Exploration of the Democratic Republic of Congo (DRC) textile industry survival: Case of La Société Textile de Kisangani (SOTEXKI)

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The Democratic Republic of Congo (DRC) textile and clothing firms had been facing multiple challenges of competitiveness. During the last past ten years the industry has dramatically declined and the only firm under review has managed to secure its survival by concentrating on niche markets. The previous situation is principally due to infrastructural challenges, second hand products, institutional instability, illegal imports from the East Asian countries and other internal problem. Here, special attention is given to La Société Textile de Kisangani (SOTEXKI), the only survival company in the DRC textile and clothing industry. This paper tries to explore the reasons why this survival company in the DRC textile industry continuously cope with these low cost competitions by looking at what works in the industry, why and what can be done to make things work better? It proposes to look at the different production paradigms (labour issues and value added production paradigm) by exploring their effectiveness to promote the textile industry’s survival and competitiveness. It then discusses some of the findings about this survival company in the DRC textile industry. In brief, an exploratory result from the fieldwork revealed the pertinence of involving in best labour practices and value added production paradigm to promote competitiveness and keeping the firm survival. Further results indicated that SOTEXKI as an integrated industry with significant forward and backward linkages focuses on value added production paradigms and keeps consistently complying to the best labour practices to remain survival and competitive. SOTEXKI is quite performing well.

Key words: Survival, competitiveness, industry, labour cost cutting, retrenchment, and value added production paradigm.

INTRODUCTION

This article seeks to explore the survival of the textile industry in the Democratic Republic of Congo (DRC). It explores and critically analyzes the only survival company and understands why this company has survived and what could be done to make things work better. SOTEXKI represents the only survival company in the DRC textile and clothing industry which is still operating today. This company is an important contributor to the increase of national economic development by playing a key role in gross domestic product (GDP) formation, investment, foreign exchange earnings, exports and employment creation. According to Blair et al. (2000), survival in this study means that a company continues to exist as an independent publicly traded
company. In other words, a survivor is defined as a company that did not experience merger, acquisition, bankruptcy, liquidation, or privatization.

The Economic Intelligence Unit (2004) revealed that during the 1990s, Sub Saharan Africa (SSA) only increased its global share of clothing output from 0.6 to 0.8%. Gibbon (2002) indicates that SSA countries accounted for less than 1% of global exports of clothing and textiles in 2001. SSA’s main trading partners are the United States and the EU, with US imports from these countries rising by 85.3% between 1999 and 2002, while EU imports dropped by 5.5% (Gibbon, 2002). Clothing and textiles account for 2.5% of total US imports from SSA in 2007 and the vast majority qualified under AGOA (Otxa, 2008). Many smaller, higher-cost, less-developed countries have been provided with valuable opportunities as they have been shielded from open competition (Minor et al., 2002). Preferential trade agreements have allowed SSA to expand its exports. Exports from the region are mainly low-price basic items such as trousers, T-shirts and sweaters that typically have long production runs, low labour content and few styling changes (US International Trade Commission, 2004; Economist Intelligence Unit, 2004). Since 2001, SSA has experienced a relative boom in clothing and textile production as countries gained duty-free access to the world’s largest clothing market, the United States, under the provisions of AGOA. Although, 36 SSA countries are eligible for AGOA status and can export apparel duty-free into the US, only six countries do so in significant amounts (Sedowski, 2008).

This paper remain critical on how SOTEXKI’s competitiveness can be promoted as the company is the only survival company in the DRC, thus take benefit of this international opportunity under AGOA as the country is beneficiary to the advantages of AGOA. The textile and clothing industry has undergone many structural pressures in the Southern African region and more particularly infrastructural challenges in DRC reason why this paper tries to explore and critically analyse these survival areas and understand why these areas as survived and what to do to make things work better? Two paradigms are the predominant ones among the survival company. The first set refers to value added production paradigm. According to Coltrain et al. (2000), adding value is the process of changing or transforming a product from its original state to a more valuable state. They further indicate that a broad definition of value added is to economically add value to a product by changing its current place, time, and form characteristics to characteristics that are more preferred in the marketplace (Coltrain et al., 2000). A company mainly adds higher value by means of product specialisation where either the technology or the process of production or both are highly specialised. In that way the company creates speciality niches for itself with the ability to export to numerous countries right around the world (Maree, 1995). Maree (1995) further adds that some companies base their strategy primarily on consistent quality and reliability. Maree’s investigation discovered that few companies have adopted a strategy very uncommon to South Africa (but not elsewhere in the world) to raise the value-added to its production. These firms do so by making the fabric up into garments through subcontracting and then marketing the garments. These companies consider themselves to compete in the world market and have adopted a number of ancillary strategies to try to ensure their international competitiveness (Maree, 1995).

Indeed, the importance of value added as a concept lies in its focus on the wealth created by the company rather than its sales (which could, in large part, reflect the resale of expensive items the company has purchased) or on employment (which could be largely low skill, low value added jobs). This focus on the wealth created by the company facilitates questions about how much wealth is created, whether the company is increasing the wealth [it] creates year by year and how efficiently it is creating wealth (http://www.innovation.gov.uk, accessed on 21st June 2009). Illustrating the South African context, Velia et al. (2006) argue that the importance of looking at value added lies in the fact that many companies do little to transform the inputs they receive into factories. As they are not adding significant value, their contribution to wealth creation is limited. Thus, a process to significant raise the design input into the weaving of grass baskets and related branding activities for exports will raise the value added by such a process and improve the wealth generation impacts. In the view of the paradigm, the second set relates to labour repression which refers to an unfair cost advantage in production process consisting of wage repression, reduction of workers’ rights, reduction of workers benefits, reduction of labour production cost, reduction of working hours, etc. According to Fields (1994), wage repression would be necessary to prevent higher returns to labour from pricing the exports of the newly industrializing economies out of competition in the world markets. He further indicates that wages and other forms of labour remuneration must be held down an exporting country to remain competitive in world markets. As argued by Janquieres (2004), what makes China’s textile and clothing successful? Two important factors contributed to this Chinese competitive advantage such as currency manipulation and breaking down labour standard or wage repression (low wage).

One of the major concerns is how countries such as China, who has become a looming threat to many textiles and apparel producing countries around the world, will behave once quotas are removed. China’s exports of clothing have already increased to approximately a quarter of the world total since it joined the WTO in 2001 (Janquieres, 2004), and in the first half of 2004 China
sold $42 billion worth of clothing and textiles (Beware, 2004). The international labour organisation’s recent report (ILO, 2005) have repeatedly drawn attention to the persistent, high, and in several regions of the world, growing, unemployment since the early 1990, growth of a typical employment or underemployment, (for example home-based work, ‘informal’ work) or precarious paid employment; decline of standard full-time/permanent jobs, reduced job-security etc. As illustrated previously, Sinamela (2008) added that forced labour, forced contributions and forced removals are the major constituents of the regime of extra-economic coercion in Swaziland.

