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Effects of the Reopening of Mulungushi Textiles with a Focus on Employment Generation, SME and Farmer Linkages Within the Value Chain, and the Industrial Competitiveness of the Factory in Zambia's Liberalized Textile Market

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Abstract

This study evaluated the effects of the reopening of Mulungushi Textiles, focusing on employment generation, SME and farmer linkages within the cotton-textile value chain, and competitiveness in Zambia's liberalized textile market. A descriptive survey employing a mixed-methods approach was used, with 100 participants. Quantitative data was analyzed using SPSS and Excel, while qualitative data was thematically analyzed. Findings showed positive perceptions of employment creation, with high mean scores for job opportunities (4.10), employment stability (3.75), and skills development (3.85). SME and farmer participation was moderate, with 27.8% always engaged and 33.3% often

engaged in value chain activities. The factory was perceived as competitively positioned, with 38.9% rating its pricing and market availability as high and 16.6% as very high, supported by favorable views on quality and accessibility. Key challenges included limited raw materials (33.3%), competition from imports (27.8%), and high production costs (22.2%), alongside policy and infrastructural constraints. The study recommended strengthening value chain linkages, improving access to finance and inputs, enhancing operational efficiency, and addressing policy and infrastructural gaps to support sustainable industrial growth.

Keywords: Employment Generation, Factory, Farmer Linkages, Industrial Competitiveness, Liberalized, Mulungushi Textiles, Effects, Reopening, Small and Medium Enterprises (SMEs), Textile Market, Value Chain

1. Introduction

The textile and garment industry has consistently played an important role in driving industrial development and employment creation across many economies. In countries such as Bangladesh, India, and Vietnam, the sector has been used as a strategic tool for economic growth, export expansion, and job creation. For example, Bangladesh's textile industry employs over four million workers, most of whom are women, and contributes a substantial share of the country's export earnings (International Labour Organization [ILO], 2020) [5]. In a similar way, Ethiopia has invested in industrial parks to promote textile production, leading to the rapid creation of jobs and increased manufacturing capacity (Gebreyesus, 2017) [4]. These experiences demonstrate that when properly supported, the textile sector can strengthen value chains, expand employment opportunities, and improve industrial competitiveness.

The situation in Africa presents a contrasting experience. The textile and apparel industries, which were once vibrant in many African countries, declined significantly from the 1980s onwards. This decline was largely driven by structural adjustment reforms, increased competition from imported textiles, and the widespread growth of second-hand clothing markets (Staritz & Morris, 2013) [16]. Zambia experienced a similar pattern of decline. In the 1980s, the country had a strong textile base with over 140 firms in operation, but today only a few large-scale firms remain, contributing very little to national output (Zambia Development Agency [ZDA], 2020) [20]. The closure of Mulungushi Textiles in 2007 marked a major setback for the sector, resulting in the loss of employment and the breakdown of linkages with cotton farmers. This also weakened the industrial base of Kabwe and surrounding areas (Zambia Institute for Policy Analysis and Research [ZIPAR], 2018) [21].

The economic effects of this decline were strongly felt in Kabwe District, where industrial activity had already been affected by the downturn in mining. Levels of unemployment in Central Province remain relatively high, while poverty in Kabwe

continues to exceed national averages (Zambia Statistics Agency, 2021; Jesuit Centre for Theological Reflection, 2022) [23, 6]. With limited access to formal employment, many households have turned to informal trading and other low-income activities for survival. In this context, the absence of a stable industrial employer reduced economic opportunities and increased dependence on insecure livelihoods.

In response to these challenges, the Zambian government reopened Mulungushi Textiles in 2022 with expectations of creating employment, strengthening linkages with cotton farmers and small and medium enterprises, and improving competitiveness within the textile sector. Projections included the creation of thousands of jobs and the revitalization of the cotton value chain (Ministry of Commerce, Trade and Industry [MCTI], 2022) [10]. Despite this optimism, there is still limited empirical evidence to show the extent to which these outcomes have been achieved. Questions remain regarding the sustainability of the jobs created, the level of participation of farmers and SMEs, and the ability of the factory to compete in a market dominated by imported and second-hand clothing (Zambia Institute for Policy Analysis and Research [ZIPAR], 2019) [22]. It is against this background that this study was undertaken to provide evidence on the employment, value chain, and competitiveness effects associated with the reopening of Mulungushi Textiles.

