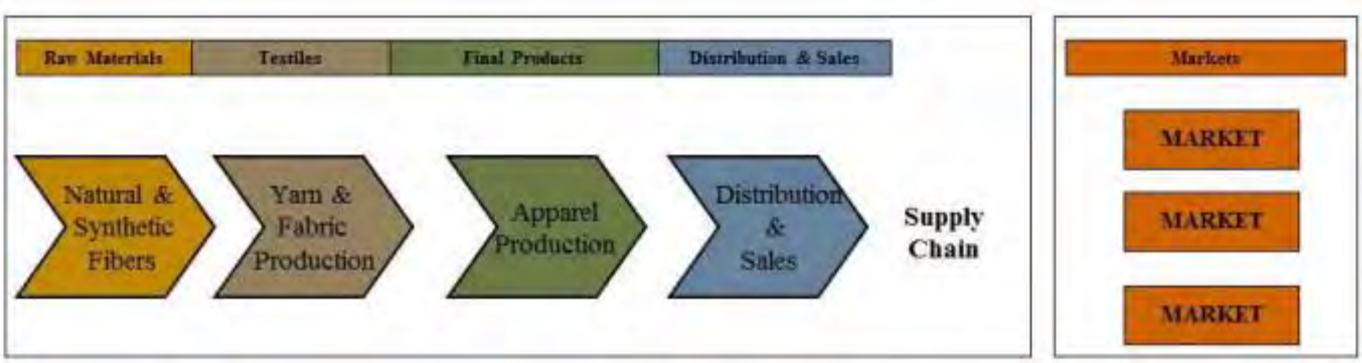
A fundamental aspect to this focus on core competencies and offshore outsourcing is the Ricardian theory of rent. The concept of rent describes an environment of scarcity in the context of high demand, therefore a rent can be described as an attribute which is protected from competition by one or more barriers to entry (Kaplinsky and Morris, 2014). In his original conception of rents Ricardo spoke to resource rents, however, theory now suggests that rents can be created through the application of knowledge to production processes, that is, innovation rents (Kaplinsky, 2013). As such, the focus on core competencies is intertwined with the focus on appropriating high rents protected from competition. Complex tasks which are often capital and knowledge intensive, where barriers of entry are high and profitability is greatest tend to be conducted in developed countries. In contrast, the production related tasks which are less capital intensive and have low barriers to entry are largely outsourced to developing countries (Reed, 2012:). Therefore, countries at the top end of the value chains tend to benefit the most from the global value chains while countries at the bottom remain with low incomes.

The GVC literature identifies two main types of international economic networks which govern the distribution of power, profits and risk between actors in an industry. The first is the “producer-driven” value chain. In this type of value chain, large manufacturers play the leading role in coordinating production networks (Gereffi, 2003). This is characteristic of industries such as automobiles, aircrafts and computers, which are often capital and technology intensive. Contrastingly, in “buyer-driven” value chains —common in labour intensive consumer goods industries— it is the buyers, that is, large retailers, marketers and branded manufacturers that control and organize production in these value chains. They are able to exert influence on manufacturers in terms of providing specifications related to style, fit and fabric as well as production (Reed, 2012). Producers in these value chains have standards which are imposed upon them either by national governments, lead firms or civil society. These standards have important implications for who is included in value chains. Often smaller producers from developing countries find it difficult to adhere to these standards and therefore are left out. With this said however, these standards present as opportunities to upgrading and strengthen producer capabilities (Kaplinskey and Morris, 2014)

The apparel industry presents as a good example of a buyer-driven value chain. The buyers decide on the products to be produced, where they are produced, by whom, and at what price (Silvander, 2013). The lead companies, often situated in markets in Europe, USA and Japan, usually take on the activities with the greatest value addition in the global value chains, such as product design, brand development and marketing (Silvander, 2013). This is where profits are derived, unlike in producer driven chains where profits come from scale, volume and technological advances (Fernandez-Stark, Frederick and Gereffi, 2011). Production is then outsourced to contract manufacturers in developing countries around the world on the basis of lower production costs in those countries.

In terms of the structure of the apparel value chain, it is organized around roughly four main parts which incorporate the textile sector, namely, (1) raw material supply , (2) yarn and fabric production (textile), (3) apparel production and, lastly, (4) distribution and sales at the wholesale and retail level (Staritz, 2012: 6). This break down can be seen clearly in Figure 1 below. For the purposes of this paper, the focus will primarily lie in the third division, "Apparel Production"

Figure 1: The Apparel Value Chain



Source: Staritz, (2012)

Gender Dynamics in Global Value Chains

The globalization of production and the emergence of global value chains has brought about important opportunities for women worldwide. Specifically, it has created opportunities for women to enter new areas of paid employment, earn an income, gain independence and participate more actively in society life (Barrientos, Kabeer and Hossain, 2004). Thus, this rapid period of transformation has had positive implications for women in that it has, to some extent, allowed them freedom from family control and, in some cases, domestic violence (Silvander, 2013). Moreover, the economic independence resulting from paid employment has contribution increasing their personal decision- making power. As such, these changes have done well to improve the status of women in developing countries.

However, it is important to highlight that the increase in employment for women in and of itself has not necessarily translated to gender equality in global value chains. Gender inequality continues to persist in recruitment processes, career development, compensation, working conditions and flexibility in terms of combining work and family life (Salvinder, 2013). This is due to a variety of factors. First, the gender gap in education has played a significant role in limiting women's ability to benefit from new and advanced employment opportunities (Salvinder, 2013**;** GIZ, 2013). In comparison to men, women generally have lower levels of education. This therefore has a negative impact on skills attainment thereby closing off potential avenues for entrepreneurial activities. Moreover, it is often the case that women do not participate in internal training in companies to the same extent as men, although this could help them progress to higher value-added tasks (Salvinder, 2013).

Second, social and cultural gender norms have also shaped the commercial dynamics of value chains. Gender norms prescribe attributes and behaviours appropriate to men or women and also guide the relations between men and women (Schalkwyk, 2000). Moreover, they often act as an organizing principle for the division of labour in society instead of actual qualifications obtained and the evolving social reality. These consequences of these norms is that, in general, women have less personal autonomy, fewer resources at their disposal, and limited influence over the decision-making processes within the household and in society at large (Schalkwyk, 2000). Thus, these gender norms, still present even in today's modern society, have tended to severely limit women's upward mobility paths in global value chains (Christian, Evers and Barrientos, 2013). Specifically, women tend to be undervalued and become trapped in low-status production tasks whereas men take up the higher status supervisory tasks which usually involve the use of new technologies and machinery (Christian, Evers and Barrientos, 2013). Moreover, women in manufacturing employment across the developing world tend to face longer hours, lower wages and are more prone to harassment as compared to men due to these social differences (Barrientos, Kabeer and Hossain, 2004)

A third factor cited in the literature that is believed to contribute to the persistence of gender inequality in remunerated work is the challenge women face in terms of combining both their productive and reproductive responsibilities (Barrientos and Kabeer, 2004). As women increasingly participate in paid work, the traditional model which portrays males as the sole bread winners for households becomes outdated and needs to be replaced with a multiple breadwinner model as women's earnings have become an important source of income for household survival (Barrientos and Kabeer, 2004). Despite their participation in paid labour, women's household duties rarely decrease when they take up employment opportunities outside the home, they still remain responsible for cooking, providing care for children and the elderly as well as other domestic related tasks. However, a new line of thinking has emerged in the literature demonstrating the complexity of the gender dimensions of GVCs. The rise of GVCs and female employment has increased the consumer purchasing power of women. Increasingly, in developing countries women are assuming responsibility for household buying decisions and make up a significant proportion of retail consumers (Barrientos, 2014). In light of this, retail supermarkets are strategically changing their strategies to align with these changing patterns of consumption. Specifically, they are providing time-saving consumer goods/appliances and more ready-made or easy-to-cook food (Barrientos, 2014). This has enabled women to reduce time spent on reproductive activities. Thus, the combination of reproductive and productive labour has not been purely a one way exploitative street.

The changing nature of global production has not only contributed to the "feminization" of the labour force, but has also had a significant impact on the gender dimensions of global employment (Barrientos, Kabeer and Hossain, 2004). However, as discussed above, these increased wage employment opportunities have not necessarily equated to gender equality in these spaces. Having said this however, it must be recognized that these new opportunities may be better than alternative jobs or jobs that were previously accessible to women. Moreover, jobs in the clothing industry often constitute the first opportunity for women to access formal employment and earn wage income (Silvander, 2013). The new wave of employment opportunities has done well to promote personal and economic independence among women. As such, at a macro level, more emphasis needs to be placed on implementing policies that support the advancement of gender equality by recognizing and taking into account their dual responsibilities. At a more micro level, workplace practices that are sensitive to women's issues are needed to bring about meaningful changes in the lives of female workers.

Economic and Social Upgrading

The global value chain framework makes it possible to analyse the full the range of activities performed by firms and workers to make a product from beginning to end. In so doing, the framework provides a holistic view of global industries from two angles; top down and bottom up (Gereffi, 2013). The top down angle relates to the governance and organization of the values chains (addressed earlier in this section). The bottom up angle relates to how to improve the position of both firms and workers in the value chains through upgrading. This is important as there is a growing realization that while it is important for firms to upgrade, workers must also be viewed as more than merely economic agents but social agents too. Understood from this perspective, workers are thus viewed as human beings with capabilities and entitlements (Barrientos, Gereffi and Rossi, 2011). This therefore allows for a broader strategy of development.

Upgrading is generally defined as "a move to higher value added activities in production, to improve technology, knowledge and skills, and to increase the benefits or profits deriving from participation in global production networks" (Barrientos, Gereffi and Rossi, 2011: 323). In their influential study, Humprey (2002) identified four different categories of economic upgrading. First, there is *process upgrading*. This involves changing the production process to make it more efficient and flexible by improving production methods. Second, there is *product upgrading*. This involves introducing more advanced product types thus requiring firms to increase their capabilities. Third, there is *functional upgrading*. This occurs when firms change the mix of activities they perform towards higher value added tasks. Finally, there is *chain upgrading*. This involves shifting to a more technologically advanced production chain, for example, moving into new industries or product markets. Each type of economic upgrading comprises a capital dimension and a labour dimension (Barrientos, Gereffi and Rossi, 2011: 323-324). With regards to the capital dimension, this typically involves the use of newer, more advanced technology. The labour dimension refers to the skills development and increased productivity on the part of the workers (Barrientos, Gereffi and Rossi, 2011).

For apparel suppliers, functional upgrading is particularly important and the other upgrading strategies are viewed as steps to achieve functional upgrading (Frederick, 2012). The four main stages of functional upgrading are 1) Entry into the value chain through *Assembly/Cut-Make-Trim (CMT).* Here, the apparel suppliers are responsible for cutting, sewing, supplying and/or shipping the ready-made garment. The buyer provides the textile inputs along with detailed manufacturing specifications to the apparel supplier. 2) *Full package* is where the apparel supplier purchases (or produces) the textile inputs and performs all the production activities, including finishing and distribution to retail outlets. The buyer provides design details and is not involved much with the manufacturing process 3) *Original Design Manufacturing (ODM)* is where apparel manufacturers are involved in both the design and the product development process 4) *Original Brand Manufacturing (OBM)* is where in addition to designing and manufacturing, suppliers are also responsible for developing their own brands (Fernandez-Stark, Frederick,and Gereffi, 2011).

Social upgrading, on the other hand, is defined as “the process of improvement in the rights and entitlements of workers and social actors, which enhances the quality of their employment” (Barrientos, Gereffi and Rossi, 2011: 324). It is composed of two broad elements, namely; measurable standards and enabling rights (Barrientos and Smith, 2007). Measurable standards are aspects of worker wellbeing that are easily measured and quantifiable. This includes the categories of wage level, physical wellbeing, employment security, gender and unionization (Barrientos, Gereffi and Rossi, 2010:). Enabling rights are much more difficult to measure and quantify and include aspects such as freedom of association and collective bargaining, non-discrimination, voice and empowerment (Barrientos, Gereffi and Rossi, 2010). In looking at social upgrading in the Western Cape clothing industry, this research paper will focus on examining measurable standards, specifically; gender, physical wellbeing (health and safety, working hours), job security and satisfaction. Although training and skills development are seen mostly in relation to economic upgrading and competitiveness, they are also an important aspect of social upgrading, as an upward shift in skills level has a significant impact on workers' economic conditions and livelihoods (Staritz and Morris, 2013: 28). As such, they will be reviewed from this perspective in this research paper.

In summary, the global economy is increasingly structured around GVCs driven by advances in technology, and the lowering of transport and communication costs. In order to grow and develop in this new era of globalization, developing countries need to find ways to successfully insert themselves into these GVCs. With this, it is imperative to understand that GVCs are gendered structures due to the differences between the positions and roles of men and women in the household, community, labour market and global economy (Staritz and Reis, 2013). In recognizing this, it becomes possible to develop policies and practices that not only advance economic and social upgrading but also take into consideration the gender dimensions of these processes.

Chapter 3: International and Domestic Changes in the Apparel Industry

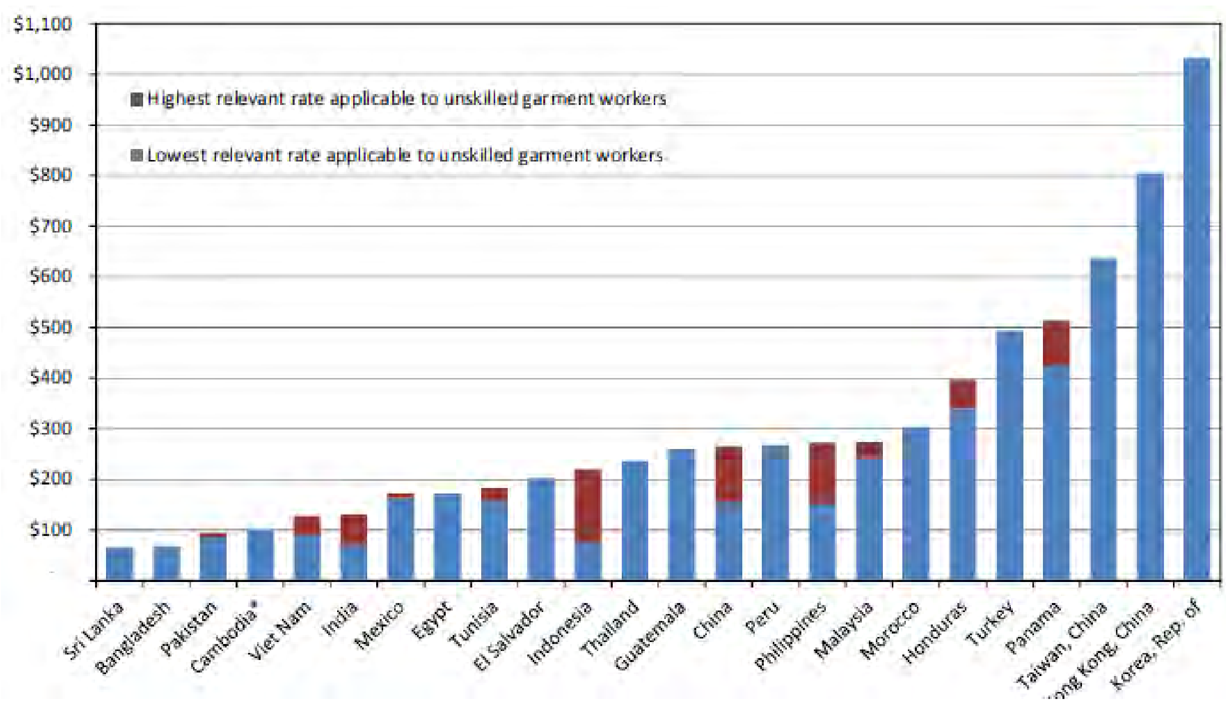
International Trends in Clothing Industry

Apparel is among the oldest and largest export industries in the world (Gereffi, 1999). Most nations produce apparel for the international market, as such, the industry has become one of the most global industries. The apparel sector is traditionally regarded as a gateway to national development and is often the first step for embarking on an export-orientated industrialization process (Morris and Barnes, 2014). This is because of its low barriers of entry, namely; low fixed costs and relatively simple technology requirements. In addition, the apparel industry has an emphasis on labour- intensive manufacturing and is therefore able to absorb large numbers of unskilled, mostly female, workers (Morris and Barnes, 2014). More than three quarters of the workers in the global apparel industry are female (Stotz and Kane, 2015). Women workers are often preferred by many employers due to their patience and reliability, their nimble fingers and their willingness to accept lower wages (Paul-Majumder and Begum, 2000). The exploitation of women in the industry has long been a serious human rights concern worldwide. In recent years, there have been increasing efforts to address this issue from various stakeholders including, amongst others, international development bodies, human rights organizations, national governments, trade unions and non government organizations (NGOs).

The apparel industry is also highly competitive, marked by pressures for higher quality, greater variety, more fashion content and reduced costs. The drive to become more cost-competitive has been driving down wages across the globe. In many cases, the low wages paid to apparel workers are below the legal minimum in the country concerned. Moreover, in cases where the minimum wage is paid to workers, it is often insufficient to purchase adequate food, housing, clothing, education for children (ILO, 2014). Many countries have more than one minimum wage for the apparel sector due to, for example, different regions within a country setting their own minimum wages rates. As such, Figure 2 below shows the monthly minimum wages in the garment industry for the top apparel exporting countries in the developing world, selecting only the most representative rates in each country. From the Figure it can be seen that the level of minimum wages varies widely between countries, from US$66 in Sri Lanka (for unskilled garment workers in their first year) to US$1,032 in the Republic of Korea- where a national minimum wage applies (ILO, 2014).

Figure 2: Monthly minimum wages in the garment industry for top apparel exporters in the developing world

($US as of 1 January 2014)



Source: ILO, (2014)

*All rates refer to the lowest skill grade and new entrants.

In terms of the regulatory environment, the apparel industry has been one of the most trade-regulated manufacturing activities in the global economy (Staritz and Morris, 2015). In 1974, the Multi-Fibre Agreement (MFA) was signed, ratifying countries' rights to impose import quotas on textiles and clothing. The system was designed to protect major import markets and give them time to restructure their textile and apparel industries before opening up to competition from highly competitive suppliers such as China (Gereffi and Frederick, 2010). The system was supposed to be a temporary measure however it was continually renewed. Many countries that were subject to quotas by the EU, the Unites States or Canada did not maximise their full quotas. This therefore allowed clothing manufacturers that had reached their quota limits in their home countries to search for producer countries with under-untilized quotas or countries that did not have quota restrictions to establish plants or source from existing firms (Staritz, Morris and Plank, 2015). This enabled a global spreading of production thereby allowed many developing countries to establish an apparel industry (Gereffi, 1999).

