A STUDY ON STRATEGY FOR DEVELOPMENT OF A COMPETITIVE TEXTILE SECTOR IN TANZANIA

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Abstract

Tanzania is one among the largest producer countries of cotton lint in Africa and also among the giant producer of organic cotton in the World. With this abundant supply of cotton lint, availability of cheap manpower and duty free access to key markets make Tanzania an attractive textile and apparel investment destination, several structural challenges have prevented the country from leveraging these advantages. The challenges need to be addressed, coupled with strong political will and aggressive marketing efforts in order to attract and retain investments in the sector.

It is estimated that around 70% to 80% of the cotton lint output from Tanzanian ginneries is exported to Asian countries and only roughly less than 30% left to be consumed in the local industry. Countries like Tanzania loses a huge amount of revenue and employment that could have been created when activities related to the value-addition of cotton to produce final Textile and Apparel products could have been done locally.

This study aimed on exploring the above said challenges by focusing on the examination of the Tanzanian textile industry with the inclusion of Tanzanian consumer preferences in order to establish their impact on potential cotton value-added product strategies for the Tanzanian textile sector. The study used both quantitative approach (Hard Systems Methodology) in the consumer survey part and qualitative approach (Soft Systems Methodology) for the entire Textile and Apparel industry to find solution to the problem situation in hand. However, qualitative part specifically Soft System Methodology was used as an overall framework for the entire study. This was accomplished through various techniques such semi structured interviews with the owners/managers of Textile and Apparel firms and government policy makers, Focus Group discussions with the workers of the same firms and specially designed Soft Systems Methodology Workshop with the representative of the entire stakeholders within the Tanzania Textile and Apparel industry.

The study revealed that the Tanzania local industry is hampered by the unavailability of adequate local substitutes, lack of knowledge to consumer needs and poor strategies on attracting Foreign and Direct Investments. Others are existence of outdated technology in the industry, customs problems, poor infrastructure, unskilled labour, lack of access to finance, raw material availability, provision of poor wages and working conditions and finally, challenges on preserving the environment during Textile and Apparel production. The study recommended a number of specific actions to be taken by the government and Textile and Apparel firms. These actions include: Improve all issues related to infrastructures, improve transparency of the various investment incentives and any necessary commitment on implementing them, help the investors and SME in access to affordable finance, and ensure efficiency of the port procedures. The Textile and Apparel firms should ensure that they conduct regular marketing research, update their managerial and technical profile in human resources and machinery, and provide proper wages and good working condition.

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Dedications and Acknowledgements

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List of abbreviations

AGOA	African Growth and Opportunity Act
AIDS	Acquired Immunodeficiency Virus
CAGR	Compounded Annual Growth Rate
CATWOE	Customers, Actors, Transformation, Weltanschauung, Owners, Environment
CIF	Cost, Insurance and Freight
CoET	College of Engineering and Technology
COMESA	The Common Market for Eastern and Southern Africa
COO	Country of Origin
CSDP	Cotton Sector Development Programme
CSR	Corporate and Social Responsibility
DAS	District Administrative Secretary
DFQF	Duty-Free Quota-Free
DFS	Diesel Fuel Support
EAC	East African Community
EBA	Everything But Arms
ECGA	Eastern Cotton-Growing Area
EPA	Economic Partnership Agreement
EPZA	Export Processing Zone Authority
EU	European Union
FDI	Foreign and Direct Investment
FOB	Free on Board
GCF	Gatsby Charitable Fund

GDP	Gross Domestic Product
GoT	Government of Tanzania
GSP	Generalized System of Preferences
HIV	Human Immunodeficiency Virus
HSM	Hard Systems Methodology
ICD	Inland Container Depot
ICT	Information and Communication Technology
ILO	International Labour Organisation
KIWAPA	Kikundi cha Wanunuzi wa Pamba (Cotton Buyers Group)
MITI	Ministry of Industry, Trade and Investment
MKUKUTA	Mkakati wa Kukuza Uchumi na Kupunguza Umasikini Tanzania (National strategy for Growth and Poverty Reduction)
MNC	Multi-National Company
NDC	National Development Corporation of Tanzania
NEMC	National Environment Management Council
NGO	Non-Governmental Organisations
OSHA	Occupational Safety and Health Act
PC	Personal Computer
R&D	Research and Development
RAS	Regional Administrative Secretary
SADC	Southern African Development Community
SDL	Service Development Levy
SEZ	Special Economic Zone
SHC	Second Hand Clothing
SIDO	Small Industries Development Organisation

SME	Small and Medium Enterprises
SSM	Soft Systems Methodology
T – TIP	Trans-Atlantic Trade and Investment Partnership
T&A	Textile and Apparel
TAA	Trade Adjustment Assistance
TACOGA	Tanzania Cotton Growers Association
TANESCO	Tanzania Electric Supply Company
TanTrade	Tanzania Trade Development Authority
TBS	Tanzania Bureau of Standards
TCA	Tanzania Cotton Association
TCB	Tanzania Cotton Board
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TDC	Tanganyika Development Corporations
TEGAMAT	Textiles and Garment Manufacturers Association of Tanzania
TGT	Tanzania Gatsby Trust
TIC	Tanzania Investment Centre
TPA	Tanzania Ports Authority
TPP	Trans-Pacific Partnership
TRA	Tanzania revenue Authority
UDSM	University of Dar es Salaam
UMWAPA	Umoja wa Wanunuzi wa Pamba (Cotton Buyers and Ginners Association)
UNICEF	United Nations International Children's Education Fund
US	The United States of America
USAID	The United States Agency for International Development

VETA	Vocational & Educational Training Authority
WCGA	Western Cotton-Growing Area

Academic Biography

List of Publications

Sinha, P., Dissanayake, D., Mahwera, D., & Kahabi, C. (2010). *Creating a global vision for sustainable fashion.* Textiles Institute.

Conference Paper

Mahwera, D., Cassidy, T. (2018) (Accepted/In press). *A Strategy Development Study for a Competitive Textile Sector in Tanzania.* The 20th IFFTI Annual Conference Proceedings: Fashion Futures. Jun, L. (ed.). Shanghai, China: Donghua University Press (pp. 244-252) 9 p.

Introduction

Introduction

This chapter introduces the research background and the associated problem context in the Tanzanian Textile &Apparel (T&A) industry. It discusses the significance of the study and its corresponding study settings. The chapter provides the research aim and objectives together with the study justification and expected results. It further highlights the use of Soft System Methodology as an appropriate approach for finding an improvement to the research problem at hand. Finally, the chapter provides an outline of the thesis structure.

Research background

The history of Tanzania's textile industry started from 1960's from the point of the country's independence. Only a few years later, in 1966, the country witnessed a tremendous growth in the sector up until 1985. This growth came about as an outcome of the government's intention to prioritise their industrialisation policy, in which its main target was to add value to the locally obtained raw materials by manufacturing textiles and apparel products locally. The government obtained funds from international donors to support this initiative (TGT, 2007). The government intention was to add value within the entire cotton value chain from cotton growth to the final apparel products. However, since the main concern of the study is to reduce the quantity of the cotton lint that is exported directly from the ginneries to direct the cotton to be consumed locally, the current research therefore focuses on the value addition of cotton from spinning to where final textile and apparel products are obtained. This is the segment within the T&A value chain where potential generation of revenue, employment and other benefits can be achieved through value addition. For a long time, the local industry has been offering simple and basic products such as "Khanga" and "kitenge", "kikoi", bedsheets, blankets and other dressing cloths which are highly demanded not only locally but also in most of the surrounding regional countries (TGT, 2007).

By the end of 1970s, the government had only 15 textile mills out of the original 22 that were available at that time. The available mills produced more than 300 million

linear meters at that time. The total investments by both government and private sector in textile and apparel reached a value of USD 500 million (TGT, 2007).

Tanzania's T&A industry became the leading manufacturing sector in the country by the end of 1970's following its significant contribution in terms of employment and also became second in terms of productivity. Approximately 25% of the manufacturing workforce at that time came from the T&A sector. The same percent was also contributed by the sector in the country's total manufacturing GDP. The sector was able to consume nearly one-third of the locally produced cotton lint (Baffes, 2002; TGT, 2007). It is during this time that a sector was composed of integrated textile mills, which had both sections for spinning, weaving as well as the printing section. The only secret behind the sector's success was the protection and subsidies provided by the government at that time (Government of Tanzania, 1999).

The protection and subsidies that were provided by the government ceased in the mid-1990s leaving the sector struggling with competition from international businesses. It was during this time that only two of the existing textile mills were operating while all the remaining went out of business. The situation created a crisis as most of the workers were terminated from work and the majority of the equipment ceased to operate. Studies by Ministry of Industry and Trade (2012) and Tanzania Gatsby Trust (2007) explained this incidence. They linked the collapse of the local industry with the following possible reasons;

(i) Presence of obsolete technology coupled with poor management.

(ii) Insufficient quantity of cotton lint directed to the local textile mills.

(iii) An influx of imported T&A products in the local market, especially second hand clothes and cheap T&A from both Western economies and Asian countries respectively. This came about as a consequence of trade liberalisation.

(iv) Presence of unfriendly tariff structure and unstable exchange rates, which deteriorates the competitiveness of the sector.

(v) Extensive power stoppage, fluctuations, and associated higher tariffs.

At the end of 1990's, the government initiated the sale of the textile mills that were idle, i.e.non-operational. These mills were sold to various investors, few from within

the region, but the majority from India and Pakistan (TGT, 2007). By 2010, there were 20 large-scale T&A factories in Tanzania. The investors who bought the closed mills had the task of performing major maintenance to the old machinery, and recruiting some fresh workers. When production resumed five years later, the majority of the mills were not utilizing their capacity fully while using the same outdated machinery that were there when mills were bought (Salm et al. 2011). There has been an increase in numerous investments in Textile and apparel industry in recent years. Most of these investments aimed at export business through African Growth and Opportunity Act leaving others focussed on production of Khanga and kitenge for local and regional markets. However, the consumption of cotton lint domestically has remained unchanged, a scenario which raises more questions without reasonable answers. This study seeks to find the solution to these questions.

At present, the Tanzanian local market consists of three types of T&A products. The products include Second Hand T&A products from Western economies such as The US and European countries, New and sometimes very cheap T&A from the Asian countries and lastly the least seen locally made T&A products (TGT, 2007; MIT, 2012).

Statement of the Problem

A study conducted by Gerreffi et al (2010) emphasized the necessity of supply chain development globally. They insisted that this could be done by increasing expertise and knowledge by upgrading the necessary skills in design and marketing. Failure to do that might result in facing further hindrance of gaining entrance into the global supply chain. While most of the existing Foreign and Direct Investment (FDI) originated from the developed countries, a need to increase skills that can be appreciated by the western producers is inevitable for the sake of attracting Foreign Direct Investments. Gerreffi et al (2010) on one of their recommendations, they stressed the need of the third world countries to upgrade their internal markets.

During the 1990's, the occurrence of the trade liberalisation provided a new expectation for the growth of the local T&A industry. Nevertheless, this bright hope faded away due to the stiff competition offered by the imported products, some of which offers a very affordable price and is sometimes of a good quality with diverse designs as compared to the locally available T&A products (TGT, 2007; Salm et al, 2011). Most of the studies conducted realise that the problem that the sector has been

facing is value addition of cotton to obtain cotton-related end products locally. The studies estimated that around 70% to 80% of the cotton lint output from Tanzanian ginneries is exported to Asian countries and only roughly less than 30% left to be consumed in the local industry (ibid). The exported cotton lint from Tanzania are then processed into fabric (Knitted or woven) and further garments using either pure cotton or blended with man-made fibres. The manufactured fabrics and garments are then imported back to Africa (Tanzania being one among them) and other western economies. The T&A products sold to western countries are then used by consumers in these countries and later imported back (through donation and trades) to the third world countries (Tanzania being one of them) as second hand T&A products. Through the entire process, the countries (like Tanzania) where cotton is abundantly grown, loses a huge amount of revenue and employment that could have been created when activities related to the value-addition of cotton to produce final T&A products could have been done locally.

These imported T&A products are offered at very cheap prices in the local market. These prices make competition even harder, taking into consideration the challenging moments that the local businesses were experiencing before 1990's trade liberalisation (Baden & Barber, 2005). The locally produced T&A products failed to compete on a cost basis, the same scenario that has been experienced in the same industry worldwide. Furthermore, consumers are left with no option but to opt for the imported T&A products, which are cheaper with various designs. This scenario leaves the local industry in a very serious economic crisis (Baffes, 2002).

Numerous studies have been conducted regarding the T&A sector's improvement as well as their related supply chain coupled with issues surrounding the cotton value-addition worldwide. The same studies have also identified some issues and possible intervention to overcome the problem for African countries, Tanzania being one among them. The studies realised that there is insufficient processing of cotton lint performed locally, which hinders the value addition in the entire value chain. This in turn tends to diminish the actual requirements of the locally produced natural fibres and disturbs the establishment of stable price of seed cotton (TGT, 2007; Salm et al, 2011; Keregero, 2016; TCB, 2010).

The studies mentioned above recommended numerous policies to be established and amended regarding the cotton and textile value addition. However, a latest study conducted by Keregero (2016) reported the same challenges that were revealed by his predecessors. There were no changes observed especially in the area of textile and cotton value addition, which implies that;

- All the suggested policies to revamp the Tanzania T&A industry through the cotton value addition which would have seen all the value-added activities done locally were neither formulated nor implemented.
- If the above is not the case, and that the recommended policies were formulated then there is a possible weakness in the area of monitoring or a wrong implementation approach was used.
- A chance also exists where all the methodology and their respective data collection techniques previously utilised were not thorough enough to provide a strong and viable improvement to the problem situation.

Due to the scant detail of reasons provided to the above, three mentioned possibilities coupled with the existing problem, this study has been initiated to find a solution for Tanzanian Textile sector using a different approach.

This study proposes Soft System methodology (SSM) as an approach that could potentially lead to developing strategies for the improvement of the problem situation. It is envisaged that through this approach the study will be able to examine critically a clear link between the existing policies with the cotton value-addition and consequently realise the relevant restrictions on the production of the T&A final products emanating from the value addition of the cotton lint produced locally in Tanzania.

The outcome of this study will be expected to pave the way through the competitiveness of the Tanzanian T&A industry through the provision of the strategies that will enhance the cotton value addition within the Tanzania local T&A sector. Furthermore, the study anticipates bringing about recommendations for enabling the local industry to compete with the imported products. It is by doing so that they will be contributing to the development of the sector and hence boosting the individual and country economy. Moreover, the awareness of consumer preference and needs will help the industry to understand their respective needs and consequently satisfy them.

This type of strategy will only be possible through an exhaustive investigation of Tanzanian consumer buying behaviour and attitudes.

Aim of the Study

The main aim of the study is to conceptualise a competitive Tanzanian Textile and clothing industry through the consideration of the textile value chain in direct relation to cotton and its corresponding value-addition products.

Specific objectives

(i) To critically analyse the Textile/fashion value chain and their related policies as currently practised in Tanzania and establish any available weaknesses as compared to other successful countries.

(ii) Identify and analyse the factors/ elements that influence the cotton value-addition in the textile and fashion industry including the policy system.

(iii) Critically evaluate consumers' attitudes and behaviour towards purchasing domestic and imported textile apparel.

(iv) To formulate a framework to evaluate alternative strategies in order to improve the current Tanzanian Textile Value Chain system and its productivity.

Research questions

1. What are the existing policies on promoting cotton value-addition within the wider Textile policies as currently practised in Tanzania compared to other successful countries?
2. What are the available factors/ elements that influence the cotton value-addition in the textile and fashion industry?
3. What can be attributed to consumers' attitude towards purchasing domestic and imported textile apparel?
4. What strategies can potentially be used to improve the Tanzanian Textile Supply Chain system and its profitability?

Justification and Expected Results

The results from the research findings in theory contribute to the increased productivity of the textile and fashion industry in Tanzania. It is envisaged that the increase in productivity will be gained through the creation of an internal and external market to Tanzanian design products, from cotton production throughout the value chain system. The study contributes to the Tanzanian plan (Mini tiger-plan) which is responsible for increasing the competitiveness of Tanzanian products in global markets and promoting exports through the creation of special economic zones (McMillan, Page & Wangwe, 2016).

Furthermore, this research contributes knowledge to the scope of value chain management entailing in the cotton value-added related products. It is also envisaged that the study may recommend policies that favour the competitiveness of the local industry. Therefore, the outcome of this study may consequently lead to a direct contribution to the improvement of productivity as well as the marketability of the Tanzanian textile industry. Finally, the study brings about the introduction of Soft System Methodology to Tanzania academic arena as through this study, other studies in the textile and apparel sector and many other sectors could be conducted using SSM.

The adopted Research Methodology

Both quantitative and qualitative approaches are used to conduct this research. However, the qualitative approach in this study is termed throughout as Soft System Methodology (SSM) and is treated as the main methodology of the research. The quantitative part, also known as Hard System Methodology (HSM), is only used to gather the survey data to explore consumer needs and preferences. The latter is then embedded into the second and fourth stages of the SSM framework. Both secondary and primary data are adopted. For SSM various techniques for data collection are used such as in-depth, semi-structured interviews with the different managers within the Tanzania Textile and Apparel industry. Other techniques include a focus group, conducted with T&A firm workers in Tanzania and finally, a specially designed SSM workshop is used with the diverse stakeholders from the same industry. The quantitative part as highlighted above employs a survey using a structured questionnaire, which was administered by intercepting consumers in the malls and

other marketplaces. The initial outcome from the survey is used to enrich the entire guides related to the interviews, focus group as well as the SSM workshop help to build the rich pictures in stage two of the SSM. The outcome from further analysis is embedded into stage four of the SSM.

Thesis Outline

In this study, the thesis comprises two main parts. **Part one** deal with the Literature Review and Research Methodology and consists of chapters one to five. **Part two** consists of chapters six to conclusion, which mainly deals with the application of the Soft System Methodology. Furthermore, the same part deals with the conclusion of this study. The appropriate details for each chapter are provided below.

Chapter one describes the Textile and Garment industry sector, critically analyses it with regards to the international competition pressures (with particular regard to the imports from Asian Countries and Second-Hand Clothes predominantly from US and EU), and identifies opportunities for the sector with regards to such competition from imports. The chapter provides a brief overview of the Tanzania textile value chain, as well as various existing Tanzania policies within the industry.

Chapter two introduces an analysis of Textile global competitiveness and its relation to the Tanzania textile and apparel industry. It shows the general trend in the global textile and apparel sector and describes its evolution and the relevant trade theories and competitiveness within the sector. The chapter further describes Porter's diamond model, which is a widely used model of competitive theory, and the analysis is then applied to the Tanzanian textile and apparel industry.

Chapter three describes the importance of conducting a market survey to investigate consumer preferences and needs towards the purchasing of T&A products. The chapter starts by showing the importance and function of wearing clothing and factors that mostly influence consumers to purchase a particular type of T&A product. It concludes with a summary of the issues discussed within the chapter.

Chapter four analyses the main underlying principles of Soft Systems Methodology (SSM) and its practical application. The chapter discusses the details related to the methodology to the point of intervention. The different opinions underlying the principle are also provided and consideration is given to the limitations to the methodology.

Chapter five identifies and explores various approaches to research and sets out the methodology used for this study. The chapter also discusses the purposes, benefits and problems associated with using Soft Systems Methodology (SSM), which is outlined in the preceding chapter, as a framework for this research. Chapter five also highlights the importance of including a quantitative approach in the context of understanding consumer behaviour for the purchase of T&A products. Finally, it brings into consideration issues regarding the various procedures in interpretation, validation and ethical considerations of the data collection that was conducted throughout the entire study.

Chapter six represents the beginning of the application of SSM. The chapter comprises of four initial stages of SSM as has been applied to the study in hand. It starts with stage one where the problem situation is realised as unstructured hence deemed to be fit for SSM. It is then followed by stage two where rich pictures are created from the observations and data collection conducted from the Tanzania Textile industry. The chapter discusses stage three where the root definitions are formulated. The root definitions reflect definitions of relevant activities in the system world. Finally, stage four of SSM is presented where the conceptual models are constructed from the relevant root definitions obtained in stage 3.

Chapter seven deals with stage 5 of SSM, where comparisons of the developed models located in the conceptual/ system world (from stage 4) are compared to the actions that are happening in real world. These real world actions are presented in the rich pictures developed in stage 2 of SSM. The comparison will then yield areas within Tanzania's T&A sector that need improvement.

Chapter eight proceeds with the outcome from chapter 7 by defining possible changes, which are both possible and feasible to be implemented for improving the problem situation under investigation. The chapter highlights the reasons behind this study ending with stage six.

Conclusion chapter summarises the findings of the study, drawing conclusion to the aim and objectives, providing an assessment of the validity of the methodology used and its significance to the contribution to learning and the practical implication associated with the research findings. Finally, the chapter presents the limitations observed and area of further research.

Summary

This chapter has highlighted the general background of this study by addressing some global issues in Textile competitiveness and its associated impact on the third world economy like Tanzania. The chapter has also stressed various opportunities available for utilising the abundantly locally available cotton lint for the enhancement of the cotton value-added activities within the local Textile value chain. The research problem was identified and the aims and objectives were listed, in addition to the expected results and justification. The methodology that will be used in this study is highlighted and finally the thesis outline provided.

PART ONE

LITERATURE REVIEW AND RESEARCH METHODOLOGY

(CHAPTER 1 – 5)

Chapter 1

The Cotton, Textile and Garment Industry in Tanzania

1.1 Introduction

This section describes the Textile and Garment industry sector, critically analyses it with regards to the international competition pressures (with particular regard to the imports from Asian Countries and Second-Hand Clothes predominantly from US and EU), and identifies opportunities for the sector with regards to such competition from imports. The section begins with a brief outline of the overview of Tanzanian textile and apparel industry, products and trade flow within the sector, different fashions available as well as the various existing Tanzania policies within the industry, and lastly gives a summary of the chapter.

1.2 Value Chain Overview

Cotton, textile and apparel sector plays a crucial role in Tanzania's economy. Cotton production has been practised in Tanzania for a period of more than a century, within which the last half has witnessed the up and downs of the sector due to various reasons (TGT, 2007). It is estimated that approximately 400,000 hectares of cotton are sown each year by 350,000 to 500,000 smallholder farmers (TCB, 2010). In recent years, cotton production has diminished because of farmers shifting to cultivation of other cash crops. As with most countries in Africa, the bulk of Tanzania's cotton production (70-80% by 2014) is exported as lint (Textile Development Unit, Ministry of Industry, Trade and Investment [TDU-MITI], 2016). This inclination of sales has been caused by the liberalisation of cotton marketing which terminated the earlier policy of providing priority of cotton lint supply to the local textile mills. The owners of the newly privatised ginneries opted for export sales as compared to local sales, which in turn made the cotton lint very expensive for the domestic textile mills to afford.

Although textile and apparel manufacturing has been accorded 'priority sector' status and features as a target sub-sector in Tanzania's Integrated Industrial Development strategy 2025, output, investment, employment and exports have remained low as compared to neighbouring countries such as Kenya and Ethiopia who are enjoying significant growth (Ministry of Industry and Trade [MIT], 2011). The sector experiences

a tremendous growth in the period between 1966 and 1985 following the initiation of the newly formulated policy in industrialisation, which was highly backed up by international donors. The policy intended at manufacturing T&A products locally and thereby adding value to the locally producing raw materials such as cotton (TGT, 2007; Keregero, 2016). During 1970s, the sector reached its climax, having 22 T&A firms in the country, 15 out of them being owned and operated by the government. At that time, the sector had created employment that reached to approximately 25% of the total manufacturing labour force, which was the highest achievement as compared to any other sector in Tanzania. Furthermore, it was also placed in the second position in overall productivity that contributed 25% of the entire manufacturing sector's GDP. The sector is yet to recover from the collapse resulting from economic reform and trade liberalization in the 1990s, most notably withdrawal of Government support, removal of trade barriers and exposure to international competition. This situation led to the closure in operation of most of the textile mills present at that time, leaving only two mills in operational (US. Department of State, 2007; Baffes, 2002; Keregero, 2016; Government of Tanzania, 1999; TGT, 2007).

The majority of Tanzania's textile mills focus on production of "Kikoi" which is hand spun and hand woven cloth. Other popular products include "Kanga and Kitenge" which are the printed cloth of a specified length used for wrapping around the female body. The same type of cloths are sometimes used as fabrics for producing dresses for women and shirts for men; these type of cloths mostly carries culturally significant meanings. Furthermore, the local industry offers basic products such as bed sheets, blankets and dressing materials. All these products are directed mainly to the local and regional markets. Mosquito net manufacturing has also been successful for some Tanzania manufacturers. Kanga and Kitenge enjoy traditional demand within Tanzania and across the region (TGT, 2007; Keregero, 2016). However, more competitive producers like India and China are also increasingly producing these fabrics to tap into the growing regional and international markets. As a result, Tanzania should also explore new product categories with larger global markets in order to grow its share of trade. Garment manufacturing for regional and export markets is also limited, despite the country's duty free access to major markets available under various provisions and treaties including African Growth and Opportunity Act (AGOA), Southern African Development Community (SADC), East African Community (EAC),

Economic Partnership Agreement (EPA) and East African Community - Southern African Development Community – The Common Market for Eastern and Southern Africa (EAC-SADC-COMESA) tripartite etc. (ibid).

Figure 1.1. Kikoi Fabric made by using cotton yarns in Tanzania

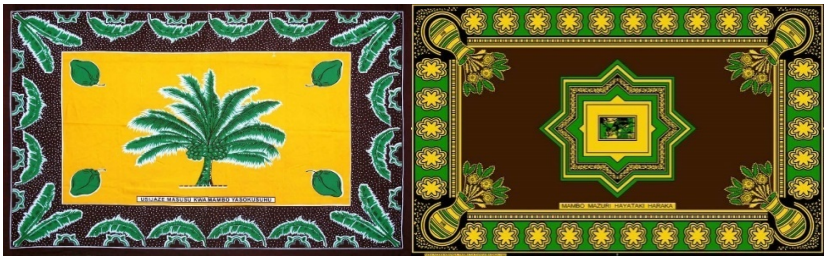


Figure 1.2. Khanga Fabric made by using cotton yarns in Tanzania

Figure 1.3. Kitenge Fabric made by using cotton yarns in Tanzania

It was between the end of the 20th century to the beginning of the 21th century when the government began to sell all the mills that were not operational. These mills were sold to the diverse buyers few of them coming from within the region, but most of them from Asian countries such as India, Pakistan and China (Ubwani, 2008; TGT, 2007). There were around 20 large-scale T&A manufacturers within the country by that time. Investors who bought the old mills were supposed to start first with the rehabilitation of the bought old equipment and furthermore recruiting new labour force. According to the report by TGT (2007), most of the factories resumed their production over the past five years, despite the fact that most of them were underutilising their full production

capacity while using the same old machineries that were present when mills were bought (Baffes, 2002; TGT, 2007).

The informal sector (businesses not operating officially, i.e. taxed) is 'hidden' but also important in the context of the domestic clothing market but is limited by the market dominance of the second-hand clothes market, which is highly valued by consumers and also cheap new clothes mainly from Asia. The craft market is also limited, but few SMEs' suppliers are fighting to acquire a niche in global markets, though the full potential of this is held back by a limited set of design skills (TGT, 2007).

While abundant supply of cotton lint, availability of cheap manpower and duty free access to key markets make Tanzania an attractive textile and apparel investment destination, several structural challenges have prevented the country from leveraging these advantages. The challenges need to be addressed, coupled with strong political will and aggressive marketing efforts in order to attract and retain investments in the sector.

1.3 Cotton and Ginning

Tanzania was the seventh largest cotton producer in Africa in 2013-14 with a production of 81,750 metric ton of cotton lint (National Cotton Council of America, 2014). In 2014, Tanzania was also the fourth largest producer of organic cotton in the world after India, China and Turkey (Textile Exchange, 2014).

Cotton production in Tanzania has been reported to decrease continuously over the last three years owing to a decrease in land under cotton cultivation. However, some recent initiatives have led to an improvement in average yields to 300 kg per acre of seed cotton as cited in recent surveys by Ukiriguru Agricultural Research Institute. Subsidies are available for inputs including seed and pesticides; there is still a challenge of sufficiency and efficiency of supply affecting the overall input cost. Similarly, there are weaknesses in the provision of extension services and information on good agricultural practices to farmers. As a result, some farmers are shifting to alternative cash crops (TDU-MITI, 2016). Challenges with the implementation of contract farming have also been linked to ginners' inability to protect their investment when they provide inputs and extension on credit to farmers, thereby contributing to the drop in cotton production in Tanzania. However, in 2015, contract farming models

under UMWAPA and KIWAPA were estimated to support over 100,000 farmers with seed, pesticide, some fertilizer and extension services. This was expected to increase the yield in the area by 60%, despite extreme weather conditions experienced (ibid).

The domestic demand for cotton has stagnated over the past 3 years, indicating no capacity addition at yarn spinning level. In 2014/15, the scenario was expected to change with the entry of Dahong Spinning Mills resulting to an increase in the mill use of cotton. Around 70 – 80% was exported in lint form from 2012 to 2014. The key markets for Tanzania cotton lint were China, India, Indonesia, Vietnam and Thailand (TDU-MITI, 2016). The cotton crop in Tanzania is 100% rain-fed yielding an average of 218 kg of cotton lint per hectare. This is significantly lower than the global average yield of 800 kg of cotton lint per hectare (United States Department of Agriculture, 2014).

Adopting sustainable cotton production in Tanzania has the potential of contributing to poverty alleviation and socio-economic development of the country. However, to achieve that sustainability, it is important to create domestic demand by attracting investment in the downstream manufacturing value chain.

By 2014, Tanzania had 33 licensed ginneries, which were equipped with1,453 roller gins and 118 saw gins. The total monthly production capacity of ginneries in Tanzania is approximately 300,000 bales. Most of the ginneries are located in Mwanza and Shinyanga, the areas where majority of cotton is produced in Tanzania (TDU-MITI, 2016).

1.4 Textile Industry, Products and Material Flow

The conversion of cotton lint into textiles and clothing consumer goods is a long and labour intensive process. Several key stages are required (see figure 1.4). Each of these steps produces an intermediate product which is used as raw material for the subsequent stage. These intermediate products can themselves be traded on the international market. Due to these reasons, it was not possible or desirable to build vertically integrated textile production chains, unless the transportation system is particularly problematic (ACTIF, 2011; TGT, 2007).

As has been discussed in section 1.2, most of the available industry is engaged in the manufacturing of woven fabrics printed in different colour and style directed for the

local and regional market. Some of the T&A firms have succeeded in exporting yarn and finished garments further afield, in particular, exploiting preferential market access in the USA and EU. The most common locally produced products tend to be protected from international competition (despite their continued struggle to compete with more cheaply priced imports from India and China). This has been achieved by introducing high import tariff on the same products (around 50%). These products predominantly rely on very outdated technologies which produce at low rates of efficiency and consequently supply low-quality fabrics which falls below generally accepted international quality standards (TGT, 2007)

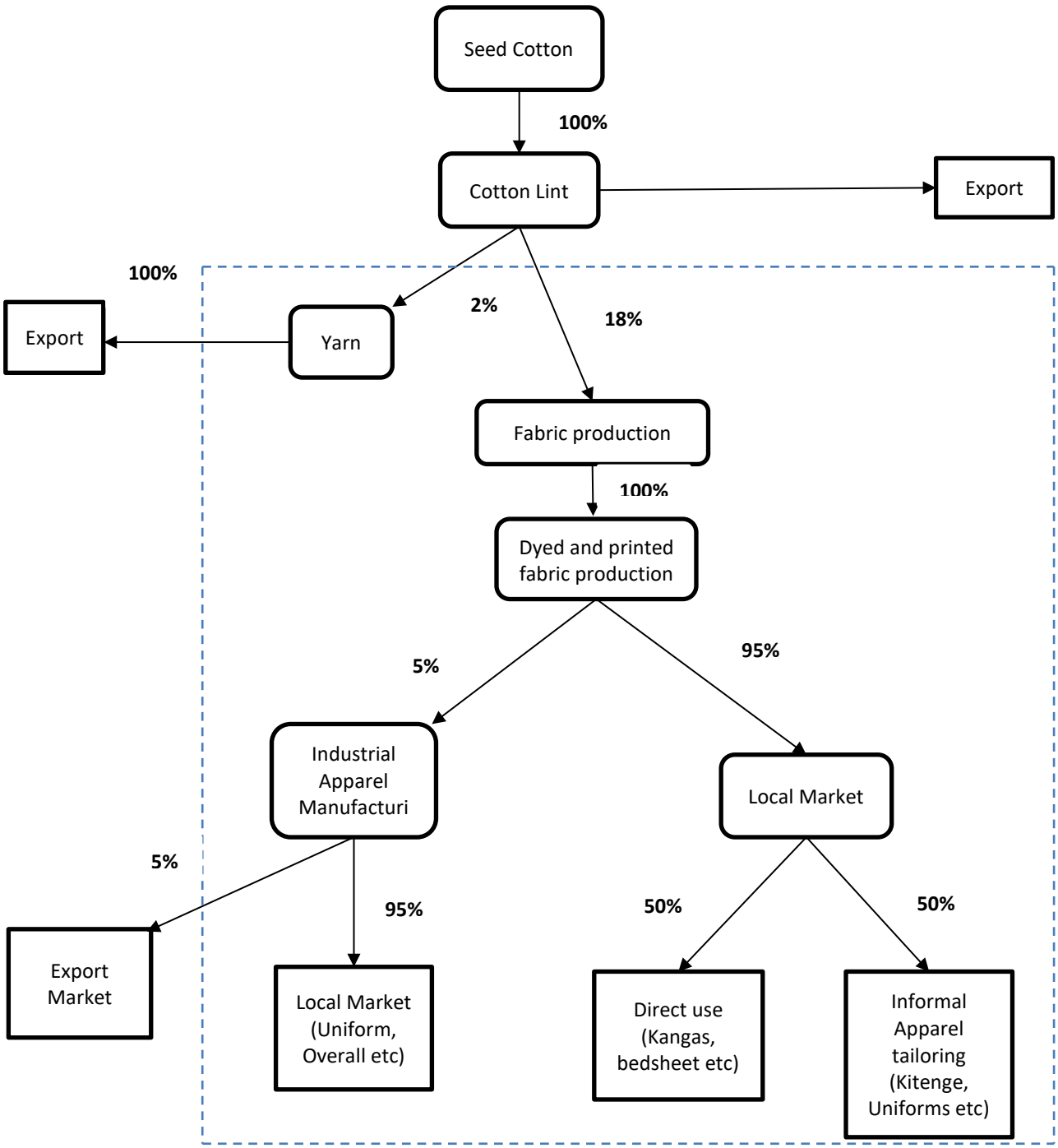


Figure 1.4: Trade flow and estimated value addition proportions of Tanzania cotton (TGT, 2007)

1.5 Garment and Apparel

By 2014, Tanzania had 15 operating textile and apparel-manufacturing firms (list of companies is given in appendix 10), two more are in development stage while five existing facilities were not operational, which were looking for Joint Venture partners or outright buyers (TDU-MIT, 2016). The spinning mills produce cotton yarns for both knit and woven fabrics. Some of the fabric mills concentrate on producing woven printed women's kanga and kitenge; as well as yarn dyed woven kikoi fabrics; Masai cloth; bed linen and other home textiles. The firms are primarily located in and around Arusha, Tanga and Dar es Salaam. There is high market demand of Kanga, Kitenge and Kikoi fabrics for domestic consumption in Tanzania and other neighbouring countries. These products also have demand among tourists and to some extent in niche markets like the US and EU.

Due to the limited amount of commercial production of garments and apparel in Tanzania, there is also a limited local demand for textiles for clothing. Most local production collapsed soon after the privatisation of the sector in the 1990s, although some of them remained and produced apparel products for the local and export markets (TGT, 2007; Keregero, 2016). On the domestic market, Tanzanians have little disposable income, rely heavily on imports of low-priced new clothing from Asia, and used clothing (Freund & Levy, 2009). The government of Tanzania decided to impose duties on such goods to preserve the domestic apparel industry, with limited success (RATES, 2009). In Tanzania, most production is for regional and local markets, the size of the export-based garment sector is insufficient and shrinking. The areas within the fashion and textiles industry where growth prospects are more promising are those companies that have only just invested in new production processes to supply globally (specifically the USA and the European Union to which Tanzania enjoys preferential market access). These companies are owned by multinational enterprises (African and other) and produce finished garments (in special t-shirts and shirts). Two of these companies (A-Z Textile Mills and Sunflag) also successfully produce mosquito nets for the regional market and are the suppliers of international aid agencies, including the Global Fund, UNICEF, and USAID (TGT, 2007).

Garment manufacturing does not necessarily need to start with fabric from any particular mill, and indeed this is not usually the case; The finished materials currently

available from most of the weaving facilities in Tanzania is of low quality which means that garment producers for the international market rely entirely on imported fabric. This reliability completely precludes these locally produced fabrics from their use in cut and sew garment manufacture for the international market (TGT 2007). According to the study by Xiaoyang (2014), only the local market appears to be prepared to accept such poor quality fabrics produced in Tanzania. Due to the possession of bad quality, these fabrics are often sold at a meagre price. The same fabrics are further depressed by the massive cheap clothes from the Far East as well as second-hand clothes imported from Europe and America.

However, a recent observation conducted in July 2016 by this study in the Tanzanian textile industry, revealed a different scenario contrary to what has been stated by Xiaoyang (2014). The local market is not happy with such poor quality and lack of variety in locally produced garments. Because of this poor quality, they opt to go for the second-hand clothes where one can obtain a variety of higher quality fashion.

Another observation by this study was the fact that garments from the Far East are not that cheap. The problem here lies from the locally produced garments' weakness to possess those aesthetic features that can attract consumers. This study proposes that through understanding, the technology used in textile and garment processing and the incorporation of such technologies in Tanzanian policies and the fiscal system could bring positive change to the industry. This concept is to be tested through the soft systems methodological approach to the study.

Apart from that, some (e.g. A-Z Textile Mills) are investing in modern spinning and knitting plants. According to the TGT research, few large-scale garment-making plants were populated with a broad range of modern machinery, established factories making knitted fabric were working close to capacity, one exporting 4,500,000 leisurewear garments per year to the UK and the USA; demonstrating that the industry in Tanzania was capable of producing high-quality goods suitable for the export market (TGT, 2007; MIT, 2012). As highlighted earlier, some companies have a strong market position in the manufacture of mosquito net fabric based on polyester yarn. This type of manufacturing is an expanding area. For other products, maintaining an acceptable standard for export is seen as a serious challenge (ibid).

In 2011, large apparel-making Corporation from China, JD Group, invested in Tanzania through Tanzania Tooku Garment Company Ltd, the group was originally based in one of China's textile centres, Changzhou city in Jiangsu Province and principal exports to the U.S. market. The company decided to look for other places to invest due to the rise in production costs in China. The group had at that time a total number of 13 plants in Cambodia, employing 20,000 workers. Due to the stable political situation in Tanzania and the fact that the country has good relationships with China coupled with the newly established special economic zone, the group management decided to invest in Tanzania.The group opened their first factory in May 2011 and by August 2013, the factory had hired over 1000 local workers and was also expected to increase the number to 3000 (Xiaoyang, 2014). Mazava Fabrics Company Limited located in Morogoro, Tanzania is another apparel factory, which is a part of the Winds Group also operating in Madagascar and Mauritius. The factory in Tanzania deals with sports and corporate wear. The factory was established in 2009 and mainly exporting to the US through AGOA. The company employed 1000 people during its establishment and increased to 2100 in 2014 (Tanzania Daily News, 2014).

Neither of the above-stated apparel factories source their fabrics from local mills but instead import all of the raw materials. A to Z and Sunflag uses polyester yarns for making mosquito nets; Winds Group requires knitted fabrics, which are not produced by local mills. JD has just arrived in Tanzania and is not confident about the local supply. Several apparel factories (both big and small) which have been established in Tanzania rarely sources their raw materials such as fabrics locally (Xiaoyang, 2014; TGT, 2007). This situation has been prevailing for some years up to this moment.

1.6 Second-Hand Clothing in Tanzania

During the period from 1980 to 1985, the country ran short of various goods, clothes being among them. It is during this time that the production of local clothes (batik, tie and dye) was initiated. These products were characterised by their poor quality and not only that but also expensive to the extent that the majority of people could not afford to buy them. Due to this reason, some people (mainly from rural areas of Tanzania) opted to wear sacks, which became shirts and skirts or something to wrap up their bodies. To overcome the problem, some entrepreneurs started to smuggle in second-hand clothes popularly known as “Mitumba”. This period is when the second-hand clothes became a highly valuable commodity, and its status was raised (Karegero, 2016).

Second-Hand Clothes (SHC) were imported into Tanzania before and after independence though mainly for charitable organisations and churches for donating to the needy people (Karegero, 2016; Kinabo, 2004). As the crisis of the economy and decline of performance of the textile industry sector prevailed, used clothes became very popular. They were no longer consumed by only poor people but also wanted by all classes of individuals (ibid). SHC is primarily imported from the USA, Canada, and Europe. Exporters of SHC often source their products from unsold goods of new merchandise retailers, charity donations from large clothing chains, and a mixed variety of other outlets including consignment shops, vintage and thrift stores, garage sales, car-boot sales, jumble sales and charity shops, and flea markets (Kinabo, 2004; Freund & Levy, 2009). However, in October 2003, a concern was raised regarding the health situation of the same imported SHC. Tanzania Bureau of Standards (TBS) demanded a requirement for a health certificate to prove the country of origin was free from various diseases and certification of fumigation on each consignment. Furthermore, the agency banned the importation of used undergarments, socks, stockings and nightwear (Karegero, 2016). In March 2016, in their effort to revamp the domestic apparel industry, heads of state of the East African Community (EAC), which include Tanzania, Kenya, Uganda, Rwanda, Burundi and South Sudan announced a ban on importation of second-hand apparel and footwear (East African Community, 2016). The phase-out was meant to protect the local industry from the stiff competition faced by the imported used T&A products. A study conducted by Calabrese et al. (2017) to assess the short-term impacts of this decision of the government on the local

apparel sector suggested that contrary to the intention of the government, the phase-out could stimulate increased new apparel imports subject to the substitutability between new and used T&A products. Not only that but also issues like loss of employment and various cost generation for the poorest consumers will be evident. The authors went further and show the longer-term implication in which they termed the phase-out as questionable to stimulate the growth of the apparel sector unless the existing hindrances are dealt with accordingly (ibid).

Second-hand T&A products are recently generally accepted by the consumer market in Tanzania. Due to the nature of their collection from sourcing destination,the clothing have gained popularity not only because of their affodability, but also their tendency to be unique coupled with high quality which make them last longer as compared with most available domestically manufactured new T&A products. The fashion-conscious youth of Tanzania prefers the style of second-hand clothing.

Apart from the effect from SHC business, studies conducted by Kinabo (2004) revealed that there is another significant threat from cheap new clothes emanating from Asian countries, which altogether competes within the same market with the poor locally produced textile and apparel products. Within the same context, the Information Communication and Technology Section of the Ministry of Industries, Trade and Marketing carried out an analysis of the value of SHC importation in comparison to the other textile products. The study revealed that the importation of used clothes was 35.16% in 2002 and 31.0% in 2003 of all textile imports (Kinabo, 2004). However, the importation of used clothes decreased by 13.9% while the new clothes increased by 0.5% in the year 2003 (ibid). A study by Calabrese et al. (2017) estimated that Tanzania imports second-hand T&A at over 540 million pieces and 177 million pieces of new T&A products whilst the local production of new T&A products is estimated to be 20 million pieces. This means the local production cannot satisfy the local demand and therefore faced with the problem of unavailability of local product, which can be used to offset the imported products if the phase-out and any other protection could be put into action.

1.7 Fashion produced by local designers/ handicraft

There are some SMEs in Tanzania dealing with fashion design and handicraft; these are the ones that produce the haute couture designs. The TGT (2007) report revealed the difficulties encountered in providing exact figures for the numbers of people involved in the clothing industry especially in this field of local designers, mainly due to the 'unofficial' (undeclared) nature of the businesses. However, the study revealed the approximate number of those companies registered from 2003 to 2005, whereby just fewer than 60% of firms in Tanzania were involved in the manufacture of textiles and 0.1% involved in the production of apparel. The study went further by stating that 92% of the Tanzanian businesses were individually or family owned, and of which women hold about a third. Dar es Salaam has the greatest concentration of private sector business units (24%) (TGT, 2007). Notable fashion designers in Tanzania include Ally Rehmtullah (whose collections mix the use of traditional African fabrics such as Kanga and vitenge), Africa Sana, Hassanali, Francwaa, Paka Wear, Zamda George and Farha.

Some NGOs and associations like TANCRAFT (Tanzania Handcraft), ADAT (Artisan Development), AMKA, MIKONO and others are helping to fund and give small loans to some of the handcraft/local designers firms and assisting them in accessing export business. These small businesses form a cluster, and through that, they obtain some assistance from these organisations (ibid).

1.8 Domestic Market

Kanga and Kitenge are the major products sold in the domestic market. In addition, there exists some demand for printed cotton fabrics like sheeting canvas, bed sheets and other products like mosquito nets. There is very low demand of domestically manufactured garments such as women's dresses, shirts and trousers for men. Domestic market for such garments is catered to by imports of second-hand clothing, which is sold at very low prices. In 2013, US$ 61 million worth of second hand clothing was imported, making this the single largest CTA import category. In 2011 and 2012, imports of second hand clothing were US$ 57 million and US$ 63 million, respectively. In per capita terms, imports of second hand clothing in Tanzania in 2013 were US$ 1.3 per capita (TDU-MITI, 2016). As a result, the Tanzania products have been limiting

their garment manufacturing for the domestic market. However, this is expected to change with the expanding middle class.

1.9 Textile and Apparel Trade Scenario

Export

Textile and apparel exports from Tanzania have witnessed an overall increase from US$ 225 million in 2009 to US$ 248 million in 2013 registering a Compounded Annual Growth Rate (CAGR) of 2%. Fibre/ filament (mainly cotton fibre) accounts for 51% of total exports followed by home textiles at 21%. However, Tanzania has seen significant growth in exports of fabric and apparel, with annual growth rates of 14% and 21% respectively, albeit from a small base (TDU-MITI, 2016).

Imports

Tanzania's textile and apparel imports have grown from US$ 156 million in 2009 to US$ 246 million in 2013 at a CAGR of 12%. Fabric and apparel account for the majority share of 23% and 22%, respectively. Second hand clothes imports are larger than new apparel imports (TDU-MITI, 2016).

1.10 Key government supporting institutions

The public sector in Tanzania has a crucial role to play in creating the business climate necessary to stimulate investment and encourage growth, both in terms of minimising the bureaucracy associated with starting and operating a business and putting the appropriate infrastructure in place to support investment, with reliable utilities available at competitive prices. At the same time, the public sector should be expected to take the lead in promoting the country as a desirable investment location. The following agencies are intimately involved with these activities in Tanzania:

1.10.1 Ministry of Industry, Trades and Investment (MITI)

The ministry is engaged in the formation of policies and strategies for industrial and commercial development and monitoring the industrial sector performance. Some of its other duties include involvement in export and import management, entrepreneurship promotion and development, planning programming and mobilisation of resources for strategic industrial and trade projects (Salm et al, 2011).

1.10.2 Export Processing Zone Authority (EPZA)

Established in 2006 under the guidance of MIT, EPZA aimed on building export oriented industrial zones and promote the EPZ regime, which attracts investors undertaking processing and manufacturing activities for export purposes. In 2011, EPZA was mandated with Special Economic Zone (SEZ) scheme, which had a role of attracting investors in all sectors of the economy, and provides flexibility on where to sell the products. By the end of year 2010, EPZ was operating six industrial parks located throughout the country strategically, with an additional EPZ location opened around Mwanza as can be seen in figure 1.5.

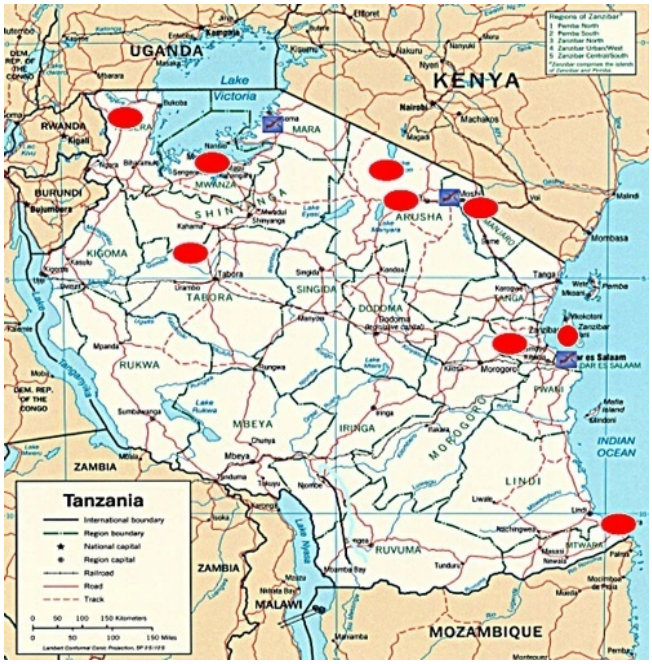


Figure 1.5. EPZ Locations in Tanzania (MIT, 2012)

1.10.3 Tanzania Investment Centre (TIC)

TIC was established in 1997 by the Tanzania Investment Act. It supports the government to coordinate, encourage, promote and facilitate investment, to advise the government on investment policy and related matters in Tanzania. The agency deals with all enterprises whose minimum capital investment is not less than US $ 300,000 if foreign owned or US $ 100,000 if locally owned. It also acts as “one stop shop” by

helping investors in preparing project profile, business registration, licensing and provide an easy way of understanding the laws associated with their intended business. It also helps investors to take various investments incentives via, issuance of certificate of incentives (Freund & Levy, 2009; Keregero, 2016; ACTIF, 2011)

1.10.4 Tanzania Trade Development Authority (Tan Trade)

Established in 2009, TanTrade was charged by the task of implementing the National Trade Policy, the National Export Development Strategy, the Trade Integration Strategy and the Agricultural Marketing Policy and other sectorial policies, all which aim at developing and promoting Tanzania's internal and external trade. Its focus is to enhance the trade of products like spices, oil seeds, honey/ beeswax, leather products, textile and garments (Freund & Levy, 2009; Keregero, 2016; ACTIF, 2011).

1.10.5 National Development Corporation of Tanzania (NDC)

NDC is a leading industrial development and promotion organisation established in 1962 as Tanganyika Development Corporations (TDC). In 1965, NDC was re-established by the government to catalyse economic development in all sectors of the economy. The purpose of this organisation is to initiate, develop and guide the implementation of economic viable projects in partnership with public sector. The organisation is also involved in facilitation of establishment of infrastructure in manufacturing, processing and packaging sections (Keregero, 2016; ACTIF, 2011).

1.10.6 Tanzania Cotton Association (TCA)

TCA was inaugurated in 1997 as a major association of cotton stakeholders that enable them to stimulate and express the interest of the sector in a single united strong voice. The union altogether involves ginners, traders, exporters and Tanzania Cotton Growers Association (TACOGA). By 2014, the association had 50 registered members in which 35 were ginners, one exporter, four cooperative unions, one grower association and two farmers (TCB, 2010).

1.10.7 Tanzanian Cotton Board (TCB)

TCB was established in the year 2004 with the following functions;

- Acts as a government advisor on all matters relating to the policies, strategies and growth of the local cotton industry.
- To enhance a promotionof the growth of the Tanzania cotton industry.
- Licensing provision to marketers, and people who deal with cotton processing and their related by-products.
- To formulatevarious rules for protecting the cotton plants from their related cotton diseases and pests.
- To support research, development, and extension services directly or through financial support.
- To provide education to cotton stakeholders on the relevant techniques used for setting cotton price internationally.
- To defend the farmers' interest against a group of counterfeit buyers.
- To support the formation of stakeholders' unions and countercheck their daily routine.

Investment and Trade Promotion and Ease of Doing Business

There are some parastatal bodies in Tanzania pursuing foreign direct investment and new markets for the country's exports, including Ministries, the Tanzania Investment Centre (TIC), the Export Processing Zones Authority (EPZA), embassies and the Tanzanian Trade Centre in London. Unfortunately, as illustrated in the above paragraphs, none of these specifically targets the textile and garment industry. This is particularly problematic, given the sophisticated investment promotion strategies being implemented by the Country's near neighbours.

An analysis of the incentives and services being offered by Kenya and Ethiopia has been undertaken and compared with those of Tanzania. The differences were observed to be stark (Salm et al, 2011). The level of professionalism displayed by staff at the Trade Attachés in all three countries was also variable, with the staff in Ethiopia and Kenya being much more knowledgeable and able to answer potential investor questions. The Kenyan and Ethiopians attachés also had considerable promotional

literature on the country and its benefits, including literature specific to promoting the textile sector and the advantages the country could offer (ibid).

One of the large denim investors in Ethiopia did research before selecting potential destination for their apparel investment. They selected six countries, which were Ethiopia, Kenya, Ghana, Uganda, Zambia and Tanzania. Ethiopia was chosen as their best investment destination not only because of its relatively lower manufacturing costs (power, wages, cost of capital, lease rates, etc.) but also the pro-active approach and commitment of top government officials in all key ministries to support investors, coordinated by Ethiopia Textile Development Institute (see the result of their study in table 1.2) (Mihretu & Llobet, 2017). In addition, leaving investment promotion activities aside, under the current circumstances, it will be difficult to market inward investment given the infrastructure problems Tanzania is experiencing, particularly in relation to the availability and reliability of electricity. It is assumed that this problem will be resolved in due course, at which time it would make sense to develop marketing materials specifically to attract inward investment in the subsector, and to target trade fairs and exhibitions where textile and garment investors are likely to be located (Keregero, 2016; Salm et al, 2011; TGT, 2007).

Currently, the companies exporting garments are well connected to the international markets through their off shore located holding companies and, at this stage, probably need little assistance in penetrating these markets.

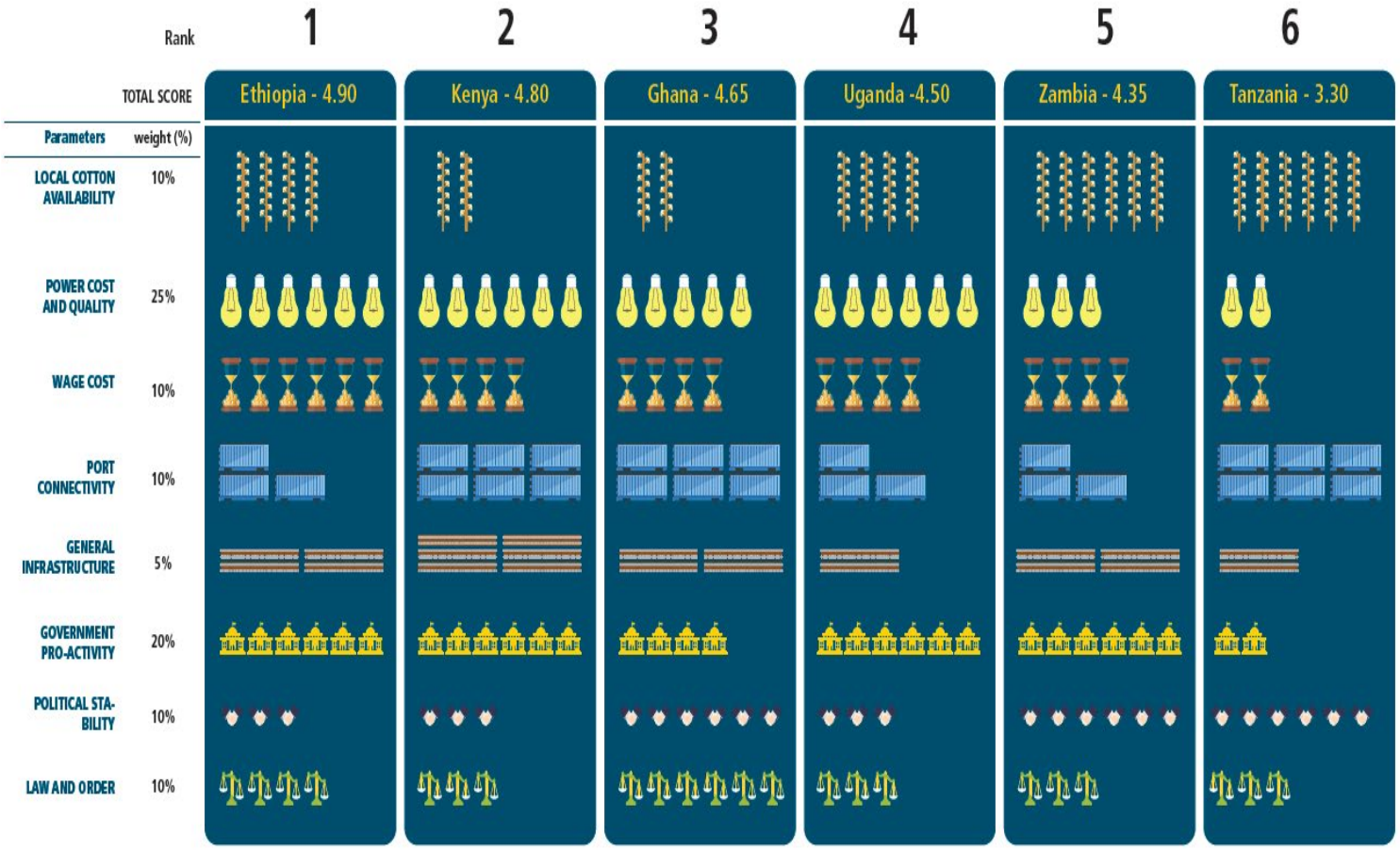


Table 1.2. Assessment results of potential investment location for a PVH Corporation (Mihretu & Llobet (2017)

1.11 Policies within the Textile and Apparel Industry Sector

Various studies have addressed diverse issues related to the creation of favourable policies suitable for the growth of Tanzania T&A sector. The addressed issues aimed at revamping the sector by stimulating the development that will witness the sector excel and become more competitive within the country as well as in global context. These issues include various policies related to trade, internal taxation as well as supply chain infrastructure.

1.11.1 Taxation

In its determination to stimulate the growth of local T&A industry, the Tanzania Government proposed some new policies in the areas of taxation and various incentives related to the investments within the country (TGT 2007; Freund & Levy, 2009), According to the mentioned reports, the following were proposed;

- For all the foreign investments that will need a capital of more than US$ 300,000 and for the locally based investors with more than US$ 100,000 capitals, a reduction in or exemption from tax or payment in duties should be effected.
- All locally manufactured goods channelled to export should be subjected to zero VAT rating; also, a provision in VAT payment delay in connection with any importation of new capital equipment, which have been bought by an investor who is VAT, registered.
- Provision of 100% deductions in investment allowance from corporate tax during the first year of operation followed by a compensation provided of a 5-year carryover due to the losses incurred; this will be effected upon start-up against future business profits.
- A guaranteed employment endorsement of up to five foreign experts related to any project with a valid certificate of incentives.

1.11.2 Trade policies

This section will examine different aspects of trade policies within and outside the country and their respective impact to the growth of the Tanzania T&A industry.

1.11.2.1 Access to markets

Tanzania is one among the countries that participate in various regional Trade Agreements such as the East African Community (EAC) as well as theSouthern African Development Community (SADC). Tanzania has also been granted an access to European Community Market (beneficiary of Lome Convention). The country also enjoys an access to US markets after signing the Africa – US Trade Bill (Africa Growth and Opportunity Act - AGOA). These Trade agreement aimed at reducing a number of barriers that were previously present for the export market penetration especially from the third world countries like Tanzania (TGT, 2007; Salm et al., 2011).

1.11.2.2 Tariff structures

Tariff is an import duty/tax, which is utilised for two purposes, fist being a tool for generating revenue to the government and second to protect the local industry. It is because of the latter purpose that numerous companies in the sector acts as value-sub tractors, which means the final product value of their trade is quite less as compared to their tradable production inputs value at international prices (TGT, 2007). The same report registered its concern on this nature of protection supports as this supports only the existence of the firms that are internationally uncompetitive and they normally create an insufficient income to cover payment of both wages and income taxes whilst directing substantial burden of costs on the economy through the associated high cost of output resulted from this structure (ibid). The report went further by providing an example of a locally produced woven fabric, which is approximated to cost USD 4.00/metre as compared to the foreign made twill, which costs around USD 1.25 as well as the imported denim, which costs USD 1.65 (TGT, 2007). Most of investors who have invested in Tanzania direct their various resources in producing their goods locally due to the severe distortion made on the economy. This kind of investment, lead to shortage of necessary incentives for investment, innovation and further improvement in production efficiency

(ibid). The same study conducted by TGT (2007) followed by Salm et al. (2011) confirms this: as has been mentioned earlier, the local industry mostly produces Khanga, Kitenge, bed linen and other low quality fabrics using the available obsolete technology. The existing tariff which depresses the motivation to invest in single unit such as garment manufacturing, demand lower capital of investment and expecting a substantial rate of return.

Various studies conducted in the Tanzania T&A industry noted that only in companies which are export oriented is where the investment is quite significant. Their huge investment can be supported by the type of modern equipment they possess; fair wages and working conditions, which in turn boost the productivity of workers (Freund & Levy, 2009; Keregero, 2016; ACTIF, 2011) .T,&A manufacturers who are selling their products locally are charged high tariffs in most of the intermediate T&A inputs. This is shown in an example where a tariff of 25% is charged on any imports of woven fabric in the effort of encouraging new investments in integrated textile mills (a mill that comprises of all the sections from Spinning all the way to the garment production)(Freund & Levy, 2009; Keregero, 2016; ACTIF, 2011).

1.11.2.3 Export Processing Zones and Special Economic Zones

EPZ's were established in Tanzania in April 2002 and implemented in March 2003 to:

- To promote and attracting all the export related investment in Tanzania
- To raise earnings evolved from Foreign Exchange.
- To generate and expand employment chances within the country.
- To stimulate and accommodate the adoption of modern technology
- To encourage value addition of the abundantly existing local material for export purposes (Meru, 2006)

A range of various incentives (fiscal and non-fiscal) exists within the available policy framework in Tanzania. These incentives ranges from a 10-year exclusion from paying corporate tax and levies imposed by local government related bodies associated with all

the goods manufactured in Export Processing Zones (EPZ). There is also an exemption on the pre-shipment and provision of reduced port charges as compared to what is charged in transit cargo. Also, there is a special service is provided for goods inspection on site and this is done within Special Economic Zones (Freund & Levy, 2009; Keregero, 2016; ACTIF, 2011).

Other incentives include the possibility of government land grants for equity swaps, Long leaseholds up to 99 years or easy rental terms and finally it is allowed for the export-oriented factories to sell 20% of their output locally on payment of applicable local duties (ACTIF, 2011).

A one-stop centre has been provided to the FDI, which are in a stage of setting up their investment in the EPZ. The centre serves in setting up, facilitation and aftercare services. Criteria such as adherence to the exportation of a minimum of 80% of total production and maintaining an annual turnover of more than USD 100,000 have set the eligibility to operate in the EPZ. In 2006, five textile companies were operating within the EPZ structures (Freund & Levy, 2009; Keregero, 2016).

1.11.2.4 Supply chain infrastructure

Human Resource Development and Training

As per the discussion in the previous sections, most of the existingT&A firms in Tanzania depends on the workforces sourced from foreign countries such as India, China, Pakistan and others. According to the study by Salm et al (2011), these expatriates were relied on supporting the sector in production, management and other operations related to the particular business operations. Many existing textile factories lack appropriate and structured training as a critical hindrance to the business and would love to see the problem solved through locally established Vocational Education and Training Authority (VETA). At the time the study was conducted, almost all training was embarked within the company on an individual basis especially when someone is recruited (ibid).

However, the study by Salm et al (2011) a different scenario in the export-oriented firms where most of them were maintaining proper working environment and adequate priority was given to the staff training and development. Furthermore, the firms were experiencing

elevated level of productivity and availability of staff during work hours was not a problem. The only concern from the management was the fact that during frequent change of the product, the workforce was not flexible to cope with these changes, a scenario which consumes time to attain the normal level of productivity.

The same study found out that there was no presence of suitable and well-structured institution that could provide vocational training to the operators and other workforce in junior level, something that the study thought would have been very beneficial (Salm et al, 2011).

University of Dar es Salaam (UDSM)

The University of Dar es Salaam through College of Engineering and Technology (CoET) under the Department of Mechanical and Industrial Engineering is the only University in Tanzania, which offers Textiles and Apparel (T&A) studies. It offers two bachelor degrees, one in Textile Engineering area and the other one in fashion and garment area. The two courses have been developed by the assistance from Manchester University and covers all important areas related to textile and garments (from fibre production, spinning, fabric production, Finishing, Garment and Management Module) (Salm et al, 2011)

Lecturers who are teaching these courses obtained their T&A knowledge in their relevant postgraduate level at Manchester University and Nottingham Trent University in UK. By 2011 when the study by Salm and his colleagues were conducting this study, a good number of employees from University of Dar es Salaam were pursuing postgraduate studies at Manchester University. Some of them were taking Doctorate and others Masters in different areas related to Textiles and Fashion. One was in his final stages of his PhD studies in Knitting at Nottingham University (Salm et al, 2011). However, by this time, all of them have already completed their studies. Those who were doing their doctorate have gone back to teach at University of Dar es Salaam and those who were taking Masters, some have already completed their doctorate and others are in their final stages of their PhD at University of Huddersfield.