1.1 Statement of the Problem

The reopening of Mulungushi Textiles was expected to reduce unemployment, strengthen linkages between cotton farmers and industry, and improve competitiveness in Zambia's textile sector. However, evidence suggests that these challenges remain unresolved. Although the factory has created jobs, many workers are employed on casual or short-term contracts, raising concerns about job security. At the national level, over 70% of Zambia's workforce is still engaged in informal employment (ZamStats, 2021), indicating limited progress in creating stable jobs. In addition, only about 35% of cotton farmers in Central Province have access to reliable formal markets (Cotton Board of Zambia, 2023) [3], which limits their participation in the textile value chain. The situation is further complicated by high levels of textile imports exceeding 200 million United States dollars annually, alongside the dominance of second-hand clothing in local markets (Central Statistical Office [CSO], 2022) [2]. Despite these concerns, there is limited empirical evidence on the actual impact of the factory's reopening. Despite these concerns, there was limited empirical evidence on the actual impact of the factory's reopening. This lack of systematic data made it difficult to determine whether Mulungushi Textiles was achieving its intended objectives, thereby necessitating this study to assess its effects on employment, value chain integration, and industrial competitiveness in Kabwe District.

1.2 Purpose of the Study

The purpose of this study was to evaluate the effects of the reopening of Mulungushi Textiles with a focus on employment generation, SME and farmer linkages within the value chain, and the industrial competitiveness of the factory in Zambia's liberalized textile market.

1.3 Objectives of the Study

1. To assess the extent and quality of employment generated by Mulungushi Textiles in Kabwe District.
2. To examine the degree of integration of SMEs and cotton farmers into the textile value chain.
3. To evaluate the competitiveness of the factory in Zambia's domestic textile market.
4. To identify challenges and policy gaps that may hinder the sustainability of its operations.

1.4 Conceptual Framework

The conceptual framework of the study explained the relationships among employment effects, value chain integration, and industrial competitiveness. Employment effects were treated as the independent variable and referred to the quantity and quality of jobs created by Mulungushi Textiles, including both direct and indirect employment. Industrial competitiveness was the dependent variable and reflected the factory's ability to operate efficiently and compete in a market dominated by imports and second-hand clothing. Value chain integration acted as a mediating variable by linking cotton farmers and SMEs to the production and distribution processes. The framework proposed that employment effects influenced competitiveness both directly, through improved workforce productivity and skills, and indirectly, through stronger value chain linkages that enhanced efficiency and market access. It was also recognized that a feedback relationship existed, where improved competitiveness could lead to increased employment opportunities and deeper integration of local actors, thereby reinforcing sustainable industrial development.

1.5 Significance of the Study

This study was important because it provided policymakers with empirical evidence to evaluate the effectiveness of industrial revival as a strategy for employment creation and industrial competitiveness within the Zambian context. It further generated critical insights for small and medium enterprises and cotton farmers regarding their positioning within the textile value chain, as well as the structural and operational constraints that limited their participation. From an academic perspective, the study contributed localized empirical evidence to a relatively under-researched area, thereby strengthening existing scholarship on industrial revival, value chain development, and sustainable industrialization in Zambia. In addition, the study was significant to the Kabwe community as it identified both opportunities and persistent challenges associated with the reopening of Mulungushi Textiles, thus supporting more informed engagement with policymakers and private sector stakeholders.

2. Literature Review

2.1 Empirical Studies

Textile industrialization has consistently played a significant role in generating employment, particularly for women and youth, while also contributing to broader socio-economic development. In countries such as Bangladesh, the garment sector employs over four million workers, with women accounting for about 80% of the workforce (ILO, 2020) [5]. This large-scale employment has not only increased household incomes but has also enhanced women's

economic participation and contributed to poverty reduction (World Bank, 2021) ^[19]. Similarly, in Vietnam, the textile sector employs more than two million people and contributes around 15% of export earnings, demonstrating its strong capacity to absorb labour and drive economic growth (UNIDO, 2013) ^[17].

