CHALLENGES AND PROSPECT OF TEXTILE MERCHANDISING IN POST-INDEPENDENCE NIGERIA AND ITS ROLE IN NATION BUILDING

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ABSTRACT

Giving many people in our society chances for work lowers unemployment and guaranteeing improved living circumstances for the populace. Textile mills make a significant contribution to the growth of the nation. The textile industry is one of the best businesses that employs more individuals than any other industry in the world. Although it contributes to the creation of employment and supports the nation's economy, there are so many challenges that militate against the industry. This study aims at highlighting some of those challenges and proffer solutions in other to help the industry strive. Therefore, this paper discusses the textile sector and its significant contributions to the economy. It reveals that the industry plays a crucial role in economic growth, particularly in countries that heavily rely on textiles to prosper. The paper recommends that textile industries should strive to produce textiles that are durable and sustainable that can command effective patronage.

Keywords: Challenges, Prospects, Textile Merchandizing, Post-Independence, and Nation Building.

INTRODUCTION

The capacity of the textile industry in Nigeria has unarguably diminished. The sector which held so much promise as the bulwark of industrialization, great revenue earner, and major employer of labour has now suffered a major fracture. This fracture of a key sector, with a huge multiplier effect on the domestic economy has remained an obstacle to development. In any economy, the level of processing and manufacturing and the volume of export of goods and services will determine the level of development in that economy. In the manufacturing industry, the textile sector represents a major hub of economic activity in most developing societies.

In Nigeria for example, the textile industry produced a wide range of products from printed fabrics like wax and African prints, guinea brocade, lace/embroidery, and shirting to furniture fabrics and towels, blankets, tarpaulin, carpets/rugs, fishing, and mosquito nets. It was also well known for different type of yarns like cotton, synthetic, rayon, and sewing threads amongst others. But most of these products are now facts of history and can only be remembered with nostalgia.

As Antoshak (2001) noted, after independence and up to 1985, the domestic economy experienced great expansion in the textile sector. The growth of the textile sector and its value chain was evident by the large number of textile industries operating at full capacity and holding thousands of direct and indirect employments. Antoshak (2001) further stated that from 1986 after the economy became highly deregulated with the coming of the Structural Adjustment Program (SAP), the growth and development in the textile industry began to dwindle. This downward slide in the sector has been progressive such that over the years all the gains have been lost. Nigeria is currently a bench-warmer in the textile industry classification in Africa because of the failure of successive leaders to develop policy options that could strategically retool the sector.

According to Antoshak (2001), by 1996, ten (10) years after the adoption of the Structural Adjustment Program (SAP), with economic deregulation, trade liberalization, and privatization as the vehicles for development, the entire manufacturing industry began to belch. The Western financial institutions pushed these policy options as though there were no alternatives and the consuming societies in Africa were not circumspect in its application. It has now become clear that some African societies like Nigeria have become victims of the Western-inspired economic policy. But in Asia the story was different. The Asian societies were not averse to the economic recovery plan from the West, but they were determined to have a say on how the entire process should proceed. The Western powers did not criminalize the Asian societies for moderating the implementation of the policy. This rational economic choice has been the catalyst for the massive development that has become the experience of most of Asian societies. They are now referred to characteristically as the Asian Tigers. The policy of SAP as an economic recovery tool was self-limiting as shown in the Asian and African societies. The textile industry needed to be protected from undue competition because it held the key to a large-scale domestic employment ratio and a huge source of national income receipts.

However the large-scale job losses in the sector have created a pool of unemployed Nigerians with a corresponding high poverty index. The level of poverty in the domestic economy is a major internal challenge in the textile industry. The prevailing high poverty levels have created a demand push for cheap textile materials and apparel which are largely smuggled. The textile industry has become the victim of the failure of the State to create a competitive economy, create employment, pay living wages to workers, and cater for the welfare of the citizens such that their economic status will be enhanced relative to the wealth of the country.

All indicators necessary to create an inclusive society have been compromised and poverty has been allowed to fester. The crave for the cheap textile materials have continued to grow even to the purchase of inner wears like stockings, singlet, panties and braziers amongst others. The economy is sliding dangerously down the cliff and the social implications of this level of penury is the progressive push of the internal conflict triggers to a combustible level.