His study reveals that Texrey a textile factory fully owned by Taiwanese has been a grim picture of labour repression characterized by extreme exploitation of workers, tendencies of aggression, inhumane treatment of workers, irregular working hours, unsafe working conditions, suspensions and arbitrary sacking are some of the issues (Sinamela, 2008), the latter attracted to Swaziland by low wages and access to Southern African markets, and aided and abetted by one of the world’s absolute monarchies. This article seeks to explore the survival of the textile industry in the Democratic Republic of Congo (DRC). It explores and critically analyzes the only survival company and tries to understand why this company has survived and what could be done to make things work better. This study was sub-divided as follows. An introduction to the study was given, after which the research proposition was made. This was followed by a presentation of the DRC textile and clothing industry, and a discussion of the methodology used. The study presents the results and discussion about the survival of SOTEXKI. First of all, the researcher discusses about the basic details of SOTEXKI, the different trends regarding the performance of SOTEXKI and the different production paradigms used by the aforementioned company by exploring the issues related to labour force and value-added production paradigm. Secondly, the researcher explores the survival company in the DRC and critically analysed the reasons for their survival before discussing its competitiveness. Lastly, the researcher then proposes the different interviews with the stakeholders. Furthermore, the study was concluded. The researcher also proposes few recommendations about what can be done to make things work better.

RESEARCH PROPOSITION

This paper has only one preposition. Is SOTEXKI involved in best labour practice and value added production paradigms for its survival and competitiveness? This proposition will help understand the significance of value added production and its effectiveness. And what makes a value added paradigm and the overall performance of the company? It then discusses the different related labour issues concerning SOTEXKI and helps understand its significance and contribution to the company survival? This paper tries to explore the survival of SOTEXKI by looking at what works in the industry, why and what can be done to make things work better?

The central aim of this paper is to explore the survival of the textile industry in the Democratic Republic of Congo from 1999 to 2010. In order to achieve the main objectives, the paper seeks to do the following:

1. To discuss the survival of SOTEXKI by looking at its involvement in best labour practice and value added production paradigm for the competitiveness of the industry;
2. To analyze the performance of SOTEXKI by looking at the different trend about certain indicators such as profit level and output level;
3. To understand the impact of the findings for the key stakeholders and how to promote the textile and clothing industry’s competitiveness in the DRC.

PRESENTATION OF THE DRC TEXTILE AND CLOTHING INDUSTRY

La Société Textile de Kisangani (SOTEXKI) is the only active firm in the sector. In 2007, UTEXAFRICA closed completely due to its inefficiency, high competition and from isolation during the different recent armed conflicts in the country. Due to war of 1996 to 2003, SOTEXKI is producing a fraction of what they used to produce in the 70s and 80s and this situation destroyed the main infrastructures which lead today to cotton shortages. As Mwamayi (2004) indicates, DRC counted several textiles producing a fraction of what they used to produce in the past completely due to its inefficiency, high competition and from isolation during the different recent armed conflicts in the country. Due to war of 1996 to 2003, SOTEXKI is producing a fraction of what they used to produce in the 70s and 80s and this situation destroyed the main infrastructures which lead today to cotton shortages. As Mwamayi (2004) indicates, DRC counted several textile and clothing companies such as NOVATEX, SOLBENA, UTExAFRICA, SINTEXKIN, CPA, FILTISAF, SOTEXKI, CONGOTEX etc but unfortunately all have been progressively destroyed, expect SOTEXKI, as two years ago UTEXAFRICA closed. Société Textile de Kisangani (SOTEXKI) is registered to the Congolese Enterprises Federation (FEC). SOTEXKI is located in Kisangani Northern Province of DRC. Actually, the DRC is depending almost exclusively from the importation of the textile and clothing from China and India.

Table 1 reveals the poor performance of the textile and clothing sector in the DRC which was characterized by unstable and decrease situations or ups and downs in term of the number of meters sold as the quantity produced and sold locally is inferior to demand of the population. This situation profit well to the East Asian companies by their penetration and dominance into the local market through the imported products. In brief, the destruction of the local industry is slowly taking place. Table 1 also shows that the local produced products and sold products from the DRC textile and clothing sector
are less than 20% of the total market consumption and more than 80% of the products consumed and sold locally are from outside of the country. This situation shows clearly the poor performance and lack of competitiveness of the DRC textile and clothing industry since 1996 and as a result, many firms were precipitated to close down facing low cost competition. The researcher observes that only SOTEXKI has survived and continues to operate. Underlining here one important thing is that SOTEXKI’s administration or siege is in Kinshasa Capital City of DRC but all the factories of the company are located in Kisangani in Northern Province of DRC. An interesting observation is that SOTEXKI stopped to operate between 1999 and 2001 due to war in Kisangani and its occupation by the Ugandan and Rwandese armies which destroyed a number of equipments and so on. As argued by Mwamayi (2004), there is a need for drastic measures to protect the local industry as the sector is under disappearance. Protecting the local industry relies and remains first of all governmental prerogative or obligation and also to promote the national production of textile and clothing industry through a veritable development path by stopping to be an economy of speculation which DRC’s economy has been for very long time and becoming an economy of production. Protecting the local industry is a necessity for the economy in face of a disloyal concurrence or ‘sauvage concurrence’ of products subject of dumping and subsidies in their countries of origin. In DRC, the textile and clothing industry imports everything from the raw materials (cotton) as the majority of these raw materials are brought from outside of the country. The implication of this is that firms performing poorly will negatively affect the life of many people as their strategy will consist of all to reduce the production cost through retrenchment and reduce their contribution to the economic activities. In addition to the aforementioned fact, underlining that of investment which influences negatively the firm to improve things and promote competitiveness. Institutional stability is another important factor to stimulating new investment and promotes national development. Lastly, there is a shortage of cotton due to the destruction of different productive sites during the armed conflict occupied by the foreign armies. This situation can be also explained by the lack of basic infrastructures; an East Asian massive imports and looting during the recent war in the country. This is due to the fact, as suggested by Mwamayi (2004), that the Congolese textile and clothing is facing a lot of difficulties. Some of the difficulties are as follows: Looting of September 1991 and 1993 which explain why the distribution network in different provinces remain disconnected, the different wars in the country and more specifically the illegal imports from Asian countries. Other difficulties are due to production problems such as lack of infrastructures, decayed equipments which result on lack of competitiveness of the different production units, shortage of electricity and finally lack of financial resources to upgrade the machinery, also difficulty due to distribution which nationally is due to a weak capacity to purchase by the local population and mediocre salaries of people; massive illegal imported products and under-invoicing; dysfunctionment of the financial system, multiplicity of taxes-bureaucracy and a lot of policy interferences etc., and internationally is due to a problem between national legislation and the transformation of the international environment, promote local products in international market and the cost of doing marketing outside the country. Lastly, is the difficulty in provisioning which create a lot of shortage in terms of buying locally the raw material (cotton) as the majority of these raw materials are brought from outside of the country.

