# Garment Industry and Economic Empowerment: A case study of Swaziland

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## Abstract

This paper examines the extent to which garment industry in Swaziland has contributed to the economic empowerment of the Swazi people through creation of new jobs and improvement in their overall welfare. In Swaziland as elsewhere in many African countries, unemployment has been and is still a major constraint to the country's sluggish economic growth. In response to the unemployment situation in the country, Swaziland Investment Promotion Authority (SIPA) was established in 1977 under the Ministry of Enterprise and Employment with the main aim of attracting, encouraging, promoting, and facilitating both local Foreign Direct Investments (FDIs) in the country. Among the efforts to entice foreign investors into the country was the construction of several factory shells to be used by would be investors. This initiative led to the influx of garment firms into the country primarily driven by the African Growth and Opportunity Act (AGOA). This analysis is based on a survey data of 235 employees randomly selected from five garment firms in the country. Understanding the actual contribution made by the garment industry towards the country's economy is important for the government for it to reassess its economic policies regarding unemployment and poverty alleviation strategies. The empirical results show that the industry created employment for 64% of the sample, most of them females. It also enhanced the general welfare of the people by improving family expenditures on education, health and ensuring food security. Consequently, it can be concluded that the industry has the potential to contribute significantly to the economic empowerment of the Swazi people.

Keywords: Economic Empowerment, Garment, Investors, Swaziland

## Introduction

Empowerment is the process by which the disempowered, or powerless people can change their circumstances and begin to have control over their lives. According to Kabeer (2000), poverty and disempowerment generally go hand in hand. The concept of empowerment as enshrined in the Millennium Development Goals does not focus on only economic growth but on the overall human well-being and poverty reduction

In Swaziland, the term economic empowerment is used often nowadays by government officials. This is because of the earnest desire by the government to reduce unemployment and poverty among the people. About two thirds of the Swazi population live below the poverty line of E128.60 per month implying that they cannot afford decent food, health care or education for their children (1 USD = E6.6540) (Times of Swaziland, Friday, March 11, 2005). According to the country's finance minister, rural poverty is consistently high at over 70% of the population in all administrative regions of the country (Times of Swaziland, Friday, March 11, 2005). The unemployment rate in the country estimated in year

2001 stood at 21% (TURP, 2001). Around 30% of the country's youth is unemployed (Times of Swaziland, June 13, 2005).

In response to the unemployment situation in the country, the Government of Swaziland formulated a National Development Strategy in 1977 which focuses on the various possibilities of job creation and poverty reduction in the kingdom (Ministry of Economic Planning and Development, 1999). To implement some of the strategies, Swaziland Investment Promotion Authority (SIPA) was established in 1977 under the Ministry of Enterprise and Employment with the main aim of attracting, encouraging, promoting, and facilitating local and Foreign Direct Investments (FDIs) in the country (SIPA, 2005). Among the efforts to entice foreign investors into the country was the construction of several factory shells to be used by the would be investors. This initiative led to the influx of garment firms into the country primarily driven by the investment agent (SIPA) and the African Growth and Opportunity Act (AGOA) (Swaziland Business

Yearbook, 2002). The rapid development of the garment industry in the country started in 1997 (SIPA, 2005). At moment, the industry consists of 40 firms scattered around the major towns in the country (SIPA, 2005. Understanding the actual contribution made by the garment industry towards the economic empowerment of the citizens is important for the government for it to reassess its economic policies towards its citizens' economic empowerment endeavours.

The purpose of this paper is to examine the extent to which the garment industry in Swaziland has contributed to the economic empowerment of its citizens. The specific objectives are: (i) to assess the extent of contribution the garment industry has made towards the creation of new jobs and thus helping to reduce unemployment and poverty among the people, and (ii) to determine its contribution towards the overall improvement of the well-fare of the people.

## Materials and Methods

### Sample Selection

A survey of 235 garment workers was conducted to solicit their views on the topic. The target population was Swazi employees. The selection of the respondents involved a multistage sampling design. In the first stage, five firms located in Matsapha were purposively selected. This notwithstanding, it is believed that inference of the findings can be made to all employees in other garment firms in the country since the characteristics of the workers and the working conditions as often reported in the media are similar for all the garment employees in the country. Matsapha is about 10km from Manzini, the commercial hub of the country. The second stage involved the listing of all Swazi employees from each of the five selected firms and the apportioning of the proportionate share of respondents to be selected from each of the firms. At the third (the final stage), the respondents were randomly selected from the five firms according to the stratified proportion of each firm.

### Data Collection and Analysis

The primary source of data used was a drop-off questionnaire survey of the garment workers conducted between November and December 2004. Three hundred and sixty questionnaires were given to the managers from the five selected firms to distribute among the employees who had earlier on been randomly selected as respondents. A total of 235 usable questionnaires were returned and processed, representing a return rate of 65.3%. The data were subjected to descriptive analysis. Frequencies and means were computed for the total sample and sub-samples when needed.