According to Salm et al (2011) and Keregero (2016), the course was thought to be a welcome move, and was supposed to supply a well skilled workforce necessary for

developing the local T&A sector. The graduates from University of Dar es Salaam would help by contributing the knowledge in the sector by filling the senior technical positions within the factories, disseminating knowledge in terms of training to other staff and substituting the role played by the expatriate workers in all disciplines from technical and managerial positions.

However, they suggested that as part of a comprehensive approach to strengthen the industry, It is crucial that the short courses should be provided. These courses if adequately attended would guarantee the smooth operation of the sector in the interim period while waiting for the students to graduate, without which would not address the issues explained above, which would further diminish the industry (Keregero, 2016; Salm et al, 2011).

Vocational & Educational Training Authority (VETA)

VETA was formed under Vocation Training Act and started its operation in 1994. The institution has been charged with the overall duties of all issues related to the vocational education in the country such as coordination, regulation, financing as well as provision of training within the country. In order to run this institution efficiently, the government established the Vocational Education and Training (VET) Board whose work was to oversee all the activities within the VET system. The board consist of the stakeholders sourced from diverse backgrounds such as employers, trade union, training institution, and regional administration representatives, who serve their roles to the board for a maximum of three years. During their period as members of the board, they are supposed to ensure that all activities related to the vocational education and training within the country are developed to reach the target set (Salm et al, 2011; Keregero, 2016; TGT, 2007).

The same studies noted the concerns from T&A stakeholders who expressed their concern on the quality of training provided to the textile workers by VETA, which was seen as insufficient or non-existent. They asserted that, the only guaranteed training available is the one provided by the management within the factory when an employee is recruited or a new machine that uses new technology is installed (Salm et al, 2011; Keregero, 2016; TGT, 2007).

Considering the significance of the T&A industry in the contribution of the Tanzanian economy, an exploration of provision of a reliable, effective and beneficial vocational training would have been done through a body like VETA. A useful connection between the two Institutions University of Dar es Salaam and VETA should also be investigated. This will ensure the proper design of the valuable vocational training to cater for the recent need of the Tanzania T&A industry.

Customs issues

Due to the nature of Tanzanian local market, which is mostly price-sensitive, various tariffs set by the government to protect the local industry from import competition is principally satisfactory. Nevertheless, a study by Salm et al (2011) found that both producers and merchants were highly concerned on the significant amount of T&A products that are smuggled in the country. This scenario distorts the country's intention of protecting the local industry.

Tanzania Ports Authority (TPA)

This is the Authority found under the Ministry of Works, Transport and Communication with the role of supporting and ensures that all the operation and management of the main ports available in the country (Dar es Salaam, Tanga and Mtwara) are executed effectively. The authority also helps in developing various sea ports available within the country as well as other administrative issues related to the inland water-wayports (Freund & Levy, 2009; Keregero, 2016).

Dar es Salaam, Tanga and Mtwara are the main three ports, which operate under TPA management. In 2010, the three ports handled 9.8 million tons, and countries such as Malawi, Congo DR, Uganda, Zambia, Burundi and Rwanda are also served by TPA through Dar es Salaam port. Nearly 30 percent of all cargo received through Dar es Salaam port is the transit trade directed towards the above-mentioned neighbouring countries (Freund & Levy, 2009; Keregero, 2016).

The existing three major ports have an average annual growth rate of 7.7% by 2006. Dar es Salaam being the main being the port that handled majority of the cargo, which is approximately more than 90% of all the imports and exports, made using the port. Imports

represents the majority of all the transactions made in the Dar es Salaam port whereas most of the container exports involve empty returns (TGT, 2007).

As quoted from the Briefing Note found in Tanzania Ports Authority on the Development Programme (p. 15-16), “logistics chains in Tanzania and the region as a whole are still very inefficient (Freund & Levy, 2009; Keregero, 2016)**.** Port performance is severely impeded by the inability to handle, clear and move cargo quickly leading to inefficiency, unpredictability, delay and a high transport cost. Some of the main challenges include:

- Deteriorating rail and lake services, which should provide the most efficient, reliable and cost-effective means of moving goods to the peripheries of the country and Tanzania’s landlocked neighbours are not utilised. (Less than 2% of total port throughput was transported by rail in 2010)
- Poor land-use planning
- Increasing urbanisation and rapid population growth
- Uncoordinated land development (especially in the port environs)
- Haphazard planning across different transport sectors (hindering the development of systematic plans necessary for a smooth and balanced flow of cargo to and from the ports).

In Dar es Salaam, these problems are compounded by:

- A poor port access road system
- Unsatisfactory intersection and turn out arrangements
- An inadequate link road system
- Logisticallypoor truck iswaiting for environments and an absence of truck parking areas.

The above-narrated reasons lead to a very high congestion observed in the most of the Tanzania’s ports, and therefore taking quite a long time for a certain shipment to clear. The scenario that makes the Tanzania’s ports uncompetitive as compared to the neighbouring ports such as Mombasa in Kenya, Beira in Maputo and Durban in South Africa. Moreover, due to the availability of small amount of shipping volume, there is no direct route for the ships from Tanzania ports to Europe and the USA. The only available option is the containers to be transhipped via Cape Town or Durban for the USA cargo,

Oman (Salalah port), Djibouti, Jeddah or UAE (Jabel Ali port). Singapore is the main connecting destination for all the cargo to Asian countries (Keregero, 2016, Salm et al, 2011).

Furthermore, despite the fact that most of the road network has been improved, the network is still insufficient and costly, which makes shipping cargo from the Tanzania ginneries and mills to oversees' countries quite expensive and time consuming. This means Tanzanian T&A manufacturers fails to comply with the inflexible demand of most popular foreign brands who requires more fashionable T&A products and sometimes at a specified very short time, which cannot be guaranteed by Tanzanian local producers. Due to this logistical hindrance, the study conducted by TGT (2007) recommended the local industry to remain with the option of producing continuity products such as bed sheets, towelling, and undifferentiated T&A products where time frame is not a major limitation.

Power issues

Reliable and uninterrupted power supply is a very serious issue as far as the development of Tanzanian T&A sector is concerned. Various studies conducted cited this problem as the biggest obstacle to the attraction of the new investments in T&A. These studies, starting with the study by TGT (2007) and later by Salm et al (2011) both observed an extensive scheduled and unscheduled power supply disruptions. It was also noted most of the time the unstable voltage is experienced from the national grid supply, which causes a severe distruction to the various equipments that are sensitive to volatage fluctuations (ibid).

For a long time now, 95% of the electricity supply in Tanzania has been generated from hydropower. Since the country is rich in various fossil fuels (gas, coal, oil and diesel), the generation of electricity using these sources has recently started and has indeed helped in reducing dependency in hydropower. Around 45% of the Tanzania electrical supply comes from hydropower source which is not a reliable source of electricity as it highly depends on the rainy season and in occassions when there is short rainy season as it has been happened recently, the disruption of electrical power is inevitable (Freund & Levy, 2009; Keregero, 2016).

The country also experiences another problem in its electric distribution network, which carries insufficient load to satisfy the necessary requirements. Most of the areas within the country are suffered from this distribution constraint. A study by Salm et al (2011) witnessed the problem around Mwanza, where there are significant mining activities, which consume a substantial power during their normal mining operations. This not only lead to the high pressure exerted to the demand side but also stretched the local power distribution network (Salm et al, 2011; Keregero, 2016).

Tanzanian government has shown clear intention to transform the available natural resources and raw materials available within the country into final finished useful products through various value addition activities. These natural resources include cotton, mining and others which through industrialisation and other respective treatment of natural resources, could have generated a substantial push towards the necessary improvements.

Various studies conducted expressed their concerns on whether the above stated quest will be realised. The main doubt is the current institutional status of the company responsible for all power activities in Tanzania (Tanzania Electric Supply Company, TANESCO), (Salm et al, 2011, Keregero, 2016; TGT, 2007).

Overall, from the above-conducted literature review, the overall effectiveness and performance of the T&A supply chain is severely adversely affected by the country's infrastructure:

- The main cotton growing area is characterised by poor infrastructure especially in rural roads connecting the main cotton growing areas to the ginneries and other main connecting roads. The scenario, which impedes the proper distribution of inputs and poor accessibility of crop after harvest.
- Poor metre-gauge railway network with frequent breakdown that forces most of the cotton to be transported by lorries and trucks over the long distance.
- The above mentioned poor state of transportation through rail and roads causes unnecessary delays in clearing the cargo through Dar es Salaam port for both import and export transactions. This in turn causes the unreliability in order

schedules as well as good delivery in both imported inputs and exported final product respectively.

- Producers had to spend a lot of money investing in expensive power generation machines and purchase/creating alternative source of water due to the unavailability of reliable source of water and electricity.
- Poor access to finances.
- Availability of local experienced, skilled labour.
- Unfocused Textile and Apparel international marketing and
- Government capacity on dealing specifically with textile issues.

1.11.2.5 Technology

The lack of the modern technology can be witnessed in the entire local textile supply chain from ginning, spinning, weaving to the finishing department. Most of the machinery found in majority of the mills are obsolete and some of them not functioning at all for many years. For the proper improvement in productivity within the textile sector, investment to the recent modern technology and provision of training for the people to operate these machineries is inevitable (Freund & Levy, 2009; Keregero, 2016). It has now become a necessity to maintain technology levels within any industry to compete or to tap into the international arena, especially for mass customisation as well as mass production. There are numerous factors that can be considered to be influential to the industry's technological growth; issues like funds allocation by government to R&D, changes and adaptation in Information Technology, the use of internet services and mobile technology in various manufacturing and other purposes, costs and usage of energy, various transactions done worldwide and many others. An increase in internet usage will help reaching an enormous population thus, enabling to reach a huge and scattered local and international market in a shortest possible duration (United Nations, 2008). It is at this point where one among the major weaknesses of the Tanzania T&A industry lies. Most of the T&A firms in Tanzania are not using the internet as a tool for advertising and selling their products or even simplifying their daily operation, only some few haute couture local

designers are using this service in their daily business operations. Constant use of internet should be addressed throughout the industry and particularly in fashion related issues to enable them become more competitive by emphasizing the fashion designers to engage themselves in e-selling and marketing.

1.11.2.6 Socio-Cultural Forces

Various activities within the T&A industry can highly be influenced by the Socio-cultural forces. These forces include demographic and cultural trends, the surrounding environment, population growth, business patterns, various changes related to the lifestyle and tastes, education, buying behaviour, religion beliefs, family, values and attitudes, working condition (for the employees) etc.

Tanzania has a population growth of 2.7% with a total population of slightly more than 44 Million in 2012 (National Bureau of Statistics, 2012). The statistics further indicates that 43.9% of the total population of Tanzania lies in age group 0 – 14 and 52.2% in the age of 15- 64 also 3.9% in the age of 65 and above. However, only 29.6% of the population resides in urban areas and the remaining 70.4% in rural areas (ibid).

The same 2012 sensor report indicated a rise of 71.8% in literacy rate which as compared to the past four years (National Bureau of Statistics, 2012). The increase, which has improved access to opportunities for Tanzanian people. There has been a success in most of the business activities, partly due to the recent market penetration from the foreign business, which necessitates changes lifestyles and mind-sets of people while providing a guaranteed change of taste. A study by Salm et al (2001) highlighted on the high possibility for the T&A industry to achieve its intended market strategy due to the fact that most of the consumer prefer to use the customised products.

1.11.2.7 Corporate and Social Responsibility (CSR) Issues

The section below discusses issues related to labour, wages and working condition. Furthermore, issues related to environmental preservation, health and safety would be highlighted.

Available Labour Policies, Wage Constraints and Other Social Costs

Tanzania's minimum wage levels and labour laws are compliant with ILO labour standards. However, these are not always stringently enforced. Minister of Labour retains power to exempt employers from enforcement of some basic labour rights including remuneration, working hours and leave. The inadequate labour inspection has contributed to unfair treatment by some employers especially on enforcement of the statutory minimum wages, recommended working hours and enjoyment of entitled leaves as stipulated in the law. The informal sector, which is a key employer in Tanzania, is usually excluded from the application of labour laws for lack of enforcement. The termination period in Tanzania is 28 days (Freund & Levy, 2009; Salm et al, 2011; Keregero, 2016).

By 2010, a minimum wages of USD 45 (TZS 80,000) per month set by the government had been operative by various firms including those related to Textile and Apparels. Both employers and employees expressed their concern, as it is difficult for a worker to survive under this low wage payment. They suggested a company-based wages payment of not less than TZS 200,000 (Salm et al, 2011). The study further indicated that the wages of USD 45 per month is quite low as compared to what is offered in neighbouring countries region wise, where the average payment would be around USD 100. The country which is considered the lowest in paying low wages to the employees among the major T&A manufacturing countries worldwide is Bangladesh, which pays around USD 42 per month (Freund & Levy, 2009; Keregero, 2016; TGT, 2007).

There is also a requirement by the government for all the employers in Tanzania to abide with the available Health and Safety policy and regulations of the Occupational Safety and Health Act (OSHA) established in 2003. The act requires that all the employers with a number of employees exeeding ten must adhere to the minimum set safety standard

and organise a safety committee to monitor and alleviate any risk that can be found in workplace (Freund & Levy, 2009; Salm et al, 2011; Keregero, 2016).

HIV and AIDS

Tanzania has the HIV and AIDS prevalence rate of nearly 5%. With this kind of prevalence, most industrialists are still relaxed and do not yet see any danger that can be caused by this disease in their working place. In the country like Lesotho where the rate of prevalence is around 23.6%, there was 43.5% prevalence rate among T&A workers. The age profile of many factory workers is said to be the main reason elevated cases of HIV/AIDS infection among them. It is one of the ages where people are likely to be active sexually and it is at this stage where they are most probably living far from home where their behaviour can be monitored by their close relative and elders. Although, the prevalence of HIV/AIDS within the country was said to be 5%, Salm and his colleagues predicted that the prevalence rate in the formal industry in Tanzania was likely to be more than 10% (Salm et al, 2011).

The same study realizes that all the managers had HIV/AIDS policy in their place of work. However, there was no indication of any efforts in terms of training in prevention and related education programmes offered in most of the factories. Furthermore, no any motivation for testing of the disease was provided to these factory workers (ibid).

Policies related to Environmental and Pollution Control

A study by TGT (2007) and later by Sam et al (2011) highlighted on government emphasis on management and conservation of environmental in Tanzania. The two studies indicated that up to that particular time, the government took a community-based approach, where the existed policy mainly followed the objectives below:

- The ability to provide a sustainable, secure and fair utilisation of available resources to meet the basic requirements of both existing and future populations;
- To manage and prevent all pollutions related to the land, water, vegetation, and air.

All activities related to the management of environment, the National Environment Management Council (NEMC) have been given a mandate by the government to coordinate all other organisations that are dealing with one way or other with matters associated with environment, including monitoring companies' adherence with the existing laws and regulations imposed by the government (Salm et al, 2011; Keregero, 2016; TGT, 2007).

Tanzania Bureau of Standards (TBS) through its National Environmental Standards Committee has been tasked to develop the proper criteria and quality standards related to the environment in all aspects such as air, water (including effluent discharge), noise, soil etc. However, the study by Salm et al (2011) noticed that specified standards have not been distributed to the most of the industries. Most of the local manufacturing firms depends on the standard that were acquired from the World Bank and World Health Organisation (Salm et al, 2011; Keregero, 2016).

Salm et al. (2011) witnessed some evidences of some mills discharging effluents into the water sources available or passing near their respective factories. It was not clear whether the discharged water has passed all the tests for the allowed effluent to be discharged in the water sources as if not would severely cause unbearable damage to the environment. The argument is supported by one of the press coverage aired in 2011 regarding the abnormal situation where the river changed its colour due to the suspected effluent discharged illegally into the river. Apart from treating their wastewater, the factories are obliged to obtain a discharge certificate that allows them to discharge water into the available watercourse nearby (ibid).

Besides treating the water, industries are expected to request a discharge certificate to discharge into the watercourse. The study by Salm et al (2011) noted that most of the factory located in Dar es Salaam area does not have this certificate. This implies that while the law exists nothing is being done to comply or even to implement the law in place (Salm et al, 2011; Keregero, 2016). For the sake of the country to gain a place in the T&A global market as an ethical manufacturing destination, there is a serious need of changing this attitude. This can only be attained by looking where the weakness is and changing the environmental laws to suit the current and future circumstances.

1.12 The role of Synthetic fibres in the cotton-textile value addition

China emerged as the most significant producer as well as consumer of synthetic fibres. In 2015, China managed to produce 66% of all the manufacturing made in synthetic fibres (excluding polyolefin fibres) globally. 8%, which is the second position of the World production in synthetic fibres, went to India, which surpassed both Taiwan and the USA in the same production during the mid-2000s (HIS Markit, 2015). The third place saw Taiwan attained the same production output as was the case with the USA, both producing nearly 4% of total World production. The fifth place for the countries, which produced more synthetic fibres by 2014, went to Africa, the Middle East, and Oceania followed by the Western Europe wich was sixth in production of the same fibres (ibid).

Synthetic fibres have many applications. High-performance fibres are mainly utilised in various garments, home and office furnishings, as well as in a variety of industrial applications. While these microfibers and speciality high-end blends utilised in apparel have been targeted to the high-income individual, preference from normal consumers has now shifted towards apparel products made from blend fibres. The consumers are now prefer more T&A products made from a blend of fibres or sometimes man-made fibres alone as the same products made from 100% cotton cannot only be expensive but also unable to satisfy the various requirements like those that are offered by the blended and man-made fibres which are highly demanded by the consumers. This study is interested in blend fibres (which is arguably contribute to the value addition of the locally grown cotton when blended). The blended fibre is a result of a special combination between two or more different fibres with different physical and chemical properties (Wexler, 2014). When two fibres are mixed (blended), every fibre remained with its original physical and visual characteristics while a resulting blended fibre acquires a new feature, which is a combination of the two different features obtained from two blended separate fibres used. Blends utilise the advantages of all the mixed fibres to offset the disadvantages of a single fibre. Man-made fibres can be blended with natural fibres to create a material that is stronger, but with improved comfortability (ibid). The following advantages related to cost, performance, washability, and colour-fastness (ability to hold dye) can be attained in a

clothing fabric when synthetic fibre such as polyester is blended with cotton fibre (Srivastava, 2012);

- Polyester can be cheaper than Cotton fibres, blending them will result in a more affordable fabric.
- Having “performance” qualities like wicking and quick-dry properties, the polyestermay be added to make the cotton absorb sweat better. On the other hand, following the fact that polyester is not breathable, and cotton is, by blending the two, one can get fabric that is both breathable and sweat-resistant.
- Polyester does not tend to shrink as much as cotton in the dryer, so it may be blended to reduce shrinkage.
- In some cases, polyester can help fabric to hold its colour for longer thereby increasing the ease of screen-printing.
- As an efficient and utilitarian fibre, polyester can always be added to fabric where affordability, durability, washability, and function are a priority.

Man-made fibres can be regarded as the competitor of cotton, but it should also be remembered that the same fibres can be used to complement the value addition of the locally gown cotton. Furthermore, it has been argued that the shortage of yarns, such as synthetic and blended yarns as well as waxed yarns keeps the local industry inferior in specific T&A offerings (TGT. 2007; Salm et al, 2011). A recent observation made in the popular commercial city of Dar es Salaam in Tanzania reveals the fact that there is a serious shortage of casual and elegant T&A locally made products. The existing T&A products that can be seen in the malls and other marketplaces are mainly the imported new T&A products from Asian countries as well as the imported second hand clothes sourced from Western economies. A fair comparison between the imported products and the locally produced products cannot easily be established due to the reason that there seems to be no any local production of the T&A aimed at the domestic market. The few factories that produce these products locally targets for the export market established under the agreements of AGOA, SADC and EU. Other portion comes from the locally produced T&A products such as t-shirts, and polo shirts with customised features such embroidered logos and other special prints produced under special order. Most of these

orders are not aimed to reach the consumer directly but rather are used for marketing related activities like promotion and others (TGT, 2007; Salm et al, 2001). A significant change from natural fibre usage to the use of man-made fibres has been observed from the past decade. It is estimated that the production of man-made fibres reached 70% of the total fibre production made worldwide by 2013 which is an increase of nearly 15% in comparison with what has been produced by 2007 (ICAC, 2013). The peak point which was also the turning point was observed during the financial crisis which hit the World in 2008. At this time, the world experienced a pressure to adapt to a advanced technology for an improve in productivity, increase in quality and lowering costs associated to the production. During this time frame, most merchants opted to trade more in man-made fibres as one way of reducing the production costs to survive in the market (Barrie, 2015). The sharp increase in cotton price in 2011 reinforced the consideration of using more man-made material to replace cotton. Furthermore, consumers were also found to be skewed with the use of T&A products made from pure synthetic or blended materials (ICAC, 2013; Wexler; 2014).

It has been observed that majority of the imported T&A products found in the Tanzanian local market have either been produced from either pure man-made fibres or a blend of man-made and natural fibres. While the government has set some policies for protecting the local industry from various imports, the local T&A sector is not utilising that opportunity by offering sufficient products of the same nature and aesthetic style to compete with its counterpart imported T&A products. Furthermore, for the same reasons of protecting the local industry, the government is planning to ban the importation of second hand clothing in the local market. It is a good approach to enhance the growth of the local industry by protecting the local industry from the imported T&A products. However, the local industry is not offering the same products that is being offered by the imported businesses, which instead of protecting the local industry will in turn create crisis as there will be no T&A products in the market as the local industry is not yet prepared to offer such products to all Tanzanians. A number of solutions can be identified to solve this problem, one of them is for the industry to start thinking of incorporating man-made fibres in the local manufacturing of the T&A by establishing the favourable policies related to the importation and investment of the man-made fibres. The formulated policies will aim on creating

conducive environment for the massive production of diverse T&A products from both fibres such as cotton (already available locally), synthetic as well as a blend of cotton-synthetic and others.

1.13 Summary

The chapter has analysed the Tanzania Textile and apparel sector in its broader context. The chapter started with the brief overview of the Tanzania Textile and Apparel industry value chain, where value addition activities from cotton growth to the final T&A products were provided. The chapter went further by pointing out the local industry's product offering, the import business for both new and used T&A business in Tanzania. It highlighted the role of various key government supporting institutions available in the country and provided the various existing policies within the T&A sector, where policies related to taxation, trade policies and supply chain infrastructure were critically analysed.

Finally, the use of synthetic fibre on cotton value addition has been investigated. The study has outlined an appropriate system for blending man-made fibres with locally produced cotton to produce fabric that will have properties of the combination of the two fibres. The produced blended fabric will then be used to make garments, which will compete, with the imported garments from Asian countries.

Chapter 2

Global textile competitiveness and its analysis in relation to Tanzania's Textile &Apparel Industry

2.1 Introduction

The previous chapter provided an analysis of the Tanzania textile and apparel industry and its associated market situation. This chapter introduces the importance of creation and development of internal markets for a sector to be competitive. It highlights the importance of the sector globally and indicates the competition faced by local markets in developing countries on the importation of Second Hand Clothing (SHC) and other imports from Asian countries. Furthermore, the chapter highlights the way trade policy and rules heavily regulate this sector. It also shows the general trend in the Global Textile and Apparel sector and describes its evolution and the relevant trade theories and competitiveness within the sector. The chapter further describes one of the widely used latest models of a competitive theory, Porter's diamond model, which is highly appropriate for analysing competitive strategy. In the context of this study is used to analyse the competitive advantage of the Tanzania textile industry. The chapter then presents a SWOT analysis of the Tanzanian Textile &Apparel (T&A) industry and a brief cotton value chain. Finally, a brief account of some of the developing countries, which were successfully in their T&A industry, is provided.

2.2 Overview of the global T&A industry

Gerreffi et al (2010) emphasized on the necessity of the supply chain development globally. The authors insisted that this could be done by increasing expertise and knowledge by upgrading the necessary skills in design and marketing. Failure to do that might result on facing further hindrance of gaining an entrance into the global supply chain. While most of the existing Foreign and Direct Investment (FDI) originated from the developed countries, a need to increase skills that can be appreciated by the western producers is inevitable for the sake of attracting Foreign Direct Investments. Gerreffi et al

(2010) on one of their recommendations stressed on the need of the third world countries to upgrade their internal markets.

A study conducted by DEFRA (2006) indicated that for the past ten years, the business of Textile and Apparel (T&A) in UK experiences a continuous discount coupled with low prices which contributed to the nearly 60% increase in the apparel sales. This increase led to a rise of almost 90% in T&A waste collected from consumer. Textile and apparel have been categorised as the leading and fastest growing sector in generating the household waste (ibid) and have led to a constant increase in the export of clothes to overseas markets (Rivoli, 2005, Hawley, 2006). These exports have undoubtedly seen advantages for the destination markets, in particular for women entrepreneurs in Kenya and Tanzania– where there is the significant importation of second hand T&A products from UK and USA (Rivoli, 2005). These imports have further irritated an existing challenging situation confronted by the local manufacturing T&A businesses (Baden & Barber, 2005). The same imports have further resulted in the locally manufactured T&A products unable to strive in a local market due to the previously mentioned stiff competition. Moreover, the fading of second-hand clothing markets can be contributed to by the increased cheap imports from Asia.It is also related to a rise of legal and illegal landfilling and their associated problems and impacts (United Republic of Tanzania, 2003, Mero et al. 2008).

In 21st Century, Textile and Apparel have been recognised as one of the world's leading and financially influential sector. It is estimated that the market value of T&A globally summed up to USD 2,000 billion annually (American Apparel & Footwear Association, 2014). In 2012, the trade made on footwear and apparel made a contribution of USD 350 billion to the United States of America economy. These sales were quite significant as compared to what was observed on new cars sales, which reached a total of USD 175, followed by fast food at USD 75 billion (ibid).

The T&A sector contributes significantly in the role of job creation, stimulating economic and human development and reducing poverty.Globally, it is estimated that a good number of more than 120 Million people were employed directly within the textile and apparel industries, with women being high in proportion compared to men who are both

living in poor rural areas. From 60% to 90% of the total exports business conducted by the developing countries lies within the T&A sector. The phenomena, which give these countries a unique chance to participate in, trade globally (Ahmad, 2005).

The T&A industry had been strong in the United States in the 21st century, despite the fact that it has experienced a remarkable difference from the past because of globalisation and subsequent development in technology. The U.S T&A market creates direct employment to approximately more than 4 million people in its entire supply chain. These employees undertake positions which covers all areas within the value chain from fibre production all the way to the finishing and apparel production including the marketing segment (American Apparel & Footwear Association, 2014). Based on the World Trade Organisation, the United States continues to be the World's 4th largest textile exporter . The U.S T&A exports in 2013 totalled almost USD 24 billion which was designed to benefit more than 50 countries around the world (ibid).

Apart from Agricultural sector, The T&A industry is another sector that is highly dependent on the existing favourable trade policies & rules. The T&A sector is involved in almost all key bilateral, regional and multilateral trade policies. This involvement is due to its nature and presence worldwide and also taking into account its complex nature socially, economically and politically which are all associated with the sector.This kind of involvement exists regardless of the newly established free trade agreements such as the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (T-TIP). Also the case of imposing sterner standards related to labour & environmental issues, starting the initiatives to pave a way to new export markets and a subsequent renewal of the African Growth and Opportunity Act (AGOA). Furthermore, restriction on importation of various goods for the sake of protecting the local manufacturing firms, which produce the same competing goods, is well undertaken by the Trade Adjustment Assistance (TAA) and the Generalized System of Preferences (GSP) (ACTF-CDE, 2011).

2.3 The concept of competitive Advantage

For a particular firm to possess not only the competitive advantage but also a sustainable competitive advantage, it is when the firm attains the profit rate higher what is generated by the related industries at a prolonged several years. It was not until when Adam smith authored a famous book titled “The Wealth of Nations”. There was no existence of any formal theoretical framework related to the analysis and any other development for competition within the country or an industry. The only existing type of economic analysis at that time were accomplished for a competition based on several criteria. This can be seen in the theories like that of mercantilism and the like (see section 2.3.1). Michael Porter came up with the compilation of various books on strategy, which were very popular as far as the competitive analysis area is concerned (see details in section 2.4). Some of these books were Competitive Strategy, The Competitive Advantage of nations and Competitive advantage, which were consecutively published in 1980, 1985 and 1989 by The Free Press (David, 2016). In a current dynamic business environment, attaining competitiveness is a critical factor in business.

Several views on the various factors related to the competitiveness advantage have been recommended. In his perspective, Porter (1990) suggested that, the firm could guarantee its profitability depending on the attractiveness of the industry as well as its relative position within the same industry. Following this concept, strategy is one among the very important tool of making a firm to conduct its activities in a distinct way from what is being done by the competition. It is further argued that the key competences assists on the achievement of the competitive advantage of the respective firm (De Toni & Tonchia, 2003). Based on the availability of the various resources and abilities, one among the main target of the firm is to acquire competitiveness and attain a unique position as far as performance in the prevailing market is concerned. Issues such as sustainability of competitive advantage related to perception and identification of consumers’ needs are vital to the achievement of competitiveness.

Most of the classical economics and their related authors who published after Adam Smith asserted that, the provision of the best product in the market is the main reason of superiority of one firm as compared to those of individual competitors, which lead to the

acquisition of higher profits, and underlying reasons such as invisible market hand principle. They further argued that, possession of competitive advantage is the fundamental factor for a sustainable profit in the contemporary competitive market coupled with the possession of an appropriate strategy (Gabbar, 2007).

Competitive advantage have been defined by different authors. Below is some of the definitions of competitive advantage;

- Competitive advantage is the improved rate of desirability that a particular firm offers to the customers as compared to its competitors (Keegan, 2007). According to the various literatures on competitive strategy, it is considered within the context of value creation, which supports an increase of income against the costs (Rumelt, 2003).
- Competitive advantage has been considered by Saaty and Vargas (2006) as something that emerges in the properties or dimensions of individual firm by enabling the firm to provide outstanding services (better value) to customers than what is offered by the competitors (Porter, 2010).
- De Toni and Tonchia (2003) defined competitive advantage as the values offered by the firms to their esteemed customers provided that these value outweigh the cost incurred by the customer when purchasing the said goods.

The above definitions of competitive advantage portrays a direct relationship between customers' expected values, what kind of values are they offered by the firm, and what is offered by the competitors. This relationship is what reveals the magnitude and circumstances that surrounds the competitive advantage. The closer the values provided to the customers by the company are, the more the competitive advantage the company possess as compared to its competitors. This is the kind of advantage that provides superiority to the firm as compared to the competitors in proximity to customers and wining their buying decisions.

Hill and Jones (2007) insisted on the fact that the uniqueness in features and other aspects of the firm are main pillar of the competitive advantage. These features enable the firm to offer desired services to customers.

Figure 2.1 represents the various components/ factors that lead to competitive advantage

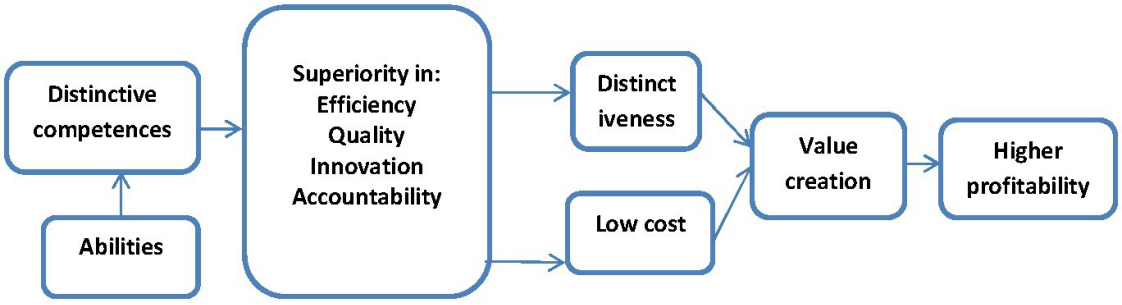


Figure 2.1 The roots of competitive advantage (Hill & Jones, 2007).

According to Hill and Jones (2007), main four factors can assist the firm to achieve competitive advantage. These factors are superiority in efficiency, quality, innovation, and accountability to customer. All of the factors come as a result of unique competences of a particular firm. In fact, they are among the general distinctive competences, which enable the firm to produce its distinctive products while providing higher value to customers and hence reducing its cost structure and other production costs (Hill & Jones, 2007)

Efficiency and Competitive Advantage

In an economic perspective, various firms differs on the way they govern the choice of their cost-effective strategies, which in turn implies that a profit generation is a regular requirement for firms' owners (Gabbar, 2007). Most of the businesses lies upon a principle of converting inputs into outputs. Fundamental factors such as labour, earth, capital management and technology are some of the inputs where as its relevant output would be the respective products and services that are generated by the business. Efficiency is then measured by the amount of inputs that have been used to produce the output, which in other words can be said as the ratio of output to input. Efficiency can be realised by the lower amount of input used to produce a particular amount of output. The

higher the efficiency the more competitive advantage through low cost structure will the firm gain.

Quality and Competitive Advantage

Quality implies a provision in service on what the customer really demands. It is believed that, a product is said to possess a high quality when it satisfies the customer needs. A decision from customer regarding the total superiority or advantage of something is a result of perceived quality. According to Thijs and Staes (2008), perceived quality is one among a type of vision, which is connected to satisfaction. Nevertheless, it is not exactly the same as vision, and often come as a result of comparison observed between performance expectations and perceptions. The higher the level of service quality, the more the sales revenue is generated and a rise in productivity (Gounaris, Stathakopoulos & Athanassopoulos, 2003).

Innovation and Competitive Advantage

Innovation is a process of creating new method or product. It is the process that includes development of new products and their related processes. Innovation is said to be the most important source of competitive advantage as it guarantees a firm with distinctive advantage, which is not possessed by the competitors (Chesbrough & Crowser, 2006). Uniqueness is considered as the main basis of competitive advantage. It guarantees the distinctiveness to the firm from its competitors and enables the firm to sell its product in high price and thereby reducing its operating costs (ibid).

Accountability and Competitive Advantage

According to Rezaian and Lashkar (2010), accountability under competitive advantage circumstances means identifying and fulfilling consumer needs and preferences in the better way than what is done by the competitors. It also means attracting customers to the firm’s products lead to the achievement of competitive advantage. The authors insisted that, having offering higher quality products as well as being innovative to the new line of products are the vital features of accountability. Customisation of products and services to fulfil the customers’ demands is a key approach towards accountability

(ibid). Other features that represents accountability include the time taken by the firm to respond to the customer needs, superior design, and superior services and after sale services and support. Moreover, appropriate responsiveness to consumer distinguishes a firm's products and services from their counterparts and creates conducive environment for the consumer to build loyalty towards the relevant brand and promote the provision of extra pricing and profitability (Rezaian & Lashkar, 2010).

2. 4 Evolution of trade theories and competitiveness

In order to understand the evolution of modern global trade and competitiveness, a need to understand a historical trade relationship between one country and another is inevitable. Some theories have been formulated to explain the mechanism of global trade and competitiveness of a particular country against the other. These theories range from historical theories popularly known as classical to modern theories. Krugman and Obstfeld (2000) pointed out that classical theories are said to be based from the perspective of a country, or country-based theories whereas the modern theories are said to be firm-based or company-based theories.

2.4.1 Classical Trade Theories

The following theories are categorised under the classical trade theories.

Mercantilism

Mercantilism is among the earliest strategy for developing economic theory. The theory was initiated in the sixteenth century. It states that a degree of measuring the nation's richness was decided by the quantity of silver and gold it holds at that particular time. This implied that, a country was supposed to raise its holdings of silver and gold by an effort on increasing exports and discouraging imports (LaHaye, 2008). Quite simply, if foreigners buy more from your end (exports) as compared to what they sell to you (imports), after that, they need to counter balance the trade by covering the difference in silver and gold. Each nation aimed to possess a trade surplus, or gain a position where the worth of exports is higher than the worthiness of imports, and also to prevent a trade

deficit, or a predicament where the worth of imports is higher than the worthiness of exports (Blaug, 1978; LaHaye, 2008).

Among the ways that most of these new countries promoted exports was to enforce restrictions on imports. This strategy is named protectionism and continues to be utilized today. Despite the fact that mercantilism is known to be the oldest trade theories, it continues to be part of the modern consideration in these theories. It is evident that even countries such as Japan, China, Singapore, Taiwan, and Germany still favour exports and discourage imports through a type of neo-mercantilism where the countries promote a mixture of protectionist guidelines and limitations and domestic-market subsidies (Blaug, 1978; LaHaye, 2008). Most of the countries, at one stage or another, have applied some type of protectionist policy to protect essential industries in its overall economy. While export-oriented companies generally support protectionist plans that favour their industries or companies, other companies and individuals are harmed by protectionism. Taxpayers purchase government subsidies of selected exports in the kind of higher taxes. Import limitations lead to higher charges for customers, who pay even more for foreign-made products or solutions. Free-trade advocates highlight how free of charge trade benefits all users of the global community, while mercantilism's protectionist guidelines only benefit some selected industries, leaving the huge expense to the customers and other related stakeholders, within and beyond the industry (ibid).

Absolute and Comparative Advantage Theories

Issues related to competition and economic theory were initially introduced in the literature in the beginning of 19th century when David Ricardo initiated the concept which aimed at showing that issues related to most of trade among countries should not depend on absolute efficiency but rather on relative efficiency. This came as a result of shortcoming observed to Adam Smith's absolute advantage theory on his well-known book titled *"The Wealth of Nations"* published in the 18th century (Smith, 1937). In his theory, Smith focused on the power of a nation to manufacture a specific product more efficiently compared to another country. He articulated that any trade done between two nations should not become regulated or limited by government plan or intervention. He argued that circulation of trade should occur naturally depending on market forces (Smith,

1937; Bernstein & Weinstein, 1998). Ricardo believes that a country has to have a comparative advantage whenever it cannot manufacture a product more efficiently compared to the other country; nevertheless, it could produce the same item better and more effectively than it can do to other products (Fitzgerald and Hallak, 2004). A slight difference exists between the two theories. Whereas comparative advantage targets the relative productivity variations, the absolute advantage talks about the absolute productivity (Harrigan, 2001).

2.4.2 Neo-Classical Trade Theory

Both Smith and Ricardo's theories did not contribute effectively to the country's knowledge to identify the kind of products, which would provide an advantage to the respective nation. The theories assumed that the determination from manufacturers on which goods should be manufactured efficiently depends on free and open marketplaces. The attention to focus on how a nation could gain a competitive advantage by manufacturing goods that utilize elements which were in abundance in the united states was initiated by two Swedish economists known as Eli Heckscher and his friend Bertil Ohlin in the early 1900s. Their theory was popularly known as Heckscher-Ohlin Trade Theory of Factor Proportions (HO Theory). Based on the country's production factor such as labour, and capital, their theory insisted that these factors are the ones that provide the funds for all varieties of investments. They decided that the cost of any resource was a function of supply and demand. Those factors which were highly favoured in supply rather than demand were deemed to be cheaper; and those factors which favour demand as compared to supply will be more costly (Bernstein and Weinstein, 1998; Fitzgerald and Hallak, 2004; Harrigan, 2001; Wood, 1994; Solid wood and Mayer, 2001). Furthermore, their theory narrated that countries would manufacture and export the products that are highly dependent on factors or resources which were in huge supply and, therefore, cheaper production factors. On the other hand, nations would opt to make an importation of the products that demand resources, which were in short supply, but higher demand (ibid).

China and India are some of the examples of countries with the cheap and abundant workforce. This gives the countries an advantage to be in the leading optimal places for labour-intensive sectors like textiles and garments.

2.4.3 Modern Trade Theory

Neo-classical trade theory was mainly based on the fact that nations possesses similar technological situations. These assumptions caused a tendency of ignoring the influence of technological change on trade and specialization (Grimwade, 2000). The theory assumed that innovations related to any technology in one country could quickly be observed in the other countries. Modern economists believes that technology is important and emerged with new trade theories related to this concept.

Technology Gap Trade

Michael Posner is one among the economist who wrote a paper to describe the influence of technology to the trade flow. He was eager to “present an explanation of trade in manufactured goods between advanced countries which share very similar general economic conditions” (Posner, 1961). According to Posner, it was very unrealistic to discard technology as one among major factor on trade flow. He asserted the way new commodities can be developed through time despite the fact that the said development does not occur in all countries at the same time. He added that, trade could be achieved from the existence of a particular technical know-how, which is present in one country and not existing in other countries. This scenario can be possible even if there is no global differences in either factor proportions or relative advantage (Posner, 1961). Nevertheless, technology can only provide a temporary and not a sustainable competitive advantage, a scenario which has been termed as technological gap trade. Posner (1961) in his article “International Trade and Technical Change”, explained two categories of time lags in which he named them reaction lag and imitation lag. The reaction lag is the total time taken by consumers to realise and accept the new offered product in the market whereas the imitation lag (closely related to the existing competition in the industry), is the time taken for the rivals to produce similar or substitute products. This theory explains the fact that, even though a certain country may have achieved a momentary competitive

advantage due to the possession of various innovations in technology, it is a temporary advantage as other countries will be able to copy the technology for producing the same product. This would provide the conclusion that high wages countries will eventually tend to become the net exporters of new products. Nevertheless, the production in the first producer country will diminish and may disappear altogether leaving other producers who copied the technology prevail in the market (Posner, 1961).

Country Similarity Theory

The theory was developed by a Swedish economist Steffan Linder in 1961. He attempted to enlighten the idea of intra-industry trade. In his theory, Linder suggested that customers in countries that are in the same or related stage of development could have similar choices. Linder went further by providing some recommendations that companies should first manufacture for the local market. Once they opt for exportation, they often find the same marketplaces that are almost similar to their domestic one, in all conditions on issues such as customer preferences, which provide the most prospect of success (Krugman, 1984; Brander & Spencer, 1984). Linder's country similarity theory then says that most trade in manufactured products will be based between countries with identical per capita incomes, and intra-sector trade will end up being common (ibid). This theory is usually often most readily useful in understanding trade in items where brands and item reputations are essential factors in the buyers' decision-making and purchasing procedures.

Product Life Cycle Theory

The development of the product life cycle theory was first introduced by a Harvard Business College professor, Raymond Vernon in the 1960s. Vernon included technology factor in his trade theory. His viewpoint matches that of Posner's with the only exception that he puts an emphasis on the actual products. Posner, in contrast emphasises on the life of the technology used to produce that product. The theory is almost an extension of Posner's theory. The theory differs is in contrary with what classical and neo-classical trade theory suggests due to the fact that "It puts less emphasis upon comparative cost doctrine and more upon the timing of innovation, the effects of scale economies, and the roles of ignorance and uncertainty in influencing trade patterns" (Vernon, 1966, p. 190). In his article, "International investment and international trade in the product lifecycle", Vernon (1966) stated that product life routine has three unique phases: (1) new product, (2) maturing product, and (3) standardized product. The idea assumed that new product development wouldfully occurs in the home country of its originality. It was termed as being one of the best theories to clarify the success in production obtained in the United States during the 1960s. The United States was known as the internationally dominant manufacturer in many industries after World War II (Krugman, 1984; Brander & Spencer, 1984). The theory addresses incentives for technological innovation possessed by the countries such as USA, which have substantial wage rates. Companies in these countries would first want to increase the rate of productivity per worker, thereby expecting to decrease overall costs. An example of the said scenario comes from some inventions that happened in the USA, which include the conveyor belt and the forklift. Second, there is a tendency of both having more leisure time and disposable time for the countries having high wage rates. This implies that only products, which do not consume much time, such as the washing machine or those that can be used in recreation such as the Jet Ski, were favourably produced in these countries (Vernon, 1966).

Apart from the above explanation, Vernon's theory has additionally been used to explain how the Personal computer (PC) was created. Being a new product during the 1970s, a newly invented PC was developed into a well-established product through the 1980s and 1990s. Today, the Personal computer is within the standardised product stage, and nearly

all manufacturing and production process is performed in low-cost countries in Asia and Mexico (Krugman, 1984). The theory has not successfully been able to describe current trade patterns where innovation and production occur around the world. For instance, global companies can only carry out activities related to research and development in developing economies where there is the presence of cheaper skilled labour and facilities. According to Brander and Spencer (1984) who narrated that, research and development is typically done to the first or new product stage and for that reason all of the manufacturing processes are conducted in the home country.However, they noted that developing or emerging-market countries, such as India and China, provide both highly skilled labour and new research facilities at a considerable cost advantage for global companies.

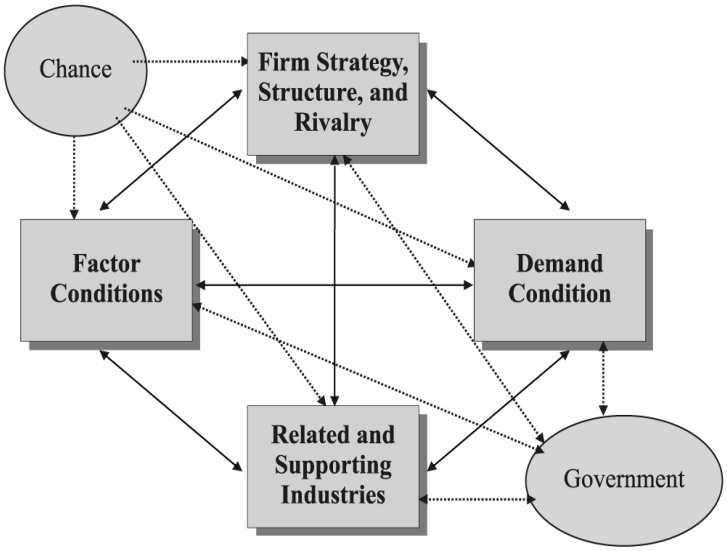
Global Strategic Rivalry Theory

Introduced in the 1980s, global strategic rivalry theory was predicated on the work of economists Paul Krugman and Kelvin Lancaster. Their theory aimed at Multi-National Countries and their attempts to gain a competitive advantage over other global companies in their industry. The majority of companies will encounter global competition in their sectors and able to survive the competition, they need to develop competitive advantages (Krugman, 1984). The key techniques companies can achieve with a sustainable competitive advantage are called the barriers to entry for the relevant industry. When a new company is confronted by certain obstacles when entering into the industry or new market, the firm is said to experience the barriers to entry in which the companies may seek to optimize including:

- conducting proper research and development (R&D)
- proper possession of the intellectual property rights,
- economies of scale,
- having distinctive business procedures or methods as well as considerable experience in the sector, and
- The proper management of resources or favourable access to raw materials.

2.5 Porter's National Competitive Advantage Theory

In a continuing trend of describing international trade theories, a new model that portrays a national competitive advantage was developed in 1990 by Michael Porter of Harvard University. His model was the extension of the traditional international trade theory of comparative advantage, which aimed at endowments (in this case factor of production). The model shows the entire process of creation and relationship between factors of production and firms' competitiveness in a comprehensive approach (Cartwight,1993). However, it was later argued that the theory is mostly skewed to the home theory and not taking into account of all other activities in a foreign country (ibid). Porter's theory stresses that for a nation to be competitive in a particular industry depends on the ability of the sector to innovate and upgrade. His theory concentrated on provides reasons on the competitiveness of some countries as compared to others in particular industry. In order to clarify his theory, Porter developed and linked together four determinants. He named the determinants as firm strategy, structure and rivalry, demand conditions, factor conditions and related/supporting industries. These determinants have been shown in boxes in figure 2.1. The items presented in circles (chance and government) are catalysts of change, the role of the government is to encourage (or challenge) companies to raise their aspirations or levels of competitiveness and stimulate creativity and innovation.



Source: Porter (1998, p.127)

Figure 2.2. Porter's diamond model

Furthermore, Porter's theory was embarked on the notion of competitiveness using five forces. The model, which is popular for analysing competitiveness, could be applied to a firm, industry and to a nation (Porter, 1990). Many authors attempted to develop alternative models for competitiveness; however, majority of their formulated models picked some ideas from Porter's diamond model. Porter (1990) asserted that regardless of the type of an industry, whether it is locally or foreign based, provide services or manufacture products, the competition rules would always be incorporated into five competitive forces. Porter named these forces as new competitor's entrance, the threat brought by substitutes, buyers and suppliers' power for bargaining, and rivalry among the existing competitors (Porter, 1990, p.5). This means the model assists on clarifying the possible area where the competitive advantage can easily be attained.

Another model that was adopted from Rugman and Hodgetts (2000, p.430 – 432) called Double Diamond indicates the existence of integration between two countries to form a strategic single market. The Double Diamond model intends to establish the common market as well as the integrated economy and the ability to compete and hence achieving a competitive advantage. Nevertheless, most of the developing countries including Tanzania are doing things contrary to what the theory demands following the fact that the Diamond model formulated by Porter was initially based on the practice to the developed economies. The same argument was presented by Rugman (2001, p.427) who verified that most of the developing economies could only use the Diamond model with some amendments. He provided reasons that, apart from the mentioned five competitive forces, there are some other crucial elements that could highly affect competitiveness. One of the forces that need to be added for the model to work effectively in developing economies is the government and its institutions. In an effort to respond to these weaknesses, Porter (1990, 1998) introduces chance and government to add up to his previous study of 1990. The government plays an important role of controlling and regulating all activities related to business, industry or nation. Porter termed this as the most powerful factor in developing economies (Porter, 1998). Numerous authors and researchers have extended the Porter's diamond model. In 1995, another model called generalized Diamond model

was suggested by Moon, Rugman and Verbeke in (1998) (as cited in Cho and Moon 2000, p. 111). The model can be applicable to all nations and portrays the generalized double diamond in which the inner side of the model represents a domestic diamond and the outer side global diamond (ibid). The model was able to incorporate multinational activity and government (Cho and Moon, 2000, p. 202). It was further recommended that the developing economies should conduct a re-evaluation of the diamond model to suit their current business environment (ibid).

2.5.1 Porter's diamond competitive theory as applied to Tanzania Industry

Factor conditions

Factor conditions are the production factors required for competing in a particular industry (Porter, 1998). Porter categorised these factors (endowment) into different categories, which includes various resources in human, physical, knowledge and capital. The last category mentioned was the infrastructure (ibid).

Furthermore, Porter classified the above-mentioned factors different classes; *basic* factors against *advanced* factors, and *generalised* factors against *specialised* factors. He explained basic factors as those, which can be passively inherited such as climate, labour whether skilled or unskilled. He also termed advanced factors as those, which include various conditions that are created by the nation, issues like higher education and highly skilled labour. He also described the fact that competitive advantage found on generalised factors is not sophisticated and is always in transition whereas the specialised factors are necessary for more advanced stages of competitive advantage (ibid).

A mechanism such as public and private educational institutions creates various advanced or rather specialised factors. Countries succeed in those areas where they may be particularly proficient at creating and improving the needed factors. Porter (1998) insisted on the standard for what constitutes an advanced or specialized factor which tends to increase gradually as the level of knowledge and other related issues improves.

The competitive advantage factor of the Tanzanian apparel industry had mainly been cheap labour. However, as wage costs rose, companies began to outsource labour and raw materials globally. Acknowledging that unskilled labour is no longer a viable factor, Tanzanian companies all alike are eager to create change, but problems remain on the implementation of the strategies that have been set.

Taking an example of Korea where it has been seen that education is the top priority of all parents in that country and a proven proactive factor for the development of their economy (Chung et al., 1997; Porter, 1998), the same should also be applied to Tanzania

to improve the production and process specialist skills and technology. Generally, the Tanzanian technology infrastructure is quite low in comparison to advanced nations (Porter, 1998). With regards to technology, the textiles and textiles finishing machinery in industries and studios for the local designers, internet industry, Tanzania is quite poor. Different steps are being taken by government and donors to review and upgrade the Tanzanian cotton and apparel industry so that the industry can perform better compared to what is happening now. With regards to design and technology education, there is little if anything specialist offered; the textiles section in the University of Dar es Salaam folded and was disbanded in the wake of the textiles industry collapse (TGT, 2007).

The research carried out for the TGT report led to the re-establishment of a Textiles department within the University of Dar es Salaam and the educating of lecturers for the department with specialist skills and knowledge in the textile technology area. There was no formal education available for textile and fashion design studies, The report's recommendation to develop several levels of education have been put into place: foundation and degree level (with the aim of developing towards postgraduate studies has been implemented through the help of VETA (Vocational Education and Training Authority) of Dar es Salaam (TGT 2007). The first degree in Textile technology and fashion at the University of Dar es Salaam commenced in the year 2011, and at the same time, a foundation course of fashion in VETA has been provided within the same year.

Most Tanzanian designers are not known internationally, only a few of them are selling their products abroad. Tanzania (and Dar es Salaam in particular) has a growing creative community populated by fashion and textile designers, artists and graphic designers but most of them have not had formal training. The formal training of creative designers would be a new competitive advantage, as it would develop not only design skills but also a language to help communicate with foreign buyers and so help product development to take place in accordance with customer requirements.

Demand conditions

Demand conditions concentrates on the structure of the local demand for the products and services offered by home industry and the associated sophisticated nature of the consumers. It also shapes the rate and character of the available firms towards innovation

(Moon, 2000). It is these conditions that deliver the motivation and pressure for the firms' improvement towards achieving competitive advantage (Grant, 1991). Generally, a country could achieve a competitive advantage in industries where demands created by home market pressurised the local firms to do innovation and consequently boost the quality of their products.

For those industries with customers who identified themselves for their preference in the quality-price attributes, manufacturers are obliged to meet both quality and lower cost of their respective products, which demands them to gain access to domestic buyers and make a close contact with the buyers. It is imperative that home demand should be given top priority as through them the firms could establish a competitive advantage with the presence of economies of scale, which in turn will increase the necessity of the firms to prioritise on satisfying the domestic buyers and consequently speed up their rate of innovation.

The home market in Tanzania is not a demanding one especially in highly designed fashion, as has been described in section 1.3 in the previous chapter; the local consumer is accepting of products deemed not good enough quality for the export market. Tanzania is described by the United Nations as a Least Developed Country (United Nations, 2009). This means that the country;

- Has a low-income country having a three-year average Gross National Income per capita of less than the USD 905.
- Has a weak human resources capacity which is based on indicators of nutrition, health, education and adult literacy and finally
- economic vulnerability (established due to the lack of stability of agricultural production, coupled with the same problem of export goods and services as well as the economic importance of non-traditional activities, intentional focus on products exportation, plus the handicap of economical smallness, and the ratio of the human population displaced by natural catastrophes).

Attracting foreign direct investment is a key feature of successful creative industries in developing nations (UN, 2008). Tanzanian fashion and textiles industry sector is largely

unable to do so (through uncompetitive skills & production rates in the manufacture, lack of access to internationally acceptable quality fabrics, inappropriate styling and quality control). These difficulties are compounded by, among others, the informal nature of the sector, which the Tanzanian government has been working to alleviate through initiatives supporting and integrating the (large) informal economy into the mainstream formal (TGT, 2007; Salm et al., 2011). However, as highlighted before the same problems are still prevailing in the Tanzanian T&A industry.

Related and supporting industries

The existence of competitive suppliers worldwide and the related industries offer to the downstream industries advantages such as innovation, a continuous flow in information, upgrading and an improvement in technology transfer (Porter, 1998). This means a success attained by a nation in a specific industry is only possible when there is an existence of a competitive advantage in some related and supporting industries. It was suggested that apart from back-end raw materials industries, other related and supporting sectors such as front-end sectors, which include sectors such as buying offices, advertising and information technology centres. These are important factors that could back up the coordination sourcing from global trades or global supply chain management and provide an alternative approach to gain a competitive advantage (Gereffi, 1999).

Among the activities involved in the type of related and supporting industries for the fashion and textiles industry, include various offices for sales, advertising, and computer-related technologies, all of which were meant to encourage the coordination of global sourcing or efficient management of the global supply chain to become more critical. For instance, firms can buy international brands, hire international experts in marketing, and promote the brand image locally (Gereffi, 1999). Therefore, while Tanzania does not have potential to develop internationally in competitive advertising, the country can still opt to subcontract the service and act as a logistical centre. The subcontract can be done by outsourcing fabric and other intermediate inputs produced in other countries, and conducting some other activities such as coordinating a selection of essential needed services on issues such as shipping, quality control inspections and credit letters' fund transfer (Gereffi, 1999). Management of both production and trade networks and ensuring

the fragmented trade come together as a complete integrated business is the one that Gereffi (1994) argued to be the primary job of apparel firms.

The competition has also been made severe due to the rise on importation from countries with lower labour cost such as China. The stiff competition in the local Textile and Apparel market experienced in Tanzania could provide an opportunity to enrich its competitiveness through internationalisation. It is through recognising home market saturation and presence of strong domestic rivalry, Tanzanian apparel firms need to start to internationalise their brands to some other countries, there are some textile companies that are exporting their locally made garments through EPZ to the U.S and other nations, but the flow is not encouraging. More effort is needed so that Tanzanian brands can be one among others that should be seen in the international market. In short, the Tanzanian apparel industry is still faced with the following challenges that need to be settled:

- It requires strengthening its local market offerings and diversifying beyond the United States. Often high design quality includes all other issues that consumers may demand. As soon as the industry expands to more diverse marketplaces, it will attempt to reveal the preferences of diverse global consumers when developing new products.
- To determine strong brands and expand effectively, coupled with the internationalisation of local brands, the industry can also make use of inbound and outbound foreign direct investment.

Firm strategy, structure, and rivalry

According to Porter (1998), nations are likely to be successfully in production areas where systems of organisation and the corresponding management practices favoured by the nation are compatible to the competitive advantage industries' sources. As a result, the countries whose strategy, management style as well as the domestic rivalry contains "high-quality design with agility" would be in a position to gain new international competitiveness and endure their existing status.

For instance, the Dong DaeMun market, Seoul, Korea is one of the ways in which the Korean apparel industry is clustered in a particular area and of how that geographic focus

suits agility. Dong DaeMun has already established a long background as a strong wholesale market base since 1905. The Dong DaeMun General SHOPPING MALL includes 26 marketplaces and 26,000 shop stands. Among these marketplaces is the recently built modern clothing retail centre called Miliore that was opened up in 1998. The newly opened market gained a reputation in neighbouring countries and had even turned into a visitor attraction. Individual stores within Miliore produce small-customised batch orders from Japanese merchants and export them. This success can be described in two ways. The first is the geographic concentration of related suppliers and vendors: fabric, trims, sewing facilities, retail, and related sectors that are clustered in that specific area. The other is agility: the manufacturers can produce a small batch of the clothing product within 48 hours from design to the rack (Suh and Diener, 2002).

While there is existence of only few clusters in Dar es Salaam Tanzania, the country attains its agility using personal networks instead of what is done by the developed countries who uses technology as a means of achieving agility. Majority of firms available in Tanzania are manufacturing small quantities of products. The trade-off exists between cost efficiency and the benefits associated with agility on a global scale are the result of the degree of agility to the market. In a scenario where there is a need for development of Tanzania Textile and Apparel industry internationally, it is not possible for a country to achieve agility by relying only on personal and business networking. In order to succeed on securing large volumes and cost efficiency, a sensible consideration on global sourcing and production improvement coupled with the use of proper technologies should be utilised.

Chance and Government

Porter (1998) added two extra determinants on top of the existing four determinants that were earlier introduced. The additional determinants are chance and government. Porter mention a chance as something that just happen; nevertheless, the nation possesses “diamond” which is favourable could easily transform chance events to become competitive advantage. Government can make a positive or negative impact on each of the initially established four determinants through guidelines and strategies put into place through the political processes. The Tanzanian Government has been working with some

foreign governments to develop several economic policies and institutions committed to support the country in alleviating poverty and stimulate the entire process of industrialisation to the level of the Asian Tiger economies (United Republic of Tanzania 2003). They implemented the MKUKUTA to focus on outcomes in three broad clusters:

1. Income growth and poverty reduction

2. Enhancement of life quality as well as social well-being

3. Ensuring Governance and accountability is well observed within the country.

The policy ran from 2005/06 – 2009/10 and was supposed to be reviewed through the MKUKUTA Monitoring System, a partnership between the following: The United Nations, The UK government, Sweden, USAid, African Development Bank, World Bank and various other members that may be NGO's, Research or academic institutes and private individuals.

2.6 Tanzanian Textile Industry Competitive strategy analysis

According to Porter, the importance of the model of five competitive forces can be seen on any analysis involving the structure of an organisation's industry in its strategic processes. Corporate strategy has been established on the fact that, it should regularly capture and resolve all the opportunities and threats in the organisation's external environment, the concentration of competition followed by the productivity and these five competitive forces should determine attractiveness of an industry (Porter's, 1980, 1990). Porter went further by saying that, the corporate strategy has the obligation of amending these competitive forces in order to improve the existing status of the organisation. It is through the analysis made from the five forces that the management could well be informed on the exact direction the company is heading and consequently decide on how to adapt or change the specific features of the respective industry (ibid).

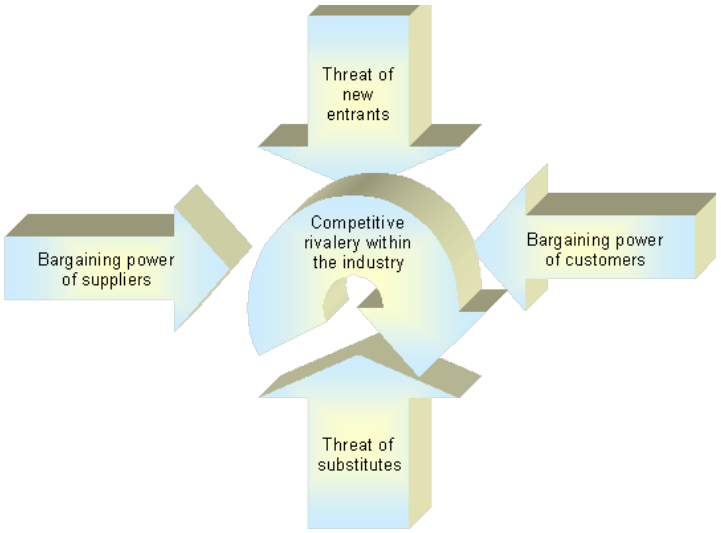


Figure 2.3. Porter's Five Competitive Forces (Porter, 1980)

Bargaining Power of Suppliers

According to Porter, the term 'suppliers' is defined as all sources for inputs that are required to deliver goods or services (Porter,1990). He went further by saying that, supplier bargaining power is expected to be at the peak when:

- Few larger suppliers control the market rather than individual suppliers
- There is absence of substitutes for a certain input or product
- The suppliers' customers are split, and therefore their bargaining power is diminishing
- The costs for switching from one supplier to another is high.
- There is the chance of the supplier integrating forwards to achieve higher prices and margins. This threat is exceptionally high when:
    - The buying industry can attain higher profitability as compared to the same sector in supplying.
    - Vertical integration gives economies of scale for the supplier,
    - The buying industry hinders the supplying sector in their growth (e.g. unwillingness to recognise the latest releases of goods),
    - Low barriers to entry are facing the buying industry.

It is such situation, which makes the buying industry to experience high pressure on obtaining enough margins from their suppliers. The connection built between the firm and its dominant supplier could possibly reduce the firm's strategic options.

Tanzania experiences the situation where fabrics, which are supplied to apparel manufacturers, are confronted with irregular supplies. This kind of susceptibility could have been caused by the existing long distance between Tanzania and Asian countries, where most of the apparel firms and other retailers source their yarns and fabrics using the local importers. Another reason could be due to the complications experienced in harmonising the policies set by the nation, which if not regulated to favour the business, they could result to the weakening of the targeted profit to the local manufacturers and hence leads to the inability of these firms to recover the increase in cost in their respective prices. Likewise, significant resources such as capital and skilled labour, technology, equipment and other related resources could provide more impact on the structure of the particular industry. Most of the manufacturers (handicraft, fashion designers) lacks exact

information that can be shared to them through with the aid of modern information technologies, they cannot omit any mislead business information exists between participants in the same supply chain, hence the supplier power remains high. With the abundance of cotton lint produced in the country, it is important for the industry to develop its local source of quality fabric to overcome the power of suppliers and hence develop a higher chance of becoming competitive.

Bargaining Power of Customers

Porter (1980) asserted that the bargaining power of customers could highly choose the severe impact that customers can cause to impose pressure on margins and quantities. Customers bargaining power may very well be high when:

- There is high demand from buyers to buy large volumes
- The supplying sector contains a majority number of small operators
- The supplying industry operates with high fixed costs
- The goods are undifferentiated and can be replaced by substitutes
- An alternative solution product can be easily obtained as it is not at all hard and it is not related to high costs
- Prevalence of low margins to the customers who are also price-sensitive
- Customers could manufacture the goods themselves
- The goods are not of strategical significance for the consumer
- The consumer is aware of the manufacturing costs of the goods
- The availability of a greater opportunity for the client to integrate backwards is obvious.

In the developed countries and countries that have many large named retailers in the clothing industry such as the UK, the retailers also act as the leaders of their supply chain and manufacturers are working under the retailer's control through hard negotiations and several sourcing tactics (Luesby, 1997). Nevertheless, a study conducted by Christopher (1998, p. 22) revealed that despite of an increase on the purchasing power of the customer, an observation of the growing trend was experienced among retailers towards initiating talks with the supplier base to achieve low cost, high quality, and consistent

delivery services from the manufacturers. Traders and manufacturers sometimes tricked one another in this business to realise their intention target. One of the main challenges for the textile and apparel industry in the developed countries in present times is the volatility demand. Most of the suppliers, specifically small and medium sized suppliers, to achieve such kind of development were seen as a threat.

Retailers demand from the suppliers the quick response (QR). This means those retailers who have an ability to respond immediately to the fluctuating trends in market and ensure availability to meet consumers' needs in a convenient shortest expected time will survive this situation (Luesby, 1997). The same case applies to some few giant firms who also act as manufacturers aiming at producing low cost products, adapting strategic view and utilise extensive modern technology and finally fulfil the respective retailers' demands and attain profitability (Hoffman and Rush, 1988).