Within the African context, the impact of textile industrialization has been mixed but still notable. Ethiopia provides a strong example, where the establishment of Hawassa Industrial Park created over 30,000 jobs within a short period while also integrating local enterprises into production networks (Gebreyesus, 2017) ^[4]. Kenya has also experienced employment growth in the garment sector, with both direct factory jobs and indirect opportunities created through linkages with small and medium enterprises (Kaplinsky & Morris, 2002) ^[7]. However, despite these gains, challenges such as low wages, insecure contracts, and limited opportunities for skills development remain prevalent, indicating that the creation of jobs alone does not automatically translate into meaningful socio-economic transformation.

In Zambia, similar patterns can be observed following the reopening of Mulungushi Textiles in 2022. While the factory has reportedly generated employment opportunities, available evidence suggests that many of these jobs are characterized by casual or short-term arrangements. This raises important concerns regarding job security, access to social protection, and the potential for long-term skills development, which are critical factors in determining the overall quality and sustainability of employment within the sector (ZIPAR, 2019) ^[22].

Empirical literature highlights that the extent to which industrial revival translates into broader socio-economic benefits depends largely on the strength of backward and forward linkages within the value chain. In established textile economies such as Bangladesh and Vietnam, SMEs play a central role in activities including garment finishing, distribution, and retail, thereby generating additional employment opportunities and enhancing economic inclusion (Porter, 1985; Kaplinsky & Morris, 2002) ^[15, 7]. These linkages are further strengthened through structured relationships with local farmers, which improve the reliability of raw material supply while simultaneously increasing household incomes. Such integration demonstrates that industrial growth becomes more inclusive when production processes are closely connected to local actors across the value chain.

In the Zambian context, the development of these linkages remains constrained. Although backward linkages with cotton out-growers are present, they are not sufficiently strong, as only about 35% of farmers supplying Mulungushi Textiles have consistent access to formal markets (Cotton Board of Zambia, 2023) ^[3]. This situation limits income stability among farmers and weakens the agricultural foundation of the textile industry. Forward linkages with SMEs are equally underdeveloped, which restricts opportunities for small-scale enterprises to engage in garment production, distribution, and related services. The limited integration of SMEs reduces the potential for industrial spillovers and constrains the broader developmental impact of the textile sector.

Industrial competitiveness is another critical determinant of the success of textile sector revival. The literature indicates that competitiveness is influenced by factors such as

productivity, cost efficiency, technological advancement, and market access. Countries like Bangladesh and Vietnam have maintained strong competitiveness through the adoption of modern machinery, development of skilled labour, and integration into global value chains, enabling them to produce high-quality goods at relatively low costs (UNIDO, 2013; World Bank, 2021) ^[17, 19]. In contrast, Zambia faces significant constraints, including high production costs, limited technological capacity, and strong competition from imported and second-hand clothing, which dominate the local market (ZIPAR, 2019) ^[22]. These challenges limit the ability of local firms such as Mulungushi Textiles to compete effectively within both domestic and regional markets.

Empirical evidence from other countries demonstrates that the reopening of industrial facilities can generate significant socio-economic benefits when supported by appropriate conditions. Kim and Lee (2018) ^[8] found that the reopening of textile and manufacturing plants in South Korea led to increased employment, higher household incomes, and the stimulation of local economic activities. Similarly, the World Bank (2019) ^[18] reported that industrial revitalization creates multiplier effects by increasing demand for goods and services in surrounding communities, thereby supporting informal sector growth. In the United States, Martinez, Johnson, and Lewis (2020) ^[9] established that industrial resurgence contributed to improved household incomes, which translated into better educational and health outcomes, particularly when complemented by skills development and social protection measures. These findings indicate that employment generation alone is insufficient unless accompanied by broader developmental interventions.