Adding to the complexity of the global apparel system, each of the large importing blocs negotiated separate bilateral agreements with individual countries or regions. The European bloc had tariff reduction arrangements primarily with former colonies through the Lomé Convention. Similarly, the United States set up arrangements with countries in Central America, the Caribbean and Mexico. Essentially, the importing blocs established complex tariff schedules to protect the more capital-intensive parts of the chain, and decreased tariffs on labour-intensive stages in the production cycle. This enabled domestic producers to make used of outsourced low-wage labour for the unskilled labour-intensive part of the production cycle (Kaplinsky, 2005).

During the Uruguay Round of the General Agreement on Trade and Tariffs, apparel and textiles trade were brought under the WTO. In 1994, the Agreement on Textiles and Clothing (ATC) was signed (Staritz and Morris, 2015). This Agreement committed to phase out the MFA by the end of 2004, meaning an elimination of all quotas on textile and apparel trade between member states of the WTO. This had profound effects on global apparel production and trade patterns. In 2005, with the exception of temporary safeguard restrictions on Chinese imports, buyers were now allowed to source apparel in any amount from any country which intensified competition to the peril of some poor countries that were heavily dependent on apparel exports (Staritz, 2012).

The WTO's Most-Favoured Nation (MFN) principle stipulates that member states cannot normally discriminate between their trading partners. However, some exceptions are allowed. For instance, countries are able to set up a free trade agreement (FTA) which applies to goods traded within the group, thereby discriminating against goods from outside. Moreover, countries can also offer developing countries special access their markets (WTO, 2015). In this context, preferential market access plays a significant role in global apparel trade patterns. There are two major types of preferential market access agreements, namely, regional or bilateral trade agreements, and the Generalized System of Preferences (GSP) (Staritz, Morris and Plank, 2015). Developed countries have negotiated regional trade agreements to propel regional production networks and have also increasingly negotiated bilateral trade agreements (Staritz and Morris, 2015). Despite this, however, apparel and textile products are often excluded. Within the GSP, some countries have negotiated preferential access for lower-income countries, such as; the Everything but Arms (EBA) which gave Least Developed Countries (LDC's) full duty free and quota-free access to the EU for all their exports with the exception of arms and armaments, the Lomé Convention and its successors the Cotonou Agreement and the Economic Partnership Agreements (EPAs) by the EU, and the US's Africa Growth and Opportunity Act (AGOA) (Staritz and Morris, 2015).

Rules of Origin (ROO) govern these preferential market access agreements. ROO are the criteria which determine the national source of a product (WTO, 2016). Their importance lies in the fact that they ensure that the actual products of trading partners receive preferential market access and exporters from third countries do not find ways to avoid external tariffs (Staritz, 2012). The benefits of restrictive ROO are they support backward integration and also regional integration through cumulation provisions which allow for the use of regionally produced inputs.

The global apparel industry is ever-evolving. Although the industry has been expanding at a rapid rate since the early 1970s and providing new employment opportunities to workers in some of the least-developed countries in the world, the industry has since faced some significant events which have had serious implications for global players. Firstly, the complete removal of the MFA quotas on January 1, 2005 was a significant event in that it allowed countries that had been previously limited by import quota to access major markets (Gereffi and Frederick, 2010). China and other countries such as Bangladesh, India, Vietnam and Indonesia have benefited greatly from the MFA removal as it has allowed them to compete on cost (Morris and Barnes, 2009: 28). This, however, has come to the peril of smaller apparel exporting countries that heavily relied on the MFA quota system to secure access to markets of industrialised countries. The second event that had a major impact on the global apparel industry was the 2009 economic recession (Gereffi and Frederick, 2010). The financial crisis hit the apparel industry especially hard in the form of lower consumer demand in the North American and European markets (Maquila Solidarity Network, 2009). This, in turn, led to declining retail sales, declining orders, plant closures and job losses in exporting-orientated economies in the developing world (Gereffi and Frederick, 2010).

In terms of trade patterns, global apparel exports accounted for US $460 billion in 2013 (WTO, 2014). Increasingly, more developing countries are producing apparel for global exports. As such, the apparel sector is the first manufacturing sector where exports became dominated by developing countries as shown by Table 2.

Table 2: Leading exporters and importers of clothing, 2013

	Value	Share in world exports/imports				Annual percentage change			
	2013	1980	1990	2000	2013	2005-13	2011	2012	2013
Exporters									
China a	177	4.0	8.9	18.3	38.6	12	18	4	11
European Union (28)	118	-	-	28.7	25.6	4	17	-6	7
extra-EU (28) exports	31	-	-	6.5	6.7	6	26	3	8
Bangladesh	24	0.0	0.6	2.6	5.1	17	29	3	19
Hong Kong, China	22	-	-	-	-	-3	2	-8	-3
domestic exports b	0	11.5	8.6	5.0	0.0	-35	-14	-29	-11
re-exports b	21	-	-	-	-	1	2	-8	-5
Viet Nam b	17	...	...	0.9	3.7	18	27	10	19
India	17	1.7	2.3	3.0	3.7	9	31	-6	22
Turkey	15	0	3	3.3	3.3	3	9	2	8
Indonesia	8	0.2	1.5	2.4	1.7	6	18	-6	2
United States	6	3.1	2.4	4.4	1.3	2	12	7	4
Cambodia b	5	...	...	0.5	1.1	11	31	8	19
Malaysia a	5	0.4	1.2	1.1	1.0	8	18	0	1
Pakistan	5	0.3	0.9	1.1	1.0	3	16	-7	8
Mexico a	5	0.0	0.5	4.4	1.0	-6	6	-4	2
Sri Lanka b	5	0.3	0.6	1.4	1.0	6	21	-5	13
Thailand	4	0.7	2.6	1.9	0.9	0	6	-6	-4
Above 15	**410**	**-**	**-**	**79.0**	**89.0**	**-**	**-**	**-**	**-**
Importers									
European Union (28)	182	-	-	41.1	37.9	4	15	-10	6
extra-EU (28) imports	95	-	-	19.6	19.7	5	15	-11	5
United States	91	16.4	24.0	33.0	18.9	2	8	-1	3
Japan	34	3.6	7.8	9.7	7.0	5	23	3	-1
Hong Kong, China	16	-	-	-	-	-1	4	-5	1
retained imports	...	0.9	0.7	0.9	...	...	...	...	...
Canada c	10	1.7	2.1	1.8	2.1	7	15	-2	6
Russian Federation b, c	9	-	-	0.1	1.9	33	23	0	-2
Korea, Republic of	8	0.0	0.1	0.6	1.6	13	38	3	20
Australia c	6	0.8	0.6	0.9	1.3	9	21	4	3
Switzerland	6	3.4	3.1	1.6	1.2	4	16	-7	3
China a	5	0.1	0.0	0.6	1.1	16	59	13	18
United Arab Emirates b	4	0.6	0.5	0.4	0.8	12	21	13	10
Saudi Arabia, Kingdom of b	3	1.6	0.7	0.4	0.7	11	28	5	14
Mexico a, c	3	0.3	0.5	1.8	0.7	3	20	8	9
Turkey	3	0.0	0.0	0.1	0.7	19	15	-18	17
Singapore	3	0.3	0.8	0.9	0.6	4	19	2	22
Above 15 d	**368**	**-**	**-**	**93.1**	**76.4**	**-**	**-**	**-**	**-**

a Includes significant shipments through processing zones.
b Includes Secretariat estimates.
c Imports are valued f.o.b.
d Excludes retained imports of Hong Kong, China.

*(Billion Dollars and Percentage) **Source**: WTO, (2013)

From the table, it can also be seen that global apparel exports are dominated by the Asian developing countries. Notably, China is the largest exporter of apparel. Along with China, the other low-cost Asian exporter countries such as Bangladesh, India, Vietnam and Cambodia have increased their global market share in the past decade. East Asian countries began gaining ground in the apparel industry as rich apparel producers began to shift their non-core activities to these countries with lower production costs. Over time, however, they began to face intense competition from other lower-cost exporters from developing countries. This necessitated a move to higher-value-added activities, where the bigger profits are made in buyer driven value chains. This was facilitated by a process called triangular manufacturing. Triangular manufacturing is where buyers such as the United States place orders from newly industrialized economies (NIEs) manufacturers they have previously worked with, who in turn shift a proportion or the entire production order to offshore factories in lower-wage counties. The factories can be entirely owned by the NIE manufacturers, joint-ventures or independent contractor. Once finished, the goods are shipped to the overseas buyer under the US or European import quotas issued to the country (Gereffi, 1999). Triangular manufacturing and quota restrictions which led to searches for quotas-free countries to establish plants in (as discussed above) led to the geographical spread of production networks in the East Asian region and contributed to the rise of these countries in the global apparel industry.

Although Sub-Saharan Africa does not feature as a significant global apparel player, there have been major production and export shifts in the region. AGOA, enacted in May 2000 and recently renewed on June 25 2015 to 2025, has played a significant role in this process by providing duty-free access to the U.S. market. In order to do this, countries need to have implemented a visa system which ensures compliance with the AGOA rules of origin for clothing. These ROO state that clothing has to be made from United States fabric, yarn and thread or else from fabric, yarn and thread that is produced in AGOA-beneficiary SSA countries (Morris and Barnes, 2009). Currently, 26 SSA countries are eligible for the "wearing apparel" provisions thereby allowing these countries to export apparel duty-free into the US under AGOA (AGOA Info, 2016). Thus, AGOA has helped eligible Sub-Saharan nations grow, diversify their exports to the United States, and create employment and inclusive economic growth (US Department of State, 2015). With the enactment AGOA in 2000, SSA apparel exports increased from US$ 2 billion to US$ 3.2 billion in 2004. Exports to the EU reached a plateau while exports to the US more than doubled in that period (Table 3). Some countries performed particularly well in terms of growing in clothing exports. Between 2000 and 2004, clothing exports grew by 514% in Kenya, by 416, 2 % in Swaziland, by 222, 8% in Lesotho and 52, 3% in Madagascar (Table 4).

Table 3: SSA top clothing exporters to US and EU-15 (Value US$ Mil)

Exporter	US						EU-15						
	´00	**´04**	**´07**	**´10**	**´12**	**´13**		**´00**	**´04**	**´07**	**´10**	**´12**	**´13**
SSA Total	***748***	***1,757***	***1,293***	***790***	***866***	***938***	***SSA Total***	***1.130***	***1.068***	***1.215***	***824***	***815***	***888***
Lesotho	140	456	384	281	301	321	Madagascar	247	203	358	279	340	415
Kenya	44	277	248	202	254	309	Mauritius	729	726	779	506	409	392
Mauritius	245	226	115	120	163	191	Ethiopia	0	1	1	5	35	48
Swaziland	32	179	135	93	60	50	South Africa	90	82	31	14	13	13
Madagascar	110	323	290	55	43	21	Cape Verde	2	5	8	6	3	4
Ethiopia	0	3	5	7	10	10	Zimbabwe	16	13	8	1	2	3

Source: Staritz, Morris and Plank, (2015)
*clothing represents HS92 61+62; exports represent partners' imports.

Table 4: Top 10 SSA clothing exporters

	Value ($US Mil)							Share of Total (%)						
	‘00	**‘04**	**‘05**	**‘07**	**‘09**	**‘10**	**‘13**	**‘00**	**‘04**	**‘05**	**‘07**	**‘09**	**‘10**	**‘13**
Total	***2,092***	***3,238***	***2,800***	***3,011***	***2,525***	***2,309***	***2,862***							
Mauritius	962	959	807	965	817	770	847	46.0	29.6	28.8	32.0	32.4	33.4	29.6
Madagascar	369	562	539	697	578	378	574	17.6	17.3	19.3	23.2	22.9	16.4	20.0
Lesotho*	153	494	423	415	331	364	409	7.3	15.3	15.1	13.8	13.1	15.8	14.3
South Africa**	396	478	337	313	371	334	385	18.9	14.8	12.0	10.4	14.7	14.5	13.5
Kenya	50	307	297	270	213	222	324	2.4	9.5	10.6	9.0	8.4	9.6	11.3
Swaziland*	37	191	172	149	116	158	161	1.8	5.9	6.1	5.0	4.6	6.8	5.6
Ethiopia	1	5	5	6	9	13	66	0.0	0.1	0.2	0.2	0.4	0.5	2.3

Tanzania	3	8	7	8	6	9	18	0.1	0.3	0.3	0.3	0.2	0.4	0.6
Botswana	26	35	38	43	20	13	14	1.2	1.1	1.3	1.4	0.8	0.6	0.5
Malawi	27	48	48	37	24	14	10	1.3	1.5	1.7	1.2	1.0	0.6	0.5

Source: Staritz, Morris and Plank, (2015)
*clothing represents HS92 61+62; exports represent partners' imports.
* From 2005 onwards UN COMTRADE data was replaced with SARS data for South Africa; Conversion to US$ based on UNCTAD annual exchange rate.** From 2007 these are trans-shipment of imports largely from China.

Following the removal of the MFA, the clothing industry in SSA suffered severely in terms of production, exports employment and number of firms (Morris, Staritz and Plank, 2014). The global economic crisis had a further negative impact on the performance of the industry in the region. From Table 4 it can be seen that total exports from the top SSA exporters had been growing steadily between 2000 and 2007, after that however exports took a severe hit due to the impact of the financial crisis decreasing from US$ 3 billion in 2007 to US$ 2.5 in 2009. After 2010 exports began to increase again, for some countries such as Lesotho and Swaziland this is attributed to shifts in end markets from the North to the South (Gereffi, 2013).

End market diversification has increasingly become important for apparel exporters in SSA. It presents as an opportunity to develop regional and local markets and also reduces the dependency on certain markets and buyers (Staritz, Morris and Plank, 2015). South Africa has become an important regional market for SSA apparel producers and has led to a rise of regional value chains. There is a growing literature on the developmental opportunities that arise from shifts in end markets and the regionalization of apparel GVCs for developing countries. It is argued that buyers in different regions have distinct requirements which therefore have different implications on entry and upgrading opportunities (Staritz and Morris, 2012). More specifically, it is observed that US buyers order large volumes of mostly basic products. They require producers to produce to exact specifications, nominate fabric and other input suppliers, and do not want suppliers' contributions to design components. As such, suppliers to these markets are often trapped in a low upgrading trajectory. In contrast, EU buyers demand smaller orders of high fashion, more complex apparel content and are interested in the design elements of products. Buyers from South Africa are much like the EU buyers, although requiring smaller orders. The characteristics of the EU and SA buyers offer supplier countries enhanced upgrading trajectories (Staritz and Morris, 2015). This understanding sheds light on the current SSA context in terms of the dynamics of the buyer-supplier relationship and is helpful in informing appropriate strategies that can be taken be producer countries to advance their development.

From this sub-section, it has been highlighted that the global apparel landscape has changed in recent decades. Developing countries are trying to adjust quickly to the existing state of affairs and are building their competencies in order to successfully insert themselves in to the global economy. Having looked at the international trends in the apparel industry, it is now possible to briefly look more closely at the South African clothing industry; observing how it has grown, how it has been impacted by events in the international sphere and how it is currently performing.

The South African Clothing Industry

A Brief History

The South African clothing and textile industry has a long history. It has been and continues to be an important source of employment, particularly for women (Vlok, 2006). The industry has its origins in Cape Town, with the manufacture of blankets in the 1920s and 1930s (Nattrass and Seekings, 2012). Following the Second World War, the industry rapidly grew and spread to other regions in the country. Moreover, the industry expanded into the production of furnishing, industrial textiles and clothing. Historically, the clothing industry benefitted from the import substitution policies of the apartheid regime. These policies provided industry protection in the form of targeted import quotas and high, product-specific tariffs (Morris and Barnes, 2014). These protection measures stifled innovation and investment in the sector. Along with this, it must be noted that the industry produced almost exclusively for the domestic market, partly due to the apartheid sanctions that were imposed on the country therefore leading to low levels of market specialisation (Van de Westhuizen, 2006).

The Industry Downturn

After the end of apartheid, South Africa joined the WTO in 1994 and opened its markets to international trade (Vlok, 2006). This marked the beginning of the decline in the clothing industry. In accordance with the WTO's Agreement on Clothing and Textiles, the government initiated a radical garment tariff phase-down which saw the elimination of import quotas and a major reduction in nominal tariffs (Morris and Barnes, 2014: 9). Table 5 below shows South Africa's tariffs on apparel, calculated from duties.

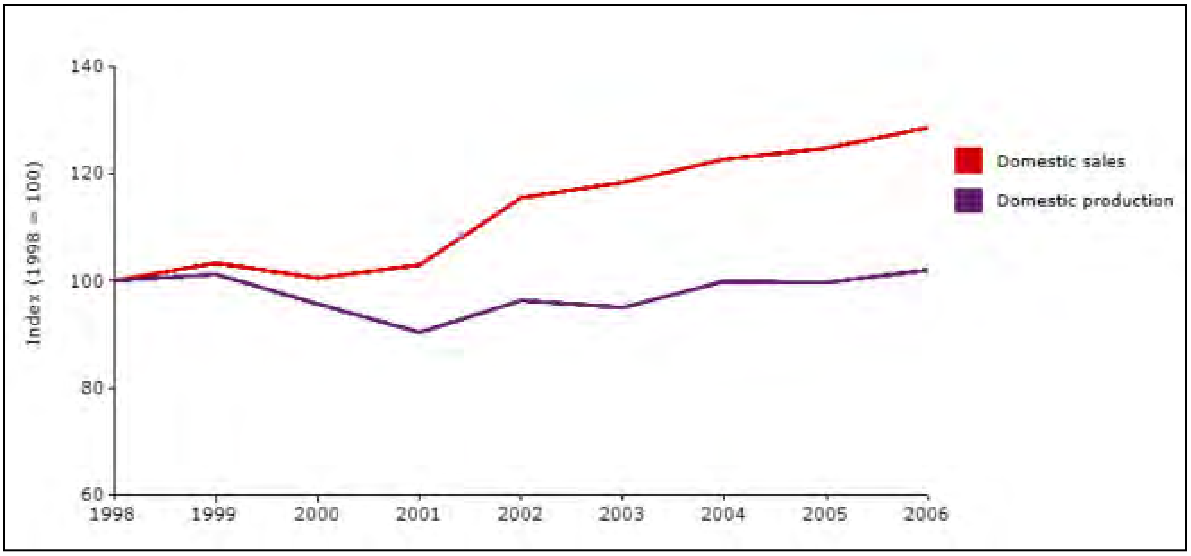
Table 5: South Africa's tariffs on apparel

1993	1995	1997	2000	2001 MFN	2002 MFN	2003 MFN	2004 MFN
100%	90%	78%	60%	54%	47%	47%	40%

Source: Van der Westhuizen, (2006)

It is clear from the table that there was a drastic reduction of tariffs, from 100% in 1993 to 40% by 2004. Having being shielded by high level of protection, the industry did not adjust well to the new liberalized environment. Figure 3 below shows that the domestic demand for apparel grew substantially after 2001 until 2006. Domestic production, on the other hand, experienced low growth over the same period. This suggests that the growing domestic demand was increasingly satisfied by imports meaning the country was losing market share in the global clothing market.