It is believed by the industry experts that textile and apparel manufacturers and designers who have been targeting to secure an opportunity towards niche markets using diverse designs and innovations would be able to distinguish themselves from the competition.

A different scenario exists in a developing country like Tanzania; there are a few retailers like Woolworths, Game and other local retailers who source their garments from abroad, not locally. Therefore, local manufacturer firms are dealing directly with consumers without passing through retailers. A Handicraft/ local designer produces his/her designs and sells to his customers through his/her outlet. Even local textile companies, own their outlets at the city centre and in effect, opting out of the competition. This relieves many of the pressures of the competition for bargaining power, but the business is vulnerable to all of the problems associated with small businesses.

The threat of New Entrants

As the industry experiencing higher competition, the best and simple way is for the remainder of another industry player to join the industry. In that circumstance, new entrants could change major determinants of the marketplace environment (e.g. market stocks, the cost for the goods, customer commitment) at anytime. There is always a latent pressure for response and modification for existing players in this manufacturing sector.

The risk of new entries depends on the degree to which there are barriers to entry. Which include:

- economies of scale which means getting operations which delivers profit for a minimum inputs used.
- High costs associated with initial investments and other fixed costs
- Commitment of customers to the brand
- Intellectual property protection to issues like patents, licenses etc.
- The shortage of crucial resources such as skilled workforce
- Access to raw materials to be controlled by the existing players
- Most of the distribution channels are managed by the existing players
- Existence of close customer relations observed from the present players especially those who have long-term service contracts
- High cost of switching customers
- Regulations and various actions set by the government

The apparel manufacturing is exposed to easy entry, due to the low level of capital required to be invested before starting production from a micro garment manufacturing business. However, despite of this “ease of entry” nature of the industry, the apparel production sector in Tanzania has been struggling to survive due to the poor government policies such as poor infrastructure and supply chain management though currently there is great improvement on the infrastructure as the government is emphasizing upgrading the sector. New entrants can still come in, introduce new strategies, and become competitive compared to what currently exists.

The notion that an introduction of a technology related to the electronics could contribute to the facilitation of an easy entry to the emerging new market was proposed by the study conducted by Hammer and Mangurian (1987). Their opinion was regarding cost reduction by using switching costs technique. The technique will ensure a reduction cost for both

customers and suppliers and enable the emerging small companies to cross the border to look for more customers around the world. Assistance provided by the information technology to the manufacturers will be able to reduce the amount of capital required to penetrate in a given new market. However, there is a tiny response observed by the small manufacturers in Tanzania to grab this opportunity and improve their competitive strengths.

Threat of Substitutes

Porter addresses the threat of substitutes as a scenario where there is an existence of alternative products having remarkably lower prices of better performance characteristics and at the same time performing the same function. These products could distort the market share of the volume sold and consequently decrease the prospective sales quantity for the current player. The category is also related to complementary products.The threat of substitutes can also be linked with the following factors:

- Customers devotion to a particular brand
- Existence of a close customer relationships
- The possibility of switching costs for customers
- The relative price for performance of substitutes
- Existing trends.

This study has considered substitute as apparel that satisfy the same requirements like those produced in Tanzania. Cheap imports are examples of the substitutes and apart from other attributes; they are more preferred because of their affordable price. There is new clothing imported from Asia as well as used second-hand clothing (SHC) from Europe and USA, which are sold at a very low price compared to what other companies are selling. For the existing firms to compete with these substitutes, they also need to make sure that their products are cheap or offer something unique.

The rivalry among existing competitors

In Tanzania, the industry can be grouped into three categories, Local textile businesses, Handicraft/couture design businesses, and New Imported clothing from Asia/SHC businesses. As has been discussed in the previous chapter, the rivalry between New Imported Clothing/SHC businesses and the local manufacturing businesses, coupled with poor quality of locally produced fabric has rendered large domestic scale clothing manufacturing small to non-existent. Instead, local businesses aim for product differentiation by producing items not normally provided by other sectors, such as Khanga and Kitenge, and bed sheets. Some have specialized in producing net mosquito fabric based on polyester yarn and other simple items. Only one textile company has been able to produce around 4,500,000 leisure wear garments that are exported to UK and USA (TGT, 2007).

2.7 SWOT Analysis for the Tanzanian Textile and Fashion Industry

A further analysis of the industry using the SWOT approach was applied to the information gathered to identify opportunities for the fashion and textiles industry from the review of various literature conducted for this study. The analysis is presented in table 2.1.

From the analysis, it can be seen that opportunities exist for the Tanzanian fashion and textile industry since the country has a key number of factors that are favourable for the market like cheap labour, politically stable, socially active and abundant cotton production.

Strengths	Weaknesses
• Largest cotton producer in East Africa • Young, healthy, cheap labour and English speaking workforce • Very stable political environment • Gateway to Eastern and Central Africa strategic location and presence of own port • Government readiness to support the sector • Available investment incentives	• High cost of manufacturing- including power, and cost of capital • Under developed downstream value chain – limited value addition • Use of old and obsolete technology due to limited investment • Lack of skilled labour • Lack of specialized training institutes • Inconsistent power supply • Lack of product and market diversity • Delays of export – import consignments at the port • Lack of access to finance
Opportunities	**Threats**
• Comprehensive duty free market access to USA, EU, EAC, SADC and SADC-COMESA-EAC tripartite region. • The scope of improvement in cotton yields	• Emergency of Ethiopia as a strong regional competitor, recently attracting a lot of T&A investments • Significant imports of second hand T&A products • The emergence of Ethiopia as a strong regional competitor, recently attracting many textile investments • Competition from leading global textile manufacturers including traditional product categories such as Khanga and Kitenge

Table 2.1. SWOT analysis of the Tanzanian Fashion and Textiles Industry (Study compilation of the literature review on the Tanzania textile industry)

With the huge amount of cotton lint produced in the country, and the fact that the country is rich with cheap labour, coupled with the existing trade agreements in exportation of our locally produced finished garments that the country is entitled, one could be tempted to believe that there is a potential to the development of the textile and apparel industry in Tanzania. However, the sector is still facing significant constraints on its competitiveness and consequently hinders its development. In order to refrain from placing the entire Tanzanian textile and apparel value chain at risk, there is a serious need of addressing this problem. This research seeks to find an improvement in the current problem situation.

2.8 The cotton value chain in brief

In Tanzania, small-scale farmers are key stakeholders who grow cotton in 15 out of avilable 30 regions. The grown cotton is 100% rain dependent with more cotton grown in the Western Cotton-Growing Area (WCGA) which accounts for a more than 95% of the total crop production in the country. This WCGA contains seven regions such as Simiyu,Shinyanga, Mwanza, Geita, Mara, Kagera, Singida, Kigoma and Tabora. The remaining part of the cotton growth is done in the Eastern Cotton-Growing Area (ECGA), which include regions such as of Kilimanjaro, Manyara, Coast, Tanga, Iringa, andMorogoro regions. Between 300,000 to 400,000 hectares are grown by smallholder farmers, who have limited access to the purchased inputs. A varied number of farmers from 350,000 and 500,000 are normally growing cotton subject to the cotton price offered to the farmers from the preceding season, weather status and cotton competitiveness as compared to other crops. Tanzania has cotton production of average yield reaching 750kg of seed cotton per every cultivated hectare (ACTIF, 2011; TGT, 2007)

The land is prepared for cotton production by destroying what is left of the previous season's crop. The remaining stalks are either shredded and ploughed into the soil or are pulled up by hand and burned. Planting is usually delayed until the sun has warmed the soil enough. Since Cotton has a long growing season, it is best to plant early. Planting times depend on the area and the climate (Lee, 1984). Sowing the seed can be done either by hand or by a machine (Lee, 1984). Inputs such as seeds, fertiliser, pesticide and labour are highly required at this stage. Pesticide is the most demanding input as cotton is the most pesticide-demanding crop (ICAC, 2012).

The next stage is harvesting; cotton can be harvested by either hand or machine. The world cotton is estimated at being over one hundred million bales, produced globally, of which around 70% is harvested by hand. It has been pointed out that only three countries, USA, Australia and Israel harvest their cotton nearly 100% by machine leaving some other 40 countries mixing their harvesting between hand and machine (ITC, 2007).

The harvested raw cotton can be sold either at the farm or in collection points where it is stored before delivered to the gin. A lack of storage facilities close to the cotton farms

results in the seed cotton being retained in piles on the ground, or in sheds, storage houses, trailers or modules. This type of storage is believed to protect the seed cotton from weather damage and from excessive ground moisture which can affect the seed and fibre quality during storage (Lorenzetti, 2013; ITC, 2007).

Cotton is then transported from the field to the nearby gins to separate the lint and seed. During this process, thecondition of existing infrastructure such as roads and railways plays an important role. During ginning, cotton is first fed through the dryers to lessen moisture content followed by being cleaned through the special cleaning equipment to get rid ofany existing foreign material. All the previous mentioned operations prepare the cottonseed for further processing and fibre quality improvement. Cotton lint is then separated from the seeds by using either saw gin or roller gin method. By 2009, 50% of the cotton lint produced in Tanzania was processed using roller gin characterised with low neps and short fibre content (TCB, 2010). The ultimate objective of the ginner is to provide quality cotton lint for the necessary classification of cotton grades and other associated market systems.

After the cotton is ginned and baled, its quality and value are decided. This ‘classing’ may be done by those buying the cotton or by official people from the government. The ‘classer’ grades cotton from samples taken from the bales. The value of the cotton depends on the length of its fibre, its colour, texture and the amount of remaining trash. Classing is done to determine the cotton fibre quality. Factors such as colour, purity which is the cotton with free foreign matter, and quality related to the entire ginning process such as fibre length are the three basic factors that determines the quality of the cotton lint (USDA, 2014).

After determination of the quality of the cotton in a bale and setting price, cotton lint is taken to the market. The cottonseeds collected after the ginning is further processed to produce cottonseed oil and the remains used as food for cattle.

Spinning is the next step from ginning. This is a stage where packed bale of cotton lint from the ginnery is transformed into a fabric. This step follows some few special stages. Production of yarn is the first step where cotton lint from different sources and several bales are blended to provide a uniform blend of fibre physical properties. Well-mixed

blended cotton lint is then fed through chutes to the final cleaning and later carding machine in which its role is to separate and straighten the cotton fibres into a long thin web. The resulting fibre web is then drawn in a device called trumpet (funnel-shaped) providing a sliver which is characterised by its softness and a rope-like filament which is popularly known as strand (Wakelyn, 1997).

The drawing process can blend as many as eight strands. They are then sent to the roving frames which further draw or draft the slivers more thinly and twist them gently which accounts for the initial step in ring spinning of yarn. For the best quality yarn, the cotton is combed before spinning. It is passed through a machine, which removes short fibres in the sliver. This process gives a much stronger, cleaner and smoother yarn (Miles, 1986; Wakelyn, 1997).

The yarn obtained from the spinning process is then converted into fabric through either weaving or knitting before processed further into specialised units called finishing. Finishing involves processes such as bleaching, dyeing and printing. The finished fabric can then be used as an input to the last stage which is also known to be a significant area of the value-added part of the chain which is garment manufacturing by cutting and sewing. The final clothing product is then packed and further distributed to the market.

2.9 Intervention on developing T&A sector taken by other developing countries

A number of developing countries took some initiatives to revamp their textile and apparel industry. Various interventions were done which in turn provided positive impact to the development of their relevant industries especially as far as value addition of their relevant raw materials obtained locally were concerned. The following are some of these countries and their respective interventions.

Bangladesh

Bangladesh started their initiative to develop their textile and apparel sector by provide various incentives to the foreign direct investors (FDI) who were targeted as one would influence the expansion of apparel exports. These FDI were also attracted to the then

existing fully serviced EPZ which contributed to 10-12% of total exports in 2004 (Yang et al., 2004). Report by Nordas (2004) narrated that the importation value of textiles and apparel in Bangladesh dropped from 60% of the export value of clothing in 1991 to 40% by 2001 showing that there was an increase in value-added activities performed locally. The role of FDI were reduced over time due to the introduction of government restrictions which aimed at abstaining a number of benefits such as superior technology and managerial skills that were initially provided to the FDI and transfer them to the local industry. In this case, FDI were forced to make their entry through the Bangladesh economy by establishing joint venture with local businesses (ibid).

In the early 1980s, The Bangladesh government further allowed the local businesses to import the duty-free machineries for producing apparels targeting on the export market. Through these initiatives, there was a tremendous increase of the garment making firms to 632 between 1984/85 while exported hiked up from USD 1.3 million to USD 116.2 million from 1981 to 1985 respectively (Yang et al., 2004; Nordas, 2004).

One among the policies that was formulated and implemented with immediate effect by the government of Bangladesh is the facilitation of back-to-back letter of credit and provision of bonded warehouse facilities. These policies were able to eradicate both need of using cash as a working capital as well as the foreign exchange in the apparel industry and consequently enabled the local investors to start up their investment using low capital investment and hence achieve a speedy growth of the industry (Yang & Mlachila, 2004; Nordas, 2004).

Cambodia

By observing decent working condition and maintaining low production costs, Cambodia Textile and Apparel firms have gained the loyalty and attracted major buyers worldwide (ILO, 2005). Issues related to corporate social responsibility (CSR) have observed throughout their production in order to maintain and increase the competitiveness and distinguish themselves from other manufacturers (exporters) within the region. The continuous effort to observe and abide to the labour standard has been regarded as a useful way to retain the existing and attract more prospective buyers (ibid).

The government of Cambodia have been providing various incentives to the investors. EPZs, which have been fully serviced, are located along main roads in Sihanoukville, which is a coastal region in Cambodia. The country still enjoys cheap labour and has good transport linkages with Southern China with more plans to invest within the Mekong Corridor connecting the two countries (ILO, 2005).

Mauritius

The country provides an example of a successfully industry in Textile and apparel export business which has been reached due to the active government intervention coupled with the existing various external conditions which have been favourable to the local industry. The country has been able to lay foundations in production and increase the activities related to the value addition with the support from market access to European Union markets. Other reasons behind the country's success are due to the available factors such as productive labour, Indian migrants, which have brought to the country foreign capital as well as the entry of Hong Kong investors. The country also enjoys political stability and provision of favourable tax incentives (Gereffi, 2002).

Madagascar

In year 2001, Madagascar reached the second position behind Mauritius as African apparel exporter among Sub-Saharan Africa countries (Cling et al, 2007). The government of Madagascar decided to put a strong push for outward orientation and provide substantial tax reliefs. The country has also cheap labour and enjoys various trade preferences. Investors from France, Mauritius or sometimes Asia countries were attracted by the Zone Franche scheme in which labour costs were almost 30% of that of Mauritius. The shift in production to Madagascar from other countries especially Mauritius was due to the focus on manufacturing of the basic apparel items (Gereffi, 2002: pg. 21). This shows the importance of standardised production in providing developing countries an easy entry in apparel chains, especially when it comes to the production system where assembly of goods is done (ibid). The government of Madagascar decided to go for the vertical integration of cotton processing. This was done for the sake of reflecting future prospects following the abolishment of MFA quotas (ILO, 2005).

Ethiopia

Ethiopia introduced advantageous conditions for investors, which include availability of cheaply paid work force, maintaining political stability, provision of affordable energy tariffs, ease of getting various permits for land acquisition and construction. The country has also been offering to the investors, ready-made industrial parks and factory sites that have been fully serviced with all necessary infrastructure issues (Mihretu & Llobet, 2017).

These conditions provided investors a possibility of erecting a vertical integrated mill for processing and adding value to the cotton abundantly locally available. Ethiopia has an access to the various duty-free markets such as the European Union and United States through the African Growth and Opportunity Act (AGOA). Other markets are the Eastern and Southern Africa (COMESA), Duty-Free Quota-Free (DFQF) and other global markets through “Everything But Arms” (EBA). All these markets and trade agreements provides extra motivations to invest in Ethiopia Textile and Apparel industry. Furthermore, Ethiopia has been seriously conducting campaign regarding to attract FDI to invest in Textile and Apparel industry. This has been supported by the commitment and pro-active from Ethiopian government officials on fulfilling the promises agreed with the investors (Mihretu& Llobet, 2017)

Tanzania has been endowed with almost all potential natural occurring resources that have been found in the above-discussed countries, yet the country has remained stagnant in its development of value-added activities, which could provide the country enormous advantage. Tanzania has abundant supply of cotton lint, which because of lack of value-added activities done within the country, more than half of the cotton lint produced is exported. The country has also cheap labour and an access to the various external markets through various trade agreements such as European Union and the USA through African Growth and Opportunity Act (AGOA). Other markets include Southern African Development Community (SADC) and the East African Cooperation (EAC). These are some of the challenging issues that needs to be addressed using this study.

2.10 Summary

This chapter has highlighted the main issues regarding the global textile industry in general. The importance of the textile and apparel (T&A) sector on creating jobs and creating income to the particular nation. The chapter has also described the context of competitiveness and the evolution of various theories regarding the competitiveness of the textile and apparel sector. This study has used Porter's Diamond model, which is highly cited among the best models that have been used to analyse the industry's competitive advantage by showing why some nations are successful in some industries while others are not. The model went further by explaining the contemporary paradigm shift of competition existing amongst firms and endeavours to respond to the question which requires an explanation as to why some industries and nations gain a competitive advantage in the local and international markets while others do not.This has been linked to the analysis of the Tanzania Textile industry where SWOT analysis was conducted with the aim of realising the current state of the Tanzania T&A industry. This has created a room for this study to explore more details in order to look for the best ways of improving issues that have been observed as problematic and in need of improvement. Finally, a brief account on the cotton value chain and a synopsis on the interventions made on the countries that were successfully in their T&A development has been presented.

Chapter 3

Consumer behaviour and attitude on buying textile and apparel Products

3.1. Introduction

This chapter describes the importance of conducting a market survey to investigate consumer preference and needs towards the purchasing of textile and apparel (T&A) products. The chapter starts by showing the importance and function of wearing clothing and factors that mostly influence consumers to purchase a particular type of T&A product. It concludes with a summary of the issues discussed in the chapter.

3.2. Importance of clothing and consumer behaviour

In the world population, no one lives without covering the particular parts of the body with T&A products. As one among the human basic needs, T&A products have a number of functions to human being. They can be used as a cover as well as a protective shield of the body from various bare skin threats. In the meantime, the same products when exposed under special treatment provide various functional and decorative purposes. It is the consumer who can opt to buy a certain type of T&A product taking into consideration both functional as well as physiological needs coupled with other social satisfaction (Kim, Forsythe, Gu & Moon, 2002).

One among the techniques used in modern marketing of T&A products is to conduct a regular marketing research to understand various issues surrounding the consumer. This is purposely done in order to understand consumer's dynamic preferences and needs. Furthermore, it helps to initiate an approach of promoting, maintaining and attracting both the existing and prospective consumers and finally targeting at manufacturing T&A products that consumer will be convinced to purchase. Alternatively, it is quite right to say that consumer needs play a big role in the above stated marketing technique, which utilizes consumer-driven tactic as one of its approaches (Sanad, 2016).

Under this approach, it is the consumer preference and needs which determine the nature of the product to be produced. These needs include all the necessary attributes that will be required by the product itself. It is highly insisted that manufacturers and sellers of textile products should be aware of the consumer needs alongside their wants and preferences to avoid losing consumers (ibid). The competitiveness and feasibility of the T&A industry are highly dependent on the manufacturers' skills, and other stakeholders to forecast, produce, and disseminate different designs of textile and apparel products that matches with the needs and preference of consumers (Sanad, 2016).

As depicted before, despite consumer satisfaction and the functional reasons, it is of general interest to understand their purchasing behaviour and attitudes, in the context of this study special priority is given to local and imported textile and clothing products. According to the available data from Bank of Tanzania, most of the Tanzanian consumers prefer imported textile products as compared to the locally produced products (see the statistics in chapter 1 section 1.9) (BOT, 2010; TDU-MITI, 2016).

Consumer purchasing behaviour regards the individual's decision to spend their available resources and time on the item(s) (Shiffman & Kanuk, 2000). The behaviour of acquiring items start much before the item is purchased. The process starts in the mind of consumers, which might be guided by both internal and external behaviour (Hareem, Kashif & Javeed, 2011). However, the purchasing behaviour changes with time depending on social status and cultural factors (Yakup, Mücahit & Reyhan, 2011), the economic situation, the level of technology, and consumer preference and levels of satisfaction. The consumer preference is the outcome of the behaviour during searching, purchasing or disposing and utilisation of the products (Solomon, 2004). Besides, the behaviour changes with seasonality and events could be observed in the market. The aspects like what, why, when, where and how to purchase are observed in this study; and will therefore explore the customers purchasing behaviour and attitudes on consuming local and imported textile apparel in Tanzanian context.

As it has been discussed in previous chapters, Tanzanian textile and apparel industry has been active for three decades. In the 1990s, the Tanzania T&A industry got new hope of development due to the occurrence of the market economy liberalization. Nevertheless,

this hope faded following the influx of imported T&A products, which brought the stiff competition in local market, which the people of Tanzania are keen to buy (TGT, 2007). The imported products include new T&A products from Asian countries as well as Second-Hand T&A products from EU countries and the US and hence affect the local industry. Many studies on purchasing behaviour towards textile apparel have been conducted in Western and Asian nations (Muhammad & Tazeem, 2011; Florent et al., 2014). For the case of African developing countries including Tanzania, there is limited research on purchasing behaviour and attitudes towards textile apparel.

Preference of consumer to a particular product has been observed through true motives, needs, and expectations in buying a product. Consequently, *"consumers' attitudes toward products originating from foreign countries have been of interest to international business and most of the studies related to consumer behaviour for some decades. One of the factors which may affect a consumer's decision to buy domestic or foreign products is consumer ethnocentrism"* (Habibur *et al.,* 2011 pg.11). Numerous authors pointed out that consumer ethnocentric tendency could greatly contribute to the growth of the development of a certain country. Developed nations had been the first ever to start the idea of customer ethnocentrism where customers were given a chance to assess the standard of locally produced items (Herche, 1992; Elliot & Cameron., 1994; Ahmed et al., 2004). Subsequent studies conducted by Supphellen (2003), Reardon et al. (2005) and Klein et al. (2006) asserted that the same idea was relevant and can be appropriate in the developing countries. Kaynak and Kara (2002) have mentioned that considerable population development and raising purchasing power of customers in these developing countries present market opportunities to international companies whose domestic marketplaces have previously reached maturity. Nevertheless, a number of studies (Bailey & Pineres, 1997; Ger, et al., 1999; Burgess & Hari, 1999; Batra et al., 2000; Balabanis & Diamantopoulos, 2004; Opoku & Akorli, 2009) carried out in developing countries confirmed the presence of negative ethnocentric inclination of customers on favouring imported products.

Various studies have been conducted in Africa to investigate the "Country of Origin" (COO) effect in different production areas. Nationals of developing countries positively

accepted goods from high technologically advanced economies as compared to those from the technically less developed economies (Agbonifoh & Elimimian, 1999) in (Ferguson *et al.* , 2008).The same authors within their studies on the country of origin effects on service assessment that was conducted in five West African countries found that among others issues like motivation and potential to process information could highly contribute in the evaluation of the service using country of origin attribute.

The study conducted in Nigeria revealed that consumers prefer foreign-made textiles to locally made ones mainly due to the persistent claim that the quality and performance of the locally produced textile products is poor compared to the imported ones (Ogunnaike, 2010). Studies conducted in Ghana produced two different views. One study by Opoku and Akorli (2009) pointed out that local Ghanaian products (in this case was Rice and Clothing and Textile) regarded as low in preference relative to their foreign counterpart products, the reason was due to superiority quality and taste of the imported products. However, a study conducted by Quartey and Abor (2010) revealed something different in the same country. The latter research outcome indicated that most consumers preferred locally made textiles against the imported ones by claiming that local textile products are of better quality, more affordable, attractive and cheaper.

Issues related to consumers' attitude on locally and imported products have already been mentioned worldwide as an integral economic issue in the consumer attitude perspective. Most people who prefer to consume their locally produced goods have negative attitude towards foreign made products (Durvasula et al., 1997) in Boonghee and Naveen, (2005). The research went further by saying that most consumers in the developed economies prefer to buy goods that have been made in their domestic countries because of their tendency to support and love their locally made products which is contrary to what can be observed in most of the developing countries (ibid). Similarly, another study realised that products from culturally comparable countries are mostly preferred as compared to those products from countries with diverse culture (Watson & Wright, 2000). Nevertheless, the consequences observed from negative attitude towards the locally made product are quite diverse and provide the negative effect to the entire local industry and the overall country economy as well (ibid).

In one of the studies conducted on consumer behaviour towards foreign made products available in Tanzanian local market, Florent et al. (2014) asserted that the relevant advance in information and technology coupled by an increase in global market use necessitated Tanzanian buyers to purchase various products from foreign countries. This situation has been greatly contributed by the various non-store sale points such as internet and other e-marketing places. Apart from that, it has been argued by the same authors that the influx of the imported products especially from China, which are sold at a very cheap price, has increased the severity of the problem. Furthermore, the same study noted that the Tanzania consumers purchase more imported products as compared to the locally produced products although some of them possess the same quality and are available at a favourable price. An example was provided when Tanzania sold T&A products worth the USD50 Million between year 2000/01 and 2003/04 while the country witnessed an import business of the same kind of products worth USD 287,523 Million, creating a shortfall of USD 287,473 Million. Within the importation done, 34.2% accounted for the second hand T&A products (Gabagambi, 2013). Furthermore, in the Bank of Tanzania's quarterly report of 2010, it was reported that export of US $ 567.5 million and the US $ 831.5 million was experienced in the first and last quarter of 2009 respectively. Whereas the total imports of US $1356.9 million and the US $1624.6 million were observed in the same period (BOT, 2010).

A study by Florent et al. (2014) noted a growing tendency for consumers in Tanzania to be more inclined towards the consumption of most imported variety of goods rather than those domestically produced. It has been argued by producers that both public and private consumers have given less emphasis to domestic goods, thereby adding an unnecessary burden on the domestic firms. Some of the imported goods, although of lesser quality, sell at higher prices than domestically produced items. There is a serious concern among manufacturers that the procurement policy of public institutions and even private entities need to be reviewed to favour commodities produced in the country (Keregero, 2016). Only when there is serious shortage of the relevant products within the country, imported goods should be considered as an alternative. Encouraging an attitude towards the consumption of Tanzanian produced commodities is a strategic way of boosting domestic markets. Purchasing domestic products should be given priority during

shopping except when consumers are convinced that a huge difference exists in the quality of the intended products. Ethnocentrism should be encouraged and propagated throughout the stakeholders responsible for the textile industry and to the general public to enable Tanzanians to create markets and jobs for themselves (ibid).

Understanding consumer attitudes and behaviour towards their decision on buying a particular kind of a product is a very tricky exercise. This goes along with the associated criteria that influence them to opt buying these products from either sources; locally made products and imported products. Special, attention will be directed to the consumer with a defined and undefined source of income to know when, how and what motivates them in purchasing textile apparel. Understanding the consumer needs and preference on purchasing T&A products is quite significant as it is by doing so that the local businesses would be able to offer the right product at right time to the local and international market and consequently gain the confidence to compete with the imported T&A products. Furthermore, it will help the local T&A producers to forecast numerous existing and future designs of T&A products to meet their local demand markets. By so doing, the competitiveness of the local industry would be improved, hence boosting the country's economy.

3.3 Factors affecting consumer Purchasing Behaviour

Below are the factors affecting consumer-buying decisions. They have been grouped into Market-oriented and consumer-oriented factors.

3.3.1 Market-oriented factors

The factors related to the product, the place (also known as purchase channel), promotion as well as price would be discussed in this section as market-oriented factors. This will also focus on consumer purchase decision towards T&A and a technique known as "Mass customisation" under marketing and manufacturing segment which allows for the personalisation of apparel products at low cost will be reviewed.

3.3.1.1 Product

One of the market-oriented factors that have great impact on the marketing of textile and apparel is product specification. Visual and physical characteristics are included in this and are supported by textile products and country of origin.

Visual properties

In various studies related to Textile and Apparel, the word “Preference” is generally used to explain the way consumers respond to a certain type of T&A product design and their respective appearance. Some authors investigated the existing link between consumer behaviour and preference together with their corresponding buying decision. They discovered that apart from other attributes, colour had a substantial effect as far as the marketing of a particular product is concerned. It was observed in the diverse fields of design products that colour played a big part on influencing consumer behaviour and preference. They further connected the influence in term of psychophysical response related to colour and its associated buying behaviour. The studies revealed that it is crucial for the managers to use colour as one of the important marketing tool to satisfy consumers’ taste, attitude, and perception towards the products to be presented to the market (Singh, 2006).

Kilinç (2011) researched colour preference on children attending public or private schools in Konya, Turkey. He found that girls aged between six and nine preferred magenta, red-violet, red, and red-orange colours whereas boys with the same age preferred black, blue, cyan, and yellow colours. Young children preferred warm colours (i.e. magenta, yellow, and red). It was finally argued that colour preferences moved towards colder and neutral colours as children became older. In another study conducted in Bangladesh, product quality (i.e. design, style, raw materials) was ranked the first factor followed by price in affecting buying decisions in fashion brands (Islam et al., 2014).

Physical Attributes

Textile and Apparel product appearance, fit, comfort and performance are among the factors that can be affected by the relevant features associated with physical and mechanical characteristics of fabric that was used in making T&A products.

Clothing Fit

In a study conducted by Fan (2004) to investigate the effect of clothing fit to the consumer preference, he revealed that consumers considered the closing fit as the most important factor in consumer appearance. Another study by Klerk and Tselepis (2007) proposed that the closing fit expectation in early-adolescent female consumers plays a big role towards their decision to purchase T&A products. Pisut and Connel (2007) in their study conducted in the USA revealed that clothing fit preference goes along with the garment design. They further insisted that body shape and psychological attachment to a particular kind of individual's preference plays a big role on selecting a particular type of fit to T&A products. They concluded that, for the sake of aiming at consumers' fit preference, manufacturers need to put an emphasis on the recent design.

Clothing Comfort

The majority of fibre and yarn vendors have recognised comfort as one of the significant attributes that attracts consumers to purchase T&A products in almost the entire markets (Fan, 2004). In order to illustrate and test the comfort features in front of the consumer, the study by Hes (2008) came up with a device that would be used in shops to perform such kind of mentioned test. The technique that has been used in developed nations and based on various T&A characteristics.

3.3.1.2. Country of Origin

Country of origin (COO) in this case refers to the country where a particular product has been manufactured. The effect of COO on consumer perception and behaviour has been long studied because it is part of the overall product image.

Rahman et al. (2008) while investigating the factors affecting female Chinese college students buying pyjamas, they found that Country of origin and brand were the minor reason for their purchasing decision.

In Nigeria, the closure of many textile companies was regarded as a result of customer inclination for buying foreign products rather than local ones. It showed that consumers perceive imported textile fabrics as being better than the same locally made goods. Some

factors (i.e. colour, quality and availability of the textile fabrics) influenced their buying behaviour. Marketing variables influenced negative perceptions towards locally made products. It was then recommended that companies should regularly consider market research to identify the most critical psychological factors affecting consumer taste and preference of their products to set their market strategies (Ogunnaike, 2010).

3.3.1.3. Purchase Channel

This is one among the factors that may contribute to consumer buying decisions. Consumer purchase T&A products from actual physical retail outlet, which took many forms ranging from street matching guys, popular market places, street shops and supermarkets. On top of that, the use of internet services coupled with a technological development has brought another type of purchasing channel popularly known as online shopping. The latter option has a number of advantages includes the convenience and ability of making comparison on different products at the same time. Nevertheless, the only major disadvantage to this option is the fact that the buyer cannot have a feel or touch test to the products in sale and sometimes the sizes indicated online can vary with the exact size that the buyer is looking for. Several studies have been conducted regarding purchasing decision based on purchase channel (Paulins et al., 2003; Karpova et al., 2007; Michon et al., 2008; Mower *et al.,* 2012; McCormick & Livett ,2012; Magrath & McCormick, 2013; Uzan, 2014). This study will not concentrate on the purchasing channel but will only investigate other factors contributing to the consumers' purchasing decision.

3.3.1.4. Price

Another crucial element factor of Marketing is Price. This is the factor that should be highly observed in relation to product. East et al. (2013) highlighted that pricing can be formulated based on the several strategies such as economy perspective, market penetration, skimming, and premium pricing strategies. Another study conducted by Smith (2004) tested some variables in various studies associated with the consumer buying behaviour on T&A products. He did an investigation on various attributes influencing an American consumer to purchase the T&A products. The attributes that

were tested include price, style, brand name/ designer, colour, fibre content, packaged sets availability, thread count, fabric type and retail channel. The study findings indicated that price was highly favoured as an important attribute; colour and style followed for bedding materials; price and colour also shined for bath products.

Price and brand were found to be related to the consumer's intention to purchase (Chang, 2011). The same study provided an example of price charged to denim jeans in which its price was seen to have an emotional impact to the buying decision of young generation of Australian consumers. It was closely followed by brand, country of origin and finally style (ibid). Furthermore, various studies conducted in Izmir Turkey by Riddle and Köksal, (2007) followed by Jegethesan et al (2012) and Wafula (2017) revealed that price played a big role on influencing the consumers to buy various T&A products.

3.3.1.5. Promotion

Promotion is another factor that contributes to the consumers' purchase decision. Promotion involves activities such as advertising, selling and sales and other promotion related activities (Kotler, 2012). Generally, promotion has been done with the aim of communicating a particular product to a consumer and enhancing awareness of a particular brand (ibid). Again, this has only been mentioned and will be included in further considerations.

3.3.1.6 Product availability

Consumers will always be inclined to purchase the product that is always available in the market. A studies conducted by Ogunnaike (2010) in Nigeria and that of Florent et al. (2014) in Tanzania revealed that unavailability of locally made products have forced consumers to rely on the imported products which are abundantly available in the local market and satisfy their needs. This in turn increases their tendency to favour the foreign made products.

3.3.1.7 Government attitude

The attitude of consumers to purchase imported products can be highly contributed by the government. Ogunnaike (2010) in a study conducted in Nigeria found that the

smuggling and dumping of illegal imported products in the local market tends to kill the market of locally produced products. This situation affects the local industry negatively by making them unable to survive competition in the market.

Apart from protecting the local industry from the smuggling and counterfeits products, the government should play a role of promoting its local industry. According to the study by Wafula (2017), the government of Kenya decided to offer a one-day window shop for consumers in Kenya to enable them buying T&A products in offer from factories located in EPZ to promote locally made Textile and Apparel products. Many consumers turned up to buy the T&A products at affordable price. This indicated that, the unavailability and high cost of locally produced products are the main reasons of consumers to purchase the imported second hand and new T&A products.

3.3.2 Consumer related factors

Factors such as cultural trends, psychological factors, personal characters, social issues, environmental perspective and age are considered important consumer-related variables, which are discussed in this section.

3.3.2.1 Cultural trends and group reference

This is the inclination of the consumers towards strong belief in their respective culture. It is popularly known as “Bandwagon effect” and is usually the effect caused by the people who tend to comply with the pressure from the society (relatives, friends, colleagues) surrounding them. It is like a game where certain trends that have been followed by many people attract or forces more other people to join.

This type of culturally trend, which includes beliefs, customs and behaviour, create their own way of understanding and behaving which in turn causes great impact on their decision to buy including T&A products. In a study conducted by Florent et al. (2014) to determine consumer attitudes on imported products in Tanzania, it was revealed that family members followed closely by close friends induced consumers to purchase a certain type of product. Another study conducted by Solomon and Englis (1998) found that consumer lifestyle, cultural trends and belief had an impact on purchasing decision

connected to the T&A products. The authors recommended that it is the cultural trend that causes most of the products to be purchased (ibid).

3.3.2.2 Psychological Factors

One among the cognitive features that can influence consumer behaviour and attitudes is known as psychological factors. These factors include among others issues like perception, motivation, culture, beliefs and attitudes, which could persuade consumers' preference and consequently change their purchasing decisions.

Radeloff (1991) conducted a study on the possible linkage between psychological types and clothing seasonal colour preferences to the Textiles and Design Students. She used Myers-Briggs' eight broad psychological factors which were both extroverted and introverted way of thinking, sensational feeling and their related instinctive types. Her study revealed that the students considerably preferred summer and winter colours followed by the spring and autumn colours. The difference observed in the above-mentioned preference was a result of all the eight psychological categories with an exception to the introverted way of thinking. The study recommended that variation in preference should be among the elements of a consumer's natural inclination.

Another study was conducted by Oggunaike (2010) in Nigeria regarding psychological effects on purchasing decisions. He listed some of the known psychological factors that work into the consumer's mentality to stimulate their persuasion on decision to buy either local or imported products. Among other things, he thought of the consumers who are in thirsty of achieving uniqueness, elegancy and egoism whose requirements always have been to get a product that can provide the stated qualities. The same author indicated that many African and specifically Nigerians prefer to own a unique product popularly known as "one-in-town". Furthermore, these consumers further link the uniqueness of

these products with the imported products, which they assume have images that confer the said qualities on the consumer.

3.3.2.3 Personality

Numerous researches conducted on consumer behaviour identified various factors related to personal features such as cognitive and emotion as well as individual behaviour patterns, are the main one within personality category that can influence the consumer decision in buying (Mulyanegara & Tsarenko (2009); Goldsmith et al.,2012).

A study conducted by Mulyanegara and Tsarenko (2009) uses students in their undergraduate degree in one of the leading business school in Australia to investigate the impact of personality and values on local and foreign made brand preference. The study revealed that personality has a less effect as compared to the values when it comes to the brand preference. However, the existing strong ties between values and personal features could be utilised by fashion designers to develop strategies related to the promotion for the sake of attracting the intended target market.

Another study by Goldsmith et al., (2012) conducted in the USA using variables, which are known to be of reasonably high standard such as materialism, Brand Engagement in Self-Concept BESC, and status consumption discovered that these variables are necessary motivators for generating a continuous interest in buying T&A products and commitment to a particular T&A brands. They reached a conclusion that brand management have a duty to stress the prestige possessed by their brand through their retail outlets (ibid).

3.3.2.4 Social Aspects

Interaction of potential consumers with others from different life status and conditions leads to the evolution of social reasons affecting consumer behaviour (Hoyer et al. 2012). The study was conducted in India by Gupta and Hodges (2012) with the aim of examining the importance social communication as part of Corporate Social Responsibility (CSR) in influencing the purchasing decisions. It was found that Indian consumers were not highly favouring the products made by CSR companies, as they were not informed of the

significance of doing that. The study recommended that in order for the businesses to win the market in India, they should first gain consumer trust using their products' price and quality before further communicating the same consumers with CSR issues (ibid).

3.3.2.5 Other factors

Various authors have mentioned other factors such as environmental or green marketing factor which are responsible for the marketing of the environmental friendly related products and found that most of consumers preferred to purchase T&A products made from organic cotton for the reasons of preserving the environment rather than inclined to the fashion trends (Hustvedt & Dickson ,2009; Gam, 2011).

Age is another factor that determines consumer behaviour and attitude towards purchasing of the T&A products. The attitude to buy T&A products has continuously been related to the age of the consumer. Various studies conducted revealed that children were not the decision maker for choosing their clothes instead it was their parents who normally do that for them. At the age of six years, children can start to realise their preferences. Young people preferred to buy fashionable products than old. The trend continues with various preferences up to the adults (Riddle et al., 2007; Grant & Stephen, 2005; Leung & Taylor, 2002). However, demographic characteristics were not much utilised in this study, as the researcher was keen to determine the social economic of imported T&A products as compared to the locally produced counterpart products.

3.4 Summary

Consumer attitude towards the purchasing of imported products as compared to the local product is one of the major concerns that have been ascertained in the most of the literature in Tanzania Textile and Apparel industry. The chapter started by introducing the importance of clothing and consumer behaviour and furthermore investigated the reasons behind the behaviour. It went further by presenting various factors, which influence the buying decision for both local and imported products. The factors were grouped and discussed under two categories. Those that related to the Market oriented factors such as Visual properties, Physical properties, Country of Origin (COO), Price and Promotion. The chapter concluded by providing the other category of factors, which comprised of

Consumer related factors such as Cultural trends, Psychological issues, Personality, Social aspects, Environment and age.

Chapter 4

Introduction to Soft Systems Methodology

4.1 Introduction

The chapter analyses the main underlying principles of Soft Systems Methodology (SSM) and its practical application. The chapter discusses the details related to the methodology to the point of intervention. The different opinions underlying the principle are also provided and consideration is given to the limitations to the methodology.

4.2 Soft Systems Methodology

Soft Systems Methodology was pioneered by Professor Peter Checkland and associates at the University of Lancaster, UK in 1980's. At that time, the methodology was regarded as a modelling tool, but in subsequent years the methodology has been used as a development tool for the provision of sense and knowledge towards solving complex issues.The underlying thinking for this methodology is to investigate 'messy' problematical circumstances that have evolved through various human activities. Nevertheless, instead of decreasing the complication of the 'mess' to enable the hard system to be modelled mathematically, soft systems thinking endeavours to find alternative solutions from other perceptions observed from the different minds of individuals affected by the same problem (Andrews, 2000). This kind of approach is highly supported by Vickers' (1968, pp. 59, 176) depiction of the significance of appreciative systems in solving complex problems associated with humans. In an attempt to change these notions from a system perspective into a practical methodology, Checkland (1999), and Checkland and Scholes (1990) called this approach "Soft Systems Methodology"(SSM). Checkland suggested that any analysts dealing with the system model had to utilise their skills to particular types of problems that are complex and at the same time not well defined. He also added that Soft System Methodology endeavours to elaborate the depraved and unclear world of complex organisations. The phenomena that have been reached with the aid of this critical pattern of knowledge (Checkland, 1999, p. 258). Various authors have conducted research and produced further publications and

books on SSM (Checkland and Holwell, 1990) and its application (Checkland and Poulter, 2006).A more practical oriented and easy to understand book was published by Patching (1990) and considered by this research to be more user- and designer-friendly and directly related to the study's primary focus on the Tanzanian Textile and Apparel industry.

Soft Systems Methodology (SSM) could be utilised to scrutinise any tricky situation, but it is a most explicitly used in the case where the situation "cannot be formulated as a means to explore a resourceful way of achieving a defined end. It is useful to any problem in which ends, goals, purposes are themselves problematic" (Checkland, 1999, p. 316).Furthermore, it applies to most of the situations such as value for money exercises, routine departmental reviews and certain types of computer studies where there is a vague feeling of uneasiness that an improvement of the situation could or should be executed. SSM can always play a part to clarify the context of the human activity being examined, and, as a consequence, the overall effect of any technological or other initiatives can be achieved (Patching, 1990).The ideal form of Soft Systems Methodology can be regarded as a logical sequence involving seven steps in its completion (Checkland, 1999, pp. 162-183) as shown in figure 4.1 below.

It is quite significant to realise that the sequence in stages of the SSM is not mandatory to be followed; the process of dealing with the methodology could start at any stage of the methodology, allowing flexibility on its ability to swing back and forth as the need arises to do so. Soft Systems Methodology is best known for its ability to conform to the cyclic iterative behaviour of searching for a problem solution by carefully generating and scrutinising alternative ideas on improving the problem situation where people have a different opinion in the world. It is based on the notion of conceptual models which is built based on root definitions developed for the proposed ideal systems using information that has been sourced from rich pictures which act as a representation of the problem situation presented. The system/ conceptual models are subsequently put into comparison with the activities in the real world followed by stimulating debate on the underlying assumptions and any necessary changes that will lead to a position of reaching a desirable solution. SSM is not about conducting an analysis related to systems originated

in the real world, but preferably using systems thinking to solve complicated problems and to ensure that a formulation of intellectual concepts is put into place and consequently induce learning and appreciation of the misunderstandings available in some of the complicated cases.

4.3 The Seven-stages of Soft Systems Methodology

The Seven main steps to the methodology are generally accounted in the order as indicated in figure 4.1 below. The sequence will be followed in practice. Patching (1990) emphasises the fact that one neither need to cover each step fully, nor to work through them in their sequential settings, and this eventually provides a study with the will of necessity to move freely between the stages or to work with more than one stage at the same time.

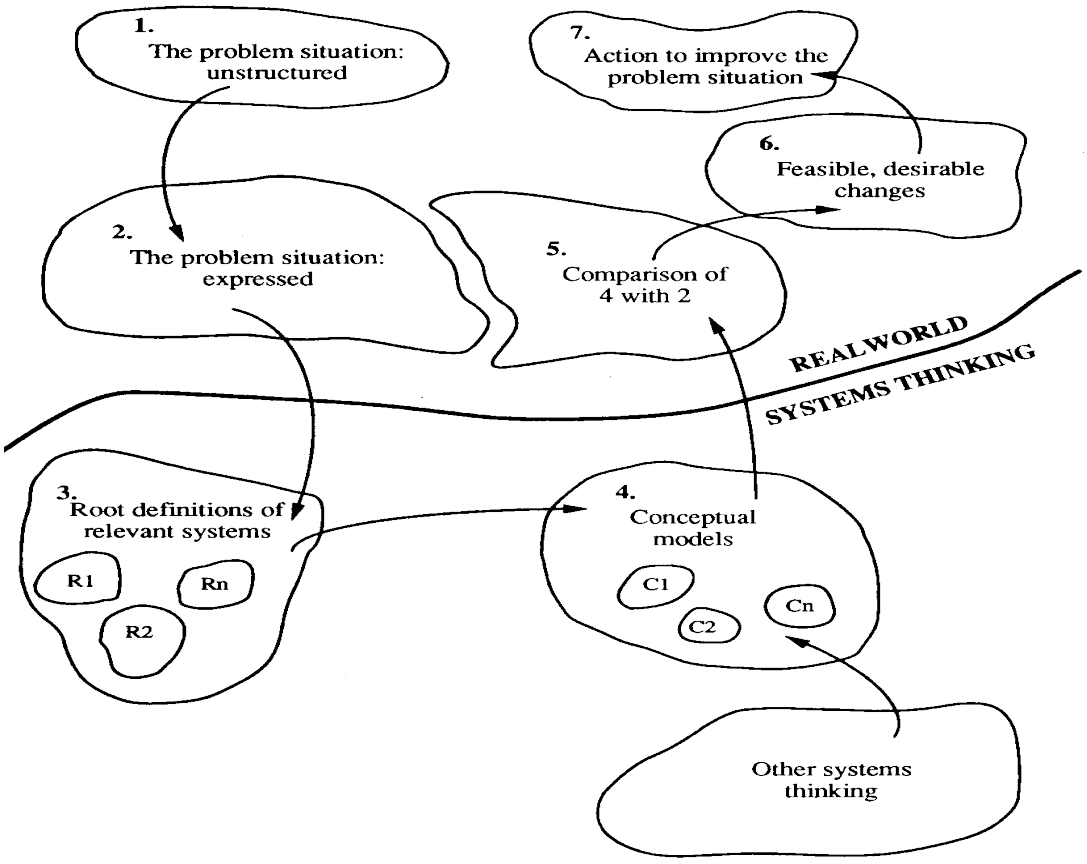


Figure 4.1. Stages Involved in Soft Systems Methodology (Flood and Jackson, 1991)

As has been highlighted previously that Soft Systems Methodology is flexible in use, having an idea of continual iteration, which is an essential freedom of the approach and certain points of a study it is challenging to finish one stage before moving to the next effectively. When this happens, Patching (1990) suggests that it is better to achieve a comfortable compromise and move on quickly, on the understanding that each and any stage can be repeated when required. Checkland and Scholes (1998) presented an updated type of presentation shown in Figure 4.2. This model demonstrates the fact that system models are utilised to ignite and control the argument about the desired change. Practically, as this is a PhD study only the first six stages are executed, as the seventh stage requires agreement between the analyst and the client in which there is no committed client in this study. However, all the seven-stages of SSM will be fully illustrated and their underlying principles.

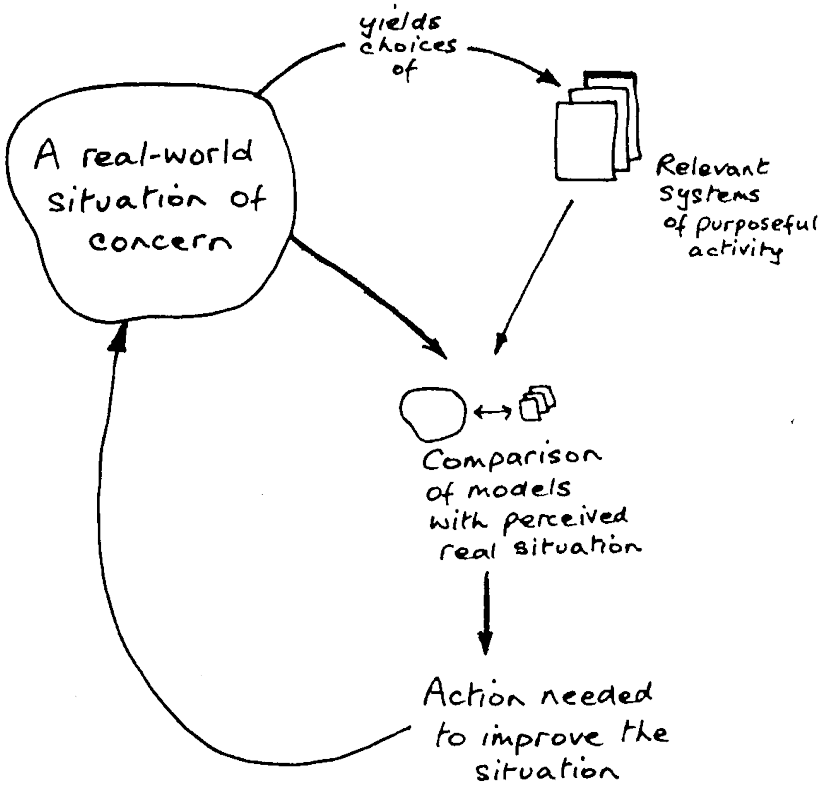


Figure 4.2. The Basic Iterative Shape of SSM (Checkland and Scholes 1998)

Stage 1: The Problem Situation Unstructured

This stage is also known as the 'finding out stage'. Initially, the researcher feels vagueness about a problem situation. This feeling is then followed by the development of a few assumptions regarding the possible source of the situation; this is the stage of a project when the analyst is starting to probe the study area – speaking to the stakeholders of the relevant study area, scrutinising the existing reports and other documents. Patching (1990) concluded by pointing out that this is a step generally used to develop a more transparent image of the current situation and the relevant reasons towards that problem situation.

Figure 4.3 below shows the procedure followed during the investigation of the unstructured problem and representing the same using rich pictures.

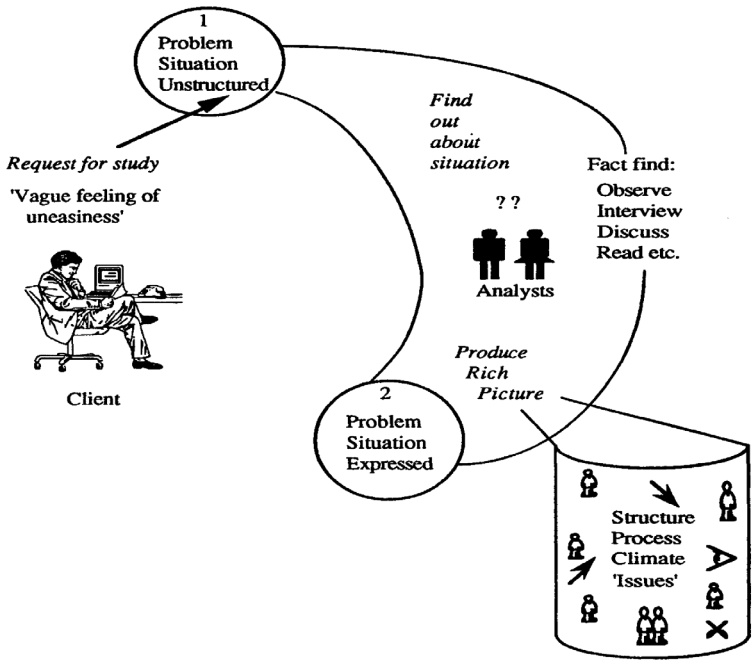


Figure 4.3. Exploring and Expressing the Situation (Patching, 1990)

Stage 2: The Problem Situation Expressed

Patching (1990) asserted that this is the stage where the existing problem is illustrated pictorially (see figure 4.4). It is the step where the analysts produce an exhaustive description, called a "rich picture", of the state in which the problem has been found. “Rich picture” is a drawn illustration, typically hand-drawn, which describes the fundamental features and any related concerns of the existing problem situation. It also reflects some of the richness of the circumstances that is about to be examined. Patching went further by pointing out that, it is a stage where the various opinions or views of the participants are gathered. He added that the rich picture has the power to reveal any available connections and finally facilitates the relevant stakeholders to discuss the problematic situation from designated viewpoints and become conscious of the existing links between them. It is the best way of merging the way participants understand the problem and narrowing the observed likelihood of the deadlock which would interfere and provide unnecessary hindrance for the soft system process to take place (Checkland &Scholes, 1990).

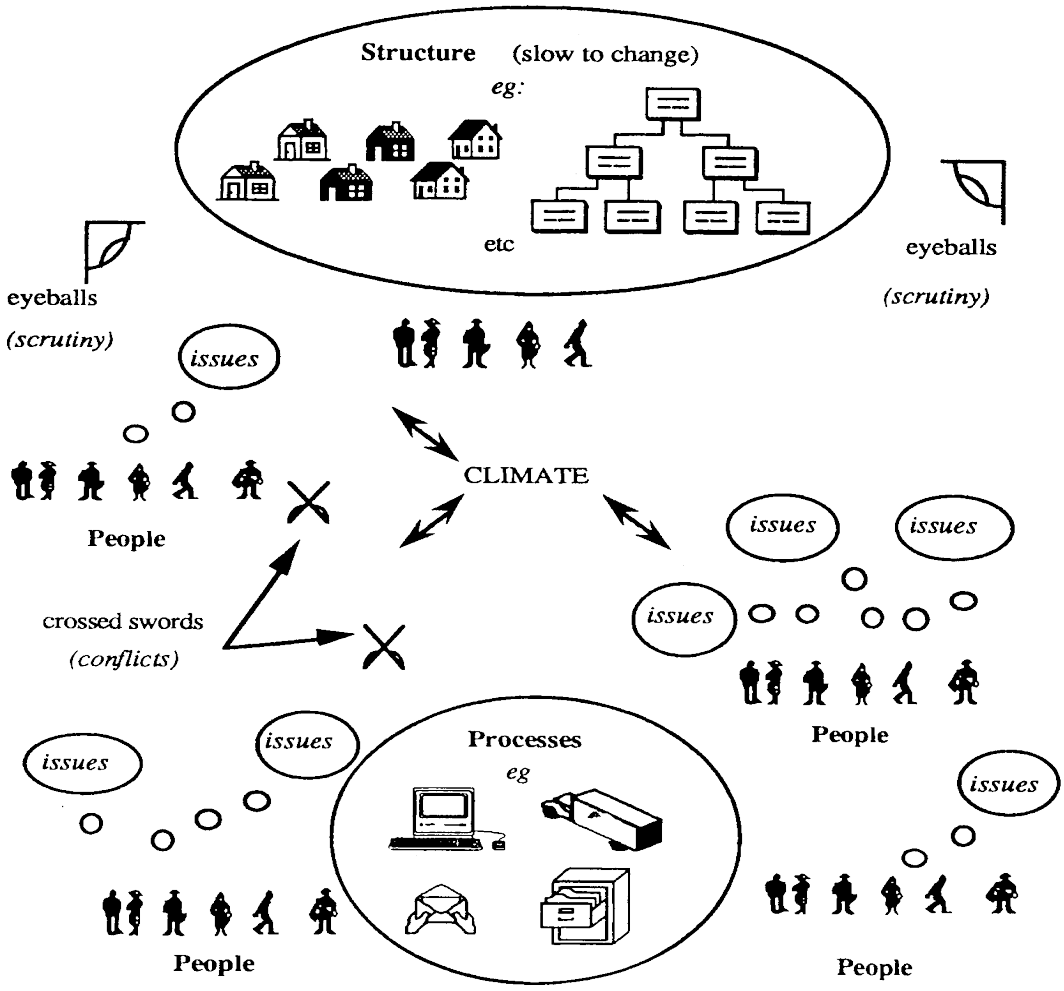


Figure 4.4. Characteristics of a Rich Picture (Patching 1990)

Stage 3: Defining the Roots

This is the stage where root definitions are introduced. These are the basis and essential part of the formulated systems. In this stage, the system temporarily moves from dealing with the activities that are being done in the real world to those that are thought to be done in the systems world which appear to be related to the problem in hand. The root definitions explain the nature of the system and the corresponding aim to be achieved not purely mechanically, where some root definitions are formulated and serve as the foundation of the next coming models. An explanation has been given by Flood and

Jackson (1991) indicating that root definitions can be regarded as a system view of the functions that can be done by the relevant systems in the real world. They were quoted saying that “the aim is to draw out the essence of what is to be done, why it is to be done, who is to do it, who is to benefit or suffer and what environmental constraints limit the actions and activities” (Flood & Jackson, 1991). Root definitions should be able to describe the targeted intentions and the way of modelling the system in a clear and simple sentence.

Patching (1990) highlighted that the use of mnemonic CATWOE that serves as a checklist to identify the following basic terminologies found in the root definition is inevitable:

Customers : Those who benefit or are damaged by the the activity of the system

Actors : People who perform the activity

Transformation process : The process of changing the input to achieve a useful output of the system.

Weltanschauung **:**A Germany word which means ‘worldview’. It is the perceptions that necessitate the significance to the transformation

Owners :Those who decide whether the system can work or not.

Environmental Constraints **:** The various situations/conditions that surround and influence the system, yet have no power to alter the system.

The mnemonic above can persuade users to follow the sequential order as written by starting to deal with the Customers first and working through this CATWOE list to Environment. However, in practice Patching (1990) emphasises first to define

transformation and its associated worldview. Once these are determined, other components can accurately be identified. A new rearrangement of the letters, provide the new abbreviation TWECOA (or different variations starting with TW). This will help the user to know what is transformed from input to output, and guide inexperienced users of the methodology.

Checkland (1999) proposed that one of the best options for formulating the root definition is to use the below-formulated approach;

A system to do X, by Y in order to do Z

Stage 4: Conceptual Models

After defining the roots of the model, the next stage is to illustrate it in a more meaningful way by revealing connections between the events that happen in the same system. A relevant model indicating the minimum required activities that are vital for the intended transformation to be attained is developed at this stage (Patching, 1990).

Checkland (2000) developed the definition of the conceptual models by calling it as: "A systemic account of a human activity system, built by the system's root definition, usually in the form of a structured set of verbs in the imperative mood……". He insisted that for a root definition to be correct only a few important verbs are required to validate the activities described by the root definition.The relevant study should include the entire established CATWOE components for a thorough transformation of the proposed system. Patching recommended a maximum of ten activities within a model to make it reasonably simple. These activities should be based on the 'what' instead of the 'how' and can be compared to the verb-noun way of solving the value analysis to the procedure of cracking down mechanical problems as well as the 'what' instead of 'how' tactic. It is a kind of approach that has been used to set objectives in achieving an intended strategy to the Management by Objective (Patching, 1990).

Initially, SSM used a line to distinguish between the two activities/ thinking that occurred in the real world and those conducted in the system/ conceptual world. However, Tsouvalis and Checkland (1996) later developed the argument that creating a line that separates the two thinking introduces false dualism and added that a reasonable way is

a more inclusive holistic concept without implicit divisions of knowledge.

The most important features to consider during the model development is to make sure that clarity, simplicity, fidelity and traceability are included and the model should be verifiable against reality (Stevens & Brook, 1998).

Stage 5: Conceptual Model Comparison with Reality

The next step is where the comparison between the conceptual models developed in stage 4 of SSM and what is happening in the real world (rich picture in stage 2) is conducted. The outcome from this comparison is then used as the platform of initiating the discussion to reveal possible changes. The discussion may include the way the system operates, how they are supposed to work and what could be the repercussions of the system (Checkland & Scholes, 1990).

Checkland and his colleague suggested that the comparison could be made using various approaches such as interviews or benchmarking. They further added that a comparison could also be made using formal questions and a matrix specially formulated for comparing conceptual models with the activities that are done in the real world (Checkland & Scholes, 1990).

An example of Checkland's matrix is shown in the following Figure 4.7

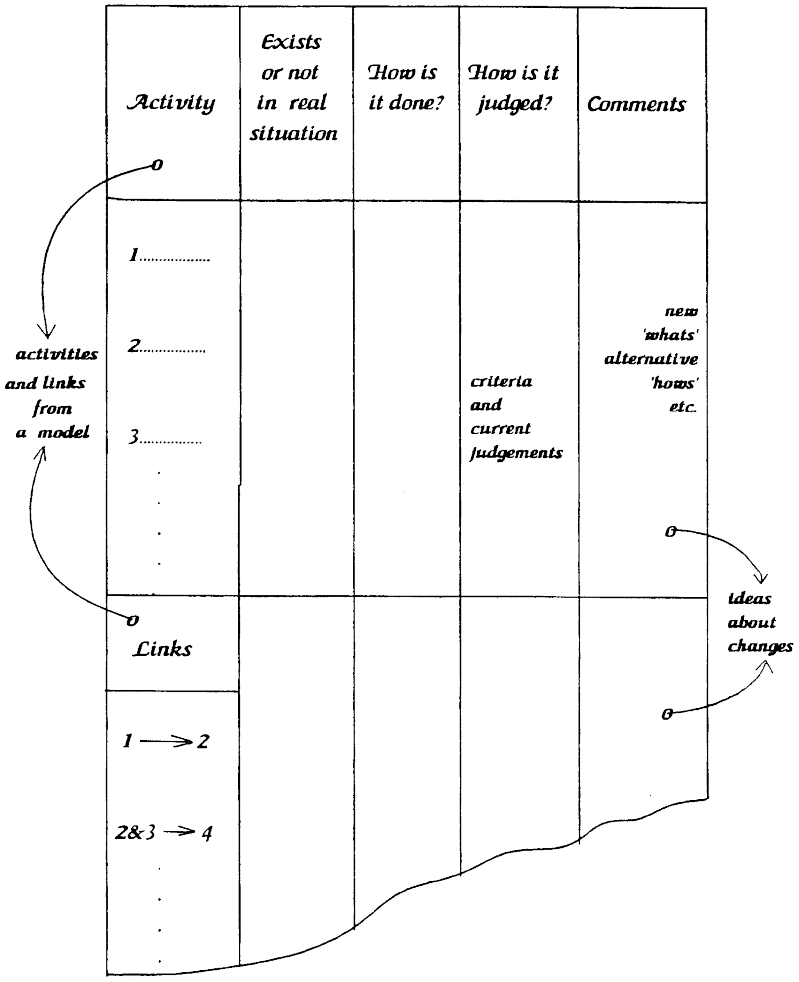


Figure 4.5. Comparison matrix for a Conceptual Model with Real-world Activities (Checkland & Tsouvalis, 1997)

Checkland further set criteria for judging a successful transformation. He called these criteria the three E's. Which include:

Efficacy (Is it able to work as intended?)

Efficiency (Would it use minimum resources to accomplish the intended task?)

Effectiveness (Does it contribute to the goal of the organisation)

The above approach which was earlier developed by Checkland was regarded as reasonably prescriptive. However, the latest achievement signifies that the process can be made more accessible, once both root definitions and rich pictures are full of

necessary details to facilitate an evaluation of ideas related to practicalities and implementation issues. This is achieved mainly by making sure that all the verbs that have been used to develop the conceptual model stem directly from the root definition (Checkland & Tsouvalis 1997). The primary function of this stage is to identify the possible areas where changes are proposed to be done.

Stage 6: Deciding Feasible and Desirable Changes

The previous stage yields some ideas that suggest possible changes. The changes might probably vary in both desirability and feasibility. At this point, the discussion stresses on the said changes, by considering the environment that surrounds the situation technically, culturally and politically. There is also a need for stakeholders to agree on a consensus as to which modifications are deemed to be systemically desirable. Activities that do not appear in the model may also be found in practice, possibly indicating that the model is an appropriate one. It may be necessary to revisit earlier stages to reconsider both the root definition and associated model, this process can be repeated until the analyst, and the client are satisfied (Patching, 1990).

Checkland recognises three critical areas of change, namely: structural adjustment, procedural change and attitudinal change. He highlighted that the first two categories of change are relatively straight forward and can be implemented by any authority; nevertheless, the third one which is mainly related to the human activity, is more challenging to implement and often demands significant monitoring to guarantee its proper achievement. He describes attitudinal change as the one which includes issues such as influence, expectations, behaviour and some of the intangible personalities of both individuals and the entire awareness of people in that society (Checkland 2000). He further insisted that the changes expected should meet two main criteria: they must both be either systemically or logically desirable, and at the same time be culturally feasible.

Stage 7: Taking Action to Improve the Situation

This is the last stage of the methodology where a cyclic nature of this approach is completed,and possibly a new circle can be initiated. It is a stage where all the desirable structural, procedural changes which have been agreed as being feasible can now be considered. This will go along with necessary changes in attitudes and related practical matters.

For the implementation to take place, a senior authority might need to be convinced of the expected outcome. However, at this point, all the participants involved in the entire learning process of the SSM would have gained confidence explored various future options and consequently become aware of what is going to be changed from the existing situation.

Once the implementation of the desired changes is done, a new improvement in the existing scenario will result, and the continuous process of improvement can continue (Patching, 1990).

