



## **GENDER AND INNOVATION IN THE SOUTH AFRICAN CLOTHING INDUSTRY**

Diane Flaherty

Univ. of Massachusetts, Amherst, MA 01002

B. Lynn Salinger

AIRD, Cambridge, MA 02138

Traditional manufactures like clothing and footwear historically have been engines of growth for manufacturing development in poor countries. These sectors are labor intensive, employing mainly women and sparing of skills and capital. Unfortunately, in this era of global competition such a path to manufacturing development has become more difficult. Production for domestic use is no longer protected and imports penetrate all but the most successful domestic markets.

In response to competitive pressure, developing countries have focused on competing through low wages. Capital is highly mobile, rushing from poor to even poorer countries in search of elusive havens from competitive pressures. A low-wage strategy undermines the ability of countries to compete on quality. With an increasingly discerning international market, quality as well as price is critical to competitive success. Since women in the low-wage strategy typically are treated as unskilled and their competencies undervalued, maximum quality is not achieved. While it is necessary to reject the low road as a high-risk and low-return strategy, alternatives are possible. This paper uses case-study evidence from 53 firms in the South African clothing industry to identify weaknesses of the low-wage strategy and the characteristics and prerequisites of successful alternatives.

The sample was chosen to include a range of firm sizes, locations, and product markets. Interviews were conducted with the managers and/or accountants in each firm. In addition, interviewers inspected most production facilities. The survey instrument was comprised of some 85 questions concerning history, structure, and performance of the firm.

The theoretical framework of the paper is grounded in an evolutionary view of the firm and innovation. Key findings link competitive-ness to innovation and innovation to gender relations on the shop floor. Firms that upgrade the skills and roles of women achieve substantial incremental innovation in product and process. Firms that treat women as untrainable cheap labor tend to persist in de-skilling production processes that are not competitive in either price or quality.