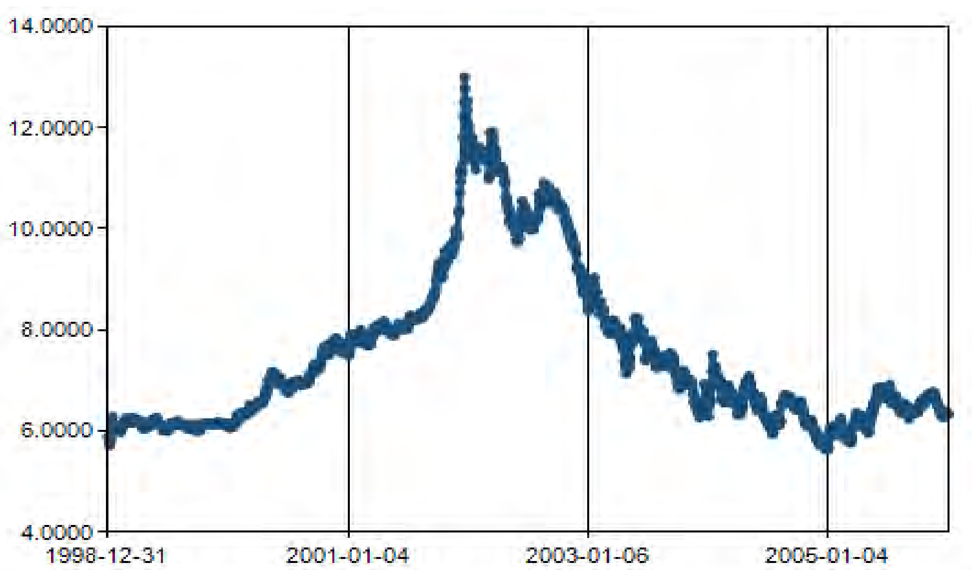
Figure 3: Apparel Domestic Sales and Domestic Production



Source: Stats SA, (2016)

At the turn of the millennium, South Africa's currency, the Rand, drastically depreciated moving from around R6 per US$1 in 1999 to around R12 per US$1 in 2001 (Figure 4). The depreciation had the effect of lowering the price of South African clothing, thereby making the country an attractive destination from which international buyers could source clothing.

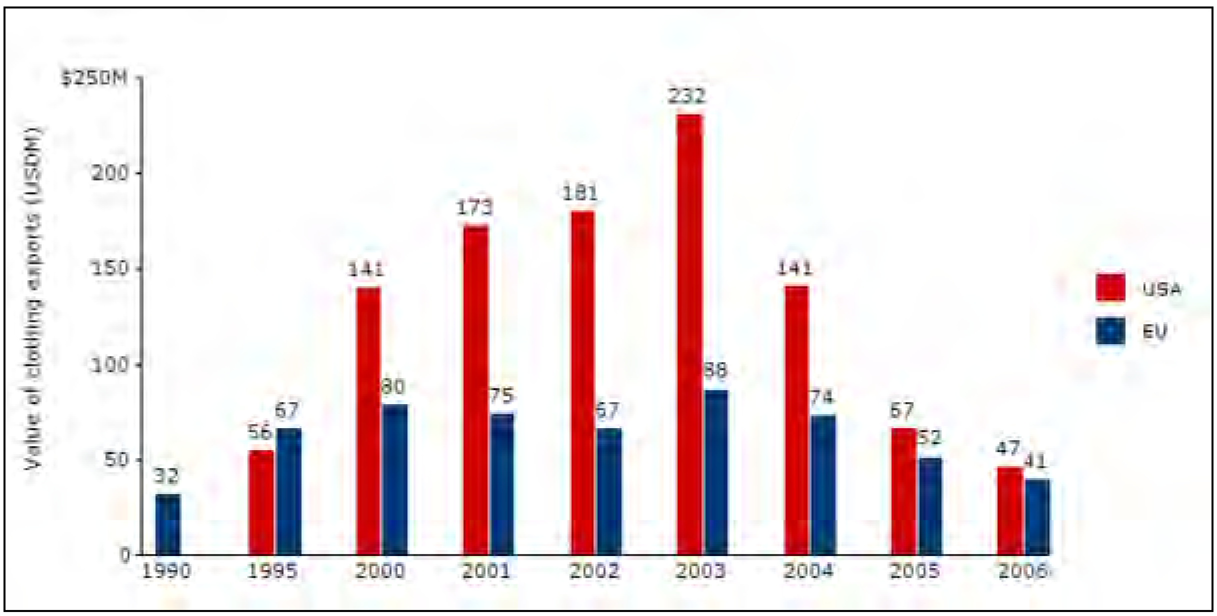
Figure 4: Rand-dollar exchange rate, 1998-2005



Source: SARB, (2016)

In turn, many South African clothing manufacturers saw this as a prime opportunity to increase exports to the US through AGOA. Local apparel manufacturers signed numerous export orders to US retailers. Exports to the US increased by 23.5% moving from US$ 140.9 million to US$ 173.4 million between 2000 and 2001. By 2004, however, exports to the US plummeted to US$ 141.3 close to the 2000 figure. Exports to the EU also experienced a gradual decline from 2000 to 2006, although experiencing a small pick up in 2003.

Figure 5: South Africa's clothing exports to the US and EU



Source: Morris & Einhorn, (2008)

Faced with limited supply capacity, manufacturers were unable to supply both the export market and the domestic market. Thus, they chose to default on their domestic commitments and pursue exports in search for greater profits (Morris and Barnes, 2014). This left South African retailers in a desperate position as they were now left without stock. Thus, despite the unfavourable exchange rate, SA retailers went offshore and found China as a reliable supply source (Reed, 2012). Retailers soon found that since joining the WTO, China had flooded the global market and had driven down clothing prices worldwide.

In 2002, the Rand appreciated substantially and much of the export advantage soon evaporated. This appreciation, coupled with the radical drop in import tariffs at the time as well as China's entry into the WTO in 2001, had the effect of creating easier import access and crippling exports (Morris and Barnes, 2014). The blow to the industry was even harder in 2004 when the Rand/US$ exchange rate appreciated again to R5.73 at its lowest (Morris and Barnes, 2014). The local manufacturers tried to return to selling into the domestic market however, this was largely unsuccessful as the local domestic value chain had radically restructured. The appreciating exchange rate and the lower prices of Chinese apparel, had resulted in a great surge of imports of apparel from China. Imports of Chinese clothing products increased by 335% from 2002 to 2004 in US dollar value. Moreover, China's share of imports increased significantly from 54% to 74% over the same period (Vlok, 2006: 234). Table 6 below shows the upward trend of clothing and textiles imports from China between 2000 and 2004.

Table 6: Clothing and Textile imports from China, 2000-2004
(nominal Rand and US Dollar value)

	2000	2001	2002	2003	2004	01-02	02-03	03-04
Clothing (US$ 000)	95 434	85 713	95 978	202 448	417 115	12%	111%	106%
Textiles (US$ 000)	48 939	54 115	77 779	120 618	189 933	44%	55%	57%
Clothing (R 000)	662 599	738 453	1 010 711	1 532 602	2 694 069	37%	52%	76%
Textiles (R 000)	339 782	466 224	819 063	913 123	1 226 740	76%	11%	34%

Source: Vlok, (2006)
*HS Code 61+62

The intense competition from China along with the appreciation of the Rand led to a massive decline in employment in the clothing and textile sector. According to Stats SA data; the clothing, textile and footwear industries shed 64 744 jobs between January 2003 to June 2006, falling from 206 947 to 142 203 jobs. Morris and Edwards, however, argue that using this data alone is very problematic as it misrepresents and miscalculates the real changes in employment that occurred. This is because, firstly, the Stats SA employment figures cover *clothing, textile, leather and footwear products* (SIC 31) and not just the clothing and textile sectors. Secondly, data from Stats SA has sampling breaks using different employment surveys making time comparisons problematic. Lastly, the official statistics on the number of firms and employment in the clothing industry do not take into account the large number of informal and small CMT firms that are not captured (Morris and Edwards, 2007). Thus, accurate figures detailing the extent of the decline in employment are difficult to obtain and estimates vary according source. However, it is undeniable that South Africa international competition and exchange rate volatility had detrimental effects on domestic production and employment.

In an effort to address the crisis faced by the sector, the government made a decision to impose quotas on clothing and textile imports from China with effect from 2007. These, however, were largely unsuccessful as a policy measure as they did very little to stimulate growth and employment as intended. Instead, the quotas encouraged retailers to seek alternative supply bases and robbed local manufacturers of the chance to secure supply contracts thus deepening the challenges faced by South African manufactures (Morris and Reed, 2008).

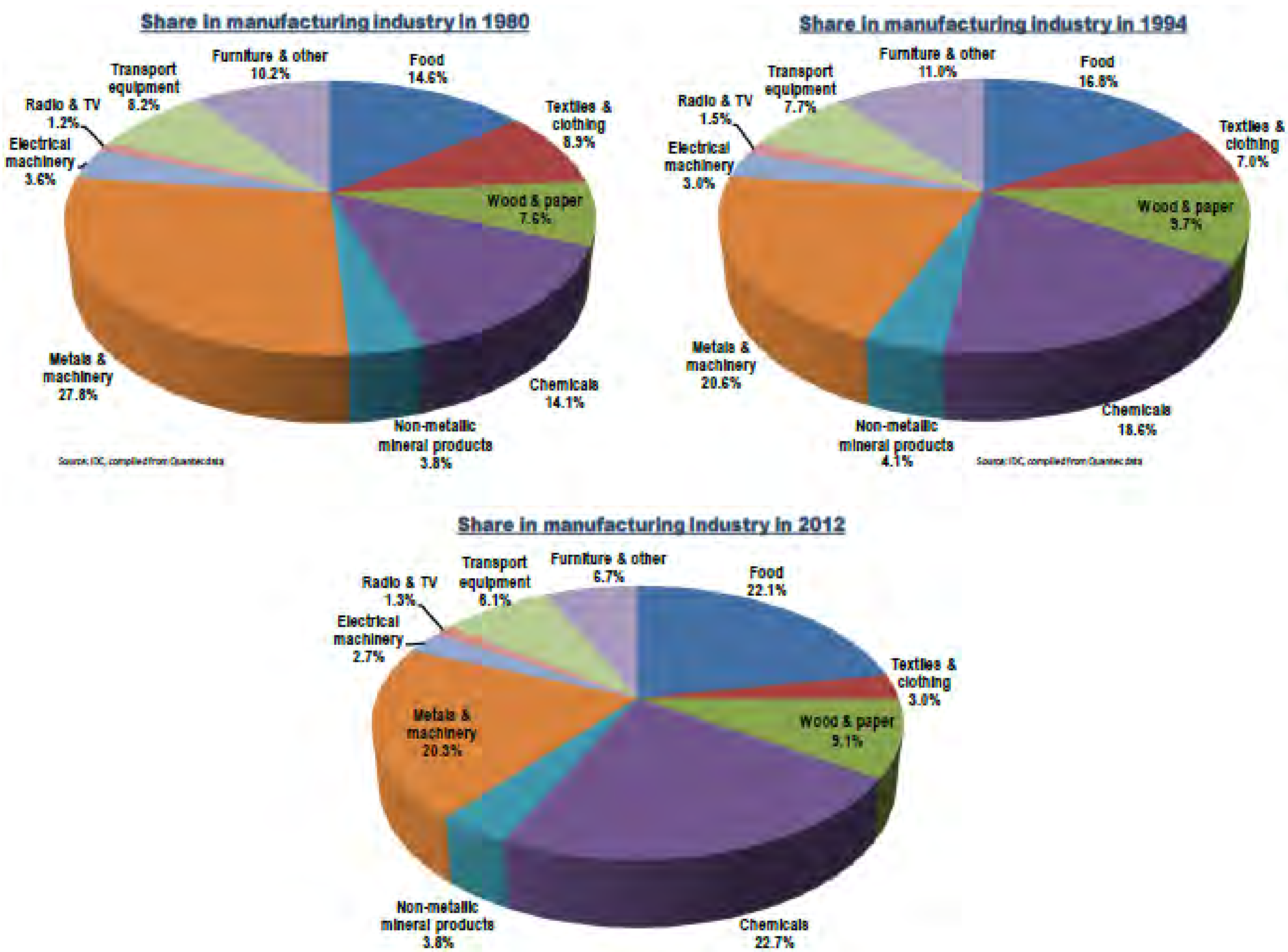
It is clear that domestic clothing industry has taken some major blows. In the aftermath, stakeholders have been challenged to help the industry survive due its strategic importance in terms of labour absorption and indusrialisation. To add, it has become increasingly important to find new and innovative ways to revive and sustain the industry in the changed national and global landscape.

The Current Structure of the South African Clothing Industry

Size of Industry

The total income for the manufacturing industry in 2014 was R2 175 376 million. Of that, the Clothing, Textiles, Leather and Footwear (CTLF) sector contributed R 47 649 000 million (Stats SA, 2014). In terms of Gross Domestic Product (GDP), the manufacturing sector's relative contribution to overall GDP has declined in recent years. Moreover, as shown in Figure 6 below, the clothing and textile sectors share of manufacturing value add has decreased moving from 8.3 % in 1980, 7% in 1994 to 3% in 2012 .

Figure 6: Subsector share in manufacturing industry, 1980, 1994 and 2012



Source: IDC, (2013)

Determining the number of firms operating in the clothing industry is difficult. This is largely due to the existence of many informal and small clothing firms that are not captured or are miscalculated (Morris, Barnes and Esselaar, 2005). With this said, the National Bargaining Council provides the only reliable available quantitative data on firm numbers through the clothing manufacturing firms that are registered through them. In October 2013, the number of formal sector apparel firms sat at 865, a significant decrease from the 1042 that existed in 1993 (Morris and Barnes, 2014).

A large proportion of the clothing sales in South Africa are generated from the domestic demand. The South African market is dominated by a small group of large retailers with their own foreign and domestic supply chains. The top four South African retailers account for 70% of formal South African clothing sales (Morris and Einhorn, 2008) As such; these large domestic retail firms play important role in the domestic value chain and have a major influence on the success of the local clothing industry.

Geographic Distribution

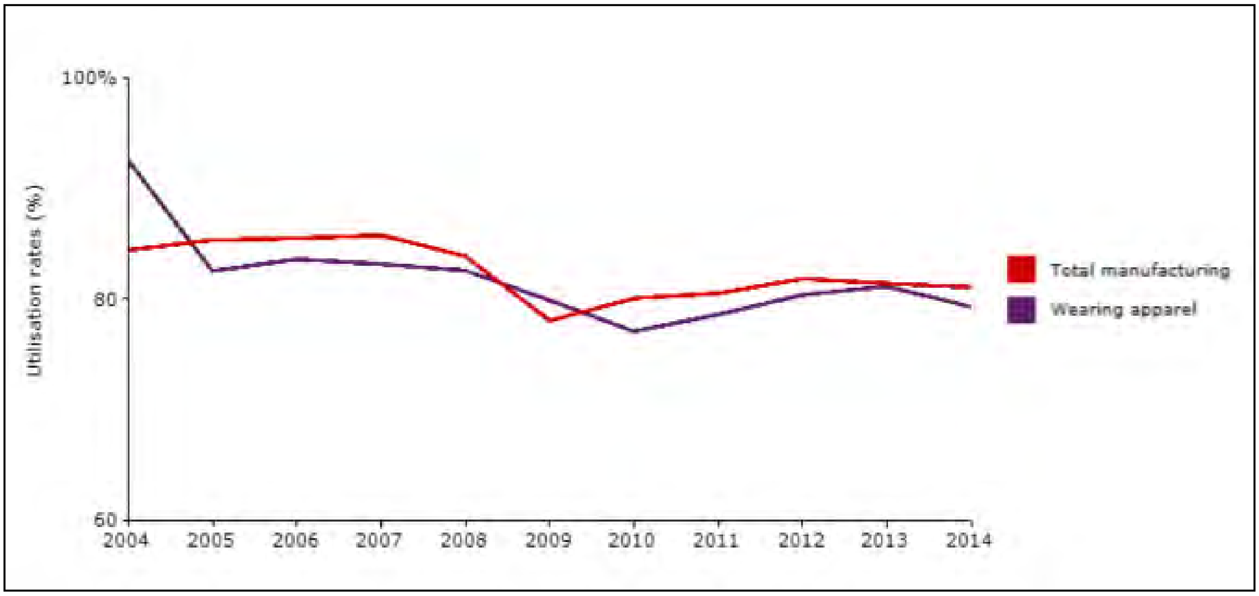
The clothing industry in South Africa is mainly concentrated in two provinces, namely, the Western Cape and Kwa-Zulu Natal (KZN), although there is some manufacturing activity that takes place in the Gauteng region (CCTC, 2015). In the Western Cape, the clothing factories are mainly located in and around the Cape Town metropolitan area and in KZN production largely takes place in Durban and the surrounding areas (Bennett, 2003:). In recent years, however, there has been a considerable rise in the establishment of firms in the non-metropolitan areas (Vlok, 2006).

South Africa has a large and sophisticated domestic consumer market which caters for diverse income groups: a demanding upper income segment, middle income workers wanting fashionable volume products, and the self-employed in the informal economy (Morris and Einhorn, 2008). As such, apparel production in each region has tended to cater to different markets. The Cape Town metropolitan area is renowned for the high fashion nature of its industry, often catering to niche consumer markets. As a result, this industry has a higher concentration of higher value added manufacturing activities. The KZN firms, on the other hand, are largely concentrated on mass market production of clothing basics (CCTC, 2015).

Capacity Utilization

Utilization of production capacity in the clothing industry fell sharply from 92% in 2004 to 82% in 2005. Moreover, Figure 7 below shows that the industry stopped performing above 80% of its capacity in 2009, reaching its lowest level in 2010. Thereafter, capital utilization in the clothing industry has been increasing steadily although it remains below the industry wide utilization level by a relatively small margin.

