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Exploring the nature of policy support in value- adding and upgrading as a tool to industrial development: the case of the Zimbabwean cotton to textiles value chain

Abstract

It has been the objective of the Zimbabwean government since 2009 to arrest deindustrialisation, embody reindustrialisation as the essence for development and structural transformation from production of primary goods to manufacturing of value added goods for the domestic and export market. The President of Zimbabwe traversed that "industrialization is the essence of development, industrial production creates job opportunities at higher skill levels, facilitates more useful links across the agricultural, mining and service sectors, between rural and urban economies, and across consumer, intermediate and capital goods industries" (Ministry of Industry and Commerce, 2012: v). As such one of the economic components, through which re-industrialisation is envisioned is the value-addition of cotton through supporting downstream industries in textiles and clothing.

This objective has been seen gradually through all of its policies post crisis or since dollarization. This is illustrated for example in the in the Short Term Emergency Recovery Programme (STERP) of 2009 were textiles and ginning are identified under strategically targeted industries. In the Industrial Development Policy of 2012 -2016, it is also stated that "whilst in Zimbabwe it might appear that the industrial value chain is complete; in sectors such as cotton, iron and steel and sugar, the level of transformation beyond primary processing still needs to be enhanced" [and so] "the Government has identified four (4) priority sectors as the pillars and engine for this IDP 2012–2016, namely Agri-business (Food and beverages, Clothing and Textiles, Leather & Footwear and Wood and Furniture)….", (Ministry of Industry and Commerce, 2012: 11,17).

With this background in mind, the broader problem this research is trying to solve is how the government through its objectives has sort to address de-industrialisation and re-industrialize through support of value addition and upgrading processes. Therefore, my research will focus on the evolution of cotton to textiles value chain and investigate how much value-addition has been employed to cotton products locally and for exports but only up to the point of textiles; what market conditions, forces and industry initiatives/strategies influenced the attempts to increase value added, and how successful or not these have been ; what policies both broader industrial and macroeconomic and sector-specific policies are in place or have been

implemented to support the growth of cotton to textiles value added or shifting into higher value added production and what the impact of the cotton to textile industry has been towards industrial development.