Evidence from the African region and Zambia further supports these observations. In Ghana, Ncube and Oduro (2017) ^[13] reported that the revival of textile industries contributed to employment creation and strengthened agricultural linkages, although challenges such as inadequate infrastructure and limited access to finance constrained full realisation of benefits. In Nigeria, Okafor and Chukwuma (2019) ^[14] observed that textile industry resurgence reduced unemployment and stimulated the growth of small businesses around industrial hubs. In Kenya, Mwangi (2018) ^[12] found that textile sector reforms improved household incomes and community development, particularly when supported by training and access to credit. Within Zambia, Banda (2020) ^[1] established that employment in manufacturing sectors in Kabwe improved household livelihoods through increased access to income, education, and healthcare services. These findings suggest that industrial revival has the potential to generate meaningful socio-economic outcomes when supported by strong linkages, competitiveness, and enabling policies.

2.2 Research Gap

The study identified key gaps in existing literature on textile industrial revival, particularly in relation to Mulungushi Textiles. Previous studies largely focused on the number of jobs created, with limited attention to job quality, including wages, security, and working conditions, especially in the Zambian context. There was also limited empirical evidence on the extent to which SMEs and cotton farmers were integrated into the factory's value chain through procurement, finance, and technology access. Furthermore,

competitiveness had not been rigorously assessed in terms of productivity, costs, and market positioning within a liberalized market dominated by imports and second-hand clothing. Existing research was also fragmented across global, regional, and local contexts, with insufficient linkage of these perspectives, while the policy and institutional environment supporting textile revival in Zambia remained underexplored, leaving a gap in understanding how it influenced factory performance.

3. Research Methodology

3.1 Research Design

The study adopted a descriptive survey design using a mixed-methods approach because it was appropriate for capturing both measurable trends and contextual realities, which were essential for examining employment, value chain linkages, and industrial competitiveness.

3.2 Research Site

The study was conducted in Kabwe District, located in Central Province of Zambia, where Mulungushi Textiles is situated. The site was considered appropriate because it is the direct location of the factory's operations and the surrounding communities that are affected by its activities, including employees, SMEs, and cotton farmers. This made it suitable for examining the employment effects, value chain integration, and industrial competitiveness associated with the reopening of Mulungushi Textiles.

3.3 Population, Sample and Sampling Procedure

The study targeted stakeholders directly and indirectly involved with Mulungushi Textiles in Kabwe District, including factory employees, SMEs, cotton out-growers, and factory management or government officials, with an estimated population of 2,500 individuals (Mulungushi Textiles, 2024) ^[11]. A sample of 100 participants was selected, comprising 90 respondents for the quantitative component and 10 key informants for the qualitative component. Stratified random sampling was used to ensure that employees, SMEs, and farmers were adequately represented, while purposive sampling was applied to select key informants with relevant experience and knowledge of the factory's operations.

3.4 Research Instruments and Data Analysis

Data was collected using a structured questionnaire and a semi-structured interview guide to capture both quantitative and qualitative information on employment, SME participation, value chain integration, and competitiveness. Quantitative data was analysed using SPSS and Excel through descriptive statistics and inferential statistics, while qualitative data was examined using thematic and content analysis, with triangulation applied to validate and strengthen the findings.

3.5 Ethical Issues

Ethical considerations were strictly observed throughout the study. Participants were fully informed about the purpose of the research and provided informed consent before taking part. Their identities and responses were kept confidential and anonymized to protect privacy. Participation was

voluntary, and respondents were free to withdraw at any time without any penalty. All collected data was securely stored and accessible only to the research team, and ethical clearance was obtained from the relevant institutional review board prior to data collection.

4. Findings and Discussion

4.1 Extent and Quality of Employment Generated by Mulungushi Textiles in Kabwe District

The findings in Table 1 indicated that respondents perceived the employment generated by Mulungushi Textiles positively, with the highest satisfaction recorded for job opportunities (Mean = 4.10, SD = 0.85).