Figure 7: Clothing Industry Capital Utilization



Source: Stats SA, (2016)

Capital Expenditure

Due to the intense competition in the industry, success in the international sphere requires clothing firms to invest in capital, technology and innovation. South African firms cannot compete on price alone and therefore must upgrade their capabilities in order to compete on quality, design, delivery and speed (Morris, Barnes and Esselaar, 2005). This necessitates investment into capital equipment and technology. In 2011, the CTFL sector spent a total of R 1 050 million on new capital assets. This figure increased to R 1 353 million in 2014, a 28,85% increase over the period. The largest expenditure in the sector in 2014 was on Land, Buildings and Construction (R 214 million), followed by Plant and Machinery, Computer and other Equipment (R 905 million), then Motor Vehicles (R 107 million) and finally all other assets account for R 127 million (Stats SA, 2014). Thus, from these figures, it can be seen that South

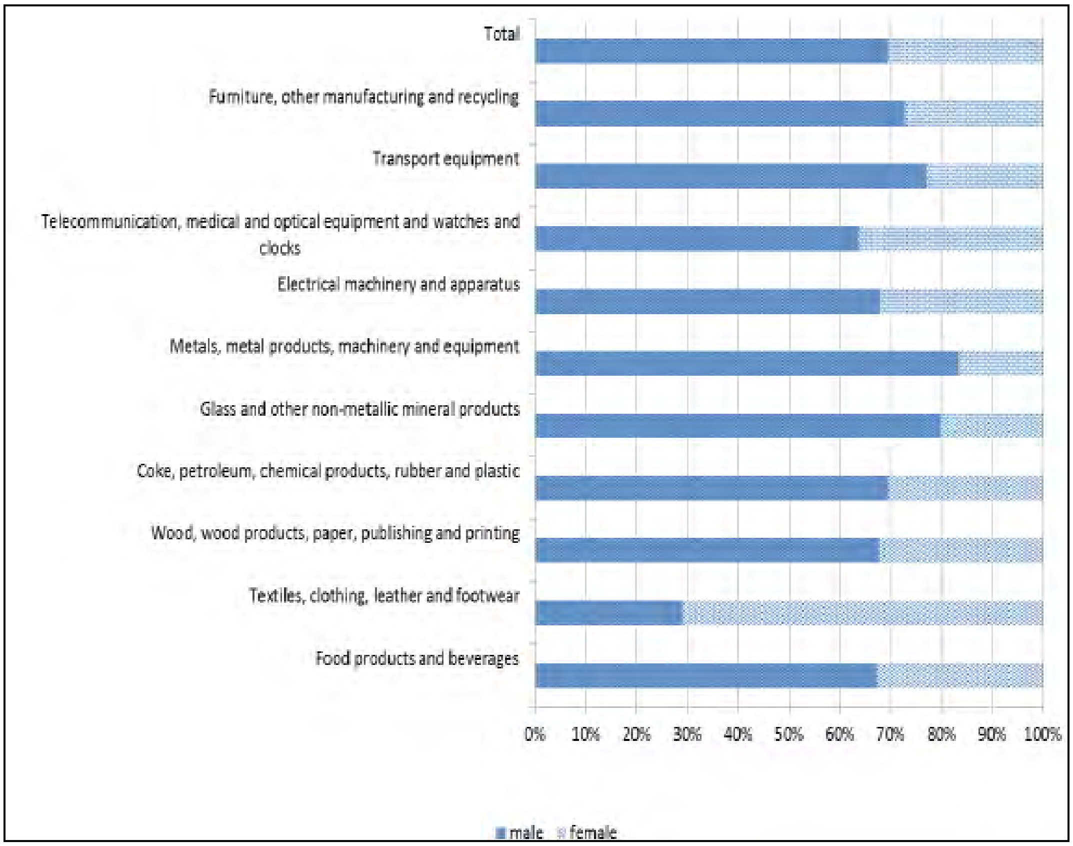
African manufacturing firms have indeed been investing in capital goods in order to upgrade their capabilities.

Employment

In order to contextualise employment in clothing, it is first of all useful to consider data for manufacturing as a whole. Manufacturing employment has been in decline. In 1995, total employment in the manufacturing sector was 1 420 956 and increased by 13% to reach 1 605 00 in 2001. By 2011, the employment figure in the industry had significantly dropped to 1 304 576. Currently, it sits at 1 213 560 and the CTFL sector makes up 9% of this.

The clothing and textiles industry plays a significant role as an employer in the country. It is one of the most labour-intensive sectors of South Africa's manufacturing industry. The industry provides important employment opportunities for many poor communities and low- skilled workers. Moreover, industry is a significant employer of women. The figure below presents employment by gender in the manufacturing industry in 2014. Worth noting is that although males dominate employment in the manufacturing industry, CTLF is the only manufacturing segment where females make up over half of the employed workers. Furthermore, the proportion of females in the industry has increased considerably from 64% in 2011 to 71% in 2014 (Stats SA, 2011, 2014)

Figure 8: Employment by Gender in the Manufacturing Industry, 2014



Source: SSA, (2014)

Skills Development

Due to the labour intensive nature of the clothing industry, skills development is critical to competitiveness and sustainability in the industry within the international domain. As previously highlighted, the global trend has been for less-skilled tasks to be moved to low cost locations while higher skilled tasks remain in developed countries. In light of this, it is important for developing countries such as South Africa to upgrade their production capabilities and develop their workforce. Currently, the South African clothing industry is in serious need of skills development because 1) new entrants into the sector often have low skills 2) the workforce is aging and new skilled people are required and 3) few firms are undertaking skills training internally.

The FP& M SETA is tasked with developing and enlarging the skills base in the manufacturing industry, including the clothing sector. It seeks to ensure that workers obtain the critical or scarce skills required to build the capacity of the sector to become economically sustainable and globally competitive. Through the 2014/2015 Sector Skills Plan (SSP), developed by the major stakeholders in the sector, it has been identified that the scarce skills in clothing are: Patternmaker, Clothing Operator/Machinist and Materials Engineering Technologist (not referring to quality advisors) (FP&M SETA, 2014). These skill categories are important to the clothing industry and therefore greater efforts need to be directed towards developing them.

In 2015, the FP&M SETA allocated 11% of its funds towards education and training to the clothing sector, the second highest allocation of the SETAs total funds after the printing sector (Table 7). This suggests that skills development in the clothing sector is a financial priority to the SETA.

Table 7: FP & M Discretionary Grant Funding Allocation 2015

Sector	Grand Total	Allocation
Clothing	19,820,800.00	11%
Footwear	5,873,600.00	3%
Forestry	15,407,742.00	9%
Furniture	17,230,200.00	10%
General	3,714,000.00	2%
General Goods	2,910,800.00	2%
Leather	1,344,480.00	1%
Packaging	18,590,200.00	11%
Print Media	6,138,000.00	3%
Printing	31,380,701.00	18%
Publishing	9,967,800.00	6%
Pulp and Paper	12,183,600.00	7%
Textile	18,024,800.00	10%
Wood Products	13,929,200.00	8%
Grand Total	176,515,923.00	100%
Unemployed Bursaries (Balancing)	18,750,000.00	
Grand Total	195,265,923.00	

Source: FP&M SETA, (2014)

Wages

Wage rates in the clothing industry are governed by national collective agreements negotiated between employers and employees (Ramdass, 2007: 82). In terms of this agreement, the industry's wage structure differs according to geographic location. This means that firms in metro areas are subject to higher wage rates than those in non-metro areas (Morris and Reed, 2008: 25-26).

In 2014, the Minister of Labour, Mildred Oliphant, announced new minimum wages for the domestic clothing manufacturing industry in line with the wage levels negotiated under National Bargaining Council for the Clothing Manufacturing Industry of South Africa. The new Main Agreement extends to every single clothing company in the whole of South Africa (Kriel, 2014).

Western Cape Clothing Industry

As the Western Cape region is the main focus of this research paper, this section now zooms into the Western Cape clothing industry. Specifically, it provides a brief overview of the regional industry trends and observes the role the Cape Clothing and Textile Cluster has been, and is currently, playing in the region.

An Overview

Detailed and reliable information on the clothing industry at a provincial level in South Africa is not readily available. Moreover, the information that does exist tends to outdated. Thus, some of this analysis uses data on the clothing and textile sector, as these related sectors are frequently conflated and approached as one sector.

The clothing and textiles industries are important to the Western Cape provincial economy. However, owing to the national and international factors discussed earlier in the paper, the industry has undergone a serious downtown since the early 2000s. The share of clothing and textile value-add in Western Cape Gross Domestic Product Regional (GDPR) declined from 2.5% in 1995 to 1% in 2009 (Laubscher, 2011: 55). Moreover, the sector's real GDPR growth fell sharply from 6.2% in 2007 to 1.9% in 2009 (Laubscher, 2011). Compared to the other provinces, the Western Cape's clothing and textiles has performed poorly. This is because, firstly, the Western Cape has a higher cost structure compared to the other provinces. Secondly, the clothing and textile sector is largley focussed on the domestic market, in 2011, only 12% of clothing production was being exported (Laubscher, 2011).

The clothing manufacturing firms in the region focus mostly on catering to the upper-end of the market and often incorporate design in their production process (Morris, Barnes and Esselaar, 2005). Furthermore, the industry is supported by a large number of small CMT firms which do the work which is outsourced to them by larger firms thereby strengthening the linkages in the industry (Morris and Reed, 2008)

In terms of employment, the clothing and textile sector is a significant industrial source of employment in the Western Cape. There has, however, been a considerable decline in employment in these industries- even more so than in KZN (Morris, 2005). The National National Bargaining Council for the Clothing Manufacturing Industry provides the most reliable employment figures for the province. Unfortunately however, it does not include firms that avoid detection from the compliance officers or CMT firms with less than six workers. Table 8 below shows that there has been a decline in the number of firms in the country from 1998 to 2002. In 2003, however, the number of firms dramatically increases from 672 in 2002 to 1090. This is attributed to a clamp down by the compliance unit of the NBC to enforce compliance (Morris and Reed, 2008). Even after 2003, there is a noticeable downward trend in the number of firms.

Table 8: Western Cape clothing manufacturing employment strength, 1998- 2009

	Western Cape		Eastern Cape		Kwazulu-Natal		Nothern Area		National Total	
As at	Firms	Workers	Firms	Workers	Firms	Workers	Firms	Workers	Firms	Workers
31.12.1998	340	37 122	29	1 346	222	22 123	243	10 501	834	80 635
	40.77%	46.04%	3.48%	1.67%	26.62%	27.44%	29.14%	13.02%	100.00%	100.00%
31.12.1999	342	37 639	20	1 459	190	20 171	232	10 191	784	78 711
	43.62%	47.82%	2.55%	1.85%	24.23%	25.63%	29.59%	12.95%	100.00%	100.00%
31.12.2000	320	35 283	15	1 457	157	15 994	210	9 022	702	69 954
	45.58%	50.44%	2.14%	2.08%	22.36%	22.86%	29.91%	12.90%	100.00%	100.00%
01.01.2002	305	33 552	14	1 081	136	14 172	196	7 334	651	62 712
	46.85%	53.50%	2.15%	1.72%	20.89%	22.60%	30.11%	11.69%	100.00%	100.00%
31.12.2002	293	34 355	31	1 082	145	15 507	203	7 688	672	65 585
	43.60%	52.38%	4.61%	1.65%	21.58%	23.64%	30.21%	11.72%	100.00%	100.00%
31.12.2003	337	34 535	48	4 750	349	36 101	356	19 801	1 090	95 187
	30.92%	36.28%	4.40%	4.99%	32.02%	37.93%	32.66%	20.80%	100.00%	100.00%
31.12.2004	353	33 508	45	2 715	417	39 715	354	22 020	1 169	97 958
	30.20%	34.21%	3.85%	2.77%	35.67%	40.54%	30.28%	22.48%	100.00%	100.00%
31.12.2005	346	29 547	43	1 384	396	34 204	353	17 946	1 138	83 081
	30.40%	35.56%	3.78%	1.67%	34.80%	41.17%	31.02%	21.60%	100.00%	100.00%
31.12.2006	321	28 451	46	1 903	358	30 147	323	13 955	1 048	74 456
	30.63%	38.21%	4.39%	2.56%	34.16%	40.49%	30.82%	18.74%	100.00%	100.00%
31.12.2007	302	27 502	50	2 517	348	27 463	338	14 207	1 038	71 689
	29.09%	38.36%	4.82%	3.51%	33.53%	38.31%	32.56%	19.82%	100.00%	100.00%
31.12.2008	293	24 962	36	1 611	371	26 728	352	14 029	1 052	67 330
	27.85%	37.07%	3.42%	2.39%	35.27%	39.70%	33.46%	20.84%	100.00%	100.00%
31.05.2009	290	23 770	9	505	363	23 566	347	13 077	1 009	60 918
	28.74%	39.02%	0.89%	0.83%	35.98%	38.68%	34.39%	21.47%	100.00%	100.00%

Source: National Bargaining Council

In May 2009, Western Cape and KZN bargaining council employment was almost evenly split with 23 770 and 23 566, representing 39.02% and 38.68% respectively of total bargaining council employment. This shows the importance of the Western Cape and KZN to employment in the industry. With this said, employment in the Western Cape has experienced a serious decline from 37 639 workers in 1998, to 29 547 in 2004 to 23 770 in 2009. The Eastern Cape Sub-Chamber in the NBC was amalgamated with the Western Cape Sub-Chamber to form the Cape Chamber. Therefore, with the effect from June 2009, the employment strength figures are combined. This makes it difficult to get precise current employment figures for the Western Cape region.

Wages in the clothing industry are determined by national collective agreements negotiated between employers and employees. Table 9 and 10 below show National Main Collective Agreements for minimum wages in the Western Cape Metro and Non-Metro areas. These agreements which are binding on both the employers and the employees have been in effect from 14 March 2014. At the end of August 2017 they will be subject to review.

Table 9: Western Cape Metro Main Collective Agreement, April 2014

Category	Metro Grade A	Metro Grade B
Head Cutter	R 1687.00	R 1694.00
Sewing Machinist	R 735.00	R 738.50
Mechanic	R 1687.00	R 1694.00
Clerk	R 1148.50	R 1154.50
Layer-Up	R 815.50	R 819.00
Pattern Grader	R 1361.00	R 1366.50

Notes:
Grade A refers to employees on the 0.5% Productivity Incentive Scheme
Grade B refers to employees **NOT** on the 0.5% Productivity Incentive Scheme
Source: National Bargaining Council, (2014)

Table 10: Western Cape Non-Metro Main Collective Agreement, April 2014

	Non-Metro A		Non-Metro B	
Descriptions	New	Established	New	Established
Category A	R627.50	R671.00	R566.50	R599.50
Category B	R626.00- R687.00	R727.00	R565.00- R609.50	R637.50
Category C	R647.50- R841.50	R905.50	R569.00- R715.00	R767.00
Category D	R647.50- R790.50	R890.50	R569.00- R674.50	R755.50
Category E	R679.50- R927.50	R1 021.00	R592.50- R786.00	R859.00

Band Knife Cutter	R622.50- R768.50	R846.00	R550.50- R657.50	R720.00
Clerical	R638.00- R748.00	R859.00	R562.00- R643.00	R729.00
Assistant Head Cutter		R990.00		R835.50
Head Cutter		R1196.00		R1001.00
Foreperson		R1072.50		R930.50
Watchperson		R745.00		R640.00
Driver (1-4)		R710.00-R1002.00		R614.50-R845.00

Source: National Bargaining Council, (2014)

*Non-Metro A consists of Magisterial Districts of Camperdown, uMzinto, Paarl, Stellenbosch and Uitenhage.
*Non-Metro B refers to all the other areas
*New = employer of 22 months or less, Established= employer of more than 22 months

The Cape Clothing and Textiles Cluster

While literature on the GVC framework was emerging, there was also a rise in the literature focused on the importance of industrial districts (also known as clusters). Increasingly, studies on clusters became incorporated in the GVC agenda due similar interests in governance and upgrading as well as similar methodological approaches with respect to the relational aspects of production networks (Fassehaie, 2012). At the beginning, much of the interest was on the clusters in Italy and other high income economies (Kaplinsky, 2013). Soon however, interest also extended to developing countries as geographical proximity was important to them in light of the poor infrastructure and information systems that were often in place.

The GVC framework highlights the “stickiness” of vertical relations in the chain while the cluster literature focuses on the importance of horizontal “stickiness” (Kaplinskey, 2013). As such, clusters are environments in which producer’s interact with one another for mutual gain, with geographical and sectoral concentration, strong backward and forward linkages, and a network of supportive private and public institutions (Fassehaie, 2012). The significance of clusters lies in their ability to build capacity through knowledge sharing, collective efficiency and continuous improvement and specialization (Morris and Barnes, 2007).

The establishment of clusters is often triggered by a situation of crisis which provides the necessary energy and focus to direct change (Morris, Bessant and Barnes, 2006). The Cape Clothing and Textiles Cluster was established in 2005 in response to the threats and pressures facing the clothing industry following trade liberalization. The intense international competition forced firms to move beyond individual interests and seek the wellbeing of the sector as a whole. The primary objective of the cluster is to support the competitive capabilities of the clothing, textile and footwear industry in the Western Cape (CCTC, 2015). More specifically, the cluster aims to improve regional competitiveness through the adoption of World Class Manufacturing principles and practices, fostering greater strategic collaboration in the industry as well as facilitating knowledge enhancement through the exchange of firm-level expertise (Barnes, 2005: 10). This is particularly important as firms in developing countries such as South Africa tend to externalize their problems (Morris and Barnes, 2007). Clustering helps firms focus internally on improving their operational performance to become more internationally competitive in a way that reduces costs and risk and promotes efficiency gains (Morris and Barnes, 2007).

In terms of organizational structure, the cluster a Public Private Partnership (PPP) between the Western Cape Provincial Government and clothing and textile industry in the Western Cape. The provincial government called on an independent team from Benchmarking & Manufacturing Analysts SA (Pty) Ltd which had had success in establishing the Durban Auto Cluster (DAC) to provide cluster facilitation services (Morris and Barnes, 2007). B& M Analysts is a third party to the partnership and acts an objective external intermediary. More specifically, B&M Analysts is responsible for assisting firms to upgrade, cooperate and become more competitive. Moreover, as in other developing countries, industry in South Africa is characterized by low trust and unwillingness to share information (Morris, Bessant and Barnes, 2006). Thus, as facilitators, B&M Analysts are also tasked with opening up the lines of communication on sensitive issues and help the industry to overcome conflicts, jealousies and mistrust (Morris, Bessant and Barnes, 2006).

The CCTC is currently working with more than 40 medium to large manufacturers in the adoption of a “quick-response fast-fashion” model in the industry with the aim of rebuilding the industry to meet the demands of the retailers (CCTC, 2015). The Cluster presents as a space for growth opportunities by equipping firms with the necessary learning to develop their capabilities. In order to achieve this, the Cluster runs three core programmes, namely; the Executive Function, World Class Manufacturing and Value Chain Alignment. The Executive Function serves to determine the strategic direction of the cluster and oversee the financial position of the organisation. The World Class Manufacturing programme serves to address the industry challenges of process upgrading, skills development and SME development though initiatives such as benchmarking, executive trainings and best practice study tours. Through the Value Chain Alignment programme, the cluster's knowledge and application the Quick Response retailing and manufacturing methodology is deepened (CCTC, 2015).

