



Carme Moreno-Gavara, Ana Isabel Jiménez-Zarco

# SUSTAINABLE FASHION

Empowering African Women Entrepreneurs in  
the Fashion Industry

PALGRAVE STUDIES OF ENTREPRENEURSHIP IN AFRICA



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Editors

# Sustainable Fashion

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in the Fashion Industry

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# CONTENTS

<b>1</b>	<b>Introduction</b>	<b>1</b>
	Carme Moreno-Gavara and Ana Isabel Jiménez-Zarco	
<b>2</b>	<b>Fashion Sector Outsourcing to African Countries: Taking Advantage of Low-Cost Labor?</b>	<b>5</b>
	Renato Botti	
<b>3</b>	<b>Sustainability in Global Value-Chain Management: The Source of Competitive Advantage in the Fashion Sector</b>	<b>37</b>
	Ana Isabel Jiménez-Zarco, Carme Moreno-Gavara and Jean Claude Stone Njomkap	
<b>4</b>	<b>The Fashion Industry in Africa: A Global Vision of the Sector</b>	<b>77</b>
	Miriam Aziz, Charbel Salloum and Laurice Alexandre-Leclair	
<b>5</b>	<b>Female Entrepreneurship in the African Fashion Industry: A Review of Its Determinants and Characteristics</b>	<b>99</b>
	Hashim Sabo Bello	
<b>6</b>	<b>Challenges and Opportunities for Women Entrepreneurs</b>	<b>115</b>
	Carme Moreno-Gavara, Ana Isabel Jiménez-Zarco and Sheriff A. O. Alabi	

<b>7 Case Studies from Africa</b>	147
Bamidele Wale-Oshinowo, Sorbarikor Lebura, Nejla Yacoub and Laurice Alexandre-Leclair	
<b>8 Discussion, Conclusion and Recommendations</b>	183
Carme Moreno-Gavara and Ana Isabel Jiménez-Zarco	
<b>Index</b>	195

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# LIST OF FIGURES

## Chapter 2

- Fig. 1 EU: Fashion industry employment by country  
(*Source* EURATEX [2016]) 19
- Fig. 2 Working-age population (*Source* Africa Competitiveness  
Report [2017] Figure 1 [modified]) 30

## Chapter 5

- Fig. 1 Internet penetration in African countries, 2018  
(% population) (*Source* Internet World Stats 2018) 100

# LIST OF TABLES

## **Chapter 2**

Table 1	Distribution of total value in the fashion sector	7
Table 2	Companies and jobs in the EU	18
Table 3	Global competitiveness index: Africa vs. Europe and USA	31

## **Chapter 4**

Table 1	United States textile and clothing imports, 2016	81
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## **Chapter 7**

Table 1	Women's tertiary educational background	166
Table 2	Other determinants of entrepreneurial decision	168
Table 3	Gaps for women's entrepreneurship in Tunisia's textile industry	171



## CHAPTER 1

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# Introduction

*Carme Moreno-Gavara and Ana Isabel Jiménez-Zarco*

The present work addresses three issues in the future development of the African continent: sustainability, women's entrepreneurship and the fashion industry. If, taken separately, the management of these three elements is a strategic issue, treated together they create a high impact on Africa at economic, social and environmental levels.

Since the year 2000, the African continent has demonstrated strong economic growth. In particular, some poorer countries have shown growth rates much higher than those of developed countries, in some cases exceeding 6% annually. The pattern of development followed, however, is not efficient enough to guarantee progress or economic and social stability in the medium and long term. Africa, based on the exploitation of its raw materials and the development of labor-intensive activities—and not on knowledge—has become a vital source of resources to be exploited by developed countries. In the short term, this

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model guarantees economic growth, but in the long term it is neither sustainable nor inclusive.

As well as the risk of depletion of raw materials, African countries face high rates of youth unemployment, especially among women. According to a report by the International Labor Organization (ILO), the participation of women in the labor market is 16.6 points lower than that of men. Women mainly have low qualifications, are poorly paid and occupy precarious positions in sectors such as manufacturing. Although supranational organizations, such as the UN and the World Bank, have highlighted the need for a change in the development model, it is the social agents of the affected countries—governments, companies and society in general—who need to undertake structural change such that the model of development is sustainable in all dimensions.

