

## **THE TEXTILE INDUSTRY IN NIGERIA/AFRICA-WHAT HOPE FOR SUSTAINABILITY?**

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### **BACKGROUND INFORMATION**

The economy of Nigeria in the early 1960s through the late 70s was dependant on agriculture as a predominant source of livelihood. The Country used to produce a huge chunk of cotton for her domestic requirements in addition to exporting to some neighbouring countries. In the 70s Cotton was one of the main exportable cash crops for many states in the then Northern Nigeria. The cotton belt spread across the North West, North Central and North Eastern geo-political zones. These are states where there is concentration of cotton farming communities, processing factories and Cotton Processors Associations, etc.

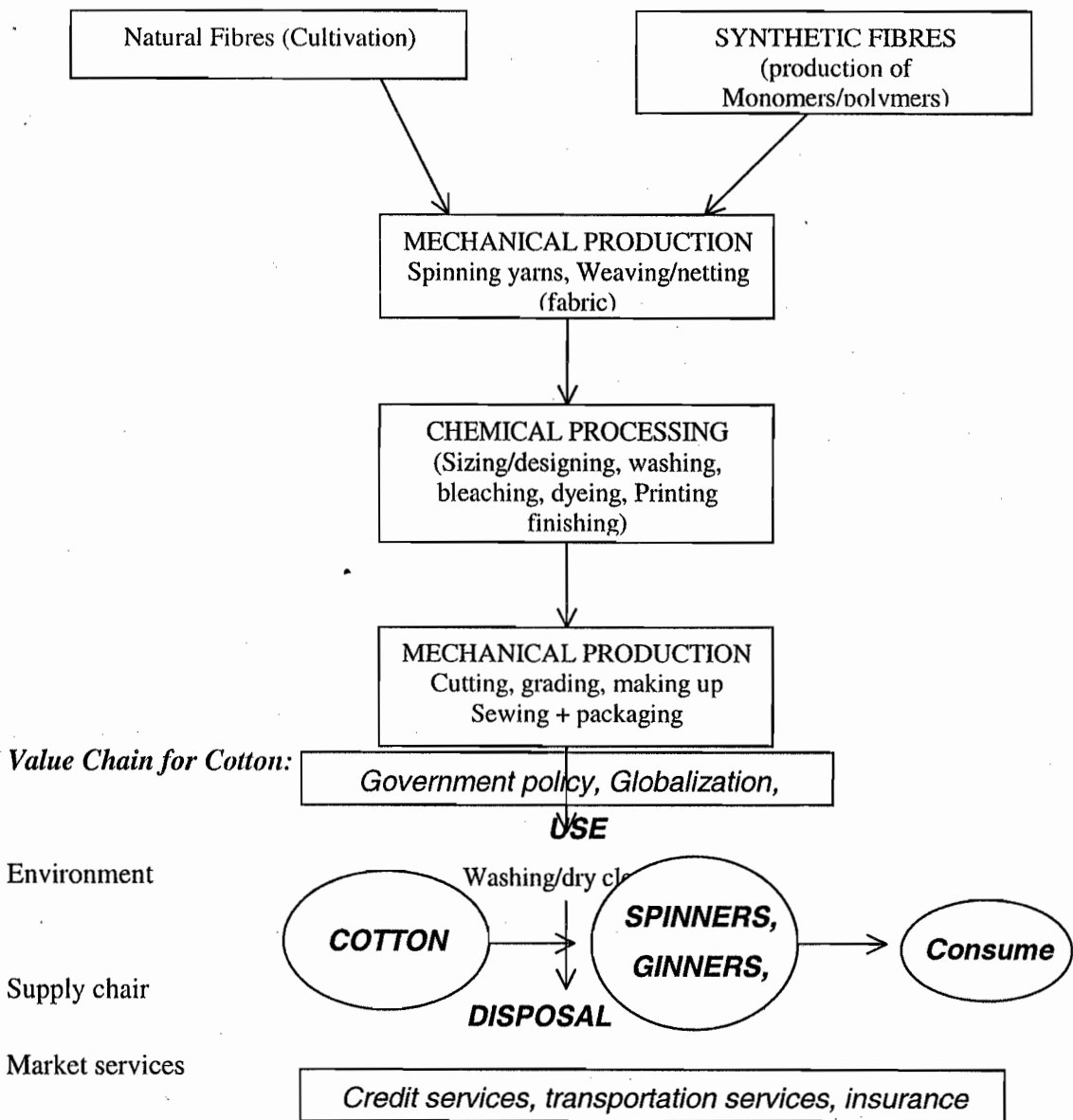
There are thirteen (13) major cotton producer states (Kano, Jigawa, Sokoto, Kebbi, Katsina, Borno, Yobe, Taraba, Adamawa, Niger, Bauchi, Gombe and Kaduna) and 9 minor producing states in Nigeria. The cotton belt is well known in cotton production with Kaduna, Kano and Katsina acting as the major textile industrial centres for Nigeria.