### Table 1. Sales of the textile and clothing sector in meters (m).

<table>
<thead>
<tr>
<th>Years/Rubrique</th>
<th>UTEXAFRICA</th>
<th>SOTEXKI</th>
<th>SINTEXKIN</th>
<th>PAGNES imports</th>
<th>Total sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>5 166 000</td>
<td>3 380 000</td>
<td>780 000</td>
<td>42 674 000</td>
<td>52 000 000</td>
</tr>
<tr>
<td>1997</td>
<td>5 110 000</td>
<td>5 530 000</td>
<td>1 590 000</td>
<td>40 470 000</td>
<td>53 000 000</td>
</tr>
<tr>
<td>1998</td>
<td>3 675 000</td>
<td>1 170 000</td>
<td>2 695 000</td>
<td>41 160 000</td>
<td>49 000 000</td>
</tr>
<tr>
<td>1999</td>
<td>3 093 000</td>
<td>N/A</td>
<td>2 520 000</td>
<td>36 387 000</td>
<td>42 000 000</td>
</tr>
<tr>
<td>2000</td>
<td>2 377 000</td>
<td>N/A</td>
<td>2 353 000</td>
<td>34 489 000</td>
<td>39 000 000</td>
</tr>
<tr>
<td>2001</td>
<td>2 229 000</td>
<td>N/A</td>
<td>1 380 000</td>
<td>42 391 000</td>
<td>46 000 000</td>
</tr>
<tr>
<td>2002</td>
<td>4 375 000</td>
<td>700 000</td>
<td>3 675 000</td>
<td>26 250 000</td>
<td>35 000 000</td>
</tr>
<tr>
<td>2003</td>
<td>4 050 000</td>
<td>3 150 000</td>
<td>5 400 000</td>
<td>32 400 000</td>
<td>45 000 000</td>
</tr>
</tbody>
</table>

Source: Mwamayi (2004); UTEXAFRICA (2004): Marketing and Commercial Department.
for many decades the DRC’s economy did experienced a negative growth. Actually, the DRC’s economy has experienced an average annual growth rate of 6.1% between 2003 and 2008 boosted by the end of war and a sustained rise in commodity price; post-conflict country which economy is structurally weak and depending on importation; weakness in public finances management; inadequate reform in the mining sector; decayed production tools; and irregularity and cuts inopportunity of the electricity. The DRC economy was not affected by the international financial crisis but only internal chock due to the securization of the Eastern Province which had clocking consequences on the public finances. There is a need to diversify the DRC economy through agriculture, industrialisation and other important sectors of life. Thus, a brief recent descriptive situation of the clothing sector in the DRC is subsequently provided.

Table 2 shows an important contribution of this sector to the economic activity. This means that consumption of clothing products in the country has increased each year but the majority of these products are coming from outside of the country, while a very small quantity is produced locally. Thus, DRC is depending totally from outside products which have a big impact on local industry destruction and many job losses.

SOTEXKI is continuously playing an important role in the DRC economic activity as they create jobs, protect jobs and contribute to the GDP of the country. Government remains one of the principal buyers of SOTEXKI wax or pagnes with uniform for police and military forces and other governmental services during national manifestation and also a good number of Congolese consume SOTEXKI products. But today, SOTEXKI is the only national firm operating in the sector with only 15% of its operational capacity. This firm is facing a serious challenge for its survival, improving the quality of their products but there is an urgent and consistent need for government assistance to help the firm become competitive and try to extend its market destination by exporting as the country is beneficiary of the AGOA advantages.

METHODOLOGY

Here, the study’s aim is to analyse, present and interpret the data that was obtained from the empirical study. Both qualitative and quantitative methods were used to adequately address the research problem, aims and objectives. Data was gathered directly from the SOTEXKI by describing the incidence, frequency and distribution of the different factors contributing to the textile industry’s survival and competitiveness, and studying the interaction of factors. Thus, the paper involves a combination of quantitative methods such as a structured questionnaire and qualitative methods such as semi-structured interviews. Existing secondary data was also used, such as official reports, company reports and government document. The targeted respondents of this study were respectively human resources managers (HRM), or any Managing Directors. But at the time of the interview none of the aforementioned respondents were willing to cooperate giving excuses why the researcher asked for the first time a 45 years Chief Infographiste (Creator) Male to complete the questionnaire but one of the obstacle was that this aforementioned respondent did not know all the aspects of the firm and he was limited in giving information and completing the questionnaire. As suggested by the supervisor, for the second time the researcher hired a women researcher based at the University of Kinshasa (UNKIN) to follow up and secured an interview and get completed the questionnaire. The women researcher succeeded to interview a 50 years Male First Responsible du Siege SOTEXKIKinshasa with 16 years working experience within the firm who completed the questionnaire. This responsible du siege is more than a Managing Director or Administrateur Delegue General looking at all the aspect of the firm. All data collected and received was analyzed by using STATISTICA software due to its flexibility, excellent capacities for labeling variables.

RESULTS AND DISCUSSION

The following findings illustrate well the respondent’s answers and views. Firstly, basic details of SOTEXKI are discussed. Secondly, the different trends regarding the performance of SOTEXKI are presented. This was followed by an exploration of the issues related to labour force and value-added production paradigm. The survival area and the reasons for survival and what can be done to make things work better are critically analyzed.

Basic details of the firm

SOTEXKI is a mixed economy company which is composed by both local ownership and foreign ownership. The turnover of the firm improved for the last past five years between 1 to 3 million US$ compared to the situation 1990s and 2000s where the DRC firms were performing poorly and many of those firms closed during that period. These periods were characterized by a decreased of turnover due to institutional instability, poor performance of firms, lack of competitiveness and war firstly in the eastern province (1996 to 2003) of the country, looting (1991 to 1993) which destroyed the economic activity of the country, many infrastructural problems and also due to the international competition. The turnover level is an important indicator describing the capacity of the firm to resolve problem and how can a firm engage in different activities for its development. This turnover put the firm in the medium firm category or classification as its turnover is between 1 and 3 million US with a work force of 500 workers.

The other findings revealed that SOTEXKI did not change its ownership structure in the last five years and continually tried to survive. The relevance and interesting side of the previous findings is that the capacity of the firm to resolve problems are looking good compared to the 1990s and 2000s period and shows also how the firm has tried hard to cope with low cost competition and
Table 2. Details of price indicator realized by the Research Economic and Social Institute (IRES) (base: December 1993 = 100).