4.4 Critique of Soft Systems Methodology

One among the main criticisms of Soft Systems Methodology is that they are too constrained by the organisation and other taken-for-granted structures leading to solutions that solve the emerging problems but leave the situation that gives rise to the issues that were fundamentally unchanged. Most probably this can happen if the factors discovered by the second and third analyses in the first stage of SSM are interpreted purely as constraints. Furthermore, it can be due to an inadequate agreement obtained from the changes desired and the nature of the preferred new state. There can also be a tendency, different from what Holwel and Checkland (1998) expected, to achieve a substitute for best investigation and fair judgement by using the processes mechanistically. Checkland and Tsouvalis (1997) argued on the difficulty of developing conceptual models in a situation where the stakeholders observed to have little organisational experience. This can be a real restriction on the capacity of the SSM to produce alternate systems.

Dick and Swepson (1994) viewed the method as an ‘inquiry process’, this is because the methodology behaves more like an action research-based method that is used to educate through the seven stages by illustrating well the strategies of multiple cycles, and a debate between different information sources or perspectives. The methodology denies solutions to problems but rather a consensual pathway for action to move forward. It is an iterative kind of a cyclic process that needs to be revisited on several occasions. As such it is somewhat open-ended. The methodology can be initiated at any of the available stages of the entire process and may be tricky to decide whether the level of success that has been achieved is satisfactory for enabling the participants to complete the expected change.

One among the positive critique of SSM as compared to other methodology is that unlike other methodologies, SSM have the ability to manage the way through the complexity of the problem situation. This is achievable through learning process and its iterative behaviour while understanding a broader picture of the problem situation from the variety of stakeholders.

4.5 Summary

This chapter introduced SSM, which offers an organised way to deal with the complex and mostly “messy” types of problems related to the various conflicts among stakeholders. This system developed by Peter Checkland over 30 years ago, serves as a means to grounding in reality, and its taking due cognisance of the ethical dimensions of decision making.

The chapter highlighted the seven stages that are normally used within the methodology to find solutions to complex problems. Stage 1 of the SSM is where the problem situation is realised as unstructured and the researcher starts feeling the vagueness of the problem. Stage 2 is where the problem situation is expressed. This is achieved by developing a rich picture, which depicts the holistic picture of the entire problem that was regarded as unstructured in stage 1. Stage 3 temporarily crosses from the real world to the systems world. This is a stage where root definitions were formulated. Root definitions are statements that contain verbs, which can be regarded as an idealised view of the activities that can be done by the relevant systems. Stage 4 is where conceptual models are developed from the relevant root definitions formulated in stage 3. The models illustrate a manner in which the system activities relate to each other. In stage 5 the system moves back to the real world where a comparison is made between the conceptual model and the activities done in real world (rich pictures in stage 2). Stage 6 is where the debate in deciding the feasible and desirable changes that were yielded in stage 5 is conducted. Stage 7 is the final stage where the changes suggested in stage 6 are taken back to the client for the possible implementation of the changes to improve the action. The chapter concludes by presenting some known critique of this methodology as has been observed by various authors.

Chapter 5

Research Methodology

5.1 Introduction

Research can be referred to as a process of searching for knowledge. In other words, It can be termed as a specific way of searching for significant information on a particular topic. Among activities conducted through research is about knowing the source of the problem in detail, hypothesis formulation as well as provision of proposal to solutions regarding the relevant problem. Other activities that can be done as part of research is the gathering and analysis of data; by making a logical argument and finally testing the targeted outcome to establish its fitness against the formulated hypothesis as comprised within the research context (Eldabi, Irani, Paul and Love, 2002). Part of this research aims to examine issues related to consumer preference and the impact on cotton value-added product strategies for the Tanzania textile sector. This chapter identifies and explores various approaches to research and sets out the methodology used for this study. The chapter also discusses the purposes, benefits and problems associated with using Soft System Methodology (SSM), which was outlined in the previous chapter, as a framework for this research. The chapter highlights the importance of including a quantitative approach in the context of understanding consumer behaviour for the purchase of T&A products. Finally, it brings into consideration issues regarding the various procedures in interpretation, validation and ethical considerations of the data collection that were conducted throughout the entire study.

5.2 Research Paradigm

Ontology and epistemology are two different standard term used in research. Various definitions have been provided regarding the two terms. Smith (1998: 279) defines ontology as “the study of theories of being, the questions we ask about what can really exist, whereas epistemology involves the study of theories of knowledge, and the questions we ask about how we know”. Likewise Blaikie (2010:92) asserted that “Ontological assumptions are concerned with the nature of social reality so that these assumptions make claims about what kinds of social phenomena do or can exist, the conditions of their existence, and how they are related, while, ‘epistemological assumptions are concerned with what kinds of knowledge are possible – how we can

know these things – and with criteria for deciding when knowledge is both adequate and legitimate". Furthermore, Crotty (1998:10) defines ontology as "the study of being" whereas he termed epistemology as the one, which "concerns with how we know what we know". He further added, "Ontological issues and epistemological issues tend to emerge together" (ibid).

Ontology is closely connected with a fundamental question of whether social entities should be regarded as either objective or subjective. Both objectivism and subjectivism are perceived as one of the key features of ontology.

According to Saunders et al. (2012), objectivism (which is also known as positivism) is defined as the term, which "portrays the position that social entities exist in reality external to social actors concerned with their existence". Moreover, Bryman (2012) explains objectivism as "an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors". The definitions provided above simply means that objectivism agrees with the fact that social actors does not entirely depend on social phenomena and their meanings

In the other hand, Subjectivism (which is also known as constructionism or Interpretivism) can be defined as "an ontological position which asserts that social phenomena and their meanings are continually being accomplished by social actors" Bryman (2012). It is basically the opposite of the objectivism.

According to Saunders et al. (2012), there are four major research philosophies related to ontology. These philosophies are;

- **Pragmatism**
  Where its nature of reality (ontology) is that of external, multiple view selected to best fit the answer of the research question.
- **Positivism**
  Where the nature of reality (ontology) is that of external and is independent of social actors.
- **Realism** (Sometimes called post-positivism)
  Where the nature of reality (ontology) is objective and neither depends on either human thoughts and belief or knowledge of their existence (realist). Realism is further interpreted with the aid of social conditioning also known as critical realist.
- **Interpretivism**
  Where the nature of reality (ontology) is constructed socially, subjective, multiple and may change.

Epistemology is connected with how individual understands the knowledge. How they understand their thinking process and how they think others know. Like ontology, epistemology has two major constructing debates, which are known as empiricism and rationalism. While empiricism is connected with the personal experiences associated with observation, feelings and senses as the acceptable basis of knowledge,

rationalism accepts empirical findings obtained through valid and trustworthy measures as main source of knowledge (Saunders et al., 2012).

Saunders et al. (2012) highlighted the following as the main research philosophies associated to epistemology;

- **Pragmatism**
  This is where the acceptable knowledge can be obtained from either or both observable phenomena and subjective meanings depending on the formulated research question.
- **Positivism**
  This is where credible data and facts can only be observed. It the philosophy that reduces phenomena to simplest elements and focus on causality and law-like generations.
- **Realism**
  Like in positivism, credible data and facts are also guaranteed in this philosophy. Inadequate data leads to inaccuracies in sensations (direct realism). It is known as critical realism when phenomena are able to generate sensations, which allows misinterpretation. An explanation within contexts is the focus of this philosophy. Due to the continually searching nature of this philosophy, realism may utilise numerous techniques of research methods of
- **Interpretivism**
  The term is related to subjective meaning and social phenomena. It focuses on the details of the problem situation, subjective meaning coupled with the reality behind the relevant details and their motivating actions.

Crotty (1998) insisted on the inclusion of both ontological and epistemological consideration in any given research. He pointed out that in any methodological consideration, first the researcher need to understand the nature of reality (ontology) before determining how to search for a knowledge into that reality (epistemology).

Due to the nature of this study, two main parts were identified. The first part concerns with an investigation of consumer behaviour towards purchasing of locally and imported Textile and Apparel products. In this part of study, both ontological and epistemological consideration were evident. The ontology of this part of study was regarded as objectivist (in this case post-positivist) and researcher positioned himself apart from the society that was being investigated. The epistemology used in this part was the empiricist, where a quantitative research using survey method was used to gather consumer data through structured questionnaire, which was personally administered in the malls and other marketplaces.

The second part, which the main overall framework of this research was the study of the Textile and Apparel industry in Tanzania with the aim of critically, analysing the possibility enhancing value addition to the abundantly locally grown cotton. In this part, the study used a socially constructed (Constructivist) view of reality as an ontological position as under this circumstance there is no single reality or truth, which have been

found. Since there is no single reality, there is a need to interpret the reality (interpretivist) epistemological position. The interpretation was achieved by using a qualitative approach (in this case Soft System Methodology (SSM)) using several data collection technique such as semi structure interview, Focus Group discussions and a specially designed SSM workshop, where a researcher was part of the group that is being studied.

Since the first part of Consumer behaviour study has been embedded in the entire framework of Soft System Methodology (SSM) as the overall methodology framework of this study and act as one system under SSM, a need arises on formulating new overall ontological and epistemological philosophical stances of the entire study under SSM framework.

According to Blaikie (1993), SSM is recognised to have something in common with both characteristics of constructivism (Interpretivism), and of Realism. Blaikie is quoted saying;

> *"Constructivism (Interpretivism) entails an ontology in which social reality is regarded as the product of processes by which social actors together negotiate the meanings for actions and situations; it is a complex of socially constructed meanings. Human experience is characterised as a process of interpretation rather than sensory, material apprehension of the external physical world, and human behaviour depends on how individuals interpret the conditions in which they find themselves. Therefore, social reality is not some 'thing' that may be interpreted in different ways; it is those interpretations. Hence, in contrast to physical reality, social reality is preinterpreted."* (Blaikie, 1993)

He again thought of uneasiness brought by the ontology explained above with the seven-stage model's presentation of a 'real world' to which 'system thinking', which is a specialisation form of interpretation, is compared. He further realised that, the best ontology that could avoid ambiguity is *realist ontology*, in which the existence of ultimate objects of scientific enquiry are still evident but also social reality is also seen as socially constructed, which perfectly sits in its place (Blaikie, 1993).

The associated epistemology of SSM as has been applied by this study has also something in common with that of Realism (Critical Realism). Blaikie explained this type of epistemology as the one based on the;

> *"Building of models of.....mechanisms such that, if they were to exist and act in the postulated way, they would account for the phenomenon being examined. These models constitute hypothetical descriptions which, it is hoped, will reveal the underlying mechanisms of reality; these can only be known by constructing ideas about them"* (Blaikie 1993)

The above argument is supported by recent study conducted by Dalkin et al. (2018) when they were exploring the use of Soft Systems Methodology (SSM) with realist approaches. In their study, they realised that the ontological and epistemological stance of SSM is compatible with realist approaches. They both stress on the need to engage stakeholders using models, exploration and descriptions of various issues and the way complex programmes really works (ibid).

In view of the above explanation, both the ontological and epistemological philosophical stances of this study, which uses SSM as its overall methodological framework, have been regarded as a realist (critical realism) which provides an approach for inquiry by positioning itself between positivist and constructivist paradigm. The critical realism in this case employs the systems constructs to build enhance learning and the corresponding strategy of reasoning as that of model building and testing, hence enabling the study to achieve its objectives by improving a problem situation available to the Tanzania Textile and apparel industry.

Figure 5.1 explains various methodological terms used in this study and their corresponding relationship.

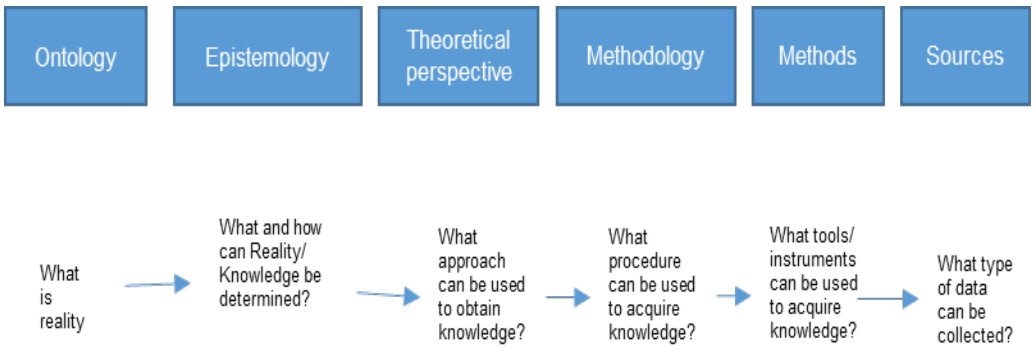


Figure 5.1 Methodological terms used in this study and their relationships

Table 5.1 provides an overview of each paradigm explained above.

Paradigm	Ontology *What is a reality?*	Epistemology *How can reality be known?*	Theoretical perspective *Which approach can be used to know something?*	Methodology *How can be done about finding out?*	Method *What techniques can be used to find out?*
Positivism	There is a single reality or truth (more realist)	Reality can be measured, and hence the focus is on reliable and valid tools to obtain that.	Positivism Post-positivism	Experimental research Survey research	Usually quantitative, Could include; Sampling, measurement and scaling, Statistical analysis, Questionnaire, Focus group, Interview
Constructivist / Interpretive	There is no single reality or truth. Individuals create reality in groups (less realist)	Therefore, reality needs to be interpreted and used to explain the associated meaning of events and activities.	Interpretivism (reality needs to be interpreted) • Phenomenology • Symbolic interactionism • Hermeneutics • Critical inquiry • Feminism	Ethnography Grounded Theory Phenomenological research Heuristic inquiry Action Research Discourse Analysis Feminist Standpoint research etc.	Usually qualitative could include: Qualitative interview Observation Participant Non-participant Case study Life history Narrative Theme identification

Table 5.1 Detailed overview of various paradigms (Adapted from Crotty (1998) and modified by the author from various source readings).

5.3 Soft System methodology as the choice of this study

Research can be conducted using various type of methodologies known as quantitative and qualitative as has been mentioned in table 5.1 above. Quantitative methodology (also known as Hard System Methodology) uses mainly experimental and/or survey research in the process of collecting data. Under this methodology, various methods or techniques of collecting data can be used which include questionnaires, structured interviews and experiments for scientific research. On the other hand, qualitative research applies strategies such as grounded theory, Action Research, case study, ethnography etc. This type of methodology employs various

methods or techniques for data collection such as open-ended or semi structured interview, focus group discussions, observation, etc.

This study has used a combination of both two methodologies. However, the quantitative methodology, which was used in the consumer behaviour part, using questionnaire, has been embedded into an overall framework of qualitative part (in this case Soft Systems Methodology (see the explanation in section 5.4). As has been described in chapter four, Soft System Methodology (SSM) has a clear methodological framework for developing new concepts, which is the main reason for its selection as an appropriate methodology for this study. Apart from its ability to provide rigour to the research, it also deals with problems existing in the real world that would benefit from some kind of comparison with idealised model concepts, such as in the system world, and then discussed to accommodate feasible activities that could be changed. The process involves an intensive interaction between participants who are the stakeholders selected from the area where the problem has evolved. SSM is also known as a learning methodology as it allows for the generation of new knowledge by considering what is currently being done, and then what is the way forward, and by adopting a new perspective of problem situations. The learning finally creates changes and positive thinking towards participants' behavioural patterns on the existing problem. Having reached a consensus on the issues to be accommodated, stakeholders can then make a final decision on the implementation the suggested changes.

With an accommodation reached, participants can easily achieve solutions quickly as both constraints observed in behaviour, culturally, and value are inhibited or ameliorated, so affecting leverage of the change process.

Soft System Methodology applies an iteration technique to scrutinise issues existing in the real world through human activity. It is also the process that provides the necessary requirements from an idealised vision in the systems world to be compared to the real world as a benchmark, which in turn makes it strong enough to deal with budding properties and abstract ideas.

5.4 Research Design

The study has combined the use of Soft Systems Methodology (SSM) as a qualitative data collection approach with a survey as a quantitative data collection technique or Hard System Methodology (HSM). This is due to the nature of the study as it seeks to identify consumer needs to use within strategies for producing value-added cotton products in the Tanzanian textile sector. A survey of consumer behaviour and attitudes form part of quantitative data approach through the use of a structured questionnaire. The quantitative (hard) part was then combined at a later stage within the soft systems methodology.

SSM and other another quantitative approach as mentioned above have been used separately and later combined using two different techniques namely “grafting” and “embedding” techniques (Mingers, 1997; Mingers et al., 2006). With grafting, SSM is first conducted to produce clear and agreed objectives, which are then fed into a hard method. On the other hand, embedding occurs when the soft approach is used to provide the philosophical framework for the intervention, with different tools and techniques embedded within it, or subsumed by it (Mingers et al., 2006). It is believed that the SSM provides a distinct path to research as it allows for a precise methodological framework for developing new concepts. The process can accommodate both the real world problems and apply them systematically to model ideal concepts, which are further debated to find room for possible action for change. The different scenarios of knowledge can be discovered by considering the current as well as the future status of the problem and finally implementing new perceptions of problem situations. The learning process observed in this methodology when adopted may affect our thinking and behavioural patterns which together with cultural and value constraints can be reduced or ameliorated and hence drive a positive change by fostering new ideas (Patching, 1990).

Considering SSM as an informed process, it utilises iteration to assess real-world situations through different human activities. It can also deal with the budding properties and abstract ideas and can provide a structure and control, with the real world as a benchmark (ibid). The above-highlighted part of the hard system was represented by a survey conducted using questionnaires. The survey was carried to

investigate consumer behaviour and attitudes towards buying local and foreign textile products.

5.5 Study Location, Sampling and Data Collection Technique

The section below discusses the areas that were used for data collection, various sampling as well as data collection techniques adopted.

5.5.1 Study location

This study was based in Tanzania, but directed at various selected regions with textile mills (spinning through fabric manufacture to garment production) and Textile and Apparel brands to gain an insight into current local manufacturing practices. Some of the T&A SME's in the country were also visited. The selected participants in this study helped the researcher to determine the effectiveness and weakness of the existing textile supply and value chain in Tanzania, especially in the area of cotton value-addition. The research then determined the influence of the buyer to opt to buy the local textile products instead of foreign products and thereby improving the competitiveness of the local industry. In the case of determining whether the existing Tanzanian policy favours the growth of the local Textile Industry and if the various recommended policies have been implemented or not, the study included visits and interviewed Government organisations responsible for Policymaking and implementation as well as Education Institutions accountable for creating Labour skills for the Industry.

Different studies on strategy for the revival and development of the Textile Sector (particular attention was given to the addition of value to cotton) in the World and other studies that have been conducted in Tanzania including existing Policy and other relevant documents were critically scrutinised. All the information obtained were analysed qualitatively.

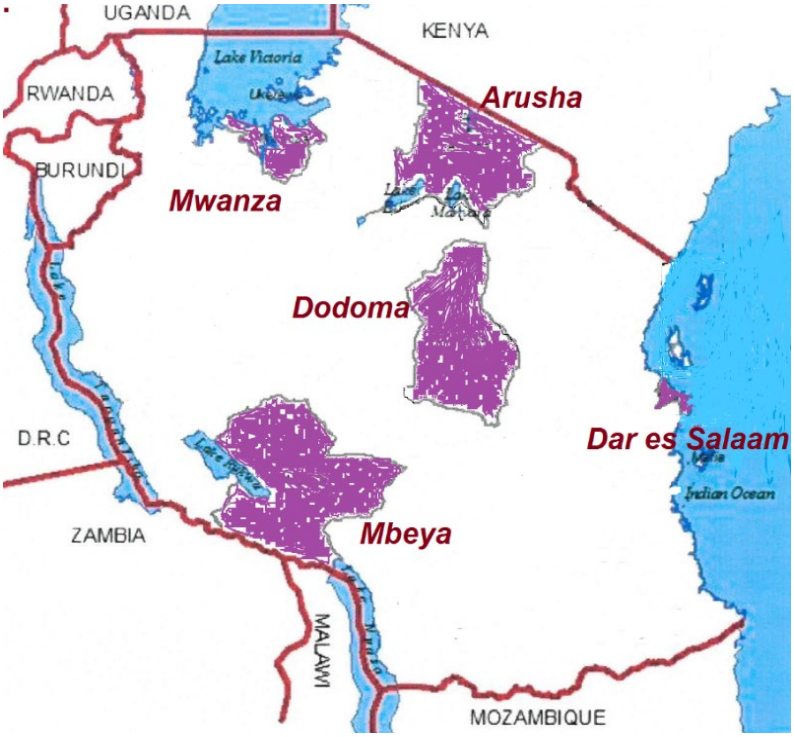


Figure 5.2 Area for consumer behaviour data collection

Figure 5.3 Area for T&A firms' data collection

To achieve the objectives, the study approached all important stakeholders involved in the supply chain system and Policy formulation and implementation in the Tanzanian T&A sector.

5.5.2 Sampling technique

A combination of probability and non-probability sampling techniques were used. Cluster (Area) probability sampling was used for the five cities that are geographically scattered throughout the country (Dar es Salaam – East/Coast area, Dodoma – Central area, Arusha – Northern area, Mbeya – Southern area, Mwanza – Western area) as can be seen in figure 5.2. In this sampling technique, every member of the population is only assigned to one group called a cluster. A sample of clusters (in this case city) is chosen, using a probability method (often simple random sampling). Only individuals within sampled clusters are surveyed (Johnson and Christensen, 2012). Non-probability or convenience sampling was then used by intercepting textile and apparel consumers in the malls within the selected cities. Convenience sampling is a sampling technique, which involves people who can be reached easily (ibid). Furthermore, the research used another non-probability purposive (judgemental) sampling when conducting interviews, focus group and a specifically designed SSM workshop with the selected stakeholders of Tanzania's T&A industry. By using purposive (judgemental) sampling, it is possible to obtain the views of the intended population, but there is also the possibility to overweight subgroups in your population that are more readily accessible. The researcher chose the sample depending on the expertise of people who will be suitable for the study area (Johnson and Christensen, 2012). This has been used to enable the researcher to focus on the most appropriate people who are knowledgable within the area of study. In this case, most representatives of Tanzania's textile and garment stakeholders were approached for a face-to-face interview, focus group and SSM workshop (see figure 5.2). This was mainly to utilise their expertise.

This sampling technique can also be useful in an instance where a targeted sample needs to be reached quickly and issues regarding proportionality are no longer considered as a prime concern. However, while administering the questionnaire the proportion of gender was taken into consideration to avoid bias (ibid).

To achieve both quantitative and qualitative approach, the study used the following techniques as its main data collection method:

5.5.3 Data collection techniques

The study first used structured questionnaires as the first part of the data collection to determine consumer preferences on the local and imported textile and garment products. The initial findings of this consumer survey were then used to enrich the initially prepared qualitative data gathering methods in the second part of the data collection process. The latter part utilised different strategies as data collection techniques to guarantee an in-depth appreciation of the problem situation.Semi-structured interviews, focus group discussions together with observations and a documentary review were among the methods employed in this part of the research. A summary of the data collection methods and their respective participants are shown in table 5.2 below.

Data collection method				
Methods	Semi-structured interviews	Focus Group interview	Documentary review	Questionnaire
Used to	Owner/ Manager of existing textile and garment factories in Tanzania	Textile/Garment factory workers	Textile and garment industry in Tanzania and some selected successful developing countries	Consumers selected from five cities in Tanzania
	Responsible officer in policymaking institutions		Policies & directives related to Tanzania Textile sector	

Table 5.2 Data collection methods

5.5.3.1 Questionnaire

The questionnaire is an arrangement of inquiries for collecting data from individuals. Different ways such as mail, telephone, personally administered, as handouts or electronically to mention but a few can be used to administer questionnaires (Fowler, 2002). Questionnaires are mainly used at the point when the availability of resources is constrained, and avast amount of information is required from many individuals. This form of data collection is also helpful when gathering information relating to knowledge, beliefs, attitudes, and behaviours (ibid). The survey took place from the end of December 2016 to the end of February 2017. The researcher initially conducted the pilot study to test the questionnaire, which was held at Mlimani City Mall in Dar es Salaam where 20 respondents were involved. The outcome of the pilot test helped the researcher to fine-tune the questionnaire and obtain the one that was used in this study (see appendix 7). A total number of 500 questionnaires were prepared and sent for the data collection in five cities as has been mentioned in section 5.5.2. A calculator that determines the approximate sample size has been presented in table 5.3. Out of the 500 questionnaires, only 420 completed questionnaires went to the analysis stage. The completed questionnaires comprised of 115 respondents from Dar es Salaam City, 90 respondents from Mwanza City, 85 respondents from Mbeya City, 70 respondents from Arusha City and 60 respondents from Dodoma City. The study used personally administered questionnaires where the consumers were intercepted in the mall and other marketplaces to investigate their respective attitudes towards the buying of local and foreign textile products. A total of 10 research assistants assisted the researcher to administer questionnaire in the selected areas. This type of questionnaire administration provides a reasonable response, although the cost can be high and sometimes participants are unwilling to take part. However, one advantage of this approach is the ease at which a response to something that requires the senses – sight, touch and smell can be obtained (Easterby-Smith, Thorpe & Jackson, 2012).

Sample size		
Population size:	58000000	How many people are in the group your sample represents? (The sample size does not change much for populations larger than 20,000.)
Margin of error:	5%	This is the plus-or-minus figure usually reported in newspaper or television opinion poll results. For example, if you use a margin of error of 4% and 47% percent of your sample picks an answer, you can be "sure" that if you had asked the question to the entire population, between 43% (47-4) and 51% (47+4) would have picked that answer.
Confidence level:	95%	This tells you how sure you can be of the margin of error. It is expressed as a percentage and represents how often the true percentage of the population who would pick an answer lies within the margin of error.
Required sample size:	**385**	Number of respondents needed
Estimated response rate:	70%	What percent of those asked to participate in the survey will do so. Response rates vary greatly depending on many factors including the distribution method (e-mail, paper, phone…), type of communication (B2C, B2B…), quality of the invitation, use of incentives, etc.
Number to invite:	**495**	This is the number of individuals out of the population you need to ask to participate, in order to achieve the required sample size based on the expected response rate.

Table 5.3 Questionnaire Representative Sample Calculator (Israel, 1992)

5.5.3.2 Interviews

Interviews have the power to enable the depth of information and time required for the study. The interview method has been chosen because it is related to the objectives targeted for this research and for the high-quality data needed. In the study, the researcher used a semi-structured interview guided by some open-end questions to the interviewees who are in charge of various sections that are dealing with the textile supply and value chain in Tanzania including Policymakers. A total of 24 interviews were conducted, 20 being with managers of factory/firm owners (see the firms involved in appendix 10) and the remaining four with Tanzania's government policy makers. This type of interview was used for the owners/managers of the textile and garment factories to be able to understand in detail all of the activities that are typically carried out in Tanzania's Textile supply and value chain in various places, mentioned above.

The same technique was also used to the various officers in charge in different government institutions to assess the existing policies involved in the sector. All the interviews took between 30 to 60 minutes for each (See all the interview guides in appendix 1-5). The selection of this method was reached due to the ability to provide comprehensive information with the aid of formulated general questions, supplemented by the use of addition questions seeking further explanation from the same query (Bryman, 2012; Opie, 2004). On the other hand, the structured interviews, which take the form of closed end questions and adopted known procedures which are directly linked to survey research (Bryman, 2012), were used to gather data for the consumer behaviour aspect. The approach helped to gather first-hand information data by aiming directly at investigating the lived experience of the participant under a particular study. The interview process begins from the assumption that it is possible to investigate elements of the particular group of people or organisation by asking them to talk and to gather or construct knowledge by listening to and interpreting what they say and to how they say it (Punch, 2005).

5.5.3.3 Documentary review

In this type of research method, an extensive literature review is to be undertaken. The review includes the study of existing documents, with the aim of gaining an understanding of their fundamental relationship to the problem situation or to gain deeper meanings as has been shown by their presentation on the subject matter (Payne & Payne, 2004). In this study, these were public documents such as media reports, government papers and publicity materials on various policies about the textile and garment industry, previous reports or research related to this study, personal documents (e.g. diaries, letters, and photographs).

5.5.3.4 Field observation

The technique, according to Creswell (2012), Bryman (2012), and Cohen et al. (2011) supported the generation of first-hand data in both the textile and garment industry as well as their respective markets. This contributes a clear picture of what is happening in the field.

5.5.3.5 Focus group

A focus group is a small gathering of five to ten individuals (six to eight preferred) led through an open dialogue by a skilled facilitator. The audience should be sufficiently vast to produce rich discussion yet not very extensive that a few members are left out. Focus group participants should be carefully recruited to reflect the study objectives. They should be a similar type of people and from repeated groups. The discussion should be held in a comfortable environment. A circle seating arrangement is preferred, and the entire debate being tape-recorded to avoid missing any comments (Kvale and Brinkmann, 2009; Bryman, 2012). A total of 15 focus group discussions in a group of eight workers were conducted to the 20 textile and apparel firms visited during the data collection stage. The discussion lasted between 60 to 90 minutes (see the focus group discussion guide in appendix 6). The method is believed to enable the gathering of different, subjective and in-depth implications and perspectives from participants through group discussion on the relevant topic under inquiry in a fast and economically viable way (ibid).

5.5.3.6 Soft System Methodology (SSM) workshop

A full one-day Soft System Methodology Workshop was conducted on 11th of April 2017 at The Department of Mechanical and Industrial Engineering conference room, University of Dar es Salaam. The workshop involved representatives across the entire structure of the Tanzanian textile and garment industry including policymakers. The workshop aimed to allow stakeholders to concentrate on exploring different ideas and identifying issues regarding the Tanzanian textile industry. While 25 participants were invited, 22 actually participated to the workshop. The entire team comprised of six representatives from textile mills and garment factories, a total of five stakeholders in which one was selected from each of the following government organisations; Ministry of Industry and Trades, Tanzania Revenue Authority, Tanzania Ports Authority, Tanzania Bureau of Standards and Tanzania Cotton Board. Two participants from textile and fashion SME's located in Dar es Salaam, four were Textile Design and Engineering students from University of Dar es Salaam, five Textile Design and Engineering staff from the University of Dar es Salaam, and one was research assistant (see appendix 9).

The participants with assistance from the researcher went through stage 1 to stage 2 of the soft systems methodology to reveal some valuable ideas from the rich pictures that were later used to create a roadmap to the subsequent stages of SSM.

The study used audiotape and manual recording with the aid of a field notebook as data collection tools during the interviews, focus group and SSM workshop. This exercise ensured appropriate storage of data for future review at the analysis stage. Simple techniques such as asking for comments on positive and successful actions and events were employed to encourage frankness to the participants.

All decisions for selecting numbers of interviews and focus groups were reached due to the type of sampling technique selected. A judgemental non-probability sampling requires a study to target a certain sample according to the specific expertise represented by the sample in the area of study. In this case, all expertise/ stakeholders within the Tanzania Textile and Apparel industry were approached for the data collection using the aforementioned techniques. The numbers involved represents those who were willing to participate voluntarily in the data collection process.

Both interview, focus group and questionnaire guide were prepared using the extracts from various literatures related to the area of study in hand worldwide coupled with the information obtained from the recent scenario of Tanzania Textile and Apparel industry.

5.6 Data analysis

The study conducted the following data analysis;

5.6.1 Main data Analysis

After the data collection stage, the next step is to analyse the data thereby enabling the research questions to be evaluated and tested. In most of the qualitative-based research, data analysis often coincides with data collection, data interpretation, and narrative report writing (Denzin& Lincoln, 2005). In the case of this study, an initial consumer attitude analysis was first conducted to yield more ideas and perspectives that were subsequently used to enrich the qualitatively prepared data collection guides to be used by the textile and garment stakeholders. The acquired data was mainly analysed qualitatively using a seven-step Soft Systems Methodology, described in the previous chapters, with the aid of interpretive diagrams.

5.6.2 Consumer Behaviour Data Analysis

The consumer behaviour data that was gathered using a questionnaire in different areas such as;

- In malls and other marketplaces by intercepting consumers.
- To the participants during the focus group discussions with the workers of the various T&A firms in Tanzania.
- To the participants during the SSM workshop with the stakeholders of Tanzania T&A industry

The collected data was analysed using Statistical Package for the Social Sciences (SPSS) and the Fishbein model. Both analysis methods are explained in the next following sections.

5.6.2.1 Hypothesis formulation and testing (SPSS)

Based on the literature review, the researcher developed three null hypothesis regarding consumer behaviour when purchasing imported and locally made T&A products. The formulated null hypothesis was then to be tested using multiple regression in the SPSS software. The following were the formulated null hypothesis;

- **Ho_1–**There is no significant difference in T&A products attributes that consumer in Tanzania consider when purchasing T&A products.
- **Ho_2**- There is no significant difference in the perception of consumers towards imported T&A and locally produced T&A products.
- **Ho_3 –** There is no significant difference in decision to purchase imported T&A products due to unavailability of the locally produced T&A product in the local market.

5.6.2.2 Fishbein Model

A body of research exists in the area of consumer behaviour and attitudes modelling and theory. Fishbein's model is said to be the most influential model, which made a significant contribution to this subject (Bray, 2008). The model proposes that attitudes toward an object are based on the summed set of beliefs about the object's attributes weighted by the evaluation of these. The attributes can be products or brands. There is always a need for marketers to deeply understand their consumers' attitude towards the products they market, and then formulate strategies to influence those attitudes. One of the most important activities to determine consumer attitudes toward an object is market research or consumer research (Bray, 2008; Ramdhani et al., 2012).

Fishbein's model of Multi-Attribute Attitude started with the initial model of the attitude toward the object and later joined with Azjen, and together they developed the theory of Reasoned Action (Azjen & Fishbein, 1980; Fishbein & Azjen, 1975). Both of the model versions are explained in the next sections.

5.6.2.1 Attitude toward the object model

This is appropriate for dealing with the class of products (or services) or a particular brand. The model is said to be a function of the presence (or absence) and evaluation of a specific opinion or beliefs (Ramdhani et al., 2012). Whereas consumers possess a certain level of sufficient attributes and positive values, they also have an unpleasant attitude towards the products or brands they feel do not meet adequate standards of undesirable characteristics (Schiffman and Kanuk, 2008).

A person's attitude toward an object is a function of his belief that the object is associated with specific attributes and evaluative responses that are connected to that belief (Fishbein, as cited by Ramdhani et al., 2012). Fishbein developed a mathematical formula of attitude toward the object as presented below;

$$Ao = \sum_{i=1}^{n} b_i e_i$$

Where;

Ao = Attitude toward the object (brand)

bi = belief about the brand's possession of the attribute

ei = evaluation of the attribute as being good or bad

n = there are a limited number (n) of attributes which the person will consider

According to Mitchell and Olson (2000), most of the previous research using Fishbein's Multi-Attribute Attitude Model has focused on the context of advertising. In this study, the model is applied in the context of establishing the attitudes towards the buying of local and foreign textile products in Tanzania, which the existence of in literature within this domain of research has not been found.

5.6.2.2 Theory of Reasoned Action

This theory was formulated by Ajzen and Fishbein in 1975 and further in 1980 to provide a framework to study attitudes toward behaviours. According to the theory, the most crucial determinant of a person's behaviour is behaviour intent (BI). This is the individual's intention to perform a behaviour, which is a combination of attitude toward performing the behavior (Ab) and subjective norm (SN). The individual's attitude toward the behaviour includes; Behavioural belief, evaluations of the behavioural outcome, subjective norm, normative beliefs, and the motivation to comply (Schiffman and Kanuk, 2008).

According to Fishbein and Azjen (1975) followed by Azjen and Fishbein (1980), The Extended Fishbein Model is represented by the following formula:

B ≈ **BI = w1Ab + w2 SN**…… (1)

Where;

B is Overt Behaviour (e.g., the purchase), which is approximately equal to

BI or Behavioral Intentions, and

Ab = Attitude about the behaviour (the act of purchasing a brand, for example) = $b_i e_i$(beliefs regarding the outcome of the behavior; evaluation of those consequences as good or bad), and

SN represents Subjective Norms, or

$$SN = \sum_{j=1}^{m} NBj \times MCj \text{ ....(2)}$$

Where;

NBstands forNormative Beliefs (what we think others would want us to do),

MC represents our motivation to comply with their wishes

w1 and w2 in equation (1) above stand for the weight given to the Ab and SN components.

The approach explained above proved to be useful for this study and, therefore, has been used extensively as part of data analysis for the consumer survey.

Finally, it is expected that a model that was developed from the inclusion of Fishbein analysis and others will help to make a Tanzania Textile industry competitive by creating value-addition to the locally grown cotton. The development of this model was possible with the aid of various parameters and criteria obtained from the data collection.

5.7 Validity and Reliability of the Findings

Several approaches could be used to address validity and reliability in this study. One among them is the triangulation of information within various sources of data, receiving response from participants and review from experts (Simon, 2013). Triangulation referred to the use of multiple methods or data sources in qualitative research to develop a comprehensive understanding of phenomena (Carter et al., 2014). Furthermore, triangulation also had been viewed as qualitative and quantitative research strategies to test validity through the convergence of information from different sources (ibid).

To ensure validity and reliability of the findings the researcher used triangulation whereby four instruments including semi-structured interview, observation, focus

group discussion, and documentary review as well as specially designed SSM workshop were used together for collecting various sets of data within the same study. The researcher also used a mixed approach whereby consumer behaviour utilised quantitative research approaches to gather data and was later combined with the qualitative SSM framework to gather and the analyse data obtained from the Tanzania T&A stakeholders. The questions also were framed in a simple and unambiguous language to avoid wrong interpretations. Kombo and Tromp (2009) argued that the manner in which a question is formulated could also result in inaccurate responses. Thus, by using different techniques or instruments to collect the same data and ensuring careful formulation of questions reduced the chances for such inconveniencies. Furthermore, the validity and reliability of the findings has been ensured by the use of the SSM. This methodology allows for the frequent interaction of the entire concerned area of study (Checkland and Scholes, 1990; Patching, 1990). In this study, apart from the interviews and focus group discussions, a specially designed SSM workshop was initially conducted with the selected stakeholders in the Tanzanian T&A industry during the data collection phase. Later the initial model was taken back for discussion with various stakeholders, which provided opportunities for additions or the removal of elements that emerged during discussion.

5.8 Generalization of the Research Findings

Polit and Beck (2010) described transferability, as the extent to which the findings of a study could be used or applied in other similar contexts, the findings from this study would be transferred to other similar areas. Transferability also means that knowledge could be passed to others and used by them (Chow &Rueker, 2006). Furthermore, transferability allowed implications to be drawn whereby others may anticipate what might reasonably be expected to arise in other contexts (ibid).

The centre of attention was on context and on the similarity between contexts while explanation power should replace generalizability and prediction to be the key factor (Branch & Pennypacker, 2013). The same authors went further by pointing out that there were arguments that research findings need, to some extent be generalizable to achieve a meaningful effect. They argued that there might be capacity for generalization otherwise there was no point of giving such careful attention to the single case.

In this study, transferability has been guaranteed through maximizing variation. In this context, the researcher maximized variation by involving different participants covering the entire population of Tanzania T&A stakeholders as well the consumers within the same sector during data collection. The study ensured generalization/transferability of the findings by selecting samples, which represented the entire population. Cluster probability sampling was used to select the five cities that are particularly well scattered geographically within the country for the consumer behaviour survey as has been explained in section 5.6.2 and shown in figure 5.2. Furthermore, a purposive (judgemental) non-probability sampling was applied to intentionally select the Tanzania T&A stakeholders as has also been illustrated in section 5.6.2 and shown in figure 5.3. The combination of these sampling techniques increases the generalization/ transferability of this research. For context similarities and recognition of patterns, the researcher invested in describing clearly, where the data sets were collected. Thus, giving room for other people to compare the study areas and their areas of interest.

5.9 Ethical issues and consideration

As an essential part before conducting data collection, ethical issues were considered and addressed (Cohen, Manion, and Morrison, 2000). Ethical clearance for the study was sought. Permission from various participating institutions such as various Tanzanian government organisations through relevant authorities responsible within the textile industry and other related matters were requested in advance. The same procedures were conducted through the Regional Administrative Secretary (RAS) before contacting key participants (see appendix 11). Ethical approval was also sought from the University of Huddersfield through the School Ethics Committee for the overall clearance of conducting this research. All respondents received an informed consent form detailing the aim of the study, as well as assurance that their participation was voluntary, and that what they have said would be confidential, and that they could withdraw from the project at any stage should they so desire. Finally, participants were also assured that all the audio records, as well as written notes, would be destroyed after completion of this research.

5.10 Summary

This chapter has introduced the philosophy adopted and the corresponding methodology that has been used to achieve the objectives of this study. The chapter started with the research paradigm by highlighting both epistemological approaches: the positivist (quantitative) and interpretivist (qualitative) approach. The two approaches call for different types of methodologies and look at the world differently. Their application in connection with the research aim and objectives were both considered. Due to the nature of the study, and based on the literature review conducted, the use of a combination of the two approaches (Quantitative and Qualitative) was favoured. However, Soft Systems Methodology (SSM) was selected as an overall methodology of the study and a small part used a quantitative approach. Consumer behaviour questionnaires as part of the quantitative approach were analysed separately using SPSS and the Fishbein model and later embedded into the SSM framework. The qualitative approach (SSM) used techniques such as the in–depth, semi-structured interview, focus group discussions as well as a specifically designed SSM workshop. Validity, reliability and generalization of the results obtained were discussed along with the consideration of the ethical issues.

PART TWO

WORKING WITH SOFT SYSTEM METHODOLOGY (SSM)

(CHAPTER 6 – 9)

Chapter 6

Stage One to Four of SSM

6.1 Introduction

This chapter presents the beginning of the application of SSM for this study through the four initial stages of the methodology beginning with stage one where the problem situation is realised as unstructured. This is followed by stage two of SSM, which is where the rich pictures are discussed from the observation and data collection stages, which were conducted in the Tanzanian Textile industry. The chapter then discusses stage three where the root definitions are formulated. The root definitions reflect the definitions of relevant activities in the system world. Finally, stage four of the SSM is presented where the conceptual models are constructed from the relevant root definitions obtained in stage 3.

6.2 stage 1 of SSM - Problem Situation – Unstructured

During his explanation on the term problem or problematic situation, Checkland defined the term as follows;

> *"any situation in which there is perceived to be a mismatch between what is, and what might, could, or should be".*
>
> (Patching, 1990) Page 44.

In the context of the Tanzanian textile industry and specifically in the development of cotton value-added products, the researcher identified the existence of a mismatch between what is currently being done and what could possibly be done in order to make the Tanzanian T&A competitive. Checkland emphasized this phenomenon of SSM by talking about a feeling of uneasiness that something is wrong when examining a problem. At this first stage of the methodology, the researcher starts to explore the study area by talking to those directly involved in the situation and other interested parties. This is enhanced by reading current and past reports and other related documents. Information obtained has helped to develop a clearer picture of what is happening and the factors that influence the situation. An entire account of background

information on the existing problem has been narrated in the introduction chapter. However, a brief recall of the problem will also be presented in this section.

Africa as a whole has a share of around 4% of global cotton production, but the African textile manufacturing value chain beyond the fibre level is largely underdeveloped due to a number of reasons. As a result, most of the cotton grown is exported in lint form to other countries where it is converted into yarn, fabric, garments and other related textile products. This causes loss of value-addition opportunities, which could generate large-scale employment and earn valuable foreign currency in Tanzania.

As with most countries in Africa,Tanzania produces a large quantity of cotton lint. The availability of cheap labour throughout the country and the current trade preferences the country enjoys are one of the advantages possessed by the country. At first glance, there would appear to be an opportunity for a well established and competitive textile and garment industry in Tanzania. On further analysis, however, there are significant restraints on the sustainability and development of the industry that, if not adequately addressed, will stifle growth and place the entire value chain at risk. Although Textile and apparel manufacturing has been accorded ‘priority sector’ status and features as a target sub-sector in Tanzania’s Integrated Industrial Development Strategy 2015, output, investment, employment and exports have remained low (Salm et al., 2011). The sector is yet to recover from the collapse resulting from economic reform and trade liberalization in the 1990s, most notably withdrawal of government support, removal of trade barriers and exposure to international competition.

Approximately less than 70% of cotton lint produced in Tanzania is exported to the Asian countries, leaving around 30% consumed in local industries. In 2014, 63% of the locally produced cotton was exported as lint (National Cotton Council of America, 2014). As has been stated above, the cotton exported is then converted into the fabric and finally into garments as pure cotton or blended with synthetic fibres. The fabrics or garments produced are then sold back to Africa and other western countries. The garments directed to western countries are worn and then imported back to African countries where they are sold as second-hand clothing. In countries where cotton is grown, like Tanzania, they are losing an enormous amount of money as well as employment opportunities for the citizens by failing to produce the cotton value-added products.

The problem within the textile industry in Tanzania can be regarded as a complex one, messy and involves human activity. This assumption is supported by the fact that, the sector comprises a large and diverse number of stakeholders ranging from cotton growers, ginners, spinners, fabric manufacturers, garment manufacturers, second-hand and new clothing importers. It is also evident that most of the efforts in finding a solution to this problem has not yielded any positive results. Furthermore, previous research on consumer behaviour is unavailable, if any at all has been conducted.It is therefore the intention of this study to investigate and understand Tanzania's T&A consumer preferences, desires and needs. The outcome will then help to design a prospective competitive local T&A industry by improving the existing manufacturing facilities.This improvement coupled with other suggested policy related factors will be used to develop a vibrant local T&A industry.

In order to solve this kind of messy problem, Soft System Methodology has been used.The development of this methodology was reached due to the shortcomings of the existing management methodologies and their lack of abilities to deal with complex situations where human factors were involved (Jackson, 2003).

Various sets of information have been collected through secondary research by conducting a thorough literature review in the related field. Furthermore, primary research was then conducted. The primary research included a survey to discover Consumer preferences and needs, interviews with the textile and garment firms owners or managers, focus group discussions with the textile and garment factory workers and finally a specially designed Soft System Methodology workshop.

The primary research started by conducting a pilot test for the questionnaire that was initially completed by a group of 20 people at Mlimani City Mall in Dar es Salaam. The questionnaire aimed to collect data on consumer behaviour and attitudes towards purchasing local and imported textile products. It was intended that the tool would be used to collect consumer data partly during the focus group discussions and the remainder through mall intercepts with consumers, to determine consumer behaviour on purchasing the local and imported textile and apparel products. One of the main obstacles encountered during the questionnaire testing was the fact that people felt that it was too large (six-pages). The questionnaire was therefore revised by reducing the number of questions, which in turn also reduced the number of pages, while

retaining the same meaning and weight. Consumer preference data was then collected. Furthermore, the initial analysis of the consumer behaviour was conducted and incorporated into the subsequent data collection process using interviews and focus group discussions with different textile mills and garment manufacturers, as well as with various policy makers. Finally, a Soft System Methodology workshop involving a wide range of stakeholders aimed at collecting more data regarding the textile industry in Tanzania which was conducted as an overall data collection method to bring together all of the sets of data. All of the above-mentioned methods are explained in the next following sections.

6.2.1 Consumer Behaviour Questionnaire

The aim of using a questionnaire survey in this study was to aid the investigation of consumer behaviour and attitudes towards buying local and foreign textile products in Tanzania. In order to do that, a combination of probability and non-probability sampling techniques (see section 6.5.2) were used in this data collection technique. Data collection under this category took place from the end of December 2016 to the end of February 2017. First, cluster (Area) probability sampling was used for the five selected cities that are geographically scattered throughout the country (Dar es Salaam – East/Coast area, Dodoma – Central area, Arusha – Northern area, Mbeya – Southern area, Mwanza – Western area). The study then proceeded by using a non-probability convenience sampling by intercepting textile and apparel consumers in the malls and other market places within the selected cities. A total of 420 intercept questionnaires were completed.

6.2.2 Interview and Focus Group Discussion Guide.

In this section, the researcher used a non-probability purposive sampling. The researcher was confronted with a number of challenges during the entire period of the data collection process. Despite the fact that, initial communications were conducted with all of the interviewees during the methodology design phase, some denied the researcher access to their factory for the interview to take place. Due to the researcher's experience in the Tanzanian textile industry, various alternatives were sought and finally the researcher was allowed to conduct the relevant interviews as well as the focus group discussions. All the interviews, focus group discussion as well as the SSM workshop took place from end of January 2017 to the middle of April 2017.

6.2.2.1 Interviews

All of the Interviews held involved the use of open-ended face to face semi-structured questions, which took between 30 to 60 minutes for each, and focussed on discovering the participants' experience, feelings, knowledge, attitudes, and suggestions regarding the existing textile industry and their related policies as currently practised in Tanzania and their corresponding suggestions on the existing problems as far as cotton value-added products development is concerned.

6.2.2.2 Focus group

The focus group discussions were meant to probe more on participant's experience, feelings, opinions and perceptions regarding the development of cotton value-added products as well as consumer behaviour and attitudes towards buying local and foreign textile products. The target was to acquire a wide range of views on the existing performance of the textile sector and consumer preference in Tanzania. Most of these focus group discussions were conducted along with the interviews held in textile and garment factories. Arrangements for both interviews and focus groups were sought in advance before paying a visit to a particular factory. The focus group discussion took between 60 to 90 minutes in every T&A firm visited.

6.2.3 Soft System Methodology (SSM) workshop

The SSM workshop was the final data collection tool. The workshop involved participants who are experts in textile and garment production as well as policy makers for the purpose of efficient and exhaustive contributions on textile and garment technical aspects and their related policies. Few participants were selected as a representative of the majority of stakeholders in each of the sectors within the Tanzanian textile industry. Selected stakeholders from the initially visited textile mills and all varieties of garment manufacturers, Textile and clothing related policy makers (Ministry of Industry and Trades (MIT), Tanzania Ports Authority (TPA), Tanzania Revenue Authority (TRA), and Tanzania Bureau of Standards (TBS) were invited to the workshop. Selected participants from educational institutions that offer courses in textile and clothing, such as the University of Dar es Salaam (UDSM) and Vocational for Education and Training Authority (VETA) were also invited (see details in section 5.5.3.6).

The workshop focused on identifying issues technically and their relevant policies that can be changed in order to fit into the newly suggested system that will see the sector increase its local cotton lint consumption from the existing ~20% to at least more substantial amount if the recommendations under this study will be fully implemented.

The researcher participated as a team member as well as a team leader thus incorporating a participatory research approach as he was also engaged himself in the entire discussion held in the workshop. The engagement of the researcher helped to guide the discussion through the SSM perspectives as almost all the members of the workshop had no previous concept on what is supposed to be done when drawing the rich pictures.

Initially, it was planned to conduct a two-day workshop for convenience, but due to the lack of SSM knowledge possessed by almost all the participants, a one-day workshop was conducted. However, it later transpired that it made better sense to conduct a one-day workshop due to the nature of the methodology adopted. As noted earlier, with the knowledge of participants involved it could have been difficult to proceed to other SSM stages especially stages 3 and 4, as they require more time to gain knowledge. Another reason was due to the experience obtained in developing rich pictures in stage 2 of SSM. A one-day workshop was sufficient to extract enough material on the Tanzanian textile industry.

The workshop started with an introduction to the SSM and an overview of the findings from the field data collection in the Tanzanian textile industry. Four groups were then formed for thorough discussions on the existing textile industry to probe more on issues raised from interviews and focus group discussions. The groups formed were given more than 90 minutes for discussions. The entire discussion was based on stages 1 and 2 of the SSM followed by developing group rich pictures that depict the issues discussed on the Tanzanian textile industry. These rich pictures are given and explained fully in stage two of SSM located in section 6.3. The discussions on the rich pictures were then followed by 15 minutes of presentations from each group and a general discussion of the individual rich pictures.

An exercise that aims to identify consumer attitudes and intentions towards buying local and foreign apparel product took place after the presentation and discussion of the group's rich pictures. The exercise was conducted by comparing a variety of

actual apparel products based on different attributes such as the Country of origin, brand, price and other attributes such as texture and fashion styles on five different T-shirt samples (see the entire SSM schedule in appendix 8).

Two sets of garments (T-shirts) from the same countries were chosen. The choice made from the same country was purposely done to maintain consistency and avoid confusion during the SPSS analysis stage. These samples were sourced from new clothing (imported and local) from three different countries and one used sample from Western Countries. Participants were then asked to choose their preference on;

a) Country of origin: Garments (T-shirts) made from Myanmar, China and Tanzania were used. An additional used T-shirt sourced from Western Countries was also used in this exercise. Labels of “made from” were attached to the available T-shirts samples. This was to determine the effect of country of origin to the consumer attitude towards buying foreign and local T&A products.
b) Brand: Brand was also another attribute used to measure consumers’ attitude. Different brand names were available in the T-shirts samples provided. Participants were asked to decide which brand was worth their money.
c) Price: A tag indicating a buying price for each T-shirt was attached. This served to determine whether customers are attracted by price to buy a certain T&A product.
d) Other attributes: Changing the samples and removing the country of origin labels and price helped with the identification of other attributes. The identification was mainly done by appearance and a feel of the respective sample Focusing on attributes such as texture and the fashion context (Design, style and fit, fibre content, comfort and durability).

The first set of garments were used to test consumer preference on country of origin, brand and price which are indicated with a, b and c above. The second set of garments from the same countries with hidden country of origin and brand name

were then displayed for the identification of other attributes mentioned in part d above.

The entire day's activities were concluded by a general discussion on the possible overall rich picture as a result of the one obtained from the respective group works. It was a difficult task to agree on the final suggested picture that depicts the Tanzanian Textile sector with all the existing issues incorporated. It was suggested and agreed that, the researcher should continue to work on the overall rich picture. The development of the overall rich picture from the five rich pictures (including the initial one developed by the researcher shown in figure 5) is presented in stage 2 of the SSM in the next section. It should be noted that the researcher's initial rich picture was not shown to the participants prior to and during the workshop. This was intentionally done to avoid any copying of ideas from researcher's rich pictures and therefore to obtain original ideas from the relevant group discussions within the workshop.

6.3 Stage 2 of SSM –Rich Picture Development

In stage two of the SSM, the situation discussed in stage one is expressed pictorially, using rich pictures. These rich pictures are the result of different views collected during various data collection mentioned in stage one. It comprises all of the stakeholders' wide views on the problem within the sector and their thoughts on the way the existing problem can be solved.

All rich pictures were redrawn by the researcher for the sake of clarity without any changes from the actual pictures drawn within the workshop. Figures with "a" series represent the originally drawn rich picture in the workshop and those with "b" series represent the redrawn rich pictures.

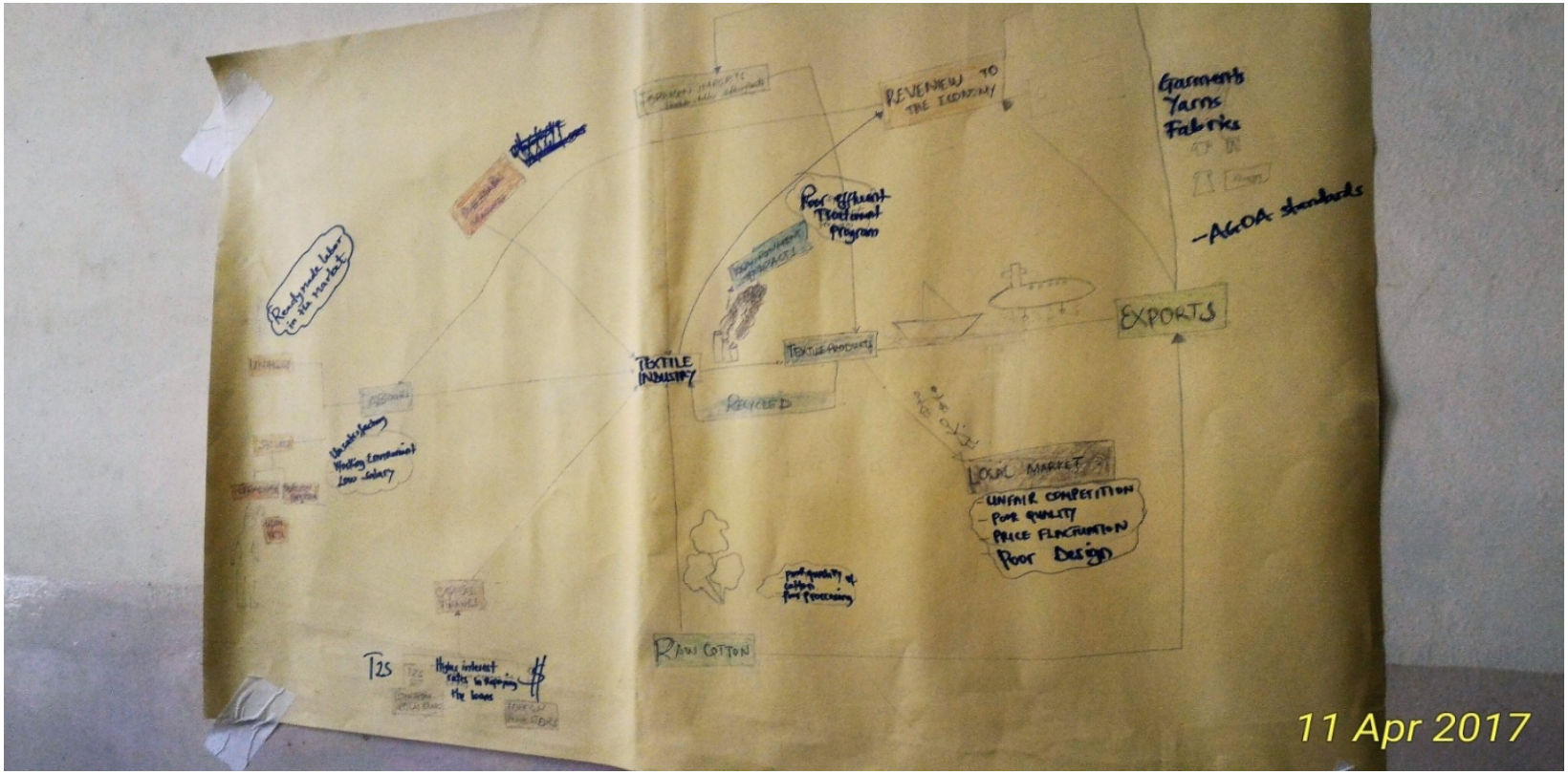


Figure 6.1a. Tanzania textile industry Rich Picture from group no. 1

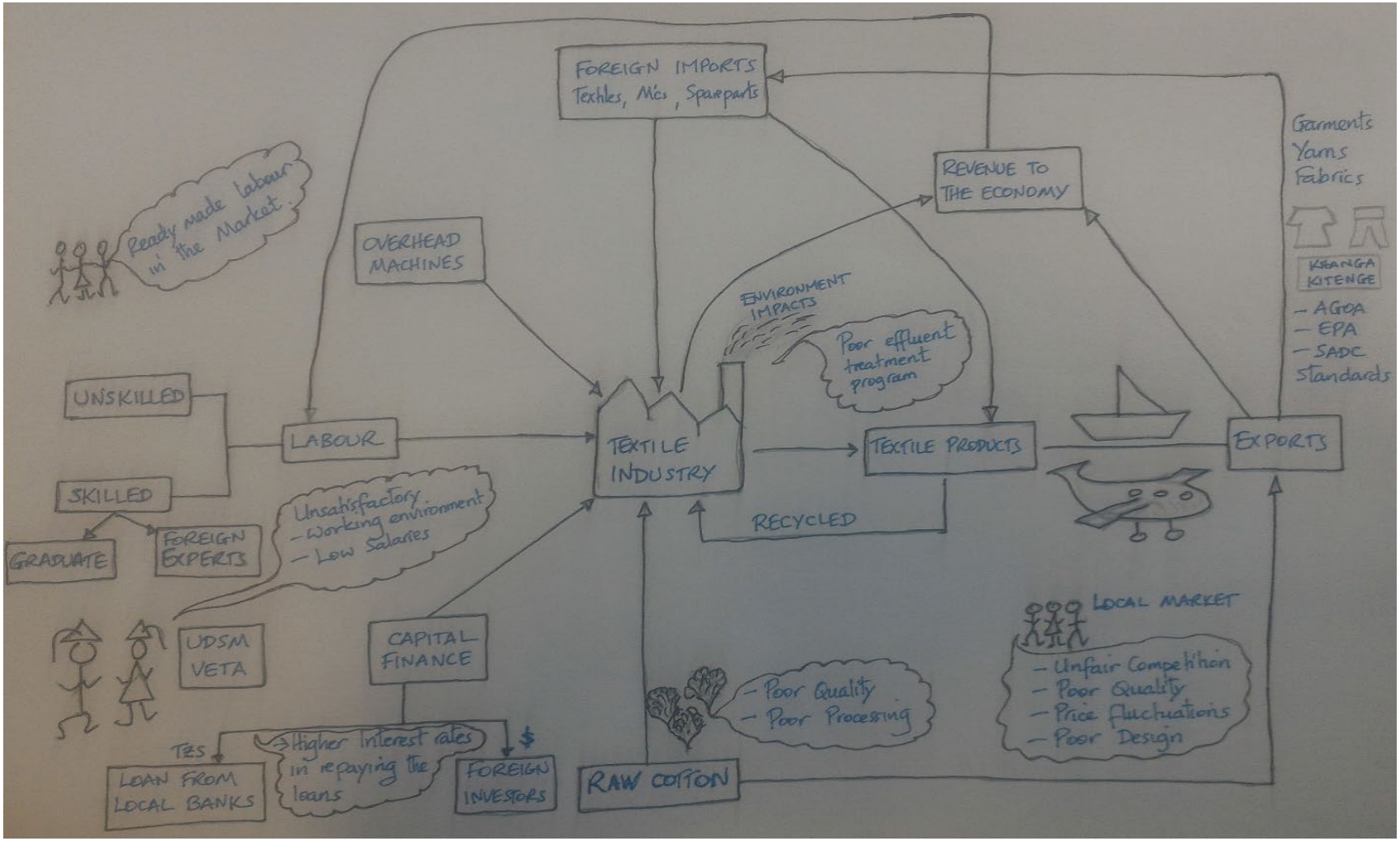


Figure 6.1b. A redrawn Tanzania textile industry Rich Picture from group no.1

The explanation below is based on notes taken from the discussions of the rich pictures in the workshop;

6.3.1 Discussion for rich picture from group 1

Group 1's rich picture, shows that the textile industry is composed of items that are regarded as input and output. Input includes raw materials such as cotton and garments. Other input includes capital and finance. The capital comes as loans from local banks and foreign investors, which may invest by injecting their own capital. Various challenges are encountered under these loans including higher interest rates to repay the loan, which prevents the textile industry from developing. Furthermore, there are inputs like synthetic yarns, fabrics and other accessories, machines and their respective spare parts that are imported. Others under this category are overheads for the textile industry.

Another important aspect to be considered is labour. Labour can be categorised into two types, unskilled and skilled labour. Unskilled labour is low-educated people and skilled are graduate people from University and vocational colleges like VETA. There are also hired textile and garment experts from foreign countries such as Bangladesh and India. These experts cover most of the managerial jobs that could have been taken by local workers. In a place where a local worker is employed, the wages provided to the worker is insufficient to cover their basic needs and other associated expenditures. In addition, a poor working environment is another challenge in the local textile industry. People are working hard sometimes overtime hours but with poor salary. These are some of the reasons that force local skilled workers to quit and find other jobs with better prospects.

A small amount of cotton lint (around 20%-30%) is consumed locally. The group thinks that at least 50% or more can be directed to the local industry to support the locally value addition of cotton. A variety of textile products will then be able to be manufactured from the available local textile industries; these finished products will either be exported or sold locally. Currently, the local market faces many challenges like unfair competition from imported new and second hand clothing. It is believed that one of the reasons claimed is poor quality offered by the local market, which goes along with poor quality design and other aspects of quality in textile and apparel products.

In the entire process of exporting T&A products, the country and individuals get revenue, which adds value to the national economy. The revenue obtained is used to cover various expenses and to develop the textile industry. Once the textile products are used to their end, they can be recycled and develop other new products in the local industry.

In the course of these T&A production, environment problems cannot be avoided. Different measures have been put into consideration. Issues like the treatment of waste from textile industries have been dealt with accordingly with the government. Most of the textile industries in the country perform influent treatment by observing the procedures set out by the government on how to treat the effluent produced from their relevant factories for the sake of avoiding further pollution to the environment.

Cotton farmers have some challenges from cotton farming up to the cotton processing in the gins. Poor quality of cotton comes from the starting point when the farmers are growing cotton. Poor inputs like cottonseeds that sometimes are not germinating and lack of other inputs such as pesticides are among the things that farmers are confronted with during cotton farming.