However the oil boom of late 70s adversely affected the agricultural base of Nigeria's economy and today; the orientation of the economy is that of heavy dependency on oil, services and huge importation of textiles from other neighbouring countries and, Europe. Government interest in the sector seemed to have declined. This has sadly consigned the agriculture sector to the background – The consequence of this is that the morale of the farmers dropped to its lowest. They lack incentives to pursue their traditional means of livelihoods, which subsequently has led to the premature closure of most textile industries if not all. This contributed to huge unemployment and increased rural-urban migration with huge negative impact on the rural areas.

While cotton was one of Nigeria's main primary products, cotton producer groups in the Cotton Belt were marginalized by many factors and have very little influence and decision-making concerning their livelihoods, which eventually led to decline in the sector. Lack of market regulation and protective policies for the local industries manifested in the under capacity utilization of her industrial endowment resulting in unemployment and rural-urban migration which are responsible for insecurity in Nigeria's urban centres. Cotton and textile industry have therefore ceased to be an important contributor to foreign earnings and employment generation in Nigeria.

The effects of trade barriers from the globalization of markets have impacted negatively on textile business in Nigeria vis-à-vis cotton production. The resultant effect is a shift from

the production of the commodity and under capacity utilization of the textile industries. Further implications of these are the macro economic indices of unemployment, the exportation of raw seed cotton or at best in its semi finished production forms i.e. lint, yam, etc.



**Fig. 1: Analysis of the state of Textile Sector in Nigeria**

- Biggest non-oil manufacturing industry.
- Basic industry in developing countries foundation of development).
- Nigeria textile industry is the sub-Saharan Africa in terms of capacity.
- Textile industry is an agro-allied industry, linked directly to cotton.

- Most labour intensive industry – poverty alleviation, employment generation and job creation, income security, etc. A factory has the capacity to employ about 700 persons.
- Textile industry is important because of its capacity for backward integration into cotton production.
- Unlike the Francophone countries (Burkina Faso, Mali, Benin), Nigeria has the capacity to add value in production of finished products.
- Currently, the middlemen cotton merchants buy cottonseeds, subject them to ginning and export. Cotton merchants are very organized. There is an estimated loss of USD5.00 per kilogram in the export of ginned cotton against imported fabrics.
- Textile industry contributes to Cotton Revolving Funds, managed by the Federal Ministry of Agriculture and used in subsidizing inputs for cotton farmers.

The sexual division of labour in agriculture is significant – women do not grow the same crops as men, do not do the same tasks, use the same tools, nor have access to the same resources (land technical assistance, agricultural inputs, markets etc.). Furthermore, women often have social obligations to work on their husband's land whereas the inverse is not the case. Therefore interventions with male small-scale farmers will have an impact on women's workload.

Within the context of globalization, open market policies and current falling oil prices, Nigeria cannot afford to continue depending on oil **alone** if the country is to deliver impact on poverty reduction and ensure an acceptable standard of living for its people.

To analytically understand the dynamics of cotton farming in Nigeria and the challenges ahead, it is important to answer the followings;

- What are the dynamics of cotton business in Nigeria?
- What are the major issues and constraints relating to cotton production, marketing and their impacts on the livelihoods of the small-scale women and men farmers? (employees, small farmers, small traders and suppliers)?
- What are the opportunities (internal and external) for growth and development of cotton/textile sector?
- What practical intervention strategies are required for revamping cotton farming and development in Cotton Belt of Nigeria including – review of land and agriculture policy.
- How can the existing policies and practices be reviewed to impact positively on the livelihood of cotton growers, particularly women and textile industry – subsidies, trade barriers, standardization, dumping, import liberalization, patent rules.
- What are the capacity and market constraints of textile industry and its impact on the livelihoods of the poor in the area.

In this context the challenges are to find out the alternative livelihoods coping mechanisms, the importance of cotton as strategic crop, issues related to Nigeria.

Trade Policies, import liberalization, dumping, Labour rights, trade barriers, agricultural subsidies, patent rules for poor countries, etc.

