



Strathmore University
Law School

**REDEEMING THE TEXTILE INDUSTRY IN KENYA; A TIGHTER POLICY ON
SECOND-HAND CLOTHING**

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VT OMNES VNVM SINT

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DECLARATION

I, **RUKARIA REHEMA GACERI** do hereby declare that this research is my original work and that to the best of my knowledge and belief, it has not been previously, in its entirety or in part, been submitted to any other university for a degree or diploma. Other works cited or referred to are accordingly acknowledged.

Signed:RRG.....

Date:26 January 2024.....

This dissertation has been submitted for examination with my approval as University Supervisor.

Signed: *Purity Wangigi* *Rukaria*

A large, faint watermark of a university crest is centered on the page. The crest features a shield with a rose on the left and a lion on the right, topped with three hearts. Below the shield is a banner with the Latin motto "VT OMNES VNVM SINT".

ABSTRACT

This research project methodically examines the dynamics of the second-hand clothes market and evaluates the current legislative framework in an effort to revitalize Kenya's textile industry. The main goals are to find regulatory gaps, assess how they would affect the textile industry, examine international best practices, and develop well-informed recommendations based on the lessons learned from prosperous countries like China and Rwanda. This investigation's breadth includes a thorough examination of Kenya's textile industry's past, linking its decline to the proliferation of used apparel and the effects of international trade agreements, most notably AGOA.

The research broadens its scope to examine the socio-economic and environmental consequences, doing comparative evaluations with other countries such as Rwanda. Laws pertaining to resale are carefully reviewed, and several recommendations are made to rectify regulatory shortcomings that are identified.

The methodology used is qualitative and makes use of a lot of secondary research from books, news articles, reports, and internet sources. The study uses a prescriptive technique, which is supported by the formulation of useful suggestions. Simultaneously, content analysis is employed to analyse prevailing viewpoints and concepts related to the market for used clothing. Important discoveries highlight a clear negative association between the rise in used apparel and the downfall of local textile industries throughout Africa. Environmental risks and skewed competitiveness are fostered in part by regulatory inefficiencies and valuation techniques' opacity. The lessons learned from Rwanda's and other successful policy implementations highlight the potential benefits of strict rules in building a resilient textile industry.

The suggestions made include strengthening and enforcing laws pertaining to the importation of used clothing, copying effective policy initiatives, instituting strict quality control procedures, encouraging domestic textile manufacturing, and harmonizing legislative frameworks with global waste disposal guidelines.

Although the study strives to be as comprehensive as possible, review of existing regulatory frameworks in the textile and used apparel industries could lead to even more improvement.

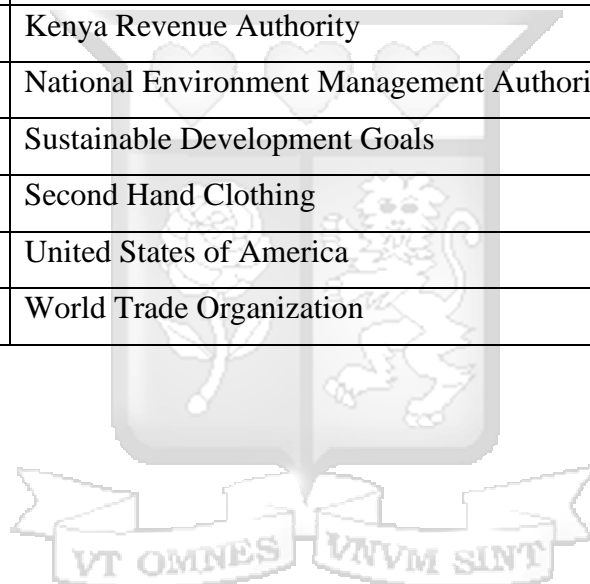
Furthermore, a comparison analysis incorporating other African countries facing similar difficulties would enhance the study's scope and relevance.

In summary, this research project aims to provide practical legal and regulatory interventions that are informed by international best practices for managing the second-hand clothing market, so making a significant contribution to the revitalization of Kenya's textile industry.



LISTS OF ABBREVIATIONS

Abbreviation	Full meaning
AGOA	African Growth and Opportunities Act
BRI	Belt and Road Initiative
COVID - 19	Coronavirus Disease Of 2019
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
EACCMA	East African Community Customs Management Act
GATT	General Agreement on Tariffs and Trade
KEBS	Kenya Bureau Of Standards
KRA	Kenya Revenue Authority
NEMA	National Environment Management Authority
SDG	Sustainable Development Goals
SHC	Second Hand Clothing
US	United States of America
WTO	World Trade Organization





LIST OF LEGAL INSTRUMENTS

1	The Constitution of Kenya, 2010.
2	The Kenyan Customs and Excise Act Cap 472
3	The Standards Act Cap 496
4	The General Agreement on Tariffs and Trade, 1947.
5	The East African Community Customs Management Act, 2001.



Chapter 1 : An introduction to redeeming the textile industry in Kenya and creating tighter policy on second-hand clothing

Introduction

1.1 Background

Kenya has long since been considered one of the biggest consumers of second-hand fashion,¹ with millions of people having second-hand clothing as the only clothing items in their closets. Fashion is a luxury, and the purchase of new clothing is always occasioned. Unfortunately, fashion is a very classist notion, with certain income classes enjoying a certain type, quality, and brand of clothing from those of a different income class. As an indicator of the economic gap, the fashion disparity is primarily a result of the extremely high cost of new clothes, and those that can afford to buy the new clothes often frequent ‘high end’ retail stores such as Woolworths, Mr. Price, LC Waikiki and other similar brands in search of clothing that fits the standard of the lifestyle they subscribe to.² Important to note, and perhaps the bone of contention lies in the fact that these ‘high-end’ brands are imports, with brands like Woolworths coming from South Africa, and ironically enough, the second hand clothing market is almost wholly made up of imports, primarily as donations from western nations.³ This indicates how one of the most essential parts of societal living, and a recognized human right⁴ is not widely manufactured in Kenya, with the textile industry being undermined by the unregulated importation of second-hand clothing (Mitumba),⁵ and the flooding of foreign brands in the fashion market.⁶

‘Mitumba’ denotes used apparel and commodities that are imported into countries, notably Kenya, especially within the East African region. This term is frequently used in the discourse

¹ Institute of Economic Affairs, ‘The State of Second-Hand Clothes and Footwear Trade in Kenya,’ *The Law and economics of second-hand clothing in Kenya*, 3.

² Institute of Economic Affairs, ‘The State of Second-Hand Clothes and Footwear Trade in Kenya,’ *The Law and economics of second-hand clothing in Kenya*, 13.

³ -< [⁴ United Nations Declaration of Human Rights, Article 25.](https://www.theguardian.com/world/2015/jul/06/second-hand-clothing-donations-kenya#:~:text=Kenya%20alone%20imports%20around%20100%2C000,globally%20end%20up%20in%20Africa.> on 10 October 2023.</p></div><div data-bbox=)

⁵ -<

⁶ -< [1](https://www.aspireluxurymag.com/why-luxury-brands-are-flooding-the-kenyan-market/> on 27 February 2023.</p></div><div data-bbox=)

surrounding the commerce of second-hand goods. Such items typically originate from donations or sales in more economically developed countries and are subsequently transported to other regions for commercial redistribution. Within the Kenyan context, mitumba clothing serves as a widely favoured and economically accessible choice for a substantial portion of the population. The name finds its linguistic origin in Swahili, where "mitumba" translates to signify "bundles" or "bales," encapsulating the characteristic way these goods are commonly bundled and conveyed.⁷

The textile industry in Kenya has made various attempts at creating clothing for Kenyans, by Kenyans.⁸ However none of the attempts have had a long bearing effect, with the textile industry rising and falling, due to economic and market changes.⁹ About fifty-two textile mills producing yarn and fabric as well as about ten large-scale garment manufacturing enterprises operated in Kenya in the 1990s. The textile industry in Kenya saw a decline and an ultimate end with the entry of agreements such as AGOA, which lead to an influx in the importation of second hand clothing in the country, as part of their trade agreement, and this dealt a devastating blow to the textile industry.¹⁰ With this type of economic inconsistency, the textile industry stands no chance against the thriving mitumba businesses and the successful foreign retail brands, resulting in a somewhat implied disdain on locally sourced, locally made clothing for Kenyans by Kenyans, as seen in the lack of support for the Kenyan fashion industry for the greater part of Kenya's history.¹¹

Mitumba is a household concept, a means as to how people can constantly be dressed in fast fashion, for as low as Twenty Kenya shillings¹² per item, and some of the pricier items range between three hundred to five hundred Kenya shillings. On the other hand, 'bigger brands' have

⁷ Wetengere K, 'Is the Banning of Importation of Second-Hand Clothes and Shoes a Panacea to Industrialization in East Africa?' Volume VI *African Journal of Economic Review* Issue I, 2018, 121.

⁸ KIPPRA Public Policy Repository, *Buy Kenya Build Kenya Strategy*, 19 June 2017, 22.

⁹ Tuigong D and Kipkurgat T, 'Challenges and opportunities facing textile industries in Kenya in the wake of Africa growth and opportunity act,' *International Journal of Advanced Research*, 2015, 3 (9), 520-523.

¹⁰ Opiri J, 'Expanding Kenya's Domestic Textiles and Apparel Industry: Lessons from Rwanda's Secondhand Clothing Market' Volume 8 *International Journal of Management and Commerce Innovations* Issue I, 2020, 377.

¹¹ Kiriri P, 'Consumer Ethnocentrism and Attitudes towards Local Products: A Case of Kenyan Consumers' United States International University – Africa, Nairobi, Kenya, 2019, 5. "Consumers are attracted to foreign products because of underlying socio-psychological factors that automatically accord a status of prestige to foreign countries and, by association, their products..."

¹² -< <https://www.money254.co.ke/post/starting-a-mitumba-business-in-kenya-all-you-need-to-know-info> > on 23 February 2023.

a retail price ranging between One Thousand Five Hundred Kenya shillings to Ten thousand Kenya shillings per item, with some stores selling items that are valued above the higher end of the spectrum. These prices are unrealistic for the common Kenyan, who's earnings per day is much lower than the average pricing of a shirt being sold in Woolworths.¹³¹⁴

Mitumba is a very widespread concept, nesting in eastern African countries, and western African countries. Africa is a top consumer of second-hand clothing, as most of it comes in as donations¹⁵ from western countries, these donations are often given with a goodwill intent, or as waste, with 'unwanted clothing' coming in together with these donations. These clothing items are received from the ports, with most of them coming in bales via the Mombasa and Somali ports.¹⁶ There is a distinct lack of legal regulation regarding how the clothing that comes in as donations should be handled and how any waste like items should be dealt with without contributing to the already existing issue of dumpsites,¹⁷ overflowing 'landfills. When these clothing items are received in the country, they often fall into the hands of cartels and other individuals who exert unregulated control, who then distribute them through a free for all system, picking out quality items to sell them at high end retail prices and the other items being sold at throw away prices. This has led to the emergence of markets like Toi Market, and Gikomba Market, which are infamous for having very 'affordable Mitumba clothing.' These markets have grown in terms of popularity, from being associated with the lower middle class and the lower class, to attracting the upper middle and some of the high class members of society, who have recently learned the art of 'thrifting'.¹⁸ With thrifting becoming the new norm, online thrifting of Mitumba on the rise and never-ending sixty-five percent off sales in retail stores, there appears to be no market for locally produced fashion. The question then becomes, does the Kenyan textile industry clothe no one? If that is the case, is it not an

¹³ -< https://www.woolworths.co.za/dept/Women/_/N-1z13s4t > on 23 February 2023.

¹⁴ -< <https://www.usaid.gov/kenya/economic-growth-and-trade#:~:text=Two%2Dthirds%20of%20Kenyan%20live.and%20have%20since%20Kenya's%20independence.> > on 24 October 2023

¹⁵ Kinabo D, 'The Textile Industry and the Mitumba Market in Tanzania,' Tanzania-Network.de Conference on textile market and Textile Industry in Rural and Urban areas in Tanzania, 2004, 2.

¹⁶ Kinyua G, 'Effects of imported second-hand clothes on the performance of textile industry in Kenya,' 2018,4.

¹⁷ Ogutu F, Kimata D, and Kwenyu R, 'Essence of Environmental Governance in Solid Waste Management: A Spatial Analysis of the unplanned Dumpsites in Nairobi County,' African Research Journal of Education and Social Sciences, 5(2), 2018, 113-114.

¹⁸ Yangzom D, 'From rag trade to thrifting: the cultural economy of second-hand clothing,' *The Routledge Companion to Fashion Studies*, 1st Edition, London, 2021, 57.

indication that a regulatory gap in a promising industry has resulted in the lack of realization of the potential of such an industry to strengthen and even build the Kenyan economy by creating jobs and generating revenue?¹⁹

Kenyan laws provide for the promotion of locally sourced material, labour, and services to strengthen the local markets²⁰ and policies that focus on buy Kenya build Kenya have also been passed, with minimal results in uplifting the textile industry.

1.2 Statement of problem

For an extensive time, Kenya has actively participated in the second-hand clothing industry, tracing its involvement back to the period when the World Bank, in a decision that stirred controversy, sanctioned the importation of used apparel.²¹ As a result of this, and the cheap price of second hand clothing, Kenyans opt to go for second hand clothing, because it is what they can afford and what they find available.²² This has led to the fall of the textile industry, and the rise of the second hand clothing market, landfills which lead to environmental harm.²³

Countries that manufacture their own clothes have regulatory measures that ensure any imports do not take away from their local industries.²⁴ In turn, these countries have strengthened their economies through legal and economic policy.²⁵ Rwanda, as a case study, is a prime example of a country that grew through imposed punitive measures and strengthened their economy through revival of their textile and manufacturing industry.²⁶

This is important because clothing is an integral right for all people.²⁷ As governments focus on the means to have self-sufficiency with regard to the sustainable production of water,

¹⁹ Shiundu A, 'The key to Kenya's industrial growth,' D+ C (Development and corporation), 2022.