<table>
<thead>
<tr>
<th>Period</th>
<th>Market price (Congelese Franc)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Clothing</td>
</tr>
<tr>
<td>2006</td>
<td>1 944 643 055.6</td>
</tr>
<tr>
<td>2007</td>
<td>2 627 247 596.0</td>
</tr>
<tr>
<td>2008</td>
<td>3 592 767 651.2</td>
</tr>
<tr>
<td>2009</td>
<td>4 366 946 042.6</td>
</tr>
<tr>
<td>2010</td>
<td>5 084 552 887.1</td>
</tr>
<tr>
<td>2011 (January and February)*</td>
<td>1 153 417 606.8</td>
</tr>
</tbody>
</table>


The size of the labour force is stable around 500 workers only according to the respondent. This means that SOTEXKI is a medium firm and can be classified in the second classification characterized by a turnover between 1 to 3 million US$. It has been shown previously that this study categorized four classifications of firms: First classification had a turnover of between below 500 000 US$ and 500 000 to 900 000 US$ (small firm); the second classification had a turnover between 1 to 3 million US$ and 4 to 7 million US$ (medium firm); the third classification has the turnover between 8 to 10 million US$ and 11 to 15 million US$ and the last or fourth classification was characterized by a turnover over 15 million US$. In addition to this, Morris (1978) succeeded to classify firms in four major types: Their industry grouping, their location, their size (in terms of capital employed), and whether or not there were foreign controlled. In the addition to the foregoing, Salinger et al. (1999) suggest that firms can be classified according to several criteria, including size, type of output, location, degree of modernity of plant equipment and management, labour relations, relations with retailers, and degree of dependence on international markets. According to Morris (1978), the size of capital employed was categorized as follows: Under R100 000, R100 001 to R500 000, R500 001 to R3 000 000, R3 000 001 to R8 000 000, over R8 000 000 and this range from small firms to very large firms.

The firm produce the following products: Tissus pagnes, babies’ lange, drill, cloths, woven, towelling, medical gauze, accessories, printed fabrics and other products. The strengths of the firm competitiveness rely on product of good quality, delivery services and quick response and flexibility. The implication of this finding is that SOTEXKI is producing good quality product which helps the firm to remain competitive and survive facing these East Asian low cost competition.

The principal market destination of the firm is the local market and SADC. This is an important finding showing if the firm is doing well or not and its overall performance. The findings showed that SOTEXKI is doing quite well and continues to survive. A good quantity of its product is consumed locally in which another small quantity is destined to neighbouring countries in SADC. One of the objectives in this study was to understand the actual performance of this firm and its competitiveness. The importance of this finding responds somehow to one of the objectives of the study on how SOTEXKI has continuously been doing to survive and face this low cost competition. The researcher also observed that this firm is performing quite well but this situation is not necessarily accompanied by hard HRM consisting to reduce the production cost through labour cost cutting. However, an increased demand in the region and increased demand in home market constituted the principal sources of change regarding output directed towards primary markets within the past five years.

One of the research questions was to understand if this firm under investigation is surviving?

This question is one of the principal research questions in this study. The question provides crucial and sensitive details about the firm’s competitiveness in this study. Underlining that the researcher proposes to measure the survival of the firm by using the profit level because a firm which experiencing a serious problems of competitiveness cannot continue to operate for very long period of time without collapsing. The idea behind this question is that during the last past five years there is a very good number of firms which did not realise a profit and they continue to operate by experiencing serious problems...
of competitiveness, which is the reason why the researcher suggests to call those firms ‘survival’.

According to the respondent, the profit level of the firm has decreased during the last past five years which does not necessary mean that the firm does not make profit or just that the profit is reduced a bit as compared to the finding which constitutes the principal indicator for the firm performance. The overall performance of this firm is doing quite well or surviving where a very good number of firms in the country have closed. Responding to the previous question, SOTEXKI is a surviving company and showing a resiliency to remain in business but government must also help to promote the local industry. These indicators also explain well how SOTEXKI continues to put in place mechanism to adapt and remain competitive. The proportion of the change regarding profit level is above 10%.

Trends regarding the performance of the firm

Table 3 shows the way SOTEXKI has been performing through the sales level of the firm measured in number of tissues sold which also correspond somehow to the output level of the firm. This respond well to one of the objectives of the study on how firms overall are performing. SOTEXKI production and sales have improved too much compare to 20 years ago. The Table 3 revealed that from 2007 to 2009 the number of tissue produced and sold by the company have increased for these last three years. This finding shows that in 2007, SOTEXKI sales represents 17% of those three years, while in 2008 the same firm experienced an improvement in sales compare to the previous year which represents 33% of those three years and lastly in 2009 the company has performed well as the company succeeded to sell more than the two previous years by selling double of its products which represents 50% of those three years in comparison. This implies that the company is performing well and continuously occupies an important place in the DRC economic activity with its contribution to the economic activity. This situation is due to institutional stability since 2005 and more investors are willing to invest in the different sectors of life but underlining that there is a number of other factors such as amelioration of condition of doing business in the country, election of 2006 as a sign to the end of war by attracting more investors, a small amelioration of the socio-economic condition of people, etc.

Table 4 is just completing and confirming the previous findings in Table 3 by showing that SOTEXKI is performing well as the sales level in Congolese Franc is increasing between 2009 and 2010. One of the interesting observations in (Table 4) June 2010 which correspond with the celebration of the 50th anniversary of DRC independence shows that SOTEXKI generated more revenue or money than other months and shocking news is that the same revenue for June 2010 is superior to the total of sales in 2009. This also contradicts clearly what some corrupted governmental official usually think and under estimate the capacity of the local industry to respond to the domestic market. According to Dieudonné Kasembo, an official to lease between the private operator and Commissariat Général pour le Cinquantenaire, esteem that SOTEXKI cannot produce more than 100,000 wax or pagnes and the other problem is the quality. The researcher observed that a number of officials in the country remain corrupt and stopping the governmental effort to improve the socio-economic activities by destroying lives of thousands due to bribery and corruption. This official forgot that in a newly born democracy in DRC, people must be accountable and deliver by looking first the general interest of the population instead of their personnel interest. This kind of position for a high official of government is purely irresponsible and contributes to the destruction of the local industry. Promoting the local industry should become the first priority of this new democratic government by protecting the local industry against these low cost competitions from the East Asian countries. There is a need of good collaborators in the country to help promote the local industry as any developmental activity requires conscious and responsible patriots.

Concerning the recent SOTEXKI performance, the respondent shows that the profit level of the firm has decreased which does not necessary mean that the firm does not make profit or is reduced. This finding constitutes the principal indicator for the firm performance. Overall performance of this firm is doing quite well or surviving where a very good number of firms in the country have closed. These indicators also explain well how SOTEXKI continues to put in place mechanism to adapt and remain competitive. The proportion of the change regarding profit level is above 10%. The firm does export to few SADC countries but this means the majority of the products produced by the firm are destined to the local market and only a very small quantity is export. The domestic market need is higher than what SOTEXKI have to offer. The meaning of this is that SOTEXKI production is too small to respond to all the needs of the Congolese market and only small quantities have been exported as a reward and expansion of the good quality products which is a good indicator showing the good performance of the company and brought in country foreign earnings.