Table 1: Descriptive Statistics on Extent and Quality of Employment (n = 90)

Statement	Mean	SD
I am satisfied with the job opportunities provided by Mulungushi Textiles.	4.10	0.85
My employment is stable and sustainable.	3.75	0.92
My wages are sufficient to support my household needs.	3.40	1.05
The factory provides opportunities for skills development and training.	3.85	0.88
Employment conditions at Mulungushi Textiles meet decent work standards (security, fair pay, benefits).	3.90	0.90

Source: Field data, 2025

Employment stability was moderate (Mean = 3.75, SD = 0.92), while wages were comparatively lower (Mean = 3.40, SD = 1.05), suggesting that although jobs were created, remuneration did not consistently meet household needs. Opportunities for skills development (Mean = 3.85, SD = 0.88) and employment conditions, including security, fair pay, and benefits (Mean = 3.90, SD = 0.90), reflected a generally favorable work environment. These results corresponded with findings by Okafor and Chukwuma (2019) ^[14], who revealed that textile industry revivals created meaningful employment but faced challenges in wage adequacy and job security, and with Banda (2020) ^[1] and JCTR (2022) ^[6], who reported that industrial employment in Kabwe supported livelihoods but remained insufficient for full household sustenance.

The data also demonstrated that Mulungushi Textiles facilitated workforce capacity building and adherence to decent work standards, enhancing both skill acquisition and job quality. This aligned with observations by the International Labour Organization (2020) ^[5], which highlighted that textile industries could improve labor skills while promoting employment standards. Likewise, Martinez, Johnson, and Lewis (2020) ^[9] found that manufacturing sector resurgence strengthened employee capabilities and working conditions. The findings indicated that while the factory contributed positively to employment generation and quality, persistent concerns regarding wage adequacy and sustainable job security required targeted interventions, reinforcing insights from ZIPAR (2018) ^[21] on Zambia's textile sector revival.

The one-sample t-test results in Table 2 below indicated that respondents perceived employment at Mulungushi Textiles positively, with all mean scores significantly above the neutral point.

Table 2: One-Sample t-Test on Quality of Employment (n = 90)

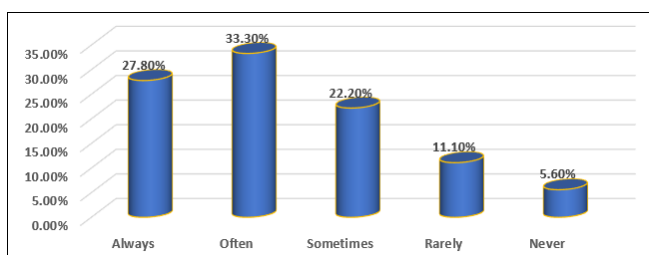
Statement	Mean	SD	t-value	df	p-value
I am satisfied with the job opportunities provided by Mulungushi Textiles.	4.10	0.85	11.53	89	0.000
My employment is stable and sustainable.	3.75	0.92	6.76	89	0.000
My wages are sufficient to support my household needs.	3.40	1.05	2.46	89	0.016
The factory provides opportunities for skills development and training.	3.85	0.88	7.71	89	0.000
Employment conditions at Mulungushi Textiles meet decent work standards (security, fair pay, benefits).	3.90	0.90	8.00	89	0.000

Source: Field data, 2025

Job satisfaction was highest (Mean = 4.10, t = 11.53, p < 0.001), while stability (Mean = 3.75, t = 6.76, p < 0.001) and wages (Mean = 3.40, t = 2.46, p = 0.016) reflected moderate confidence in sustainable and adequate employment. Skills development (Mean = 3.85, t = 7.71, p < 0.001) and decent work conditions (Mean = 3.90, t = 8.00, p < 0.001) demonstrated that the factory supported capacity building and fair labor practices (See Table 2). These findings align with Okafor and Chukwuma (2019) [14] and Banda (2020) [1], who observed that industrial revival improved employment opportunities while highlighting challenges in income adequacy and job security, and are consistent with ILO (2020) [5] and Martinez, Johnson, and Lewis (2020) [9], which emphasized the role of manufacturing in skill enhancement and labor standards.

4.2 Integration of SMEs and Cotton Farmers into the Textile Value Chain

Figure 1 below indicates that SMEs and cotton farmers exhibited moderate to high engagement in the Mulungushi Textiles value chain, with 27.8% of respondents always participating and 33.3% frequently participating, while 22.2% were occasionally involved and 16.7% participated rarely or not at all.