Chapter 4: Industry Turnaround

The clothing industry has started to stabilise and is starting to show positive trends in terms of performance and competitiveness (DTI, 2013). This section of the paper argues that there are three main drivers for change in the clothing industry in the Western Cape, namely; the adoption of World Class Manufacturing practices by firms, the implementation of Quick Response methodologies as well as supportive policy interventions by government. To a lesser extent, the emergence of Cape Town as a design capital, the endorsement of the “Proudly South African” brand and the emphasis on ethical fashion in the region have also had a positive impact on the recovery of the clothing industry in the region.

Policy Interventions

Clothing and Textiles Competitiveness Programme (CTCP)

For a long time, the Duty Credit Certificate Scheme (DCCS), administered by the Department of Trade and Industry (DTI) was the only significant sector-specific regulatory system that applied to the clothing and textile industry. The DCCS was an export-incentive programme designed to encourage the outward orientation of the South African clothing and textiles industries through phased integration in international operating environments (Morris, Barnes, Esselaar, 2005: 26). Due to short comings of the programme which had adverse effects on the domestic market in the clothing and textiles sectors, the progamme came to an end in March 2007.

In light of this, a new model was required for South Africa. As such, government changed its approach to the clothing and textile sectors. In an effort to ensure long term sustainability and competitiveness, the DTI shifted to a model which focuses on competitiveness upgrading with the aim of recapturing domestic market share by way of improving efficiencies thereby making it more attractive for retailers to source locally (Ensor, 2010).

The DTI established the Customised Sector Programme (CSP) which seeks to develop and implement high-impact sector strategies in manufacturing and other-value added sectors in order to create jobs and increase competitiveness. As part of the CSP for the CTFL sector, DTI launched the Clothing and Textiles Competiveness Programme (CTCP) in 2010. The programme is aimed at providing support for the industry in terms of its upgrading processes, improving productivity and investment in capital equipment so as to reposition the sector to compete more effectively both in the domestic and global markets (South Africa Info, 2010). The CTCP consists of two main components, namely, the Competitiveness Improvement Programme (CIP), and the core funding mechanism, the Production Incentive Programme (PIP).

The CTCP has stabilised the CTFL sector and much progress has been made since the launch of the programme. As of March 2014, over R 3 billion had been approved under the programme since its inception. Moreover, a total amount of R 1, 8 billion had already been disbursed to the participating companies (DTI, 2015). This has been a major injection and has assisted the CTFL sectors improve their competiveness and sustainability.

Of the R2.4 billion that was approved under the PIP since inception in 2010, 52% of the grants have gone to Textiles, 30% to Clothing, 13% to footwear and only 5% to leather and leather goods (CTCP, 2014: 7). From Figure 9 below showing the PIP Cumulative Approvals, it can be seen that clothing and textiles are the major benefiters of the programme having together received more than 80% of the grants. With this said however, it is clear that there is a major gap in the distribution of the funds. The textile industry received the lion's share of the grant (more than half) while clothing received less than a third.

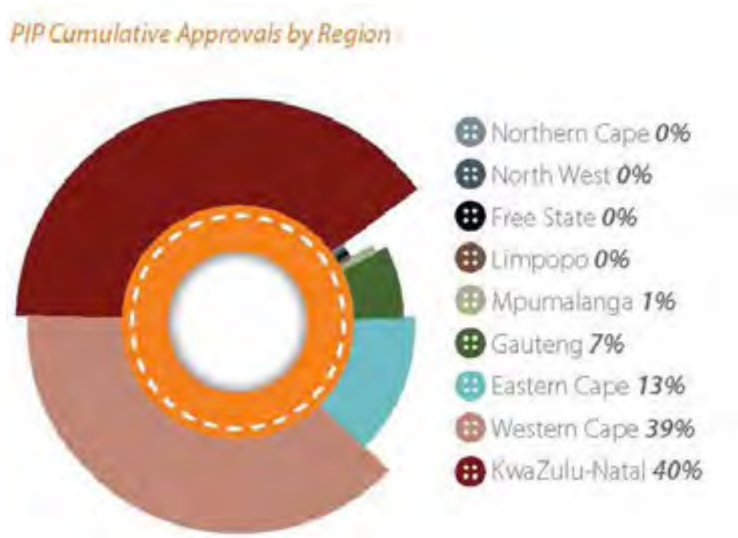
Figure 9: PIP Cumulative Approvals by Sector

Source: CTCP Annual Report, (2014)

Thus, the DTI's PIP has had a significant positive impact on the industry. In 2014, nearly 400 manufacturing firms had benefitted from the programme nationwide. Moreover, since the introduction of the programme, there have been notable increases in retailers sourcing local apparel, household textiles and footwear (IDC, 2014).

Since the inception of the PIP, Western Cape firms have received among the highest number of approvals (39%), following only after KZN firms which have received 40% of all the PIP approvals. Firms operating in the Eastern Cape received 13% of the approvals, while Gauteng and Mpumalanga received 7% and 1%, respectively.

Figure 10: PIP Cumulative Approvals by Region



Source: CTCP Annual Report, (2014)

The PIP injections have helped firms in the Western Cape to invest in new technologies and skills development which are resulting in improved competiveness in quality, cost of production and productivity. Interviewed managers in clothing manufacturing firms in the Western Cape view the DTI's support as a major contributor to the gradual turnaround in the performance of their firms.

DTI has been looking after the industry and we've been benefitting from DTI incentives. One of the key things that have helped us survive has been having the DTI support us in helping us by equipment and being part of the Clothing and Textiles Competitiveness

Programme. They have helped us get consultants who have helped us and shown us what to do and it has been a total mind change for all of us.

Local procurement

Another policy intervention that has contributed significantly to the recovery of the clothing industry is the designation of sectors and products for local procurement by organs of the State. Following an extensive social dialogue process, government, labour, business and community constituents signed a Local Procurement Accord on 31 October 2011. The objective of this Accord is to accelerate the creation of 5 million new jobs by 2020 as called for in the New Growth Path (NGP), as well as the attainment of the goals of the Industrial Policy Action Plan (IPAP2), (Department of Economic Development, 2012: 5). The signatories of the Accord aspire to achieve a 75% localisation in the procurement of goods and services, both by the public sector and by the private sector.

Through the Preferential Procurement Regulations promulgated in December 2011 in accordance with the Preferential Procurement Policy Framework Act (PPP FA), clothing was identified as a First Wave sector that is to be prioritised in terms of local procurement (Department of Economic Development, 2013).

Table 11: Designation Waves

DESIGNATIONS

Three waves of designated products have been announced by the Dept of Trade and Industry:

Waves of dti designated products	Products
1st Wave	bus bodies, power pylons, rolling stock, canned vegetables, clothing, textiles, footwear and leather, set-top boxes
2nd Wave	oral solid pharmaceuticals, school and office furniture, bases and mattresses
3rd Wave	valves, manual and pneumatic actuators, electrical and telecommunication cables, components of solar water heaters

Source: Department of Economic Development, (2013)

The clothing sector has been assigned a 100% minimum threshold for local content, thereby indicating government's strong commitment to stimulating trade in this sector. As such, clothing products such as nurse and police outfits, uniforms for the defence force and navy; as well as protective wear, hats and berets are some of the items designated products to be procured from local manufacturers using local raw materials. The Local Procurement Accord has done well to propel job creation in the sector despite defaults and noncompliance by some state owned enterprises and enterprises and government departments (DTI, 2009: 13-14). In the 2012/13 period, R225 million had been spent on clothing and textile tenders by the government and more than 800 new and sustainable jobs had been created (Department of Economic Development, 2013).

Table 12: CTFL Transversal Tender

Category of Clothing, Textile, Leather and Footwear Transversal Tender (2012/13)	No. jobs supported or sustained
Blankets, sheets and pillowcases	100
Shoes and boots	450
Weaving, knitting and towels	100
Uniforms, rescue clothing etc	150
TOTAL	**800**

Source: Department of Economic Development, (2013) In addition to this, there have been a number of other designation tenders that have been awarded to domestic firms. For instance, the 'Supply and Delivery of Linen Requirements' for all Gauteng Health institutions was awarded to 12 Women Cooperatives at value of R121 million. In the Eastern Cape, the Department of Health awarded a tender for the 'Supply and Delivery of Hospital and Clinic Ward, Dorm, Theatre, Kitchen and other Linen, Doctors and Nurses Theatre Clothing, Patients Clothing and Certain Miscellaneous Protective Clothing' to three domestic firms (DTI, 2015).

This tool of designation has played a role in developing local manufacturing capabilities and capacities. Moreover, in addition to supporting the creation and retention of sustainable jobs, this policy has contributed to the development of an improved technical skills base in the clothing industry nationwide (DTI, 2013: 9).

The policy interventions discussed above have greatly contributed to the turnaround in the fortunes of the clothing industry and have brought major relief to a sector that has for a long time been in deep distress.

World Class Manufacturing

Global competition has caused fundamental changes in the competitive environment of the apparel manufacturing industry. It is constantly evolving in order to stay ahead of competition. Clothing manufacturers must provide high-quality products with leading-edge performance capabilities in order to survive and prosper. As such, innovation is a necessary process for continued growth and change in the industry. One tool that has been gaining momentum in the clothing industry is the idea of World Class Manufacturing (also referred to as Lean Production).

World Class Manufacturing (WCM) can be defined as a tool designed to achieve continuous improvement in the overall effectiveness of an organisation by eliminating the causes of losses in the production systems through the implementation of specific pillars which facilitate this process (Mey, 2011: 1). According to Morris and Kaplinskey (2003), WCM has its origins in three interlinked organisational innovations which were first developed in Japan, namely Just in Time Production (JIT); Total Quality Management (TQM) and Continuous Improvement (CI).

The Cape Clothing and Textile Cluster has been instrumental in introducing WCM techniques and principles to clothing and textile manufacturers in the Western Cape. The Cluster runs a World Class Manufacturing programme which was developed in response to the industry challenges of Process Upgrading, Skills Development and SME Development (CCTC, 2015). The WCM programme comprises a range of subsidiary elements, namely; firm level benchmarking, the provision of WCM training to Executives and Managers as well as best practice sharing between participating firms through, for example, study tours .

Interviewees at the executive level expressed that they have seen the positive gains from the adoption of World Class Manufacturing practices. K-Way, for example, has experienced incredible efficiency gains since joining the cluster and implementing WCM practices as shown by Figure 11 below.

Figure 11: K-Way 52 Month Factory Efficiency, January 2007 to March 2011

Source: Cape Clothing and Textile Cluster, (2015) The firms have been able to increase their competitiveness through the implementation of new ideas, new and improved technology, increased flexibility, increased workforce development and increased communication between management and production employees. Thus, by upgrading their processes, firms have had positive impacts workplace culture and productivity.

> *We have embraced the new World Class Manufacturing concept which is something still quite new in the clothing industry. You can actually see firms that have embraced it have really taken off with it. For us it has been a one way ride to the top, we are not quite at the top yet but we are getting there. Through this new way of doing things, we are surviving, we are profitable now, we have been employing more and more people and we are growing*. [General Manager of K-Way]

> *I'll be the first to admit, we have seen positive results from introducing this Lean Manufacturing into our business.* [Founder of Keedo]

Quick Response

The Quick Response (QR) model is a supply chain strategy that supports a fast fashion business model. Its successful implementation is most evident in the North American and European fashion apparel markets (Williams, 2015: 1). Unlike in the standard "push" model which is based on complex demand forecasts, the QR model requires manufacturing entities to only produce when triggered by consumers demand (Turnbull, 2014: 2). Thus, by eliminating the rigidity and overhead associated with schedule-driven manufacturing, firms are protected from fluctuations in the economy and market demands, which can lead to excess inventory or stockouts (Turnbull, 2014: 2).

This new business model is being introduced into the South African clothing industry. The Cape and KZN Clothing and Textiles Clusters are paving the way and slowly revolutionising the supply chain model in the industry. The shift in approach came as a result of the realization that in order to roll back the onslaught of imported garments from Asia, cost could not be the competitive basis but rather, speed and flexibility (West, 2012). Thus, taking advantage of their geographical localness provides manufacturers with a leg to stand on in the international operating environment.

In South Africa, the quick response model is such that smaller proportions of seasonal stock are ordered six to nine months ahead of the season from Asian producers, and then the rest is purchased during the season from local manufacturers once sales trends were identified (West, 2012). This has given retailers the opportunity to maximise revenues. This is because, firstly, clothing in high demand can be ordered mid-season thus giving thus giving retailers greater control over supply while also allowing them to monitor quality. Secondly, as pre-season orders are smaller, the mark downs and losses on less popular or unsold items are reduced. Thus, by strengthening the value chain alignment, this model is breaking down the cycle whereby manufacturers do not upgrade because retailers do not buy locally and are instead downgrading to save costs, thus further eroding competitiveness (Bisseker, 2009).

An example of the good fruits which arise from upgrading firm processes by adopting quick response production capabilities was the purchase of Prestige Clothing by The Foshini Group (TFG) in 2012. Prestige was a longstanding supplier to TFG and its acquisition was a move which brought about positive ripples in the local clothing industry. The acquisition was a vote of confidence in the domestic clothing manufacturing industry and a major boost for local jobs (Mowzer, 2012). In addition, it serves as an investment towards developing local talent thus contributing positively to improving competitiveness.

Other firms in the Western Cape have also been able to improve capacity and efficiencies as a result of quick response. Benchmarking studies conducted for the Western Cape clothing cluster suggest that considerable progress has been made towards upgrading the operational performance of the firms in the cluster with respect to some key market driver indicators, shown in Table 13 below.

Table 13: Operational performance of clothing firms (Manufacturers and CMTs)

Key Indicator	n	2011	2014	% Change
Absenteeism rate (excl annual leave)	5	8.05	4.83	**-40.04**
Work-in-Progress - WIP (Days)	5	6.08	3.01	**-50.48**
Total production time lost to machine breakdowns	5	3.87	2.12	**-45.16**
Total production time lost to style changeovers	5	9.72	8.35	**-15.3**
Internal rework/repair rate	5	12.38	5.56	**-55.09**

Source: Benchmarking and Manufacturing Analysts, (2016)

Other Role Players

Proudly SA and ethical fashion

While local procurement policies, discussed above, have been a key element driving local sourcing; another element which has contributed to the rising purchase of local clothing has been the "buy local" campaign. The Proudly South African campaign has helped consumers distinguish between locally and foreign made goods and encouraged local consumers to support job creating through the power they exercise in consumer markets. In addition, the DTI and the Manufacturing Circle, in collaboration with Proudly SA launched the "Buy Back SA" campaign in 2013 (Proudly South African, 2014: 62). The campaign raises awareness around the impact of imported goods on the domestic economy and manufacturers – and it also encourages consumers and business to purchase local products. As a result of these initiatives, increasingly, there is a shift in brand awareness and preference in that consumers actually want to support and purchase Proudly South African goods (Proudly South African, 2014: 15).

The proudly South Africa campaign is not only hinged on local purchasing, it is also based on principles of fair labour standards, commitment to quality and environmentally sustainable production (Proudly South African, 2014: 6). As such, “ethically produced fashion” has also become a competitive advantage for South African clothing manufacturing firms. Unlike their Asian counterparts where clothing manufacturing often happens in sweatshop conditions, South African garments are produced in safe workplaces and good working environments as companies are increasingly becoming aware of the importance of worker welfare to productivity (Hoskin, 2015). Western Cape manufacturers such as K-Way and Keedo, amongst others, have truly embraced the model of ethical fashion.

I was the type of manager who would not spend money on things like carpets and tables and chairs, we’ll sit on boxes man, we’re in a factory. I used to be like that. Now I’m like guys, let’s make this place beautiful. We spend a few extra bucks on it and it actually has an effect on the business. We have turned the business into a more professional, more homely and productive environment. Now because people are in a professional environment, people act more professionally.

Cape Town as a design capital

Cape Town is emerging as the design capital for the country. In 2014, the city was awarded 'the World Design Capital 2014' by the International Council of Societies of Industrial Design (WDC, 2014). The World Design Capital distinction is awarded to cities which recognise design as a tool for social, cultural and economic development (WDC, 2014). Furthermore, Cape Town has placed itself at the cutting edge of fashion. Up and coming designers are designing clothing that translates the rich heritage and unique culture of South Africa. Thus, in the clothing sector, the city is leading the resurgence of high end, ethical fashion for upper income niche markets and creating sustainable jobs in the process.

The factors identified and discussed in this section have contributed to the revival of the clothing industry. Despite being severely hit by the impact of globalisations in the early 2000s, apparel manufacturing firms in the Western Cape have been doing relatively well in recent years and should these trends continue, there is potential for the domestic market to increase productivity and grow substantially in the near future.

Chapter 5: Implications for industry turnaround on women in the Western Cape

Decreased job losses and what this means for women

With the combination of the factors discussed in the previous section, the employment trend in South Africa has recently seen a changing pattern across the apparel sector. More specifically, since the implementation of government policies, job loss in apparel has been slowed and is being reversed. The DTI asserts that since the introduction of the Clothing and Textiles Competitiveness Programme, more than 12,000 "new, decent and permanent jobs" have been created (SA Government News Agency, 2013). Moreover, 2015 saw significant employment growth: 676 new jobs in the clothing sector, 1,197 new jobs in the textile sector and 268 new jobs in the leather sector (Phakati, 2015). The quotes below are from clothing manufacturers in the Western Cape:

"*We have grown the labour force internally by 30% since 2009 and we have created employment for a further plus minus 150 people through the regular use of CMT contractors.*"

"On the production side, we have grown our team by close to 50 people in order to keep with the growing demand. On the retail end, we have doubled our staff complement this year [2015]"

"*There are positions in the factory still available for the taking. In particular, we are looking for 10 machinists to help us meet our new orders from local and international buyers*"

These quotes suggest that there has been employment creation within firms in recent years and that new job opportunities are still opening up in the region. Importantly, it can also be seen from these statements that job creation is not only in the clothing production side but there are also backward and forward linkages that are created wherein jobs are being created.

Women's employment is particularly important in poor communities as the benefits are felt beyond the individual worker. Several research studies in developing countries show that women typically reinvest their earnings in improved nutrition, health care and education for their family members, in particular, their children (Krogh, Hansen, Wendt & Elkjaer, 2009). In South Africa, this behavioural phenomenon amongst women has a significant role increasing living standards and reducing poverty. As such, increasingly, it is becoming recognised that the empowerment of women through employment is an effective anti-poverty strategy which should be prioritised and receive adequate investment. In addition to this, these employment opportunities for the mostly Black and Coloured women in the clothing industry present as a gateway to the mainstream economy, from which they are often marginalised. As such, the clothing industry is important to women as it an entry to the formal economy and as a "stepping stone" to other activities.