But the previous result and performance remain challenged by the East Asian products which have eroded, penetrated or invaded the DRC market by covering or responding to the Congolese market needs of about 90%. For illustration, Chinese copies all the local designs by faking the quality or selling poor quality products at low price. The findings revealed that the
market destination of the firm has remained stable over the last past five years. The researcher found that protection against illegal products was the principal constraint expected to become binding in the immediate future as the firm progress. However, competition from abroad and availability of raw material constituted the principal constraints for the firm progress in the past.

Labour issues and value added production paradigm

The findings in Table 5 showed that the number of workers has remain stable for the last three years concerning the permanent workers and a relative improvement of the temporary workers force in the last past three year. Thus, underlining SOTEXKI is not involved in labour cutting costs. SOTEXKI used other strategies rather than retrenching people from their work to remain survival and competitive. Underlining also that in DRC there is no respect to the law or labour legislation as workers can spend months without their salary, other characteristics can be reduction of workers' rights, reduction of workers benefit or reduction of work hours, etc. The implication of the previous finding is that jobs should always be protected and other ways should be sought to reduce the production cost such as cutting unnecessary cost of electricity by using for example, efficiently the electricity, using efficiently your labour force, etc.

The respondent added that the stable or increased labour force is due to fiscal facilities, parafiscal and tarifaire given by the government to stimulate the local industry to maintain jobs. The findings revealed that only in 2007, 50 temporary workers were retrenched from their work. The respondent said that the reason for retrenchment is due to unpredictable increasing circumstances. This situation leaves thousands of workers and their families without any stable source of revenue. This is a 'hard' variant of HRM considering employees only as a resource of the organization and the firm can reduce production cost of time in order to achieve its vision and goals. This afore mentioned situations correspond to hard HRM practice covered in the literature review chapter.

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Table 3. Production vendues or sales of SOTEXKI tissus in meters (m).

<table>
<thead>
<tr>
<th>Nature de prod Designation/Unite</th>
<th>Year</th>
<th>Production vendue</th>
<th>Production stockée</th>
<th>Production total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tissus</td>
<td>2007</td>
<td>1195298365</td>
<td>10966695</td>
<td>1.206.265.060</td>
<td>17</td>
</tr>
<tr>
<td>Tissus</td>
<td>2008</td>
<td>2350145153</td>
<td>20205302</td>
<td>2.370.350.485</td>
<td>33</td>
</tr>
<tr>
<td>Tissus</td>
<td>2009</td>
<td>3402981359</td>
<td>122132796</td>
<td>3.525.114.155</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Direction Générale des Impôts (DGI) Kinshasa/Gombe.

Table 4. Vente SOTEXKI or SOTXKI sales in Congolese Franc.

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Month</th>
<th>2009 Sales in Franc Congolais (FRC)</th>
<th>2010 Sale en Franc Congolais (FRC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>January</td>
<td>20 020 748.65</td>
<td>5 270 000.00</td>
</tr>
<tr>
<td>2</td>
<td>February</td>
<td>20 032 634.80</td>
<td>38 070 000.00</td>
</tr>
<tr>
<td>3</td>
<td>March</td>
<td>20 035 986.30</td>
<td>39 127 000.00</td>
</tr>
<tr>
<td>4</td>
<td>April</td>
<td>20 098 670.34</td>
<td>40 340 345.00</td>
</tr>
<tr>
<td>5</td>
<td>May</td>
<td>11 202 773.29</td>
<td>38 450 230.00</td>
</tr>
<tr>
<td>6</td>
<td>June</td>
<td>12 006 734.60</td>
<td>263 898 000.00</td>
</tr>
<tr>
<td>7</td>
<td>July</td>
<td>12 565 926.44</td>
<td>88 578 900.00</td>
</tr>
<tr>
<td>8</td>
<td>August</td>
<td>12 569 623.40</td>
<td>65 911 500.00</td>
</tr>
<tr>
<td>9</td>
<td>September</td>
<td>9 458 020.73</td>
<td>52 732 690.00</td>
</tr>
<tr>
<td>10</td>
<td>October</td>
<td>4 385 070.00</td>
<td>137 479 240.00</td>
</tr>
<tr>
<td>11</td>
<td>November</td>
<td>9 397 352.00</td>
<td>257 850 010.00</td>
</tr>
<tr>
<td>12</td>
<td>December</td>
<td>9 487 620.00</td>
<td>169 635 750.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>161 261 160.55</td>
<td>1 197 343 665.00</td>
</tr>
</tbody>
</table>

Source: SOTEXKI, Direction Générale.
Table 5. SOTEXKI labour force.

<table>
<thead>
<tr>
<th>Criteria/Year</th>
<th>1999</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number permanent workers</td>
<td>250</td>
<td>300</td>
<td>300</td>
<td>350</td>
<td>450</td>
<td>500</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Temporary workers</td>
<td>75</td>
<td>120</td>
<td>120</td>
<td>100</td>
<td>50</td>
<td>135</td>
<td>110</td>
<td>150</td>
</tr>
<tr>
<td>Part time workers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: SOTEXKI Enquête 2011.

With this hard variant, human resource management focuses on cost reduction and containment, links with strategy and the role of HRM in furthering the competitive advantage of the organisation (Manning and Worland, 2005). In the hard model, control is more concerned with performance systems, performance management, and tight control over individual activities, with the ultimate goal to secure the competitive advantage of the organization (Guest, 1995). This implies that the individual is managed on a much more instrumental basis than under the soft model, where both competitive advantage and employee commitment are accorded equal importance.

One interesting phenomenon discovered in DRC is that the retrenched people from the formal sector went informal by selling low cost products from East Asian countries to survive and alleviate poverty which somehow promote this disloyal competition.

Concerning the labour best practice, the firm is involved in training and developmental activities. This firm offers an external training and developmental activities. This training usually takes between 10 and 15 days. The implication of training and development activities in the company is that it contributes a lot to the firm productivity and thus helps for the firm’s competitiveness and survival. In addition to the aforementioned, Vlok (2006) added that training and development became the focus point for the clothing and textile industries, because they realized that it required skilled and high-levelled educated staff for modern manufacturing. Although these needs were identified in the industry, it is still reported that the investment in the clothing and textile sector has not significantly expanded the pool of highly skilled workers and technicians.

The study found that the firm does provide a reward system regarding performance based on pay, which is offered individually. This is also an important indicator for productivity, but more contribution is needed to the development of the workers as a motivation to always get a surplus. The firm is unionized and that union is recognized. The unions play an important role in terms of job protection and wage negotiation, which is a good thing for workers to be represented. The firm is also engaged in collective bargaining. In addition, the firm have a work council. The implication of the earlier stated is that jobs are protected and there is an organ to monitor the work condition and other related issues to the workforce.

Concerning the quality circles, SOTEXKI do not make use of the following: teamworking, team briefings, general workforce meeting, staff notice boards, make use of surveys and suggestion boxes. But according to the respondent, SOTEXKI usually discusses about any related matter concerning the workforce through union representatives or ‘delegation syndicale’.