²⁰ -< <https://vision2030.go.ke/economic-pillar/> > on 23 February 2023.

²¹ Ministry Of Industrialization and Enterprise Development, 'Kenya Apparel and Textile Industry, Diagnosis, Strategy and Action Plan,' 32.

²² -< <https://www.businessdailyafrica.com/bd/data-hub/mitumba-versus-new-clothes-which-are-a-bigger-polluter-3816636> > on 27 February 2023.

²³ Ogutu F, Kimata D, and Kwenyu R, 'Essence of Environmental Governance in Solid Waste Management: A Spatial Analysis of the unplanned Dumpsites in Nairobi County,' *African Research Journal of Education and Social Sciences*, 5(2), 2018, 113-114.

²⁴ -< <https://www.theeastafrican.co.ke/tea/business/it-s-no-thanks-to-mitumba-and-that-s-final-says-rwanda--1384224> > on 3 March 2023.

²⁵ Rodrick D, 'Understanding Economic Policy Reform,' *Journal of Economic Literature*, 34 (1), 1996, pp. 9-41.

²⁶ Opiri J, 'Expanding Kenya's Domestic Textiles and Apparel Industry: Lessons from Rwanda's Secondhand Clothing Market' Volume 8 *International Journal of Management and Commerce Innovations* Issue I,2020,376.

²⁷ UNDHR, Article25.

electricity, food, security, and education in line with other human needs, a focus should be placed on having self-sufficiency in the production of our own clothing, as it is part of our human dignity.²⁸

Outside of human dignity and the economic effects of SHC to the textile industry, it is crucial to recognize that self-sufficiency in the manufacturing of clothes is important as it is a means by which the standard of living can be improved through the development of other sectors that are key to textile manufacturing such as agriculture. By revitalizing the textile industry, there is creation of various opportunities for the players involved in the harvesting of the raw material used to make these clothes (for example, cotton farmers) to the retailer who will sell the final product. This raises the living standards of the players involved, resulting in a wholesome improvement of the average living standards of the people.

The textile industry has the potential to create millions of jobs from casual labourers to suppliers, and this could potentially be a source of revenue for the government as well.²⁹

This paper seeks to identify the gap in law resulting in the lax regulation of the second-hand clothing industry. This paper also seeks to draw an economic parallel between Rwanda and Kenya and attempts to pull recommendations from Rwanda's policy strategy that has allowed them to thrive post banning mitumba in the country. In addition to the above, this paper seeks to show how countries contravene international laws on suitable waste management, spawning from the Basel Convention. Finally, this paper seeks to give recommendations on legal regulation that can revive the textile industry and balance with the sale of second-hand clothing.

1.3 Research objective

²⁸ -< <https://www.humiliationstudies.org/intervention/clothes.php> > on 7 March 2023.

²⁹ Keane J, 'The role of textile and clothing industries in growth and development strategies' Overseas Development Institute, Investment and Growth Programme, 2008 – < <https://cdn.odi.org/media/documents/3361.pdf>> on 20 November 2023.

1. To identify the main goal and specific objectives driving this research paper, offering a detailed glimpse into the pivotal questions and areas under scrutiny throughout the study.
2. To identify the existing gap in current trade and import laws and show the impacts of the gap on the textile industry, on the economy and on the environment.
3. To explore the factors that lead to the success of countries implementing best practices in developing and sustaining a flourishing textile/manufacturing sector, and to identify and analyse the challenges and shortcomings prevalent in countries regarded as worst practices in this industry.
4. To learn from successful textile industries in Rwanda and China in achieving sustainable growth in Kenya's textile sector. Leverage insights from challenges faced by Malawi for diversification and effective governance in Kenya's textile industry.
5. Conclusion.

1.4 Research questions

1. a.) What are the specific objectives steering the investigation into the regulatory facet of Kenya's textile industry in this paper?
2. a.) What do the existing trade and import laws and policy state regarding second-hand clothing?
b.) how effective are these existing laws?
3. a.) What are the key factors contributing to the success of best practice countries in developing and sustaining a thriving textile/manufacturing sector?
b.) What challenges and shortcomings characterize worst practice countries in this industry?
4. a.) What lessons can Kenya learn from successful textile industries highlighted in Chapter three to achieve sustainable growth and economic resilience?
b.) How can Kenya navigate challenges in its textile sector by drawing insights from the struggles faced by a worst practice country like Malawi, fostering diversification and effective governance?

1.5 Hypothesis

The widespread presence of the mitumba business in Kenya has impacted the country's economy, and as such, this paper hypothesizes that addressing the regulatory gap in the import and distribution of second-hand apparel will lead to a more balanced financial landscape by maintaining regional textile industries and achieving sustainable economic growth.

In Kenya's clothing business, mitumba, has unquestionably had a significant impact. Its accessibility to a large portion of the population due to its affordability—often available for a fraction of the price of new apparel—meets the needs of many people who cannot afford to buy new clothing. We posit that this affordability may be consistent with the goal of the government to guarantee that its people have access to respectable and cost-effective clothes, which may be why there is little visible effort in regulating this sector, as clothing is an essential element of a respectable level of living.

Additionally, the mitumba trade offers consumers a wide assortment of designs, brands, and sizes that are not usually available in nearby stores. This variety supports Kenya's cultural and social diversity in addition to catering to individual fashion tastes.

The trade might be viewed as an environmentally responsible and sustainable choice. It encourages recycling and lengthens the lifespan of garments, which is in line with international initiatives to lessen textile waste's negative environmental effects. This, according to our hypothesis, is consistent with Kenya's commitments to the Sustainable Development Goals (SDGs), especially Goal 12, which places an emphasis on ethical consumption and production.

To provide a balanced, well-reasoned argument, these advantages must be evaluated against the drawbacks. certainly, the local textile industry in Kenya has faced difficulties because to the unrestrained growth of the mitumba trade. We contend that the cheap prices of used clothing put heavy pressure on local apparel producers and retailers. The ensuing economic volatility and job losses in the textile industry jeopardize Kenya's efforts to achieve sustainable economic growth, which is essential to its long-term goals.

Additionally, some mitumba apparel is of poor quality, which reduces their lifespan and generates extra waste. We assert that this is in opposition to the values of responsible

stewardship of the environment³⁰ and sustainable consumption³¹ which are both very crucial aspects to the environment.

The solution to these problems must be balanced. To strike a fair balance between supplying its citizens with priced apparel and defending the indigenous clothing industry, we suggest that the government should consider limiting the import and distribution of used clothing. To guarantee that only long-lasting and secure apparel is sold, such rules must include quality control procedures, and the application of international trade law principles.

Additionally, we propose that supporting the expansion of the regional textile industry, through incentives and assistance, can lessen job losses and promote economic stability. These efforts should be guided by Kenya's dedication to the SDGs, which cover a range of goals such as sustainable consumerism, economic growth, and the environment.

1.6 Justification

The Kenyan textile industry currently stands at the brink of collapse. Formerly robust industries have collapsed, textile factories are vacant, and there is hardly any large-scale apparel manufacturing left. A glimmer of hope did appear in the form of a few of Kenyan entrepreneurs who gained notoriety for designing apparel using adaptable materials like vitenge. However, these success stories have thus far existed solely in narrative form, lacking substantial funding or sustained attention.

A proposal to outlaw the import of mitumba surfaced in 2016, bringing Kenya into line with an agreement among other East African nations. Kenya has been hesitant to enforce this ban, however, out of concern for the negative effects that normally follow such prohibitions, such as suspension from the African Growth and Opportunity Act (AGOA) and other economic hazards. The main concern at the local level is unemployment, as the mitumba industry directly employs tens of thousands of Kenyans and supports millions more through sales.

³⁰ Bennet J, 'Environmental Stewardship: A Conceptual Review and Analytical Framework' *Environmental Management*, 2018, 599 - <https://doi.org/10.1007/s00267-017-0993-2> on 28 October 2023.

³¹ Sustainable Development Research Network, *Motivating Sustainable Consumption*, 2005,4.

Another concern is that there are no clear laws or regulations governing the distribution and sale of used clothing.³² Due to this legal gap, there has been an unchecked increase in the market supply of used apparel. Large marketplaces have formed, such as Gikomba and Toi, although they are plagued by terrible circumstances. In addition to being dirty, crowded, and unhygienic, they also provide serious environmental and health dangers.³³ Their status as fire dangers is shown by the numerous fatal fires, as seen at Gikomba market. Additionally, abandoned clothing frequently finds up in landfills like Dandora, endangering people's safety and the environment. The lack of effective inspection of imported apparel products directly contributes to this waste problem.³⁴

While it is critical to recognise the mitumba industry as a significant source of employment, it is equally important to admit that the unregulated market has contributed to its dreadful situation. The ideals mentioned in Article 42 of the Kenyan Constitution have been violated by the negative environmental impact that SHC waste has placed in these markets, which has resulted in a dangerous and unhealthy working environment for individuals concerned.³⁵

The national strategic development agenda, Vision 2030, which has two Medium Term Plans, and the Big Four Agenda, identify the Textile and Apparel sector as an anchor industry. The contribution of this sector to the industrialization agenda is important as it has the potential to spur social transformation, attracts investments, creates a lot of employment opportunities, and boosts exports.³⁶ However, without follow through or enforcement mechanisms, any government policy would be futile.

³² Kinyua G, 'Effects of Imported Secondhand Clothes on The Performance of Textile Industry in Kenya: (A Survey of Selected Market in Nairobi County)', Unpublished Degree of Bachelor of Development Studies Thesis the Management University of Africa, Nairobi, 2018,12.

³³ Chalhoub H, 'From Recyclers to Risk-Takers: The Social, Economic and Political Challenges of Selling Second-Hand Clothes in Kenya,' Independent Study Project (ISP) Collection 1387, 2012, 42.

³⁴ Claudio L, 'Waste Couture: Environmental Impact of the Clothing Industry' Environ Health Perspect, 2007 - [10.1289/ehp.115-a449](https://doi.org/10.1289/ehp.115-a449) on 28 October 2023.

³⁵ Article 42 (a), Constitution of Kenya, 2010. 'Every person has the right to a clean and healthy environment, which includes the right—

(a) to have the environment protected for the benefit of present and future generations through legislative and other measures, particularly those contemplated in Article 69.'

³⁶ Ministry of Industrialization, Trade and Enterprise Development, *Investing in Kenya's fibre, textiles and apparel Industry*, 2021, 6 - < <https://www.invest.go.ke/wp-content/uploads/2016/10/KenInvest-Fibre-Text-App-IP-PDF-version.pdf> > on 8 April 2024.

The debate over the ban on mitumba is not new, but it has mostly focused on social and economic issues, ignoring the significant legal aspect. This study stands out for its distinctive legal approach, which emphasizes the need for a strong regulatory structure supported by the law. The history of textile production in Kenya and the development of the second-hand clothes market will both be covered in this study. It will examine how the expansion of one industry need not necessarily lead to the demise of another.

To effectively reduce the ubiquitous problem of unemployment while creating income for the nation, closing this legal loophole holds the possibility of restoring the textile sector as a substantial source of income and jobs.

1.7. Conceptual Framework: Fast fashion as an externality

This concept portrays fast fashion as an externality and suggests that legislative regulation is necessary to set workable fashion standards to protect local industry.

1.7.1 Fast fashion, as a socio-economic externality

An externality is an economic concept that describes an economic activity or transaction's unanticipated effects on persons who are not directly involved in it. Simply put, an externality is the result of a choice that has an impact on individuals or organizations that were not involved in the choice.

Fast fashion can be seen as an externality as it generates negative impacts on third parties who are not directly involved in the production or consumption of fast fashion products.³⁷ Some of the negative externalities of fast fashion include vast environmental damage. Fast fashion relies on cheap, synthetic materials that are often produced using unsustainable methods, such as using large amounts of water and energy. The production and disposal of fast fashion products contributes to pollution, greenhouse gas emissions, and environmental degradation, which affects people and wildlife in regions far beyond where the clothing is produced. The labour exploitation associated with fast fashion which is often produced in developing countries. In such countries, labour laws and regulations may be weaker or poorly enforced. Workers in fast fashion factories may be paid low wages, work long hours, and face poor working conditions, which can lead to exploitation, health issues, and social problems. In addition to the above, the

³⁷ Bick R, Halsey E, and Ekenga C, 'The global environmental injustice of fast fashion', *Environmental Health*, 17 (92),2018, < <https://ehjournal.biomedcentral.com/articles/10.1186/s12940-018-0433-7> > on 3 March 2023.

fast fashion industry generates a significant amount of waste, as consumers often discard clothing after a few wears, leading to landfills and pollution. This waste affects the health and well-being of people who live near waste disposal sites, such as Dandora and Kariobangi.³⁸

Outside the social scope, there is the matter economic inequality. The low prices of fast fashion products are often achieved by outsourcing production to countries with lower labour costs. This can have a negative impact on local economies, seen on a larger scale by the impact on Kenya's textile industry, and on a smaller scale, as small businesses and traditional crafts are replaced low cost markets that sell clothing at throw away prices, as it has in Kenya, Tanzania and Uganda, to mention a few.