The role of women's work is becoming even more important in the context of increasing female-headed households in the country. In 2011, 36.3% of households in the Western Cape had women as their heads (Media Monitoring Africa, 2015). In general, female-headed households are poorer than male-headed households and tend to have fewer adults of working age to support the household (City of Cape Town, 2013). The situation is often exasperated in the Western Cape as women often find themselves as the sole breadwinners and primary caregivers within the household due the high prevalence of alcoholism, drug abuse, domestic violence and gangsterism in the province (Van der Westhuizen, 2006: 13). Thus, employment in the clothing factories makes it possible for women to have money of their own to spend on household necessities and it gives them to access to support and counselling services for domestic abuse and drug and alcohol abuse not only for themselves but for their family members as well.

> *At the end of the day, in our country, ladies have become the main breadwinners and are the ones who keep the family together. This is an industry that mostly employs ladies. A lot of the ladies we employ here are looking after four or five kids and a husband who is not working.*

In addition to enabling women to provide for their families, earnings received from employment in the clothing industry give women greater decision making authority in the household as well as a recognized voice in their communities (Better Work, 2013: 3). Thus, the benefits of employment for women transcend the economic domain and have impact on the restoration of dignity and autonomy among women.

By looking at the importance of employment for women through a gender sensitive lens, it becomes clear that firstly, the clothing industry provides an opportunity way for women to become independent economic agents without high barriers to entry in terms of skills prerequisites. This enables them to provide for themselves as well as their family members, thereby giving them greater decision-making power in the household. Secondly, the employment opportunities give women a chance to participate in the formal economy thus granting them greater labour rights, in most cases.

Social Upgrading and what this means for women

Economic upgrading, which entails moving to higher value- added activities, does not necessarily lead to social upgrading which is the improvement in workers' rights and enhancement of the quality of their employment (Lee, Gereffi & Barrientos, 2011: 4). For some workers, economic upgrading may be accompanied by higher wages and improved labour practices, however, for other workers (often women) economic upgrading is achieved as a result of exploitative behavior thereby neglecting the social dimension of workers (Lee, Gereffi & Barrientos, 2011: 4).

This paper argues that in the formal apparel industry in the Western Cape, economic upgrading and social upgrading have gone together. As per the Labour Relations Act 66 of 1995 in South Africa, all employees have the right to join a trade union and are protected from victimization for participation in trade union activities at their workplace (Department of Labour, 1995: 12). This Act has been amended several times since its enactment to ensure that all parties covered by it are fully protected. In the Western Cape, a large majority of the workers in the clothing industry are members of the Southern African Clothing and Textiles Workers Union (SACTWU). It is the largest manufacturing trade union in Cape Town (SACTWU, 2015). As members of the Union clothing employees in the region are privy to a higher degree of social protection and respect of their rights as workers. Furthermore, as discussed in a previous chapter, the Minister of Labour announced new minimum wages for the domestic clothing manufacturing industry in 2014 in line with the wage levels negotiated under National Bargaining Council for the Clothing

Manufacturing Industry of South Africa. The new Main Agreement extends to every single clothing company in the whole of South Africa. This has agreement has been met with mixed views, however, SACTWU celebrates this development as a ground-breaking victory in protecting the conditions of employment rights of clothing workers (Magwaza, 2014).
Thus, with the increasing collaboration seen between employers, employees, unions and government nationally and within the Western Cape, the foundations of better quality of employment and improved working conditions are being built. This is particularly important considering the crucial role the sector play's in women's socio-economic development and poverty reduction.

The apparel industry is a labour intensive sector with a relatively low skills requirement. A large number of new entrants in the industry tend to be young women with a Grade 12 qualification or lower. Increasingly, manufacturing firms in the Western Cape region are following a labour upgrading trajectory through investing in their workforce as it is becoming understood that the benefits of skills development are not only accrued to the workers but to the firms as well. The FP & M SETA has been working with clothing manufacturing firms to provide skills training to employees according to the skills identified in the Skills Sector Plan. Moreover, along with inhouse training opportunities, many of the firms in the region collaborate with the Cape Peninsula University of Technology to provide training to workers.

From a gender perspective, worker education and training in the apparel sector can help broaden employment prospects for young women. Firstly, skill development presents as an opportunity to become equipped with the necessary knowledge and skills to move up the value chain and advance beyond entry-level positions which are lower paid and have less status. Secondly, it increases self-confidence in women. In comparison to men, female workers are more reluctant to apply for more senior posts or take bold steps to further their career paths. Research has shown, however, that skills development has a significant positive impact on how women view themselves in terms of their competence and capabilities (OECD, 2012: 10). Having said this however, acquiring skills and qualifications is the first rung in the ladder. What is even more important is getting the opportunity to use the skill sets obtained through the education and training. Stepping into higher positions therefore plays an important role in leveling the playing field and reducing the gender gap in the workplace.

With the understanding that value chains are gendered structures, this section has identified the gender specific implications of economic and labour upgrading process in apparel. In so doing, it highlights and puts into perspective the importance and impact of the sector to the women working in manufacturing firms in the Western Cape.

Chapter 6: Case Studies

This section presents case studies from three clothing manufacturing firms in the Western Cape; K-Way, Keedo and Pals Clothing. These case studies, informed primarily by interviews with management and female workers, provide insight into the dynamics of how, and the extent to which, economic and social upgrading have occurred in each firm. In so doing, the objective is to examine how these processes have impacted the female workers in each firm. For each firm, the paper examines; (1) the opportunities for skill and personal development (2) how the firm makes accommodations for the dual role played by female workers (3) the level of job satisfaction and security experienced by the workers, and (4) the overall performance of the firm. Thereafter, the paper will go on to provide key insights from two stakeholders in the Western Cape Clothing industry: the Fibre Processing and Manufacturing SETA, comprising the clothing sector as well as the CPUT Technology Station for Clothing and Textiles.

CASE STUDY 1: K-WAY

Background

K-Way is a clothing manufacturing firm which forms part of the Cape Union Mart Group and is based in the Southern Suburbs of Ottery, Cape Town. It is South Africa's leading brand of outdoor and adventure apparel, suited for African mountain biking, hiking, backpacking, camping, skiing, snowboarding and other outdoor activities. K-Way is a brand that has well renowned for its quality and durability, both locally and globally. Towards the end of 2005, K-Way became a member of the Cape Clothing and Textile Cluster and has since become a pioneer of World Class Manufacturing in the clothing industry in the Western Cape.

K-Way has a total staff complement of 207 employees in the production chain, comprising 160 females and only 47 males. Table 13 below is a breakdown of the workers by skill.

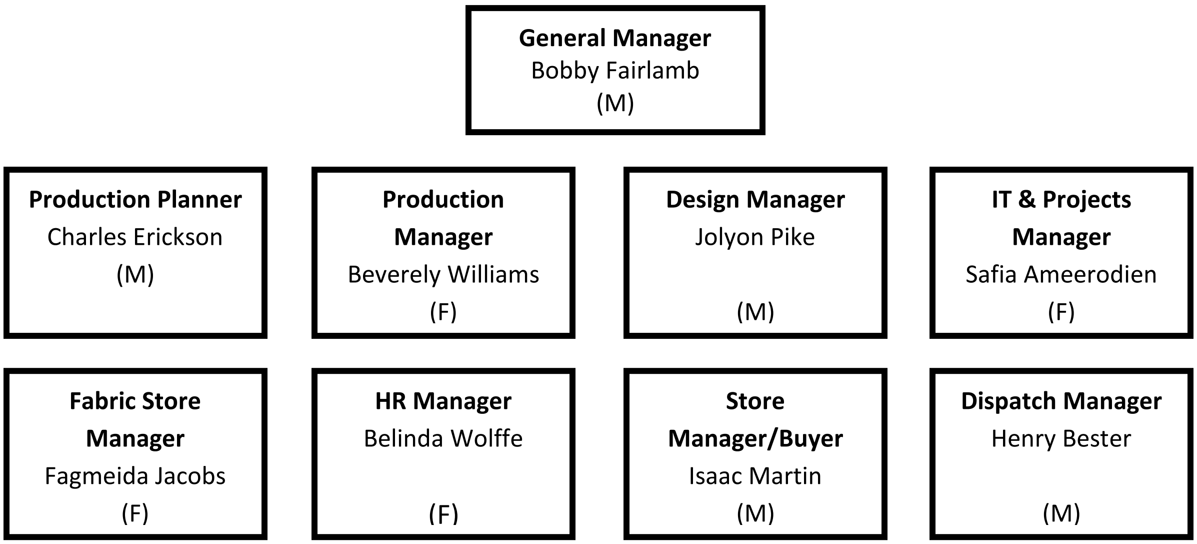
Table 14: Breakdown of K-Way employee skill composition

Skill category	Number of employees
Machinist	113
Sample Machinist	3
Cutter	2
Layer-Up	4
Stamper	2
Supervisor	10
Manager	10
Junior Planner	1
Pattern Maker	4 (2 Senior, 2 Junior)
Marker Maker	1
Grader	1
Graphic Designer	1
Electrical Engineer	1
Mechanical Engineer	1
Mechanical Technician	4 (2 Senior, 2 Junior)
Driver	1
Clerk	23 (Admin clerks and Factory clerks)
Unskilled	25 (Labourers, Line feeders, Packers, Table hands)

Source: K-Way, (2016)

From the table it can be seen that machinists, who are almost all female, make up the largest proportion of the staff compliment. The Management Structure of the firm can be seen in Figure 7 below. From the figure, it can be seen that women are adequately represented in the management structure, with four females amongst five males. The middle management level, referred to at K-Way as the supervisor level, comprises only female workers.

Figure 12: K-Way Management Team



Source: K-Way Introduction Booklet, 2015

Working Environment and Skills Development

In terms of K-Way's approach to skills development and personal development of employees, the firms views its membership in the Cape Clothing and Textile Cluster as a huge contributing factor on the new path it has embarked on. Through the Cluster, it has been exposed to world class manufacturing (or lean) practices which have led to a paradigm shift in the way in which the firm operates. Apart from the economic gains of adopting these practices, the firm has found that with respect to workers, the practices have helped in two important aspects. First, the firm has since introduced significant changes in its *culture* and *work environment*. Through the assistance of lean consultants, the firm was enlightened to a better way of doing things. Instead of continuing with the traditional, hierarchical and "stick-and-carrot" approach, the leadership of the firm decided to go against the grain of the how they were taught to do business and how the industry still operated as the time. The firm started involving workers and giving them more say in the decisions of the firm through, for example, monthly "townhall" meetings with the General Manager. Moreover, management started to engage and listen to the workers, thereby making them feel more valued as workers in the firm. Since changing its approach, K-Way has seen a massive turnaround it the attitudes of the workers and overall staff morale. Interviewed workers at the firm feel that the management team is approachable and willing to hear their concerns.

> *Bobby [K-WAY general manager] knows his people. On each line he knows at least five people by name and he knows what operation they are doing and that, for me, is motivation. Because you get bosses that are not interested, they are worried about work, they are worried about production, never the worker.*
>
> *We have a townhall once a month where the general manager calls the whole factory out to the canteen and he gives the people updates on the factory, what he is planning for the next month and asking us for our feedback and that has been a really good thing.*
>
> *We know where to go [for help], we don't have to jump 20 hurdles before we get to the right person to help us.*

Integral to valuing the workers is also a safe and healthy working environment. Since joining the cluster, K-Way's approach to this aspect of the firm has changed. Management expressed the realization of the impact that the condition and appearance of the factory can have on workers. In light of this, increased investment and effort has been put toward making the space professionally appealing and accommodating to the needs of workers.

The second way in which the WCM framework has helped K-Way with respect to its employees is by helping them realize that investing in workers offers good returns not only for the worker but for the business as well and therefore should prioritized. The majority of workers employed at K-Way are individuals recruited from the surrounding community. In addition to this, there are also a few workers with a Grade 12 qualification who could not find work as wells as school dropouts. Table 14 blow provides a breakdown of the qualification level of the employees at K-Way.

Table 15: Breakdown of K-Way employee qualification

Qualification Level	Employee percentage
University/college	8%
Matric/Grade 12	27%
Grade 11	15%
Grade 10	28%
Grade 9	9%
Grade 8	3%
Less than Grade 8	10%

Source: K-Way, (2016)

From this table it can be seen that only 35% of the employees have a Grade 12 qualification or above. Thus, an overwhelming majority of the workers at K-Way have less than a Grade 12 qualification. K-Way management however, states that many of the workers employed with Matric qualification or less education have gone on to complete tertiary education diplomas and courses to further their education and qualifications.

Furthermore, low-skilled workers are trained and slowly progress in the business. This process is aided by K-Way's policy which encourages promotion from within the firm. Thus, due to the value K-Way places on growing workers internally, there is upward mobility in the firm. There is a space for women to move from machinist to supervisor level. Sentiments from the women that were interviewed were that opportunities for growth are available in the firm; however, the onus is on the individual to seize them. Indeed, some women are reaching for these are opportunities.

> *I started out as a work study officer; from there I went on to planning assist and then got promoted to fabric store manager where I am currently posted.*
>
> *I am going into my seventh year at K-Way. I started off as a line feeder then I moved up a rank to quality and after 3 years a supervisor position came and now I am a supervisor.*

I believe there are a lot of opportunities for growth at K-Way. I am a supervisor now but I see myself as manager one day…Touch wood.

K-Way management is increasingly recognising that women are able to take up leadership positions and excel. This is due to a natural ability get the most out of workers in terms of productivity while remaining compassionate.

In order to better equip workers, K-Way facilitates workshops and makes various kinds of training and educational opportunities available to all its employees. With regards to workshops, the focus is not only about work ethics but also personal ethics. In line with this, topics such as "Drug and Alcohol Abuse", "Absenteeism", and "Quality Control" are extensively covered. Recognising that a worker's personal life impacts on their work life, K-Way, through its workshops, aims to address the quality of life their workers as well as the quality of garments produced.

Education and training opportunities within K-Way are made available to all workers. In terms of training, the firm offers in-house cross-training however, occasionally, training is outsourced from various agencies. Further education is encouraged and K-Way makes provision for workers who wish to embark on this path by financing half or the full fee amount, and thereafter work out a suitable repayment plan with the worker.

Workers expressed that workshops and trainings are part of their work culture, as opposed to isolated events occurring irregularly throughout the year. Furthermore, feedback from the women revealed that the impact of the trainings has been significant. They report that exposure to skills and personal development opportunities has changed their frame of mind in that they feel more positive, aware and educated both in work and in life.

There are different types of training. Currently, we have SETA which runs from three to six months. Then we have the learnerships with prospects of employment at the end. Then we as supervisors go a lot of trainings, we go managerial training, we go for anger management training and sometime we identify areas we need training on as a team and then arrange to have that training. So training is actually a part of our work I would say.

I can tell you, having the workshops has made a lot of changes in people's frame of mind.

Dual role

The interviewed workers express that the clothing industry is "in their blood" in that almost all their female relatives also work in the garment industry. For many of them, working in clothing enables them to provide for the family as they are the sole bread winners keeping the household together.

The literature asserts that female workers play a dual role, that is, a productive role and a reproductive role. In order to accommodate the reproductive role of their employees in the workplace, K-Way has put in place a few mechanism and/or policies. First, with regards to maternity leave, workers are offered 6 months leave, where for 4 of the months they receive 30% of the income they would have earned. Second, for those that are already mothers, K-Way has set up a free internet cafe which allows mothers to help their children with their research projects and also work on their own personal assignments should they be studying on a part-time basis. Third, K-Way allows workers to attend to domestic matters during work time, for example, taking a sick child to the doctor. With this said, however, there are rules and processes in place to prevent the abuse of this allowance. Fourth, for more serious problems, K-Way has subscribed to the Care Wellness Programme which makes counselling services and medical advice readily accessible to employees and their families. Lastly, the working hours at K-Way are Monday to Thursday between 7:40 am- 16:10pm and 7:40 and 15:05pm on Fridays. According to the women in the factory, these working hours are not cumbersome as there is enough time to see the children off to school in the mornings and they are home in time to prepare supper in the evenings.

Job satisfaction and Security

K-Way has a policy of "no retrenchment and no short time". As a result, workers feel secure in their jobs and have no uncertainties with regards to their employment, even in the future. A reoccurring theme from the interviews is that workers enjoy their jobs and feel a part of a larger family, especially since the notable steps taken to change the culture of the company. As such, workers view themselves as loyal to the firm and take pride in having few absent days throughout their careers.

> *Cape Union Mart has a policy of No Retrenchment, so we feel pretty much secure. For the 7 years that I have been here we have never had short time. There are people who have been working here for 30 years who have never been on short time.*

> *I have been working here for five years and I have been absent hardly five day. There a lady working closely with me she has been working for ten years without a day absent so that must tell you that we really want to be here*

K-Way has a "Lean Team" comprised of women at all levels, from machinist to manager. The team was established to eliminate waste in the business and also address the concerns of the employees. Workers report that the presence of the Lean Team makes them feel like they can approach management with anything ranging from improving the conditions of the lavatories to serious personal issues.

> *The doors are always open. We don't have a problem where the doors are closed, the blinds are shut…No. Management makes themselves available to us and communication is open on every level, from cleaner to management.*

Overall performance of the company

From interviews with the management of the firm, it is clear that the Cluster has played a large part in changing the direction of the business in terms of performance. Executive management expressed that if it were not for the insights gained from lean manufacturing techniques, the company would not be around presently.

> *Being part of the Cluster has been great for us. One hundred percent, absolutely. Being part of the cluster has been probably the saving grace of our business. Without what we learned and what we saw and the sharing of information, and all the things that we were able to get out of the cluster we probably would not have been around still.*

With the assistance from the cluster, the firm has seen a massive turnaround in terms of the productivity. In 2015, K-Way won both the regional and the national Productivity SA award in recognition of increased productivity through better management and improved allocation of resources.

Furthermore, K-Way has been growing and employing more employing more people. In the past five years, the company has grown employment by 30%. In addition to creating jobs internally, K-Way has also grown externally as the firm regularly outsources to smaller CMT suppliers. Thus, in total, the manufacturing firm has created 200 jobs in the last five years. From the perspective the K-Way management team, the industry has the capacity to create even more jobs for women with adequate support and investment into the industry.