The strong attraction of African fashion for international markets has led to this sector showing high potential for development in some countries. Its importance may even be such that the fashion industry may be regarded as a potential driver of growth. It is true that critical investments by international companies in the sector have favored the appearance of a local industry that directly or indirectly depends on them. And although the activities developed are of low added value, for some local communities it has been the turning point in their fight against poverty and marginalization.

For the future, these countries have to consolidate a local fashion industry capable of generating a “drag” effect on other economic sectors. The strategic model of this industry needs rethinking, with investment in the creation of products with high added value. The use of sustainable raw materials, the development of energy-efficient and non-polluting production processes, and improved working conditions will all contribute.

Women represent about 80% of the total workforce employed by the fashion industry. However, their precarious situation is one of the main obstacles to growth. In Africa, gender inequality goes far beyond just lower wages and difficulty obtaining positions of responsibility or resources such as funding or training. In some countries, to be a woman means to be a second-class citizen with no rights (of either recognition or consideration), and living in extreme poverty. In many families, these women are the only source of income and are solely responsible for households of children.

Training in competences for life and the empowerment of women through female entrepreneurship are emerging as solutions to this situation. In particular, the creation of a small fashion business is a route taken today by many women that enables them to escape the complex personal, family and social situations in which they find themselves.

Many examples of African female entrepreneurship can be found that are contributing to the creation of a nascent local fashion textile industry. The growth of female entrepreneurship in some African countries is encouraging the development of growing business networks where women occupy a central place.

The environment will be a determining factor in the entrepreneurial process, as it influences the model of entrepreneurship for women. Threats and opportunities will be determined by factors such as legal regulations, access to finance and the existence of an industrial fabric. Even the natural resources and cultural traditions of the territory will contribute to determine the future of the project. This is particularly relevant for sustainable fashion where the area's natural resources, as well as the know-how gleaned from cultural traditions, could be the differential element of the product offer. Differentiation is critical for the success of a product. In the field of fashion, the use of natural fabrics and original designs is one of the latest trends. Whether it is creating products for big brands or selling products under their own brand, directly through conventional and unconventional commercial channels, the development of a sustainable-fashion industrial fabric offers significant opportunities for women entrepreneurs.

The in-depth analysis of this topic is organized in this work as follows.

Chapter 2 by Renato Botti, "Fashion sector Outsourcing to Some African Countries: Taking Advantage of Low-Cost Labor?", analyzes how globalization has affected the fashion industry over time. The ecosystem of fashion, the different agents it contains and the relationships between them are studied in depth. The chapter ends by exploring the main challenges facing the sector.

Chapter 3, "Sustainability in Global Value-Chain Management: The Source of Competitive Advantage in the Fashion Sector", is by Ana Isabel Jiménez-Zarco, Carme Moreno-Gavara and Jean Claude Stone Njomkap. The chapter looks at the concept of value, and how consumers perceive sustainability as increasing the value of fashion products. It then examines how companies create value along the value chain, and

what type of structures they develop to achieve it. Finally, the fundamental role that local suppliers from African countries can play in this value creation through sustainable raw materials and processes is described.

Chapter 4 is by Miriam Aziz, Charbel Salloum and Laurice Alexandre-Leclair and is entitled “The Fashion Industry in Africa: A Global Vision of the Sector”. This chapter provides an overview of Africa’s fashion industry, examining the differences between the regions of North and South Africa. It reviews challenges and opportunities for the fashion industry, and the significance of level of development, type of product, and ability to achieve environmental, social and economic sustainability.

In Chapter 5, “Female Entrepreneurship in the African Fashion Industry: A Review of its Determinants and Characteristics”, Hashim Sabo Bello reviews the role of women, especially young women, in entrepreneurship in the fashion sector, and defines some of the features that characterize them on a personal level.

Chapter 6, “Challenges and Opportunities for Women Entrepreneurs”, is by Ana Isabel Jiménez-Zarco, Carme Moreno-Gavara, and Sheriff A. O. Alabi. It shows how women entrepreneurs in Africa generate significant benefits for their countries economically, socially and environmentally. They continue, however, to face significant cultural, social and legal barriers to the entrepreneurial process. The support of governments, institutions, and local and international companies will be vital to the development of entrepreneurial initiatives among women in the sustainable fashion sector and above all, to the consolidation over time of empowering business activities that provide equality for women.