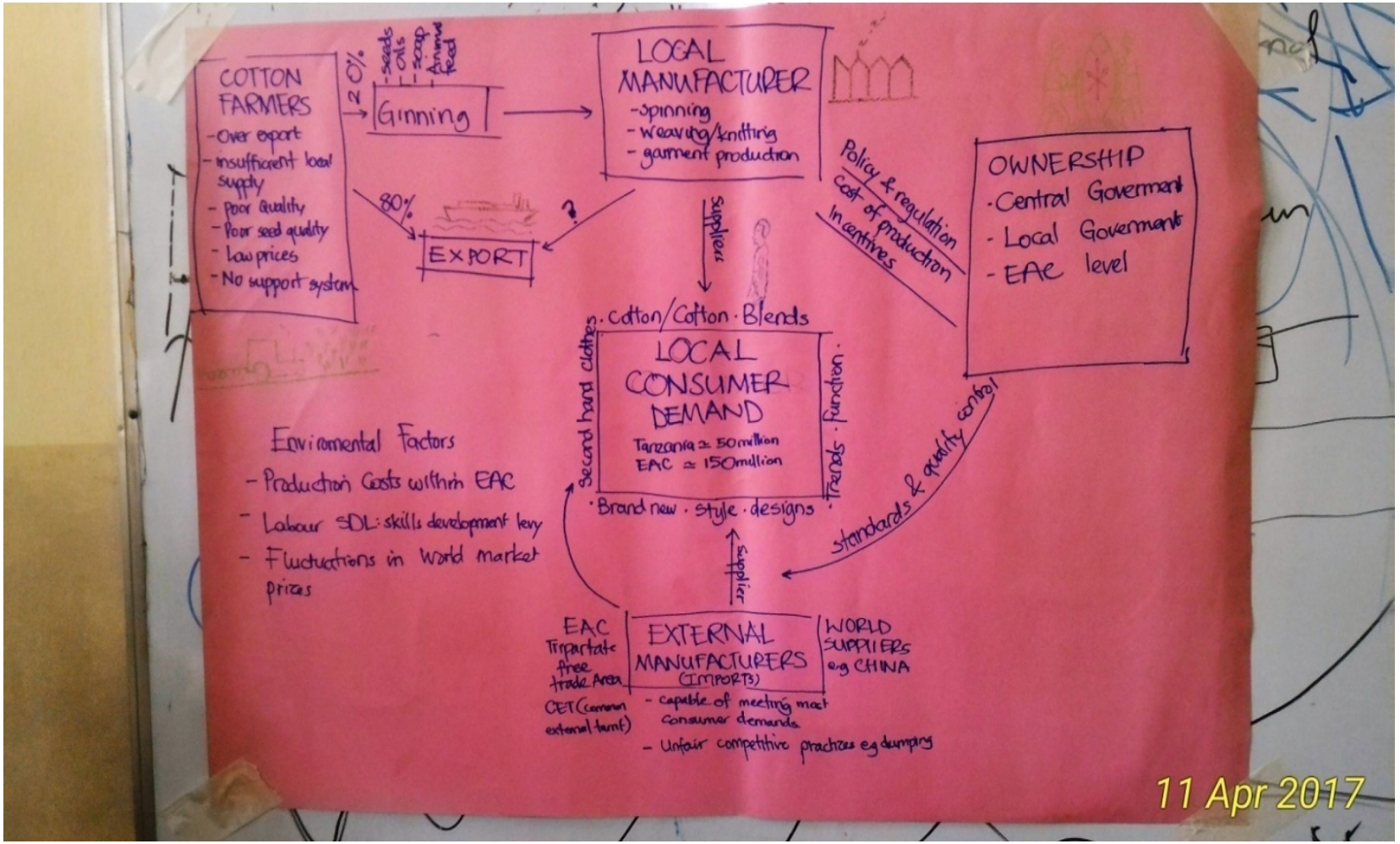


Figure 6.2a. Tanzania textile industry Rich Picture from group no. 2

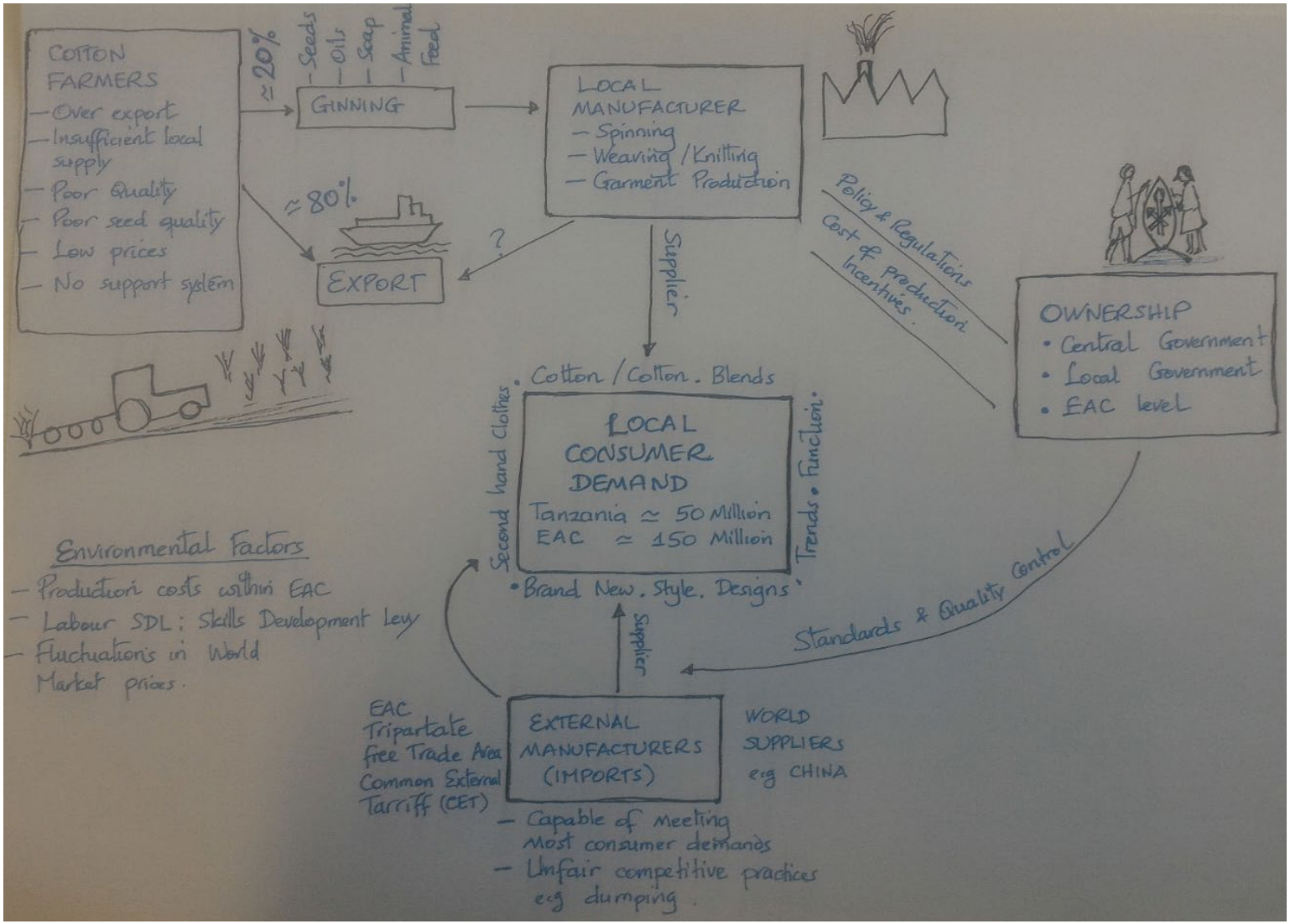


Figure 6.2b. A redrawn Tanzania textile industry Rich Picture from group no 2

6.3.2 Discussion of rich picture from group 2

Given its utmost importance, group 2 placed consumer demand at the centre. It is believed that consumer demand should be the main driving factor especially with regards to the competitiveness of the textile sector. Fulfilling consumer demand should always be given priority as the local industry is competing to capture the market for its survival within and beyond the border. In this case, local demand implies Tanzanian population and the general East African community (EAC) which is about 150 million people. The nature of consumer demand varies; there are people who need pure cotton fabrics and those who need cotton blends. There are also consumers who prefer second hand clothing as new clothing. Furthermore, some consumers go further by expressing their demand in style, design, trends and function. This is in terms of garments.

In terms of manufacturers, there are local manufacturers who are responsible for yarn, and fabric to garment production. From these manufacturers we have a supply that is directed to the existing local demand and exporting a certain amount in which the exact quantity has not been known. Ginning is explained later as it is a process that can be done almost separately and is closer to the farming site. The output from ginnery is the cotton lint in which approximately 80% is exported and the remaining 20% goes to local manufacturers. This means that there is insufficient cotton to be used for the local industry. It is recommended to do the adjustment of our local cotton value addition to increase the amount that is consumed locally to at least 40% – 60%. However, there is also a need to know the quantity and value of export for the locally produced cotton yarn, fabrics and garments.

With regard to ginning, there are some important by-products such as cottonseed where cotton oil, soap from the oil and animal feed from the compressed seed remains can be obtained. The cotton farmers are also confronted with the number of problems during the cultivation of cotton. Poor seed quality is one among the problems that have been reported by farmers. They only receive cottonseed from the government and sometimes they say they do not get seed that germinates. Low prices offered to cotton and yet there is no proper supporting system, as a number of taxes need to be paid to the local government as well as to the central government. Ginners are highly confronted with the problems of poor quality cotton, which is obtained when the cotton

is intentionally mixed with sand and water to make them seem heavier. Conclusively, Farmers and ginners need a better support system that allows them to commercialize easily the cotton that they grow.

Due to the mnemonic CATWOE introduced in stage four in this SSM workshop, Issues like worldview, ownership, customers and actors are explained within the above rich picture. In terms of ownership, the authorities that are always involved in making decisions are from the central government, local government and sometimes the east African community level. The decisions made by the central government affect manufacturers (investors); some of them came to Tanzania via the Tanzania Investment Centre (TIC) and other related authorities. The local government also makes land available for investments. Taking an example of the country such as Rwanda, through policy and regulation especially for local manufacturers, they offer an exemption of tax to companies to enhance their production and bring down their operating cost. That means manufacturing costs are lower, hence reducing the cost of production for manufacturers and enable them to compete.

One among the points on achieving a competitive textile sector in a case where the neighbouring countries are making some favourable conditions for their factories to compete, the local industry needs to do even beyond what is being done by the neighbouring countries. This will enable the local industry to gain a competitive advantage.

Also from the side of ownership, there are local manufacturers as well as external manufacturers who import fabrics to satisfy their local consumer demands; the same applies to second hand clothing from the Western economies. But all of these need to be regulated by the government in terms of the standard of the items brought in and unfair competitive practice caused by issues such as dumping where certain products are imported illegally by evading taxes; and when these type of products are exposed to the market, they are sold at a very low price hence causing stiff competition to the local products. It is the responsibility of the government to regulate and control the products that are imported to give advantage to the local manufacturers. The external manufacturers are capable of meeting many of the local consumer demands in terms of trends, function, design and style. They also have the wide range of fabric varieties, which is something that local manufacturers needs to, have.

In terms of East African Community (EAC), the community has tariffs that have been imposed to the member of their countries with regards to the items that can be imported and that would translate to, for example, cotton blends with synthetic fibres such as polyester, which is imported and their source needs to be known. Because the EAC is a part of a tripartite free trade area, the countries within EAC are competing with Ethiopia and other countries that have garment production and are working to achieve a much more competitive price. This means that it is time for our local manufacturers to produce anything that can satisfy the demand especially considering items that can achieve a low price locally and even in export.

Lastly, environment factors such as production costs and labour, which includes skill problems that increases production cost, as it is very expensive to hire an expert from foreign countries. Levy skills development is charged to manufacturers and is supposed to be used to train people so that they can come back and work in the respective industries, but they do not see any return to what they are being charged. Fluctuations in the world market prices all lies under environmental consideration.

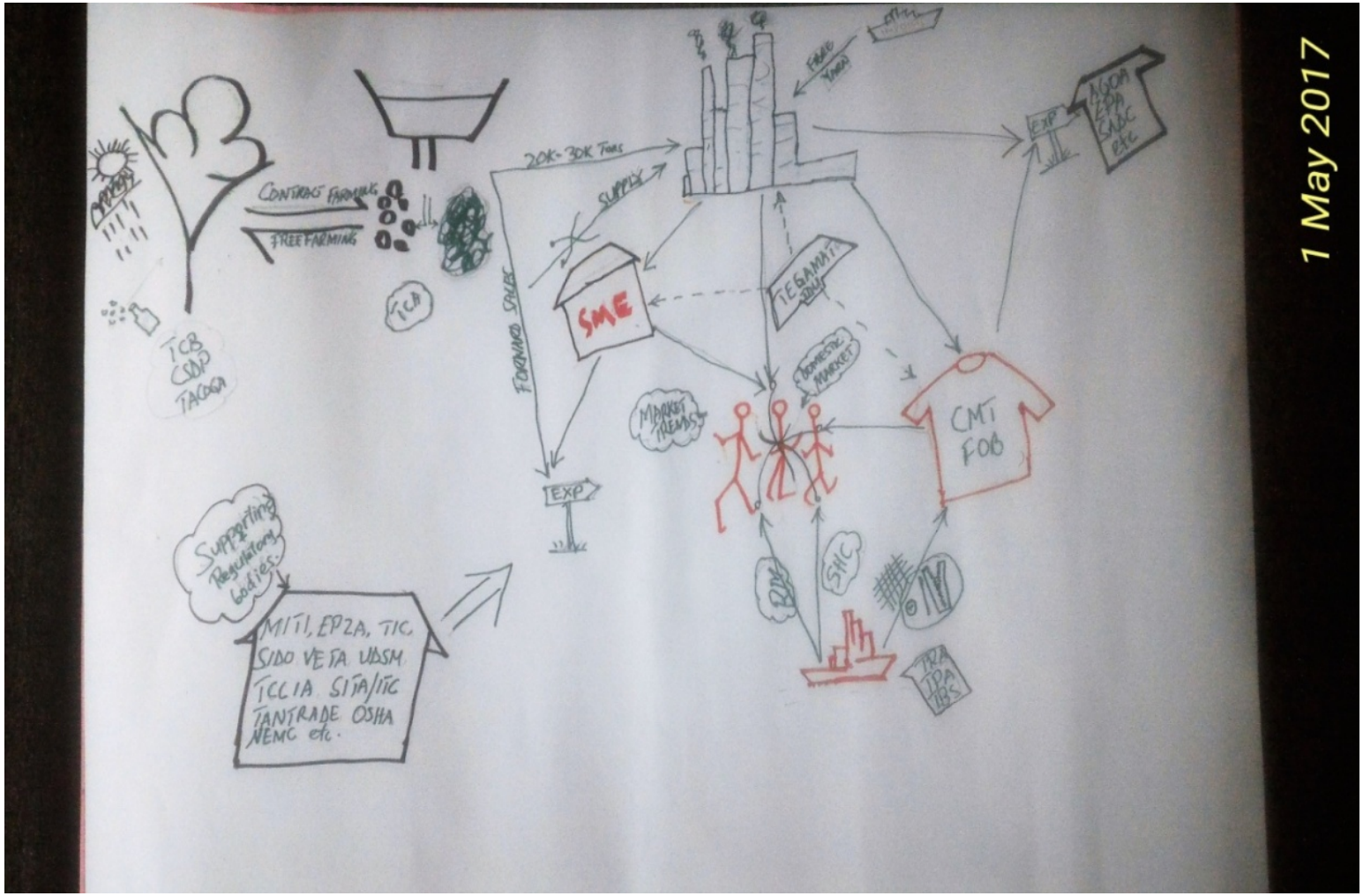


Figure 6.3a. Tanzania textile industry Rich Picture from group no. 3

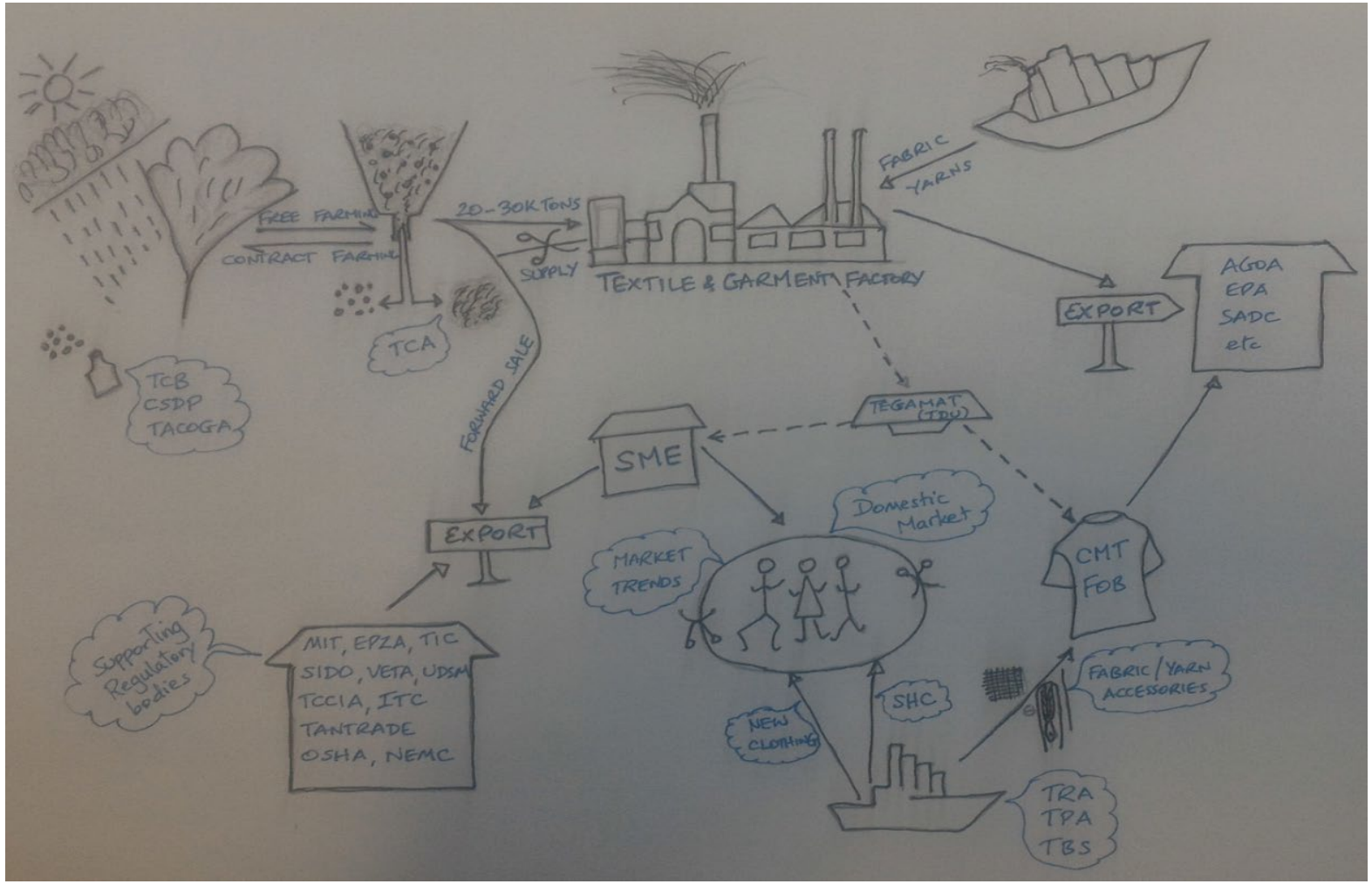


Figure 6.3b. A redrawn Tanzania textile industry Rich Picture from group no 3

6.3.3 Discussion of rich picture from group 3

From the discussion in group 3, the starting point was the cotton growing plantation, and then different factors, which affect this type of agriculture activity, were termed as climatic weather conditions, inputs such as seeds and pesticides which are highly used in cotton farming. Cotton growth in Tanzania is supported and regulated by various bodies such as Tanzania Cotton Board (TCB), The Cotton Sector Development Programme (CSDP) and The Cotton Growers' Association COGA.

All cultivated cotton from farmers is then sent to the ginneries where cotton lint is separated from the cottonseed. Tanzania Cotton Board (TCB) and other cotton stakeholders like Gatsby Charitable Fund (GCF) and Tanzania Gatsby Trust (TGT) decided to find solutions to some of the problems that were being faced by the cotton farmers. They introduced contract farming, which simply means that under this arrangement, the ginners are funding the farmers by providing input such as fertilizers, pesticides, seeds, and tractors to plough the fields so as to boost cotton production, volume and quality and in turn the farmers are obliged to sell their cotton to these ginners. This has been successful to some extent, since some farmers are refuting their contract and side sell their cotton to other cotton-buying agents, something that is against the agreement. The growers/ farmers claimed that during the harvesting season, they are taken hostage by not being allowed to sell their produce elsewhere; save for creditors and at the latter's set prices. Furthermore, some farmers are accusing the investors/ginners of supplying poor quality inputs at exorbitant prices. They went on further by saying that the system is exploitative and harmful. This makes some farmers abandon growing cotton and concentrate on other cash crops. With the same reasons, other farmers have decided to acquire their own capital and are free to sell their product to any agent who will provide a good price. Ginners have their supporting association called Tanzania Cotton Association (TCA).

The majority of the cotton lint obtained from the ginning process is exported and a small amount is consumed in the local textile factories. In most cases, the cotton lint exported is normally sold in advance from ginners. The ginners are paid the money in advance by the export agencies so that when they produce the cotton lint it is taken directly to the buyer who at that time had already bought and paid for all of the quantity available from the ginnery. Since the local spinners have no proper access to finance

and wait to purchase the cotton lint after production, they only get a small amount of cotton lint, which is not sufficient for the whole season's production in their respective local mills.

Sometimes, the problem of cotton lint quantity becomes serious and the mills have to stop operation pending the availability of lint cotton from ginners. It reaches the time when some mills have to import cotton from neighbouring countries such as Uganda. There is a serious need for setting out the strategies for increasing the amount of cotton lint that is consumed by the local textile mills.

Tanzania textile firms are also importing synthetic fibres like polyester and other fabrics like suiting materials and the like. Tanzania's textile sector produces cotton yarn, cotton fabrics and garments, which are generally said to be poor in quality. Some of the factories like Sunflag, A to Z, Mazava fabrics, and Tooku Garments are importing synthetic yarns and fabrics specifically for producing garments for export leaving the local market overcrowded with the imports. Textile products from local industries are sold as cotton yarns for local and exports, fabrics in terms of grey fabrics, bed linen and Khanga and kitenge, which mainly sold locally, and within the region.

Almost all of the garment factories do not develop their own styles/ design but are provided by the retailer or source them from abroad.

The Tanzanian local T&A market is saturated with imported new clothing from western countries and new clothing from Asian countries like China. The available imported cheap new T&A from Asia are quite cheap and poor quality, but since they are affordable, consumers tend to purchase them. The second hand imported T&A are available in a range of variety of styles and maintain uniqueness. Some are of a good quality but others are worn out and of poor quality. They also vary in selling price as you can get very cheap and very expensive second hand clothing. This kind of flexibility makes it easy for a consumer to opt for buying something that goes along with their perception as well as financial status. The few current available locally produced garments are in good quality but also very expensive for typical consumers to afford. The importation of second hand clothing is also associated highly with tax evasion that is intentionally done between Tanzania Revenue Authority (TRA) officers and the traders. Sometimes, second hand clothing is mixed with the new and expensive clothing and the mixed cargo is declared as second hand clothing. The

cargo is then charged a low amount of tax and goes to market where they will be separated and sold as new and others as second hand clothing.

The garment factories are importing some of their inputs; they import some fabric like suiting materials, accessories like buttons, needles and zippers.

There are also supporting associations like The African Growth and Opportunity Act (AGOA), Economic Partnership Agreement (EPA), and Southern Africa Development Community (SADC) and are helping these factories when exporting their textile products to countries like the USA, SADC countries, European countries and others. There are also local bodies and institutions like Export Processing Zone Authority (EPZA), Small Industries Development Organization (SIDO), Vocational Education and Training Authority (VETA), University of Dar es Salaam (UDSM) and Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), and acts as a sector supporting regulatory bodies and training institutes for enabling the sector to develop through friendly policies and to acquire reasonable labour skills.

At this point, the group participants kept wondering from the fact that if the imported products passed through all these regulatory bodies and reach the consumer, that means all the necessary steps have been taken into consideration to protect and develop our local industry. Then why there are still no markets for our local products? Why there is still a lot of complaints that the imported T&A products are killing our local textile industry?

Most of the Tanzania textile and garment factories have their production based on the orders they receive. They are not designing their product first so that consumers can be attracted and buy or even display in shop and wait for the orders as is normally done by the Asian countries.

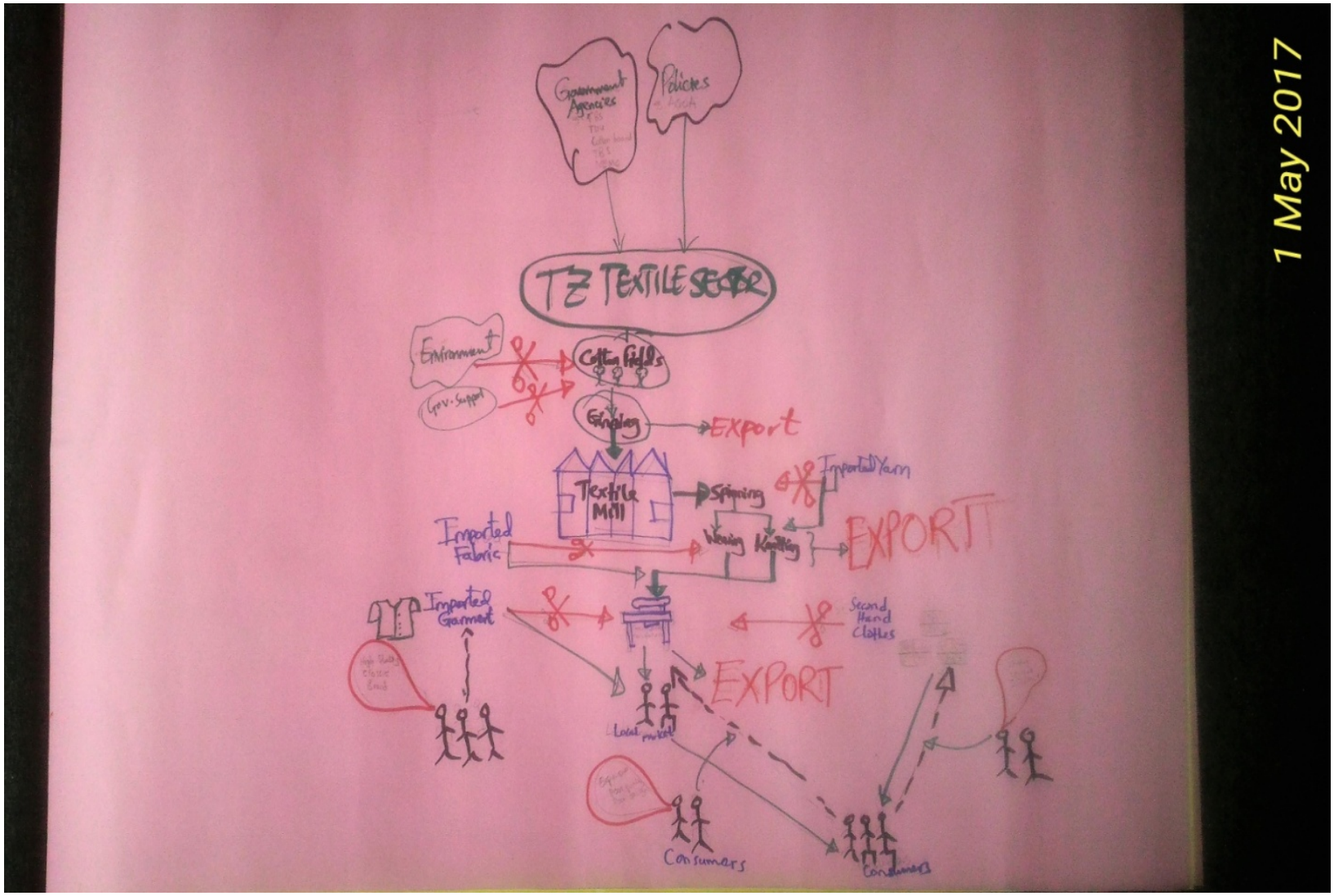


Figure 6.4a. Tanzania textile industry Rich Picture from group no. 4

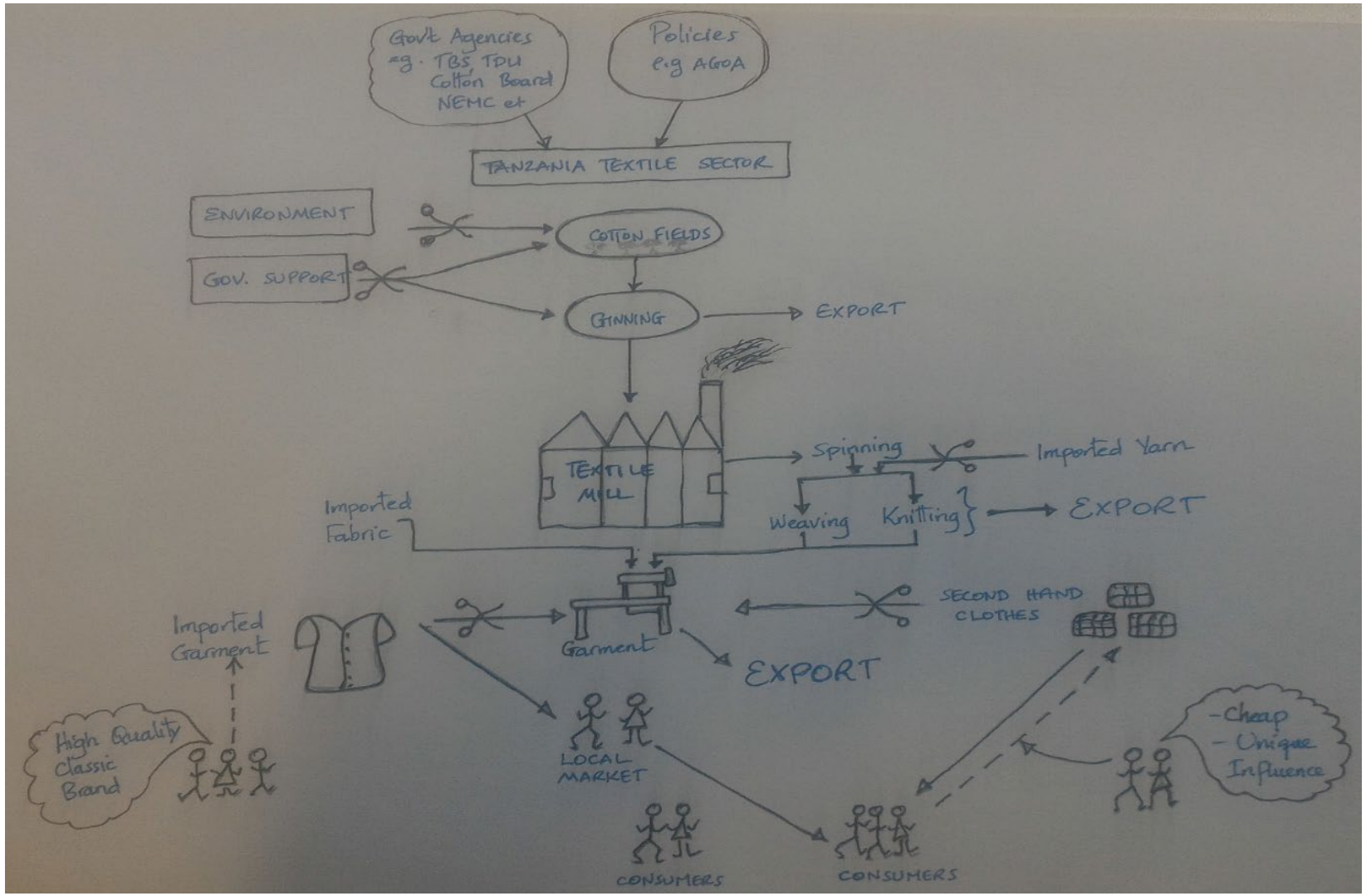


Figure 6.4b. A redrawn Tanzania textile industry Rich Picture from group no. 4

6.3.4 Discussion of rich picture from group 4

Group 4 began from the cotton fields where the farmers produce cotton. Cotton is mainly grown in the Lake Victoria zone and a small amount in the east zone area.

From the cotton fields, cotton passes through ginneries and from the ginnery only approximately 20% of the produced cotton lint is used in the textile mills and the remaining percentage is exported abroad. Therefore, the scissors symbol in the rich picture drawn above shows that there is a conflict between the two sides, which affects the development of cotton sector. This kind of conflict needs to be resolved so that initially at least half of the cotton lint is directed to the domestic factories.

Considering the issue of the environment, it can be seen that there are great fluctuations in our environmental climatic conditions. We have experienced issues like drought, floods that altogether affect cotton growth. There is also government support. The government is responsible for supplying seeds, fertilizers and pesticides to farmers. So if the government support is poor that means growing enough cotton will be affected. So from cotton seeds, cotton lint is obtained, which as has been highlighted before, most of the lint is exported, a small amount is used in the textile mills. Spinning is conducted in the textile mills. During the spinning process, yarn is obtained. So after producing the yarn, it is used in the weaving and knitting sectors. So from the weaving and knitting fabric is obtained which is used by the garment manufacturers to produce various types of garments.

The garment manufacturers purchase readymade fabrics from the weaving and knitting sectors. From weaving and knitting, some of the fabric is exported abroad. There is also an import, which affects the spinning sector; these are imported yarns from abroad. Some yarns especially synthetic yarns, which are imported, are not produced locally and they are imported for producing fabric blends and their associated apparels.

There are some imported fabrics which in one way or another affect the local weaving and knitting sector. However, these imported fabrics are imported for the local garment manufacturers, which in turn produces garments. The imported garments affect the local garment manufacturers since the imported garments is directed to the local market. There are perceptions as to why Tanzanian consumers buy second hand

clothes from abroad. The first perception might be due to the fact that these second hand clothes from abroad are unique in style and design plus other various attributes. Consumer is obliged to buy certain imported clothing because of an influence from somebody using that product or wearing that product. Influence can be from family member, friend, politician, musician and other celebrities. Therefore, these are the perceptions and the reasons why consumers in our country sometimes purchase second hand clothes. There is also the perception that consumers within Tanzania are in the opinion that our garments, which are made in Tanzania, are expensive or have poor quality or even poor design.

Another perception is the fact that the imported T&A products are perceived as having high quality compared to our local products. These are the views that make a local Tanzanian buy or import garments from abroad instead of using our locally made garments, which are made, in our country.

In the picture, the government agencies, which directly influence the Tanzanian textile sector, are shown. These agencies are the Tanzania Cotton Board (TCB), Tanzania Bureau of Statistics (TBS), and National Environmental Management Council (NEMC). Trade policies such as African Growth and Opportunity Act (AGOA) and others are giving challenges to our country to try to achieve the requirements set for those agreements to get benefits associated with those treaties.

Figure 6.5 below shows the researcher's initial rich picture based on the literature review and researcher's understanding on Tanzania textile industry.

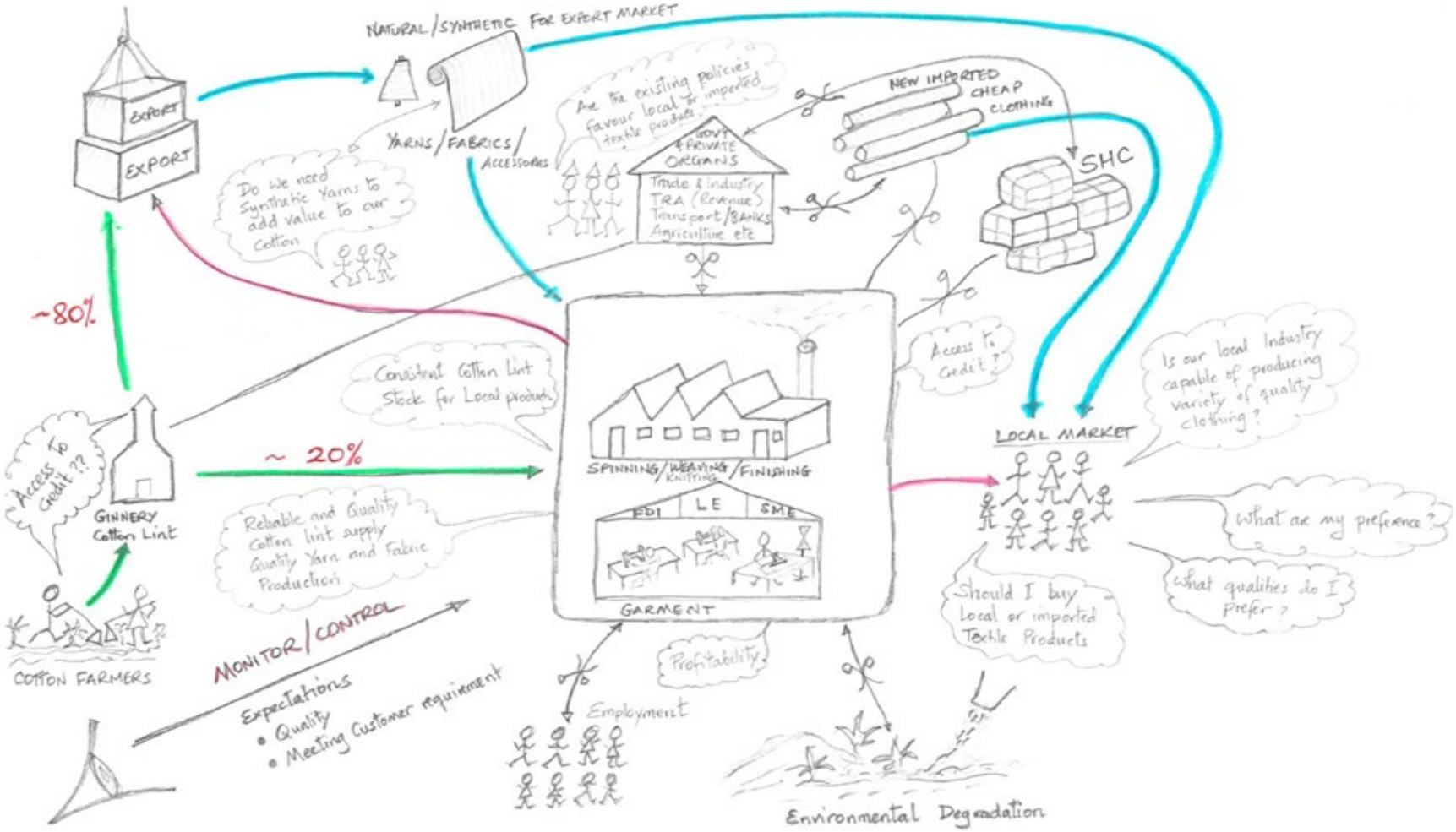


Figure 6.5. Tanzania textile industry Rich Picture 5

6.3.5 Explanation of rich picture 5

The above rich picture represents the existing situation and all pertaining issues on the Tanzania Textile sector including its supply and value chain as has been initially developed by the researcher through an initial investigation and documentary review before conducting the Soft System Methodology workshop.

Approximately 80% of all the lint cotton produced from ginneries in Tanzania is exported and only nearly 20% is consumed in the local textile mills for producing yarn. A small amount of yarns and fabrics from textile mills are also exported and the remaining used locally for producing local textile products such as Kanga, Kitenge, bed sheet, school uniforms and others.

Some textile mills and garment manufacturers import yarns and fabrics (cotton, blended, synthetic) and produce garments specifically for export purposes mainly in US under AGOA, European Union under EPA and other countries like South Africa.

There is an influx of SHC from western countries as well as imports from Asian countries. These imports are said to have caused stiff competition to the local industry and the government is taking necessary efforts to protect local industry from this competition by introducing high tariffs for imported textile products. However, initial observation by this study revealed a different scenario following the fact that the local industry cannot offer products of the same quality and aesthetic nature like those offered by the imported products. For this reason, this study intends to establish Tanzanian consumers' preferences and wants, before protecting the industry, which might not satisfy their requirements.

Government policies play an important role in the development of a particular textile sector and should be regulated to suite the sector development and avoid unnecessary conflicts. There are various bodies that regulate the Tanzania textile industry through various policies. Bodies such as TRA for regulating tariffs and taxes, TCB for regulating all issues relating to cotton production, TIC for facilitating all issues pertaining to the investments in Tanzania, MIT ministry responsible for Industries and trade, TPA for all logistics of imports and exports in the port, TBS for all issues related to standards and many other authorities that have been mentioned in other chapters.

Others sectors that are supposed to play a crucial role in making a competitive textile industry are the financial institutions such as banks for providing credit to cotton growers and other manufacturers in the ginning, spinning, weaving, knitting, finishing, and garment making sectors. Textiles and cotton associations TCA and TEGAMAT also play an important role in uniting the cotton growers and other manufacturers to fight for their respective rights.

For the sector to provide quality and competitive textile products locally there is a need to incorporate the use of synthetic fibre in the manufacture of garments for local markets whether in pure or synthetic-cotton blend form. This will enable fair competition with the same type of imported products.

Consumer behaviour analysis is another aspect of making a competitive textile industry. As once consumer demands are identified, it will be easy for the industry to adjust itself to fulfil those requirements. This is the significance of conducting this research so as to fill the existing gap between the consumer needs and what needs to be produced using our local textile industry and how can it be accomplished. The research aims to find all these answers with the aid of soft systems methodology as the main approach towards completion of this study.

6.3.6 Issues identified and used to build a combined rich picture

After examining the five rich pictures critically and other data collected through interviews and focus group discussions, the following issues were noted regarding the Tanzania textile industry. These issues have been aggregated and used to build up a combined rich picture that is presented below in figure 6.6.

6.3.6.1 Consumer preference awareness

This is a very crucial factor in the development of any manufacturing sector and specifically T&A sector. A number of issues that can contribute to the decision of the consumer to opt buying a certain type of T&A product should be identified. Respective measures should also be taken to link the knowledge obtained from the consumer needs to what is necessary needed in the existing textile industry to meet the consumers' demands. Lack of T&A consumer study in Tanzania was commonly observed and discussed in all areas during the data collection stages, yet nothing has been researched to date in Tanzania regarding consumer preference especially the

factors that can influence them to buy a certain type of T&A product whether imported or locally made.

6.3.6.2 Development of local textile industry

In all of the group discussions as well as general discussion, the local industry was regarded as a poorly developed sector, from cotton growing all the way to the garment manufacturing. Lack of access to finance, poor and outdated technology in machinery, unskilled labour, poor infrastructure such as power and the like were some of the factors that were linked to the failure of the industry to deliver positive results.

6.3.6.3 Importance of synthetic fibres in upgrading locally produced cotton

This was also noted in many areas of discussion, most of the imported clothing (new and used) are either made by using a blend of cotton and other synthetic fibres or even pure synthetic fibre and only a few are made from pure cotton. Most of the Tanzanian locally produced T&A products are made using pure cotton fibres which makes their appearance, texture, function and other clothing attributes look poor compared to the imported ones. As has been said earlier, the only existing few factories that produce blended T&A products locally are targeting export markets as the price for these locally produced products are high compared to the imported goods and cannot compete to the local market.

6.3.6.4 Role of policy makers in revamping the textile industry

Various government authorities and private organisations have been mentioned as having crucial roles on making a competitive Tanzanian textile industry. The government authorities are supposed to formulate policies that will favour the local industry. Issues like taxes and tariffs incentives, investment favourable conditions and their related policies will be a stimulant to the development of the Tanzania textile industry. Private organisations like financial institutions can help in organising funds and provide affordable loans to the cotton growers and T&A firms. Textile associations can also help in mobilizing their corresponding stakeholders on lobbying for assistance from government. Others under this category are the export market supporting policies like EPZA, AGOA, EPA, SADC, EAC and others which help on providing incentives especially in taxes and some tariffs for developing countries like Tanzania to export

locally produced products to countries such as the USA, European countries, Southern countries and East African countries under certain favourable conditions.

6.3.6.5 Environmental issue

This is a global issue, and has emerged in most of the discussions held. The issue of conserving the environment from being polluted by the harmful effluents coming from Textile industry. All the regulations set by the relevant authorities should be adhered to by all stakeholders responsible for the matter discussed.

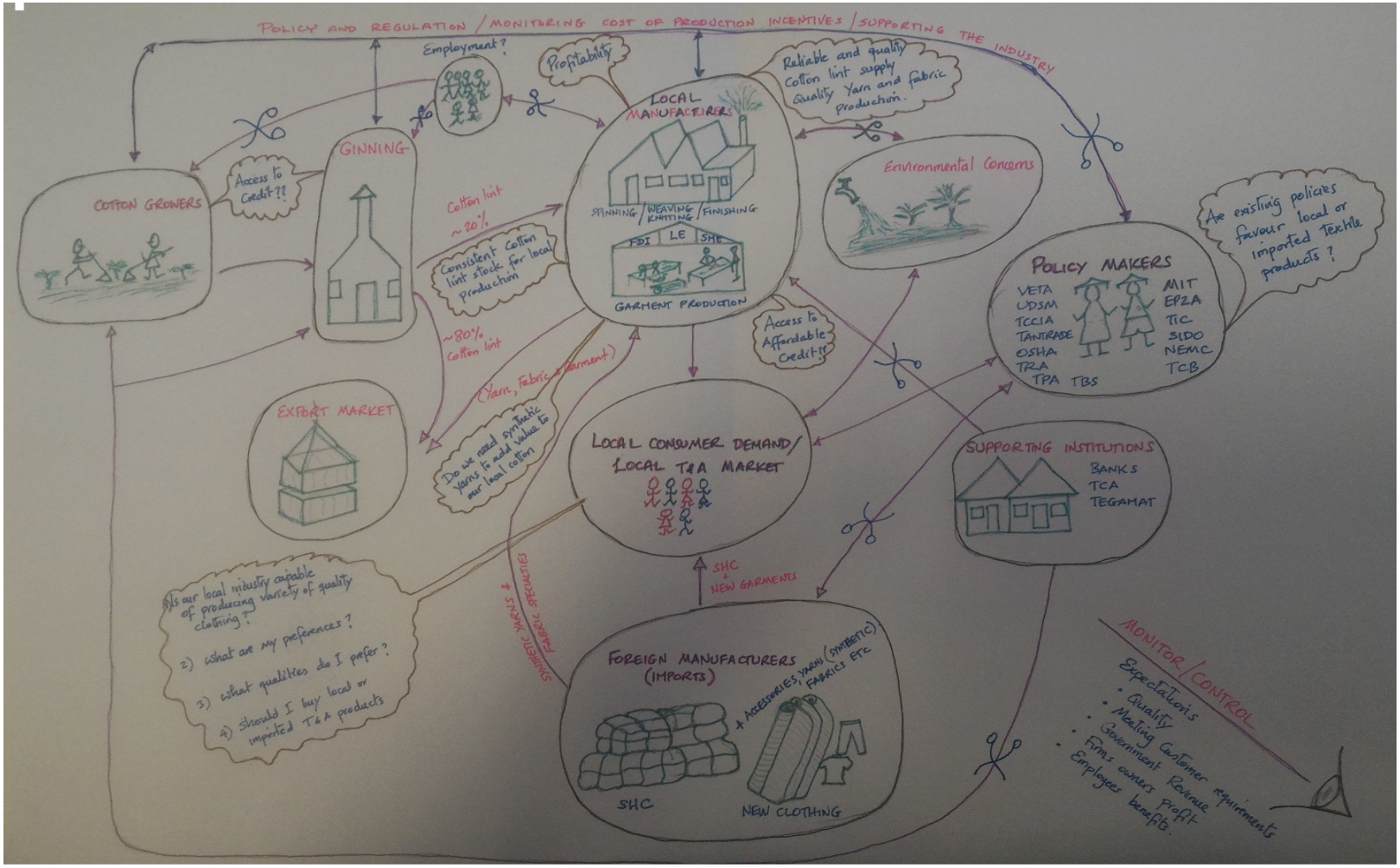


Figure 6.6a. A combined Tanzania textile rich picture from the five different rich pictures

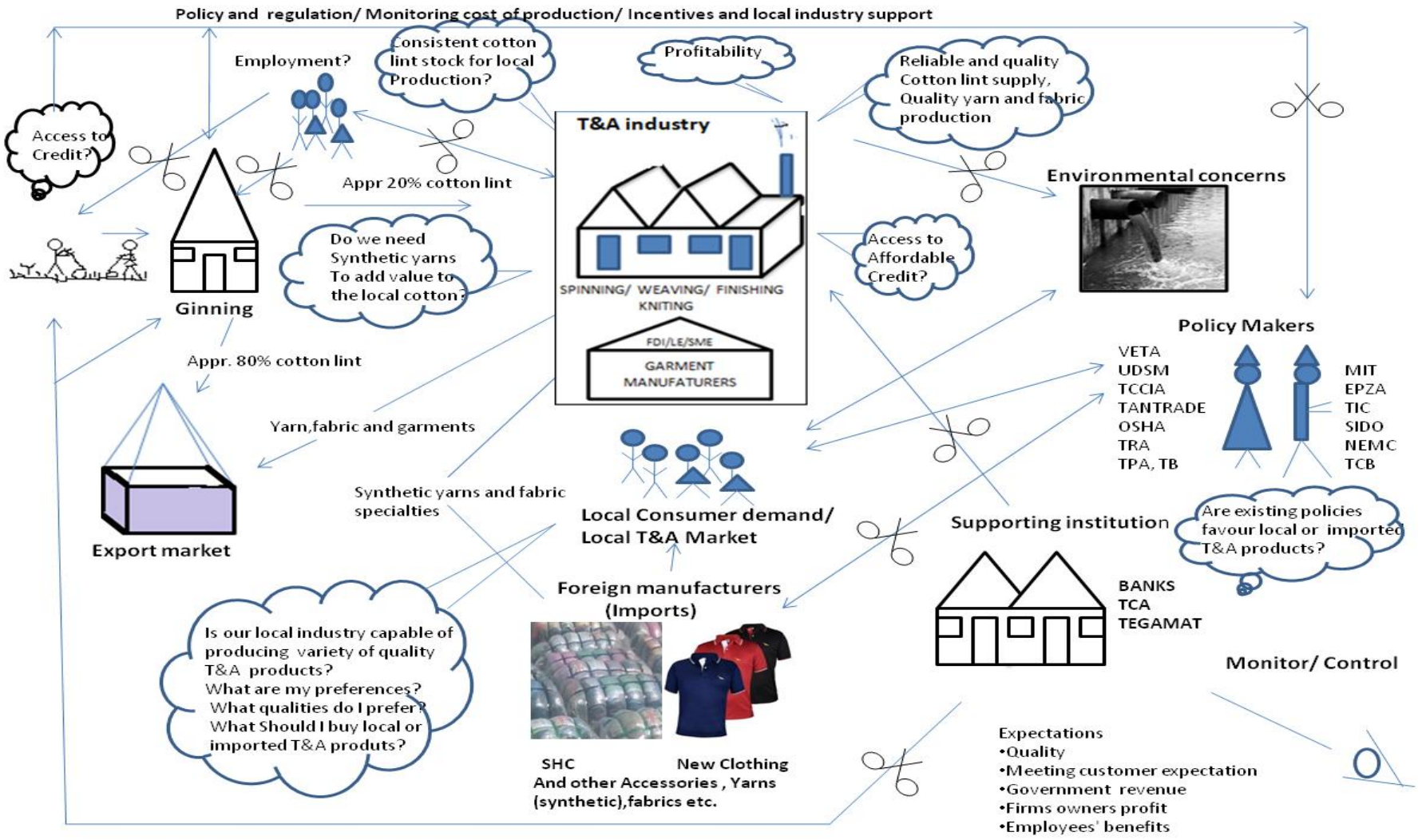


Figure 6.6b. A computer drawn combined Tanzania textile rich picture from the five different rich pictures

6.4 Stage 3 of SSM: Root Definition Formulation

As has been stated in various literatures, stages 3 and 4 are the heart or engine of the SSM. In addition, these stages are known to be the trickier and challenging part of the methodology, and from where everything else grows. That is the reason why Checkland called it the “root definition “stage. Root definitions are not simple empirical descriptions but representations of what the system should be (Christis, 2005; Checkland and Tsouvalis, 1997).

By selecting a viewpoint and defining appropriate systems from that perspective, this will lead to the systems’ model construction. “Root definition” describes what the system is and what it aims to achieve by taking into consideration the persons who could be affected by it, who would be part of it, or who could affect it in some way. It also defines transformations that could be taking place and the environment that surrounds and influences this particular activity system.

Constructing root definitions and conceptual models is an iterative process. The first step is to develop a statement of the relevant system as an activity system; that is a system X to do Y in order to achieve Z (Checkland and Scholes, 1990; Davies and Ledington, 1991). This structure requires that the Transformation and Weltanschauung relating to the relevant system to be developed first. Once these had been compiled, the remaining elements of the CATWOE mnemonic are developed. CATWOE is then used as the basis for writing and testing the root definition. The final structure of the root definition incorporated all the components of the CATWOE and took the form of;

> *An owner ‘O’ owned system, operated by Actor ‘A’ to do the Transformation ‘T’ in order to satisfy the requirement of Customers ‘C’ by means of World view ‘W’. The system will operate within the Environment ‘E’.*

The following root definitions act as an example for a human activity system considered relevant to the Tanzanian Textile Industry problem situation as explained in previous sections. If every concern will be considered in the entire Tanzanian textile industry, a lot of perceptions/ worldviews would be formulated. However, four important viewpoints have been selected to present the views depicted from the majority of Tanzania’s T&A stakeholders. Subsequently, four root definitions were

developed using four different viewpoints that have been considered for this study. The four root definitions and their relevant CATWOE elements are presented in this section. However, since the main goal of the study is to investigate strategies for making a competitive Tanzanian T&A industry, another comprehensive root definition was deemed relevant. This root definition for a competitive Tanzanian T&A absorbs all the initially formulated viewpoints and covers almost all of the areas researched within the Tanzanian T&A industry. The root definition follows its relevant CATWOE element.

6.4.1 Root Definition 1 (Consumer needs)

This is a root definition based on the 'Consumers' satisfaction from locally produced T&A products system'.

A T&A manufacturers – and Government – owned system, operated by T&A firm workers, government T&A related policy makers, to enable consistent availability of quality, variety and affordable T&A for a complete satisfaction of local and foreign consumers of the locally made T&A products, by careful investigation of local consumer needs and the existing local textile firms' technical capabilities, including any relevant policies which will greatly help to make a desirable improvement within the constraints of the availability of input resources, weather, high interest and foreign exchange rates.

Table 6.1. Root definition for consumer needs

The **CATWOE** elements will be as follows;

C	Local and foreign consumers of the locally made T&A products
A	The employees of local T&A manufacturers, policy makers, ginners and cotton growers.
T	To enable consistent availability of quality, variety and affordable T&A for complete satisfaction.
W	Careful investigation of local consumer needs and the existing local textile firms' technical capabilities, including any relevant policies, which will satisfy consumer, needs.
O	T&A manufacturers and Government
E	Availability of input resources, weather, high interest and foreign exchange rates.

Table 6.2. CATWOE for consumer needs

6.4.2 Root Definition 2 (Employees)

This is based on the perception from employees of Tanzania's Textile industry who consider the industry as a system for providing reasonable wages and better working conditions. The root definition will be based on the following statement;

A system owned by the employers and policy makers within Tanzania's T&A industry, operated by the consumers and employees of the Tanzania T&A industry that clarifies and satisfies the need for income and working conditions of employees within the Tanzanian T&A industry by paying good salaries and providing a platform for a conducive working atmosphere in an environment of competition for staff resources from other sectors, constrained by the various working policies affecting sector performance.

Table 6.3. Root definition for employee needs

Its CATWOE element will take the following form;

C	Employees within the Tanzanian T&A industry
A	The consumers and employees of Tanzania's T&A industry
T	Need for income and good working conditions of employees within the Tanzanian T&A Industry
W	Paying good salaries and providing a platform for a conducive working atmosphere will provide income and work satisfaction to the employees.
O	Employers and policy makers within Tanzania's T&A industry
E	Competition for staff resources from other sectors, and the various working policies affecting sector performance

Table 6.4. CATWOE for employee needs

6.4.3 Root Definition 3 (Profit for T&A Manufacturers)

This is based on providing the necessary profit to the stakeholders who are owners of various T&A firms within Tanzania's textile industry.

The root definition of this system will be based on the following statement;

A system owned by the Tanzanian local manufacturers of T&A products, operated by T&A firm employees, consumers and government T&A related policy makers that generate profit through the sale of locally made T&A products by transforming raw materials into various finished quality and affordable T&A products in order to achieve increasingly profitable sales to both local and foreign consumers while recognising the competition from other imported T&A products.

Table 6.5. Root Definition for T&A Manufacturers' profit

Its CATWOE element will take the following form;

C	Tanzanian local manufacturers of T&A products
A	T&A firm employees, consumers and government T&A related policy makers
T	To generate profit through the sale of locally made T&A products
W	Transforming raw materials into various finished quality and affordable T&A will increase profit
O	Tanzanian local manufacturers of T&A products
E	Competition from other imported T&A products

Table 6.6. CATWOE for T&A Manufacturers' profit

6.4.4 Root Definition 4 (Revenue for the government)

The development of the local textile industry should in turn increase the revenue for the relevant local country. This root definition is based on generating more revenue to the Tanzanian government.

The following statement will be the root definition of this system;

A system owned by Tanzania T&A products local manufacturers, operated by consumers, employees and Tanzanian local manufacturers of T&A products within Tanzania T&A industry that generates the revenue to the Tanzania government by making sure that favourable policies are formulated so as to create a conducive environment to the investors who will acquire more income and hence paying relevant taxes and create employment to Tanzanians in the constraints of budget and product resources availability.

Table 6.7. Root definition for Government Revenue generation

The relevant **CATWOE** will be as follows;

C	Tanzania's government
A	Consumers and employees of the Tanzanian T&A industry
T	To generate revenue to the Tanzanian government
W	Making sure that favourable policies are formulated to create a conducive environment to the investors who will acquire more income and hence paying relevant taxes and creating employment to Tanzanians will generate revenue to the country.
O	Tanzania's local manufacturers of T&A products
E	Budget and other production resources availability.

Table 6.8. CATWOE for Government Revenue generation

Finally, the last root definition and its relevant CATWOE element for a Tanzanian Competitive T&A industry is presented in table 6.9;

6.4.5 Root Definition 4 (Competitive T&A industry)

T&A manufacturers – and Government – owned system, operated by T&A firm workers, government T&A related policy makers, to complement and support the competitive growth of the Tanzanian T&A industry by enabling a consistent availability of quality, variety and affordable locally made T&A products through identifying and satisfying both local and foreign consumers' needs, build a productive local T&A through improving the cotton value added products and provision of favourable policies while recognising and responding to the services provided by the competition from imported T&A products and the constraints arising from the availability of input resources, weather, high interest and foreign exchange rates.

Table 6.9. Root definition for a Competitive Tanzanian T&A

Its CATWOE element will take the following form;

C	*Local and foreign consumers of the locally made T&A products*
A	*The employees of local T&A manufacturers, policymakers, ginners and cotton growers*
T	*To complement and support the competitive growth of the Tanzanian T&A industry*
W	*Enabling consistent availability of quality, variety and affordable locally made T&A products through identifying and satisfying both local and foreign consumers' needs, building a productive local T&A through improving the cotton value added products and provision of favourable policies will make the Tanzania T&A industry competitive.*
O	*T&A manufacturers and Government*
E	*Competition from imported T&A products and constraints arising from availability of input resources, weather, high interest and foreign Exchange rates.*

Table 6.10. CATWOE elements for a Competitive Tanzanian T&A

As has been highlighted above, the first four root definitions are based on various mentioned important viewpoints that endeavour to describe the Tanzanian Textile industry. Furthermore, the last one carries the main idea of conducting this study and at the same time, all the first four viewpoints are incorporated within this fifth root definition. It is vital for the root definition to be clearly understood and well tested.

Testing might be a reliable basic assessment conducted by the researcher to clear any ambiguities, valuable suppositions and elucidated portrayals. The most ordinarily utilized test strategy connected to these root definitions is that of CATWOE, a term which has been highlighted above and is explained further in the next section. The explanation below intends to generalize the CATWOE elements that have been found in the entire Tanzanian T&A industry. Some are applicable in one, two or both root definitions depending on the view selected.

6.4.6 CATWOE

The CATWOE mnemonic, as has been highlighted in the previous section and discussed in the SSM specific chapter, it is used as a test to identify any shortfalls in the initially formulated root definitions. The latter can at any time be modified accordingly until a satisfactory root definition is achieved. In a CATWOE mnemonic, **C** stands for Customers or Clients, **A** for actors, **T** for Transformation, **W** for Weltanchauung or Worldview, **O** for owners and **E** for environment.

6.4.6.1 CATWOE for a Tanzanian Textile Industry

Customers or Clients "C"

These are customers of the system; those who benefit from, or are affected by, the outputs from the system. In the case of this research, clients are Textile and Apparel (T&A) Customers within Tanzania. Since the Tanzanian textile sector includes a number of stakeholders who in this case are called sub systems. In some cases, and specifically in the case of this research, owners and actors in various sub systems such as cotton farming, ginning, spinning/ weaving, finishing and garment making can all be regarded as customers of the Tanzania T&A industry system. Actors or owners of the ginning sub system are also customers of the cotton grower sub system; the same applies to other sub systems mentioned before. The customer defined in the root definition will depend both on the viewpoint taken, and where the system boundary is considered to lie taking into consideration all the sub systems that have been used to build up the entire system (Patching, 1990). It is also suggested that care should be taken so that the customer or client specified at each level of the subsystem is the one affected by the system defined at the same level (ibid).

Ideally, the consumer should be a beneficiary in terms of the availability of desirably affordable and quality T&A products in the local market. The level of benefit here is the real bottom line of the matter under consideration and determines the effectiveness of the process as a whole. The higher the level of benefit for the consumer, the higher the volume of sales on the high street and consequently more profit to the manufacturers and revenue generation to the government. Beneficiaries could also be viewed in the negative; the victims of the system, this may be considered a terminology that is more applicable for both the Tanzanian T&A industry and the consumer if the efficiency of the system is questionable.

“A” Actors

The phenomenon stands for those who carry out the activities within the system and enable the system to function. In simple words, they are instrumental in providing the benefit to the customers. In his book, Patching (1990) emphasized that the actors who carry out the system activities are not necessarily just those who are employed by the organisation, but may include people outside of the control of the client. To further complicate the analysis, the same author highlighted that actors might also be considered clients or beneficiaries or even the owners of the systems itself (Patching, 1990). In this research context, actors are all workers/ staff within Tanzania’s textile Industry. Actors will also be present in every section within the Tanzanian textile industry supply chain. Under these sections, actors will be;

- Cotton growers – Cotton growing section, where cotton is grown and cultivated in cotton farms.
- Ginners – Ginning section, where separation of cotton lint with cottonseed is conducted.
- Spinners – Spinning section, where cotton lint is converted into cotton yarn.
- Weaving/ Knitting operations, where cotton yarn is converted into the woven or knitted fabric.
- Dyeing, Printing and finishing operations – where all finishing operations of the fabric are conducted ready for producing garments and other items.

Actors not only means those who work in T&A supply chain, but will also include the workers in Tanzania’s policy making organisations and their related supporting organisations.

"T" Transformation

This is the change that takes place within or because of the system i.e. the conversion of input to output. Transformation should normally take the following general form;

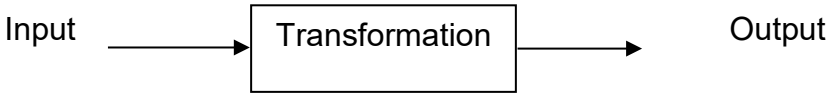


Figure 6.7. General transformation diagram

A process of transforming input to output in SSM should follow certain rules one of them being;

> *"…. for a transformation process to be properly formulated its input and output must be of the same kind, i.e. either physical or abstract".*
>
> (Wilson, 2001) Page 13.

The rule quoted above implies that a physical input cannot in any way be transformed into an abstract output. A physical input can only be transformed to the physical output and the same applies to the abstracts input and their related output.

The following are considered as various possible transformations within this study;

Transformation 1 – Consumer needs

Enable consistent availability of quality, variety and affordable T&A for complete Tanzanian consumer satisfaction.

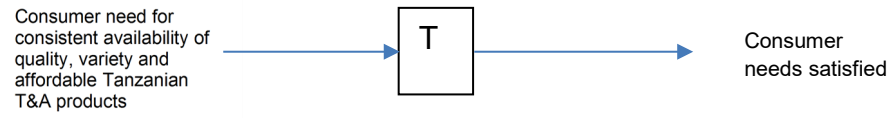


Figure 6.8. Transformation diagram for consumer needs

Transformation 2 - Enable a reasonable profit for T&A factory owners.

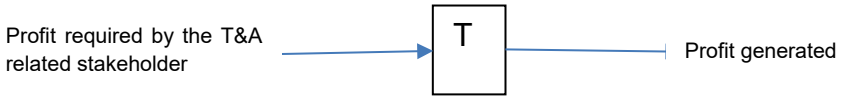


Figure 6.9. Transformation diagram for T&A factory owner profit

Transformation 3 - Increase revenue for the Tanzanian government.

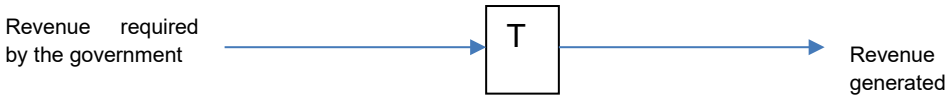


Figure 6.10. Transformation diagram for Tanzania government revenue generation

Transformation 4 – Employee wages and better working condition

Enable the possibility of attaining reasonable income to the factory workers (T&A staff) by providing substantial wages and a favourable working environment.