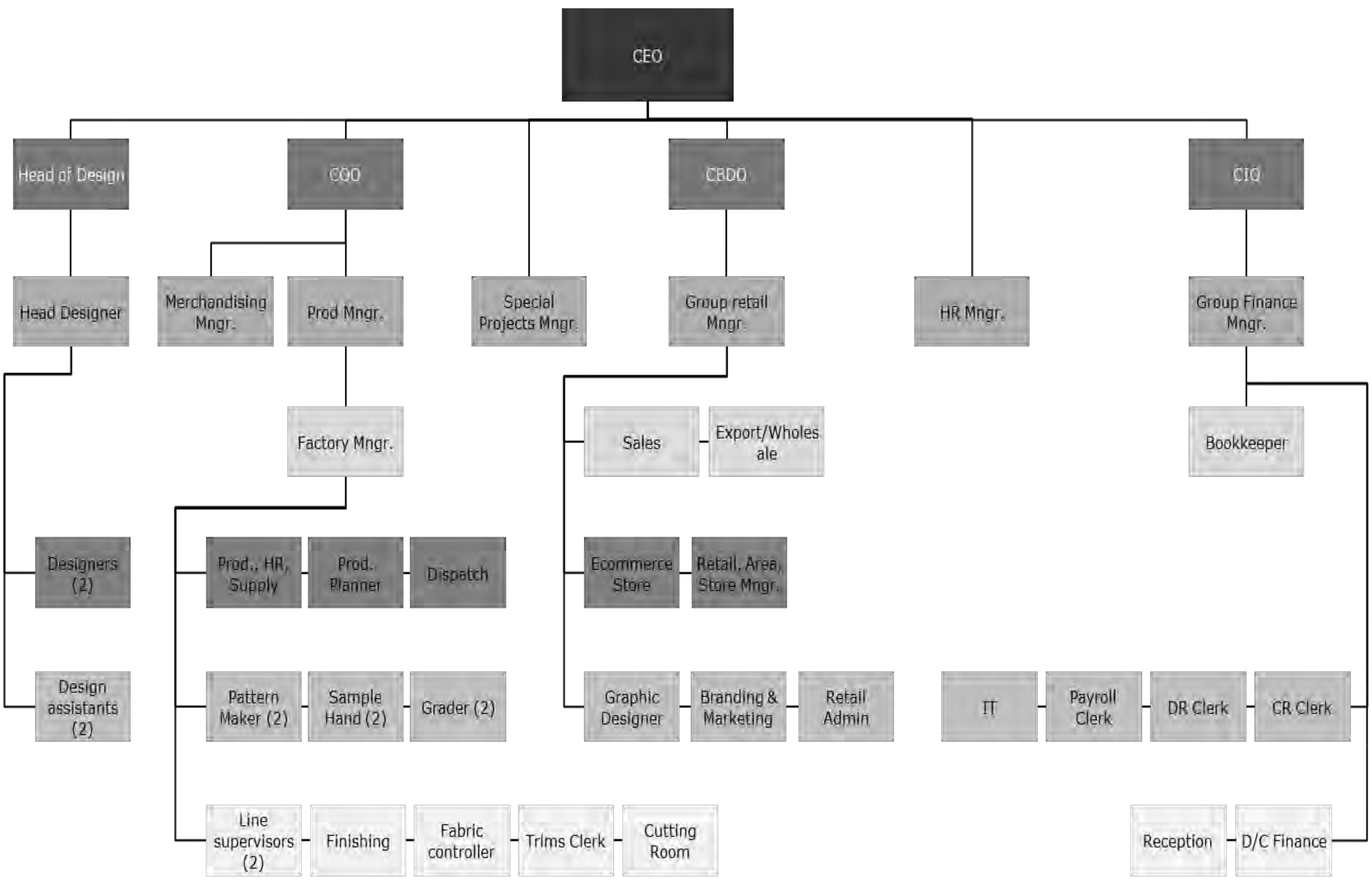
CASE STUDY 2: KEEDO

Background

Keedo is a designer children's clothing manufacturer situated in Paarden Eiland, Cape Town. It has its own retail stores and therefore is responsible for design content and marketing strategies for the brand. The clothing brand produces functional and fashionable clothing for children in a way that is environmentally friendly and educates children to respect earth and love nature. The company is 100% proudly South African, being designed and manufactured in South Africa with locally sourced fabrics. Keedo recently joined the Cape Clothing and Textile Cluster in 2015.

In the manufacturing firm, there are currently 95% female workers and only 5% male workers. The figure below depicts Keedo's organisational structure, revealing that an overwhelming 98% of the management positions in the firm are filled by women.

Figure 13: Keedo Organisational Structure as at 2015



Source: Keedo, 2015

Working Environment and Skills Development

Integral to Keedo's philosophy is creating sustainable employment and support for employees and the communities in which they live. Over the years, Keedo has worked to establish a working environment where people are heard, cared for and fairly remunerated. Moreover, the founder and visionary of Keedo, Nelia Annandale, is committed to empowering her mostly female workers and assisting them in reaching their full potential.

Along with this, the firm has embraced environmental awareness and sustainability since its inception in 1993. It champions green thinking throughout the manufacturing process and the designs incorporated in the clothing. By combining the commercial viability of the firm with social and environmental considerations, Keedo has therefore built a business model based on "ethical fashion".

In term of the availability and accessibility of education training, Keedo makes these opportunities available to all employees however thus far, only female employees have made use of them. For management, there is a bootcamp training which runs twice a year to ensure quality of service. For the workers, Keedo runs an extensive training program through the Clothing sub-division of the Fibre Processing & Manufacturing SETA. Through this program, 40 of the employees have been upskilled with courses at the Cape Peninsula University of Technology. This, in turn, has allowed the firm to recruit school leavers at entry level to then step into the positions where the existing staff have moved up. In addition, Keedo offers in house training at all levels on a range of practice areas as well as the use of new technologies.

> *At Keedo I have learned a number of things through trainings and job shadowing in different departments. For instance, I have learned about dyeing and the dyeing process. I have learned about the different types of fabrics that we use, how we use it with garments and how we put the garments together….Working closely with the cutting room, I have gained knowledge on how to cut a garment and how to put all the panels together. So there is a lot I have learned over the years*

I have been on many types of training, production management training and fabrics training, learning more about the industry in general. In this position I am in I feel like I have gained a lot of experience and exposure.

Dual role

Currently, Keedo's maternity leave policy is such that regular workers receive four months unpaid leave and management receives four months partly paid leave. A view expressed from Keedo management is that, sadly, the reality is that it is costly to continue to pay workers for time not spent on the production floor. This is especially the case since a commitment to proper family planning tends to be low amongst workers.

Apart from its main factory in Paarden Eiland, Keedo has established various smaller satellite factories for home sewers. There are currently three satellite factories. They are fully owned by the women who manage it and on whose property it operates from. The number of women employed fluctuates from time to time however currently there is a total of 38 full time employees excluding casual workers that come in when work load increase. The establishment of the satellite factories enables women to spend less time commuting to work and more time with their families. In addition to this, by establishing the satellite factories, it allows women to step into leadership roles in the factories and fosters a spirit of entrepreneurship in the women.

In terms of working hours, Keedo runs two shifts. The main shift is Monday to Friday from 7:00am to 16:00pm and the second shift is from 7:00pm to 4:00 by a smaller shift of seamstress. The existence of two shifts in which workers are able to rotate means that workers are not forced to work long and tedious hours. The night shift has the potential to cause strain on the family life of the women as it is disruptive and makes it difficult to establish a firm routine at home especially when the children are still young.

Finally, to address the health needs of the women, Keedo make use of the services of the National Bargaining Council to provide an annual full medical examination to all the employees.

Job satisfaction and Security

A majority of the workers employed at Keedo are single mothers. As such, the interviewed workers expressed that they felt blessed to have a job, one worker commenting that she is "grateful to Keedo for being able to put something on the table for the family". In addition to this, the women reported that they were proud to make Keedo clothing not only because of the quality of the products but also because of the enjoyable working environment in the Keedo factory. A large proportion of the workers have been working at Keedo for several years and believe if their performance is up to standard, they have no reason to fear job loss.

Overall performance of the company

Since its inception in 1993, the company has been growing and performing well both locally and internationally. In 2012, Keedo won five major awards including the International Women's Entrepreneurial Challenge Award, the 9th Annual Award for Top Women Successfully Leading Business: Top Gender Empowered Company: SMME, the Cape Chamber of Commerce Exporter of the Year Award in the design category and the Black Business Quarterly Business Woman of the Year Award as special recognition for transformation.

With regards to employment growth, in retail Keedo doubled its staff compliment in 2015 due to the opening 10 new stores adding to the 14 existing ones. In production, the firm has also grown by 49 team members to keep up with the requirements of these stores. The Keedo management team believe that much of the success of Keedo is due to its workers who are hard working, loyal and willing to go the extra mile to meet customer needs even under pressure.

Although Keedo has only recently joined the cluster, it has benefitted greatly from the programmes offered by the cluster. Interviews with management reveal that through the cluster, the firm has been able to undergo a benchmarking process which has guided them on what to focus on in terms of improving the company. Also, the cluster has given Keedo the opportunity to go on study tours of successful manufacturing firms which have adopted world class manufacturing practices which has left them inspired to improve their processes.

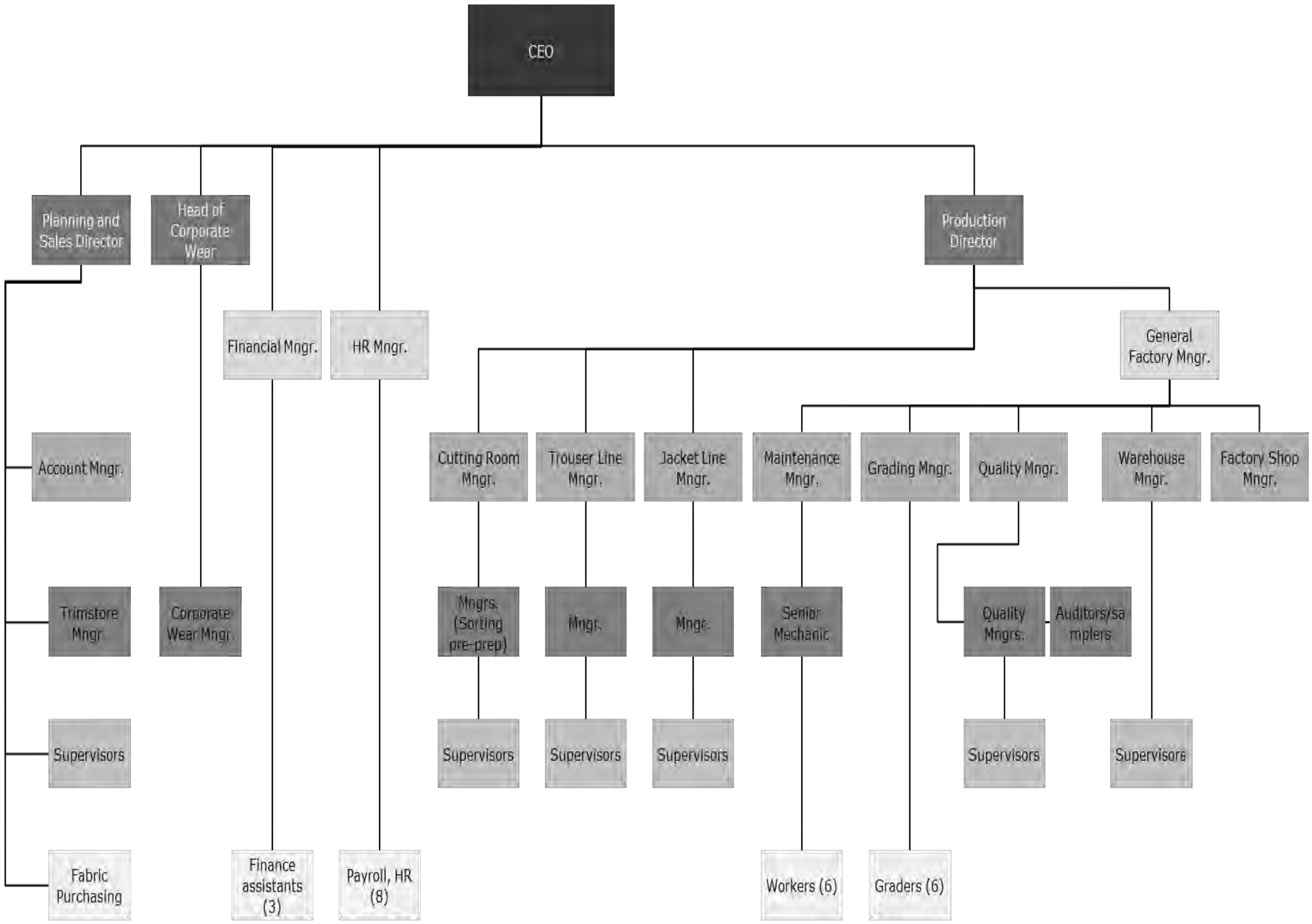
CASE STUDY 3: PALS CLOTHING

Background

Founded in 1925, Pals has become a well known Cape Town clothing manufacturer specialising in the production of formal wear, jackets, blazers, trousers, shorts, shirts, school uniforms, corporate wear and security uniforms. Having relocated from its long-time home of Salt River, the factory is now situated in Landsdowne with factory shops in Kuils River, Kenilworth and Salt River. Currently, Pals is not a member of the Cape Clothing and Textiles Cluster.

At present, Pals has a total staff compliment of 414 workers, with 14 of these being contract workers. The composition of workers is such that 80% of the employees are female and only 20% are male. There are five main levels of management in the firms, namely; the Executive, Top Managers, Senior Managers, Middle Managers and finally, Supervisors. The first two levels of management are mostly male in composition, however, moving further down the management levels there is greater female representation.

Figure 14: Pals Organisational Structure as at 2015



Source: Pals Clothing, (2015)

Working Environment and Skills Development

With regards to the working environment at Pals, three main areas of discussion were highlighted by the women, namely; the factory conditions, how the workers relate with each other and lastly, how the workers relate to the management. First, although the workers reported that the factory was generally in good working condition, they did raise some concerns. It was expressed that the factory was lacking with respect to cleanliness and aesthetic appeal. Of greater concern to them, however, was overwhelming heat in the factory due to inadequate ventilation and air conditioning. Management has committed to solving these concerns however current financial constraints limit their capacity to do so with urgency. Second, with regards to collegial relations, most workers voiced that there is a friendly atmosphere in the factory floor.

> *When I started working at Pals, I met very nice people, very interactive. They can help you with everything. They can explain things to you in a way that you will understand what is going on.*

> *The working environment is enjoyable, there are only incidences here and there but that happens everywhere.*

A few workers, however, expressed disappointment at the level of team work in their respective departments, which hinders their ability to produce quality work within the pressured time frames. Lastly, with regards to worker-management relations, there were mixed view points. Some workers believe that members of the management body are friendly and approachable, stating that they feel completely comfortable voicing their concerns with the assurance that they will be addressed. Other workers, however, feel uncomfortable approaching management with concerns expressing that there is a general lack of communication between workers and management. Moreover, theses workers feel that failure of the management team to explain the position, for example, if there are no new orders and therefore no work, heightens the tensions between them. Workers then start to steal company products in order to earn some cash which further exacerbates the situation.

> *If there is a problem, they [senior management] don't speak up or come face the people. They must speak up and let us know what is going on. If you tell us then we can work together and we can stand with you because we know what's going on in the factory*

In terms of skills development, Pals runs several training courses. At a general level, there are Health and Safety trainings which run throughout the year. There are also inhouse cross training opportunities for workers wishing to expand their skills base and enter into new production areas within the firm. In addition, Pals also offers a Skills and Equity workshop which educates workers on application procedures in the firm so as to promote transparency on recruitment processes.

Generally, workers expressed that there are opportunities to move up within the firm for both men and women. This upward mobility, however, depends on ones willingness to learn and try new things.

> *There are job opportunities that are advertised on the notice boards so there are always new challenges. Sometimes, a department may have a lot of work and then calls on workers from other departments to help. That way people get an opportunity to learn something new and grow as a worker, that how you get experience-by helping people.*

> *They usually put up on the notice boards which trainings are available, if you work the cutting room then you write your name down to get training on the line. You just have to be willing to learn.*

With this said, however, it noted that black women in the firm are not progressing into higher position as much as their coloured counterparts. Interviewees attribute this to an unwelcoming attitude towards black women in higher status jobs as well as lack of self confidence in the black women themselves to take up new opportunities.

Dual role

The women interviewed were mostly single mothers with only their dependants to look after. They reported an ability to maintain a healthy work-life balance while working at Pals as the company working hours allow them enough time to spend with family. The working hours are from 7:45am to 16:55pm on Monday to Thursday and 7:45am to 15:05 on Friday with no work on the weekends. Moreover, the women report that the Human Resource (HR) department provides adequate support in the face of personal domestic issues. For instance, where women are experiencing domestic violence at home or their partners or children are involved with drug use, HR provides referrals that provide adequate assistance to address their needs. In addition, a medical sister comes in twice a week to offer health assistance to workers in need of such services.

The maternity leave policy of the firm allows the women to receive up to six months leave. For three of the six months, the women receive 75% of their normal income while the rest, should they choose to take it, is unpaid.

Job satisfaction and Security

Most of the interviewed women expressed that they enjoyed their jobs because, for many of them, it runs in the family and it is an industry in which they saw their mothers work while growing up. With this said however, an overwhelming majority of the women stated that they did not feel secure in their jobs. There are currently 414 weekly wage employees, 41 monthly wage employees and 14 contract workers. In the past the firm has had to remove contract workers and retrench some workers due to financial constraints. Moreover, in the past two years, the company has faced periods in which working short-time was necessary. Workers observe that it is local retailers who chose to import from cheap countries such as China that contribute significantly to job loss in the industry. The women strongly believe they can produce good quality garments but they are not given the opportunities (through orders) to do so.

> *I'm not feeling secure because there are not enough orders. Management says our quality is not right but the reason it is not is not right is because they rush us and so we do not get enough time to check our garments. Then we must work over and over to get the work right.*
>
> *No, I don't feel secure because today there is work and tomorrow there is nothing and everything is being imported nower days (sic).*

Overall performance of the company

For the past five years, Pals has had a difficult time in terms of growth and performance. The move from Salt River to Lansdowne, due to new building owners increasing the rental, hit the company hard and has put a strain on the financial position of the firm. This is compounded by fewer clothing orders coming in. Management, however, is optimistic that 2016 will bring new opportunities. Moreover, firm has applied for funding under Industrial Development Corporation's Clothing and Textiles Competitiveness Programme. It is believed that this funding will bring winds of change in the firm and assist it in reaching a more stable financial position.

Despite the tough times, the company has upgraded and introduced new computerised technology and software for cutting, pattern making and planning systems. This has allowed them to improve their processes and meet orders swiftly. This, in turn, has provided women with the opportunity to expand their knowledge and skills in order to operate the new equipment.