In Chapter 7, “Case studies from Africa”, Bamidele Wale-Oshinowo, Sorbarikor Lebura, Nejla Yacoub and Laurice Alexandre-Leclair present case studies from Ghana, Kenya, Nigeria and Tunisia where, in recent years, women entrepreneurs have been consolidating a strong position in the sustainable fashion industry.

Finally, Chapter 8 by Carme Moreno-Gavara and Ana Isabel Jiménez-Zarco brings together the main conclusions of this volume. In general terms, despite the existing difficulties, female entrepreneurship offers significant opportunities, not only for this group but also, at an economic and social level, for the whole territory. The use of the territory’s natural resources increases the attractiveness of a developing industrial network led by women. Now it only remains for local and international organizations to understand the situation, and put in place the measures required for its further development.



# Fashion Sector Outsourcing to African Countries: Taking Advantage of Low-Cost Labor?

*Renato Botti*

## 1 INTRODUCTION

If any sector has understood the need to listen, adapt and capitalize on trends, that sector has been fashion. These needs can currently be regarded as the industry's DNA, the *raison d'être* of its companies' mission, and the central element in its business strategy.

Companies are living in a dynamic environment where: (a) new standards of production are emerging; (b) sectoral boundaries are blurred; and (c) technology acts as both an accelerator and facilitator of the development of the sector, at the same time constituting a channel for information, communication, and dialog between the companies and their clients, and offering infinite possibilities of advancement to the sector. A revolution is taking place in the relationship of consumers with the world's companies, and in their position in a value chain that is increasingly an interconnected, ultra-fast and sophisticated network.

---

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If its future is to be guaranteed, the fashion sector has to demonstrate its proactivity and anticipate change. So, from a strategic point of view, understanding the consumer both as an individual and from a societal point of view is critical. At the individual level, based on the decisions made by consumers, companies need to identify the specific concerns that, one way or another, drive their purchasing decisions or improve their engagement with the brand. From the societal point of view, the understanding of consumers' needs and impulses has to be applied to the commercial cycle, with the advantage of all the opportunities that this new paradigm offers to the industry. Understanding consumer trends and picking the right time and place to apply them to the value chain is one of the greatest challenges that the fashion ecosystem will face in the coming years.

Despite its glamour, it could be said the fashion sector is as old as humanity itself. Studies date the birth of textiles to about 100,000 years ago, and they continue to be an essential cog in the world economy today. The global fashion industry is worth US\$3000 billion or 2% of the world's Gross Domestic Product (GDP).<sup>1</sup> Despite its strength and size, the visibility of this industry is not as high as that of other sectors such as banking or telecommunications.

The structure of the sector is complex, ranging from large retailers to wholesalers, through an infinity of self-employed individuals and micro-enterprises, serving a wide range of markets from luxury to low-cost. Fast and sophisticated, it encompasses a large number of professions and requires highly specialized talent training to serve an increasingly complex client base.

On the other hand, it is a sector that is highly influenced by the social environment, where a high stakeholder group has the capacity to affect companies' future. It is also characterized by globalization, which results in companies having a presence in a large number of markets, makes different agents and elements affect the business strategy, and has led to an increase in both the number of actors and their ability to influence. Indeed, the advent of globalization has been seen as a force that could revolutionize the fashion industry, especially categories such as textiles and clothing.

<sup>1</sup>Data <https://fashionunited.com/global-fashion-industry-statistics>.

**Table 1** Distribution of total value in the fashion sector

<i>Category</i>	<i>Value (billions of US\$)</i>
Luxury goods	339.4
Menswear	402
Womenswear	621
Bridal	57
Childrenswear	186
Sports footwear	90.4

*Source* FashionUnited

It is also a sector with a plurality of product categories (such as textiles, footwear and accessories) and services, as well as a complex value chain comprising expert companies in one or more phases, and a great diversity of distribution channels. All this requires specialist knowledge to understand the investment and improvement opportunities. Table 1 shows the distribution of the sector's combined value.

From the consumer's point of view, over time new positions have emerged around fashion that are increasingly complex and ambiguous, products of the individualism, multidimensionality and multiculturalism that characterize the new mass society. Fashion trends, social movements, preferences and tastes are influenced by an unconscious and mysterious amalgam of social factors that are increasingly difficult to decipher. Other factors to be considered are the personal and social mechanisms of perceiving relationships, drawing similarities, finding patterns, provoking desires and generating expectations.

