East and West Meet in Africa: Effects on Clothing and Textile Businesses in Kenya's Liberalized Economy

M. W. Wanduara*, E. B. Oigo*† and E. K. Nguku*,**

Kenyatta University, Nairobi, Kenya*

International Centre of Insect Physiology and Ecology, Nairobi, Kenya**

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Abstract

Liberalization may be described as the opening up of the economy to the outside world by relaxing government trade and economic policy restrictions to allow imports. In Kenya, this took place in the early 1990s and it had negative and positive effects on businesses manufacturing and retailing clothing and textiles. This case study narrates what has happened over the last 20 years to businesses in Nairobi, Kenya dealing in clothing and textiles. Some of the original businesses have closed down and been replaced by new ones. More small scale Kenyan businesses have been started dealing in clothing imports from the East and West selling both new and second hand clothes. There has been increased employment in the small scale clothing and textiles sector in garment making and retailing. All in all, liberalization has forced large and medium scale textile manufacture to change strategy so that they target selling to the export market more than to the local market.

Key words : Africa, Kenya, clothing and textile businesses, liberalized economy.

Ⅰ. Introduction

Kenya imports clothes and textiles from the both the East and West. Africa imports mainly new clothing and textiles products from the East since they are well priced; and second hand clothes from the West where the latest fashion trends originate. East meets West in Kenya competing for shelf and hanger space in garment and textile shops all across the country.

Ⅱ. Literature Review

Textile and garment manufacture have always been important to Kenya's economy. The sector grew fast immediately after independence and was protected by government's import substitution strategy that restricted imports and offered incentives to exporting businesses (Kinyanjui, 1992). However, in the 1990's, Kenyan government liberalized most sections of the economy to allow imports into the country with minimal taxes. Liberalization had a positive and a negative effect. On one hand, Kenya's textile and garment manufacturing sector suffered losses, many industries closed down and employment declined (Chen, 2008). On the other hand, liberalization encouraged entrepreneurs to import wares from other parts of the world for sale into the country (Mc-Cormick, 1999; Coughlin, 1991). Consequently, in every corner of Nairobi City today, there are

† Corresponding author E-mail : bosiborio@yahoo.com

'exhibitions' (small shops and stalls) selling ready to wear outfits for all ages.

The businesses importing ready-to-wear new and second hand clothing benefit in increased sales. The clothing is imported from different parts of the world, both the East and the West; with new clothes from the India and China, selling cheaper than those from Europe and America. Clothing from the Far East is mainly new, while that from Europe, America and Australia consist of both new and second-hand articles.

Large and medium scale business have closed down and laid-off employees. Some of the employees laid off go on to start small business selling or making clothes. Large and medium scale garment manufacture is dominated by businesses owned by non Kenyans, mainly from the East, who manufacture for export to USA through AGOA (Omolo, 2006).

Ⅲ. Research Summary

This case study looked at how the businesses of retailers, large manufacturers and small businesses dealing in clothing and textiles changed over the years following liberalization.

The liberalization of the economy has had positive effects on the small businesses. Many people started selling used clothes (referred to locally as "mitumba"), new ready to wear clothes, as well as fabric for sewing clothes and household furnishings. In addition to ready to wear clothing, Kenya imports sewing notions, curtain tape and trimmings and fabric from the East, China and India manufacture and export a wide range of colourful African prints fabrics-Kitenge, kanga and wax prints.

The wide range of products benefits Kenyans in several ways. Firstly, they spur creativity of designers of home soft furnishings and clothes. Secondly, they are well priced and easily accessible all over the country. Thirdly, they are of reasonable quality or more accurately, they are available in varied quality standards at different price ranges to suit each level of demand. Imported textile and clothing products is not a bad thing because Kenyan textile and clothing manufacturers do not produce this variety of products.

In addition to creating business opportunities for tailors and dressmakers making custom fitted clothing, demand for imported textiles and sewing notions encouraged more small business people venture into import business. This was after they discovered processes and procedures to follow for importing from Dubai and Turkey and more recently China.

On the other hand, Kenyan large and medium scale textile and garment manufacturers have closed down because of too much competition from imported goods. In Ngara, Biashara Street and River Road fabric retail shops were suffocated by imports and had to close and leave space for exhibitions selling ready made new and second hand clothes. This was because there was no sustained demand for fabric- the people who previously bought fabric to stitch custom fitted clothing found an easy alternative in the form of imported new ready to wear clothing.

Similarly previously renowned shops such as Njiiris, Deacons and Y-Fashions that were retail outlets for local garment manufacturers closed down. There has been a decline in quantity of locally manufactured clothing from large industries that is sold in the Kenyan shops; it is observed that local garment manufacturers sell mostly uniforms, undergarments and t-shirts to the Kenyan consumers. The large retail and manufacturing businesses collapsed under weight of unsold stock when customers preferred to buy imported textiles and clothing.

Ⅳ. Conclusions

Kenyan consumers buy more imported clothing and textiles than locally made clothing because the imported ones are more readily available and cost less. This has affected the Kenyan manufacturers of textiles and clothing negatively and forced them to adopt new ways of doing their business in order to survive. Those businesses unable to adapt to the realities of increased imports from the East and West have had to close down.

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