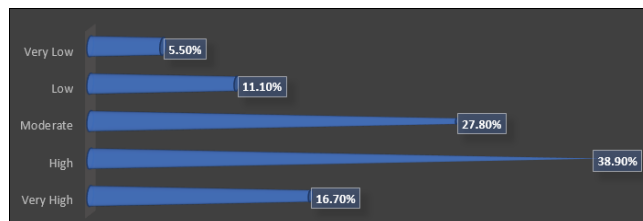


Source: Field data, 2025

Fig 1: Frequency of Engagement in the Mulungushi Textiles Value Chain (n = 90)

This pattern of responses demonstrated that the factory had successfully fostered linkages with local suppliers and small-scale entrepreneurs, although engagement was not uniform across all actors. The findings are consistent with Kaplinsky and Morris (2002) [7], who argued that sustained inclusion of upstream actors enhances value chain efficiency and competitiveness, and with Cotton Board of Zambia (2023) [3], which noted that historical barriers had limited farmer participation in formal markets. They also align with Gebreeyesus (2017) [4] and Ncube and Oduro (2017) [13], who revealed that industrial revival could strengthen SME

and farmer linkages, facilitating capacity building, knowledge transfer, and livelihood improvements. Nonetheless, the variation in participation levels highlighted the need for targeted interventions to ensure more consistent and inclusive integration of all actors within the value chain. The analysis of results in Figure 2 below showed that SMEs and cotton farmers were actively involved in decision-making within the Mulungushi Textiles value chain, with 38.9% reporting high engagement and 16.7% very high involvement, while 27.8% were moderately engaged and smaller proportions reported low or very low participation.



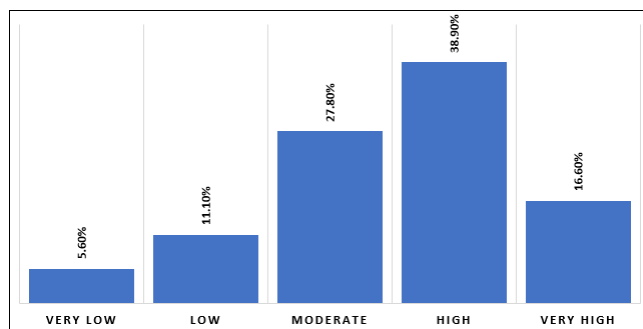
Source: Field data, 2025

Fig 2: Level of Involvement in Decision-Making within the Value Chain (n = 90)

Findings in Figure 2 above indicated that most local actors had meaningful input in coordination and operational processes. These findings align with Kaplinsky and Morris (2002) [7], who emphasized that participatory decision-making strengthens value chain efficiency, and Staritz and Morris (2013) [16], who highlighted its role in skill development and local embeddedness. The results are also consistent with Gebreeyesus (2017) [4] and Ncube and Oduro (2017) [13], showing that industrial revival that incorporates supplier input enhances resilience and competitiveness, while the Cotton Board of Zambia (2023) [3] and MCTI (2022) [10] similarly emphasized the importance of inclusive governance in strengthening SME and farmer linkages.

4.3 Competitiveness of Mulungushi Textiles in Zambia’s Domestic Textile Market

Regarding competitiveness in pricing and market availability, findings presented in Figure 3 indicated that Mulungushi Textiles was generally viewed as competitive in Zambia’s domestic textile market, with 38.9% of respondents rating pricing and market availability as high and 16.6% as very high, while 27.8% considered it moderate.



Source: Field data, 2025

Fig 3: Respondents’ Ratings of Competitiveness in Terms of Pricing and Market Availability (n = 90)

The results in Figure 3 above suggested that the factory

maintained a strong market presence and relative affordability, enabling it to contend with imported and second-hand textiles (ZIPAR, 2019; CSO, 2022) [22, 2]. This aligns with Porter (1985) [15], who emphasized that market positioning through price and accessibility underpins competitive advantage. Similar trends were observed in studies by Martinez, Johnson, and Lewis (2020) [9] and Mwangi (2018) [12], which revealed that industrial resurgence improved operational efficiency and market reach. These findings corroborate the Mulungushi Textiles (2024) [11] report and MCTI (2022) [10], highlighting strategic pricing and availability as key drivers of competitiveness, though moderate and lower ratings indicate opportunities for further strengthening market penetration.