The negative externalities of fast fashion affect a wide range of stakeholders, including people who live near production facilities, workers in the fashion industry, and future generations who will inherit the environmental damage caused by the industry.

1.8 Literature Review

The appeal behind second-hand clothing

Second-hand clothing holds a unique appeal for consumers in developing nations due to its trifecta of affordability, durability, and fashionable allure, enhanced by the prestige associated with globally recognized brand names.³⁹ The cost-effectiveness of second-hand clothing, often referred to as "mitumba," expands its reach among a diverse consumer base, particularly in regions with limited economic resources. The prolonged lifespan of these garments not only ensures value for money but also becomes especially significant in economically challenged settings.

The fashionable nature of second-hand items aligns seamlessly with the diverse preferences and trends embraced by consumers across different cultural contexts.⁴⁰ The incorporation of

³⁸ -< <https://www.unep.org/news-and-stories/story/smoking-nairobi-landfill-jeopardizes-schoolchildrens-future> > on 7 March 2023.

³⁹ Abubakar M, 'Imperialism and Loss of Identity in Second Hand Clothes: The Nigerian Okrika Experience' 9 Journal of Language, Technology & Entrepreneurship in Africa 1, 2018, 158.

⁴⁰ Chipambwa W, 'Consumer perceptions towards second-hand undergarments in Zimbabwe: a case of Harare urban dwellers' 9 International Journal of Fashion Design, Technology and Education 13, 2016, 180.

international brand names further amplifies the allure, given their established reputation for excellence.

Conversely, inadequate governmental policies contribute to the inaccessibility of locally manufactured clothing for individuals facing economic challenges.⁴¹ Regulatory inefficiencies and practices contribute to elevated costs for domestically produced garments, making them financially prohibitive for this demographic. This underscores the critical intersection between socio-economic factors and policy decisions, highlighting the need for more effective and inclusive governmental measures to ensure affordability and accessibility in the clothing market for vulnerable populations.

The affordability of second-hand clothing emerges as a significant driver for consumer preference. The financial constraints faced by these consumers, combined with the budget-friendly pricing of second-hand clothing, reinforce the perception that new clothing is economically out of reach. This financial constraint intensifies the impact of even moderately priced garments, creating a perception of unaffordability.⁴² This underscores the delicate interplay between consumer financial capability and pricing strategies, emphasizing the need to consider not just the raw price of clothing but also the economic context of the target audience.

The undisclosed value of mitumba bales leads to lower taxes for traders, allowing them to sell their goods at reduced prices. This creates an unfair competitive advantage against traders dealing in new clothing, raising concerns about fairness within the trading sector.⁴³ The lack of transparency in valuing mitumba contributes to distorted competition, posing challenges for businesses engaged in the sale of new clothing. Addressing this issue requires regulatory measures promoting transparency in the valuation of mitumba bales, ensuring equitable competition, and maintaining the integrity of the trading environment.

⁴¹ Chipambwa W, 'Consumer perceptions towards second-hand undergarments in Zimbabwe: a case of Harare urban dwellers' 9 *International Journal of Fashion Design, Technology and Education* 13, 2016, 177.

⁴² Abubakar M, 'Imperialism and Loss of Identity in Second Hand Clothes: The Nigerian Okrika Experience' 9 *Journal of Language, Technology & Entrepreneurship in Africa* 1, 2018, 158.

⁴³ Moses Ikiara, executive director of the Kenya Institute for Public Policy Research and Analysis (quoted by Majtenyi, 2010)

Consumers believe that the use of second-hand clothing provides them with a fiscal advantage, allowing them to access more fashionable brands without significant expenditures.⁴⁴ This consumer perspective reflects a pragmatic approach to fashion consumption, where opting for second-hand clothing is seen as a judicious strategy to maximize purchasing power for stylish apparel without the high costs associated with prominent brands. This perceived financial advantage plays a pivotal role in shaping consumer preferences, directing them towards the adoption of second-hand clothing. This conviction, rooted in obtaining enhanced value for expenditure, underscores the centrality of affordability as a primary determinant influencing sartorial choices in the domain of fashion.

Despite the undeniable virtues of durability, style, and affordability associated with second-hand clothing, its widespread use raises significant economic challenges. The prolonged lifespan of mitumba reduces the demand for new clothing production, potentially impacting industries involved in creating fresh apparel. This diminished demand may affect employment levels and economic activity within sectors linked to new clothing manufacturing.⁴⁵

Furthermore, the affordability of second-hand clothing may divert consumer expenditures away from new clothing, impacting businesses in the retail sector. This shift in consumer spending patterns can have far-reaching implications for economic sectors reliant on the sale of new clothing items, potentially causing disruptions in supply chains and altering market dynamics.⁴⁶

The widespread adoption of second-hand clothing has been implicated in the decline of textiles and leather industries across many African nations. The growing preference for second-hand garments has triggered consequences for local industries, leading to a decline in the demand for newly manufactured, locally produced apparel. This shift in consumer behaviour has played a role in the contraction and, in some instances, the outright collapse of textiles and leather industries in several African countries.⁴⁷

⁴⁴ Guiot D, 'A Second-hand Shoppers' Motivation Scale: Antecedents, Consequences, and Implications for Retailers,' 86 *Journal of retailing* 4, 2010, 385.

⁴⁵ Wetengere K, 'Is the Banning of Importation of Second-Hand Clothes and Shoes a Panacea to Industrialization in East Africa?' 6 *African Journal of Economic Review* 1, 2018, 129.

⁴⁶ Brooks A, 'Unravelling the Relationships between Used-Clothing Imports and the Decline of African Clothing Industries,' 43 *Development and Trade* 6, 2012, 1274.

⁴⁷ Chipambwa W, 'Consumer perceptions towards second-hand undergarments in Zimbabwe: a case of Harare urban dwellers' 9 *International Journal of Fashion Design, Technology and Education* 13, 2016, 177.

The repercussions extend beyond mere economic implications, encompassing job losses, a decline in manufacturing activity, and an erosion of the competitive standing of local producers. The correlation between the popularity of second-hand clothing and the decline of textiles and leather industries underscores a multifaceted relationship, encompassing broader economic and social challenges in the affected regions.⁴⁸

Frazer's examination of the correlation between the rise in the influx of second-hand clothing and the production of new apparel in various African nations reveals a noteworthy inverse relationship. As the importation of second-hand clothing increases, there is a corresponding decline in local apparel production. Frazer's findings suggest that a substantial portion of the decline in apparel production, approximately 40%, and a significant reduction in employment, around 50%, in these countries can be attributed to the importation of second-hand clothing.⁴⁹

Frazer's analysis sheds light on the substantial impact of the surge in used clothing on the dynamics of the apparel industry in African nations. The identified inverse relationship not only indicates shifting consumer preferences but also highlights the consequential effects on the production landscape and employment within the local apparel sector. These findings carry important implications for policymakers and industry stakeholders, emphasizing the necessity for strategic interventions to address the challenges associated with the importation of second-hand clothing and to foster the development of a more sustainable and resilient domestic apparel industry.⁵⁰

This research agrees with the findings presented above, as they precisely articulate the perspective that this paper intends to adopt. The objective of this research is to illuminate the intricate relationship between insufficient legal regulation and the multifaceted challenges that arise, including economic crises, employment dilemmas, trade disparities, and industrial decline stemming from deficiencies in existing regulatory frameworks.

⁴⁸ Chipambwa W, 'Consumer perceptions towards second-hand undergarments in Zimbabwe: a case of Harare urban dwellers' 9 *International Journal of Fashion Design, Technology and Education* 13, 2016, 177.

⁴⁹ Frazer G, 'Used-Clothing Donations and Apparel Production in Africa' 118 *The Economic Journal*, 2008, 1767.

⁵⁰ Frazer G, 'Used-Clothing Donations and Apparel Production in Africa' 118 *The Economic Journal*, 2008, 1780.

To substantiate these assertions, this research plans to delve into an in-depth analysis of the findings put forth by the authors. Moreover, this research aims to explore whether there exist instructive lessons to be derived from both the least successful and most successful countries in managing legal regulations. This comparative examination will involve a meticulous evaluation of the strategies employed by these nations and how they correlate with the identified challenges. The goal is to discern whether these insights can be effectively customized to align with and address the specific nuances of the Kenyan landscape, providing valuable guidance for enhancing the country's regulatory framework.

1.9 Methodology

This study is qualitative in nature. The study was best suited to a qualitative approach because it focuses more closely on notions and experiences. The study conducts in-depth secondary research using materials on the issue of used clothing, such as reports that have been published, news stories, books, and online resources. They are the most effective for describing, interpreting, placing into context, and obtaining a thorough understanding of concepts or phenomena in the various disciplines. For instance, the information on the Basel Convention on international waste management law was essential to the study to comprehend the legal aspects of this subject.

The prescriptive technique is more prevalent in this study than the descriptive approach. The descriptive section is essential for explaining topics in their current state. For instance, a descriptive technique is employed in this study to comprehend how the textile industry is self-sufficient in that products at each level of production are used as raw materials for the stage after that. However, the study adopts a more prescriptive method to analyse how the distinction between locally created clothes and second-hand apparel differs beyond their places of origin, concentrating on their various impacts on the nation's fashion industry. The study also makes use of content analysis to look at existing ideas for resolving the issue with the growth of the second-hand clothes market, which has now spread to social media platforms and is rapidly growing. The findings of this strategy help further the major claim of the study which is to propose on how to employ legal regulation and broad policy making to create balance between the two conflicting conceptions, without necessarily preferring one over the other.

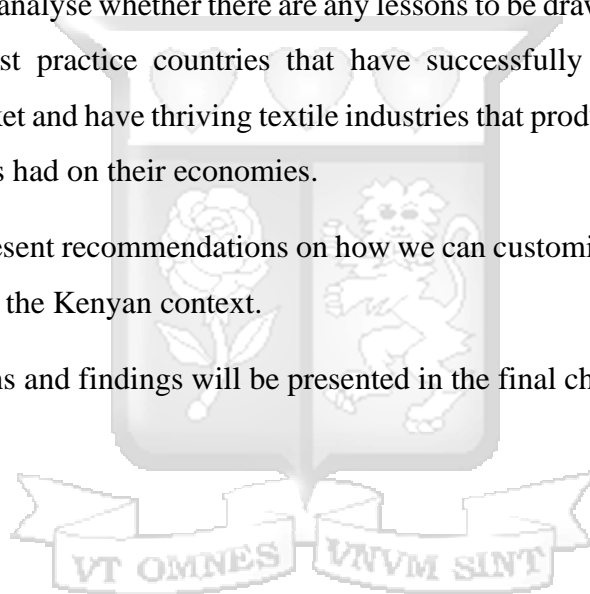
1.10 Chapter Breakdown

The first chapter of the study will be comprised of this research proposal. It provides the study's justification, research objectives, and conceptual framework provide context and a frame of reference that serve as the cornerstone for the remaining chapters. The second chapter discusses the legal and institutional frameworks that regulate the second-hand clothing market, with focus on import regulations and standardization of the products in the market through quality checking to ascertain whether there is in fact a regulatory gap that has contributed to the downfall of the local textile industry.

Chapter three seeks to analyse whether there are any lessons to be drawn from the worst practice countries, and the best practice countries that have successfully phased out second-hand clothing from the market and have thriving textile industries that produce locally made clothing, and the impact this has had on their economies.

Chapter 4 will then present recommendations on how we can customize the lessons highlighted in chapter three to suit the Kenyan context.

The study's conclusions and findings will be presented in the final chapter.



Chapter 2: Examining the Legal Environment: Second-Hand Clothing Trade and Import Regulations

2.1 Introduction

This chapter aims to scrutinize the current legal framework in place, to objectively determine if there is indeed a gap that needs to be addressed. This entails an examination of local, regional, and international legal provisions, Kenya's position within these regulations, and only after a comprehensive analysis of these facets can we proceed to identify the gaps, develop recommendations, and propose potential solutions.

Prior to 2020, there was no explicit regulation on the standardization and handling of Mitumba in Kenya,⁵¹ until the onset of COVID-19, and the *Protocols for Importation of Used Textiles and Used Footwear into Kenya*⁵² was enacted. These protocols ensure that any import is subjected to 'physical examination' and 'certification' upon entry into the country so as to ensure the safety of the consumers of these products.⁵³ While a valiant effort by the government,⁵³ it fails to address the low textile manufacturing concerns that are as a result of the prevalence of Mitumba in the market.

Outside of the above, there is no specific primary legal framework for regulating the importation and sale of second-hand clothing in Kenya, however, there are various legal statutes that deal with trade, imports, and that may be applicable, though they may not fully encompass all aspects of the second-hand clothing market in their individual capacity. These acts/statutes include *The East African Community Customs Management Act*⁵⁴ which outlines the customs procedures including the classification and valuation of imported goods, the *Kenyan Customs and Excise Act* (Cap 472) which deals with the handling of imports and exports, and stipulates how cargo is to be handled on arrival into the country, the *Standards Act* (Cap 496)⁵⁵ which deals with

⁵¹ By explicit, we mean there has been no legislation wholly dedicated to the regulation of second-hand clothing in Kenya -< <http://www.kenyalaw.org:8181/exist/kenyalex/index.xql> > on 21 November 2023

⁵² Kenya Standard KS EAS 356:2019 Textiles – Requirements for Inspection and Acceptance of Used Textile Products - which was adopted and gazette as Kenya Standard through Gazette Notice number 8111 of 30th August 2019.

⁵³ Section 2, *Protocols for Importation of Used Textiles and Used Footwear into Kenya*, 2019.

⁵⁴ *The East African Community Customs Management Act*, 2004.