In addition to the earlier mentioned, the study shows that during the last past five years there was no strikes and lockouts in the different factories/production units of the firm. In brief, the findings showed the pertinence of best labour practices or best HRM practices such as workers participation and involvement, formal training, engagement and discussion with union representatives about all job related matters, flexibility in term of job design, performance related and incentive pay; but SOTEXKI consistently uses this best labour practice to promote competitiveness by protecting its labour force as a crucial strategy to keep the firm survival as well as functioning.

Value-added production paradigm

SOTEXKI is focusing/involved in value-added production means transforming inputs into marketable items of a higher market value. Only very limited small quantity of high value added is produced for niche market and is always copied by East Asian countries. According to the respondent, SOTEXKI is an integrated industry with significant forward and backward linkages acquiring raw material (cotton), then preceded through weaving and spinning mill of the cotton, finishing in the different factories by impression in pagnes or printed fabrics. In addition, Velia et al. (2006) said that value added is used to provide some insight into the degree of transformation which occurs within industries. Though, it is associated with the notion of productivity, the concept is on the product as opposed to the factor of production and on how they are combined to yield the output.

The respondent in this study agreed that this value added production is not helping to keep the firm sustainable and competitive. Velia et al. (2006) further
indicated that this value added production did not create wealth in the firm and only the labour force constitutes its strength. Niche market is sustaining and helping its survival. The implication of the aforementioned is that SOTEXKI is working hard to remain competitive and survival but the government has a continuous important role to promote the local industry, penetrate the international market for its competitiveness and sustainability. DRC is beneficiary of AGOA advantages which can be an interesting incentive to promote SOTEXKI. As suggested by the United States Trade Representative (2008), AGOA provided new market opportunities for African exports, especially of non-traditional and value-added products, AGOA has helped African firms to produce higher value products and become more competitive internationally, thereby bolstering sub-Saharan African economic growth and helping to alleviate poverty in one of the poorest regions of the world.

One of the research questions was to understand if this firm under investigation is involved in labour repression?

This question is one of the principal research questions in this study. Underlining that in this study, labour repression refers to any unfair cost advantage use in the company to remain competitive. It comprises the issues such as wage repression, abusive reduction of labour production cost, exploitative salary, deprivation, inhumane treatment, arbitrary sacking, repression of workers’ rights, code of conduct violation, reduction of worker benefit, forced labour, unfair retrenchment, abusive retrenchment, very bad working conditions and the use of child labour. Also underlining here that retrenchment is viewed in this study as a preventive or curative strategy to help the firm remain survival and competitive. One of the researcher questions is to understand if there is any sign or indication of labour repression in the textile and clothing firm under investigation. The researcher proposes to look at the overall labour issue on how these textile and clothing firms could be related to the labour repression. This paragraph looks at the following variables: retrenchment, involvement in training and development activities, involvement in union, involvement in strikes, work council and quality circle. In this study, the findings revealed that this firm was not involved in labour cost cutting or retrenchment but a stable labour force due to fiscal facilities, parafiscal and tarifaire; involved in training and developmental activities; provide reward system regarding performance based pay; involvement in union; no strikes manifestation. This means that the firm is doing quite well in term of best labour practice and no indication of labour repression. In brief, there was no report of abusive retrenchment and no strikes manifestation or protest was discovered in this study as a result of wages discussion, demand for training which means there was no labour repression in the firm.

But, the firm have a number of machinery which comprises of machinery of less than 10 years old; 10 to 19 years old machinery and above 49 years old machinery. The implication of the finding in the foregoing shows that SOTEXKI brought new machinery recently which has a major contribution to its performance, sustainability and competitiveness. The firm is characterised by consistent quality, design and product specialisation. This is a good indicator on how the company is continuously working hard to remain competitive.

The finding shows that the force for the firm competitiveness and sustainability are quality products and shorter lead time. This finding is an important indicator of the firm’s ability to stay ahead of potential competition and how continual and consistent strategies will help the firm perform well in a particular market. One of the pertinent questions was to understand whether these previous working forces help the firm remain competitive, the respondent response was no, which means that the company relies more on other reduction production cost strategies such as cutting workers benefits, work hours, etc., to keep going instead of retrenching the workforce. The implication of these previous strategies is to help the firm remain as the survival company. The respondent reveals that the company has some kind of governmental support to improve things. The study further indicates that the firm benefits from different measures and other facilities such as paraficales, fiscales et tarifaires, etc. The implication of the aforementioned is that government intervention in the textile and clothing industry is required to help SOTEXKI to remain competitive and survive, also SOTEXKI contributes to the economic activities and job creation in the country, this is the reason why government should continue to support the company until the firm becomes competitive.

Another important concern about the promotion of sustainability and competitiveness is that the respondent required that government protect SOTEXKI as the actual environment of the textile and clothing sector is characterized by disloyal competition and controls that competition is loyal. The respondent further indicates that recently the imported products or pagnes from China and India are beneficiary of dumping and subsidies in their respective countries which make those products to be cheaper than the ones produced locally here in DRC. SOTEXKI does export a small quantity of its production in few SADC countries but the company does not have any governmental incentives to export. The implication of this is that government should not be limited just to protect the local industry but promote the industry to become more competitive in both domestic and international market. Concerning the question in what ways
(positive or negative) has government impacted on your firm; the respondent responded that positively government should facilitate the firm through different measures of exemption or exoneration such as fiscal measures, parafiscal and tarifaire and more importantly to promote the local industry by ordering the public order to SOTEXKI, and negatively government should try by all means to discourage the importation of pagnes from East Asian countries. The respondent acknowledges that the company does have assistance from the Ministry of Industry. This Ministry is an important governmental player in local industry promotion and protection. The last question was to know what is working between workforce adjustment and value added production paradigm to keep the company sustainable and competitive. Responding to the previous question, the respondent said that promoting the labour force should be a way. The respondent further indicates that normally when a worker is motivated, there is a lot of benefit to company such as improving productivity, increase profit, etc.

INTERVIEW SUMMARY AND OTHER FINDINGS

According to First Responsible du Siege SOTEXKI/Kinshasa, there is an urgent need to protect and secure the only survival textile company in the next five years against the effect of globalization, disloyal competition and dumping. Looking at the liquidation of UTEXAFRICA (Kinshasa) and SINTEXKIN (Lubumbashi), the respondent requires that government continuous to help and support the local industry by all means by providing different facilities and exemptions such as fiscal, parafiscal and tarifaire, also still export with new types of incentives to help the company remain competitive.

In addition to the fact given in the foregoing, the Director of the Congolese Enterprises Federation (FEC) indicates that many problems have contributed to the closure of many textile and clothing firms. He further indicates that one of the big problems is the absence of local industry protection and a very bad industrial policy. In addition to this, he added that the country’s economic situation under the first Kabila regime was under international sanctions and isolated economically which contributed to the DRC economic activities regression. From the same interview, FEC Director indicates that the closure of the textile and clothing firms is due to a number of problems such as inadequate technology, multiplicity of taxes, a very bad system of compensation between government and textile and clothing firms and the fact that most of government services buying from these firms do not pay back. Other problems faced by the textile and clothing firms are under-invoicing, illegal imports, corrupt system.