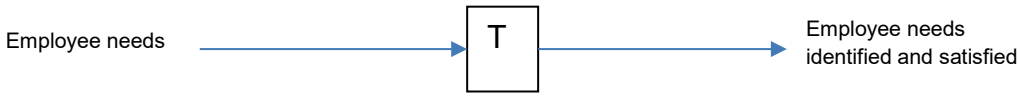


Figure 6.11 Transformation diagram for consumer needs

Transformation 5 – Need for a Competitive T&A industry

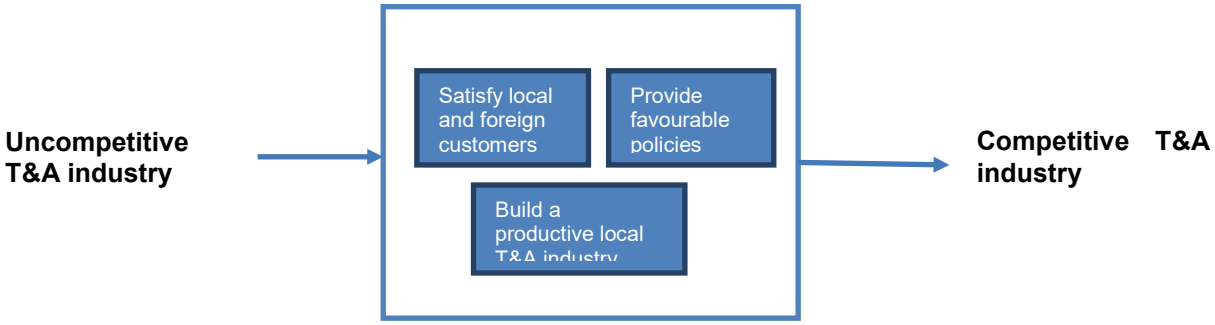


Figure 6.12 Transformation diagram for consumer needs

Weltanschauung or Worldview

These are the assumptions/ perceptions made about the system or simply a model that will make a particular chosen system to be a meaningful one to consider (Checkland, 1985). It is a point from which you view the system, dictating what you see, or perhaps you would like to see.

The following are some of the various viewpoints derived from the transformations mentioned in the previous section.

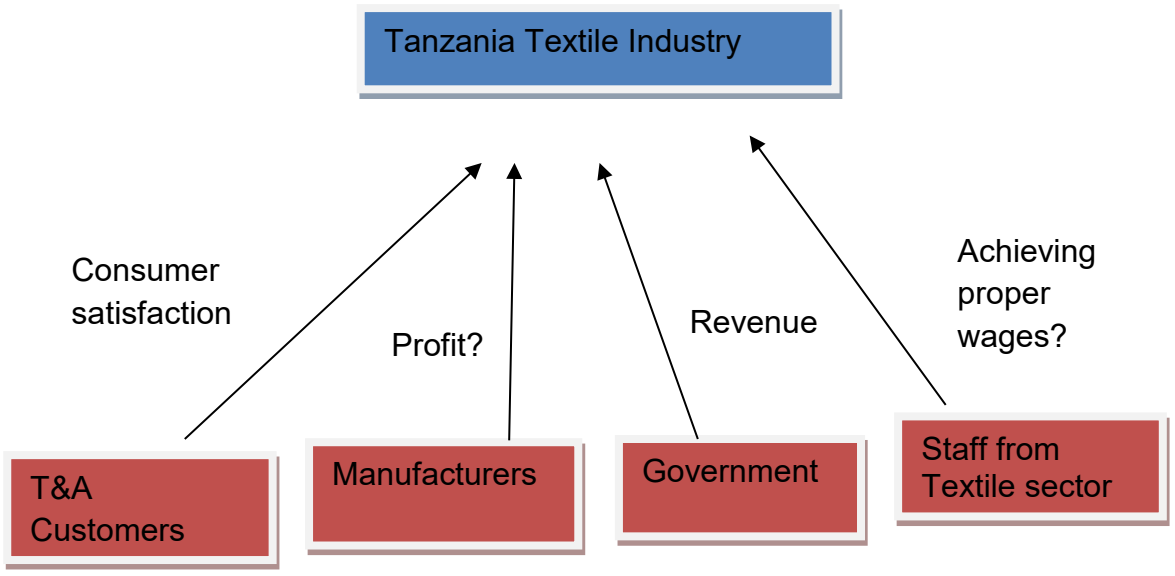


Figure 6.13 Various worldviews from Tanzania T&A industry

Following various data collection processes that were undertaken through the interviews, focus group and SSM workshop, coupled with secondary research, a number of worldviews have been presented regarding the Tanzanian textile and Apparel industry. Customers' needs being one of the important views observed, others are the government interest on increasing the revenue through export and imports as well as job creation to its citizens through the T&A industry. Another view is the manufacturers' quest on winning against other competitors predominantly foreign competitors such as SHC and cheap new apparel from Asia and hence achieving substantial profit margins. Finally, the interest from textile sector employees on achieving satisfactory wages as well as best working conditions is another view. All of these views are possible to be achieved if the local Tanzania T&A industry is competitive. Hence, this has been taken as the main view and its root definition

eventually leads to the conceptual model development as far as this study is concerned.

“O” Owners

As far as this study is concerned, and depending on the viewpoint, the owners of the entire system are identified from the various formulated subsystems obtained from the different root definitions. These are the T&A firm owner, the government and employees.

“E” Environment

Environment in the Soft System Methodology perspective can be defined as “The world that surrounds and influences the system but has no control over it” (Checkland, 1985; Patching, 1990).

In this study, the following issues like interest rates, availability of input resources such as raw materials, skilled labour and finances. Others are political environment; exchange rates and weather for a particular cotton-planting season have all been considered as the factors under the environment category.

6.5 Stage 4 OF SSM: Conceptual model development

In the development of conceptual model, activities are appropriately placed demonstrating which activity is done from which. A typical activity model, in any case, will endeavour to depict what really happens in the real world. A conceptual model depicts activities that may occur if the relevant root definition was to be a precise representation of the system activities (Checkland and Scholes, 1990). The activities in the conceptual model shown in figure 2 are those, which are necessary to perform the transformation of an uncompetitive to a competitive Tanzania T&A industry. In this study, different colour codes and arrows have been used to show the relationship between different activities and their connections as has been represented by the main verb carrying the entire meaning of the activity as follows (see details in figure 6.14);

- **Blue** colour code represent the activity ***"Provide",***
- **Green** colour code represent the activity ***"Build"*** and
- **Grey** colour code represent the activity ***"Identify"***

A centre where the three circles intersect are the main verbs of the system. Each of the main verbs are further divided into the sub verbs in their relative colours.

- Red box represents activities that are only connected to main verbs "Identify" and "Build" but not related to "Provide".
- Yellow box represents activities connected to main verbs "Identify" and "Provide" but not related to the main verb "Build".
- Orange box represents activities connected to main verbs "Provide" and "Build" but not related to the verb "Identify".

The remaining separate colours represent sub-activities that are only related/ connected to the individual main activity as follows;

- Blue coloured sub-activities are only connected to the main activity "Provide".
- Green coloured sub-activities are only connected to the main activity "Build".
- Grey coloured sub-activities are only connected to the main activity "Identify".

The model presented in figure 6.14 is suggested to be the associated conceptual model that can be assumed to go along with the previously obtained root definition of a competitive Tanzanian Textile industry. The model is supposed to be drawn showing

necessary minimum activities that must exist for a system to achieve the stated transformation (Patching, 1990). Various verbs describing each component or activity have been used in the model.

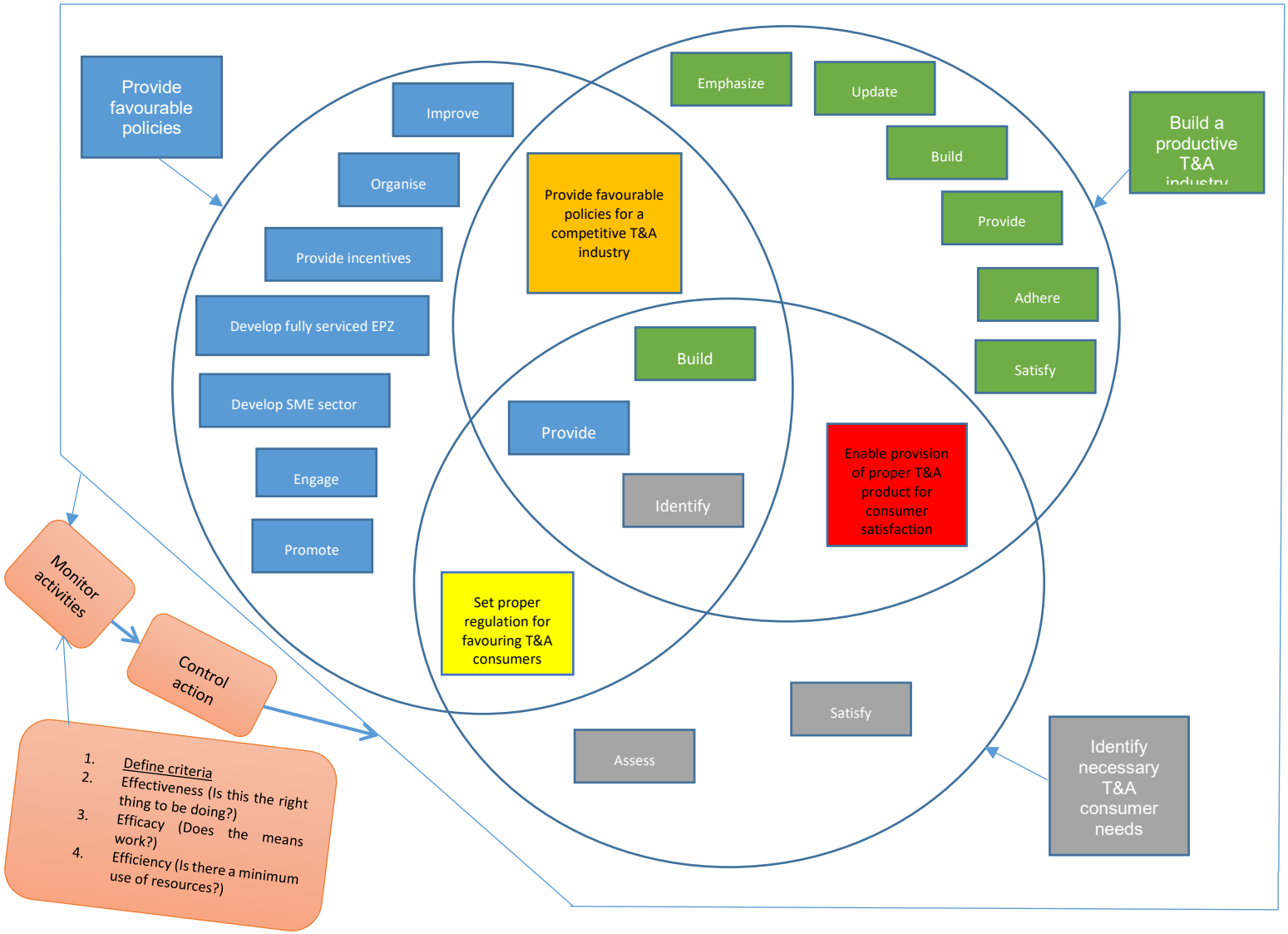


Figure 6.14 Conceptual/system model for a competitive Tanzania textile industry

During the entire primary research data collection stage through interviews, focus group and finally the soft system methodology workshop, various sets of information were collected relating to Tanzania's textile industry. All of the information obtained were then scrutinised and issues that emerged in all discussions from interviews, focus groups and all the way through the different groups in the SSM workshop were captured. It was generally argued that for a Tanzania T&A sector to be competitive three main issues need to be resolved and implemented in fully. These issues are;

- Identification followed by satisfaction of consumer needs and preferences
- Provision of favourable policies that will enable smooth growth of the Tanzanian T&A industry
- Building a productive Tanzania T&A industry

The three main issues have been represented in a conceptual model with the aid of Venn diagram, where one circle of the Venn diagram shows main issue 1 as "**Provision of favourable policies",** followed by main issue 2 represented by the circle titled **"Building a productive T&A industry"** and lastly a main issue 3 represented by a circle named **"Identify T&A consumer needs".** Some components, which were identified as most common to two circles, were placed in a common area between the respective circles and those, which were identified as mostly belonging to only one circle, were respectively placed to that circle. Almost five common issues were identified to be linked with all the three main issues. The three main issues have been mentioned in bold font above and presented with three circles of the Venn diagram drawn in figure 6.14. The five common issues were initially mentioned and explained in section 6.3.6 and used as a basis to draw a combined rich picture as has been shown in figure 6.6. However, the five common issues identified were further reduced to three, which almost the same three main issues are observed before. This was mainly done due to the fact that all the five issues are present within the main three issues and therefore, there was no need for duplication of the same ideas. The three common issues have also been presented at the common point of the three circles in the Conceptual model (Venn diagram).

Furthermore, the three identified main issues were examined to establish various components/ activities that if implemented would result in improving the relevant

category under the intended sector. These activities under each mentioned main issue as have been listed within the Venn diagram presented in figure 6.14 above, will further be tabulated and explained in the next stage (stage 5 of SSM). This is a comparison stage between stage four (conceptual model), also known as system thinking about the real world and stage two (Rich picture) also known as the real world.

According to Checkland, the conceptual models offer an alternative way of perceiving reality afresh and initiating a debate from which changes to enhance the problem situation could be sought. This is attained by concentrating on the variations between the models and perceived reality (Checkland and Scholes, 1990).

Because the models are based upon pure, meticulously expressed perceptions, the conversation directs interest to take-as-given assumptions about the world spotlights options as well as, usually, provides a chance for rethinking numerous areas of real world undertaking. This is usually an enjoyable, and at times a painful experience! It is also frequently the stage at which a number of iterations can be made to earlier stages in the methodology, as learning is actually attained from the comparisons between stage two (rich picture) in real world and stage four (conceptual models).

6.6 Summary

This chapter has presented the initial application of SSM in this study, stages 1 to 4. The chapter started by examining whether the problem situation was unstructured, which was done in stage 1 of SSM. It was then followed by rich picture building which depicts the holistic nature of the entire Tanzania T&A industry and its relevant activities in stage 2. The chapter then presents stage 3 of SSM, which is found in the system world. The activities under this stage were done by formulating the various root definitions and the selection of the one which reflects the various activities found in the Tanzania T&A industry. Finally, the conceptual model was developed in stage 4 of SSM. The model was formulated from the root definition in stage 3. The next chapter presents stage 5 of SSM where the conceptual model in stage 4 is compared with activities found in rich picture in stage two of SSM.

Chapter 7

Stage 5 of SSM - Comparison of models with real-world actions.

7.1 Introduction

The previous chapter described all the activities conducted from stage 1 to 4 of Soft System Methodology. This chapter will deal with stage 5 of SSM, where comparison of developed models located in conceptual/ system world in stage 4 will be compared to the actions that are happening in real world. These real world actions have been presented in the rich picture developed in stage 2 of SSM. The comparison will then yield areas within Tanzania T&A sector that need improvement.

7.2 Real world and Conceptual/ system world comparison

The next step is to compare the model with what exists in reality. Crossing the conceptual line back to the real world, Patching viewed this model as a form of template that is used to determine if there are mismatches between the actual situation and the model, this is done by asking questions such as do the activities shown in the model exist in reality? This is followed by secondary questions about system characteristics, effectiveness, and efficiency to ensure that there is nothing wrong with regards to the suggested system (Patching, 1990). Furthermore, he asserted that activities that do not appear in the model might also be found in practice, possibly indicating that the model is an inappropriate one. Bearing in mind that the steps of the methods are not undertaken in a set sequence, returning to stages three and four might be necessary at this point to reconsider both the root definition and associated model, a process repeated until the analyst and the client are satisfied (ibid).

Concurrently, Checkland realised four different ways of undertaking the comparison between the conceptual models and real world. He insisted on doing the initial comparison at the level of root definition itself. One of the examples provided by Checkland was to ask yourself the questions like; how does the root definition reflect current perceptions? Could it do that? Should it do that? (Checkland, 1981; 1999 pp. A28-A31). During the comparison stage, it is where questioning and other various

perceptions of reality are being debated against the system counterparts. The concepts whether they have been termed as issue or primary-based tasks are considered relevant to reconsidering both existing perceptions and activities, aiming to improve them. The various studies of different kinds conducted, seemed to call for different ways of carrying out the comparison. Through a variety of experiences obtained in those studies, Checkland identified four ways of conducting the comparison in stage five of the SSM (ibid). He provided the guideline on how to proceed with the comparison stage by pointing out four ways of conducting this stage.

The first way is probably the least formal, but most common and has subsequently been much used in many later studies where differences observed between the handful of models and current perceptions and happenings are recorded. Furthermore, these differences are listed and discussed to determine whether they matter. This particular strategy is mostly relevant in a situation where roles and strategies are a problem.

A second approach is actually to' operate' the entire system activity, on paper, and therefore create a scenario unfolding how things could happen given the root definition (RD) in question. In this approach, these kind of scenarios may usually be made in comparison to their relevant historical happenings to be proven to corresponding stakeholders in the problem situation.

In the case of demanding more on situation improvement as well as operations flows, for instance - then a far more detailed listing of variations leads to the third approach (Checkland, 1999). According to Checkland, in this approach each model is actually utilized to explain a series of certain issues relating to activities, and the possible connection between these activities, for which answers are next sought in the scenario itself; this usually involves further investigation beyond that carried out at first.

It is within this circumstance that Checkland suggests that any query can be raised on every activity as well as every link of the model: Such kind of queries may be for instance, “does this take place in the particular situation?”, “How?”, “By what standards could it be judged?”, and “Might it be a subject of concern of the conditions?”. This is then followed by assembling tables of responses to such queries (Checkland, 1981).

The fourth and last method of comparison according to Checkland, consists of attempting to develop a model of a part of a reality that looks like a model thought to

be *relevant* to it, this developed model should resemble as closely as possible the structure of the latter model itself. Once this is accomplished, then overlaying the two models reveals the differences starkly. In the unlikely event that the two models were identical, this would mean that Root Definitions that are more radical were needed.

Checkland thought that this is probably the most formal approach of doing the comparison, and obviously, it could just be applicable when there is some immediate indication of the purposeful activity of the model. This is not commonly occurring as might be thought, since the models are actually intellectual constructions intended to structure debate, not would-be descriptions of reality. Checkland realizes that, this approach for tackling stage five of SSM (comparison) can rarely be used in most of SSM unstructured problems (Checkland,1981). However, apart from the study conducted by Checkland, another example of this type of comparison has been observed in various studies, one being a study on using soft systems methodology to improve the colour forecasting process (Cassidy, T. D., & Cassidy, T, 2012). Another study conducted by Twine (2015) involves the use of trend forecasting in the product development process.

The comparison observed provides the structure as well as substance of an organized debate on enhancing a situation believed to be problematic. In a real sense it merges into the point where changes to be implemented are actually defined. The difference observed between models and reality will induce discussion about possible changes, which may bring about improvement in the problem situation. The aim is to make reality possibly less or more like the models: the goal is actually making the debate a coherent one.

Finally, Checkland suggested that, all four approaches normally help to ensure that the comparison stage is conscious, coherent, and defensible. He insisted that in any particular study, it might be useful to adopt one of them or to carry out several comparisons using different approaches.

This research has adopted a combination of several approaches explained above to accomplish comparison in this stage. This is due to the research problem situation, which demanded more on the improvement, and furthermore, the list of variations led the researcher to use a series of activities obtained from the findings related to consumer behaviour preferences model and connect or embed them to the activities

related to the Tanzania textile industry. The study has discovered further information beyond what has already been achieved by formulating a consumer preference related hypothesis and testing the validity using SPSS software. Every activity mentioned in a comparison table will then be followed by a detailed explanation.

Furthermore, Checkland concluded by insisting that, in most approaches selected during the comparison stage, the comparison is mainly done by drawing up a grid for each conceptual model in which the activities are listed and assessed.

Conceptual Model Activities		Real World	What could be done
Main Activities	Sub-Activities		
Identify necessary T&A consumer needs	Assess the needs/ Market Research	Not done in most of the T&A firms visited	The Tanzania textile and apparel firms should assess consumer needs to understand their requirement.
	Satisfy the identified needs	Since there is little effort to assess the need, satisfaction of consumer needs is rarely done	Design, develop and find a systematic approach of implementing these needs
Provide favourable policies	Improve infrastructure	This has been partially attended to.	This is a key broad area in the development of any textile sector. A number of issues lie within this category. A thorough assessment should be done and the situation improved.
	Organise access to affordable finances	Most of the T&A factories are struggling due to lack of access to finance.	The government should provide a way of enabling the T&A firms to access the finance.
	Provide incentives for new and existing investments	This is done but still not sufficient to attract more FDI and	Government should provide more incentives to attract both FDI and local investors.

		encourage local investors to invest in T&A businesses	
	Promote Tanzania T&A industry and related products	This is not properly conducted within this sector	The sector should be promoted to attract more investors
	Develop fully serviced EPZ	The available EPZ are not fully serviced	Developing fully serviced EPZ with all facilities to promote smooth running of the factories
Provide favourable policies	Engage in operating some T&A factories	The government has some shares in only one of the textile factory. The factory is not performing well because no funds has been allocated to it.	The government should full engage in operating some of the textile factories that are not performing well by providing enough funds and other infrastructures to set an example to other factories.
	Develop the T&A SME sector	The sector is present but no effort to develop it	The sector can play an important role in developing textile industry through niche product markets
Build a productive T&A local industry	Satisfy consumer requirements and promote local T&A products	Most of the T&A firms are dormant as far as this activity is concerned.	Improve this by creating Research and Development Unit at firms' level and conducting a thorough Market Research to investigate consumer needs and satisfy them.

Build a productive T&A local industry	Emphasize the inclusion of production of T&A from blended yarns	This is done in some of the factories specifically for export business	Should be done in bulk and made available in local markets to compete with the imported T&A.
	Update management and technical profile of mills	Most of the technology available is outdated and the management needs to update their skills	Invest in modern technology and update human resources skills to compete globally
	Provide substantial wages and better working conditions	A problem of concern. Most of the workers are complaining	Ensure provision of proper wages that goes along with the cost of living and provides better working conditions.
	Provide regular training to employees	This is rarely done	Provide regular in house and other formal training to build their expertise in a related field
	Build a strong collaboration with other factories	There exists a collaboration association but is not fully utilised	Make use of the association for a bargain with the government on some policies update
	Adhere to corporate social responsibility (CSR) standards	This is done but not to a satisfactory and efficient level	Ensure fully corporate social responsibility standards are adhered to.

Table 7.1. Conceptual Model – Real World Comparison Table

7.3 Comparison table discussion

7.3.1 Main Activity 1 - Identify Necessary T&A consumer needs

As has been explained before in the methodology chapter (section 5.2 & 5.4) and stage two of this SSM located in chapter 6, the researcher decided to investigate consumer needs and preference related to when they decide to purchase a certain type of T&A product. Furthermore, the study also investigated consumer behaviour and intention towards purchasing imported or locally made T&A products. Different techniques such as a survey using a structured questionnaire and a specifically designed SSM workshop were used to collect the data. The following results were obtained from these two techniques;

7.3.1.1 Findings from SSM workshop

In the 1-day workshop conducted at University of Dar es salaam with a number of stakeholders from Tanzania's T&A industry, five T-shirt samples were used. In the selected samples, there were four new T-shirts (2 made in Tanzania, 1 each made from China and Myanmar) and 1 used T-shirt from one of the western countries that were provided as set 1. Labels of country of origin were displayed to reveal the effect of country of origin/ brand to the consumer attitude towards buying foreign and local T&A products. Results from table 7.1 obtained from the provided Likert scale ranging from -3 to 3 showed that a higher mean value of 2.7314 recorded from the sample number 2 (new T-shirt made from Myanmar), followed by other imported used and new T-shirts from both Western countries (2.4562) and China (2.1176) consecutively. Locally made new T-shirts one made from a yarn blend and the other one from pure cotton scored lowest values of 1.3471 and 1.1546 respectively. These scores imply that consumers were heavily influenced with the foreign countries where the specific T-shirts were sourced from, regardless of whether it was a new or used T&A product.

Attribute	N	Sample 1 (China)	Sample 2 (Myanmar)	Sample 3 (Tanzania)	Sample 4 (Tanzania)	Sample 5 Used (Western countries)
Country of origin/ Brand	17	2.1176	2.7314	1.3471	1.1546	2.4562

Table 7.1. Preference when T-shirts with labels of Country of origin are displayed

Table 7.2 shows the results obtained when the same samples were attached with a price tag to determine whether consumers are attracted by price to purchase a certain product. A used sample 5 (Tsh 10,000) from the western countries with the lowest price recorded higher values (mean value 2.6879), followed by sample 1 (Tsh 13,000) from China (mean value 2.2941) and sample 3 from Myanmar (mean value 1.9294) and locally made samples 3 and 4 (both Tsh 15,000) scored low mean values of 0.8824 and 0.5471 respectively. In this case, it shows that consumers were more attracted by the price as compared to other attributes of the selected samples.

Attribute	N	Sample 1 (China) New blend Tsh 13,000 (£4.30)	Sample 2 (Myanmar) New blend Tsh15,000 (£5)	Sample 3 (Tanzania) New blend Tsh 15,000 (£5)	Sample 4 (Tanzania) New pure cotton Tsh 15,000 (£5)	Sample 5 Used blend (Western countries) Tsh 10,000 (£3.30)
Price	17	2.2941	1.9294	0.8824	0.5471	2.6879

Table 7.2. Preference when the same samples were attached with a price tag

Furthermore, using the same samples, quality and related attributes were identified by removing the country of origin labels and price tags. The identification on the quality of a specific T&A provided sample was mainly done by appearance and a feel of the respective sample. Results in table 7.3 shows almost all of the samples had the same value (ranging from 2.6471 to 2.8512) with a very slight difference excluding sample

4 which is locally made using pure cotton and scored 1.9861. All other samples, which scored higher mean values, were made from cotton blended with other synthetic yarns. This observation implies that consumers are much more inclined/ attracted by the feel and appearance of the blended fabrics as compared to the pure cotton.

The second set of samples with different appearance but from the same countries i.e. three new T-shirts manufactured from blend of cotton and other synthetic yarns, which were made from China, Myanmar and Tanzania, were used. Another new sample made locally but using 100% cotton and one used T-shirt sample from Western countries were also included in this phase 2 of determining consumer behaviour/perception towards purchasing imported or locally made T&A products. However, this time the exercise started by exploring consumer preference on quality issues such as style, durability, comfort, fit, fashion and fibre content contrary to what has been done in the previous phase. Country of origin/ brand labels and price tags were hidden to determine any difference in response to these quality-attributes when the two mentioned factors are initially unknown keeping in mind that in the previous phase they were displayed first followed by the determination of influence of other attributes.

Attribute	N	Sample 1	Sample 2	Sample 3	Sample 4	Sample 5
Quality (Style, durability, style, comfort, fit, fashion and fibre content, Variety of design)	17	2.6471	2.8353	2.6529	2.5294	2.8512

Table 7.3. Preference on other attributes in quality without price tag and country of origin label

The results in table 7.4 indicates that by touching/feeling and appearance as one of the ways used by the respondents to test the various quality attributes of these samples, a slight variation was observed under this test. Sample 3 - a new T-shirt made from Tanzania (cotton blend) scored a higher mean value of 2.8529 compared to other samples. It was followed by sample 2 (2.6353), and sample 1 (2.5471) which

were all new cotton blend T- shirts made from Myanmar and China respectively. Sample 2 and 1 scored almost the same mean values with sample 5, which is a used cotton blend T-shirt sourced from western countries with a mean value of 2.5294. The last position with lowest mean value was held by sample 4, which is a new pure cotton Tanzanian made T-shirt, with mean value of 1.9871. These results suggest that, Tanzanian local consumers preferred T&A products made from a blend of cotton and other synthetic fibres as compared with the ones produced from 100% pure cotton. This is one of the reasons why the study needs to investigate and advise on the way of incorporating synthetic fibres for adding value to the locally grown cotton to boost the market of the locally produced T&A products. The study also found that most of the locally produced cotton blends are meant for the export market orders and available to only a few in the local market, which are sold at a higher price, and most of the time are difficult to locate.

Attribute	N	Sample 1	Sample 2	Sample 3	Sample 4	Sample 5
Quality (Style, durability, style, comfort, fit, fashion and fibre content)	17	2.1471	2.0353	2.8529	2.4523	2.5294

Table 7.4. Preference on other attributes in quality without price tag and country of origin label

When the price tag was displayed in the same samples, some slight changes in response were observed, as can be seen in table 7.5. Cheap prices were favoured although not to a large extent. Sample 4, used a cotton blend T-shirt from Western countries led by registering 2.6471, followed closely by a Chinese made sample 1 with mean value of 2.5941 all of which costs Tsh 13,000 (£4.30) each. They were then followed by sample 2 and 3 from Myanmar (2.5294) and Tanzania (2.4824) and the last rated sample was number 4, a pure cotton locally made sample with the same cost of Tsh 14,000 (£4.60) like sample 2 and 3. This looks like; consumers were a little bit influenced by the price affordability. However, with a closer look, the combination of the quality and the affordable price plays a role on attracting consumers towards buying a certain product. This argument can be proved by the fact that all the T- shirt

samples had almost cost the same price, yet the only one sample manufactured from 100% cotton was ranked lower as compared to others.

Attribute	N	Sample 1 (China) Tsh 13,000 (£4.30)	Sample 2 (Myanmar) Tsh 14,000 (£4.60)	Sample 3 (Tanzania) Tsh 12,000 (£4)	Sample 4 (Tanzania) Tsh 12,000 (£4)	Sample 4 Used (Western countries) Tsh 13,000 (£4.30)
Price	17	2.2941	2.5294	2.4824	2.1024	2.6471

Table 7.5. Preference when the same samples were attached with a price tag

Lastly, when labels of country of origin were displayed, the results are as shown in table 7.6. The effect of the country of origin was again clearly seen, although this time not significant. The diminishing trend of this effect has been contributed with the consumers' initial decisions in other factors such as quality and price. This time, even locally made products had no significant difference on consumer preference from other products. Only the one made from pure cotton was a bit lower (2.2124) compared to the others. Others scored mean values in a range of 2.5471 to 2.8235.

Attribute	N	Sample 1 (China)	Sample 2 (Myanmar)	Sample 3 (Tanzania)	Sample 4 (Tanzania)	Sample 4 Used (Western countries)
Country of origin/ Brand	17	2.3176	2.7647	2.1471	2.0124	2.8235

Table 7.6. Preference when T-shirts with labels of Country of origin are displayed

7.3.1.2 Findings From the Entire Tanzanian T&A Consumer Survey

This survey was conducted using a structured questionnaire by intercepting the respondents in the mall and other marketplaces in the areas mentioned throughout this study.

Response Rate

A total number of 500 questionnaires were distributed to the five cities (see methodology section). 420 questionnaires were returned fully completed for the analysis stage, which accounts for the 84% of the total questionnaires distributed (see table 7.7). This was the acceptable percentage as far as response rate is concerned. Mugenda (2003) proposed a response rate of 75% as the acceptable rate for analysis. The study considered the rate of 84% as suitable for proceeding to the analysis and finally study conclusions.

Questionnaire	**Frequency (N)**	**Percentage (%)**
Distributed	500	100
Returned (Completed)	420	84
Returned (Spoiled/Unfilled)	80	16

Table 7.7 Response Rate

Demographic Information

IBM SPSS Statistics 24 was used to analyse respondent's demographic and other personal information. Demographic characteristics such as gender, age, employment status, monthly income, average monthly spending on T&A products and finally information on the residence location of the respondents were altogether described using descriptive statistics.

Of all the respondents, 27.4% came from Dar es Salaam city, which is the major business city in Tanzania with a high population compared to any other city in the country. This is followed by Mwanza City, which recorded 21.4% of all the

respondents. It was then closely followed by Mbeya City from Southern part of the country with 20.2% and Arusha city attained 16.7% despite being the popular tourist city in the country. The last place, which experienced a low percentage, 14.3% of respondents, was the Dodoma city, which is a capital city of Tanzania and is located in the central area of the country.

Fifty-two percent of the entire sample who responded to the questionnaire were male and forty-eight percent were female. This shows a reasonable gender balance in this research. Other demographic information was recorded and presented in table 7.7 in the next page.

	Items	Frequency	Percentage
Region/ City	Category	115	27.4%
	Mwanza	90	21.4%
	Mbeya	85	20.2%
	Arusha	70	16.7%
	Dodoma	60	14.3%
Gender	Male	172	48.0%
	Female	248	52.0%
Age	18-29	92	22.0%
	30-39	147	35.0%
	40-49	139	33.0%
	50 and over	42	10.0%
Employment	Employed	128	30.5%
	Looking for work	92	22.0%
	Student	34	8.0%
	Retired	2	0.5%
	Housemaker	11	2.5%
	Business	124	29.5%
	Refuse to answer	29	7.0%
**Monthly income	Less than TZS 100,000 (less than £31.10)	46	11%
	Tzs. 100,000 – Tzs.300,000 (£31.10 - £93.41)	50	12%
	Tzs.300,001 – Tzs.500,000 (£93.41 - £155.64)	55	13%
	Tzs.500,001 - Tzs.900,000 (£155.64 - £280.15)	97	23%
	Tzs.900,001 - Tzs.1,000,000 (£280.15 - £311.18)	105	25%
	Over Tzs.1,000,000 (Over £311.18)	50	12%
	Refuse to answer	17	4%
**Average monthly spending on T&A	Less than TZS 50,000 (less than £15.55)	38	9%
	Tzs. 50,000 – Tzs.100,000 (£15.55 - £31.10)	41	10%
	Tzs.100,001 – Tzs.300,000 (£31.10 - £93.41)	40	10%
	Tzs.300,001 - Tzs.500,000 (£93.41 - £155.64)	112	27%
	Tzs.500,001 - Tzs.1,000,000 (£155.64 - £311.18)	117	28%
	Over Tzs.1,000,000 (Over £311.18)	62	15%
	Refuse to answer	10	2%

***Based on currency rates on Friday 20th, 2018, (£1 = TZS 3,211.80) Tanzanian Shillings were converted to Great Britain Pounds.*

Table 7.7. Demographic and other personal information of the sample

Furthermore, the results show that a number of factors heavily influenced Tanzanian consumer attitudes on imported products. These factors are the sense of pride, advertising and promotion, unavailability of local substitute products, local market destructions due to the influx of used and new imported T&A products. Other factors are consumers' awareness about the imported products, import brand name or country of origin and group reference. The final and most important factor is quality. The quality issues such as durability, style, comfort, fit, fashion, fibre content and variety of design were cited as crucial determinants to the final decision on purchasing behaviour. These variables altogether, have affected the Tanzanian consumers to purchase textile and garment foreign products differently.

Consumers Preference and awareness

Table 7.8 shows the results focused on finding what determines consumer attitudes in the context of consumer preference. The doubting information here was whether consumer preference has an influence on their attitudes to purchase a certain type of T&A product whether imported or locally made. Questions to capture information on which factors are influential on consumer preference for purchasing textile and garment imports were asked of the respondents. Furthermore, the study also examined the influence of consumer awareness regarding imported T&A products on their decision to buy them. The findings were as follows.

It has been observed that the majority of the respondents 70.5% and 75.1% tend to like purchasing foreign T&A products both as second hand and new respectively as shown in table 7.8 below. However, the response was quite disappointing regarding locally produced T&A products as less than 25% were encouraged or convinced to purchase these type of items. The findings support various studies conducted on finding the consumer decision towards purchasing foreign and locally made products, where most of them show consumers' inclination towards favouring imported products as compared to the locally made products (Florent et al., 2014; Ogunnaike ,2010; Chang, 2011).

Textile and Apparel source	Number of respondents (%)
Imported second hand	70.5
Imported New	75.1
Tanzanian made	23
Both	51

Table 7.8. General purchasing preference

Reasons for buying new and used imported T&A products

Price, uniqueness and other quality attributes yielded almost the same score when respondents were asked what influences them to buy a certain type of T&A product. Results from table 7.9 showed that 82%, 79% and 29% were recorded from the respondents' decision to buy imported second hand, imported new and locally made T&A products consecutively due to the affordable price offered by a respective product. Respondents believe that both imported used and new T&A products are of an affordable price compared with the locally produced same products as can be seen from the above results. Quality attributes such as style, durability, comfort, fit, fibre content together with uniqueness follows closely as the attributes that influence consumers to buy both imported second hand as well as imported new T&A products leaving far behind locally produced products. This was supported from the choice made by the respondents when they were asked to indicate their favourite type of T&A products that possesses the above stated quality attributes. Generally, the results revealed that the majority of respondents opted for both imported second hand and new T&A products consecutively and only a few of them opted for locally made T&A products. These statistics were reached because the respondents perceive foreign products are of high quality. They believe that products with very popular brand names have a high quality and were more preferred than those with unpopular brand names. The same findings were obtained in various studies conducted by Kamenidou et al. (2007:50), East et al. (2013), Smith (2004), Agbonifoh and Elimimian (1999) where T&A consumers in various countries were inclined to the fit of the respective products. Furthermore, the same studies asserted that consumers preferred to buy the imported

T&A products due to its aesthetic nature and their respective quality of fabrics used to manufacture them (ibid). Moreover, consumers do not have enough information about the availability of locally produced T&A products within the local market. This has been supported by the fact that, it took the researcher almost six hours to locate the garment retail shop where local garment products were sold so as to buy T-shirt samples for the workshop. This in turn reduces chances of awareness to their decision on what kind of products to purchase.

Attribute	Imported second hand (%)	Imported new (%)	Locally made (%)
Affordable price	82	79	29
Quality (design, style, durability, comfort, fit, fashion and fibre content)	78	72	33
Availability	80	78	21
Country of origin/ brand	72	69	15
Well promoted and advertised	32	72	09

Table 7.9. Influencing attributes on purchasing a certain type of T&A product

Furthermore, the study observed that Tanzanian consumers were opting to purchase T&A foreign product because local companies do not do enough promotion to convince them to purchase the same locally produced products. This was supported by the same survey results in table 7.9 where by 72% of the respondents agreed that they purchase imported new T&A products because they normally get enough information and witness various promotions done to these products. When they were again asked on their consideration before their next purchase, the results in table 7.10 indicated that most of them, 73%, normally search beforehand for information and then visit the right store. Others, 67%, decide to go in due to the window display/ advertisement, 55% go to shops with special offers, 51% showed their interest to go back to the same shop and 40% try new shops. The above trend shows the importance

of advertising or doing marketing activities such as promotion to create awareness of the brand. Failure to provide information regarding the products to consumers reduces the marketability of the local T&A products and consumers may end up lacking enough information about the available goods. Hence opting for foreign T&A products due to the popularity of their respective brand names or country of origin advertised on either TV, Radio or Internet etc. These findings are in line with the various studies conducted by Alego (1992), Ogunnaike (2010) and Kotler (2012) who emphasised the need of conducting effective marketing and promotion for the sake of creating an attraction to consumer towards the intended products.

Consideration	Number of respondents (%)
Always return to the same shop	51
Decide to go in due to the window display/ advertisement	67
Try new shop	40
Search beforehand for information and then visit the right store	73
Go to shops where there are special offers	55
Others	10

Table 7.10. Consideration before next purchase

The results in Table 7.11 show 64% of the respondents said that the consumers' opportunities to use imported T&A product were increased as a result of the destruction of the local T&A industries and therefore lacking local substitutes to compete with the imported products. The above results support the argument that the tendency to buy foreign T&A products is increasing when local substitutes are unavailable (Ogunnaike, 2010; Florent et al., 2014). Furthermore, studies by Garland and Coy (1993) and Herche (1992) found that consumer would have no alternative than buying imported products if the locally made products are not available. For example, respondents in a focus group in most of the T&A manufacturers explained that when there were no locally made T&A, they tend to purchase substitute imported

products. In addition, the same respondents argued that if there is a shortage of substitutes in the local market, consumers' tendency of purchasing imported products accelerates. Local markets should, therefore diversify their T&A products to reduce consumers' opportunity to opt for imported products.

Local T&A industries collapsed due to unfair global competition, trade liberalization and mismanagement. This influences Tanzanian consumers to opt for foreign T&A products. This means as local T&A markets collapsed consumer's awareness about their domestic T&A products decreases and chances to buy foreign T&A products increases.

Apart from that, the results indicate that more than half of respondents, 63.4%, are proud to purchase foreign made textile and apparel (T&A) products rather than their counterpart local products. This implies that Tanzanians were likely to consume T&A imported product because they are proud of them.

Reason	Number of respondents (%)
Sense of pride	63
No local substitute (Unavailability of locally made products)	64
Enough information and promotion	71
None of the above	18

Table 7.11. Reasons for purchasing T&A products from a specific source

Group reference

The results in Table 7.12 show that family and friends' habits influence their members to purchase certain products as it was found that 74.5% of respondents purchase imported T&A products because they have been induced by their family members including parents and siblings. This study further tested the influence of different groups apart from family members on consumer's decision to purchase imported T&A products. It was revealed that about 68% and 62% were reported to be influenced by important friends (opposite sex) and peers/colleagues consecutively. The research

found that the decision to purchase certain T&A products begins from the reference group around the consumers. This implies that decisions of Tanzanian consumers to purchase imported T&A products were in one way or on another influenced by members of their family and group references. The findings support the study conducted by Leon and Kanuk (2007) on various intrinsic and extrinsic variables that influence consumer purchasing decision where group reference was one of these variables.

Relative/ friend	Number of respondents (%)
Important friends (opposite sex etc.)	68
Family members (parents, siblings etc.)	74.5
Peers/ colleagues	62
Myself	75

Table 7.12. Influence from family and friends

7.3.1.3 Further Analysis in Consumer behaviour

Testing consumer hypothesis

After conducting through various literature reviews and data collection for the primary research, the consumer findings discussed in the previous section show some factors that influence Tanzanian consumers to opt for buying imported T&A products instead of locally produced products. Among the mentioned factors, the main one is the unavailability of locally made T&A products in the Tanzanian local market.

Following the above-mentioned findings, coupled with one among the study specific objectives, which was to assess consumers' attitudes towards purchasing domestic and imported textile apparel to establish levels of demand, the study formulated a set of hypotheses and tested them to confirm whether the findings are the real observation from the collected data. The testing of these formulated hypotheses induce the validity of the data and ensures the most appropriate improvement to the system under the current problem is reached. Apart from other techniques, the research uses Multiple Regression and Analysis of Variance (ANOVA) to test the following formulated null hypotheses.

- **Ho_1–**There is no significant difference in T&A products attributes that consumer in Tanzania consider when purchasing T&A products.
- **Ho_2-** There is no significant difference in the perception of consumers towards imported T&A and locally produced T&A products.
- **Ho_3 –** There is no significant difference in decision to purchase imported T&A products due to unavailability of the locally produced T&A product in the local market.

- ***The first hypothesis to be tested was that, there is no significant difference in T&A products attributes that consumer in Tanzania consider when purchasing T&A products.***

Model	Sum of Squares	Df	Mean Squares	F	Sig.
Regression	121.56	18	6.75	4.464	.000[a]
Residual	602.68	172	3.50		
Total	724.24	190			

a) Predictors: (constant), Price, Quality (Design, Durability, Style, Comfort, Fit, Fashion), fibre content, Availability, Country of origin, Promotion/advertised

b) Dependent Variable: Tanzania

Table 7.13. Hypothesis Test for Ho_1

The analysis in table 7.13 yielded a p-value of 0.0002 which is less than 0.05 ($p<0.05$). This suggests that the formulated hypothesis is statistically significant and hence rejected. It is therefore concluded that Tanzanian consumers consider various attributes when selecting T&A products. This is in the line with what has been observed in the previous findings.

- ***The second hypothesis to be tested was that, there is no significant difference in the perception of consumers towards imported T&A and locally produced T&A products***.

Model	Sum of Squares	Df	Mean Squares	F	Sig.
Regression	133.214	30	4.542	3.581	.000[a]
Residual	628.326	166	3.78		
Total	**761.540**	**196**			

a) Predictors: (constant), Price, Quality (Design, Durability, Style, Comfort, Fit, Fashion), fibre content, Availability, Country of origin, Promotion/advertised

b) Dependent Variable: Imported T&A products are better compared to Tanzanian made T&A products

Table 7.14. Hypothesis Test for Ho_2

From the table 7.14, a p-value of 0.0001 was obtained in this analysis. This value is less than 0.05 ($p<0.05$) which suggests that the null hypothesis is statistically significant and hence rejected. It is therefore concluded that, there is significant difference in the perception of consumers towards imported T&A and locally produced T&A products.

- ***The third hypothesis to be tested was that, there is no significant difference in decision to purchase imported T&A products due to unavailability of the locally produced T&A product in the local market.***

Model	Sum of Squares	Df	Mean Squares	F	Sig.
Regression	210.52	24	8.77	6.584	.001[a]
Residual	484.34	158	3.65		
Total	**694.86**	**182**			

a) Predictors: (constant), Locally availability of T&A products

b) Dependent Variable: Tanzania

Table 7.15. Hypothesis Test for Ho_3

The analysis in table 7.15 yielded F value of 6.584 which is significant at p-value of 0.001 which implies that ($p<0.05$). This analysis result suggests that hypothesis is statistically significant and therefore the null hypothesis is rejected. It was therefore concluded that, unavailability of the locally produced T&A product in the local market has significant effect on the decision to purchase imported T&A products.

Fishbein Model Analysis

The Fishbein model of analysis is another type of analysis widely used to determine the attitude towards buying a certain type of products. In this study, it is the attitude towards buying either locally made or imported T&A products. The analysis has been undertaken using two popularly known Fishbein's models. The first model is based on the analysis using original Fishbein Attitude Model and the second model was based on analysis using extended Fishbein Attitude Model (the Theory of Reasoned Action).

1) Analysis using original Fishbein Attitude Model

The analysis has been undertaken by calculation involving the following formula

$$Ao = \sum_{i=1}^{n} b_i e_i$$

Where,

Ao = Attitude toward the object (in the case of this research will be whether it is imported new or second hand or else new locally produced T&A products)

b_i = belief about the possession of the attribute available in these type of T&A products

e_i = evaluation of the attribute as being important or not important

n = there are a limited number (n) of attributes selected for a consumer to consider

Considering the above formula for calculating the attitude towards a certain type of T&A product, consumers were asked to evaluate the attributes that are normally considered when purchasing.

The participants were provided with numbers from the following scale to evaluate each attribute considered when purchasing T&A products

3 = Extremely important, 2 = Moderately important, 1 = Slightly important

0 = Undecided, -1= Slightly unimportant, -2 = Moderately unimportant,

-3 = Extremely unimportant

The consumer provided the following responses, which represent e_i (an evaluation of the attribute as being important or unimportant)

Attribute	Rating (e_i)
Affordable price	1.7
Quality (Fit, Durability,style, comfort)	2.6
Variety of design	1.8
Availability	2.2
Brand or country of origin	2.1
Well promoted and advertised	2.0

Table 7.16. evaluation (ei) of the various T&A attributes

Consumers were then asked to rate three sources or types of T&A products to determine whether the consumer believes each brand possesses each attribute (the b_i).

The following scale was used to determine how likely it is that each type of T&A products available in Tanzanian local market possesses the mentioned attributes.

3 = Extremely likely, 2 = Moderately likely, 1 = Slightly likely, 0 = Undecided,

-1= Slightly unlikely, -2 = Moderately unlikely, -3 = Extremely unimportant

Attribute	Imported Second Hand T&A products	Imported New T&A products	New T&A products locally made
Affordable price	+2.5	+2.1	+0.2
Quality (Fit, Durability,style, comfort)	+1.8	+2.2	-1.5
Variety of design	+2.3	+2.4	+0.8
Availability	+2.6	+2.7	-2.1
Brand or country of origin	+2.0	+1.9	+0.5
Well promoted and Advertised	+0.8	+1.8	-2.4

Table 7.17: Determination of belief in a certain type of product/ brand (b_i)

To calculate the consumer's attitude about each type or source of T&A products using the Original Fishbein Attitude Model, multiply the attribute evaluations and the T&A products source/ type rating and sum for each type:

$$Ao = \sum_{i=1}^{n} b_i e_i$$

Attribute	Rating (e_i)	Imported Second Hand T&A products (b_i)	b_ie_i for Imported Second Hand T&A products	Imported New T&A products (b_i)	b_ie_i Imported New T&A products	New T&A products locally made (b_i)	b_ie_i New T&A products locally made
Affordable price	+1.7	+2.5	**+4.25**	+2.1	**+3.57**	+0.2	**+0.34**
Quality (Fit, Durability, style, comfort)	+2.6	+1.8	**+4.68**	+2.2	**+5.72**	-1.5	**-3.90**
Variety of design	+1.8	+2.3	**+4.14**	+2.4	**+4.32**	+0.8	**+1.44**
Availability	+2.2	+2.6	**+5.72**	+2.7	**+5.94**	-2.1	**-4.62**
Brand or country of origin	+2.1	+2.0	**+4.20**	+1.9	**+3.99**	+0.5	**+1.05**
Well promoted and Advertised	+2.0	+0.8	**+1.60**	+1.8	**+3.60**	-2.4	**-4.80**
Ao =			***+24.59***		***+27.14***		***-10.49***

Table 7.18: Determination of multiplication of attribute evaluation and belief (b_ie_i)

The following Attitude scores obtained are shown in table 7.18;

- Imported Second Hand T&A products = +24.59
- Imported New T&A products = +27.14
- New T&A products locally made = -10.49

Hence consumer attitude towards buying imported T&A products was highly favoured by getting higher scores as compared to attitude towards buying the same locally made products.

The above values in table 7.18 are also used in the next calculation below.

2) Analysis using extended Fishbein Attitude Model (the Theory of Reasoned Action)

The Extended Fishbein Model is represented by the following formula:

$$\mathbf{B \approx BI = w_1 A_b + w_2\ SN}$$

where,

B is Overt *Behaviour* (e.g., the purchase), which is approximately equal to

BI or *Behavioural Intentions for purchasing a certain type of product*, and

$\mathbf{A_b}$ = *Attitude about the behaviour* (the act of purchasing a certain type of product/ brand, for example) = $\sum_{i=1}^{n} b_i e_i$ (*beliefs* about the consequences of the behaviour; *evaluation* of those consequences as important or unimportant), and

SN represent *Subjective Norms*, or

$\mathbf{SN} = \sum_{j=1}^{m} NBj \times MCj$

NB are *normative beliefs* (what we think others would want us to do),

MC represents our *motivation to compl*y with their wishes

Finally, w_1 and w_2 represent the weight given the A_b and SN components which have been determined empirically using the regression equation in SPSS.

In this section, data values of e_i,b_i and $b_i e_i$ obtained in respective tables 7.16, 7.17 and 7.18 by considering the same attributes in part 1) above have been used.

The next stage was to the determine the social influences on the purchase, also known as Normative Beliefs (NB) in this case as seen in table 7.19. This was achieved by asking a consumer who would likely be influenced by what in order to purchase a certain type of T&A products/brand. The following scale was used for this purpose;

+3	***+2***	***+1***	***0***	***-1***	***-2***	***-3***
Definitely Should	***Probably Should***	***Might Consider***	***No Opinion***	***Might Not***	***Probably Should not***	***Definitely Should Not***

	Relation	Imported Second hand T&A	Imported new T&A	Locally made new T&A
1.	Important friends (i.e opposite sex)	+2.5	+2.6	-1.5
2.	Parents (Dad, Mom)	+2.0	+1.7	+1.5
3	Siblings	+2.3	+2.2	+1.1
4	Peers/ Colleagues	+2.7	+2.4	-1.8

Table 7.19. Social influence on purchasing behaviour

Table 7.20 below provides information on how much a person intends to do what each family or friend member listed in the table thinks he/she should do. This is also known as “motivated to comply (MC)”. The following scale was used;

-3 = strongly disagree, -2 = Disagree, -1 = Disagree somewhat

0 = Undecided, 1 = Agree somewhat, 2 = Agree, 3 = strongly agree

	Relation	**MC**
1.	Important friends (i.e. opposite sex)	+2.7
2.	Parents	+1.9
3	Siblings	+2.3
4	Peers/ Colleagues	+2.6

Table 8.20. Motivation to comply

The final parameters to be identified before the completion of the calculation was how much weight to assign on each factor. According to Fishbein (1975), these weights are known as “beta weights” and were obtained from the regression analysis model.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta		
1	(Constant)	212.53	78.523		3.456	.001
	Attitude about behaviour (Ab	.234	1.856	.7	2.425	.004
	Subjective Norms (SN)	.137	1.234	.3	1.789	.004

a. Dependent Variable: BI

Table 8.21 Source of w1 and w2 values in the BI equation

A person's own belief weight (also known as the Attitude about behaviour, Ab) is w_1 = 0.7 and w_2 = 0.3 as Subjective Norms (SN). All these weights have been obtained empirically from regression model.

Having gathered all the information required to calculate the Behavioural Intentions score for the consumer;

$$B \approx BI = w_1 Ab + w_2 SN$$

Where,

$$\mathbf{A_b = \sum_{i=1}^{n} b_i e_i \quad and \quad SN = \sum_{j=1}^{m} NBj \times MCj}$$

In this case, $\mathbf{A_b = Ao;}$ is Attitude towards purchasing a certain object will be the same as the act of purchasing a certain type of T&A products whether it is imported Second hand, imported new or New locally made.

The only remained parameter is **SN,** which has been calculated from table 8.21 below;

	MC	**Imported Second Hand T&A products NB**	**NB*MC for Second Hand T&A products**	**Imported New T&A products NB**	**NB*MC for Imported New T&A products**	**Locally made new T&A products NB**	**NB*MC for Locally made new T&A products**
Important friends (i.e opposite sex)	+2.7	+2.5	**+6.75**	+2.6	**+7.02**	-1.5	**-4.05**
Parents	+1.9	+2.0	**+3.80**	+1.7	**+3.23**	+1.5	**+2.85**
Siblings	+2.3	+2.3	**+5.29**	+2.2	**+5.06**	+1.1	**+2.53**
Peers/ Colleagues	+2.6	+2.7	**+7.02**	+2.4	**+6.24**	-1.8	**-4.68**
SN =			***+22.86***		***+21.55***		***-3.35***

Table 8.21. SN determination

Finally, is the table for BI score

	w_1	A_b	$w_1 * A_b$	w_2	SN	$w_2 *$ SN	BI = Sum of $w_1 * A_b$ and $w_2 *$ SN
Imported Second Hand T&A products	0.7	+24.59	+17.21	0.2	+22.86	+4.75	**+21.96**
Imported New T&A products	0.7	+27.14	+18.99	0.2	+21.55	+4.31	**+23.30**
Locally made new T&A products	0.7	-10.49	-7.34	0.2	-3.35	-0.67	**-08.01**

Table 8.22. BI Determination

Based on the calculation, the consumers will most likely purchase Imported New T&A products with high BI score of +23.30 followed closely by imported second hand T&A products with BI of +21.96. Locally made new T&A products have a negative value BI of -8.01 which concludes that most local consumers do not prefer the locally produced T&A products due to various reasons, the main one being they are not available in the market and once found, they are of no desired quality.

7.3.2 Main Activity 2 – Provide Favourable Policies

7.3.2.1 Improve infrastructure

The following were cited by the majority of respondents as the key challenges that need improvement in infrastructure issues;

Inconsistent power supply

It has been reported that since 2015, an improvement in power reliability in some areas of the country have been observed as compared to what have been reported in the previous studies in the same industry (TGT, 2007; Sam et al., 2011; Keregero, 2016). In Arusha, however, factories asserted that power reliability is still a major constraint. They further cite fluctuations in voltage as a persistent problem, even if supply is more reliable. One of the respondents is quoted as saying

> *"When there is a surge/ dip in the power these cause our machines to break – and then it takes our engineers a long time to fix them"*

This problem was reported in almost all of the visited T&A firms. Most factories had their own generators as a standby whenever they have an important order while there was no power from the national grid. While the cost of using generator power is believed to be three times that of drawing power from the electricity grid, the power requirements of a sewing plant are relatively small compared with a textile mill so it is not a very pressing issue to them. However, they were still concerned with the issue of reliable electricity to smoothen their daily production.

Lack of skilled labour

Most of the respondents from the factories argued that the existing workforce from the Vocational Education and Training Authority (VETA) is not relevant to the textile mills. The institution is currently producing fashion designers and no other operators in weaving, knitting and processing sections. They claimed that, they do not see the value for the Service Development Levy (SDL) they pay to the government. Furthermore, they argued that, there are no skills in the country and yet employing expatriates is very expensive and difficult. One of them asked;

"How can we operate in such an environment? Of the textile graduates from University of Dar es salaam, none of them are working in the sector"

They commended on the government for the new skills development programme under the Ministry of Labour, which they think will be helpful. However, the study is in opinion that most of the T&A graduates are refraining from working in the existing textile factories due to poor wages offered to them coupled with poor working conditions available in most of the factories within the country. A few years back, the problem was so intense that there were no any graduates or technicians from local institutions with formal Textile and apparel training. A study conducted by Gatsby through the Tanzanian government developed the recommendation to establish T&A training both at technician and graduate levels in two institutions within Tanzania. Vocational Education and Training Authority (VETA) were given the task of conducting a diploma course in Fashion Design and had previously been offering a foundation course in tailoring, whereas the University of Dar es Salaam was given a task of conducting two-degree courses in Textile Engineering and Textile Design and Technology (TGT, 2007; Salm et al., 2011). This has been successfully achieved and there are a number of graduates with skills who can utilise their expertise in the industry if issues of wages and working conditions will be settled.

Port efficiency and customs problems

Multiple inspections were cited by many of the respondents as one of the reasons that affect the sector in terms of the cost and delays. There is only one scanner for exports and imports.

"The green, red and yellow light system is in place but not functional. The cargo goes through the scanner and is green lighted but still you are subjected to 100% physical inspection. What is the use of the scanner then? "Said one factory owner who deals with exports.

The respondent from Tanzania Ports Authority (TPA) when addressing the issues of port delays, which were reported by most of the factory managers during the interviews, he promised to take necessary steps in order to reduce unnecessary delays. However, he hinted that most delays are the result of the lack of integrity among the customers. He added that, papers declaration of goods was initially done yet when later exposed to physical verification something different was evident. That

was the main reason given for delays in customs procedures. He proceeded by saying that sometimes the cargo can be red lighted, yet after physical verification, you find nothing wrong with the cargo. Due to these discrepancies, both scanning and physical verification have to be done in some of the cases.

It can take a minimum of two to a maximum of 15 days with an average of 8.5 days to clear exports and 4 to 15 days maximum with an average of 10.25 days to clear imports. According to the same respondent from TPA, it takes an average of 9 days with a minimum of 4 to 20 days for a particular cargo to stay in ICDs.

Customs problems – The unnecessary long time taken by customs official to clear goods and the unexpected random escalation in assessment of the goods value that customs applies to a shipments of T&A inputs or even finished goods, results in a huge increase in import tariffs and VAT. Even the factories that are operating under Export Processing Zone, are forced to pay duties and VAT payments, which should have been exempted due to the arrangement done under EPZ. In most scenario, the factory management who are operating under EPZ had no option but to pay customs requirement as the resulting delay in waiting for the exemption procedures in clearing their goods would have costed them more as far as the lost production is concerned;

> *"Samples and trims received by airfreight used to come to us directly. Now we find such parcel could be assessed for duty at 3 million shillings. To clear it we have to write to the EPZA with the details of the shipment. The EPZA then write to the TRA stating that the shipment should be exempted. The TRA then takes a week to respond by writing to Customs. Sometimes it takes so long we have to abandon the goods because of the process. Clearing goods have just become such a headache!"*
>
> Interview – Factory manager

Unfair competition from improper taxed imports

Regardless of being internationally competitive. It is practically impossible to compete on the local market due to the availability of smuggled and improper taxed imports. The problem goes along with the custom and port problems as they are the one who can control this problem, largely. When asked why their T&A products are not available in the local market, most of the respondents were concerned with unfair competition

from smuggling and improper taxed imports caused by either negligence of corruption. A respondent from Sunflag and A to Z in Arusha said,

> *"That's why I don't sell in the local market, because I can't compete with the cheap imports. I'd rather export than sell locally"*

Multiple taxes charged from different organisations within the government

The government is currently charging different types of fees/ taxes from its different regulatory bodies. Tanzania Revenue Authority (TRA) collects taxes and other related revenues, Occupational Safety Health Authority (OSHA) collects a fee for inspection of the safety of the working place, Fire protection and fighting unit collects fees for the inspection etc.

Factories complained about the burdensome number of taxes and fees charged by these different regulatory bodies within the same government. At the same time, TRA collects high rates of tax and customs charges and they sometimes spend a huge amount of time processing the taxes, which in turn increases the wharf age fees from the port. They suggested having a single tax, which will cover all other categories mentioned above. One respondent was quoted as saying:

> *"There are so many numbers of taxes, hence the implication on the lost working man-hours and costs in filling, preparing and paying taxes"*

The high cost of local transportation

This was particularly apparent for factories located away from ports. The only factory, which did not cite it as a problem, ran its own fleet of trucks. Poor railways and road infrastructures, especially from the cotton growing area to the ginneries and the textile mills, is another obstacle as most of the cotton is grown in the western area between which is up to 1300 km from the port of Dar es salaam.

7.3.2.2 Organise Access to Affordable Finances

This is another constraint that cited by the majority of the respondents. The lack of affordable finance is constraining business growth. One of the respondents said

> *"…there is no way we can industrialize if we can't invest with a cost of capital of 18-30%".*

They requested government to reduce or subsidise the interest rates to support Industrialization.

7.3.2.3 Provide Incentives for new and Existing Investments

1) **Provide ready built factory shed**

   As part of the incentives for attracting investors, the government can work out this kind of strategy. Other countries have been doing so and it has delivered the positive effects.

2) **Business licensing**

   Most of the respondents suggested for the government to allocate a One Stop Shop to do all the licensing and registration together. Business licensing was seen as a problem during the business set up phase, but once the business is running, it is not much of a constraint

3) **Employment costs (Work permits)**

   Most of the respondents expressed their concern with the high cost of the work permit and consequently affects production cost. They would like to get rid of the expatriates but there are no substitutes in the country. They were concerned with this, since they think that regardless of the fact that some institutions that have been producing textile skills for technician and graduate levels, yet they are not competent for the industry to rely on them in their day-to-day production. The factory owners think that the young local skilled labour still needs to gain experience before they can handle a big task in the factory. However, the study is in opinion that these young textile-skilled technicians and graduates should be given a chance to display their knowledge. It would not take long before they become productive. The foreign experts should be given priority when there is no local skill substitute in the area of their expertise.

7.3.2.4 Promote Tanzania T&A Industry and Related Products

The Tanzanian government should make strategies to promote the country and its related textile industry. Given various comparative advantages that the country enjoys, these should be advertised and subsequently utilised to attract FDI; the support and promotion should be provided to both existing and new investments. This strategy is expected to increase a number of FDI who will increase the local production of T&A products and consequently reduce or even eliminate the problem of locally made products availability within the local market.

7.3.2.5 Develop Fully Serviced EPZ

A number of Export Processing Zones are available in the country, though not fully serviced. For a proper productivity and motivation for other investors to invest through these EPZ, they need to be fully in service. Infrastructure issue should be resolved by providing special priority to these zones. These priorities should be in the areas of reliable power, water, T&A training centre and efficiency in customs and port services.

7.3.2.6 Engage in Operating Some T&A Factories

A number of problems were identified by the majority of respondents as the reason for the failure of the Tanzanian T&A sector. Interviews with the government officials in relevant institutions shows that a number of problems have already been resolved and that the government believes that they have the best policies in the local T&A industry. As a test to the existing policies, the study recommends that the government can take up to two to three sick/ closed mills and try to revive them. This will set an example to other investors.

7.3.2.7 Develop the T&A SME Sector

This sector is a part of the wide picture of the Tanzanian Textile Industry. It is an important sector due to the fact that it can produce unique designs featuring Tanzanian traditional culture. The market penetration capital is also non-intensive and some designers have been widely accepted in the international market. The researcher was able to visit Marvellous Flotea a business principally involved in the production of home ware and accessories such as handbags, computer and conference bags and only special orders for garments. While this factory incorporates sewing and embroidery, it only produces clothing when an order has been placed. This business represents an excellent example of the penetration of the international markets by an indigenous entrepreneur, and its success is largely due to the drive, creativity and business acumen of its owner, Ms Flotea Massawe. This type of business could be a model for niche garment enterprises providing a distinctly African theme that could, for example, sell Safari clothing into the region's safari lodges and hotels.

While the market for locally produced apparel in Tanzania is minimal, there is one product that sells consistently strongly to foreign visitors, that is the kikoi. Kikoi are used by tourists as wraps and skirts. There is potential for the development of an

indigenous industry to supply the tourist trade with locally and certified ethically produced safari garments where there is a constant ever-replenishing market.

7.3.3 Main Activity 3 – Build a productive T&A local industry

7.3.3.1 Satisfy consumer requirement

This has been termed as a very crucial factor in the development of any manufacturing sector and specifically T&A sector (Sanad, 2016). A number of issues that can contribute to the decision of the consumer to opt buying a certain T&A product should be identified. Respective measures should also be taken to link the knowledge obtained from the consumer needs to what is supposed to be done in the existing textile industry in order to meet the consumers' demands. Lack of T&A consumer study in Tanzania was commonly observed and discussed during the data collection stages, yet nothing has been researched to date in Tanzania regarding consumer preference especially the factors that can influence them to buy a certain type of T&A product whether imported or locally made. Furthermore, there is no Research and Development (R&D) section observed in any of the visited firms.

7.3.3.1 Update management and technical profile of mills

The study observed the presence of extremely old machines with low automation and obsolete technologies in most of the factories visited. Most of the mills have not made any investment in machinery in decades and those that have added machines recently have mostly bought and installed pre- owned machines sourced from mills closing in Europe or the US. The use of old technology and machinery has an adverse impact on product quality, consistency and productivity. Lack of export competitiveness and limited product range has caused textile units to target local and regional markets. The mills need to modernise their technology, machinery and production processes. Some mills have had no investments for over 40 years.

In some of the mills, like Sunflag and 21st Century, where modern manufacturing facilities have been installed, have been mostly pre-owned items sourced from mills closing in Europe. Some of the important factors regarding competitiveness includes manufacturing sectors to possess modern equipment, which is considerably faster and with high productivity. For example, in the case of the weaving sector, modern looms can allow for multiple fabrics to be made side by side, which is normally accompanied

by a higher degree of automation leading to better fabric quality and cannot depend on operator skills. Old shuttle looms produce less standard fabrics to compete globally. The same scenario applies to other sectors of T&A production.