⁵⁵ *The Standards Act*, Cap 496, 2019.

quality assurance and sets a standard for goods to be consumed by the public, and international trade agreements, specifically, AGOA.

2.2 The Kenyan Customs and Excise Act Cap 472

The Kenyan Customs and Excise Act, Cap 472, is the main piece of legislation that governs customs and excise issues in Kenya.⁵⁶ It defines the laws and guidelines governing the import and export of products, organizing the customs landscape.

The statute discusses excise taxes, a crucial component of income generating. It lists excisable goods, which include things like alcohol, tobacco, and petroleum, and it establishes the rates of relevant excise duty. By balancing revenue collection with the control of a certain product's usage, this framework advances both financial objectives and public health issues.⁵⁷ The statute offers a methodical strategy to dealing with things that are prohibited and restricted. It identifies items that are categorically forbidden from import or export and specifies the circumstances under which restricted commodities may be handled. The environmental protection, public welfare, and national security are all protected by this regulatory system.

Relevant to us, this statute regulates the enforcement of customs.⁵⁸ It gives authorities the power to efficiently enforce customs laws. This includes the authority for customs officials to undertake searches and seizures of commodities, as well as impose fines and penalties for offenses relating to customs, with the goal of discouraging smuggling and customs fraud. The statute also includes procedures for appeals and conflict settlement, which are fairness-envisaging elements. This legislation outlines the procedures for appeal and settlement in situations when disagreements develop between customs authorities and people or corporations. By doing this, the rights of the parties are protected, and it is ensured that complaints against customs rulings may be handled via recognized channels. This law also gives customs officials the resources they need to efficiently monitor the entry of used clothing while maintaining the integrity of customs laws. It gives customs authorities the power to search imported goods and

⁵⁶ Long Title, *Kenya Customs and Excise Act*, Cap 472.

⁵⁷ Section 12, *Kenya Customs and Excise Act*, Cap 472.

⁵⁸ Long Title, *Kenya Customs and Excise Act*, Cap 472.

seize them,⁵⁹ giving them the ability to effectively identify and stop smuggling and customs fraud.

The Kenya Customs and Excise Act does not appear to directly be connected to the textile industry in that its provisions do not directly address the concerns that the textile industry faces, as highlighted in other sections of the paper, however, second-hand clothing does fall under the definitions of both cargo and goods⁶⁰, and as such, ought to be taxed as such. This being the case, the tax obligations of importers of second-hand clothing can be assessed, given that the true nature of second-hand clothing is that it is a sold commodity rather than donations from first world countries.⁶¹

Furthermore, the legislation also discusses the variation of rates of duty,⁶² and the power of minister to refund duties⁶³ which is essential to this paper, as one of the claims made is that most of the mitumba clothing comes into the country as ‘donations.

Finally, it is important to highlight that the second-hand clothing sector once properly regulated by this law can result in an additional source of government revenue,⁶⁴ as bales upon bales of second-hand clothing are imported into the country and sold at extremely low prices – an avenue the government can use to generate revenue This in turn has the potential to strengthen the textile industry as it can create a competitive market and incentivise manufacturers to introduce locally made clothing as a viable alternative to second-hand clothing.

2.3 The East African Community Customs Management Act (EACCMA)

The East African Community Customs Management Act⁶⁵ is an all-inclusive legal framework that oversees customs practices, trade facilitation, and revenue collection within the East African Community.⁶⁶ Kenya, Tanzania, Uganda, Rwanda, Burundi, and South Sudan are

⁵⁹ Section 12, *Kenya Customs and Excise Act*, Cap 472.

⁶⁰ Section 2, *Kenya Customs and Excise Act*, Cap 472.

⁶¹ -< [⁶² Section 119, *Kenya Customs and Excise Act*, Cap 472.](https://www.theguardian.com/world/2015/jul/06/second-hand-clothing-donations-kenya#:~:text=Kenya%20alone%20imports%20around%20100%2C000,globally%20end%20up%20in%20Africa.> on 20 November 2023.</p></div><div data-bbox=)

⁶³ Section 138, *Kenya Customs and Excise Act* Cap 472.

⁶⁴ Keane J, ‘The role of textile and clothing industries in growth and development strategies’ Overseas Development Institute, Investment and Growth Programme, 2008 – < <https://cdn.odi.org/media/documents/3361.pdf>> on 20 November 2023.

⁶⁵ *The East African Customs and Management Act*, 2004.

⁶⁶ Section 1, *The East African Community Customs Management Act*, 2004.

among the EAC member nations.⁶⁷ The EACCMA was implemented to integrate customs rules and practices among EAC member states. Its main goals are to advance trade, make border crossings easier, increase tax collection, and establish a seamless customs union within the region.

According to the statute, customs officials have the authority to uphold the integrity of customs operations by enforcing customs regulations, preventing fraud, smuggling, and other illegal acts.⁶⁸ Furthermore, it establishes clear regulations for customs valuation, encouraging stability and equity. A predictable trading environment is maintained via the legislation's regulations on customs duties and tariffs, which restrict unfair trade practices and guarantee member states' revenue collection. The legislation emphasizes trade facilitation, utilizing contemporary technologies to simplify customs procedures and save businesses time and money.

While this law does not explicitly discuss the regulation of second-hand clothing, it is crucial to understand that second-hand clothing is a commodity handled at the ports and as such, is subject to relevant sections discussing the entry of cargo, examination of goods, removal of goods after entry for home consumption/exportation, and collection of anti-dumping and countervailing duties.

Section 34 of the EACCMA: Entry, Examination and Delivery; Entry of Cargo

This section describes the procedure of the entry of cargo into the east African states, and specifically, section 34(3) discusses the checking of entries these goods to be unloaded by the commissioner, and at their discretion, they can be disallowed. This section is relevant because it can create a potential regulatory aspect of the importation of second-hand clothing, however, it is difficult to ascertain whether second-hand clothing importers do provide accurate entries as required. However, considering this section and as a general requirement of the *Protocols for Importation of Used Textiles and Used Footwear into Kenya*,⁶⁹ second hand clothing planned for importation into Kenya is to be subjected to physical examination and certification. As this is a protocol enacted to control the spread of covid nineteen via second-hand clothes, it

⁶⁷ < <https://www.eac.int/> > - on the 16 September 2023.

⁶⁸ Section 141 (3), *The East African Community Customs Management Act*, 2004.

⁶⁹ Kenya Standard KS EAS 356:2019 Textiles – *Requirements for Inspection and Acceptance of Used Textile Products*, Gazette Notice number 8111 of 30th August 2019.

is enforced and followed up within a health perspective,⁷⁰ and not as from a tradable commodity's perspective.

Section 41: Examination of goods

This regulation insists on a thorough inspection of goods brought into the country to confirm they match their declared descriptions. Focusing specifically on second-hand clothing (mitumba), it is noticeable that these bundles often undergo insufficient scrutiny, leaving the quality and condition of the items largely unverified.⁷¹ As previously established, there is an expectation that these goods, mainly comprising donated clothing, undergo a detailed examination upon entry to assess their quality and durability.

A significant portion of the incoming bundles contain extensively worn garments, some verging on disrepair, significantly contributing to landfill waste. Beyond environmental concerns, this underscores the necessity for a more rigorous inspection process for imported second-hand clothing.

Mitumba bundles frequently arrive tightly sealed and wrapped, sparking speculation that they might not undergo a thorough inspection.⁷² The perceived challenges associated with unpacking, examining, and repacking these bundles might explain the less stringent scrutiny. However, this practice raises substantial concern, particularly considering the sizable volume of imported bundles. While beneficial for the mitumba industry, it concurrently exacerbates the challenges faced by the domestic textile sector, which is already contending with its own set of difficulties.

An effective application of this regulatory section would demand the meticulous assessment of each item, leading to the identification and disposal of substandard clothing through due process. This, in turn, would significantly reduce the environmental waste associated with mitumba apparel. Furthermore, the potential improvement in the quality and reduction in the

⁷⁰ *Protocols for Importation of Used Textiles and Used Footwear into Kenya*, 2019.

⁷¹ Changing Markets Foundation, *Trashion: The stealth export of waste plastic clothes to Kenya*, February 2023, 20.

⁷² Changing Markets Foundation, *Trashion: The stealth export of waste plastic clothes to Kenya*, February 2023, 20.

quantity of second-hand clothing entering the market could act as a catalyst for the revival of the domestic textile industry.

The scrupulous implementation of this regulatory provision holds the promise of not only mitigating environmental concerns but also fostering the revitalization of the local textile industry, aligning with broader economic and sustainability goals in Kenya.

Section 60: Removal of goods after entry for home consumption/exportation

Section 60(2) of the EACCMA states that “Where goods are entered for export such goods shall be removed from the warehouse or bonded factory and exported within thirty days or within such further period, not exceeding thirty days, as the Commissioner may, in any particular case, allow.”

A considerable number of mitumba bales linger at the ports awaiting collection, leading to an undesirable congestion in port facilities. This situation runs counter to the stipulations of this provision, which specify that the removal of goods is restricted to a defined period, beyond which the goods should be disposed of.

This issue may stem from the substantial influx of bales into the country, surpassing the expectations of importers. Consequently, a selection process unfolds at the port, where some bales are claimed, while others remain unclaimed. This practice further exacerbates the waste challenge associated with mitumba, posing environmental concerns.

A more effective approach involves implementing regulations to monitor and manage the quantity of bales received. Additionally, a stringent application of the mentioned provision would ideally reduce the number of unclaimed bales at the port. This, in turn, would free up space for more valuable imports, contributing positively to the country's interests.

Section 137: Collection of anti-dumping and countervailing duties

Section 137 of the EACCMA provides that “The Commissioner shall on the advice of the East African Community Committee on Trade Remedies established under the Protocol 7- (a) in the case of goods regarded as having been dumped, collect anti-dumping duty; (b) in the case of goods in respect of which subsidy has been granted, collect a countervailing duty; or (c) take necessary measures in the case of any other matters in respect of anti-dumping and

countervailing measures.”. To explain the relevance of this section, it is imperative to delve into the nuanced scope of anti-dumping and countervailing measures. As articulated in the GATT⁷³ by the WTO, the term 'dumping' pertains to the introduction of products from one country into the market of another at a price below their market value. This practice is criticized when it advances substantial harm to an established industry within the country or impedes the growth of a domestic industry.⁷⁴

To expound on this, consider the scenario of a mitumba shirt retailing at fifty shillings, juxtaposed against its locally manufactured counterpart priced at two hundred shillings. In the prevailing economic climate, a considerable demographic may opt for the second-hand clothing item to effectuate a saving of one hundred and fifty shillings. This discernible price asymmetry raises the inference that anti-dumping duties are not being adequately enforced. The subsequent failure to implement these measures can be attributed to the gradual ebb in the fortunes of the textile industry. The mitumba industry, by its very nature, can be construed as an intricate dumping scheme,⁷⁵ exerting discernible pressure on the indigenous textile market.

In line with this explanation, this very relevant section delineates measures aimed at easing instances of anti-dumping. Despite the apparent economic allure of mitumba clothing, characterized by a significant price disparity vis-à-vis locally manufactured alternatives, the experiential landscape lacks conclusive evidence regarding the diligent observance of prescribed duties and tariffs. This conspicuous lack in evidentiary support notwithstanding, the substantial pricing differential has unequivocally precipitated a pronounced decline in the textile industry. As consumers gravitate towards the cost-effectiveness of mitumba items, the indigenous textile sector grapples with a difficult competitive landscape, culminating in job losses and broader economic repercussions. Consequently, the enforcement of this section transcends its regulatory imperative, assuming the role of a fundamental safeguard for the revival of the domestic textile industry amidst the exigencies of global trade dynamics.

⁷³ Article VI, *The General Agreement on Tariffs and Trade*, July 1986, UNTS 55 (p.187), 56, 57, 58, 59, 60, 61, 62, 63, 64.

⁷⁴ Article VI; 1, *The General Agreement on Tariffs and Trade*.

⁷⁵ Changing Markets Foundation, *Trashion: The stealth export of waste plastic clothes to Kenya*, February 2023, 15.

2.4 The Standards Act Cap 496

KEBS has the authority to supervise and control product quality, safety, and conformity to standards in Kenya under the Standards Act, Cap 496. According to this law, KEBS oversees creating and maintaining national standards for a variety of industries, guaranteeing that goods and services adhere to strict quality and safety requirements.⁷⁶

Furthermore, KEBS grants product certification marks, such as the Kenya Standard (KEBS) mark, to goods that satisfy these requirements, providing customers assurance in the reliability and security of these goods. The law also enables KEBS to check imported goods at entrance points to make sure they adhere to regional standards, protecting local businesses and consumers in the process.

Consumer protection is a crucial component, and KEBS runs programs to educate and enlighten customers so they may make wise decisions. The statute specifies fines for such offenses and gives KEBS the authority to take legal action against individuals who manufacture or sell defective or harmful items. By harmonizing KEBS standards with worldwide best practices, the legislation also promotes international cooperation.

For the Kenya Bureau of Standards to guarantee product quality, safety, and compliance with standards in Kenya, create consumer confidence, and assist local industries, it is essential that the Standards Act, Cap 496 is studied, applied, and enforced.

In my assessment, KEBS appears to be one of the most contentious entities within the nation. This contention arises from its mandate to oversee the standardization of consumable commodities, juxtaposed against a backdrop of numerous scandals⁷⁷ that have become synonymous with KEBS. A recent exposé has brought to light a disconcerting revelation involving the head of KEBS who conceded that domestically sold goods do not undergo requisite quality checks despite being affixed with the organization's standardization mark.⁷⁸ This revelation is particularly alarming, given the explicit provisions outlined in the legislative

⁷⁶ Section 14 C of the Kenya Bureau of Standards Act

⁷⁷ Wafula P, 'State sends home 27 top officers over 2018 KEBS sugar scandal' Business Daily, 17 May 2023 – < <https://www.businessdailyafrica.com/bd/economy/state-sends-home-27-top-officers-over-2018-kebs-sugar-scandal-4238628> > on 20 November 2023.