Analysis and Discussion of the Case Studies

Apparel: An important sector for women

Consistent with the literature, the case studies above show that apparel is an important sector for women. In each of the firms, women make up an overwhelming majority of the staff compliment. The clothing industry has a long history in the Western Cape and has been a significant industrial employer in the region. A large proportion of the women in these firms have been working in the industry for many years having been influenced by their mothers to join. Most of them have also influenced their daughters to join the industry.

Furthermore, many of the interviewed women in all three of the clothing manufacturing firms are single mothers and/or are the sole breadwinners in the household. As such, the women express feelings of gratitude for their jobs in the respective firms as their incomes enable them to provide for their family which is a top priority for them.

As the clothing industry does not have rigorous skills prerequisites, it presents as an accessible sector to the women. The interviews revealed that many of the women entered K-Way, Keedo or

Pals with a Grade 12 qualification or less. Despite the low skill level upon entering the firms, a recurrent emerging theme from the interviews with the women is that they have grown within the firms and there are opportunities to develop oneself even further, both in terms of skills and personal development.

Upgrading and Employment

Over and above the introduction of new equipment and new technologies in their firms, K-Way and Keedo have also introduced WCM methodology and techniques. Since K-Way adopted WCM techniques, the firm has upgraded its production processes and has, in the process, improved its competiveness both nationally and internationally. Keedo has only recently started to purposefully implement the WCM techniques. This is because the firm has been inspired to embark on what it believes to be better way of performing its operations. In terms of employment, both K-Way and Keedo have seen employment growth over the past five years thereby suggesting a resuscitation of the clothing industry.

In recent years Pals has introduced new and improved computerised technology into its production processes. New technology alone, however, has not proved sufficient to pull the company out of deep waters and improve its performance. The case study shows that the firm is struggling in some areas as there are gaps which impede the ability of the firm to grow. These include, knowledge on how to maximise the benefits from their new technologies, exposure to international best practices and benchmarking, promoting and coordinating team work across all the levels of the firm and, finally, ensuring effective communication and full employee engagement within the firm. These gaps could be overcome with adoption of WCM and see the company performing better. With regards to employment, Pals has faced challenging times and has experience periods of retrenchment and short-time. At present, retrenchment has ceased and employment is beginning to stabilise. Thus, although the firm has not increased as in the case of K-Way and Keedo, there is indication that job loss has slowed.

Women and upward mobility in clothing sector

Much of the literature on gender and the apparel value chain asserts that women often tend to be stuck in low status, entry level positions while men progress to higher status jobs. The case studies presented in this research paper however show that trends in the Western Cape differ from observations in the literature. From the case studies it is evident that women are indeed progressing to various leadership positions within the firm. Notably, K-Way and Keedo have female representation at top-tier management level, while female workers at Pals are represented largely at middle management and supervisor level. This therefore shows that clothing manufacturing firms are beginning to make great strides with regards to equal representation of males and females in leadership positions. However, as was highlighted in the Pals case study, there is a need to ensure that equal representation also exists within the racial groups. A concerted effort needs be made to ensure that black women are also climbing up the rungs, alongside coloured women, in the factories.

Skills development and Working environment

Skills development initiatives and the creation of an enjoyable working environment play a significant role in the growth of female workers, not only within the company but also in a personal capacity. With regards to skills development, all three firms have trainings available for their workers and both men and women are equally exposed to these opportunities. This therefore suggests that there is indeed space for women to grow in the clothing sector. Of the three firms however, K-Way stands out in its approach to workforce development as continuous improvement through trainings and workshops form an integral part of its organisational culture. Moreover, the workshops and trainings that are offered at K-Way pertain not only to work related topics but also to the personal challenges that women face at home. The interviews with both management and the workers at K-Way reveal that this approach has had a profound positive impact on the women’s attitude to work as well as their outlook towards life in general.

The workplace conditions in the firms considered in the case studies are far from sweat shop conditions as commonly experienced globally in the apparel industry, particularly in the Asian countries (D'Ambrogio, 2014: 1). In comparison to K-Way and Keedo, Pals has room for improvement with regards to making the factory floor safer and more conducive to increased productivity. In addition to making the factory safe and aesthetically appealing for workers, K-Way has created the free Internet Cafe on its premises to enable mothers assist their children with research assignments and also tend to own business whether for study purposes or accessing emails. This shows recognition and accommodation of women's dual roles which contributes to making the workplace a better working environment for the women.

Lastly, whether through external providers or health care professionals coming into the firm, all three manufacturers provide workers access to health care services and health education. This of great benefit to both the firms and the workers as it creates a healthier workforce.

Role of Cluster

The case studies make it possible to observe the impact of the Cluster on manufacturing firms, if any, at different stages. K-way joined the cluster at the end of 2005, Keedo recently joined the cluster in early 2015, while Pals is not currently in the cluster. K-Way attributes much of its success to its involvement in the cluster. Through the assistance of the cluster the firm has been able to incorporate world class manufacturing into its operations. This has helped the business maximise efficiency and prioritise the holistic wellbeing of its workers. These factors have done well to improve the productivity and overall performance of the firm. In the short period of its membership in the cluster, Keedo has already been positively influenced through exposure to international best practices in the sector and benchmarking itself against other firms. This has allowed Keedo to identify key areas to work on that will improve its performance. Although it cannot be argued that the challenges Pals currently faces are a result of not being in the cluster, it can be argued that the cluster can help the company improve its performance and competitiveness through its initiatives and the programmes it runs.

From the case studies, it seems that the impact of cluster on the workers emerges more from its work with company leadership than its direct interactions with workers. Although the cluster does provide training for workers, it is the change the cluster makes in the attitudes, knowledge and understanding within the leadership structures that is of great benefit to the workers. The cluster introduces management to a new leadership perspective that values people before profit. With this comes greater investment in the workers, gender sensitivity in the workplace and the creation of an inclusive and enjoyable working environment.

Insights from stakeholders

In order to provide a broader perspective of the gender dimensions of Western Cape clothing industry, particularly to skills development and labour upgrading, the paper presents insights from two important stakeholders. The first is the Cape Peninsula University for Technology (CPUT) Technology Station for Clothing and Textiles. This is the most prominent learning institution for the clothing vocation in the region. Sharing from the perspective of CPUT is Shamil Isaacs, the current manager of the Clothing and Textiles Technology Station. The second stakeholder is the Fibre Processing and Manufacturing SETA, which comprises clothing. The SETA a public entity that is mandated to provide skills development services to, among others, the clothing and textiles sectors. It aims to ensure that people obtain the critical or scarce skills required to build the capacity of the sectors to become economically sustainable and globally competitive. Sharing from the perspective of the FP & M SETA, is Leigh Hayes, Western Cape Regional Manager.

CPUT Technology Station for Clothing and Textiles

Industry Education and Training Trends

Feedback from Shamil Isaacs confirms that increasingly, manufacturing firms in the Western Cape region are sending employees to attend short training courses at the CPUT Technology Station for Clothing and Textiles. This is largely through FP & M SETA bursaries which firms receive as an incentive to train their workers. A serious problem identified in earlier year was that firms would receive funds from the SETA towards training, the workers would get trained however the newly trained workers would never be placed in positions that would enable them to use the new skills and develop. Thus, it is apparent that firms were sending workers to training purely because they had received the funds to do. However, upon realising this, CPUT has since changed its approach in terms of the way in which it offers training. The new process is such that CPUT now makes a skills assessment of every firm prior to training to ensure that the training offered is appropriate to the firm needs so as to improve processes. Having seen the benefits of directed training on productivity, manufacturers in the industry are changing their perceptions of employee training and are beginning to value it.

Women and Training

CPUT has been running training programmes for the industry for ten years and during this period more than 80 % of the individuals trained have been women. For the first few years, the women that were trained were at operator level however in recent years there has been a significant move of women to middle management. As such, more women are coming into CPUT for supervisor training and for advanced skills such as pattern making.

The profile of the women coming in for training at CPUT is typically women who have been in the industry for a while and want to upgrade their skills. There are usually only a few participants who have come straight from school level. Moreover, women who attend trainings are often mothers who have families to look after. CPUT is sensitive the dual role that female workers face therefore in order to accommodate the women, they conduct the trainings on a Saturday morning and avoid having trainings at the end of the month as that is the time many of the women do grocery shopping for their families and sort out other household affairs. Also, long weekends are avoided in order to allow workers to spend time with their families.

On the whole, the trainings are well attended across the board. Interestingly, particular areas within the clothing industry have tended to be male dominated, for example, sewing mechanics and maintenance. In the last five years, however, more women are moving into these spaces and pursuing careers in these fields.

Role of Cluster

According to Isaacs, the cluster has had a significant impact on the performance of the industry. This is because of its key drivers is benchmarking. Benchmarking is a strategic and operational tool that assesses the relative competitiveness of firms in relation to their performance, practices and processes. Prior to this, manufacturing firms did know how well they were performing in relation to other firms in the industry. Thus, the introduction of benchmarking has helped companies identify areas of weakness and improve upon them. In addition to this, firms in the cluster are taught about World Class Manufacturing and are exposed to industry best practices internationally.

In terms of its impact on workers, the Cluster provides training to workers. For example, through the Cluster, workers are taught the 5S (Sort, Straighten, Shine, Standardize and Sustain) methodology which is essential a tool to organise the workplace in a clean, efficient and safe manner in order to enhance productivity and build a quality work environment. According to Isaacs, this type of training allows workers on the production floor to have a better view of their job, what their role is, how to improve productivity and how to improve quality. The introduction of the essential because, "if a worker is looking at a bad quality garment, if they don't know what a quality garment looks like, they cannot make a comparison"

Potential of clothing industry

Isaacs is of the view that the clothing industry has great potential to grow and create even more employment, especially since starting a clothing business requires a low initial capital investment. Moreover, the potential for job creation in the industry is there as a large proportion of municipalities that are supposed to procuring locally as stipulated by the Local Procurement Accord are not doing so and are importing instead. Government has indicated that it is making efforts to clamp down on this area with the intention of opening up local job opportunities. An area of concern for Isaacs however, is that the industry is not attracting enough young people. New and innovative ways are needed to entice the youth into this sector so as to ensure longevity of the industry.

Fibre Processing & Manufacturing SETA

Industry Education and Training Trends

Presently, the clothing sector has a high demand for skills. Due to the relatively low levies paid to the SETA, it is unable to allocate funds in accordance to needs of the industry. The funding that the SETA provides should act as an incentive to firms to provide training to employees. Although some firms do have their own funding budget over and about the amount the SETA provide, many of the firms only rely of the funding of the SETA bursary to provide training. Although this a starting point, firms should find innovative ways to offer more training to their workers.

Women and Training

According to Hayes, women in the clothing industry are upgrading their skills. Currently, 98% of the SETA learners are women. Through the SETA, most of the women pursue a National Qualifications Framework (NQF) level 1 or NQF level 2 SETA qualification which cover basic manufacturing processes within the industry.

The profile of the learners are typically disadvantaged women who have not been able to complete their school until Grade 12 level and want to acquire practical skills in order to find a source of income. Moreover, many of the women are breadwinners in the household and face pressures to provide for their families.

Table 15 is an extract from the FP&M SETA Quarterly Reports from the last four years with regards to women who were registered on clothing training programmes in the Western Cape. The SETA was only established in April 2011, as such information from prior years is not readily available in this format. Table 15 shows that employed women are increasingly participating in Skills Programmes offered by the SETA. The number of women in these programmes increased from only 2 in 2011 to 286 in 2015. This suggests that manufacturing

Role of Cluster

Hayes expressed that she was not able to provide an extensive view of the Cluster and the programmes it runs. From her knowledge, however, she has seen the Cluster running for the past few years and in her view, the World Class Manufacturing methodology introduced by the cluster is breathing new life and transforming the industry.

Potential of clothing industry

Hayes is of the view that the clothing industry has the potential for much growth. Currently, the industry is producing top quality garment that are being exported to international markets because they are too expensive for the South African market but are considered extremely high quality in other countries.

In order to support the industry, Hayes argues that government should impose higher taxes on imports to ensure that local companies are surviving. In addition, the relativity low participation of youth in the industry is posing a major threat to the sustainability of the industry and needs to be addressed.

In summary, the industry interviews highlighted extent and impact of skills development in the Western Cape clothing sector. More specifically, the interviews confirmed that women are in fact upgrading their skills and moving into higher value added activities. These perspectives also show the profound personal impact that having a job and improving upon oneself through training has on the women. These findings are in alignment with the theory presented in the literature review and the case study firm interviews with both management representatives and the workers. Importantly, the stakeholders agree that the clothing industry has the potential to grow and create further employment and that the Cluster is pivotal to turning the industry around and propelling this process.

firms in the province are providing opportunities for their workforce to attend trainings thereby allowing workers to upgrade their skills. In 2015, an overwhelming 305 unemployed women participated in Learnerships through the SETA. This implies that women view the clothing industry as an avenue for potential employment.

Table 16: Women skills development through the FP&M SETA, 2011-2015

Women in Western Cape	2011-2012	2012-2013	2013-2014	2014-15	TOTAL
Learnerships Employed	3	31	75	65	174
Internships Employed	0	0	0	0	0
Bursaries Employed	2	0	0	2	4
Skills Programmes Employed	2	311	32	286	631
Learnerships Unemployed	175	19	331	305	830
Internships Unemployed	0	1	3	1	5
Bursaries Unemployed	16	30	54	38	138
Skills Programmes Unemployed	58	30	19	12	119

Source: FP&M SETA, (2016)

Hayes believes the training has a greater impact on the lives of women that goes beyond purely obtaining a qualification. For many of the women, this has a profound impact on their personal development in terms self-confidence and self-reliance. Essentially, "it is an opportunity for them to prove to themselves that they can do something". In addition this, Hayes observes that many of the women who complete the courses want to help other women reach the same point they have reached. As such, the women start to work in their communities supporting and informally teaching other women who, for example, do not have the transport to attend the trainings.

Chapter 7: Conclusion

The Western Cape clothing industry has undergone major changes following the massive downturn which emerged due to a combination of national and international factors. The contraction of the industry had profound impact on the lives of the mostly female workers, which has been extensively documented in the literature. This research paper therefore contributes to the literature by examining whether female workers have gained from the recent changes that have taken place in the industry. These changes have arisen out of urgent efforts to revive the clothing industry and increase its competitiveness in the global market. The paper identified and discussed several drivers of change in the Western Cape clothing sector; namely; the adoption of World Class Manufacturing practices, the implementation of Quick Response methodologies as well as supportive policy interventions by government. To a lesser extent, the emergence of Cape Town as a design capital, the endorsement of the "Proudly South African" brand and the emphasis on ethical fashion in the region have also had a positive impact on the recovery of the clothing industry. These drivers show that the Western Cape clothing industry is indeed upgrading and is doing relatively well.

As such, this paper has argued that the resurgence of the clothing sector in the region has had a positive impact on the lives of women. First, there has been a slowdown in job losses and some firms such as K-Way and Keedo have experienced employment growth in the last five years thereby increasing opportunities for women. Second, the economic upgrading taking place in the industry has gone with social upgrading. Clothing manufacturers are increasingly producing garments in an ethically conscious manner, ensuring safe and healthy working conditions for the women and reasonable working hours which enable women to have a stable work-life balance. Moreover, as shown by the case studies and stakeholder insights, there is an increasing awareness by firms of the importance of investing in their workers. These education and training opportunities are allowing women to progress within the firms. Even beyond this however, skill development for women has offered women a platform to self-actualize and thrive in the industry.

This research paper also found that the Cape Clothing and Textile Cluster has played a pivotal role in driving economic and social upgrading in the region. Through its promotion of World

Class Manufacturing and Quick Response, the cluster is assisting manufacturing firms reach better performance outcomes and encouraging the creation of local jobs. The influence of the cluster on social upgrading processes emerges more from its work with company leadership than its direct interactions with workers. Although the cluster does provide training for workers, it is the change the cluster makes in the attitudes, knowledge and understanding of the firm leadership that is of great benefit to the workers. The cluster introduces management to a new leadership perspective that values people before profit. With this perspective comes greater investment in the workers, gender sensitivity in the workplace and the creation of an inclusive working environment.

These findings have important implications which are applicable to the Western Cape region, but however can be extended to the national level. First, South Africa is developing country with a long term vision of a growing inclusive economy in which poverty and inequality are eliminated. These developmental objectives are outlined national policies such as the National Development Plan (NDP) and the IPAP 2. The clothing industry presents as a suitable channel through which to achieve these goals. In light of its labour absorptive nature, investment into the sector is essential as the sector has the potential to create much needed jobs in the midst of high unemployment in the country. In addition, as major employer of female workers, the industry has a unique role in furthering sustainable development in the country. As findings in this research paper show, empowering women not only impacts the women themselves but also their families and broader communities.

Second, understanding that the clothing sector is of strategic importance to achieving the development objectives of South Africa, the government should strive to protect the industry and promote its growth. While its investment into the sector through the Clothing and Textiles Competitiveness Programme has definitely boosted the sector and should be commended, greater efforts need be made to ensure that illegal imports are eliminated, local procurement legislation is complied with at all levels of government and that adequate support is given to clusters in the sector. In so doing, clothing manufacturing regions such as the Western Cape will be boosted.

Lastly, clusters such as the Cape Clothing and Textile Cluster present manufacturers with the opportunity to do better. The luster is helping firms in the region to build their competencies and to improve their production processes. Importantly, the work done by the Cluster also has a positive impact on the workers. As such, initiatives like the Cape Clothing and Textile Cluster need to be supported by the government and firms should join so as to equip themselves with the tools needed to successfully compete in the global market.

APPENDIX

Appendix A

Sample of Management Interview Questionnaire

1. What have been the employment trends in the firm in the last five years? Has there been an upward or downward trend?

2. If recruitment has gone up, where are the new employees coming from? Eg training colleges or formerly retrenched employees?

3. What is the current composition of female and male workers in the firm?

4. What is the division of labour like between males and females in the firm?

5. Are women progressing to higher value add activities in the firm?

6. What kind of "on the job training" is available to workers?

7. What other trainings are workers exposed to? Are female and male workers equally exposed?

8. Are there programmes/initiatives in place in the firm that aim to empower female workers by recognising their dual roles (domestic role and worker role)?

9. What is the maternity leave policy of the firm?

10. What role has the Cape Clothing and Textile Cluster played in skills development initiatives within the firm?

Appendix B

Sample of Employee Interview Questionnaire

1. How long have you worked at this firm?
2. Do you feel that your job is relatively secure?
3. What is your educational background?
4. Describe your family situation? Do you have any family members that are financially dependent on you?
5. Have you been doing the same job ever since you started working at this firm?

6. What is the working environment like at this firm?
7. Do you feel supported as a worker at this frim?
8. Have there been any workshops that you have attended? Have they been useful?
9. Have there been any trainings that you have attended? Have they been useful?

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