The findings presented in Table 3 indicated that respondents perceived Mulungushi Textiles as moderately to highly competitive in the Zambian domestic market, with product quality rated highest (mean = 4.00), reflecting strong confidence in meeting local standards.

Table 3: Descriptive Statistics on Competitiveness of Mulungushi Textiles (n = 90)

Statement	Mean	SD
Mulungushi Textiles can compete effectively against imported and second-hand clothing.	3.85	0.92
The factory’s products meet quality standards for the domestic market.	4.00	0.88
Production costs at the factory are competitive with similar firms.	3.70	0.95
The factory adopts modern technologies to enhance productivity.	3.60	1.00
Market access and distribution networks are sufficient to ensure competitiveness.	3.75	0.90

Source: Field data, 2025

Competitiveness against imported and second-hand clothing scored 3.85, which is consistent with ZIPAR (2019) [22] who established that imported and second-hand garments constrained the competitiveness of local textile firms. Production costs (mean = 3.70) and market access (mean = 3.75) suggested operational efficiency and effective distribution, supporting Gebreyesus (2017) [4] who found that competitive production costs and robust market networks enhanced firm competitiveness in industrializing contexts. Technology adoption scored moderately (mean = 3.60), aligning with Mwangi (2018) [12] who established that limited modernization restricted productivity and market responsiveness. These findings indicated that Mulungushi Textiles had maintained a credible competitive position, particularly in quality and pricing, while facing challenges previously documented in the literature.

4.4 Challenges and Policy Gaps Affecting the Sustainability of Mulungushi Textiles’ Operations

Table 4: Respondents’ Perceived Challenges Affecting Sustainability of Mulungushi Textiles (n = 90)

Response	F	%
Limited access to raw materials	30	33.3%
High production costs	20	22.2%
Competition from imported textiles	25	27.8%
Inadequate government support/policies	10	11.1%
Poor infrastructure (electricity, transport, water)	5	5.6%
Total	90	100%

Source: Field data, 2025

The findings in Table 4 above revealed that limited access to raw materials emerged as the most pressing challenge to the sustainability of Mulungushi Textiles, reported by 33.3% of respondents. This situation reflected the persistent difficulties faced by domestic manufacturers in securing consistent cotton and other essential inputs, a concern also highlighted by ZIPAR (2018) [21] and the Cotton Board of Zambia (2023) [3], who observed that irregular supply chains constrained production and slowed the recovery of the local textile industry. Competition from imported textiles was identified by 27.8% of respondents as a key obstacle, echoing findings by ZIPAR (2019) [22] and Banda (2020) [1], who noted that cheaper foreign and second-hand garments eroded domestic market share, limiting the ability of local firms to grow. High production costs, mentioned by 22.2% of respondents, further reflected operational challenges, in line with Mwangi (2018) [12] and Martinez, Johnson, & Lewis (2020) [9], who reported that limited economies of scale and elevated input costs negatively impacted manufacturing profitability in similar African contexts.

Smaller proportions of respondents pointed to inadequate government support (11.1%) and poor infrastructure (5.6%) as factors influencing sustainability, underscoring the role of policy and physical infrastructure in shaping industrial performance. These findings resonate with the Ministry of Commerce, Trade and Industry (2022) [10] and World Bank (2019) [18], who emphasized that strategic policy frameworks, reliable electricity, transport, and water networks are essential for sustaining operations in the textile sector. The pattern of responses suggested that while Mulungushi Textiles had maintained operational continuity, its long-term viability depended on addressing supply chain limitations, mitigating pressures from imports, and enhancing both cost efficiency and institutional support, reinforcing challenges documented in previous studies across Zambia and other African textile industries.