⁷⁸ Citizen Reporter, 'KEBS Boss Admits Quality Of Goods Sold Locally Is Not Tested' Citizen Digital, 11 August 2023 – < <https://www.citizen.digital/news/kebs-boss-admits-quality-of-goods-sold-locally-is-not-tested-n325331> > on 21 November 2023.

framework governing KEBS. The statutory text pertaining to KEBS not only articulates the declaration of a Kenyan standard⁷⁹ but also delineates the issuance of a standardization mark,⁸⁰ thereby presenting a comprehensive framework for the ascertainment and enforcement of these standards.

The second-hand clothing market is one that is in dire need of quality standardization, and yet, as one of the most consumed commodities, it is extremely rare to find a mark of standardization on these clothes. Furthermore, while speaking to the National assembly's public accounts committee, the head of KEBS affirmed that KEBS only conducts inspections of local manufacturing plants and that they rarely go beyond that.⁸¹ It is extremely concerning that most of the country wear is not being ascertained for quality.

The Kenya Bureau of Standards has potential in aiding the regulation of the second-hand clothing market, with the application and enforcement of the Standards act. This legislation de jure is a potential regulatory framework and only requires enforcement to assist in the revival of the textile industry; by regulating the second-hand clothing market and out phasing the poor-quality clothing that end up as trash, the overall cost of second hand clothing might rise slightly creating a competitive advantage for the textile industry.

2.5 International Trade Agreements: African Growth and Opportunities Act (AGOA)

A pillar of international trade law, AGOA provides a crucial channel for collaboration between the United States and qualifying sub-Saharan African countries. Title 19, Sections 3701-3723, of the United States Code⁸² contains the regulations for AGOA, which was enacted into law in 2000 as a part of the Trade and Development Act of 2000.⁸³

At its foundation, AGOA aims to accomplish two key goals: promoting economic growth and improving commercial ties. To achieve this, it grants qualifying African nations preferential status, enabling them to export a wide range of goods to the US duty-free. However, strict

⁷⁹ Section 9, *Standards Act*, Cap 496.

⁸⁰ Section 10, *Standards Act*, Cap 496.

⁸¹ Citizen Reporter, 'KEBS Boss Admits Quality Of Goods Sold Locally Is Not Tested' Ciziten Digital, 11 August 2023 <https://www.citizen.digital/news/kebs-boss-admits-quality-of-goods-sold-locally-is-not-tested-n325331> on 13 January 2023.

⁸² Sections 3701-3723, *United States Code Title 19 – Customs Duties*, Cap 23, 2019.

⁸³ Public Law 106 - 200 also known as *Trade and Development Act*, 2000.

qualifying requirements must be met to receive this special access to the American market.⁸⁴ The legislation's fundamental component is the AGOA eligibility requirements. Countries must show their commitment to political and economic reforms to be eligible for AGOA incentives. The protection of human rights and adherence to the rule of law are necessary conditions that cannot be compromised. These requirements highlight the dual focus of AGOA on trade and good governance.⁸⁵ AGOA's scope of coverage extends across various sectors, encompassing textiles, apparel, agricultural goods, and a broad range of manufactured products. Nevertheless, it is noteworthy that certain sensitive items are excluded from AGOA benefits, reflecting a nuanced approach to trade preferences. Throughout its existence, AGOA has undergone extensions and amendments, a testament to its adaptability and continued relevance in the realm of international trade law. These legislative adjustments have provided a legal framework that has been pivotal in shaping trade relations between the U.S. and African nations.⁸⁶

The tangible impact of AGOA is discernible in the increased exports from African nations to the United States,⁸⁷ the attraction of foreign investments, and the contribution to economic growth in the sub-Saharan region. AGOA has significant implications for the textile industry within eligible African countries, and its provisions aim to promote the growth of this sector while fostering trade relations with the United States. AGOA offers eligible African countries duty-free access to the United States market for a wide range of textile and apparel products. This means that textiles and clothing items manufactured in these countries can be exported to the United States without facing import duties.

To qualify for AGOA benefits in the textile and apparel sector, countries must meet certain eligibility criteria, which include demonstrating a commitment to political and economic reforms, adherence to the rule of law, and respect for human rights. Compliance with these

⁸⁴ Section 104, *Trade and Development Act*, 2000.

⁸⁵ Signe L, 'Here's why US-Africa trade under AGOA has been successful for some countries but not others' Brookings Institution, 2023 - <https://agoa.info/news/article/16234-here-s-why-us-africa-trade-under-agoa-has-been-successful-for-some-countries-but-not-others.html> on 13 January 2024.

⁸⁶ Luke D, 'Africa-US trade: AGOA expires in 2025 - what has it achieved in 23 years?' *The Conversation*, 2023 - <https://agoa.info/news/article/16396-africa-us-trade-agoa-expires-in-2025-what-has-it-achieved-in-23-years.html#:~:text=The%20value%20of%20its%20automotive,to%2014%2C873%20units%20in%202001>. On 13 January 2024.

⁸⁷ Luke D, 'Africa-US trade: AGOA expires in 2025 - what has it achieved in 23 years?' *The Conversation*, 2023 - <https://agoa.info/news/article/16396-africa-us-trade-agoa-expires-in-2025-what-has-it-achieved-in-23-years.html#:~:text=The%20value%20of%20its%20automotive,to%2014%2C873%20units%20in%202001>. On 13 January 2024.

criteria is essential for accessing the preferential trade provisions. AGOA covers a broad spectrum of textile and apparel products, including garments, fabrics, and other textile articles. This coverage encompasses not only the final products but also inputs used in their production.

AGOA establishes specific rules of origin that define the criteria a product must meet to be eligible for duty-free access. These rules ensure that products benefiting from AGOA preferences have a substantial connection to eligible African countries, promoting local manufacturing and value addition. AGOA includes provisions aimed at preventing transshipment and fraudulent activities. These measures are in place to maintain the integrity of the program and ensure that benefits are directed toward genuinely eligible products and countries.⁸⁸

AGOA's provisions related to textiles have had a significant impact on the textile and apparel industry in eligible African countries. The duty-free access to the U.S. market has encouraged investment in the textile and apparel sector in Africa. This has resulted in the growth of manufacturing capacity and the creation of employment opportunities. AGOA's rules of origin incentivize local production and value addition within eligible countries. This encourages the use of locally sourced materials and fosters industrial development. The expansion of the textile industry, driven by AGOA, has contributed to overall economic growth in eligible African nations. Increased exports of textiles and apparel have boosted foreign exchange earnings.

While AGOA has been beneficial, the textile and apparel industry in Africa has also faced challenges such as competition from other low-cost producers and the need for infrastructure and capacity building.

While AGOA itself does not explicitly focus on second-hand clothing, its overarching provisions have led to a situation where eligible African nations can both export new textiles and apparel to the United States duty-free and simultaneously receive imports of used clothing from the United States. This scenario has sparked a multifaceted debate with far-reaching implications. At the heart of this debate lies the economic impact of the second-hand clothing trade. Critics contend that the influx of inexpensive used clothing can adversely affect domestic

⁸⁸ Signe L, 'Here's why US-Africa trade under AGOA has been successful for some countries but not others' Brookings Institution, 2023 - <https://agoa.info/news/article/16234-here-s-why-us-africa-trade-under-agoa-has-been-successful-for-some-countries-but-not-others.html> on 13 January 2024.

textile and apparel industries within African nations⁸⁹. The availability of low-cost imported garments may dissuade consumers from purchasing new, domestically produced clothing, potentially stunting the growth of local industries.

Furthermore, concerns have arisen regarding trade imbalances resulting from the used clothing market. Some African countries have found themselves in a situation where they are exporting new clothing to the United States while simultaneously importing significant quantities of second-hand clothing. This imbalance raises questions about the sustainability and equilibrium of trade relations established under AGOA.

In response to these challenges, certain African nations have taken measures to regulate or restrict the importation of used clothing. These measures can manifest in various forms, including tariffs, quotas, or outright bans. Such actions are often framed as efforts to support and nurture their domestic textile and apparel sectors, thereby stimulating employment and fostering economic development.

However, the regulation of used clothing imports within the framework of AGOA is not without trade-related implications. This research finds it crucial to consider that restrictions on second-hand clothing imports may be perceived as running counter to the principles of open trade and competition promoted by AGOA.⁹⁰ Thus, countries that opt for such restrictions must navigate a delicate balance between protecting domestic industries and adhering to the trade liberalization ethos embedded within AGOA.

Considering this, it is imperative to critically compare and analyse where Kenya falls when it comes to the balance between protecting domestic industries and trade liberalization. It appears to be that we have been consumed by the benefits tied to AGOA and its indisputable ties to the second-hand clothing market at the expense of our textile industry and locally manufactured clothing.

Chapter Conclusion

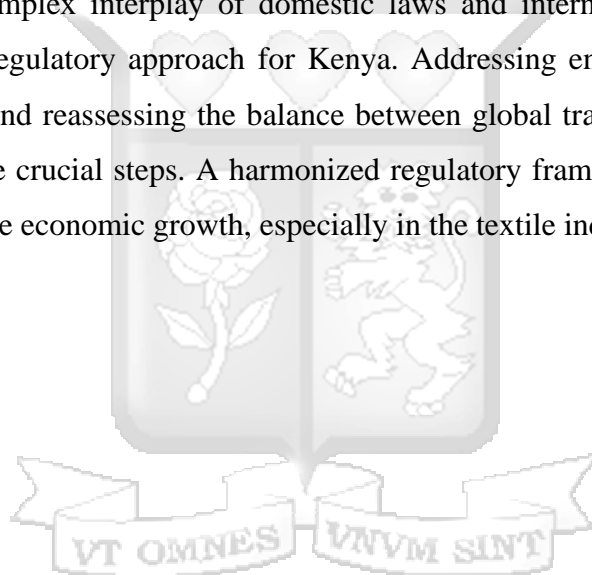
⁸⁹ Njiiri G, 'Effects of Imported Second Hand Clothes on The Performance of Textile Industry in Kenya: (A Survey of Selected Market in Nairobi County)' unpublished, The Management University of Africa, Nairobi, 2018, 2.

⁹⁰ Friedman A, 'Used-clothing trade causes contention between US and East African Nations' Sourcing Journal Online, 2017, <https://agoa.info/news/article/15277-used-clothing-trade-causes-contention-between-us-and-east-african-nations.html> on 13 January 2024.

The analysis of Kenya's legal framework on second-hand clothing importation emphasizes the need for a nuanced approach. While existing protocols address health concerns, the paper suggests a more holistic consideration of economic impacts on the local textile industry.

Key laws like the Kenyan Customs and Excise Act and the EACCMA facilitate customs enforcement and regional trade but require careful examination for direct application to the second-hand clothing market. Strengthening KEBS could significantly uplift the domestic textile industry by ensuring better product quality. The paper highlights the significant impact of AGOA on eligible African countries' textile sectors but questions the balance between AGOA benefits and potential harm from the second-hand clothing trade.

In conclusion, the complex interplay of domestic laws and international trade agreements demands a strategic regulatory approach for Kenya. Addressing enforcement gaps, refining customs procedures, and reassessing the balance between global trade benefits and domestic industry protection are crucial steps. A harmonized regulatory framework will ensure safety, quality, and sustainable economic growth, especially in the textile industry.



Chapter 3: Examining international practices, based on the histories and experiences acquired from best and worst practice countries with regard to the textile industry.

3.0 Introduction

In Chapter three, this paper places focus on studying the experiences of both the worst and best practice countries to enable us pick lessons and recommendations that will be expounded on in the next chapter. This includes those that successfully phased out second-hand clothing, establishing flourishing textile industries that produce local clothing. The key question is understanding the impact of this transition on their economies and whether there are valuable lessons to be drawn from these diverse experiences.

3.1 Rwanda as a best practice country

The selection of Rwanda as the country to compare with Kenya's textile industry was made because this nation has had a unique journey, particularly its incredible rebound from genocide. Rwanda's attempts to re-establish its economy, especially in such industries as manufacturing offer useful insights into resilience and long-term strategic planning. The history of Rwanda, and how it dealt with international trade arrangements such as AGOA or the problems incurred in its textile industry serve to give a practical sense for Kenya, who is part of AGOA as well, trades in second-hand clothing like Rwanda, and, has a similar level of development regarding Rwanda's domestic textile industry. By analysing the achievements and challenges of Rwanda, Kenya can step into a deeper understanding on how it can handle its own path in the textile industry.

Rwanda's economic evolution has been marked by significant historical events, most notably the tragic genocide that ushered in a profound shift in the nation's economic trajectory. To comprehend the economic repercussions of this pivotal event, it is essential to first explore the factors that underpinned Rwanda's initial economic stability.

Before the genocide, Rwanda faced economic difficulties.⁹¹ Despite the government's attempts to implement growth-oriented economic policies, a substantial number of citizens relied on agriculture for their livelihoods.

⁹¹ -< <https://www.hrw.org/legacy/backgrounder/africa/rwanda0406/1.htm> > on 6 January 2024

Notwithstanding these commendable efforts, the 1980s presented Rwanda with more economic challenges. The global downturn in coffee prices, given Rwanda's pivotal role in the coffee industry, created a ripple effect that disrupted the nation's economic equilibrium.⁹² Furthermore, Rwanda faced a drought, which had negative implications on their agriculturally based economy, and a decline life expectancy rate, from 54.1 to 45.9 per thousand.