The lack of a policy document, a lack of commitment, and unfavorable government policies in the sub-sector have been the primary setbacks for the local textile industry. Therefore, it can be concluded that the collapse of the majority of local textile factories, which left thousands of Nigerians jobless, was caused by the importation of cheap foreign textiles, the dumping of second-hand clothing and textiles, the rise in textile smuggling, and the low demand for locally produced textiles**.**

Challenges of Textile Merchandizing in Post-Independence Nigeria

The Huge Gap in Energy Infrastructure:

There are such issues relating to load-shedding or rationing or even out right black-out which have become regular occurrences of our domestic energy experience. In the face of this challenge, the investors who have resorted to self-help by providing alternative source of energy by using huge industrial generating sets are yet faced with the problem of shortage of diesel with its attendant high cost per litre. Close to this is the lack of adequate finance at the disposal of the investors.

Lack of Adequate Finance at the Disposal of the Investors:

This is evident from the high interest rates from commercial banks on loanable funds and the absence of long-term funds to aid manufacturing. The textile industry is the driver of most economies in the world going by the volume of employment it generates and the huge sum it adds to the national income balance sheet. But in Nigeria this understanding is still in short supply as

businesses are not easily supported. The average interest rate on loans from the banks in Nigeria is 22%. This is in addition to the hidden charges which is common in the banking industry in Nigeria.

Difficulty in Accessing Water for production

In the investigation, it was discovered that water was a crucial resource for the company's manufacturing operations as it was a textile printing company with several wet processes, from pre-treatment to finishing. Most textile companies don't have free access to water for manufacturing; as a result, the business relies on tap water that is bought at a cost. Due to the firm's high-water consumption, which raises the cost of manufacturing and results in the company's products being relatively costly, this cost the company a lot of money.

Smuggling of Textile Materials and Counterfeit:

There is also the challenge of smuggling of textile materials and counterfeiting which adequately defines the domestic textile narrative in Nigeria. Smuggling and counterfeiting are two major draw backs to the development of the textile industry. The motivation for this line of business is the fact that the local textile materials and garments are expensive, so the cheap smuggled and counterfeit products become ready alternatives for the consuming public who are largely poor and struggling out a living. This has continued to bolster the smugglers and counterfeiters such that the government now appears to have been overwhelmed. According to Ajila (2019), it was on the account of this, that government in 2015 lifted the ban on the importation of foreign textiles with the hope of stopping smuggling and generating huge revenue from import duties. But this has not stopped smuggling which has continued to hurt and undermine the textile industry in Nigeria.

The attitude of Ministries, Departments and Agencies (MDAs) and the non-implementation of the 2017 Executive Order 003 according to Ajila (2019), have also continued to hurt the textile industry. The textile industry cannot survive under this unkind and hostile domestic environment. An example here is Chellco Industry Limited and Zaria Industry Limited that produces blankets and tarpaulin respectively but have not been sufficiently patronized by the relevant MDA. Their blanket and tarpaulin needs are largely imported thereby denying these local mills the much-needed business opportunities which will stimulate the economy and create employment. The Executive Order 003 as it relates to the textile industry is also not fully implemented.

Prospects of Textile Merchandizing in Post-Independence Nigeria and its Roles in Nation Building

Nigerians Patronizing Locally made Products:

The textile industries should create products that will meet the standard that will make the people want to buy them, by so doing the people will be encouraged to buy Nigeria textiles and garments materials especially the uniformed forces. This understanding is key because the textile sector of the manufacturing industry holds a great future for the development of the country. Nigeria has good arable land for massive production of input materials, large domestic market and young population. The sector was the major employer of labour outside the public service in the 1970s and early 1980s (Underhill, 2009). This gain was however mindlessly frittered away because of the absence of a clear policy direction. The textile industry in Nigeria is not irredeemable. The internal constraining factors should be urgently addressed as radical remedial measures with overall eye on restoring hope in the sector.

