

COMING BACK? Capability and precarity in UK Textiles and Apparel

Julie Froud, Steven Hayes, Hua Wei and Karel Williams

Alliance Manchester Business School/ Centre for Research in Socio-Cultural Change & School of Materials, University of Manchester

Press Release

The UK textiles sector needs a more imaginative industrial policy to help it build the capabilities needed for a sustainable future, argues a major new report by researchers at the University of Manchester.

The findings of the report *Coming back? Capability and precarity in UK textiles and apparel* are directly relevant to the current UK Government consultation on industrial strategy and to debates about reshoring manufacturing.

The textiles and apparel sector remains important but is now dominated by small and micro-firms with, on average, low investment, productivity and wages. While it is possible to make high quality products in the UK, many producers struggle with low returns.

The report argues that industrial policy needs to have a more explicit focus on important mundane sectors like textiles. Policy also needs to move beyond generic concerns around innovation and skills by addressing some of the specific challenges that a diverse sector presents.

Drawing on sub-sector cases, the report explains how the business environment acts as an ecology that offers both opportunities and challenges to producers. Ecological conditions therefore shape the extent to which firms can develop the productive, marketing and finance capabilities they need to be sustainable.

For example, carpet manufacturing includes some of the largest, capital intensive firms paying higher than average wages. The relative success of this sector reflects technical capabilities, that lead to distinctive high quality Made-in-Britain products, and co-operation between producers and between some producers and retailers, which supports marketing and distribution.

In contrast, many small clothing manufacturers have little power in their relationships with major retailers, resulting in low and uncertain profit margins. These conditions make it more difficult to achieve prices necessary to pay UK wages, manage risk, secure a modest return for business owners and invest for the future. The result here for many firms is precarity not sustainability.

An effective industrial policy needs to address such obstacles to developing sustained capability. For example, in the apparel sub-sector this should include enforcing minimum wages, encouraging partnership and supporting new kinds of distribution and co-operation

between producers. In other sub-sectors, ensuring management succession and retaining capabilities within regional clusters are relevant to sustaining capabilities. Overall, the priority is not simply the number of jobs but the sustainability of firms and of groups of textile and apparel manufacturing.

The report is available at:

Contact: Julie Froud, Alliance Manchester Business School julie.froud@manchester.ac.uk

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