The tragic genocide in Rwanda exacerbated these economic challenges, manifesting in a complex scenario marked by the human toll, loss of infrastructure, and disruption of societal structures. In the aftermath of this devastating event, Rwanda embarked on a remarkable journey of economic revitalization, concentrating efforts on various industries crucial to the nation's economic fabric. One such industry that emerged as a focal point for rejuvenation was the manufacturing sector. The revitalization of manufacturing not only contributed to economic recovery but also played a pivotal role in job creation, fostering social stability in the post-genocide era.⁹³ However, despite these revitalization efforts, Rwanda's textile industry faced challenges, particularly in terms of limited results and a predominant focus on manufacturing local products. The reliance on imported second-hand clothing further complicated the growth and performance of the domestic textile sector, painting a nuanced picture of Rwanda's economic landscape post 1994.⁹⁴

Rwanda's economic resurgence following the genocide has been hailed as nothing short of miraculous and astounding.⁹⁵ A remarkable turnaround was observed, notably in the agricultural sector and the surge of the manufacturing industry. The government, recognizing the need for comprehensive strategies to rebuild its economy, implemented a range of measures,

⁹² Osorio N, *Lessons from the world coffee crisis: A serious problem for sustainable development* UNCTAD XI Conference, Bazil, 18 June 2004, 2.

⁹³ Takeuchi S, 'Development and Developmentalism in Post-genocide Rwanda' in Takagi Y, Kanchoochat V, and Sonobe T (eds) *Developmental State Building: the politics of emerging economies*, Springer Nature Singapore Pte Ltd., 2022, 123.

⁹⁴ Kagayo M, 'An Exploratory Study on the Rwandan Fashion and Textile Industry' Master thesis in Sustainable Development at Uppsala University, 2022, 3.

⁹⁵ Delago D, 'The miracle called Rwanda' The OPEC fund for International Development, 1 April 2014 <https://opecfund.org/news/the-miracle-called-rwanda#:~:text=Progress%20has%20been%20phenomenal%2C%20with.driven%20by%20the%20agriculture%20sector> on 11 January 2024.

including shifting the export focus to high-value goods and services, enacting the Rwandan Industrial Policy, and fostering an increase in domestic consumption.⁹⁶

In the intricate tapestry of Rwanda's economic revival, some threads flourished while others encountered resistance, and a notable example is the textile industry.⁹⁷ Despite the efficacy of broad-reaching strategies in various sectors, the textile domain faced distinct challenges in aligning with the overall momentum. Integral to Rwanda's economic renaissance was its initiative-taking engagement in a spectrum of trade agreements, both regional and international. The embrace of regional trade agreements, including COMESA and EAC, underscored the government's commitment to fostering economic collaboration within the African continent.⁹⁸ However, a linchpin in Rwanda's international trade strategy was its involvement in AGOA. AGOA, a U.S. trade preference program, offered eligible sub-Saharan African countries access to the American market through reduced trade tariffs and special treatment. While promising numerous advantages, it introduced complexities, especially concerning the textile industry. The significance of AGOA for Rwanda was evident in its potential to bolster economic growth and enhance global trade relations.⁹⁹ Nevertheless, a nuanced challenge surfaced as one of AGOA's primary traded commodity was second-hand clothing. Despite being economically accessible, particularly in rural Rwanda where affordability is paramount, this introduced a multifaceted dilemma.

The influx of second-hand clothing, while economically advantageous for consumers, raised environmental concerns. The discarded garments contributed to waste, prompting questions about the sustainability of such practices.¹⁰⁰ Furthermore, AGOA's emphasis on second-hand clothing created a competitive imbalance for the domestic textile industry.¹⁰¹ The Rwandan textile sector faced an uneven playing field as a result. The surge of affordable second-hand

⁹⁶ Takeuchi S, 'Development and Developmentalism in Post-genocide Rwanda' in Takagi Y, Kanchoochat V, and Sonobe T (eds) *Developmental State Building: the politics of emerging economies*, Springer Nature Singapore Pte Ltd., 2022, 126.

⁹⁷ Kagayo M, 'An Exploratory Study on the Rwandan Fashion and Textile Industry' Master thesis in Sustainable Development at Uppsala University, 2022, 3.

⁹⁸ Chibomba M, 'Rwanda Reaffirms its support of COMESA' 10 August 2022 <https://www.comesa.int/rwanda-reaffirms-its-support-of-comesa/> on 11 January 2024.

⁹⁹ 'African Growth and Opportunity Act (AGOA)' Congressional Research Service, 2019 <https://crsreports.congress.gov/product/pdf/IF/IF10149/12> on 10 January 2024.

¹⁰⁰ Kagayo M, 'An Exploratory Study on the Rwandan Fashion and Textile Industry' Master thesis in Sustainable Development at Uppsala University, 2022, 3.

¹⁰¹ Wolff E, 'The global politics of African industrial policy: the case of the used clothing ban in Kenya, Uganda and Rwanda' 28 *Review of International Political Economy* 5, 2020, 1313.

clothing, facilitated by AGOA, positioned domestically produced textiles at a competitive disadvantage. While consumers enjoyed cost-effective clothing options, the domestic industry grappled with unequal competition. This competitiveness disparity had consequences extending beyond immediate economic considerations. The textile industry, potentially instrumental in job creation and economic stability, encountered impediments that hindered its growth trajectory.¹⁰² The predicament transcended mere economic dimensions, encompassing environmental sustainability and the broader objective of nurturing a self-sufficient domestic industry.

In a collaborative effort, Rwanda, in conjunction with its EAC counterparts, strategically opted to restrict the importation of second-hand clothing, aiming to foster domestic textile industry growth and economic self-sufficiency.¹⁰³ However, a formidable challenge emerged when the United States, a pivotal player in global trade relations through AGOA, voiced its objection to the ban. The U.S. threatened the removal of AGOA benefits for any country proceeding with such restrictions, setting the stage for a significant divergence in the collective stance of EAC member countries.¹⁰⁴

Confronted with the threat of AGOA benefits withdrawal, all EAC countries, with the exception of Rwanda, yielded to the pressure and reversed their decision to ban second-hand clothing.¹⁰⁵ This abrupt change in direction had repercussions, particularly for Rwanda, as the U.S. carried through with its warning and suspended the country from AGOA in 2018. The aftermath of these developments surprised many observers, diverging from initial predictions of an impending era of economic disparity for Rwanda. The suspension from AGOA, a program offering substantial trade advantages, raised concerns about potential adverse impacts on the country's economy.¹⁰⁶

¹⁰² Wolff E, 'The global politics of African industrial policy: the case of the used clothing ban in Kenya, Uganda and Rwanda' 28 *Review of International Political Economy* 5, 2020, 1320.

¹⁰³ Wolff E, 'The global politics of African industrial policy: the case of the used clothing ban in Kenya, Uganda and Rwanda' 28 *Review of International Political Economy* 5, 2020, 1316.

¹⁰⁴ Kuwonu F, 'Protectionist ban on imported used clothing' *Africa Renewal*, 2018 <https://www.un.org/africarenewal/magazine/december-2017-march-2018/protectionist-ban-imported-used-clothing#:~:text=Ahead%20of%20the%20AGO,review,and%20%24230%20million%20in%20income> on 12 January 2024.

¹⁰⁵ Kelley K, 'East Africa: US gives three countries ultimatum to reverse mitumba ban' *The East African*, 2018 <https://agoa.info/news/article/15367-east-africa-us-gives-three-countries-ultimatum-to-reverse-mitumba-ban.html> on 11 January 2024.

¹⁰⁶ Wolff E, 'The global politics of African industrial policy: the case of the used clothing ban in Kenya, Uganda and Rwanda' 28 *Review of International Political Economy* 5, 2020, 1320.

Contrary to these expectations, Rwanda highlighted resilience and adaptability in response to the economic setback. Instead of succumbing to a projected era of disparity, the country implemented strategic measures to mitigate the effects of the AGOA suspension. This included diversifying economic strategies, concentrating on initiatives to boost other sectors, and fortifying overall economic resilience.¹⁰⁷ A noteworthy response involved a heightened focus on domestic industrialization. Rwanda aimed to reduce its dependence on imported goods, including textiles, by promoting local industries. The government invested in initiatives to fortify the textile sector, encouraging local production and consumption.¹⁰⁸ Furthermore, Rwanda sought alternative trade partnerships and avenues to offset the loss of AGOA benefits. This initiative-taking approach involved exploring new markets, fostering regional collaborations, and engaging in bilateral trade agreements to diversify economic ties.¹⁰⁹ Rwanda's unexpected resilience challenges prevailing narratives surrounding the consequences of AGOA suspension. Instead of succumbing to economic downturns, the country's ability to pivot and adapt underscores the dynamic nature of its economic landscape. This stands as evidence of Rwanda's determination to navigate challenges and pursue sustainable economic development despite unforeseen setbacks.

In addition to the previously stated initiatives, the Rwandan government implemented the "Made in Rwanda"¹¹⁰ policy to strategically tackle the trade deficit. This comprehensive approach aimed not only to narrow the trade gap but also to spur economic growth. Central to the policy was a shift from being primarily a consumer to a producer, emphasizing the production of high-quality, competitive, locally manufactured goods. The policy focused on enhancing the capacity of Rwandan industries by investing in technology, infrastructure, and skills development. This comprehensive strategy aimed to elevate the competitiveness of

¹⁰⁷ Wolff E, 'The global politics of African industrial policy: the case of the used clothing ban in Kenya, Uganda and Rwanda' 28 *Review of International Political Economy* 5, 2020, 1320.

¹⁰⁸ - < [¹⁰⁹ Trade agreements such as the signing of the Trade and Investment Framework Agreement \(TIFA\) in 2006 \[¹¹⁰ - < \\[34\\]\\(https://www.minicom.gov.rw/1-1/made-in-rwanda-secretariat#:~:text=The%20Made%20in%20Rwanda%20Policy,market%20through%20value%20chain%20development.> on 12 January 2024.</p></div><div data-bbox=\\)\]\(https://www.trade.gov/country-commercial-guides/rwanda-trade-agreements#:~:text=The%20most%20recent%20TIFA%20meeting,Republic%20of%20Korea%20\(2013\)> on 11 January 2024.</p></div><div data-bbox=\)](https://www.minicom.gov.rw/1-1/made-in-rwanda-secretariat#:~:text=The%20Made%20in%20Rwanda%20Policy,market%20through%20value%20chain%20development.> on 12 January 2024</p></div><div data-bbox=)

Rwandan products, fostering innovation and adherence to international standards. Simultaneously, efforts were made to stimulate demand for locally produced goods through awareness campaigns, promotional events, and collaborations with local businesses.¹¹¹ To further incentivize domestic consumption, the government implemented favourable tax and investment incentives¹¹², created a supportive regulatory environment,¹¹³ and promoted partnerships with international markets. The policies also prioritized sustainability, encouraging environmentally friendly practices within industries to align with global trends.¹¹⁴

To boost Kenya's textile sector, looking at Rwanda's achievements can provide valuable insights. Kenya should adopt a comprehensive policy like Rwanda's "Made in Rwanda" initiative, emphasizing the production and use of locally made textiles. It is crucial to review existing trade agreements to ensure they support the growth of the textile sector.

It is observable that Rwanda has successfully evolved strategies to further advance its textile industry. The country made strategic investments in technology, machinery and automation thus ensuring improved efficiency levels of operations. Emphasis on extensive training programs focusing on skills development led to a workforce adhering to international quality standards. By focusing on research and development, Rwanda improved the quality of its textiles, leading to global competitiveness. Rwanda has shown a forward- thinking approach by focusing on encouraging innovation in design and accepting sustainable practices. The initiative to develop demand for locally made textile products is a functional coordinate strategy of economic development. Rwanda's success story can provide Kenya with valuable lessons on how to develop their own textile industry.

Initiatives like consumer awareness campaigns, strategic marketing, and collaborations with local businesses and designers can shape a positive perception of Kenyan textiles. Exploring partnerships with international markets can also broaden the consumer base.

¹¹¹ Republic of Rwanda, 'National Local Economic and Community Development Policy' Ministry of Local Government, 2020,9.

¹¹² Rwanda Development Board 'Investment incentives' <https://rdb.rw/why-rwanda/investment-incentives/> on 12 January 2024.

¹¹³ Cyaga E, Muragijimana E, Okello P and Nandugwa Z, 'Doing Business in Rwanda' Chamber and Partners: Trends and Development, 2023 <https://practiceguides.chambers.com/practice-guides/doing-business-in-2023/rwanda/trends-and-developments> on 11 January 2024.

¹¹⁴ Republic of Rwanda, 'Rwanda Environmental Policy' *Ministry of Lands, Resettlement and Environment*, 2003.

To foster a conducive environment for growth, Rwanda excelled in the textile sector by making smart investments in technology, machinery, and workforce training, ensuring global competitiveness. Their focus on research, innovation, and sustainability showcased a holistic approach to economic growth. Kenya aims to replicate this success by considering measures such as tax incentives and a supportive regulatory framework to boost domestic textile production. Taking cues from Rwanda's comprehensive strategy, Kenya can pave its own way towards a robust and thriving textile industry. Sustainability considerations necessitate the encouragement of environmentally friendly practices and the implementation of certification programs for eco-friendly textile production. Market diversification is important for sustained growth in Kenya's textile industry. Exploring new markets beyond domestic borders and actively participating in regional and international trade agreements will open avenues for expansion. Negotiating bilateral trade agreements will further facilitate the export of Kenyan textiles to targeted markets.