In dyeing, printing and finishing departments, the study observed the same problems as most of the machines had been installed more than 10 years ago. Furthermore, according to respondents in most of the factories visited, nearly 90% and 50% of this equipment lies between 10 to 20 years old respectively. Under the same section, since there is only little use of synthetic yarns such as polyester and others, this resulted in the factories having few facilities for pressure dyeing in jet, jig or beam form. During the visit to the factories, only three factories (Sunflag, A to Z and 21st Centuries) had yarn dyeing facilities.

7.3.3.3 Emphasize on inclusion of production of Tanzania and Apparel from blended yarns

It was noted in many areas of discussion that respondents from both the focus group discussions and the SSM workshop expressed their concerns on the little use of synthetic fibres in locally produced T&A products. Moreover, the study observed in the market place the unavailability of these locally produced T&A products. It has been argued by most of the participants that most of the imported clothing (new and used) are either made by using a blend of cotton and other synthetic fibres or even pure synthetic fibre and only a few are made from pure cotton. Most of the Tanzanian locally produced T&A products are made using pure cotton fibres which makes their appearance, texture, function and other clothing attributes look poor compared to the imported one. As has been said earlier, the only existing few factories that produce blended T&A products locally are targeting export markets as the price for these locally produced products are high compared to the imported goods and cannot compete to the local market. Hence, a need arises to incorporate the synthetic yarns in the locally produced T&A products for both local and export market. This will be crucial for enhancing the feel/ texture and appearance and other quality attributes to match with the imported T&A products, consequently satisfy the consumers, and hence boost the sales of locally made products. This is in line with the findings observed by Islam et al (2014) in their study conducted on assessing the factors that influence consumer

purchasing decision in fashion brands. They found that product quality (design, style, raw materials) was highly preferred followed by price.

7.3.3.4 Provide regular training to employees

It was generally noted, through the primary research, that no formal training is given to the workers. This should not be the case as the technology is always changing and becomes sophisticated. Unless the firms remain static with no introduction of modern technology, something which will always result into unproductivity of the respective firm. Most of the firms provide on job training when a worker is employed but no any other training is provided thereafter.

7.3.3.5 Build a strong collaboration with other factories

Personnel in all of the factories were questioned as to whether they would support a strong manufacturing association. Currently, most manufacturers are members of the Textile Manufacturers Association of Tanzania (TEXMAT), which includes the spinning, fabric and finishing industries. There was unanimous support for a strong association, but most interviewees expressed concern about the level of political and vested-interest issues that interfere with the effective operation of such a body.

7.3.3.6 Adhere to corporate social responsibility (CSR) standards

Consumers globally have pressed more demand on ensuring that the labour standard within T&A supply chain are closely adhered to. This has necessitated the global brand manufactures and retailers of T&A products to become sensitive of any violation on workers' right, human right and environmental protection. They are thus required to take more control over their supply chain to ensure the traceability of their products. There has been a development of CSR programs followed by the implementation of the relevant Codes and Conduct, which entail supplier and contractors from developing countries to adhere to certain social, safety and environmental standards. The respective T&A firms need to be audited and certified in a timely manner in order to ensure a proper adherence of these requirements. Some buyers from the US and EU countries have started to abandon their business relationship with companies that are not complying with the CSR standards. Tanzanian T&A manufacturers need to comply with CSR standard in order to penetrate the export market.

7.3.3.7 Provide substantial wages and better working conditions

Wages and working conditions goes along with the CSR that has been discussed in the previous section. Due to its sensitivity, it will be discussed in this sub section. Through observation, and discussions from both the focus group and the SSM workshop, the issues of wages and working conditions for workers in the textile and apparel firms were highly cited as their major concern. The following points were noted;

- **Working environment**

  With the exception of those who work in the garment factories that sell their products to the international market, other participants complained on the poor working conditions available in most of the factories visited. They were worried about their health condition, as sometimes they do not wear any protective gear like ear pads, masks in spinning and weaving/ knitting section as well as gumboots and gloves in processing plants. These scenarios jeopardize the health of most factory workers.
- **Poor motivation provided.**

  The participants were concerned on the rate of their monthly wages paid by the respective factories. Although they are paid some bonuses for achieving targets and working overtime, the amount is not enough to cover their daily expenses especially for those having dependents. Most of the factories provided lunch to their employees as one way of motivating them. However, the participants complained on the quality of the food provided, in some of the factories, the food was charged a small amount of money (one-third of the actual cost of the nice food outside the factory). One can lose a job if complaining about the poor quality of food provided.
- **Freedom of expression**

  Most of the workers, especially recent textile and garment graduates from University of Dar es salaam complained on the treatment they get from their corresponding foreign supervisors. They normally feel undermined by the threat of been replaced with newly recruited local graduates. Sometimes the workers want to share their expertise with their superiors but instead they are often accused of being incompetent in their performance.

- **Job Security**

  Most of the participants were not happy with the job security provided by the relevant factories. A small misunderstanding with their supervisor can result into expulsion from work. The same happens when an employee falls sick for some time.

All issues discussed in section 7.3.3.6 and 7.3.3.7 have been reported in previous studies conducted by TGT (2007), Salm et al. (2011) and Keregero (2016), yet the study found the problems still persists. By working together, all the Tanzania T&A stakeholders would bring the permanent solution to these problems.

Below in figure 7.1 the model developed from the above explanations pertaining to the existing weakness in the Tanzania Textile and Apparel industry.

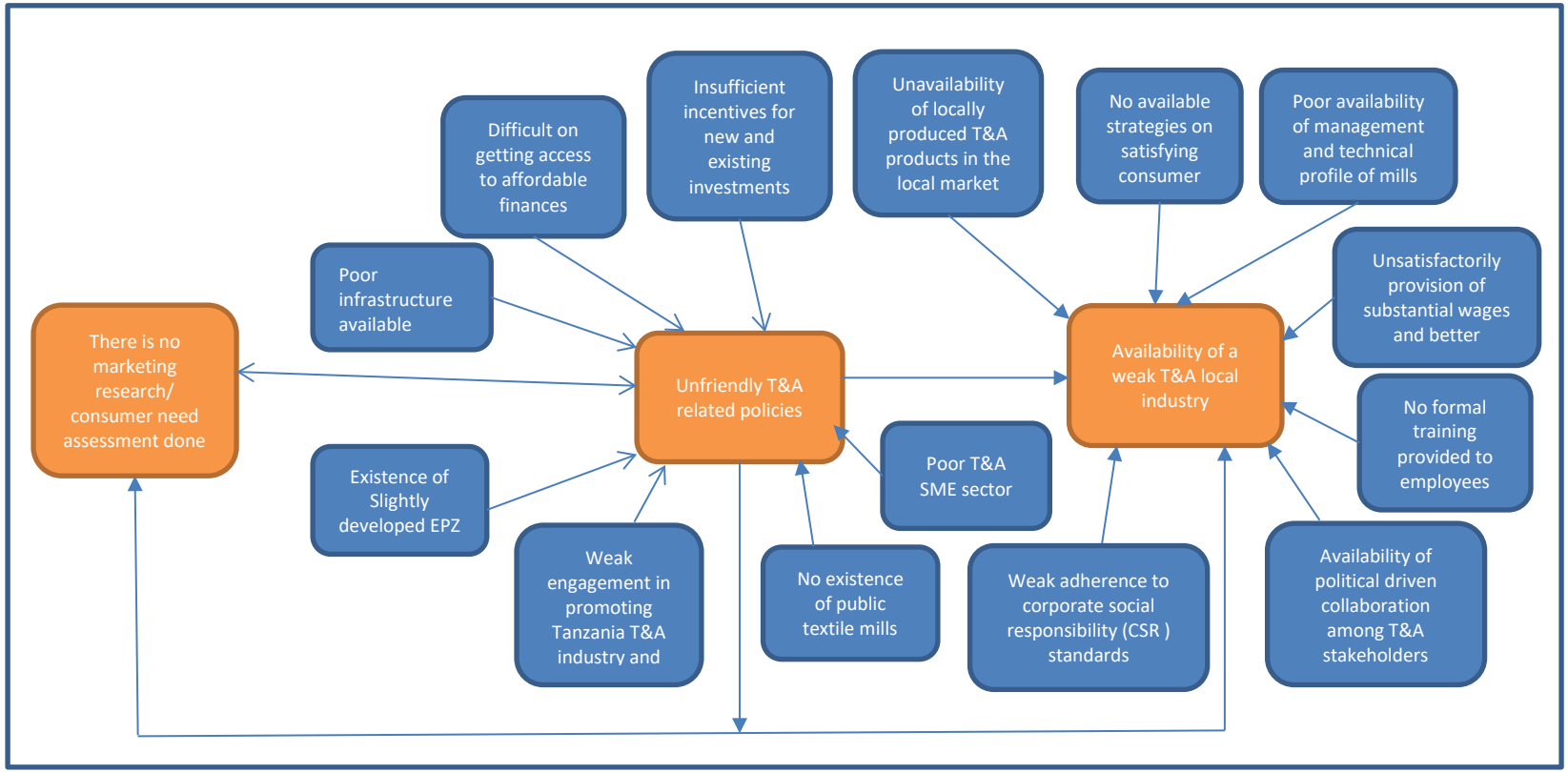


Figure 7.1 A model representing the weakness of the existing Tanzanian T&A industry

7.4 Summary

The chapter has highlighted in the tabulated form the comparison done between stage 2 (rich picture in real world) and stage 4 (conceptual model in system world). The necessary detailed description to this comparison was also performed by identified areas which arisen in conceptual world but were either not done or partly done in the real world. These areas will then be forwarded to the next chapter, which comprises of stage 6 of SSM for defining changes that are possible and feasible to be implemented.

Chapter 8

Stage 6 of the SSM –Define Possible Changes Which Are Both Possible and Feasible

8.1 Introduction

In the comparison stage (stage 5 of SSM) which was located in the previous chapter, the study has carried out a critical examination of the Tanzania Textile and Apparel Industry (Rich picture in stage 2 of SSM) to determine how it compares with the model constructed during the system thinking exercises (stage 4 of SSM). This chapter will proceed with the outcome from chapter 7 by defining possible changes, which are both possible and feasible to be implemented for improving the problem situation under investigation. The chapter will finally highlight on the reason behind this study to end up in stage six and not proceed to stage 7, which is the last stage of SSM.

8.2 Achievement of Both Possible and Feasible Changes

The developed model and its outcome from comparison stage was taken back to stakeholders for a debate and suggestion on possible feasible changes that have to be done on the Tanzania Textile and Apparel industry. The debate was realised through face-to-face interview with different stakeholders. The researcher contacted 20 interviewees but only 15 stakeholders were ready to participate in these interviews, which is 75% of the targeted number. The interviews were conducted in the working area of the participants. Ten of them from textile and Apparel firms, three from the policy makers (TPA and TRA and MIT), one from UDSM and last one from VETA. The researcher initially intended to organise a second stakeholder's workshop, but most of the participants who were approached provided various reasons of not being able to leave their place of work and attend the workshop in Dar es Salaam. This left the researcher with the only option of visiting the stakeholders and conduct interviews with them. From all of the interviews (debate), ideas about possible weaknesses and / or potential improvements emerged and points reached where decisions were required about the direction to take to progress the study. Patching (1990) reminded us of the difference that exists between various studies, and particularly the considerable variation level of examination among them. He further shared his experience showing

that the SSM is able to uncover a multitude of problems, some symptomatic of fundamental faults in the client organisation, others of a less significant nature, but still important to the individuals concerned (Patching, 1990). He concluded by advising that, the main criterion for selecting a course of action when applying the SSM is the client's opinion, based on what is considered to be feasible and desirable for the organisation in question (ibid).

The same number of themes were adopted from the developed model and later in the comparison stage. These were discussed sequentially during these interviews depending on the specialty of the interviewee. Some of the themes were discussed uniquely with Owners/managers of T&A firms; others were discussed with only policy makers and the remaining with training institute stakeholders. However, there were some common themes, which were discussed with all respondents. After the entire discussion of the model with various stakeholders, , agreements were reached in most of the issues/ themes recommended by the study and in a situation where different opinions were raised, researcher was able to defend his arguments by clarifying to the specific stakeholders the reason for reaching the relevant recommendation..

The following were compiled from the discussions mentioned above. The compilation includes the feasible and desirable changes that have been suggested, and agreed to be implemented as part of intriguing these changes.

8.2.1 Activity 1: Identify and satisfy T&A consumer needs

This theme was quite challenging among the respondents, especially the owner/managers of Tanzanian T&A firms. Most of these firms do not conduct a comprehensive consumer needs assessment before deciding which kind of T&A products they should produce for their customers. The study noted with concern that, these firms do not conduct any marketing research to identify the need of their customer. This was among the findings from the consumer survey conducted by this study. They were not conducting regular or planned promotional activities for attracting their customers. It does not make sense, when these firms call for the entire Tanzanian consumers to favour their local T&A products by purchasing them instead of skewed to purchase the imported T&A products. They were supposed to inject some concerted efforts to attract and capture new market niches using a well-adopted marketing technique and other strategies to encourage the increase of their customer database.

This study recommends T&A firms to create the marketing section in their relevant firms, assign them the task of conducting regular marketing research, and conduct some promotional activities to create awareness of their respective products.

Another weakness observed by the study is the fact that there is no adequate and effective distribution channel of the locally produced T&A products. In the normal retail outlets like in Malls, Supermarkets, and other common markets like Kariakoo in Dar es Salaam, Mwanjelwa in Mbeya and Makoroboi in Mwanza, it is seldom to find locally produced products being sold in these premises. Whilst this is the case with local products, the imported T&A products which include Second Hand Clothing (SHC) from western countries and New clothing from Asian countries are always seen flooded in the mentioned areas with prices ranging from cheap to expensive depending on the quality attributes of the specific product. In this case, unavailability of the locally substitute T&A products can intimidate Tanzania local products and force the consumers to opt buying imported products, hence boosting the entire sales of the imported products. This is in line with the study conducted by Florent et al. (2014) in determination of consumers' attitude on imported products in Tanzania, where they found that products unavailability forces consumers to buy substitutes imported products.

The study recommends that, manufacturers should produce different categories of T&A products and improve their relevant distribution channel, so that most of the product can be found in the local market and compete with the imported products. It does not make sense, when these firms require protection from the influx of imported products when they have no such substitute products in the market. The study is in opinion that, before banning or imposing any restriction of the imported T&A products, the government should assure itself that the local industry could satisfy all the consumer requirements regarding the products. Failure to do so will result to a total disaster as the T&A products manufactured locally will not be sufficient to satisfy the entire Tanzanian community.

The analysis conducted using Fishbein's model to the consumer data obtained in the field indicated that consumers would mostly like to purchase imported T&A products instead of locally produced T&A due to different reasons such as various clothing attributes found on imported T&A products as well as the availability of the same

products in the local market. Furthermore, the hypotheses that were formulated and tested using multiple regressions confirms the same argument that has been presented under the Fishbein model in section 7.3.1.3 (page 216 – 224). The previous studies by TGT (2007), Salm et al. (2011) and that of Keregero (2016) did not say anything regarding the issue of conducting marketing research to understand consumers' needs and preferences.

8.2.2 Activity2: Provide favourable policies

Seven sub-themes were picked from the model and discussed with all of the stakeholders. The following are the outcomes of the discussions followed by the final recommendation from the researcher:

8.2.2.1 Improve infrastructure

This sub-activity was also discussed into various separate infrastructure categories as follows;

Commission an "Access to Power" Feasibility Study in the Textile Industry

Most of the respondents especially from T&A firms raised their concerns on the issue of power supply. They asserted that, it would be some years before Tanzania achieves full and reliable electricity supply to all parts of the country. However, in recent years the government has slightly improved the problem of power supply, but generally, the problem is still there. Frequent power cut off, and low voltage has been major problems, which leads to frequent machine breakdown and hence affecting the normal production of the relevant factories. Furthermore, the cost for the electricity was raised from USD0.07 to USD0.13 per Kwh consecutively from December 2007 to January 2012, which is an increase of almost twice of the old price (Salm et al. 2011; Keregero 2016). This cost of electricity is high compared to other developing countries such as India, Brazil and China who are charging electricity at a rate of USD 0.05 per Kwh (Mmari et al., 2014). Furthermore, regional neighbours such as Ethiopia charges low cost in electricity, a factor which attracts T&A investors (Mihretu & Llobet, 2017). It is virtually impossible for the Tanzanian local products to compete with these countries in both local and global market. The previous studies by TGT (2007), Salm et al. (2007) and Keregero (2016) did not go into details of what needs to be done to overcome this power problem.

In view of the above, this study recommends that, in the interim period consideration needs to be given to alternative fuel options including diesel, coal and gas and others. Advance planning of power outages and schemes whereby textile plants could be encouraged to generate their own electricity need to be examined. For example, with an abundant natural gas available within the country, the government through its respective authorities could install pipelines from natural gas resources and supply the gas to the factories to be used as a source of fuel instead of tree logs and others. Furthermore, a natural gas or diesel fuel support (DFS) scheme may be an economically justifiable investment, which keeps mills operating during power cuts. Mills needing both steam and power might be encouraged to invest in multi-fuel co-generation plants with excess power sold to the grid. This study suggests various options that can be taken by government (policy makers), including prospects for financing support from The World Bank, and test their technical suitability, cost and effective rates of financial and economic return. Any efforts made by the World Bank and Government of Tanzania (GoT) to address the power crises and any interventions planned should be acknowledged and further conducted in liaison with existing initiatives.

The World Bank is known to be a very active investor in power sector schemes in developing countries. It is suggested that a governmental level approach is made to the World Bank for assisted financing for investments made in schemes such as Co-Generation plants for vertically integrated textile producers. When the cost effectiveness of appropriately sized Co-Generation investments can be proven the ready availability of attractive priced loans through the World Bank can be a strong catalyst in ensuring that the required investments are made quickly by the sector.

Lack of skilled labour

The lack of skilled labour is one of the themes that raised misunderstandings during the discussions. In previous researches, manufacturers in Tanzania textile and apparel industry were concerned on the shortage of training institutions offering specialized courses in T&A skills. This forced them to hire expatriates and pursue training out of the country at considerably high cost, or to recruit local graduate who are not both experienced as well as specialised (TGT, 2007). They pointed out that using low technical skills workforce brings a negative effect to the general operations

and service of the available machinery. The study suggests that the improvement in quality of produced products goes along with a continuous investment in research and development (R and D) activities. However, in most of the firms visited in Tanzania T&A industry, insufficient resources are directed to R and D for reasons such as lack of funds or even sometimes ignorance of the importance of R and D to the development and growth of the respective firms.

In most of the textile factories visited by this study, there was a highly dependency on expatriate workers from India, China and elsewhere. These expatriates were spread in both production and business operations holding managerial and supervisory positions within the relevant factories. This is in contrary to what has been observed more than 7 years back when there were no local graduates related to textile and garment skills (Salm et al, 2011: TGT, 2007).

Tanzania has established a Vocational Education and Training Authority (VETA) (see section 2.11.2). In the course of providing vocational education, they are currently offering a two-year vocational diploma course in Textile and Fashion design course in its Dar es Salaam Centre. The course helps in creating skills for technician level especially in garment industries. The VETA College started to offer this course since year 2012. There are also some other local institutions registered under VETA, which offer basic tailoring courses.

On the other hand, University of Dar es Salaam (UDSM) through the College of Engineering and Technology (CoET) within the Department of Mechanical and Industrial Engineering (MIE) is the only University in Tanzania that has been offering two textile- related degree courses. One of the two courses is a B.Sc. in Textile Engineering and the other course is a B.Sc. in Textile Design and Technology. These two courses have been offered since 2011. A number of local graduates are currently available to serve the local industry. It was thus expected that, most of them would have by now covered the positions that were once given to the expatriate skills when local skill was not available, something, which was not observed significantly during the data collection stages in the local textile industry.

One of the reasons provided for hiring the experts up to this moment was the fact that, textile students from the University of Dar es Salaam did lack industrial culture or spirit,

hence requiring much time for training prior to job allocation. They reported that UDSM students did not have enough enthusiasts in the industry.

''They just do not want to get their hands dirty, all they want, is to sit and look''

One of the technicians reported. It was also reported that the student discipline in the industry was very low, with poor adherence to the industrial working hours. This was particularly noticed by the some of the factory management during the practical training where students spend six (6) weeks on training in the industrial environment. This is quite a short time. Furthermore, poor laboratory conditions of the UDSM Textile Section were also thought to be causing low practical experience to the students. It is therefore recommended by this study that;

1. Students get more exposure to industrial environment by attending one industrial visit per year, apart from the six (6) weeks Industrial Training they get each year.
2. The quality of laboratories should be improved by ensuring that the necessary equipment and consumables are always available for student's practical work.

However, during the data collection, in some of the factories, the study observed a number of graduates from the University of Dar Es Salaam, who attended Textile Design and Technology and Textile Engineering programs employed in these factories with their performance being exceptionally good. There were also interest from some companies especially A to Z to recruit more candidates. Other companies such as Tooku, Open Sanit and 21st century Textile Ltd promised possibilities of internships for local graduates with possible permanent employment at the end of the internship tenure.

Furthermore, most of the textile industries interviewed disclosed that, the quality of graduates produced at UDSM was too high compared to the qualifications required by the industries. They pointed out that, most of their hired workers had hands-on experience and skills in sewing, cutting, packaging areas whilst most of graduates from UDSM are over qualified requiring management positions, which are very low. Hiring at managerial level is seldom, since most industries are currently relying on expatriates from oversees with an excuse that they lack information regarding the textile graduate qualification offered at the University of Dar es Salaam. The previous study agreed with the factory owners regarding hiring of the foreign expatriates and

other issues related to their relevant permits (TGT, 2007; Salm et al., 2011; Keregero, 2016). However, this study disagree with the continuous tendency of hiring foreign expatriates as this tendency is intimidating our local skills. The study therefore strongly recommends that the government should intervene and formulate strong rules for the local industry to hire local skills instead of what they are currently doing. Most of the local graduates are still jobless while their counterpart expatriate skills are hired in the same position that could have been taken by them. Positions where there are no competent local skills, the foreign experts should then be hired. In this way, many students will be motivated to study textiles and related courses, since they will be confident of getting employment after graduating from relevant textile courses.

Another issue observed during this research is the poor relationship between UDSM and local industries. When the textile unit was created at UDSM, dissemination of knowledge to the textile industries was not sufficient to alert of the new programme at UDSM. This created a gray-space between the industries and the UDSM Textile unit, which results in a lack of information and knowledge transfer between the two pillars. During the visits, some of the personnel met did not know the existence of the textile courses at UDSM, which made them, acquire textile experts from other places instead of UDSM and were very surprised to know that UDSM offers textile degree courses.

This lack of relationship between UDSM textile unit and the textile industries has resulted to most research and development activities at UDSM not involving the textile industries within the country hence little contribution of UDSM to the textile industries in Tanzania. The study recommends that, the relationship should be strengthened. Few industries were aware of the existence of the Textile Section at the University of Dar es Salaam, but they were not fully aware of what courses are being offered at the unit. However, through continuous communication and through staff's frequent visits (at least once/year) to the industries, the relationship gap could be easily broken. In order to achieve this relationship, the study further recommends the following;

1. The staff should attend an industrial visit at least once per year, during long holiday seasons.
2. The UDSM Textile Section should organise at least one event (workshop/exhibition) per year, and invite stakeholders from the industries, to ensure close relationship is maintained between the two entities.

3. Research collaboration should be initiated immediately, where either part can introduce a research topic, or the research work can be carried out at the UDSM Textile Section while using some facilities available at a partner factory. A research topic could be solving problems within the factory or other problem within the Tanzania's Textile Industry.

A number of factories, particularly those involved with garment making reported a lack of skilled labour. Most employees do have general knowledge in sewing activities hence the company must first provide training to first time employees before offering them permanent job contracts. This is usually time consuming and sometime result to loss in production. Furthermore, the graduates from the Textile Section of the University of Dar es Salaam are trained to work at a supervisory level rather than the technician level. Therefore, when they work in these factories, they do not serve the hand-on part of the job description but supervisors. To reduce this problem, is the study recommends that the Textile section should, in the near future, establish short courses that will offer intensive hands-on programmes such as sewing technology to different groups of people, particularly standard seven and form four leavers. This will ensure availability of skilled labour to large garment manufacturers such as Mazava Textiles Ltd, Tooku, 21st Century Textiles and Sunflag Textile Mills. To accomplish this solution, collaboration with VETA and other small learning institutes will be inevitable.

A similar programme was established under the College of Engineering and Technology of the University of Dar es Salaam in the years 2010 and 2012 in Kyela, where short courses on garment designing and sewing were provided to standard seven and form four leavers. The graduates of this programme were employed by most of the garment manufacturing companies including A to Z Textile Mills, 21stCentury Textile Mills and Tooku. However, UK government through DFID and later the US through USAID-COMPETE funded the programme initially and so it ended when the funding stopped.

Port Efficiency and Unfair Competition from Improper Taxed Imports

This was one of the important sub-theme discussed with both stakeholders, where one side (T&A firm owners) were complaining on the weakness arises from the daily operations done by TPA/TRA officials. The same complaints were reported in the previous studies conducted by TGT (2007), Salm et al. (2011) and Keregero (2016).

The aforementioned studies recommended all port activities to be streamlined to ensure port efficiency is improved and any available obstacles cleared (ibid).

The discussion regarding the model was achieved with the individuals from both sides. Tanzania has four main ports: Dar es Salaam (Main), Tanga (North) and Mtwara (South). The fourth port is Zanzibar, which mainly operate for the Zanzibar Islands. Dar es Salaam is the principal port with a capacity of approximately 4.1 million Deadweight Tonnage (DWT) dry cargo and 6.0 million (DWT) bulk liquid cargo and handles approximately 95% of Tanzania's international trade (Interview with TPA official). The port also serves the landlocked countries of Malawi, Zambia, Burundi, Rwanda and Uganda, as well as The Democratic Republic of Congo. Despite of an existence of a large port in Tanzania, most T&A stakeholders reported delays and port handling procedures at the port as key area for improvement. Under this category, previous studies by TGT (2007), Salm et al. (2011) and Keregero (2016) provided vague recommendations, which in the opinion of this study they were not exhaustive enough to be implemented.

In order to minimize delays at ports and improve efficiency of consignment handling, as it was pointed in the model, the study recommends that Tanzanian government needs to institutionalize training programmes for customs officials as well as exporters.

a) Customs officials should be provided with training to recognize product country of origin based on the origin certificate and comply with import regulation norms. They should also be imparted training to make them familiar with textile products, their uniqueness and flexibility needed for consignment clearance.
b) Company officials dealing with import and exports in textile and apparel units should be trained on documentation system and procedures.
c) Tanzania government should consider priority clearance for textile and apparel cargo. Ethiopia is currently implementing this measure as a way of fast tracking clearance at the Port of Djibouti (Mihretu & Llobet, 2017).
d) As a medium to long-term measure, Tanzania should fast track investments in modern tracking systems, online application, and approval / clearance system to minimize documentation requirements. This will not only make the clearance system easier and faster but will also improve the transparency. A similar system is in operation in Kenya and the industry is generally satisfied with the performance.

e) As an immediate measure to revamp the textile industry, one port can be appointed to specifically process all the import and exports related to Textile and apparel products and its corresponding accessories.

Furthermore, in order to gain a smooth access to inputs, the study recommends that the government eliminate import tariffs on apparel inputs, which are currently charged 10 – 35 percent. Only exporters have duty-free access to inputs, and duties are levied on all inputs used in final goods that are not exported. Eliminating the duty would enable exporters to resell their material waste (reducing production costs by 1 percent) and facilitate links between large exporters and small domestic producers. This would increase productivity and output growth among small players, give exporters more flexibility to meet large orders, and facilitate the implementation of a green customs channel for apparel, another inexpensive and beneficial reform.

In terms of unfair competition currently available in the local market, most respondents especially owners of the T&A firms reported that a larger amount of textile and apparel goods are smuggled in the country illegally. This smuggling is said to have caused a severe effect of distorting the trade fairness within the local market. Again, as has been hinted before, one of the reasons can be due to lack of knowledge of product values by the customs officials. The study recommends that the custom official responsible for handling imported textile and apparel products should be trained in the realistic valuation of imported products and ensures adequate enforcement of existing legislation. For those officials who are purposely corrupted and issue under-invoiced payment to specific imports, the study recommends severe punishment including taking them to jail and expulsion from work should be enforced to them. This kind of law enforcement will serve as a lesson to other workers who are doing the same treatment to any importation done on T&A products.

Multiple taxes charged and complex government regulatory bodies.

Most of the interviewed T&A firms insisted on the problem of several taxes charged from both the local and central government. They complained about the total tax burden resulted from the accumulation of these fees. These firms are in opinion that the tax payment should be combined as a single tax to enable a firm to pay once at a certain identified specific location. The more the numerous taxes are charged to the firm results in an increase in firms' production costs and hence jeopardise the

sustainability of their operation. It was further argued that these taxes not only increase the cost of doing business but also reduce the competitiveness of the local T&A industry in both domestic and foreign markets. The stakeholders concurred with the model and agreed with the study's recommendation that, the government must try to consolidate these taxes so as to reduce a number of procedures and bureaucracy in order to benefit the entire industry.

The T&A firms also complained on the presence of too many regulators in the T&A industry. These regulators include Tanzania Revenue Authority (TRA), Occupational Safety Health Authority (OSHA), Tanzania Bureau of Standards (TBS), National Environmental Management Council (NEMC), Fire brigade and many others requires the manufacturer to be inspected for quality and other parameters, pay fees and get permits and other services related to their line of duty. The study recommends that, a service provided by all these regulatory bodies should be provided under one roof wherever possible. This will not only reduce the financial burden but also shorten the time taken to get a certain service from the individual regulatory body. Furthermore, it will also reduce the possibility of corruption as due to this kind of bureaucracy, some businessmen opt to pay a bribe to shorten the processing time of their cargo.

The high cost of local transportation

Tanzania connects to its neighbouring countries Kenya and Zambia by rail and currently has quite a wider road network within the country. The available rail is meter-gauged rail, which cannot afford to handle a huge amount of goods from the port to up country or even to countries that are connected by rail. Furthermore, the available rail network is quite poor and there is a frequent breakdown most of the time. The remaining alternative is by road transport, which has witnessed a substantial destruction of the road network due to the heavy cargo transported by heavy vehicles and high cost of transportation. However, the recent efforts done by the recent government to build the standard gauge rail is of paramount importance. When completed, more cargo will be transported by train from Dar es Salaam port to upcountry and other neighbouring countries. This will reduce the transportation cost and make the industry competitive. Furthermore, it will reduce the destruction of roads, as most cargo will be transported by rail and not by road.

The study recommends several steps that can be taken to lower logistics costs. These steps include rehabilitating the railroads from Dar es Salaam to Mwanza to reduce transport costs and delays. Opening trucking to new entrants (including foreign companies) and creating a level playing field for domestic companies would boost competition. Lowering the fuel tax and import tariffs on trucks and spare parts would reduce the f.o.b. production cost for manufactured goods by about 0.5 percent. Developing a plug-and-play industrial park near input production centres (for example, in Mwanza and Shinyanga, where most cotton is grown) would reduce transport costs 3 percent and cut up to 10 days from the delivery time. Both China and Vietnam started their successful apparel industries by setting up industrial zones next to world-class ports.

8.2.2.2 Organise access to affordable finances

One among the ways of reducing the finance cost is provision of interest subsidies by the government on benchmarked technology projects. The government may consider providing interest subsidy to textile and apparel companies to lower the cost of finance. Such subsidies have been successfully implemented in countries where the cost of finance is high, such as India (Robins & Choudhury, 2015). Long term loan and working capital requirements for the textile sector is normally high as it is a capital-intensive sector. This would be very attractive to both existing (for expansion) and new investors.

Furthermore, as a medium to long term measure, the government could partner with international finance institutions such as World Bank to introduce innovative funds for capital investments. Currently, the government of Kenya, in collaboration with the World Bank and other partners is rolling out a special green fund for modernization of Textile firms (WBG-GDS, 2015). The textile firms have to first undergo energy audits to access cheap loans at 4 – 5% to modernise their plants and to improve their energy efficiency and overall competitiveness (ibid).

8.2.2.3 Provide incentives for new and existing investments

Studies previous studies conducted came up with recommendations, which had insufficient details on how to improve this kind of problem. They stressed on the importance of government to provide general incentives as the way of attracting new and existing investors (TGT, 2007; Salm et al., 2011; Keregero, 2016). Under this study, this sub-activity was discussed and detailed recommendation was provided into relevant categories;

Provide ready built factory shed

The study recommends that, as a short-term measure, Tanzania should fast track implementation of plans to construct sheds for new investors. Ethiopia and Kenya are already implementing similar plans (Deutsche Welle, 2015; Mihretu & Llobet, 2017). This is also the norm in Asia (China, Cambodia and Vietnam) and a great attraction for investors (Khondoker & Sonobe, 2011). In addition, an aggressive marketing campaign should be conducted in key FDI source countries to create awareness about

Tanzania's readymade infrastructure for manufacturing, considering the competition from the Eastern African neighbours.

In the Bagamoyo master planning process (Mchome et al., 2013), one of the newly prepared Special Economic Zone (SEZ) in Tanzania, the place among other businesses can provide space for apparel and garments. China has shown that industrial parks can solve several constraints simultaneously by providing firms with affordable access to industrial land, standardized factory shell buildings, worker housing, training facilities, and one-stop shops for business regulations. Plug-and-play industrial parks greatly reduce financing costs and risks for more productive small firms, allowing them to grow into medium enterprises before they are sufficiently secure financially to obtain bank loans. This is how China has avoided the missing middle problem. Once a program of plug-and-play industrial parks is in place, government agencies should promote Tanzania among leading global apparel investors as a destination for investment. In addition to providing immediate infusions of capital, foreign exchange, and technical, managerial, and marketing expertise, substantial foreign investment can trigger major externalities, as Daewoo did for Bangladesh by training a new generation of apparel entrepreneurs (Khondoker & Sonobe, 2011).

Business licensing

This was another problem cited by many respondents during this study. Getting a licence for starting a business has been hectic in Tanzania. The study recommends that, the government should allocate a One Stop Centre to do all the licensing and registration related activities.

Employment costs (Work permits)

Most of the factory owners who hired the foreign expatriate skills complained on the persistent delays of provision of work permits and their subsequent high cost. They insisted on the importance of these expatriates claiming that there is still no local substitute available. This argument is contrary to what the study has witnessed, a number of local skills are abundantly available and in factories where these local graduates are working, they were performing exceptionally satisfactorily. The study further realised that, since foreigners or Tanzanians own most of the local textile and garment factories with foreign background, they normally prefer to higher their relative

or close friends from their country of origin/background and are not happy when told to higher local Tanzanians in the managerial positions currently filled by the expatriates. There was a certain level of disagreement during the interviews with owners/managers of Tanzania T&A firms. However, some of them agreed and realised the importance of hiring local skills. As stated in the previous section related to the lack of skilled labour, the study highly recommends to the government to formulate strict rules for all the local T&A firms to give priority to the local skills whenever they want to hire an expert in the management or any supervisory post in their respective firms. Once this is done, the local skills will be able to feel their importance in revamping the industry and will motivate other students to opt for studying textiles, as they will be thinking of the bright future of textile and apparel career.

8.2.2.4 Promote Tanzania T&A Industry and Related Products

A government should prepare and implement a public relations plan, which disseminates positive news arising from the subsector, and finally circulate it locally, regionally and internationally. There is some positive news within the textile industry in Tanzania such as the success of an application of contract farming and other stories around the benefits of sustainable and organic farming and the like. The government should keep a constant watch to anything that seems to be positive news and ensure a regular flow of such news is disseminated globally as one way of promoting the local industry.

If all the recommended strategies on strengthening and making the industry attractive are implemented, they should all be developed into marketing materials that will be included into a focused marketing plan. Furthermore, the study recommends that the government should prepare a special campaign to the Tanzanian citizens to like and prefer buying the available locally made T&A products. Tanzanian consumers should be proud of buying their local products, which are made in Tanzania. This will automatically boost the market of local T&A products and consequently enhance the growth of the local T&A industry. Apart from that, the government should direct all the public institutions such as military forces, hospitals, prisons and schools to buy their respective T&A products from the local firms. For example, if all workers from these public institutions will be required to wear locally made polo T-shirt once in a week and all the primary and secondary schools sources their pupils' uniform in local T&A firms,

a tremendous increase in the local firm production of T&A products will be significant. It is estimated that there are about 15 million primary and secondary school pupils and about 25,000 workers in the public institution in Tanzania.

8.2.2.5 Develop Fully Serviced EPZ

This theme was mainly discussed with the policy makers especially officials from Ministry of Industry and Trade. It was observed and agreed during discussion that the conditions offered by Tanzania's EPZ's should be attractive for export oriented textile producers in Tanzania. It was also revealed that the biggest drawback from an incoming investor's perspective remains the fact that utility supplies such as on site effluent treatment and electrical power supply are not available. The study recommends that the government should provide a fully serviced EPZ, which could guarantee inward investors the required utility inputs such as Electricity, Water, Steam, and Effluent treatment would be very attractive for textile investors. Steam and Electrical Power could be provided via a suitably proportioned Co-Generation facility at a selected EPZ. If such an EPZ could be delivered and a portion of the site, it dedicated to textile producers this could prove highly attractive for textile FDI and help to create an export oriented textile producing cluster with synergies for special T&A training and services supply. This has been done in Ethiopia where Hawasa City has been selected as special industrial park city, which is fully serviced with all necessary infrastructure. A strategy that has helped the country to attract more investors in Textile and apparel sector (Mihretu & Llobet, 2017)

8.2.2.6 Engage in Operating Some T&A Factories

The study has witnessed a number of problems which have been reported regarding a successfully operation of any textile factory in a current situation within Tanzania. The study recommends that government should take up to three underperforming/ closed mills and try to revive them by managing all the operation within the selected factories. This will serve as an example to other private companies, as sometimes the complaints made by these factories are not seriously seen as a hindrance to the development and success of the existing textile factory operating in Tanzania. China and Tanzania governments jointly own one textile mill, Friendship Textile Mill. The mill is not performing well as neither of the two countries have invested enough capital to run the factory.

8.2.2.7 Develop the T&A SME Sector

During discussions with the stakeholders in this sector, it was revealed that most of Tanzanian designers are not known internationally, only few of them are selling their products abroad. Tanzania (and Dar es Salaam in particular) has a growing creative community populated by fashion and textile designers, artists and graphic designers but most of them have not had formal training. As has been critically discussed in the skilled labour section, the study recommends the provision of the formal training of creative designers in the form of short courses by either University of Dar es Salaam or VETA. This would be a new competitive advantage, as it would develop not only design skills but also a language to help communicate with foreign buyers and so help product development take place in accordance with customer requirements.

Most of the T&A SME's visited by this study kept in contact with their customers, sometimes through personal contact, sometimes through visiting the designer or designer visit customer, get feedback on the way the customer feels after getting, and use the product from the designer, sometimes they corresponded through telephones, email and others. According to these SME's, this is one among the many areas where there is benefit in this marketing strategy, the fact that customers come to the designers and express their feelings on the kind of design they want, makes this type of relationship beneficial as most of the time they can produce a garment that doesn't need to be marketed, as after production the customer comes and collect the item. The problem observed by this study in this case is that once the SME's produce their own designs, it is rarely that it can be picked quickly by the customer, hence forced to rely on the customer needs. Furthermore, this kind of marketing strategy will always hinder the growth of these SME's as they will be confined to a small number customer targeted through direct ordering of the products. The study recommends a formal marketing strategy to be developed within the individual SME. This will help to recruit more customers for their products and consequently expanding their business and hence become more profitable.

When a customer wants a certain product, he/she can choose the already existing design or can give out his/her ideas and views on how the product should look like. The designer takes the ideas from customer and fits them in his/her design to get the full and complete design for fulfilling customer requirement. The Designer/handcrafts

are mainly producing suits and other men's wear, Women's' wear and children's wear. Other products include embroidery sets and uniforms. In most of the firms, the production decisions are driven primarily by orders and level of stocks they are holding in studio or shop.

Most of the SME's narrated that, they sell products through their home or studio space. Sometimes, they distribute the products to their common customers. Afrika Sana owned by Ailinda Sawe and Batik Promotion Centre has a shop away from the studio place. Ally Rhemtullah is working and selling product at his studio where the customer collects a product from there, this sometimes can act as an example of tourist attractive space to view craft people working at places of creative work and thinking. However, the study would suggest to the government to provide a big space in the city centre for the designers and handicrafts so that they can join and establish designers/ handicraft store and display all their work for the passing tourist to see and buy their product as well as creating international link for doing business with tourists

In Dar es salaam, Tanzania, only a few clusters exist. Tanzania achieves agility using personal networks, rather than employing technology (as developed and advanced countries do). Most of the firms in Tanzania are producing small volume. In the case of local designers / handcraft, there appeared to be little to no relationship building between retailers of finished articles or suppliers of fabrics and raw materials. This confirmed the literature reviewed regarding the dynamics in the Tanzanian textiles industry in chapter 2. This made their firms weak with very low margins and profits as each is striving to manage his/her own competition, this in turn made their respective suppliers powerful. The study highly recommends partnering between local SME's as this will be one of the possible solution to reduce the power of supplier. According to Porter (1998), one solution of overcoming the power of supplier is through partnering or joining a cooperative so that a collective request for larger units be it in finance or other services / bargaining can be made and so reduce the costs. Such networks and co-operatives have been mentioned within the literature reviewed such as TGT 2007. Furthermore, developing some form of relationship between the designers/handicraft and the SHC could also help to reduce the cost of buying new fabric by using cheap used clothing and design/remanufacture fashion combining new fabrics perhaps with some carefully selected part of SHC to produce a new fashion. This is currently done in some of the developed country and it has worked (Sinha et al, 2009). All of these

could be easily mobilised by the government through the Ministry of Industry and Trade.

To sum up: Issues of promoting the local industry and the related products in section 8.2.2.4, developing fully serviced EPZ in section 8.2.2.5, engage in operating some T&A factories in section 8.2.2.6 as well as developing the T&A SME sector were partially mentioned in the previous studies conducted by TGT (2007), Salm et al. (2011) and Keregero (2016). The authors treated these issues in general without providing the necessary detailed recommendations for a specific intervention.

8.2.3 Activity 3 – Build a productive T&A local industry

The activity was discussed under six sub-activities, which were considered vital on building T&A local industry as follows;

8.2.3.1 Satisfy consumer requirement and promote local T&A products

The consumers in Tanzania have been inclined towards purchasing imported goods as compared to locally produced counterpart goods. It has been argued by the manufacturers that the locally produced goods have not been given priority by both public and private consumers. This has added an excessive burden on the local firms. Manufacturers argued that, some of the imported goods have poor quality, yet they are sold at high prices. The study recommends that, government should review their procurement policy to demand all public institutions and if possible private sectors to purchase goods (in this case T&A products) within the local manufacturers. Only when there is a shortage of the relevant goods from the local manufacturers, special permit should be provided to import the goods. It is one among the approach that will boost the productivity of the home industry. Consumers should be changed their minds and always place the local made products at the top of their shopping list when buying unless when they really sure that there is a very sensible reasons of buying the imported products. The study recommends that, the government should conduct a campaign of loving the homemade goods and disseminated it not only to institutions but also to the entire Tanzanian consumers with the aim of promoting “Made in Tanzania” products and consequently establish markets and create employment for themselves.

This study noted with concern that, marketing research and customer services were poorly conducted in most of the visited T&A firms. This is a big challenge to the firms if they want to satisfy and attract more customers to buy their products. The study recommends to the firms' management to initiate an improvement in promotional activities. It does not make sense to call for both public and private entities together with all Tanzanian consumers to favour the locally made products while there is no determined effort to attract new market segments through the use of innovative marketing technique and customer services. The study believes that various distribution channels can play a vital role on establish consumer sovereignty if they can effectively offset foreign manufacturers.

8.2.3.2 Update management and technical profile of mills

A number of manufacturing firms have mentioned outdated machines and equipment as a serious hindrance and the inability to access timely new technology. Obsolete machinery requires frequent maintenance, which is highly costly, and reduce the competitiveness of the manufactured goods. Some manufactured have tried to engage into modern technology, but in reality have not been able to achieve the state of the art technology that is recently being used by other developed economies in the World and the South East Asia emerging economies. Both the government and manufacturers should agree and revise the policies that will provide support to the acquisition of the modern technology.

Preliminary evidence suggests that Tanzania could attain a competitive textile and apparel industry by utilising some of its endowment such as climate and soil conditions, which are favourable for cotton production. In order to do that, the investment in spinning and weaving should be encouraged to reduce import dependence. Due to their capital-, technology-, and skill-intensive nature, attracting Foreign Direct Investment (which can be done with local capital partnership) and skills reinforcement training are essential to create competitiveness in these segments of the value chain. The priority for Tanzania would be to develop the garment sector first, while seeking to attract FDI into the earlier stages of production.

With regards to technology, the textiles and textiles finishing machinery in industries and in studios for the local designers, internet industry, Tanzania is quite poor. Government and donors are taking different steps to review and upgrade the

Tanzanian cotton and apparel industry so that the industry can perform better compared to what is happening now. The study indicates that technology transfer by shifting knowledge and modern machinery from countries that have developed in textile and apparel sector will be the main way of reviving Tanzanian local industry. Various studies conducted on Bangladesh garment industry are in agreement with the studies by Easterly (2002) and Rhee (1990) who asserted that, the achievement in any industry's development is significantly brought by technology transfers from developed economies (Quddus & Rashid, 2000; Hoq, 2004; Khan, 2004; Mlachila and Yang, 2004; Rahman, 2004; Siddiqi, 2005).

If the access to finance recommendations will be implemented and the individual factories through their own efforts can secure more funds for their factories, this problem will be resolved. The following are the study's recommendation under this category;

- Update the old spinning mills and encourage more investment in the subsector
- Update all weaving facilities to the advanced modern technology such as air-jet and rapier looms and install modern knitting machine
- Utilise modern technology for quality assurance and elevated production.

8.2.3.3 Emphasize on inclusion of blended/ synthetic yarns in the production of Tanzania Textiles and Apparels

This theme initially emerged during data collection when the researcher was conducting interviews, the focus group and in the broader picture during the SSM workshop. Most of the imported apparel found in the Tanzanian market were found to have been made from blended yarns or even yarns made from pure synthetic fibres and few of them made from pure cotton. The feel, appearance and comfortability provided by these blended or pure synthetic yarns were one among the reasons that were cited by consumers to opt for buying imported T&A products instead of the same locally produced products. During SSM workshop, almost all participant recommended that the inclusion of blended/synthetic yarns to the locally fabric will enhance not only the aesthetic nature of the garment but also improve the fabric performance. As has been explained before in previous chapters, the local industry offers basic garments such as Khanga, Kitenge, kikoi, bedsheets and simple uniforms (TGT, 2007). These garments are mainly made from poor locally made fabric and the only high quality

garments that are manufactured by the few firms are meant for export market, leaving the local market with only imported garments (ibid). The owners of these firms complained that they could not compete with the cheaply imported T&A imported product as the production cost is high compared with the price offered in the local market. They pointed a finger to the customs officials on their constant failures of allowing smuggled goods to be present in the local market. The study concurs with the latter argument from owners of the T&A firms. The inclusion of these blended/ synthetic yarns in the local garment manufacturing has been done in Tanzania, only that these products are directed towards the export market. It is therefore recommended that a fair play ground should be maintained in the local market by policy makers especially customs by controlling smuggling of T&A products and making sure that the right taxes are charged to these imported products. Once this is done, the local manufacturers could be in a position to do a massive production of the T&A products varieties and fairly compete with the imported products.

8.2.3.4 Build a strong collaboration with other factories

A strong collaboration is the only solution for the local T&A firms to lobby for their respective rights and incentives from the government. It is through the united voice that the government can sit and agree on some emerging issues to overcome a number of formidable hurdles that have been confronting the local T&A sector. There exists a Textile and Garment Manufacturers Association of Tanzania (TEGAMAT) Most of the factories are members of this association and they are ready to support it in any way. They were concerned about the political influence that was bestowed in the association. They were further worried that some members were using it in their own interest and not the interest of all stakeholders within the association. The study recommends to the stakeholders to resolve all the issues that prohibits the association from playing its intended goal and focus to those that enable proper lobbying to the government for the betterment of the entire Tanzania T&A industry.

8.2.3.5 Adhere to corporate social responsibility (CSR) standards

Like other global industries, the Textile and apparel value chain relies on a set of international standards and codes of conduct with respect to quality, labour and environmental practices. Leading apparel companies are increasingly conscious of the importance of improving standards throughout the whole value chain and the need to

assure their consumers that they are able to uphold high quality and sustainability standards.

In order to attract the said leading FDI and global buyers, the study recommends that a general awareness about Corporate and Social Relationship (CSR) standard should be strongly promoted within the T&A industry. The CSR include issues related to international labour, social and environmental compliance standards applicable to the T&A sector. Government officials should always allocate some time and organise seminars on major voluntary standards popularly recognised worldwide.

8.2.3.6 Provide substantial wages and better working conditions

During focus group discussions with the workers of the T&A firms, the study revealed that most of them were not happy with the treatment they receive in terms of wages and other working conditions. It is thus the firms' management challenge to resolve these issues in order to trigger morale of the workers and refrain from attaining negative effect on productivity. It is likely to have compensation policy in a developing country like Tanzania, something that can only be possible if there is an adequate allocation of funds that has been set aside for this purpose. However, it was obviously noted that some of the local manufacturers were not satisfied on some workers' attitude towards effective working. They claimed that, even when these workers are provided with incentives, they sometimes relaxed and do not commit themselves to work without being pushed to do so. The manufacturers cited this as one among reasons for hiring workforce from outside the country. Immediate measures need to be established by various stakeholders to nurture the right mind-set of the local skills as far as the work attitude as well as time management is concerned. It is the duty of relevant government bodies, academic institutions and other T&A stakeholders to initiate the moulding process of workers' behaviour, a process that is gradual and takes some times. Workers should commit themselves to utilise maximum effort to accomplish the necessary production targets set by the respective firms.

The government could encourage companies to reduce labour absenteeism by experimenting with variations in the piece-based wage system. Most companies try to encourage regular attendance by the workforce by establishing a fixed salary and a performance-based bonus system. For example, a typical garment firm in Dar es Salaam pays roughly $70 a month in fixed wages and an additional $20–$50 a month

in performance bonuses, depending on the worker's meeting productivity targets. Nonetheless, roughly 2 in 10 workers do not show up for work on any given day.

Lower labour efficiency incurs a $0.25 disadvantage per shirt on Tanzania relative to China. The higher Chinese productivity derives not from differences in technology (all countries rely on similar technology), but from better skills and greater motivation in China: Chinese workers are provided with inexpensive food and with housing close to the workplace and so are able to save most of their wages. For social and health reasons, Tanzanian firms have more supervisors and higher worker absenteeism (18 percent) relative to Chinese firms. The absenteeism problem seems to be associated with worker motivation because the customary remuneration policies in Tanzania do not provide sufficient incentives, while the need for more supervisors may be attributed to the lower worker skills.

The efficiency gap is expected to narrow with the continuing influx of good practice companies and management, greater exposure to global markets, and higher capacity utilization in Tanzania.

Another area that was also seen of a great concern is the personal management. Management related to human resources was not properly attended to. There were reported cases either of labour law violation, which were done intentionally, or from illiteracy. The study recommends formal training to management officials who are responsible with human resources.

The firms also were concerned with the available laws, which are rigid, and does not provide flexibility on dealing with misbehaving workers. The study is in opinion that, this kind of problem should be debated and reviewed as such kind of laws have been initiated to protect the workers from any violation of their rights from the employers. The experienced weaknesses on the specific labour laws should then be challenged and amended accordingly. Another solution could be to apply proper employer screening techniques when hiring a new workforce and avoid nuisance workers and successive need of firing workers frequently. The employers are also advised to avoid hiring cheap workforce and opt for qualified skills who would be committed to their job description.

The study discussed and provided recommendations for the six sub-activities that emerged under the activity of building a productive T&A local industry. Previous

studies highlighted on the three sub-activities among the six that were raised by this study. These three sub-activities include a need to update management and technical profiles of mills (section 8.2.3.2), a need to build a strong collaboration with other factories (section 8.2.3.4) and a need to adhere to the Corporate and Social Responsibility (CSR) (TGT, 2007; Salm et al. (2011). On top of that, this study added an important aspect of a need to conduct a marketing research and promote the local T&A products (section 8.2.3.1). Furthermore, an inclusion of blended/ synthetic yarns in the production of Tanzania T&A products was added and regarded as a complement to the cotton value-addition activities (section 8.2.3.3). The last sub-activity added under this study was for the firms to provide substantial wages and better working condition for the employees. This sub-activity emerged during focus group discussion, where the study had an opportunity to share views and experience with the workers of T&A factories. This kind of data collection techniques were not used by the previous studies and hence missed an opportunity of capturing the information on this sub-activity.

8.2.4 Improvement to the structure

The aim of taking the model back to the stakeholders was to validate the model by ensuring that all the relevant issues pertaining to the Tanzania T&A industry have been captured and in case of any arising information to incorporated before the final model. Involving stakeholders in the key areas during the process of improving the problem situation is one among the main requirement of the SSM (Patching, 1990).

After stage 1 to 4 of SSM, the study was able to develop a new desirable and feasible model that was expected to improve the existing problematic situation of the Tanzania T&A industry. During the discussion of the model with stakeholders, various issues were raised, most of them being clarification of what had been presented in the model and contribution of ideas regarding the same model as has been developed by the researcher. Some stakeholders came up with few different ideas contrary to what the model have been presenting. These were issues related to skilled labour and bureaucracy in getting a working permit for foreign expatriates. The study initially proposed in the model that there is no need of hiring foreign expatriates, as there is a sufficient number of T&A graduate who are jobless waiting for the opportunity to work in T&A related works. The study insisted that, priority should be given to these young

skilled workforces except in a position where a special skill is required and there is no local skill to perform the task then foreign expatriates can be hired.

Another area that the stakeholders were reluctant to agree in fully, is the serious need of establishing research and development (R&D) units in their relevant firms possibly due to ignorance and scarcity of funds allocated to the said activities. The unit will be responsible in conducting marketing research and other related researches in new product development in order to satisfy the need of the customer, which should be established from marketing research. This is one among the significant contribution to the knowledge that the study has achieved. The study believes that through marketing research, it will be easy for the T&A firms to adjust themselves to offer products that will quench the thirsty of Tanzanian T&A consumers hence become competitive within both the local and international market.

In a concluding note, almost all the findings and recommendations that were made from the first model to the final model which were almost similar are the contribution to knowledge entirely obtained from this study. The findings reached have been possible through the combination of consumer behaviour study and Tanzania textile and apparel study coupled with the use of Soft system Methodology.

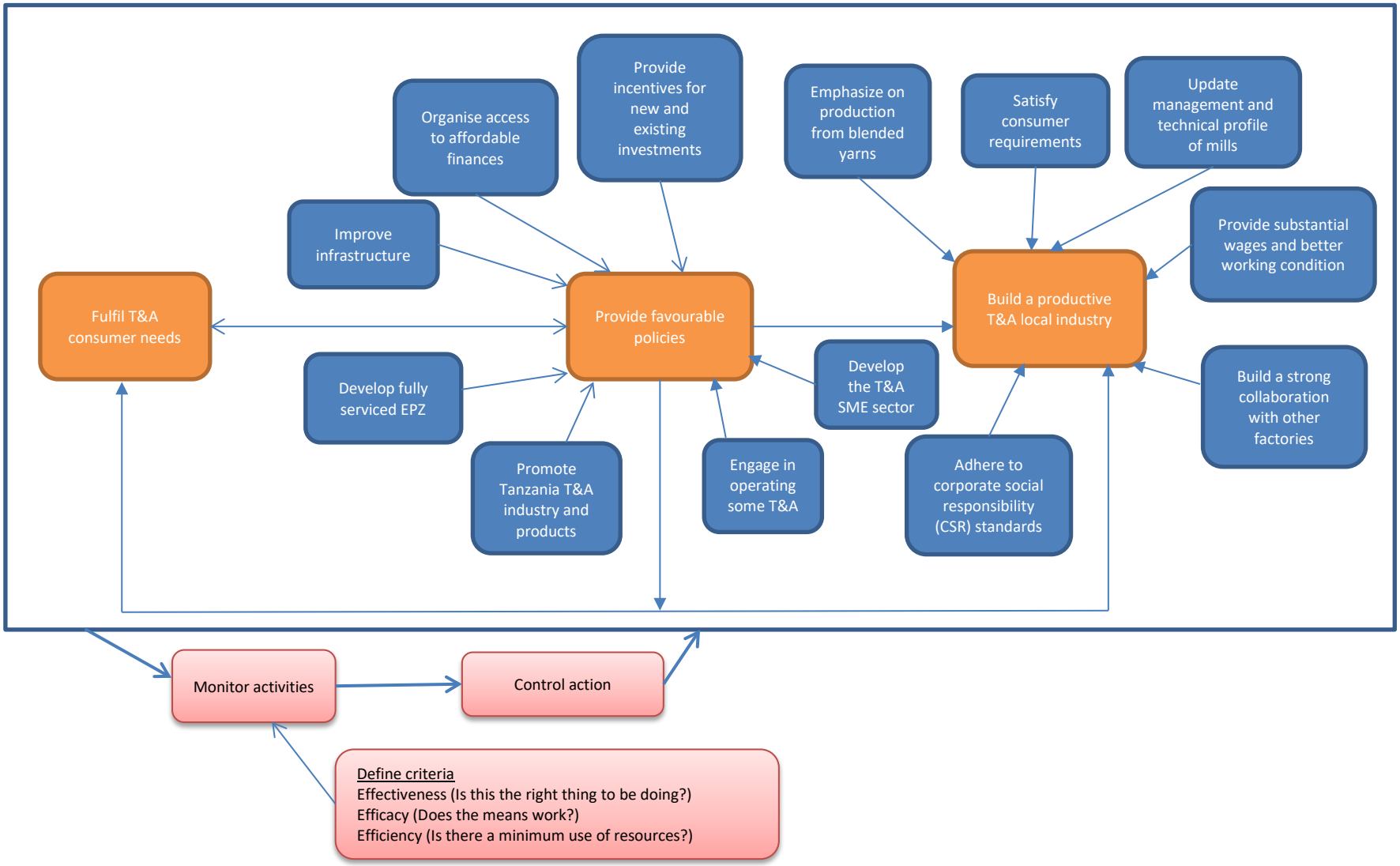


Figure 8.1 A revised model from data validation

8.3 Observed Amendments During Model Validation

From the model validation exercise conducted through discussions with various stakeholders, the entire discussions were compiled and written down in stage 6 of SSM above. Furthermore, the compilations were used to formulate the revised model presented in figure 8.1 above. The model is almost the same as the one initially formulated from stage 4 of SSM, except with some minor amendments as follows;

- Instead of three activities pertaining to the assessment of consumer needs, it was agreed that all the three activities can be merged and form one main activity known as “Fulfil T&A consumer needs” which represents all the previous three activities.
- There were a number of sub-activities mentioned under the activity “Provide substantial wages and better working conditions”. Sub-activities such as working environment, poor motivation provided, freedom of expression and job security that were referred and explained in stage 5 of SSM were merged together and explained under the main activity “Provide substantial wages and better working conditions”.

All other activities remained the same after this exercise of model validation.

8.4 Stage 7 of SSM – Implementation of Changes

This is the last stage of SSM where all the recommendations on desirable and feasible changes are taken back to the problem owner (client) for the implementation phase. Patching called this as a stage for taking action to improve the situation. He added that, it is at this stage where the structural and procedural changes can be taken into consideration. This goes along with any changes in attitudes and more sensible issues such as acquiring finances, adequate staff, training etc. (Patching, 1990).

This study is based on the academic work. The study, if put into practice is expected to benefit the entire Tanzanian T&A industry. The study aims at making the Tanzania T&A industry competitive by encouraging the development of the cotton value addition in a local industry. The study targets various clients (problem owners) such as Government of Tanzania, T&A firm owner as well as other stakeholders such as employees of the T&A firms in Tanzania. At this point, the study has been limited to

stop in stage six as no specific client has initiated this project and therefore the implementation phase cannot be conducted.

8.5 Summary

The chapter has presented the debate/ discussions made between the researcher and various stakeholders within Tanzania T&A industry by analysing the existing situation and the newly suggested model. Furthermore, the chapter has outlined the outcomes from the discussion and came up with recommendation on changes, which are both possible and feasible to be implemented for improving the problem situation under investigation. Finally, the chapter highlighted issues that need to be done in stage seven of SSM as have been applied in this study. In this case, the study ended up in stage 6 and provided a highlight in stage 7 as the implementation stage, which has not been done under this study.

Conclusion

Introduction

This chapter provides the conclusions of the entire study, which aimed to develop a clear link between the Tanzania policy system and the Textile value chain in direct relation to cotton and its corresponding value-addition products. The chapter begins with answers to the research questions, followed by the assessment of the validity of the methodology used and its significance to the contribution to learning. The chapter also presents the limitations and hindrances encountered. Furthermore, the chapter provides the practical implications associated with the research findings, and concludes by providing recommendations for future research.

Findings in Relation to the Specific Objectives and Answering Research Questions

Specific Research Objective 1

This research objective is addressed through the critical analysis presented in Chapter 1. Various policies responsible for the growth of the Tanzania Textile and Apparel sector have been identified and analysed in accordance with their contribution to the existing situation of the sector. Policies related to taxation of diverse T&A products, Trade policies including those related to Access to market, Tariff Structure as well as Export Processing Zones have been analysed. Other policies that were analysed are those related to Infrastructure issues such as Power, Rail and road networks, Ports, Customs and Human Resources issues such as skilled workforce etc. Lastly, policies related to the Corporate and Social Responsibility (CSR) such as labour, wages and working conditions. Others under CSR category include policies on environmental and health issues. These were then compared to the various policies in other countries, which have been successfully in their Textile and apparel industry. These countries include Bangladesh, Cambodia, Mauritius, Madagascar, and Ethiopia. They have been able to establish favourable policies in providing incentives and encourage investors to invest in Textile and apparel industry. Incentives such as tax relief for a particular period of starting operation, duty exemption for all the imported T&A manufacturing machineries, fully serviced EPZ (with proper infrastructures having reliable power, water and other services), ensuring access to finance like a facilitation

to affordable credit (back-to-back letter of credit) and provision of bonded warehouse facilities. These countries have also been able to abide and implement on what have been agreed between the government and investors, which accounts for a key success to the growth of their T&A sector. Furthermore, institutional commitment in dealing direct and instantly with various challenges facing investors within the sector have been another factor that led to the attraction of more FDI in the relevant countries. Activities such as land acquisition, work permit and business licences have been simplified and provided within short time.

In summary, through this specific research objective, the corresponding research question has been answered. Various policies related to taxation, trades and Export Processing Zones (EPZ) have been critically analysed. Other policies include those related to the infrastructure issues as well as Corporate Social Responsibility (CSR). These policies were then compared to the policies that have been implemented by other identified developing countries, which have been vibrant in their T&A industry.

Specific Research Objective 2

This research objective has been addressed initially using secondary research throughout the literature review specifically in chapters 1 and 2. Many of factors have been identified and analysed. Conclusively, the following factors have been cited as being responsible for the influence of the cotton value-addition in the textile and apparel industry; cheap labour, availability of abundant cotton fibre within the country, Skilled labour availability, Infrastructure and Openness of the economy, transparency and ease of doing business. Furthermore, apart from the factors obtained in secondary research, other factors emerged during data collection in primary research and have been analysed critically in chapter 7 and 8 of this research. These factors, which were specifically obtained during SSM workshop where rich pictures were formulated, include consumer need identification to understand their requirement towards textile and apparel products and aiming on producing the variety type of products that would compete with the imports. For a success in doing the value-added activities within the local industry, a need to build the strong textile and apparel industry was seen as inevitable. In this case issues like updating management and technical profile of mills, provision of substantial wages and better working conditions coupled with regular training to workers were reported to be of paramount important on enhancing the

cotton value-added activities. Others were establishing strong collaboration with other factories to make it possible for lobbying to the government on some policies review and lastly adherence of issues related to corporate social responsibility (CSR).

In answering the research question 2, a number of factors responsible for the influence of the cotton value-addition in the T&A industry have been identified and analysed. These factors include cheap and skilled labour, availability of raw material (cotton), proper infrastructure, openness of the economy, transparency and easy of doing business. Other factors obtained during primary research include a need to conduct regular marketing research and building a strong T&A industry. Finally, the existence of strong association with other respective stakeholders within the industry and commitment to abide with the issues related to Corporate Social Responsibility were termed as one among the factors that promote the cotton value-addition in the T&A industry.

Specific Research Objective 3

In addition to findings from the literature review found in chapter 3, other aspects of the primary research also revealed important data to address this objective. The findings are presented and evaluated in stage 5 of SSM in chapter 7 and respective recommendation of utilising these findings for the benefit of Tanzanian T&A industry was provided in stage 6 of SSM, which is found in chapter 8.

In summary, it was found that a number of factors could heavily influence Tanzanian consumers' attitudes on purchasing imported products as compared to the locally made products. These factors are the sense of pride, advertising and promotion, unavailability of local substitute products, and local market destructions due to the influx of used and new imported textile and apparel products. Other factors identified include consumer awareness regarding the imported products, import brand name or country of origin and group reference. The most important factor however, was found to be quality. The quality issues such as durability, style, comfort, fit, fashion, fibre content and variety of design were cited as crucial determinants to the final decisions on purchasing behaviour. These variables altogether, have affected the Tanzanian consumers to purchase textile and garment foreign products differently.