Value Added Tax (VAT) Holiday by the Government:

As a deliberate policy option government should grant the surviving textile industries a Value Added Tax (VAT) holiday for about ten (10) years for keeping faith with the Nigerian economy despite all the challenges. This kind of gesture has inherent capacity to bolster the economy and once again return the textile sector to the path of growth and development for the overall benefit of the investors and the country. In the 2016 fiscal policy measures, government reduced import duties on eighty-nine (89) items to promote development in various sectors of the economy. In the textile sector, import duty for synthetic organic colouring matter, grease for the treatment of textile materials, and synthetic staple fiber was reduced from 10% to 5% between 2015 and 2019 (Ajila, 2019).

The window for this 5% duty payment could run for ten (10) years because of the huge rot in the sector already. The 2016 fiscal policy measures also granted 0% duty on machineries and equipment used in the textile sector from 2015 to 2019 (Ajila, 2019). This policy measure was intended to stimulate the confidence of stakeholders in the sector but the time frame is too short. This window could therefore be opened for at least another ten (10) years to stabilize the sector, generate employment and promote confidence in the sector as a strategic industrial base.

Government Interventions:

The administrative lapses and challenges that occasioned the 2009 Textile Development Fund (TDF) of N100 Billion to revive the textile sector should be a lesson for all future intervention initiatives (Ajila, 2019)). There was no evidence of any legislative oversight on the management of this huge fund and the management did not appear to have any immediate blue print on how to manage the huge fund either. The bottlenecks from these administrative lapses led to a period of delay in the disbursement of the funds which was meant to address the urgent needs in the textile industry. In future, the in-house textile unions must be part of any discussion for loans or grants

to the textile and garment sectors of the domestic economy. The government should also engage consultants who are versatile in the sector in future to evaluate the capacity of each textile mill before any further funds could be released to the sector. This measure is to enable government track the funds and ensure value for money.

Development and Implementation of a Holistic National Policy on Textiles:

Formulating and implementing strategic policies to function as a blueprint or action plan to guide and accelerate efficient production and sales operations of the local textile industries is one of the certain methods for the nation to develop and sustain its textile industry. This is extremely important because the investigation found no policy documents on the sector, which has been a problem for the industry's growth. The government, government agencies that are directly or indirectly involved in the operations of the textile industry, stakeholders, management of the textile industries, and textile institutions will need to work together to develop a comprehensive national policy document for the textiles sub-sector. These parties will need to discuss and formulate practical short-, medium-, and long-term strategies to revitalise the industry. This would essentially call for a full examination of the industry by subject-matter specialists, from the raw material base through finishing and marketing, as well as a paper that presents the genuine image of the sector to serve as a foundation for the creation of the national strategy.

Zero Percent (0%) Tariff on Importation of Textile Essentials

The majority of the manufacturing necessities used by the textile industry are imported from other countries with the payment of import duties on the entire value, thus raising the cost of textile manufacture. It is advised that the government eliminate all tariffs on the importation of all components necessary for textile manufacturing, such as raw materials, equipment, and spare

parts, in order to lower the cost of producing locally produced textiles and support the local textile industry's continued operation. As a result, locally printed cloth will eventually become more inexpensive, resulting in increased demand and an uptick in the economy.

Government to Subsidize Production of Locally-made Textiles:

The Nigerian textile sector faces intense price competition from low-cost international textiles and finds it difficult to compete because it does not get any government subsidies. Therefore, it is economically sensible for the government to provide some sort of subsidy to the local textile manufacturers in order to assist them to reduce production costs, boost productivity, and increase exports in order to maintain their operations. Due to the sub-high sector's energy and water use during production, this might be refunds on water and power bills. Once more, subsidies for input supply to cotton out-growers are required as part of an incentive programme to entice more farmers to switch to cotton cultivation and boost productivity to support the sector**.**

Government Policies:

There is the need to urgently implement the 2015 draft national cotton, textile and garment policy framework. This draft policy sought to evaluate the prospects in the entire value chain of the sector by addressing the fundamental issues of local patronage, trade strategy, skills development, industrial parks, smuggling, financing and raw materials amongst others. But since 2015, the aforesaid policy framework had remained in the realm of a draft document. Without addressing these identified strategic goals, no amount of capital releases to the textile industrial sector of the domestic economy is going to yield any meaningful result because of the level of decay in the sector.