Rwanda's textile success stems from smart investments in technology, machinery, and workforce training, ensuring global competitiveness. Kenya is looking to follow suit, emphasizing strong government commitment and clear policies to address challenges. Collaboration among the government, industry, and the public is vital for Kenya's textile industry revival. The valuable lesson from Rwanda is a holistic approach to economic growth, setting the stage for success in the textile sector.

3.2 China as a best practice country

Beyond the confines of Africa, China stands out as a compelling subject for study, particularly due to its expansive manufacturing sector.¹¹⁵ Renowned for actively participating in trade with both first and third-world countries, China's manufacturing process has left a lasting impact on industries globally.¹¹⁶ This influence, while presenting both positive and negative repercussions for manufacturing sectors in other nations, underscores the need to examine how China effectively strengthened and expanded its manufacturing capabilities.

¹¹⁵ Wen Y, *The Making of an economic superpower: Unlocking China's Secret of Rapid industrialization*, World Scientific Publishing, Singapore, 2016, ix.

¹¹⁶ Wen Y, *The Making of an economic superpower: Unlocking China's Secret of Rapid industrialization*, World Scientific Publishing, Singapore, 2016, 172.

However, before delving into this exploration, it is crucial to emphasize a pivotal aspect: China's distinct labour advantage.¹¹⁷ Boasting the world's largest population, China's abundant labour has played a significant role in its manufacturing success.

Dispelling the notion that labour availability solely dictates manufacturing sector performance is crucial; other factors play pivotal roles.¹¹⁸

This introduction sets the stage for a detailed examination of the multifaceted strategies that propelled China's manufacturing sector. By discerning these strategies, Kenya and other African countries can glean insights into potential approaches for their economic development. The discussion will encompass various facets, such as technological advancements, trade policies, and innovation, providing a nuanced understanding of China's manufacturing prowess and its applicability to the African context.

Throughout history, China has stood as a trailblazer in the realm of manufacturing, and a pivotal chapter in this story can be traced back to the ancient Silk Trade that flourished around 100 BCE.¹¹⁹ Beyond being a mere exchange of silk, this trade significantly influenced China's manufacturing landscape, leaving an enduring impact on its economic development. The Silk Trade wasn't just about commerce; it served as a dynamic conduit for the transmission of China's cultural, technological, and economic prowess.¹²⁰ At the core of this trade was the closely guarded secret of sericulture, the intricate art of silk cultivation.¹²¹ China's expertise in this craft not only fuelled international trade but also solidified its standing as a manufacturing powerhouse.

This early engagement in the Silk Trade laid the foundation for the vibrant manufacturing hub that characterizes modern China.¹²² The skills honed in silk production, coupled with the establishment of intricate trade networks, spurred the diversification and growth of various

¹¹⁷ Bieler A & Lee C.-Y, 'Chinese Labour in the Global Economy: An Introduction' 14 *Taylor & Francis Group* 2, 2016, 181.

¹¹⁸ Hu Z and Khan S, *Why Is China Growing So Fast?* International Monetary Fund, Washington D.C., 1997, 3-6.

¹¹⁹ Peters M, 'The ancient Silk Road and the birth of merchant capitalism' 53 *Educational Philosophy and Theory* 10, 2021, 955-957.

¹²⁰ Peters M, 'The ancient Silk Road and the birth of merchant capitalism' 53 *Educational Philosophy and Theory* 10, 2021, 957.

¹²¹ Peters M, 'The ancient Silk Road and the birth of merchant capitalism' 53 *Educational Philosophy and Theory* 10, 2021, 955.

¹²² Peters M, 'The ancient Silk Road and the birth of merchant capitalism' 53 *Educational Philosophy and Theory* 10, 2021, 955.

manufacturing industries. Far from a distant historical episode, the ancient Silk Trade emerges as a vital chapter in China's manufacturing narrative, illustrating the enduring impact of trade, innovation, and artisanry on the nation's industrial heritage.

Throughout various dynasties, China's manufacturing landscape witnessed significant contributions. The Tang and Song dynasties gave rise to groundbreaking inventions such as paper, printing, and gunpowder. These innovations not only transformed domestic manufacturing processes but also resonated globally, shaping the trajectory of technological progress.¹²³

The Ming and Qing dynasties further enriched China's manufacturing heritage, nurturing the flourishing of handicrafts and the dominance of traditional industries like ceramics and textiles.¹²⁴ Expanding trade routes played a pivotal role in propelling the momentum of manufacturing growth during this era.¹²⁵

The 19th century introduced a chapter marked by colonial challenges and internal upheavals. Attempts at industrialization during the late Qing Dynasty encountered obstacles, setting the stage for a complex interplay of influences on China's manufacturing landscape.¹²⁶ The 20th century brought transformative shifts, from the establishment of the People's Republic of China in 1949 to Mao Zedong's era, characterized by intensified industrialization efforts initially focused on agrarian reforms.¹²⁷ Deng Xiaoping's economic reforms in the late 20th century marked a seismic shift. Embracing foreign investment and market-oriented policies, China rapidly claimed the title of the "world's factory," asserting dominance in global manufacturing across diverse sectors.¹²⁸ In the 21st century, China's manufacturing sector has undergone profound transformations, solidifying the nation's status as a global manufacturing powerhouse.

¹²³ Xu T, 'Efflorescence in Tang-Song China' London School of Economics, URKEW Working paper, 2010, 37-38.

¹²⁴ Xu T, 'Efflorescence in Tang-Song China' London School of Economics, URKEW Working paper, 2010, 37.

¹²⁵ Xu T, 'Efflorescence in Tang-Song China' London School of Economics, URKEW Working paper, 2010, 8.

¹²⁶ Kubo T, 'Changing Patterns of Industrialization and Emerging States in Twentieth Century China' in Otsuka K and Sugihara K (eds) *Paths to the Emerging State in Asia and Africa*, Springer Nature Singapore Pte, Singapore, 2022, 154.

¹²⁷ Kubo T, 'Changing Patterns of Industrialization and Emerging States in Twentieth Century China' in Otsuka K and Sugihara K (eds) *Paths to the Emerging State in Asia and Africa*, Springer Nature Singapore Pte, Singapore, 2022, 141.

¹²⁸ Hofman B, 'Reflections on 40 years of China's reforms' in Garnaut R, Song L, Fang C (eds) *China's 40 Years of Reform and Development: 1978-2018*, Australian National University Press, 2018, JSTOR <http://www.jstor.org/stable/j.ctv5cgbnk> on 12 January 2024, 53.

Characterized by a diverse array of industries, including electronics, textiles, automotive, and consumer goods, China has played a pivotal role in shaping the modern global economy.

China's manufacturing evolution is marked by a strategic embrace of technological advancements, transitioning from labour-intensive methods to innovative high-tech manufacturing. This aligns with the global shift towards Industry 4.0,¹²⁹ emphasizing smart manufacturing and digital technology integration in production processes.

Notably, China excels in consumer electronics and e-commerce, emerging as a major producer of smartphones, computers, and electronic devices, significantly contributing to its export revenue. The rapid growth of e-commerce has spurred demand for advanced manufacturing processes. China's manufacturing prowess extends globally, with multinational companies relying on its scale, efficiency, and cost-effectiveness in supply chains, impacting the global economy.

Government support has been instrumental in fostering China's manufacturing sector. Substantial investments in research, infrastructure, and promotion of emerging industries, exemplified by initiatives like the BRI, underscore China's commitment to enhancing global trade connectivity through strategic projects. Market-oriented reforms, an open domestic market, and judicious industrial development strategies have collectively propelled China's remarkable strides in industrial development.

Kenya can draw inspiration from China's diverse strategies for enhancing its manufacturing sector. While recognizing that success extends beyond labour availability, Kenya can explore historical trade routes, leveraging cultural and technological heritage for economic growth. Learning from China's dynasties, particularly the transformative power of innovation during the Tang and Song dynasties, Kenya can focus on nurturing handicrafts and establishing trade routes for economic development.

Taking cues from China's historical challenges and 20th-century shifts, Kenya can proactively address obstacles to industrialization and consider strategic reforms. Deng Xiaoping's impact

¹²⁹ Also known as the 'Fourth Industrial Revolution' or '4IR'

with foreign investment and market-oriented policies provides a model for Kenya to attract global investment.

In the 21st century, China's embrace of technology and high-tech manufacturing is noteworthy. Kenya can prioritize innovation and automation to align with global trends. Emulating China's success in consumer electronics and e-commerce sectors, Kenya can significantly contribute to export revenue through efficient and technologically advanced manufacturing processes. Integrating Kenyan products into global supply chains, akin to China's role, can elevate Kenya's economic standing.

Recognizing government support as crucial for China's manufacturing growth, Kenya can contemplate substantial investments in research, infrastructure, and emerging industries. Initiatives like the Belt and Road Initiative offer a blueprint to enhance global trade connectivity. Understanding the stages of China's industrial policies can guide Kenya in developing its own effective policies.

3.3 Worst Practice from Malawi

Malawi faces significant challenges in its textile industry, earning it a worst practice designation. Despite economic improvements, issues like reliance on an agriculture-dependent economy, unpredictable weather, and problems within the textile sector, including dependency on second-hand clothing, quality concerns, and insufficient investment, have impeded its progress. The decline in cotton production, coupled with broader economic and governance problems, underscores the hurdles Malawi encounters in building a flourishing manufacturing sector.

Being one of Africa's most impoverished countries, Malawi's economic journey has been a rollercoaster of ups and downs.¹³⁰ Despite a promising start post-independence, the country faced setbacks, particularly due to unpredictable weather that hit its agriculture-dependent economy.¹³¹ In recent times, there have been noticeable improvements in Malawi's economic landscape. This change is credited to the implementation of strong policies, increased public

¹³⁰ Haan E, Koen M and Mthembu N, 'Garment Production in Malawi' International Textile, Garment and Leather Workers' Federation, 2003, 2 - <https://www.somo.nl/wp-content/uploads/2003/10/Garment-Production-in-Malawi.pdf> on 13 January 2024.

¹³¹ Thomas S, 'Economic Developments in Malawi Since Independence' 2 *Journal of Southern African Studies* 1, 1975, 40.

investment, and expanded state ownership across different sectors. However, the outcomes have been a mix of positive and negative impacts.¹³²

Several factors have played into the current state of Malawi's economy. The combination of physical capital, significant state involvement, the availability of human capital, and the execution of comprehensive long-term, medium-term, and short-term plans has shaped the nation's economic path.¹³³ Gross national investment has also played a pivotal role. The textile industry, a key player in Malawi's manufacturing sector, made significant contributions in the early 2000s, accounting for 34% of total manufacturing output.¹³⁴ The cultivation of cotton further fuelled the industry, using by-products for textile manufacturing and other processes such as chemical manufacturing and manufacture of pharmaceutical products.¹³⁵ However, challenges persist in the textile sector. While international trade agreements, such as AGOA, have nudged local manufacturing, resulting products are often geared for export and priced beyond the means of the local market.¹³⁶ Quality issues arise from a shortage of skilled workers, and a lack of financial investment in the sector compounds these challenges. The decline in Malawi's cotton production has added to the woes of the textile manufacturing sector.¹³⁷

Malawi's reliance on second-hand clothing is a critical issue, as mentioned before, making locally produced clothing considerably more expensive for local consumers. This dependence has led to the closure of some factories, further burdening an already struggling textile

¹³² Makuyana G and Odhiambo N, 'The dynamics of public and private investment in Malawi' 12 *Problems and Perspectives in Management* 2, 2014, 25.

¹³³ Benson T and Hartley F, 'Patterns of Change in Malawi's Economy under Sector-Focused Investment Strategies:

Results of scenarios run through 2030 using an economy-wide model for Malawi' International Food Policy Research Institute, Strategy Support Program, 2-

<https://ebrary.ifpri.org/utills/getfile/collection/p15738coll2/id/133585/filename/133796.pdf> on 13 January 2024.

¹³⁴ Haan E, Koen M and Mthembu N, 'Garment Production in Malawi' International Textile, Garment and Leather Workers' Federation, 2003, 2 - <https://www.somo.nl/wp-content/uploads/2003/10/Garment-Production-in-Malawi.pdf> on 13 January 2024.

¹³⁵ Tembo M, 'Feasibility study on the development of cotton by-products in Malawi' United Nations Conference on Trade and Development, UNCTAD/TCS/DITC/INF/2022/5, 2022, 35
https://unctad.org/system/files/official-document/tcsditcinf2022d5_en.pdf on 13 January 2024.

¹³⁶ Chemonics International Incorporated, Malawi: *Technical Assistance to The Garment and Textile Manufacturers Association of Malawi (GTMA)*, November 2001, 7.

¹³⁷ Tembo M, 'Feasibility study on the development of cotton by-products in Malawi' United Nations Conference on Trade and Development, UNCTAD/TCS/DITC/INF/2022/5, 2022, 2
https://unctad.org/system/files/official-document/tcsditcinf2022d5_en.pdf on 13 January 2024.

industry.¹³⁸ The adverse effects of relying on SHC are evident, impacting the competitiveness and sustainability of the textile industry. The question remains - where did Malawi go wrong? The answer lies in a combination of factors, including poor economic development, dependence on foreign aid, governance issues, and corruption. These challenges have hampered the establishment of a robust economy and a thriving manufacturing sector in Malawi.¹³⁹

Kenya stands to gain a lot from Malawi's economic trajectory in defining its own pathway towards sustainability and affluence. Malawi is a reminder of how strategic policy implementation and economic diversification is very important. With a focus on human capital development, comprehensive planning introduction and thoughtful international trade agreements approach Kenya can also benefit in different areas. To overcome potential challenges successfully, it is important for Kenya to avoid dependence on second hand clothing and invest in effective governance. If it absorbs these lessons, Kenya can create its unique economic path marked by sustained growth and development.