According to Dieudonné Kasembo, an official to lease between the private operator and Commissariat Général pour le Cinquantenaire, esteem that SOTEXKI cannot produce more than 100.000 wax or pagnes and other problem is the quality. He further describes that they ordered Chinese wax or pagnes which can last long and can cost only 15 dollars US, against 24 dollars US for SOTEXKI product. Le Commissariat Général pour le Cinquantenaire and the importers (retailers) ordered 800.000 wax or pagnes in East Asia, especially from China to celebrate the 50th anniversary of DRC independence. The researcher observed that a number of officials in the country have been corrupt and looking first their interest instead of the general interest of the population. This kind of position for a governmental official is purely irresponsible and contributes to the destruction of the local industry. Promoting the local industry should become the first priority of this new democratic government by protecting the local industry against these low cost competitions from the East Asian countries.

For the Union Representative, they are more worried about bad national legislation of labour, inadequate social protection, shortage of skilled labour, unnecessary training and development, salary increase and promotion problem, use of minimum wage (SMIG or Salaire Minimum Interprofessionnel Garanti) which is not adapted to the economic leaving conditions’ of workers and sometime workers are not paid even on time. Other findings revealed a number of factors which contributed to the closure of the textile and clothing firms such as lack of competitiveness, inaccessibility to financial institution, increased illegal importation, development of the informal sector, inadequacy between the wax price and the level of people poverty, etc. According to RAID (2009), in DRC, there is a labour inspection body (l’Inspection du Travail), workers have no effective right to a remedy since they cannot trust the authorities or the courts to uphold the law and to protect the human rights of formal or informal workers.

In addition to the fact in the foregoing, Rights and Accountability in Development-RAID (2009) indicates clearly that the Congolese Government has the principal obligation to enforce the rule of law and to strengthen protection of labour and other human rights but in a country that is emerging from years of conflict and with weak institutions there is a great need for the international community to assist them to overcome these challenges. In such circumstances it is incumbent on foreign investors to adhere to the highest possible standards. According to the Ministry of Mining (2003), the DRC Government produced a simplified guide in English for companies wishing to invest in the Congo’s mining sector. The guide explains the role of various government departments and agencies involved in regulating the mining sector and it provides a summary of the Mining Code. But the guide says very little about the investors’
obligations under the Mining Code to protect the environment and has only fleeting references to the Labour Code. An important opportunity therefore has been lost to ensure that all foreign investors are adequately informed about their responsibilities as regards human rights, the health and safety of their workers and the environment. This deficiency needs to be corrected (RAID, 2009).

Furthermore, RAID’s research indicates that numerous provisions of the Congolese labour law set out in the 2002 Code du Travail are routinely breached by many companies. These include: The prohibition on employing children below the age of eighteen (Article 133); Ensuring safe and salubrious working conditions (Articles 55 and 170); Payment of the minimum wage for the job or sector (Article 86 to 97); Payment of sickness and injury benefits (Articles 105 and 108); Providing access to health care (Articles 160 and 177); Respecting the maximum working week of 45 h or 9 h shifts per day (Articles 119 and 120); Provision of a written employment contract, registration with the Congolese Employment Bureau (Office National de l’Emploi-ONEM) and payment of national insurance contributions (Articles 44 to 49); 22-day limit on hiring workers on a casual basis (Article 40); Termination of contracts and dismissing workers (Article 57 to 60) (RAID, 2009).

Economist Intelligence Unit (2004) found that high production costs make SSA unattractive for investors: labour costs are higher than many competitors in Southeast Asia, productivity is lower and non-labour input costs are higher. Further disadvantages include logistics (notably transport costs and longer lead times), unreliable telecommunication systems and inadequate physical and technical infrastructure. Many argue that SSA firms will find it difficult to compete in the new quota-free environment. It is unclear whether US and EU preferences schemes will be sufficient to keep the industry competitive outside of the man-made fiber sub-sectors where SSA is considered competitive as US import duties are high. Haward (1999) found that rapidly lowering protectionism can lead to problems on the revenue side as inexpensive imports can quickly flood local markets.

The revenue problem can also be exacerbated by the tendency of the austerity embedded in conditionality to lower real wages and domestic sources of demand. Mwamayi (2004) found that the textile and clothing industry in the DRC has declined over the last twenty years largely as result of the competition from the economy liberalisation. This situation has lead to infrastructural problems in the DRC. Mwamayi (2004) further indicates that UTEXAFRICA works under approximately 10% of its capacity utilisation, broken financial balance, succession of negative results, negative evolution of treasury, continual financing request to the financial institutions, inadequate human resources, inefficient machinery, second-hand products; all of these factors contributing to its poor performance. So why continue producing this when it can be bought elsewhere at a cheaper rate? According to Tang (2010) found that “the booming markets in clothes, electronics and cars, imported or manufactured by Chinese companies, not only benefit the consumers, but also stimulate growth of distribution, transport and other related sectors” in DRC.

Many smaller, higher-cost, less-developed countries have been provided with valuable opportunities as they have been shielded from open competition (Minor et al., 2002). Preferential trade agreements have allowed SSA to expand its exports. Exports from the region are mainly low-price basic items such as trousers, T-shirts and sweaters that typically have long production runs, low labour content and few styling changes (US International Trade Commission, 2004; Economist Intelligence Unit, 2004). The production and export of clothing and textiles is concentrated in a small number of SSA countries. A disadvantage for SSA is that it is not a particularly low-cost location. Labour costs are relatively high, productivity is low, lead times are long and non-labour input costs are higher than in Asia. Further disadvantages include poor logistics (notably transport costs and longer lead times), unreliable telecommunication systems and inadequate physical and technical infrastructure.

As noted by Kaplinsky and Morris (2008), preferential trade access through AGOA has had a major impact on a significant number of SSA countries. These poor, less-developed countries have managed to develop or even create from scratch their clothing industries, and expand their export output to the United States market through locking them into AGOA-dependent clothing and textiles value chains, excepts DRC textile and clothing industry which are still producing for the local market.

This has had a significant impact on employment in countries such as Lesotho, which had little industrial base of any consequence and where waged labour was confined to the ever-shrinking export of migrant labour to the South African gold mines. The impact on employment, and hence poverty reduction, in countries such as Lesotho, Madagascar and Kenya has been significant. The extent to which China and the rest of the Asian clothing producers in the post-MFA environment have reduced these countries’ clothing exports is however also significant (Kaplinsky and Morris, 2008). If this was to stop, or the reverse was seen for these industrializing trends, then the developmental consequences will be severe.