From the industry point of view, there is an increase in outsourcing activities. The economic theory behind this idea was simple: labor could be exported to other countries, such as developing countries, which offer cheaper labor, and this would result in fewer jobs for domestic artisans and workers. However, the reality has reshaped the fashion industry in different ways. First, strategically: providers, producers, retailers and consumers recognize no borders, and since their value chains are international, they need to act in an integrated way, involving information and processes on a global scale. There are also social, political and environmental effects. The old roles change, new actors appear in the industry, and social and consumption trends born at international level demand of companies not only ethical and responsible behavior but also high added value, exclusive products that demonstrate economic, social and environmental sustainability.

This last idea is central to this chapter's analysis of the phenomenon of the globalization of the fashion industry, and of how leading companies in the sector have opted to outsource an essential part of their activities to third countries, mainly in Africa and South-east Asia. We will examine the situation in Africa, one of the largest suppliers of raw materials and labor in the clothing and textile industries, and analyze the factors that determine the competitiveness of Africa compared to other regions.

We conclude that European collaboration with Africa needs to be rethought. A common misconception is that wages are the most critical factor when it comes to determining a potential location for the outsourcing of labor. We argue that this is not the case and identify several other important determining factors.

## 2 THE FASHION INDUSTRY: EVOLUTION AND PRESENT SITUATION

From a historical point of view, the globalization that the fashion sector has experienced is not a response to a single event but is the result of a combination of events that have taken place over time.

### 2.1 *The Evolution of the Fashion Industry: The Four Revolutions*

The main features of the first and second industrial revolutions in the nineteenth and early twentieth centuries were the use of coal and iron for industry in 1780–1850 and later, from 1850 to 1914, the steel and electricity revolution.

The first industrial revolution had a direct connection with the fashion industry because some of the principal inventions enabled development and improvement of new fashion concepts. Fashion ceases to be a privilege for the upper classes, mainly because the introduction of new machines for the construction of clothing—sewing machines, power looms and weaving machines—as well as new dye formulas and other inventions increase the speed and ease of clothing manufacture (Pendergast and Pendergast 2004). Changing tastes create a new sense of fashion in the general population. Fashion is close to people and becomes a status symbol (Montagna 1981). According to Frings (2005), the industrial revolution brought social changes including improved working conditions, as well as an improvement in the economic conditions of families. A middle class emerges that spends money on products of the fashion industry.

The second industrial revolution at the turn of the twentieth century was a phase of rapid industrialization with an increase in technological inventions (Rifkin 2014). Mechanization of the industry improves workers' efficiency and productivity. Automation allows textile factories to hire an unskilled workforce to perform repetitive and straightforward tasks under the direction of skilled staff, so they can hire a cheaper workforce, reducing production costs and lowering the prices of the products (Pacheco 2012).

Fashion consolidates as a way of life, and the marketing function begins to assume some importance as part of the business strategy. Communication and retailing are intensively used to make a wide variety of products available to customers—mainly clothes, shoes and other accessories. Fashion shows become authentic shows, window dressing is introduced in haute couture and jewelry, while catalogs are popularized for customers. At the same time, in the field of distribution, luxury brands begin to open establishments abroad, and other companies start to use intensive distribution systems such as department stores.

Intensive technological development is the cause of the so-called third industrial revolution. Large-scale production, together with the creation of new commercial systems, consolidates the *prêt-à-porter* phenomenon. Fashion, once a product only accessible to those with high incomes, is democratized. To expand their markets, companies in the sector begin to apply marketing strategies aimed at strengthening the commercial brand, or expanding and diversifying its product portfolio. Thus companies opt for (a) concentric diversification of their offer, marketing textiles, accessories, perfumes and underwear, or (b) creating product lines adapted to different customer segments according to age, gender or lifestyle.

In the 1990s, when globalization of the sector begins, the fashion industry is concentrated mainly in Europe and North America. Three phenomena foster this development. First is the development of a strong fashion industry in countries such as Japan, China and South Africa, where local fashion brands become relevant internationally and begin to open outlets in large fashionable centers like London, Paris, New York or Barcelona.

Second, the big fashion companies—mainly from Europe and the USA—begin to outsource some of their activities, including the supply of raw materials and production. By subcontracting activity to local suppliers or directly relocating production plants, companies in the fashion industry move their activities into developing countries. As a result, some African and South-east Asian countries become suppliers