4.5 Interview Findings

The interview findings provided rich qualitative insights that corroborated the quantitative data on employment at Mulungushi Textiles. Key informants, including factory managers, government officials, SME owners, and cotton farmers, highlighted that the factory’s reopening had significantly increased employment opportunities in Kabwe, both directly and indirectly through support for local businesses. One participant remarked, “The factory has created jobs for many young people who previously struggled to find employment in the district,” reflecting a tangible improvement in livelihoods. This aligns with the findings of Banda (2020) [1] and Martinez, Johnson, & Lewis (2020) [9], who established that industrial revival can substantially enhance local employment and stimulate surrounding economic activity. Nevertheless, qualitative accounts revealed disparities in job quality, as permanent employees experienced more stable employment, better wages, and access to training, whereas casual workers faced uncertainty and limited benefits, consistent with observations by ILO (2020) [5] and UNIDO (2013) [17] regarding labor segmentation in manufacturing sectors.

The interviews further indicated that SME and cotton farmer integration into the value chain remained uneven. Larger, established enterprises tended to access contracts and resources more readily, while smaller actors and some farmers faced delayed payments and restricted input access.

For instance, one SME owner noted, “Only a few of us get contracts, the rest struggle to access opportunities,” and a cotton farmer added, “Sometimes payments are delayed, which makes it hard to plan for the next season.” These findings resonate with Kaplinsky & Morris (2002) ^[7] and Staritz & Morris (2013) ^[16], who highlighted that effective participation in value chains often favors more resourceful actors, leaving smaller producers marginalized. The partial integration observed underscores the need for deliberate mechanisms to ensure inclusivity and equitable benefit-sharing within the textile value chain, as emphasized by the Ministry of Commerce, Trade and Industry (2022) ^[10] and ZIPAR (2018) ^[21].

Respondents also highlighted operational and systemic challenges that continued to affect competitiveness and sustainability. High production costs, limited mechanization, weak distribution networks, and competition from imported textiles were cited as persistent constraints, while infrastructure deficits, irregular power supply, limited access to finance, and policy gaps further constrained performance. These observations echo previous studies by Mwangi (2018) ^[12], ZIPAR (2019) ^[22], and World Bank (2019) ^[18], which revealed that sustainable industrial operations require reliable infrastructure, supportive policy frameworks, and investment in technology and skills. Interviewees consistently emphasized the importance of enhancing government support, improving SME and farmer inclusion, and maintaining investment in training and mechanization to secure long-term operational resilience and socio-economic impact.

5. Conclusion

In conclusion, the revival of Mulungushi Textiles creates a range of employment opportunities in Kabwe, including roles in production, machine operation, quality control, and administration, contributing to approximately 2,000 direct jobs. These jobs remain moderately sustainable, relying on consistent raw material supply, stable market demand, and operational efficiency. SMEs and cotton farmers benefit through increased demand for locally sourced inputs and related services; however, their participation remains constrained by limited access to finance, inconsistent input supply, and restricted credit, which affects long-term stability within the value chain. In terms of competitiveness, the factory maintains a moderate position in Zambia’s domestic market, with products meeting quality standards and remaining relatively well priced compared to imports and second-hand clothing. Despite these gains, significant challenges persist, including competition from imports, limited access to finance and raw materials, infrastructural gaps, and inadequate government support, indicating that sustained growth depends on targeted interventions in finance, policy, supply chains, and infrastructure.

6. Recommendations

1. The factory management and the Ministry of Commerce, Trade and Industry should implement strategies to ensure consistent raw material supply and efficient operations, securing long-term employment for workers.
2. The Ministry of Agriculture and financial institutions should provide access to credit, training, and inputs to strengthen the participation of SMEs and farmers in the cotton-textile value chain.

3. Mulungushi Textiles should adopt modern production technologies and effective marketing strategies to maintain product quality and affordability against imports and second-hand clothing.
4. The Ministry of Commerce, Trade and Industry and Zambia Development Agency (ZDA) should review and implement industrial policies, provide infrastructural support, and establish incentives to reduce competition from imports and strengthen the factory’s sustainability.

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