According to the National Agency for Investment Promotion (ANAPI, 2010), in order to boost the economy and stimulate more investors in the textile and clothing industry the country’s authorities decided the following measures:

(1) Implementation of free-market economy;
(2) Adoption of exchange floating rate system;
(3) Promulgation of new laws designed to favour
business development in the country (Investment code, mining code, forest code, labour code); (4) Progressive cut of domestic tax rates; (5) Revival of cooperation with International Financial Institutions (World Bank, IMF); (6) Setting up of facilitation and supporting structures for the private sector (ANAPI, 2010).

CONCLUSION AND RECOMMENDATIONS

This paper explored the survival and competitiveness of the textile industry in the DRC, case study of SOTEXKI the only firm operational in the country by looking at what works in the industry, why and what can be done to make things work better? The findings revealed the pertinence of involving in best labour practices and value added production paradigm to promote competitiveness and keeping the firm survival. The DRC textile firm is facing multiple challenges of competitiveness, and the only firm under review has managed to secure its survival by concentrating on niche markets.

SOTEXKI is focusing on value-added production paradigm to remain survival and competitive as an integrated industry with significant forward and backward linkages. High value added products for niche market helps but it is usually smaller quantities. And as soon as it is successful, it is being copied by countries like China, India at much lower prices. In addition to the fact given in the foregoing, this SOTEXKI had a stable permanent workforce and retrenched in small number of its temporary workforce for the last past three years but still provides external training and skills development initiative and other best labour practices as a response to increased overseas competition. Also, underlining that there was no indication of any labour repression involvement in this study but the company under investigation does comply to best labour practice.

The overall performance of the company was quite good as the company is penetrating the regional market but one important thing is that SOTEXKI is a survival firm that has its profit level decreased during the last past five years. The firm showed some interest on how to comply to best labour practices or best HRM practices such as workers participation and involvement, formal training, engagement and discussion with union representatives about all job related matters, flexibility in term of job design, performance related and incentive pay, also the firm had a work council; there was not involved in retrenchment; also the firm was not involved in quality circles (use of teamworking, use of staff notice board, suggestion box, etc.) but the company usually discussed about any related matter about the work force with union representatives or ‘delegation syndicale’; there was no strike manifestation and lastly there was no sign of labour repression. But SOTEXKI uses consistently this best labour practice to promote competitiveness by protecting its labour force as a crucial strategy to keep the firm functioning and survival.

A large portion of clothing production is labour-intensive, requires low skill levels, has low barriers to entry and has been the source of rapid export-led Industrialisation (Gereffi and Memedovic, 2003). Generally, more complex, higher value-added tasks remain in developed countries with higher paid skilled labour, while less skilled tasks have moved to low-cost locations mainly in the developing world. Textile production is more capital-intensive and developing countries have struggled to create backward linkages (Morris and Sedowski, 2006). Sustainable factories still seem to have a long way down the industry’s agenda and significant levels of recycling remain a pipe dream.

For industrial sustainability to become a realistic prospect, global companies must take the lead by addressing every aspect of their product’s lifecycle (Cervi, 2007). Thus, (USTR, 2005) shows that infrastructural factors play an important role in the competitiveness of firms. Logistical problems with customs, inland and sea transport, electricity costs and reliability, internet and telecommunications, and rent increase the vulnerability of producers in DRC. However, DRC is not alone in facing these problems; most SSA countries face infrastructural barriers to efficient trade.

In addition to the fact given in the foregoing, Joomum (2006) indicated that the textile and clothing industry in SAR has to become more efficient, productive and quality-oriented despite the rising costs of production. The success of this industry lies therefore in the capacity of all stakeholders to rapidly adapt to the changing economic environment and on their will to meet the new challenges ahead. Thoburn and Roberts (2002) add that protection against imports in a sector generates anti-export bias, encouraging firms to produce for the domestic market instead of exporting. This arises because their exported output receives no protection. But Morris and Barnes (2007) add that these SSA countries cannot learn to compete on the basis of more than tariff-protected prices, through internalizing the production lessons of manufacturing excellence, substantially ratcheting up their operational performance, upgrading their production capabilities, and meeting the critical success factors demanded by global buyers, then they will ultimately drop out of the global clothing and textiles value chains. They cannot expect to remain competitively disadvantaged and successful. This places a major policy onus on governments and international agencies to provide production capability upgrading assistance to firms (such as firm-level innovation, capital equipment, continuous improvement networks, and benchmarking programmes) as well as finance to access technological innovation.

The article proposes the following recommendation.
SOTEXKI is a producing product of good quality and design and cannot compete with East Asian countries based on low prices and bad quality. As for illustration, China is notorious for its 'lack of design' or master in copying products. In the short term, SOTEXKI should continue to produce for the niche market but in the long term the firm should try to explore the international market as the country is beneficiary to AGOA advantage. It should also continue to be involved in best labour practice to remain competitive. Government must continuously put in place good measures to encourage the local industry. These measures will contribute to the survival of the textile and clothing industry. The above government measures should include fiscal incentives, parafiscal incentives and tarifaire, customs facilities, provide affordable energy cost, improve social and health conditions, improve skills development and technology upgrading, building new road and telecommunication infrastructure, etc. There is also a need that government protect the local industry by putting in place a contingent plan to limit the imported products from Asia. Stimulate the production of cotton in the country. Also stimulate the DRC textile firm to export. China’s penetration in Africa is destroying the local industry. Make more awareness and incentives that consumers buy locals products to promote the local industry.

In term of policy recommendations, SOTEXKI needs to be constantly innovating, increasing investment and upgrading by improving ways of doing business, improving the quality of their products with better prices, improving internal and external efficiency performance, involving in best labour practice, and focussing on export as the major requirement of competitiveness. Government should provide stable economic policy and more incentives. Stability of macroeconomic variables such as interest rates, wages, exchange rates etc., are important to encourage exports and stimulate the economic activity. Also, government should play a crucial role by providing production capability upgrading assistance to firms; improving policies; promoting local industry and stimulating growth productivity as well as finance to access technological innovation. As indicated by Morris and Barnes (2007), policy levers must therefore be directed not only towards export market possibilities, but also towards realigning the domestic value chain in order to ensure competitive access to domestic market opportunities. In the same way, as developed economy clothing and textile producers have needed to create manufacturing capabilities that meet incredibly onerous fast fashion, lean retailing and replenishment retailer requirements as a means to survival.

Other recommendations are as follow:

1. A need to keep encouraging this survival firm which is performing well with award or stimulating certificate for best performance or facility grants to keep boosting the competitiveness and increase productivity;
2. A need to support and assist this survival firm to keep complying to best labour practice and help to improved the different existing channels for collaboration between employers, union and other important stakeholders;
3. Protect and promote the local industry by giving the only survival company some adequate good incentives and stimulate more investors in the sector to increase the national demand which is covered by East Asian products;
4. Lobbying continuously for effective mechanism for monitoring, evaluating and reviewing both trade and industrial policy on continuous basis;
5. Provide firms in the sector with findings to help them raise their competitiveness levels and stimulate growth productivity;
6. Stop corruption and policy enforcement is more needed to enhance efficiency and competitiveness of the local industry.

REFERENCES