## Results and Discussion

### Socio-economic characteristics of the Sample

The respondents' ages ranged between 20 and 42 years with an average of 28, implying a relatively youthful working population (Table 1). This information reveals that the garment industry in this country unlike other countries makes no use of child labour. As reported by Jayaweera (2003), the majority of workers found in the garment industry in Sri Lanka are young, belonging to the age group of 16 to 29 years. About 85% of the sample were found to be females. The reason for this could be that garment work is considered worldwide to be more feminine work (Watkins, 2002). This finding is in agreement with other writers who have reported that there are more women working in the garment industry than men (Jezkova, 1993; Thomas, 2001).

All the employees had at least 7 years of formal schooling with most of them having completed secondary or high school. None of them had university education. Sixty-two percent of the sample were not married, notably the female workers. In addition to the already alluded fact that garment work is more feminine, the single women are not traditionally confined and could easily migrate from their dwelling places to pick up employment wherever they could find one. Close to two thirds (63%) of the sample workers migrated from the rural areas to join the garment industry.

### Contribution to employment creation and income

The industry provided employment to 151 out of the 235 people surveyed, representing 64.3% of the total. These people were unemployed at the time they joined the garment industry. A breakdown of this figure revealed that slightly more than half of them had never been employed anywhere. The reason could be that they were either new entrants in the job market or they could not find any job. The remaining half of the group had previously worked elsewhere but were jobless by the time they were hired by the garment industry.

The average monthly income paid to a worker by the industry amounted to E 886.60 ($135.00) (Table 1). Considering the fact that most of them were jobless before joining the industry and had no other sources of income, this amount can be considered to be very significant in their lives. Majority of the respondents were able to make a living from it (Table 2).

*Employees Welfare*

The ability of the employees to satisfy some selected basic family needs as a result of joining the garment industry is used as a proxi to measure improvements in their welfare status. The responses to similar questions by the respondents as to how they fared with regards to the selected welfare indicators before and after joining the garment industry are tabulated in Table 2. The responses were measured using a dichotomous variable and were coded 1 if the respondent believed his or her social status had improved, and 0 for otherwise. Majority of the employees were not able to adequately satisfy the selected family basic needs before they started working in the garment industry. However, after joining the industry, the employees' ability to satisfy the family needs with respect to the selected indicators considerably improved. This is due to the fact that those who were unemployed before joining the garment industry were now earning salaries. For example, the proportion of those who could afford to satisfy the family needs for food improved from 63 to 98 %, clothing from 60 to 84%, and rent from 47 to 81 %. The only exception to these positive changes in their welfare is the ability to savings. In as far as savings were concerned, the situation did not change much, only a marginal improvement from 17 to 18%.

## Summary and Conclusion

This study examined the potential contribution of garment industry in enhancing economic empowerment among Swazi citizens. The analysis in this paper showed that in deed the industry has made significant contribution to the economic empowerment of the Swazi people, notably among them are the women. This empowerment seems to have been driven by the provision of employment and improvement in the employees' welfare. Our results agree with the evidence provided by various studies on garment industry elsewhere in the world showing that garment industry has contributed

to the provision of employment to scores of female workers worldwide, and has economically empowered them.

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**Table 1**: Selected socio-economic aspects of the garment industry sample workers (n=235), Manzini, Swaziland, 2005

| Item | Value |
|---|---|
| Average age (years) | 28.0 |
| Percentage of sample who completed: | |
|   Primary school (7 years) | 3.8 |
|   Secondary school (3 years) | 35.7 |
|   High school or college (2 years) | 60.4 |
|   University | 0.0 |
| Gender composition of sample (%): | |
|   Female | 84.7 |
|   Male | 15.3 |
| Marital status of all sample units (%): | |
|   Single: | 61.7 |
|   Married | 35.7 |
|   Widowed (all were females) | 2.6 |
| Proportion sample (%) who before joining the garment industry were : | |
|   Unemployed | 64.3 |
|   Employed | 35.7 |
| Residential place before being employed by the industry | |
|   Rural | 63.0 |
|   Semi urban | 25.5 |
|   Urban | 11.5 |
| Av. monthly income paid by the garment industry (E) | 886.60 |

**Table 2:** Ability of respondents to satisfy selected family needs 'before and after' starting working in the garment industry, Manzini, Swaziland, 2004.

| Characteristic | Before Frequency | (%) | After Frequency | (%) |
|---|---|---|---|---|
| Food | | | | |
|   No | 87 | 37.0 | 4 | 1.7 |
|   Yes | 148 | 63.0 | 231 | 98.3 |
| Clothing | | | | |
|   No | 95 | 40.4 | 38 | 16.2 |
|   Yes | 140 | 59.6 | 197 | 83.8 |
| Rent | | | | |
|   No | 125 | 53.2 | 44 | 18.7 |
|   Yes | 110 | 46.8 | 191 | 81.3 |
| School fees | | | | |
|   No | 201 | 85.5 | 100 | 42.6 |
|   Yes | 34 | 14.5 | 135 | 57.4 |
| Health & transportation | | | | |
|   No | 148 | 63.0 | 82 | 34.9 |
|   Yes | 87 | 37.0 | 153 | 65.1 |
| Savings | | | | |
|   No | 195 | 83.0 | 192 | 81.7 |
|   Yes | 40 | 17.0 | 43 | 18.3 |
| Scale: 0 = No; 1 = Yes | | | | |