This research question 3 is answered by summarising the number of factors, which have already evaluated in in chapter 7 and 8. Factors such as sense of pride,

advertising and promotion, unavailability of local substitute products due to the destruction of local market as well quality issues have influenced Tanzanian consumer to prefer purchasing imported T&A products as compare to locally made products.

Specific Research Objective 4

This research objective was addressed using a combination of both secondary (literature review) and primary data. The strategies and interventions for improving the productivity of T&A industry by promoting the activities for value addition of locally available cotton are provided and discussed in chapter 8, within stage six of SSM. The study revealed that marketing research to understand consumer needs and preferences are rarely, if not done at all, in most cases as discovered through the interviews with personnel in the T&A firms. This demonstrates that these firms were unaware of what was required for the market at that particular time. Furthermore, this lack of knowledge denies them the opportunity to understand the prevailing situations in the local market. This is contrary to what has been proposed by various studies that requires T&A firms to conduct marketing research regularly in order to constantly determine the consumer need and prepare themselves to satisfy the identified needs (Sanad, 2016; Hareem, Kashif & Javeed, 2011; Yakup, Mücahit & Reyhan, 2011). Failure to do that would result in the consumers opting to buy T&A products from other sources such as imported products. Another important issue revealed by this study is unavailability of locally made products, the scenario that has been of high concern to the study. This is supported by the study conducted by Calabrese et al, (2017) regarding the challenges that the Tanzania local T&A industry will expect to experience if they start banning the importation of used T&A products. As has been explained in previous chapters (Chapter 1, 6-8) the local market is mostly flooded with the new and second hand imported products. In popular malls and other marketplaces, there was no presence of locally made T&A products. Quite a challenge was posed for the researcher when looking specifically for a Tanzanian locally made T-shirt sample for the SSM workshop. The researcher had to call the respective factories managers whom during the interview they confidently said that they had their retail outlet in the city of Dar es Salaam where the SSM workshop was conducted.

Finally, the researcher found the shop within the hiding area of the city centre, which is not a popular marketplace and cannot easily be reached by normal Tanzanians who

are the major consumers of the T&A products found in the local market especially in popular marketplaces' areas. It was therefore evident that the availability of locally made product remained a big challenge that need to be seriously addressed. Most of the produced T&A products are produced for export orders and only few are forwarded to the local retail outlet with the aim of displaying them as a sample to the companies and other wholesalers who may wish to place orders for mass production in order to fulfil their business needs, such as promotional activities and workers' uniforms, etc. They have no interest in selling their products in the local market as they claimed that the market is full of counterfeit and smuggled products, which are sold as cheaper products and offered high competition to their locally produced products. The study is in opinion that; the industry should first offer a variety of locally produced T&A products in the local market with the same or even higher quality compared with their counterpart imported products. Then, the government could be able to take any necessary measure to protect the local industry by increasing the tariffs or even banning some of the selected imported T&A products. Contrary to that, banning the second hand clothing as has been announced by the Tanzania government in collaboration with other members of East African Community members will only bring crisis and increase the problem instead of improving the situation (Calabrese et al, 2017).

Apart from other issues that were earlier mentioned in the Question 3 above, another important issue revealed in the study is the consumers' psychological effect. In this respect, the scenario whereby consumers tend to like the product that is made in a foreign country is popularly known as country of origin (COO) effect. In this, a necessary measure should be taken by the Government of Tanzania to initiate a special campaign to persuade Tanzanian consumers to love their locally made product. A special campaign could be initiated and can be called "Love and buy the Made in Tanzania products only". If this is done seriously and for a long time coupled with the availability of adequate and diverse local production of T&A products, the Tanzanian T&A industry will within short time gain its competitive advantage. Kenya and Ethiopia have been doing this kind of a strategy and it has shown some positive results (Wafula, 2017; Mihretu & Llobet, 2017).

Other strategies that were recommended and discussed in stage 6 of SSM (chapter 9) include a purposeful intention of improving the available infrastructures

such as power, rail and road networks, human resources and others that are the main factors, which lead to the competitiveness of the particular T&A industry. A complete model of the proposed strategies is found in chapter 7 in table 7.1. A snapshot of a map of the strategies recommended is provided in table 10.1 followed by the proposed value chain in figure 10.2 resulted from these strategies.

In summary, the question related to this specific objective was answered by evaluation of various alternative strategies and interventions. These strategies include a serious need to conduct a regular marketing research, ensure availability of locally made T&A products in the domestic market, initiation of a special campaign for local consumer to love the home made products. Other strategies include a need to improve the available and any necessary infrastructure related to the industry productivity.

Criteria	Necessary interventions
Identify necessary T&A consumer needs • Assess the needs • Satisfy the identified needs	The Tanzania textile and apparel firms should assess consumer needs to understand their requirement.
	Design, develop and find a systematic approach of implementing these needs
Provide favourable policies • Improve infrastructure • Organise access to affordable finances • Provide incentives for new and existing investments • Promote Tanzania T&A industry and related products • Develop fully serviced EPZ • Engage in operating some T&A factories • Develop the T&A SME sector	This is a key broad area in the development of any textile sector. A number of issues lie within this category. A thorough assessment should be done and the situation improved.
	The government should provide a way of enabling the T&A firms to access the finance.
	Government should provide more incentives to attract both FDI and local investors.
	The sector should be promoted to attract more investors
	Developing fully serviced EPZ with all facilities to promote smooth running of the factories
	The government should full engage in operating some of the textile factories that are not performing well by providing enough funds and other infrastructures to set an example to other factories.
	The sector can play an important role in developing textile industry through niche product markets
Build a productive T&A local industry • Satisfy consumer requirements and promote local T&A products • Emphasize the inclusion of production of T&A from blended yarns • Update management and technical profile of mills • Provide substantial wages and better working conditions • Provide regular training to employees • Build a strong collaboration with other factories • Adhere to corporate social responsibility (CSR) standards	Improve this by creating Research and Development Unit at firms' level and conducting a thorough market research to investigate consumer needs and satisfy them.
	Should be done in bulk and made available in local markets to compete with the imported T&A.
	Invest in modern technology and update human resources skills to compete globally
	Ensure provision of proper wages that goes along with the cost of living and provides better working conditions.
	Provide regular in house and other formal training to build their expertise in a related field
	Make use of the association for a bargain with the government on some policies update
	Ensure fully corporate social responsibility standards are adhered to.

Table 10.1. Strategies for a Competitive Tanzania Textile and Apparel industry

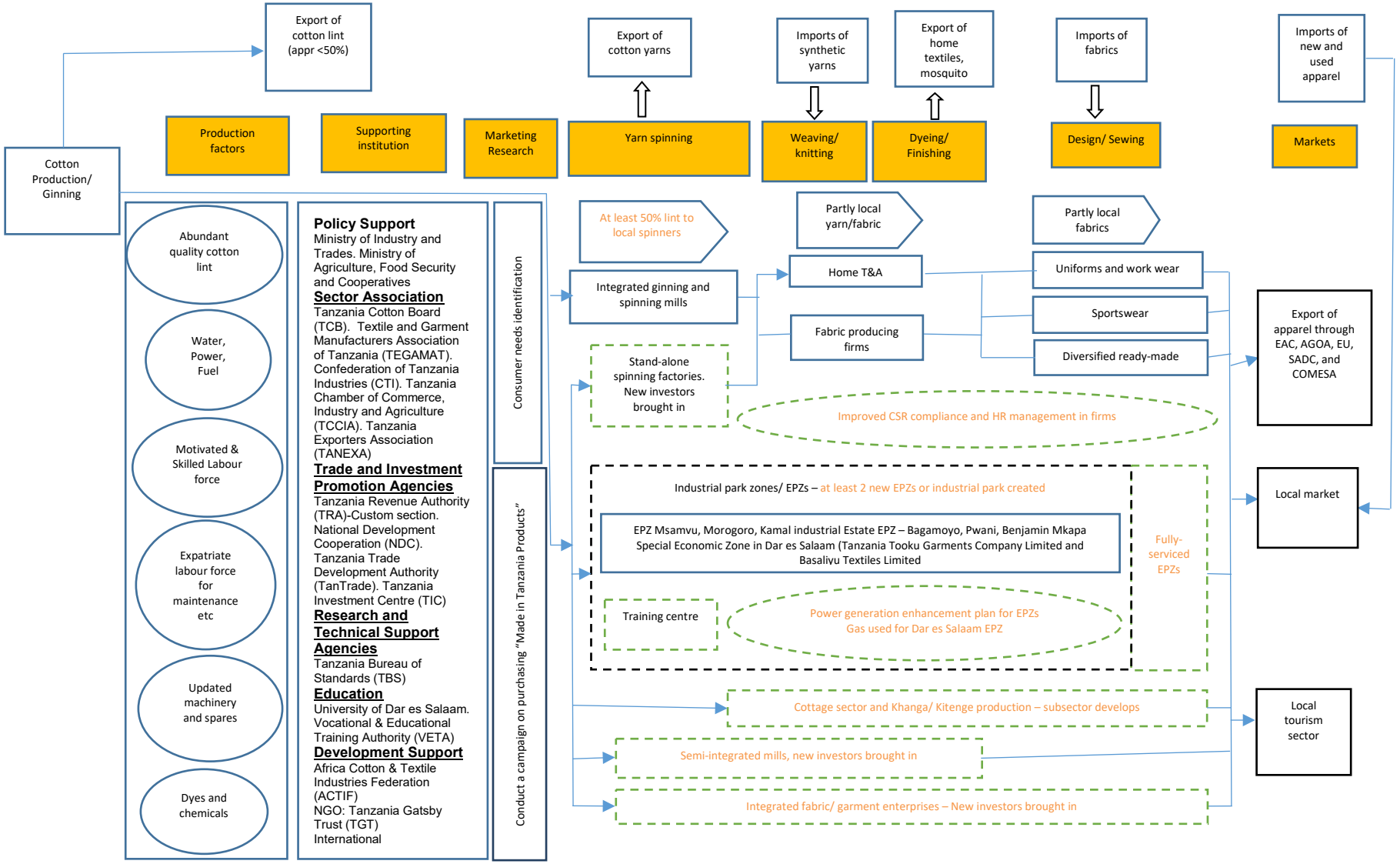


Figure 10.2. Proposed value chain for a competitive Tanzania textile and Apparel industry

The proposed value chain in figure 10.2 will ensure that;

- A thorough marketing research should be conducted to identify consumer needs and consequently plan to satisfy the identified needs. It will also help to forecast the production and ensure proper planning of inventory and any necessary inputs. A strong campaign should be conducted by the government to create a passion for Tanzanian consumer to love and purchase the “Made in Tanzania” T&A products.
- Variety of locally produced T&A products are available within the local market. This will be possible by recruiting more FDI by a promotion campaign that will be conducted by government and thereby attracting and develop more spinning and fabric projects. This should be engineered by the government regulatory agencies such as EPZA and TIC under Ministry of Industry and Trades. The recruitment of more T&A factories will lead to the increased use of cotton lint, which in turn will demand more cotton lint from ginners and consequently increase the domestic consumption of cotton lint to at least 50% (proposed figure from SSM workshop in section 6.3.1 to 6.3.4) from the existing 20%-30%.
- Fully serviced EPZs will be reinforced with all reliable and affordable infrastructure facilities such as water, power and fuel coupled with other relevant services (such as customs etc.) in a one-stop location to facilitate their export business transactions. A possible development of at least two more EPZs within five years should be enough to boost up value addition activities within the local industry.
- Training centres for T&A programmes should be set within the EPZs or related industrial parks. This will serve to train the existing and newly recruited T&A workers on various knowledge and technologies regarding textile and apparel industry. Skills Development Levy (SDL) should cover the facilitation of this programme.
- The current offered T&A products; Kanga and Kitenge are well promoted and excel in sales within the region and neighbouring countries. Tourist should be targeted

as potential buyer for the niche products from cottage and handloom industries. This sector currently exists but need to be promoted.

- A program should be established regarding Corporate and Social Responsibility (CSR) compliance. A training on this matter should be conducted to the workers and employers on both social, labour, health and environmental standards to conform to the necessary requirement during certification processes. This will enable the local firm to gain trust from foreign buyers who are committed to ensure their partners in business a complied to the CSR standards.

Was the validity of the process reached?

The intrinsic qualities of the SSM process of acquiring knowledge, understanding the problem and providing an accommodation for change enriches the validity of the entire process of finding solutions or improvements for the Tanzanian T&A industry.

The nature of the SSM learning process of swinging back and forth generated biases that are further re-evaluated, reproduced, and eventually dismissed. It also contributes to a decrease in inaccurate assumptions and any other concerns associated to the problem in hand. Rich pictures can be used to articulate all of the necessary valid concerns found on the problem situation and solve them using the Soft System Methodology processes.

The SSM approach can be generalized to other types of manufacturing industries. The process was used in some of the manufacturing industries such as Sugar manufacturing industry (Proches & Bodhanya, 2015), Dairy farm Industry (Reid, 1997), Water Management in Rural areas of Uganda (Quin, 2012) and many others. However, during the literature review, no study was identified relating the productivity of the Textile and Apparel industry using SSM process. Using the same techniques plus addition features extracted from various literature sources, the study was able to accomplish targeted goals of this research. This research will also serve as a source of secondary source for the coming studies in T&A or other manufacturing sector in other countries.

Furthermore, the study provides best results when the discussion includes the majority of the stakeholders within the particular area of study to whom the outcome and

engagement in the process would highly depend on them. This study involved more than 400 respondents in Survey and more than 100 stakeholders during interview, focus group and SSM workshop.

Contribution to Knowledge

Various studies regarding the extended application of SSM have been conducted worldwide. However, little has already been conducted on Textiles and Apparel productivity related issues. While that is the case worldwide, in Tanzania nothing has been found in the entire literature review on the application of SSM in any field of research. This research acts as a key for opening doors to other oncoming researches in SSM application to various soft problems in diverse disciplines available within the country. The research utilises SSM to find an improvement to the problem situation exists in the Tanzania T&A industry by recommending strategies that can be used to enhance the value addition of locally produced cotton in Tanzania. The study concludes that where various stakeholders such as consumers, T&A firm owners and policy makers (Government), who are responsible for the outcome on improvement of the industry are involved in the Soft System Methodology process by creating accommodation of ideas and understanding issues that if implemented and well supported, and as such, necessary to achieve changes, an overall improvement of problem situation is inevitable. This provided a new insight regarding the application of SSM in creativity and innovation generation as supported with the study conducted by Molineux and Haslett (2007) in the area of creativity using the extended application of the Soft System Methodology process.

Apart from the introduction of SSM in Tanzania, various set of data obtained in this research will be used by other prospective researchers who will be conducting studies on various areas related to the T&A value chain. The data from this research will act as a secondary database by providing the roadmap and guide them towards their intended primary data collection.

The study has also realised the significant contribution of marketing research in facilitating the Textile and Apparel industry to satisfy the relevant needs arising from the T&A consumers. This will enable the industry to adjust itself and produce T&A products that

will highly be favoured by the relevant consumers and hence boosting their competitiveness. Once the domestic market accepts and buy the local T&A products, the productivity of the industry will be improved. This scenario will lead to massive consumption of the cotton lint and hence enabling value addition of abundantly available cotton to be done locally.

Research Limitation

A small number of limitations was observed in this research. However, most of them were manageable and did not affect the quality of the research output. As has been highlighted in the methodology section in chapter 6, although the researcher requested the access from the owner of the various firms as well as the people in charge in various government policies making bodies, in some cases permission to enter the interviewee's premises was denied. However, due to the researcher's experience in Tanzanian Local T&A industry, an alternative was sought and finally an access was granted.

Another obstacle was observed when collecting data through the survey by intercepting consumers in the malls and other selected marketplaces, some of the consumers did not want to stop and fill in the questionnaire and some of them filled only one question and decided to leave claiming that they were in hurry. To overcome this problem, the researcher had to increase the time allocated for administering the questionnaire to allow an adequate number of questionnaires to be filled. Also changing marketplaces and timing (morning, noon and sometimes in the evening) were one of the techniques used to offset this limitation.

Some challenges were also encountered during the SSM workshop. During the discussion, every participant was supposed to take ownership of the problem, initially it was difficult for him or her to adapt the situation but after some time they slowly took the ownership. Another obstacle was getting some of the participants in the same workshop to engage in the honest discussion by displaying willingness and maturity to address the issues, those who were willingly to cooperate fully and provide full details of what they have been asked balanced this hindrance.

The study initially planned to conduct a second SSM workshop with all stakeholders as it was the case with the first SSM workshop. The workshop was supposed to be held in Dar es Salaam with the intention of discussing the model that was established following the information obtained from the first SSM held in April 2017 in Dar es Salaam. Unfortunately, when the participants were invited, most of them had some reasons of not being able to participate in the workshop. An alternative solution was then arranged and instead of conducting the SSM workshop, the interviews with various stakeholders were held in their respective places of work, something that proved to be helpful and contributed to the success of this study.

Practical Implication

With its ability to organise the mind-set of the diverse stakeholders from different backgrounds to form the accommodation of ideas, SSM has demonstrated to be an influential approach that can act as a bond for merging numerous views to create conceptual models that can be useful in the future. The approach alters the thinking to provide an acceptable and consistent view of the future by empowering the firms to grow with the backing of the entire diverse stakeholders. This research has demonstrated the flexibility of the Soft System Methodology as well as its ability to be applied to a range of diverse organisations. The methodology provides the unseen advantages for obtaining solutions, which were not thought previously.

The use of SSM offers a distinctive level of engagement with stakeholders, which can accelerate the entire process of improving the problem situation and encourage both creativity and innovation.

Recommendation for Further Research

The Textile and Apparel industry is very complex and diverse in nature. This study has dealt with the productivity of the sector by investigating and suggesting some strategies that can be used to enable value addition activities to be done locally to the abundantly cotton grown in the country. However, the investigation of the cotton production segment was not part of this study. Since the two segments are dependent to each other, the

researcher suggests another study to be conducted focusing on the Tanzanian cotton segment. The intended study will also apply an SSM approach and will be a complement to the present study as availability of sufficient and quality locally grown cotton will enhance all the suggestions made under the present study.

Another area that need to be researched is an evaluation of the influence of Tanzanian consumers' demographic characteristics on purchasing T&A products. This study has not been able to do the evaluation under this area. The recommended study will help the industry to understand what kind of products should be manufactured to a particular age group, gender and income. Furthermore, it will help them on how to allocate the necessary funds for doing promotions and any other kind of marketing research targeting the proper population.

A further research on influence of purchasing channel and promotion on consumer decision to purchase Tanzania T&A products is recommended. This will help the relevant stakeholders within the local industry to strategically decide on the best way of promoting and selling their products through different channels such as internet and other convenient channels.The above stated studies can be conducted using action research strategy where the researcher is allowed to be part of the organisation/ firm that requires the improvement towards their problem. The strategy insists on the collaboration between the researcher and the relevant organisation. Longitudinal study can also be applied in these recommended studies. This is where the events and behaviours using concentrated sample for a long time can be used in both qualitative and quantitative approaches. The study in hand has used cross-sectional time horizon to achieve the intended objectives.

Appendices

Appendix 1

Interview Guide for Textile Mills and Apparel Manufacturers

1. Company background

i. Kindly provide a brief history of your company.

ii. Please indicate the company structure and departments.

iii. Indicate the total number of employees in the company. Provide also number of employees in each department.

iv. How many expatriates do you have in your company? In which level of employment?

v. Provide me the reasons for hiring the expert professionals?

vi. Does the provided reasons in number (viii) above still holds after witnessing some graduates in textile and apparel from VETA and UDSM?

vii. Where is the company getting resources from?

2. Industry structure and market position

i. What are the most important threats/rivalries in your business?

ii. How do you manage/ plan to overcome the competition in part i above (if available)?

iii. Do you think that your textile industry will become or remain competitive in the country?

iv. Are there any particular strengths or weaknesses of your factory/business or the entire Tanzanian industry that you would like to mention?

v. Is there any Textile and apparel manufacturers association in Tanzania? If yes, is your company member of that association?

vi. What are the weaknesses and strengths of the Textile and Apparel manufacturers association in Tanzania (if there is any)?

vii. Do you have another branch of this factory in any other country?

3. Modernisation/technology and product offering

i. What categories of production technologies (machineries) do you have?
ii. What is the machinery age in each category mentioned in part i above?
iii. Is there any design equipment? Please mention them.
iv. What is your company's product offerings?
v. How far has restructuring/modernization proceeded in your industry up to now?
vi. Are you making use of information technology such as Computer Aided Design (CAD) and/or Computer Aided Manufacturing (CAM) in your production?
vii. Are you using any internet tools in marketing your products?

4. Inputs

i. What is the source of your raw materials (Cotton, Yarn, Fabric etc.)?
ii. Are there any specific advantages or problems with inputs for the industry in your country, e.g. with raw materials (Cotton, Yarn, Fabric etc.) for production or with utilities (energy, water, telecommunication) or labour (labour costs, skills), etc.?
iii. What type of fibres/ yarns are you using in your daily production?
iv. Are you expecting to change/ add any other type of fibres input in your production?
v. Is there any significance of using other man-made fibres for your production other than cotton?
vi. Do you have a designer? If yes from where?
vii. What else do you think can be added/ done as far as your production is concerned, in the form of input or other source to make your business more competitive?

5. Research & market development

i. Is there any specific research activity in your industry (at company level, special research institutes, etc.)?
ii. Is there any cooperation in R&D between different textile companies or between your company and research institutions such as University of Dar es salaam etc.?
iii. Do you conduct any market research?
iv. How do you get inspiration for new concepts?
v. What is your major market for your products?

vi. What are your future development decisions?
vii. What kind of markets is your company targeting? (local or export through special arrangements such as AGOA, EU etc.).
viii. Is your company operating under Export Processing Zone (EPZ)/ Special Economic zone (SEZ)?

6. Customer and other relations

i. Is there a considerable user-producer interaction with domestic customers that leads to innovation in the industry?
ii. How do you make sure that consumer demands are met with your product offering?
iii. How do you promote your products?
iv. What is your selling mechanism?
v. Do you have any cooperation with other factories?

7. Support programmes

i. Are there any government support programmes relevant for your industry (e.g. investment incentives, research & development, regional development plans or special support provided to your company?
ii. What business help/support do you get from others apart from government?
iii. Do you think the existing policies set by government promote your business and the entire textile and clothing sector (in terms of getting raw materials up to the market of your products)?
iv. What do you think need to be done by government in order to promote the industry and make it competitive?

8. Company staff training

i. What kind of training do the company offer to employees?
ii. Do the existing training institutes such as VETA and University of Dar es Salaam satisfy your skill requirement?

9. Social and environmental issues

i. Describe the share of female employment, working conditions and measures to manage the social impact of restructuring such as retraining programmes and others.
ii. Is your company having problem in complying with environmental regulations set

by the government? In what regard?

Can you provide me with any articles, news, and documentation regarding your company? They will be helpful to me in terms of data collecting.

Appendix 2

Interview guide for Tanzania Revenue Authority (TRA)

1. Can you please provide me with different existing taxes to all imported textile and apparel products (New and used)?
2. Within the mentioned taxes above, which one were formulated to provide incentive for new investors?
3. Which one were formulated for protecting the local textile and apparel manufacturers from the effects brought by imported textile and apparel products?
4. What do you do to overcome the problem of tax evasion as far as textile and apparel trade is concerned?
5. How do you identify different textile fibres for a proper tax estimation?

Appendix 3

Interview guide for Tanzania Ports Authority (TPA)

1. How many tones of textile and apparel consignment (fibres, yarns, fabrics and clothing) do you receive through your port monthly/ annually?
2. How many tones of the same type of consignment that are exported through your port to various destinations?
3. What is the minimum, maximum and average time for port clearance of both importation and exportation of textile and apparel consignments?
4. What are the procedures to be followed when receiving and sending the textile and apparel consignment through the port?
5. What are the cost breakdown of your port service to textile and apparel consignment?

Appendix 4

Tanzania Bureau of Standards (TBS)

1. What kind of textile and apparel products needs to be certified by your bureau before entering the local market?
2. What kind of standards are you looking when inspecting the textile and apparel products both made locally and the imported one?
3. What type of textile and apparel products have been banned from being imported and what is the reasons for that?

Appendix 5

Interview guide for Ministry of Industry, Trades and Investments (MITI)

1. Please list all the textile and apparel factories existing in Tanzania.
2. What are the benefits of the textile and apparel factories that operates under Export Processing Zone (EPZ)/ Special Economic Zone (SEZ)?
3. Among the listed, which one belong to the EPZ/ SEZ?
4. What are the existing policies that are applicable specifically to textile and apparel sector in Tanzania?
5. Within the policies in number 1 above, which one do you think needs to be changed and why?
6. What are the existing policies and reason behind on hiring foreign staff in the local textile and apparel factory?
7. Since, we already have two batches of textile and apparel graduates, are the reasons for the policies in number 6 above still valid to date?
8. Numerous studies have been conducted regarding textile and apparel sector and various policy recommendations have been suggested to the government. Can you list all the recommended policies? Did you (as policy makers) do anything to implement the policies?
9. The local textile market is currently flooded with the imported textile and apparel products (New and Second hand). What do you think is the consequences observed from this influx?
10. What are the necessary steps that has been taken to control the situation in question number 4 above?
11. Are the existing textile and apparel factories in Tanzania capable of fulfilling the clothing demand to the local market?
12. Is the government planning to barn importation of used clothing? If yes, what is the reason of doing that?

13. Is there any special provision/ consideration given for the importation of man-made/ synthetic textile fibres so as to be incorporated in the manufacturing of the cotton value-added products in Tanzanian local textile industry for the use in local market?
14. What is your general view to the existing and the future textile and apparel sector?

Appendix 6

Focus group discussion guide

- **Questions related to their place of work (factory)**

1. How have you been involved in a factory production decision making or any other activities?
2. Think back over the past year of the things that your factory did. What went particularly well? What went wrong?
3. What needs improvement?
4. Suppose that you were in charge and could make some changes that would make the entire factory better. What would you do?
5. What can each one of us including government do to make the factory and Tanzanian textile and garment sector better?

- **Questions related to consumer behaviour apart from questionnaire**

1. How and when do you use textile and apparel products?
2. Tell me about positive experiences you've had with various textile and apparel products?
3. Tell me about disappointments you've had with textile and apparel products?
4. Who or what influences your decision to purchase a particular type of textile and apparel products?
5. When you decide to purchase textile and apparel products, what do you look for? Take a piece of paper and jot down three things that are important to you when you purchase textile and apparel products?
6. Let's list these on the flip chart. If you had to pick only one factor that was most important to you, what would it be? You can pick something that you mentioned or something that was said by others.
7. Have you ever changed brands or types of textile and apparel products? What brought about the change?
8. What is your preference when buying between foreign and local textile and apparel products? Give reasons.
9. What is your preference when buying between imported second hand clothing and new local or imported textile and apparel products? Give reasons.
10. Of all the things we've talked about, what is most important to you?

Appendix 7

Questionnaire guide

Dear Participants

This research study in consumer behaviour and attitude towards buying local and foreign apparel products is conducted in five major cities in Tanzania (Dar es Salaam, Mwanza, Mbeya, Arusha and Tanga). You are voluntarily requested to participate in this survey. At any time during the survey you may choose to stop participating. Your responses will be kept anonymous; all collected data will be combined and analysed together, a scenario which will make your individual responses totally unidentifiable in this combined format. There are no any identifiable risk associated with your participation in this study.

If you have any queries, don't hesitate to contact Mr Danford Mahwera (+255755808997, Danford.Mahwera@hud.ac.uk) or Dr Tracy Cassidy (T.D.Cassidy@hud.ac.uk)

SECTION 1: CONSUMER INFORMATION

The following questions are regarding your information as a consumer of apparel products. Please provide your best answer for each.

---

1. Which region in Tanzania do you currently living?
   - o Dar es Salaam
   - o Mwanza
   - o Mbeya
   - o Arusha
   - o Tanga

2. Where do you shop for apparel products?
   - o Shoppers Malls (Ex. – Mlimani City, Quality plaza, Rock city etc.)
   - o General merchandise store (Store in a market such as Kariakoo, Mwanjelwa etc)
   - o Super-market (Nakumatt, Game etc)
   - o Online store

- Street vendors

3. What kind attributes do you consider when buying T&A products?
    - Affordable price
    - Quality (Fit, Durability, style, comfort)
    - Variety of design
    - Availability
    - Brand or country of origin
    - Well promoted and advertised

4. When shopping for clothes, do you?
    - always return to the same shops
    - decide to go in due to the window display/advertisements
    - Try new shops
    - Search beforehand for information and then visit the right store for me
    - Go to shops where there are special offers
    - Other

5. Generally, what type of apparel products do you usually buy
    - Foreign brand second hand clothing (SHC)
    - Foreign brand new clothing
    - Tanzanian made apparels
    - Both
6. How do you feel when you decide to purchase imported T&A products?
    - Good
    - Proud
    - Don’t care

7. Who influence you to purchase imported T&A products?
    - Important friends (i.e opposite sex)
    - Family members (parents, siblings)
    - Peers/ Colleagues
    - Myself

SECTION 2: CONSUMER ATTITUDE

The following questions aims at identifying consumer intention towards buying a particular T&A product

---

3 = Extremely important, 2 = Moderately important, 1 = Slightly important

0 = Undecided, -1 = Slightly unimportant, -2 = Moderately unimportant,

-3 = Extremely unimportant

1. Please indicate how important each attribute is to you when choosing an apparel product.

	Attribute	-3	-2	-1	0	1	2	3
1.	Affordable price							
2.	Quality (Fit, Durability,style, comfort)							
3	Variety of design							
4	Availability							
5	Brand or country of origin							
6	Well promoted and advertised							

2. Please use the following scale to decide how likely it is that each type of textile and apparel products available in Tanzanian local market possesses the mentioned attributes

3 = Extremely likely, 2 = Moderately likely, 1 = Slightly likely, 0 = Undecided,

-1 = Slightly unlikely, -2 = Moderately unlikely, -3 = Extremely unimportant

	Attribute	Imported Second hand T&A	Imported new T&A	Locally made new T&A
1.	Affordable price			
2.	Quality (Fit, Durability, style, comfort)			
3	Variety of design			
4	Availability			
5	Brand or country of origin			
6	Well promoted and advertised			

3. Please indicate <u>how each below mentioned person feels good about your</u> decision to purchase a certain type of T&A product

+3 Definitely Should **+2 Probably Should** **+1 Might Consider** **0 No Opinion** **-1 Might Not** **-2 Probably Should Not** **-3 Definitely Should Not**

	Relation	Imported Second hand T&A	Imported new T&A	Locally made new T&A
1.	Important friends (i.e opposite sex)			
2.	Parents (Dad, Mom)			
3	Siblings			
4	Peers/ Colleagues			

4. How much do you comply with what each person thinks you should do?

-3 = strongly disagree, -2 = Disagree, -1 = Disagree somewhat

0 = Undecided, 1 = Agree somewhat, 2 = Agree, 3 = strongly agree

		-3	**-2**	**-1**	**0**	**1**	**2**	**3**
1.	Important friends (i.e opposite sex)							
2.	Parents							
3	Siblings							
4	Peers/ Colleagues							

SECTION 3: DEMOGRAPHIC INFORMATION

Please provide with your general demographic information to help with our analysis. It will not be used to identify the source of responses.

1. What is your gender?
   - o Male
   - o Female

2. Which age group do you belong to?
   - o 18 – 29
   - o 30 – 39
   - o 40 – 49
   - o 50 and over

3. Kindly indicate your employment status.
   - o Employed
   - o Looking for work
   - o Student
   - o Retired
   - o Homemaker
   - o Business
   - o Refuse to answer

4. Kindly indicate your monthly income.
   - o Less than Tzs. 100,000
   - o Tzs. 100,000 – Tzs. 300,000
   - o Tzs. 300,001 – Tzs. 500,000
   - o Tzs. 500,001 – Tzs. 700,000
   - o Tzs. 700,001 – Tzs. 900,000
   - o Tzs. 900,001 – Tzs. 1,000,000
   - o Over Tzs. 1,000,000
   - o Refuse to answer

Appendix 8

Time table for SSM Workshop on Tanzania Textile industry

Time	Event	Moderator
9.00am – 9.30am	Registration	All
9.30-9.35	Official Opening	Head MIE Department
9.35 am – 10.00am	Tea break	All
10.00am – 10.20am	Introduction to “Soft System Methodology” (SSM) and an overview of data collected by the researcher in the Tanzania textile industry	Danford Mahwera
10.20am – 10.35am	A brief overview of Tanzania Textile industry	Selected professional from Textile Development Unit (TDU) within the ministry of Industrial and Trade
10.35am – 13.00pm	Group work on developing a Rich Picture of the Tanzania textile industry and Presentation on the rich picture developed by the groups	All
13.00pm – 14.00pm	Lunch	All
14.00pm – 15.30pm	Consumer preference on local and imported textile products	Group representative
15.30pm – 15.45pm	Winding up on the issues raised from workshop	Selected representative
15.45pm – 16.00pm	Closing remark	Head of MIE Department and All

Appendix 9

Soft Systems Methodology (SSM) workshop attendance sheet

STAKEHOLDERS' WORKSHOP ON TANZANIA T&A INDUSTRY

LIST OF PARTICIPANTS

11ST APRIL 2017

S/N	NAME	ORGANISATION	SIGNATURE
1	Dr G.S Mwaluko	UDSM-MIE Staff	
2	Prof. Leonard Mwaikambo	UDSM-MIE Staff	
3	Dr. M.H. Mrango	UDSM-MIE Staff	
4	Dr. P. Bigambo	UDSM-MIE Staff	
5	Dr. E. Mbise	UDSM-MIE Staff	
6	Mr Gervas Lushaju	UDSM-MIE Student	
7	Ms Diana Mwapagatwa	UDSM-MIE Student	
8	Mr Muna Medard	UDSM-MIE Student	
9	Mr Mkindi Mullah	UDSM-MIE Student	
10	Mr J. Rutagi	Urafiki Textiles	
11	Ms Twitike Kapamisya	Tooku Garments	
12	Mr Gaudence Emanuel	Namera/Nida Textiles	
13	Mr Simchimba Emanuel	21st Century Textiles	
14	Ms Latifa Sareva	Mazava Fabrics	
15	Mr Myeule Lain	Marvellous Flotea	
16	Mr Bilal Omary	3GS Garments Ltd	
17	Mr Richard J Mghamba	Ministry of Industry	
18	Mr M. Mwakilindi	Tanzania Revenue Authority	
19	Ms. Jane Bavuka	Tanzania Ports Authority	
20	Mr Jaffar Juma	Tanzania Bureau of Standards	
21	Mr Adam Zuku	TEGAMAT	
22	Ismail Taifa	UDSM- Research Assist.	
23			
24			
25			

Appendix 10

Tanzania Textile and Apparel Manufacturers

Summary of activities done in each textile or Apparel firm

	spin	weave	knit	k-k-k	bed line	blanket	bed net	thread	clothes	made - up	jobs
New Tabora Textiles	•										300
Namera	•	•									
Nida				•	•						<1000
21st Century Textiles	•	•		•	•						1800
Afritex	•	•		•							<500
New Musoma Textiles	•	•		•							<100
Mwatex (2001)Textiles	•	•		•	•						<2000
Urafiki (TZ-China Friendship)	•	•		•	•						1200
Karibu Textile Mills				•							700
Sunflag	•	•	•	•	•		•	•	•		<2000
A to Z TextileMills			•				•		•		±7500
Ellen Knitweave Mills			•						•		100
Kilimanjaro BlanketCorp.						•					100
Kibotrade									•		50
Mazava Fabrics &Prod.									•		>1000
MarvelousFlotea					•					•	50
Cotcotex			•						•		150
Tanzania Tooku Garments Ltd									•		>1000
Dahong Textile (Tanzania) Company Limited	•										>50
Afrika Sana Ltd					•				•	•	<50

k-k-k: kanga, kitenge & kikoi

01	Factory Name	**NEW TABORA TEXTILES [TANZANIA] LIMITED(NTTTL)**	
Production		**Spinning**	
Date of visit		**Not visited**	
Contact Persons		Joint MD: Tel: E-mail: Joint MD: E-mail:	Mr. JP Rajani +255 (0)736 200218 jprajani@rajani-group.com Mr. BharatPatelbharat@motor
		Sales : Tel: E-mail:	Mr. Alok Bharti +255 (0)736 200218 alok@tabotexafrica.co.tz
Factory LocationSales Office Postal Address		Tabora, Tanzania Plot No. 39/40, Nyerere Road, Dar es Salaam, Tanzania PO Box 20066, Dar esSalaam, Tanzania	
Website		www.tabotexafrica.co.tz	
Telephone		+255 (0)736 200218	
Facsimile		+255 (0)22 2864469	
Ownership		Tanzanian	
Firm Linkages		none	
Production Profile		Main Production: 100% cotton (carded & combed) ring spun yarn; &100% cotton (carded & combed) ring doubled yarns. Total production about250 tons per month. They were all aimed for local and export sales Workforce: about 350workers Main Markets: Tanzania, Southern & Eastern Africa; EU;Turkey	
Company status		Not working as they are faced with capital and market issues	

02 **03**	Factory Names	**NAMERA TEXTILE MILLS** **NIDA TEXTILEMILLS**	
Production		**vertically integrated textile mill spin, weave, printing, textile make-up**	
Date of visit		**February 2017**	
Contact Persons		Chairman : Tel: E-mail:	Mr. Muhammad Owais Pardesi +255 (0)22 2129296 mowais@cosmosgrp.com
		Sales : Tel: E-mail:	Mr. Amin +255 (0)22 2129296 import@nidatex.com
Factory Location Sales Office Postal Address		Namera: Dar es Salaam (Gongolamboto). Nida :Dar es Salaam (Tabata) Tanzania, Dar es salaam Town Centre	
Website		www.nidatex.com &www.cosmosgrp.com	
Telephone		+255 (0)22 2129296	
Facsimile		+255 (0)22 2129287	
Ownership		Tanzanian	
Firm Linkages		owned by the Pakistani Cosmos group; related to Giga Group	
Production Profile		Main Production: enterprise is a vertically integrated textile production unit. It spins local cotton to make yarns and grey fabrics which are then made into kanga, kitenge and home-textiles (bed-linen, curtains). The two factories are located into two different areas within Dar es Salaam. Namera located at Gongolamboto area is the spinning and weaving factory and most of the yarn and grey fabric produced by this factory is then used by its sister company Nida located at tabata. Nida is only doing printing and finishing. Workforce: about 950workers Main Markets: Tanzania; and Tanzania's neighbours in Eastern Africa	
Company status		Both working well. But Namera was in annual maintenance schedule	

04 05 06	Factory Names	21ST CENTURY TEXTILES LIMITED AFRITEX LIMITED NEW MUSOMA TEXTILES LIMITED	
Production		**vertically integrated textile mill spin, weave, printing, textile make-up and garment making**	
Date of visit		**February 2017**	
Contact Persons		Group CEO: Tel: E-mail:	Mr. Mohammed Dewji +255 (0)22 2122830 ceo@metl.net &vikash@metl.net
Factory Location		21st Century Textiles is in Morogoro; Afritex in Tanga; New Musoma Textiles in Musoma – all in Tanzania	
Website		www.metl.net	
Telephone		+255 (0)22 211 8930 (of the METL central textile sales office)	
Facsimile		+255 (0)22 211 2904 (of the METL central textile sales office)	
Ownership		Tanzanian	
Firm Linkages		The three firms are part of the Mohammed Enterprises Tanzania Limited (METL) group of companies. METL is one of Tanzania's largest businesses. Initially built on trading in import and export in the 1980, the group has embarked on a major vertical integration programme to complement its trading base through expansion into manufacturing and agriculture.	

Production Profile	Main Production: all three enterprises are vertically integrated textile production units. They all spin local cotton to make yarns which are then made into kanga, kitenge and home-textiles (bed-linen, curtains). Other yarns are exported.21st Century is the largest of the production units and concentrates on making Kitenge and kikoi; It has also started garment production since August 2016. It is the only factory in Tanzania having the Air jet weft insertion weaving machine. Afritex and Musoma concentrate on making kanga and kitenge, but these two factories are not working due to stringent competition in the market. Workforce: jointly about 2 500workers but remained 1800 after closure of the two factories (Afritex and New Musoma textiles) Main Markets: Tanzania; and Tanzania's neighbours in Eastern Africa and SADC countries.
Company status	21st Centuries textiles ltd, Full working; Afritex and New Musoma Textiles not working

07	Factory Names	**MWATEX(2001)**	
Production		**vertically integrated textile mill spin, weave, printing, textile make-up**	
Date of Visit		**February 2017**	
Contact Persons		Joint MD: Tel: E-mail:	Mr. Amin Ladhani +255 (0)22 2119712 bladhani786@gmail.com
		Sales : Tel: E-mail:	Mr. Sarfraz Ladhani +255 (0)784 817407 sarfraz_l@hotmail.com
Factory Location Sales Office Postal Address		Mwatex is in Mwanza, Tanzania Dar es Salaam (central business district), Tanzania PO Box 3835, Dar es Salaam, Tanzania	
Website		none	
Telephone		+255 (0)22 2119712	
Facsimile		+255 (0)22 2119721	
Ownership		Tanzanian	
Firm Linkages		none	
Production Profile		Main Production: The mill is vertically integrated production unit. Spin local cotton to make yarns which are then made into mainly kanga &Kitenge; but also some home-textiles (bed-linen, curtains). Workforce: about 1 900 workers Main Markets: Domestic (Tanzania)	
Company status		Full working	

08	Factory Name	**TANZANIA-CHINA TEXTILE FRIENDSHIP MILL(a.k.a.“*URAFIKI*”)**	
Production		**vertically integrated textile mill: spin, weave, printing, textile make-up**	
Date of visit		**March 2017**	
Contact Persons		DeputyMD: Tel: E-mail:	Mr. Nassoro Baraza +255 (0)22 2400607 nkobaraza2006@yahoo.co.uk
		Sales : Tel: E-mail:	Mr. S Dilunga +255 (0)754 480663
Factory Location Sales Office Postal Address		Dar es Salaam (Ubungo), Tanzania Dar es Salaam (Ubungo), Tanzania PO Box 20842, Dar es Salaam, Tanzania	
Website		none	
Telephone		+255 (0)22 2400607	
Facsimile		+255 (0)22 2443689	
Ownership		Tanzanian – Chinese joint ownership	
Firm Linkages		firm is a joint venture between the Tanzania government and an enterprise from the Peoples Republic of China	
Production Profile		Main Production: a vertically integrated production unit. Firm spins local cotton to make yarns which are then made into mainly kanga &kitenge; and limited ranges of home-textiles (bed-linen, curtains). Workforce: about 1 200workers Main Markets: Domestic (Tanzania)	
Company status		Working, but not at full capacity.	

09	Factory Name	**KARIBU TEXTILE MILLS LIMITED**	
Production		**Textile printing**	
Date of visit		**March 2017**	
Contact Persons		MD: E-mail:	Mr. Al-Nashir Jetha
		Sales: E-mail:	Mr. Al-Nashir Jetha
Factory Location Sales Office Postal Address		Dar es Salaam (Kilwa Road, Mbagala Mission, Tanzania Dar es Salaam, Tanzania PO Box 6305, Dar es Salaam, Tanzania	
Website		none	
Telephone		+255 (0)732 990199	
Facsimile		+255 (0)22 2856468	
Ownership		Tanzanian	
Firm Linkages		runs its own chain of kanga &kitenge retail outlets in Tanzania	
Production Profile		Main Production: prints kanga &kitenge on locally sourced and imported "*greige"* fabrics Workforce: about 700 Main Markets: Domestic (Tanzania)	
Company status		Stopped working due to market stiff competition	

10	Factory Name	**SUNFLAG TANZANIALIMITED**	
Production		Vertically integrated textile mill. Spin, knit, weave, yarn dye, finish (dye & print)fabrics, garments, home textiles & mosquito bed nets organic & conventional cotton processing.	
Contact Persons		Exec Director Tel: E-mail:	Mr. Ajay Shah **(Sunflag)** +255 (0)27 2549270 ajay@sunflag-tz.com
Date of visit		March 2017	
Factory Location Sales Office Postal Address		Arusha (Themi Industrial Area),Tanzania Arusha (Themi Industrial Area), Tanzania &London, United Kingdom PO Box 3123, Arusha, Tanzania	
Website		www.sunflag.com &www.mantisworld.com	
Telephone		+255 (0)27 2549270	
Facsimile		+255 (0)27 254 4335 & UK garment wholesaler +44 (0)20 77242050	
Production Profile		Main Production: spins 100% cotton and blended cotton yarns; makes these up into woven and knit fabrics. Fabrics made include: yarn dyed kikoi; kanga and kitenge; Masaai "*shuka*"; apparel fabrics. Some fabrics are made-up into knit and woven apparel; and bed linen Other Production: mosquito nets (from imported yarns). Organics: Spins Tanzania organic cotton and makes this into fabrics and then garments. Factory has the following certifications: - bio-inspecta – for 100% organic comber noil; and cotton yarn - GOTS – for 100% organic cotton from spinning to finished garments (the Mantis World garment warehouse in the UK is also GOT certified - BSCI – for social compliance. Workforce: about 2350 workers (about 900 involved in garment prod.) Main Markets: Tanzania; Southern (mainly South Africa) &Eastern Africa; European Union (mainly the UK); and the United States. Sunflag receives the bulk of its knit garment orders through Mantis World – a related wholesale company. Mantis World is a member of the Organic Exchange and acts as a point of contact for Sunflag's EU clients and holds"blank" stock in both organic and conventional garments ready for companies to customize. They also offer private label manufacturing. The factory has more export orders than it can handle.	
Company status		Full working	

11	Factory Name	**A TO Z TEXTILEMILLS**	
Production		**mosquito bed nets** **knit fabrics & knit garments, sewing**	
Date visited		**March 2017**	
Contact Persons		CEO: E-mail:	Mr. Anuj Shah anuj@azpfl.com
		PA to CEO: Tel:	Ms. Rachel Dove (will forward queries to sales staff) +255 (0)786 201279
		GM: Tel:	Mr. Divyesh Ramanandi +255 (0)784 896893
Factory Location Sales Office Postal Address		Arusha (the Kisongo EPZ & Unga Limited Industrial area), Tanzania Arusha, Tanzania PO Box 945, Arusha, Tanzania	
Website		www.atoztextiles.net	
Telephone		+255 (0)27 2508139	
Facsimile		+255 (0)27 2548235	
Ownership		Tanzanian	
Firm Linkages		none	
Production Profile		Main Production: produces Long-Lasting Insecticide-treated Nets (LLIN). It extrudes its own yarns and then makes knitted netting which is then cut to made bed-nets (30m units produced per year). Expanded its production unit that knits cotton fabrics and synthetic fabrics. It also performs yarn and fabric dyeing– which are then made into recently expanded production of various type of garments such as t-shirts, polo shirts, pyjamas and kids clothing. Workforce: about 7 600workers Main Markets: Tanzania, Southern &EasternAfrica	
Company status		Full working	

12	Factory Name	**ELLEN KNITWEAVE MILLSLIMITED**	
Production		**Terry toweling, knit fabrics & knit garments, nappies**	
Date visited		**March 2017**	
Contact Persons		CEO &Sales: Tel: E-mail:	Mr. Bhavin Shah +255 (0)22 2123401 bhavin@lnshah.com
Factory Location Sales Office Postal Address		Dar es Salaam (Chang'ombe), Tanzania Dar es Salaam (central business district),Tanzania PO Box 15016, Dar es Salaam, Tanzania	
Website		www.lnshah.com	
Telephone		+255 (0)22 2123401	
Facsimile		+255 (0)22 2133760	
Ownership		Tanzanian	
Firm Linkages		owned by L N Shah (1977)Limited	
Production Profile		Main Production: knits fabrics and makes knit garments mainly for the Tanzania domestic market. Have screen printing and embroidery facilities. Makes terry-towelling and then uses this to make products such as nappies and facecloths Workforce: about 100workers Main Markets:Tanzania	
Company status		Working	

13	Factory Name	**KILIMANJARO BLANKET CORPORATION(KBC)**	
Production		**blankets**	
Date visited		**Not visited**	
Contact Persons		MD &Sales Tel:	Mr. Alaudin Hirji +255 (0)22 2110417
Factory Location Sales Office Postal Address		Tanga, Tanzania Dar es Salaam (Upanga),Tanzania PO Box 4133, Dar esSalaam, Tanzania	
Website		none	
Telephone		+255 (0)22 2110417	
Facsimile		+255 (0)22 2121513	
Ownership		Tanzanian	
Firm Linkages		none	
Production Profile		Main Production: buys in yarns and weaves blankets Workforce: about 100workers Main Markets: Tanzania	
Company status		Not working, some of the machine have been taken by Afritex for the loan recovery	

14	Factory Name	**KIBOTRADE TEXTILESLIMITED**	
Production		**Knit garments**	
Date visited		**March 2017**	
Contact Persons		CEO&Sales: Tel and E-mail:	Mr. Iver Rosenkrantz +255 (0)22 2861787, iver@kibotrade.com
Factory Location Sales Office		Dar es Salaam (Pugu Road),Tanzania Dar es Salaam (Pugu Road),Tanzania	
Website		www.kibotrade.com	
Telephone		+255 (0)22 2861787	
Facsimile		+255 (0)22 2861789	
Ownership		Tanzanian &Danish	
Firm Linkages		has own retail shop in Dar es Salaam – “Made by Africa”	
Production Profile		Main Production: knit garments; and some woven garments Workforce: about 50workers Main Markets: Tanzania, Eastern Africa; the EU (Denmark &UK) Accreditations: has Fair Trade and SA8000 (labour standards)	
Company status		Working	

15	Factory Name	**MAZAVA FABRICS & PRODUCTION (EAST AFRICA)LIMITED**	
Production		**Knit garments**	
Date visited		**March 2017**	
Contact Persons		RegionalGM: Tel: E-mail:	Mr. Gyn Lam +255 (0)789 666066 glam@mazava.mg
		Sales: E-mail:	Mr. Marc Hansult MHansult@windsenterprises.com
Factory Location Sales Office Postal Address		Morogoro (Kihonda Industrial Area),Tanzania San Diego, United States PO Box 850, Morogoro, Tanzania	
Website		www.windsenterprises.com	
Tel		+255 (0)23 2600068	
Fax		+255 (0)23 2600056	
Ownership		Swedish &US	
Firm Linkages		plant owned by the Winds Enterprises which also has manufacturing plants in Madagascar and Mauritius	
Production Profile		Main Production: knit sportswear (basketball; baseball; etc) made with imported fabrics Workforce: about 1300workers Main Markets: UnitedStates	
Company status		Full working	

16	Factory Name	**MARVELOUS FLOTEA COMPANYLIMITED**	
Production		**home textiles &garments**	
Contact Persons		CEO &Sales: Tel: E-mail:	Ms. Flotea Masawe +255 (0)22 2761260 marvbatik@yahoo.com
Date visited		March 2017	
		Admin Manager: Tel: E-mail:	Ms. Doreen JacobNathan +255 (0)22 2762601
Factory Location Sales Office Postal Address		Dar es Salaam (Kinondoni), Tanzania Dar es Salaam (Kinondoni), Tanzania PO Box 1751, Dar es Salaam, Tanzania	
Website		www.marvelous.co.tz	
Telephone		+255 (0)22 2761260	
Ownership		Tanzanian	
Firm Linkages		none	
Production Profile		Main Production: made-up home textiles, e.g. curtains, cushions, bedding, table mats, & bags. Some clothing Workforce: about 50workers Main Markets: Tanzania; Eastern Africa; US &EU	
Company status		Full working	

17	Factory Name	**COTCOTEX**	
Production		**knit fabric & garment**	
Date visited		**March 2017**	
Contact Persons		CEO: E-mail:	Mr. F Black frankblack60@ymail.com
Factory Location Sales Office Postal Address		Dar es Salaam (Kinondoni), Tanzania Dar es Salaam (Kinondoni), Tanzania PO Box 9161, Dar esSalaam, Tanzania	
Website		none	
Telephone		+255(0)22	
Ownership		Tanzanian	
Firm Linkages		None	
Production Profile		Main Production: fabric knitter and garment make-up Workforce: about 150 workers Main Markets: Tanzania; Eastern Africa; US &EU	
Company status		Working	

18	Factory Name	**Tanzania Tooku Garments Ltd**	
Production		**Various types of garments**	
Date visited		**March 2017**	
Contact Persons		Director: Tel: Fax: Mobile: E-mail: Postal: Website:	Mr Rigobert Massawe +255 (0)737210815 +255 (0)737210816 +255 (0)784 883 786 & +255 (0)773 883786 ruigao@jdunited.com PO Box 12112, Dar
Ownership		Bio sustain is a Tanzania company that co-ordinates cotton production using Tanzania peasant farmers	
Production Profile		Main Production: Produces men's jeans, T-shirts and polo shirts for export to USA and EU markets. Workforce: The company, which currently employs 1000 workers to produce 70,000 pieces monthly, is expecting to hire about 2000 people up to the end of this year 2017 by further introducing more sewing lines. Main Markets: USA through AGOA and EU through EPA, Japan and rest of Asia.	
Company status		Full working	

19	Factory name	**Dahong Textile (Tanzania) Company Limited**	
Production		**Spinning operation**	
Date visited		**March 2017**	
Contact Persons		GM: Tel: Fax : E-mail: Postal: Website:	Wang Shuchen +255753852997 zhaoyanrong@chinadaily.com.cn P.O Box 381 Shinyanga, Tanzania.
Ownership		The company is a subsidiary of Dahong Group based in Shinyanga, in one of the major cotton production regions in the country	
Production Profile		Main Production: Production of cotton yarn by spinning Workforce: 50 employees Main markets: Asian countries	
Company status		Working	

20	Factory name	**Afrika Sana Ltd**	
Production		**Various type of cultural garments**	
Date visited		**March 2017**	
Contact Persons		GM: Tel: Fax : E-mail:	Ailinda Sawe and Ndesumbuka Merinyo +255754329252 +255222772632 info@afrikasana.com
Ownership		The company is a family owned under the leadership of two artists Ailinda Sawe and Ndesumbuka Merinyo who are husband and wife.	

Production Profile	Main Production: Afrika Sana was established two decades ago and has been a leader in design and garment making in Tanzania ever since. It has been recognized by the Tanzanian Culture Trust Fund, the Ministry of Education and culture as one of the best designers and producers of cultural garments. the company pioneered in 2001 in the search for modern Tanzania cultural dress as a pre-requisite for getting a National Dress Workforce:25 employees Main markets: Asian countries
Company status	Full Working

Appendix 11

Various Research Permission Letters

UNITED REPUBLIC OF TANZANIA
PRESDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

Phone: 0222642421
Fax: 022 2647752

E-mail: ras.dar@tamisemi.go.tz In reply, quote

Regional Commissioner's Office,
P.O.BOX 10543,
DAR ES SALAAM

Ref. No.DAR.118/276/04/261

16/12/2016.

University of Huddersfield,
School of Art, Design and Architecture,

RE: PERMIT FOR DATA COLLECTION IN FAVOUR OF MR. DANFORD MAHWERA.

Your letter dated 10th December, 2016 referred.

This is to inform you that your student **Mr. Danford Mahwera** who is your PhD student and currently doing his research on examination of issues related to consumer preference and their impact to the cotton value added products strategies in Tanzania Textile sector has been granted permission for data collection at Dar es Salaam City as from December, 2016 to April, 2017.

We are looking forward to receive the student.

Janeth Humbiye.
Janeth. V. Humbiye
For: REGIONAL ADMINISTRATION SECRETARY
DAR ES SALAAM

Copyto:RegionalAdministrationSecretary,

DAR ES SALAAM - *see in the file.*

City Director,
DAR ES SALAAM City - *for your action,*

Mr. Danford Mahwera

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

Telephone:2665608/2602289/2545870
Fax No. 264-5239
E-Mail: ras.dodoma@pmoralg.go.tz
Website: www.dodoma.go.tz
In reply please quote:
Ref. No. DA.162/115/05K/994

REGIONAL COMMSSIONER'S OFFICE,
P.O. Box 205,

DODOMA.

20/12/2016

DAS
Dodoma Urban District,
P. O. Box 19,
DODOMA.

RE: RESEARCH PERMIT TO
COLLECT DATA IN DODOMA CITY

This letter serves as a response to the letter dated 17th December, 2017 regarding the above subject.

I am pleased to inform you that **Danford Mahwera** who is a PhD research student at the University of Huddersfield in the United Kingdom sponsored by the University of Dar es Salaam is currently conducting a research titled ***"A study on Strategy for Development of a sustainable Textile Sector in Tanzania".***

Permission has been granted to conduct his research/Data collection in **Dodoma City** from **December, 2016 to the end of April, 2017.**

Please accord him any necessary Administrative Assistance to enable him to accomplish the intended objective of his research.

Your cooperation is highly expected.

(J. Michael)
For: **REGIONAL ADMINISTRATIVE SECRETARY**
DODOMA

Copy to:
Danford Mahwera.

VBW/SAM

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

Telephone:2545556/2502482/2545854
Fax No. 254-5854
E-Mail: ras.mbeya@pmoralg.go.tz
Website: www.mbeya.go.tz
In reply please quote:
Ref. No. MA.256/775/056/991

REGIONAL COMMSSIONER'S OFFICE,
P.O. Box 785,
MBEYA.

20/12/2016

District Administrative Secretary,
Mbeya District,
P. O. Box 102,
MBEYA.

RE: RESEARCH PERMIT FOR DATA COLLECTION IN MBEYA CITY

Refer to the above captioned topic. I am writing with reference to a letter dated 17th December, 2017 regarding the above subject.

Mr **Danford Mahwera** who is a PhD research student at the University of Huddersfield in the United Kingdom sponsored by the University of Dar es Salaam at the moment conducting a research titled ***"A study on Strategy for Development of a sustainable Textile Sector in Tanzania",*** has been granted permission to conduct his research/Data collection in **Mbeya City** from **December, 2016 to April, 2017.**

With this letter, you are requested to accord him any necessary Administrative Assistance to enable him to accomplish the intended objective of his research.

Thank you for your cooperation.

A. Mwangisye

For: **REGIONAL ADMINISTRATIVE SECRETARY**
MBEYA

Copy to:
Danford Mahwera

UNITED REPUBLIC OF TANZANIA
PRESDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

Phone: 023 2642421
Fax: 023 2647752

E-mail: ras.moro@tamisemi.go.tz
In reply, quote

Regional Commissioner's Office,
P.O.BOX 205,
MOROGORO

Ref. No.MA.138/407/02/546

26/12/ 2016

University of Huddersfield,
School of Art, Design and Architecture,
QSB1/02,
HD1 3HD Huddersfield, UK.

RE: PERMISSION FOR DATA COLLECTION/RESEARCH CONDUCTION IN FAVOR OF MR. DANFORD MAHWERA.

Refer to your letter dated on 4th January, 2017 in reference to the above mentioned subject matter.

I am pleased to inform you that you're student **Mr. Danford Mahwera** who is pursuing PhD with the study titled "A study on Strategy for Development of a Sustainable Textile Sector in Tanzania" has been accepted for data collection/ research conduction as from March, 2017 to 30th April, 2017 at Morogoro City.

We are looking forward to receive the student.

Janeth. V. Kavishe
For; REGIONAL ADMINISTRATION SECRETARY
MOROGORO.

Copy to; Regional Administration Secretary,
MOROGORO - *see in the file.*

Municipal Director - *for your action,*

Mr. Danford Mahwera

UNIVERSITY OF DAR-ES-SALAAM
OFFICE OF THE VICE CHAN CELLOR
P. 0. BOX 35091 ♦ DAR ES SALAAM ♦ TANZANIA

General: +255 22 2410500-8 ext. 2001
Direct: +255 22 2410700
Telefax +255 22 2410078

Telegraphic Address: UNIVERSITY OF DAR ES SALAAM
E-mail:vc@admin.udsm.ac.tz
Website address: www.udsm.ac.tz

Ref. No: AB3/ 12(B)

Date: 20th December 2016

Regional Administrative Secretary
Dar es Salaam Region
Mwanza Region
Mbeya Region
Arusha Region
Dodoma Region
Tanga Region
Morogoro Region

RE: REQUEST FOR RESEARCH CLEARANCE

The purpose of this letter is to introduce to you **Mr. Danford Mahwera** who is a bonafide staff member of the University of Dar es Salaam and a PhD Student at the University of Huddersfield in The United Kingdom. Mr. Mahwera is required to conduct research as part of PhD studies in United Kingdom.

In accordance with government circular letter Ref. No. MPEC/ R/ 10/ 1 dated 4th July 1980, the Vice Chancellor of the University of Dar es Salaam is empowered to issue research clearances to staff members and students of the University of Dar es Salaam on behalf of the government and the Tanzania Commission for Science and Technology (COSTECH.) I am pleased to inform you that I have granted a research clearance to **Mr. Mahwera.**

I therefore, kindly request you to grant him any help that may enable him achieve his research objectives. Specifically we request your permission for him to administer questionnaire, meet and talk to the leaders and other relevant stakeholders in your region in connection with his research.

The title of his research is **"The Examination of Issues Related to Consumer Preference and their Impact on the Cotton Value-Added Products Strategies in Tanzanian Textile Sector".**

The period of his research is from **December 2016 to April 2017** and the research will cover **the above named Regions.**

Should there be any restriction, you are kindly requested to advise us accordingly. I n case you may require further information, please do not hesitate to contact us through the Directorate of Research, Tel. +255 22 2410500-8 Ext. 2084 or + 255 22 2410727 and E-mail: research@udsm.ac.tz.

Yours sincerely,

Prof. Rwekaza S. Mukandala
VICE CHANCELLOR

UNITED REPUBLIC OF TANZANIA
PRESDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

Phone: 027 2642421
Fax: 027 2647752

E-mail: ras.tanga@tamisemi.go.tz
In reply, quote

Regional Commissioner's Office,
P.O.BOX 5095,
TANGA

Ref. No.DA.228/258/03/163

21/12/2016.

University of Huddersfield,
School of Art, Design and Architecture,
QSB1/02,
HD1 3HD Huddersfield, UK.

RE; ACCEPTANCE FOR DATA COLLECTION/RESEARCH CONDUCTION IN FAVOR OF MR. DANFORD MAHWERA.

Reference is made to your letter which dated on 10th December, 2016 regarding above mentioned subject matter.

Kindly be informed that you're student **Mr. Danford Mahwera** who is pursuing PhD and his study focuses on examination of issues related to consumer preference and their impact to the cotton value added products strategies in Tanzania Textile sector has been accepted for data collection/ research conduction as from December, 2016 to April, 2017 at Tanga City.

We are looking forward to receive the student.

Gloria A. Malleo
For; REGIONAL ADMINISTRATION SECRETARY
TANGA.

Copy to; Regional Administration Secretary,
TANGA - *see in the file.*

City Director,
TANGA City - *for your action,*

Mr. Danford Mahwera

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

MWANZA REGION:
Address : "REGCOM"
Telephone No: 028 – 2500690
Fax:028-2541242/2501057
In Reply please quote:
Email:rasmwanza@pmoralg.go.tz
In reply Please Quote:

REGIONAL COMMISIONER'S OFFICE,
P. O. BOX 119,
MWANZA

Ref. No. **FA.222/264/01/104** **16/12/2016**

City Director,
Nyamagana,
Mwanza.

RE: RESEARCH PERMIT FOR MR DANFORD MAHWERA

Please refer to the above heading.

The above named is a bonafide PHD research Student at the University of Huddersfield in the United Kingdom, Sponsored by the University of Dar-as-Salaam.

He has been granted a permit to collect data for his research focuses on the examination of preference and their impact to cotton value added products strategies in Tanzania textile Sector.

The research is planned to start from December, 2016 to April, 2017.

Please accord him any necessary assistance he may need in completion of his research.

Thank you.

Nyasasi T.P
For: **REGIONAL ADMINISTRATIVE SECRETARY**
MWANZA

Copy: Mr. Danford Mahwera
Assistant Lecturer, University of Dar es Salaam
And PHD Student at University of Huddersfield,
School of Art, Design and Architecture
QSB 1/02
HD I 3DH Huddersfield, UK.

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

Telegrams: "REGCOM"
Telephone:2545608/2502289/2545870
Fax No. 254-5239
E-Mail: rasarusha@yahoo.com
E-Mail: ras.arusha@pmoralg.go.tz
Website: www.arusha.go.tz
In reply please quote:
Ref. No. FA.195/223/01'J'/74

REGIONAL COMMSSIONER'S OFFICE,
P.O. Box 3050,
ARUSHA.

23/12/2016

District Administrative Secretary,
Arusha District,
P. O. Box 1,
ARUSHA.

RE: PERMISSION TO CONDUCT
RESEARCH/COLLECT DATA IN ARUSHA CITY

The reference is made to the letter dated 17th December, 2017 concerning the above subject.

I am taking this opportunity to inform you that **Danford Mahwera** who is a PhD research student at the University of Huddersfield in the United Kingdom sponsored by the University of Dar es Salaam at the moment conducting a research titled ***"A study on Strategy for Development of a sustainable Textile Sector in Tanzania".***

He has been granted permission to conduct his research/Data collection in **Arusha City** from **December, 2016 to first week of April, 2017.**

Due to this, you are requested to render any necessary Administrative Assistance to enable him to accomplish the intended objective of his research.

Your cooperation is highly expected.

(V. B. William)
For: **REGIONAL ADMINISTRATIVE SECRETARY**
ARUSHA

Copy to:
Danford Mahwera,
Assistant Lecturer UDSM & PhD student of
the University of Huddersfiel, UK.

VBW/SAM

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