The government should rethink the July 2019 ratification of the new African Continental Free Trade Area (AFCFTA) agreement which some member countries of the African Union (AU), signed in Kigali, Rwanda in March 2018 (Ajila, 2019). This agreement sought to establish a common trading zone with one currency and the removal of 90% tariff on goods from member countries. The re-evaluation should be a deliberate action which could be revisited in future when the productive and export capacity of the textile industry in Nigeria is restored. The need to now protect the sector from further decline and avoid the mistake of 1997 with the World Trade Organization (WTO) free trade agreement has become necessary.

This is important because the status of the productive and export capacities of the textile and garment industries in South Africa, Egypt, and the rising stars of the East; Ethiopia, Madagascar, Mauritius, Kenya has the capacity to dominate the envisaged market opportunities in the textile sector and further undermine the Nigerian economy.

Nigeria is currently not in the map of major textile exporting countries in Africa. From the 2018 International Textile Manufacturers Federation (ITMF) report, Egypt, South Africa, Morocco, Burkina Faso, Ethiopia and Tunisia are countries with export capacities. In Egypt for example, after the Arab Spring, the government reduced interest on loans for cotton growers from 12% to 5% and created a $45million fund to support state-owned spinning and weaving producers during the economic downturn.

These are strategic decisions that had repositioned the Egyptian textile and garment industry as they take advantage of the new African Continental Free Trade Area. This size of manufacturing and export capacity in textile materials and garments from the aforementioned countries means that the proposed Free Trade Area was theirs to feast on. The textile sector occupies a central role in the economic development and employment ratio in these countries. But from the 2018 report

on the textile industry within the African continent, Nigeria was insignificant. Yet, a giant in the continent.

There must be a legislation to ensure that all the uniformed forces get and make their uniforms and accessories locally. The aspect of the May 2017, Executive Order 003 which dealt with the textile industry should now be forwarded to the National Assembly (NASS) as an Executive Bill to ensure compliance. This is important because the textile industry remains one of the non-oil money spinning sectors of the economy which needs to be protected to enable it become the face of industrialization in the country. This action has the capacity to revive so many of the closed mills, increase the capacity of those still in operation, stimulate the economy and provide several employment opportunities.

The government must ensure that policy pronouncements are implemented by the MDAs through effective feedback mechanism and invoke sanctions as a standard practice. The Export Expansion Grant (EEG) which was suspended since 2014 because of insider abuse should be restored and those derailing the policy sanctioned (Ajila, 2019). The government should begin to remit the Import Adjustment Tax (IAT) to the textile manufacturers as a textile revival strategy.

The government must take urgent steps to deliver on these incentives otherwise; the cheap Chinese products will continue to underprice the locally made textile products in Nigeria. The government must be ready to wield the big stick to compel compliance otherwise the selfish interest of some bureaucrats was going to continuously undermine government overall development programs and the larger members of the society will bear the burden.

The high level of non-merchandize in the textile industry is a wakeup call on government to seek for ways to restore hope in textile industry because of its value chain addition. The value chain in the textile industry has the capacity to create several layers of employment.

The government should therefore re-invent the textile sector and stop the election year rhetoric of youth mass employment. Any positive action taken today could probably become the foundation for the great revival in the textile industry tomorrow. In pursuit of this objective, and as a member of the global community, there is the urgent need to protect the textile sector through deliberate regulations irrespective of global expectations.

Conclusion

Many commodities utilised in daily life, including food and the manufacture of goods, are produced and processed using textiles. Even the dead and the insane man in the street are dependent on textiles from the moment they are born until they die. Textiles humanise the surroundings more than any other item, whether they are synthetic or natural. The second-largest industrial sector in the world that provides jobs is the textile industry. In addition to creating jobs, the industries supply raw materials for a number of other industrial sectors that produce goods for both human and non-human use. People will continue to use textiles since they are essential for maintaining human behavioural and emotional health.

Recommendations

1. Textile industries should strive to produce textiles that are durable and sustainable in other to continue to enjoy patronage by the people.
2. Government should implement strategic policies to function as a blueprint or action plan to guide the textile industries.
3. Government should urgently implement the 2015 draft national cotton, textile and garment policy framework which will help the industries.
4. Avoidance of all sorts of taxes and tariffs by the government should be encouraged to enhance efficient productivity and a healthy business.

5. Effective feedback mechanism and policy pronouncement should be implemented by the government through their various agencies and ministries**.**

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