## **FAIR TRADE AS POTENTIAL STRATEGY FOR ADDRESSING THE CHALLENGES OF COTTON AND TEXTILE INDUSTRY IN NIGERIA**

### **WHAT IS FAIR TRADE?**

In a country like Nigeria where 70% of her population lives in rural areas, fair trade is a viable option that can easily facilitate the development of rural communities through a deliberate small and medium enterprise oriented development approach. This will guarantee employment generation, daily income for real labour as against the practice where the Middleman (not engaged in any labour) benefits more than the actual producers.

Fair trade is therefore “an alternative approach to conventional trade. It’s a trading partnership, which aims at sustainable development for excluded and disadvantage producers. It seeks to do this by providing better trading conditions by awareness raising and by campaigning”.

- Fair Trade is an inclusive economic model which provides fair and equal business access and trade opportunities.
- Fair Trade creates opportunity for economic power and security that enables the individual to large make choices in his life and can pay for his primary needs.
- FT strengthens producing community’s capacity to overcome exploitation and injustice.
- FT is a development process through which people move from a position of powerlessness to empowerment, from vulnerability to security and from material poverty to income and assets.
- FT is not just about fair price and appropriate reward for labour, but about opportunity to develop skills, improve profitable market access, healthy working environment and democratic tenets.

### ***Main actors:***

- Fair Trade importing organizations
- Democratically organized producers
- World shops
- Fair Trade labeling initiatives.

### ***Umbrella FTOs:***

- Fair Trade Labeling Organization (FLO)
- International Federation for Alternative Trade (IFAT)
- Network of European World Shops (NEWS)
- European Fair Trade Association (EFTA).

### The Goals of Fair Trade:

- To improve the livelihood and well being of producers by transparency and respect.
- To campaign for changes in the rules practices of conventional trade.
- To protect human rights by improving social justice and sound environmental practices and economic security.
- To discourage child labour.

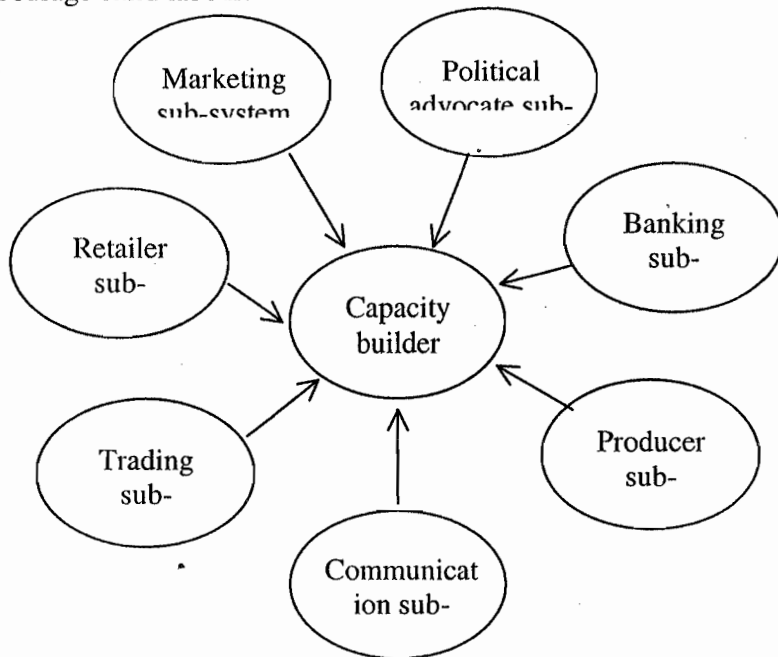


Fig. 2: Fair Trade Market Development

### COTTON AND TEXTILES PRODUCTS MARKET POTENTIALS

- High market potentials locally because of our population and dress styles.
- Household accessories/for interior decorations.
- **Has sustainable potential because of its lifespan.**
- Azo dyes – usage is banned because it irritates the body.
- Organic dyes e.g. indigo are more acceptable than chemical dyes-these are available
- Wax is useful for blocking and designing of patterns, which are more eco friendly. Bee wax is organic and can readily fit in.

### CURRENT AND EXISTING POLICIES

- Privatization without the proper process leads to influx of upgraded seeds as input support
- Cotton revolving committees and funds of Federal Government in 1994
- Commodity marketing company
- Commodity boards

- Federal Ministry of Commerce and Industry as a major stakeholder because of the textile aspect.
- African Growth Opportunity Acts (AGOA).
- New Partnership for African Development (NEPAD) – the major comprehensive agricultural programmes include rural access and cassava as major agricultural product. There is planned attention to other bankable agricultural products.

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**Fair Trade Market Development**