Chapter Conclusion

As such, concluding this journey of Rwanda as a case study makes it a symbol centred on resilience and adaptability. A deliberate campaign for the revitalization of economy especially in manufacturing sector that followed nation's post-genocide era proved to be successful. Surprisingly, Rwanda showed increased resilience despite the setbacks in textiles when AGOA announces suspension of its program.

Rwanda's losses in AGOA status are offset through "Made in Rwanda" policy and exploration of the markets attest to commitment of this country for sustainable development. Kenya can learn a lot from such experiences in rejuvenating its textile industry. Therefore, pivotal steps comprise of developing a comprehensive policy approach, investing in technological solutions and employee development by focusing on skills creation. Kenya's textiles can be positioned globally by focusing on innovation, sustainability, and market diversification.

¹³⁸ Brooks A and Simon D, 'Unravelling the Relationships between Used-Clothing Imports and the Decline of African Clothing Industries,' 43 *Development and Trade* 6, 2012, 1266.

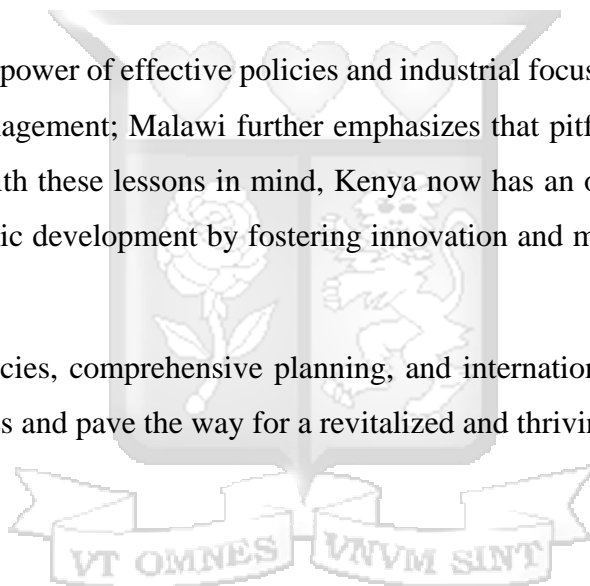
¹³⁹ World Bank Group, *Malawi Systematic Country Diagnostic: Breaking the Cycle of Low Growth and Slow Poverty Reduction*, December 2018, ix.

A trip to China is marked by history, a journey of innovation and commerce that has contributed significantly building its industrial strength. China's adoption of technology and market-oriented reforms sets a precedent for Kenya's economic development journey. Based on China's industrial policies stages, Kenya may adjust its strategies to make them effective in promoting growth. The success of China's consumer electronics and e-commerce also shows how Kenya can significantly help in the export revenue by fine manufacturing processes.

Malawi's economic story has its challenges, especially in textiles. Manufacture suffers due to the reliance on second hand-clothing, poor economic development, and governance issues. Kenya must avoid similar traps through strategic policies, economic diversification, and proper governance.

Rwanda illustrates the power of effective policies and industrial focus; China serves as a model for good industry management; Malawi further emphasizes that pitfalls in economic strategy should be avoided. With these lessons in mind, Kenya now has an opportunity to develop its own model of economic development by fostering innovation and making sustainable growth a priority.

Through strategic policies, comprehensive planning, and international collaborations, Kenya can navigate challenges and pave the way for a revitalized and thriving economy.



Chapter 4: Lessons Kenya can learn from the best and worst practice countries.

4.0 Introduction

In this chapter, this paper aims to draw recommendations from the best practice countries highlighted in the previous chapter, these being Rwanda, Kenya's neighbouring country that has made significant strides in the manufacturing sector and China, the world's manufacturing powerhouse. This paper also identifies lessons from the selected worst practice country, Malawi, to ensure that their manufacturing sector does not follow the trend that Malawi has set.

4.1 Recommendations

In steering Kenya's manufacturing sector, especially in textiles, there is a wealth of inspiration to be gleaned from the rich histories of China and the contemporary strides of Rwanda. Coordinated with Rwanda's proactive stance, Kenya needs to dive into strategic investments. Upgrading technology, refining machinery, and introducing automation are not just upgrades; they are the bedrock of efficiency, crucial for positioning Kenya competitively in the global manufacturing arena. Skills development emerges as a linchpin, mirroring China's historical emphasis on artisanal skills and Rwanda's recent commitment to training programs. It is not merely about adapting to machinery; it is about nurturing a skilled workforce that can meet and exceed international quality standards.

Rwanda's economic journey, marked by pivotal moments like the tragic genocide, holds profound lessons for Kenya, offering nuanced insights that can reshape its economic trajectory. In the pre-genocide era, Rwanda grappled with economic challenges, heavily relying on agriculture, and facing disruptions due to global coffee price downturns. The post-genocide period, however, witnessed a remarkable economic revival, with a specific focus on crucial industries like textiles, not only contributing to economic recovery but also generating substantial employment opportunities.

Despite this positive momentum, Rwanda's textile sector faced significant hurdles, particularly with its dependence on imported second-hand clothing under the AGOA. While economically practical, this approach raised environmental concerns and posed a significant challenge for local textile producers.

Rwanda's distinctive response when confronted with the possibility of losing AGOA benefits in 2018 reveals unexpected resilience. The decision to restrict second-hand clothing imports led

to AGOA suspension. However, Rwanda responded with fortitude, diversifying strategies, strengthening alternative sectors, and fortifying overall economic resilience.

At the core of Rwanda's response was the "Made in Rwanda" policy, a strategic initiative aimed at reducing reliance on imports, strengthening the textile sector, and exploring new trade avenues. This unexpected resilience challenges prevailing narratives, showcasing Rwanda's adaptability in pursuing sustainable economic development.

For Kenya, seeking to rejuvenate its textile industry, Rwanda's success provides a blueprint for practical lessons. A comprehensive policy shift like Rwanda's "Made in Rwanda" initiative, coupled with a meticulous review of trade agreements, emerges as a crucial strategy for Kenya's textile sector growth. The strategic investments made by Rwanda in technology and workforce training underscore the importance of efficiency and adherence to global standards.

Quality enhancement, driven by research, development, and innovation, stands out as a key takeaway for Kenya. Stimulating demand requires multifaceted efforts, including consumer awareness campaigns, collaborations, and exploration of international markets. Market diversification and active participation in trade agreements are essential components for sustained growth.

Rwanda's success in navigating AGOA suspension reflects a proactive approach that Kenya can replicate by diversifying strategies, fortifying other sectors, and exploring new markets. Government commitment, clear policies, and collaboration among stakeholders are crucial for Kenya's textile industry revival.

Shifting focus to China's manufacturing industry, Kenya can draw valuable insights from China's historical and contemporary strategies, laying the groundwork for substantial improvement. Leveraging historical trade routes and cultural heritage emerges as a paramount recommendation. Kenya can revitalize and establish trade routes showcasing its unique strengths, catalyzing economic growth while drawing inspiration from China's transformative Silk Trade.

Nurturing innovation and handicrafts stands out as a pivotal directive. Kenya should strategically invest in developing artisanal skills and fostering an innovation-friendly environment. This mirrors the historical success of China's Tang and Song dynasties, where groundbreaking inventions propelled manufacturing growth, showcasing the transformative power of such endeavors.

Addressing obstacles to industrialization requires proactive measures, aligning with China's historical challenges and 20th-century shifts. Drawing from Deng Xiaoping's model of attracting foreign investment and implementing market-oriented policies, Kenya can enhance its appeal to global investors, fostering a conducive environment for industrial development.

Embracing technology and automation emerges as a key recommendation, reflecting the global shift towards Industry 4.0. Kenya should prioritize innovation in manufacturing processes, investing in research and development to enhance efficiency and competitiveness on the global stage. This mirrors China's successful transition from labor-intensive methods to cutting-edge high-tech manufacturing.

Global integration into supply chains, akin to China's role in consumer electronics and e-commerce, offers Kenya a viable avenue for boosting export revenue. By positioning itself as a reliable and technologically advanced manufacturing hub, Kenya can tap into global markets and elevate its economic standing, drawing from China's success in this arena.

Government support plays a pivotal role, necessitating substantial investments in research, infrastructure, and emerging industries. Initiatives mirroring China's Belt and Road Initiative can enhance global trade connectivity, fostering international collaborations and market access for Kenyan products. This underscores the importance of strategic government interventions in propelling manufacturing growth.

In essence, these recommendations offer a holistic and strategic roadmap for Kenya's manufacturing sector. By seamlessly integrating these insights into its economic development framework, Kenya can strive towards sustainable growth, mirroring China's resilience and dynamism in the global manufacturing landscape.

Turning attention to Malawi's struggles, Kenya has much to glean from its textile sector journey, offering practical recommendations to carve a distinct economic pathway. Diversifying the economic landscape emerges as a pivotal suggestion, urging Kenya to strategically break free from a singular sector's dependence and explore diverse economic activities.

Human capital development takes center stage in these recommendations. Borrowing from Malawi's success in increased public investment and state ownership, Kenya can foster a skilled workforce. This not only addresses quality concerns in textiles but propels broader economic advancement.

A call for meticulous planning echoes through these suggestions. Kenya can benefit from Malawi's experiences by emphasizing well-coordinated long-term, medium-term, and short-term plans. This foresight ensures economic policies align seamlessly with Kenya's overarching development goals.

Securing a robust supply chain becomes imperative. Malawi's textile struggles due to dwindling cotton production underscore the importance of Kenya investing in a resilient supply chain. A stable source of raw materials shields against disruptions, fostering consistent production.

Navigating international trade agreements requires thoughtful consideration. Kenya should approach agreements like AGOA strategically, ensuring that exported products align with local market needs. Striking a balance between export-driven strategies and affordable local pricing is key for sustained textile sector growth.

Shifting away from reliance on second-hand clothing is a transformative step. Kenya can draw lessons from Malawi, actively promoting locally produced clothing. Addressing skill shortages and attracting financial investments will enhance the sector's competitiveness.

Effective governance practices lie at the heart of these recommendations. Kenya must learn from Malawi's governance pitfalls, investing in transparent and accountable governance. This sets the stage for an environment conducive to economic growth.

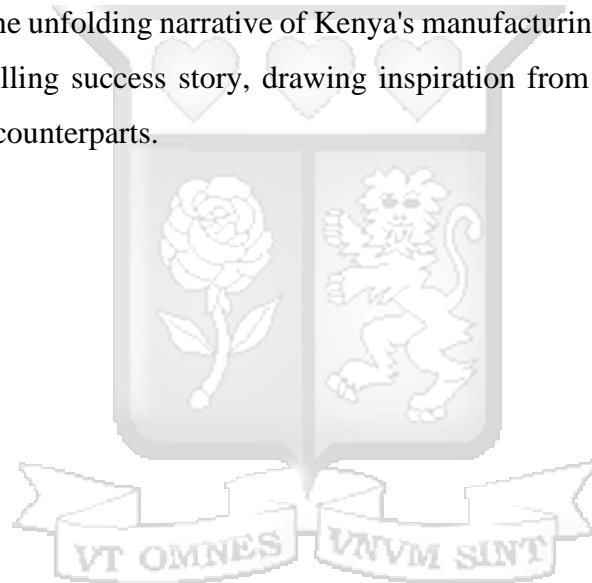
Chapter Conclusion

In conclusion, delving into the intricacies of Kenya's manufacturing sector, especially in textiles, reveals a tapestry woven with insights from the diverse experiences of China, Rwanda, and Malawi. Rwanda's resilience and adaptability showcase the transformative potential of strategic investments, highlighted by the success of the "Made in Rwanda" initiative. This serves as a practical guide for Kenya, emphasizing the need for quality enhancement through research and innovation to set new industry standards.

China's historical narrative, spanning trade routes and evolving manufacturing strategies, offers Kenya a wealth of insights. From the ancient Silk Trade to the modern embrace of Industry 4.0, China's journey underscores the significance of innovation, proactive measures, and steadfast government support. For Kenya, aspiring to be a global manufacturing hub, these lessons become crucial components for shaping its own unique trajectory.

Malawi's textile sector struggles impart practical recommendations for Kenya to carve a distinctive economic path. The call for diversification, human capital development, meticulous planning, a resilient supply chain, strategic international trade agreements, and a shift away from second-hand clothing dependence provides tangible considerations for Kenya's textile sector growth. Learning from Malawi's governance pitfalls further emphasizes the pivotal role of transparent and accountable governance in laying a robust foundation for Kenya's sustained economic growth.

the collective experiences of China, Rwanda, and Malawi offer a mosaic of insights for Kenya's manufacturing sector. By incorporating these nuanced lessons into its economic policies and practices, Kenya can forge ahead on a path of sustainable growth, global competitiveness, and resilient adaptation. The unfolding narrative of Kenya's manufacturing sector holds the promise of becoming a compelling success story, drawing inspiration from the diverse and dynamic journeys of its global counterparts.



Chapter 5: Final Thoughts

5.0 Conclusion

Chapter one of this research paper discusses the current state of Kenya's textile industry, which is quite dire, teetering on the brink of collapse. Industries that were once robust now lie dormant, and the landscape of large-scale apparel manufacturing is nearly barren.

In 2016, a proposal was put forward to ban the import of mitumba, aligning Kenya with an agreement among other East African nations. However, Kenya has been hesitant to enforce this ban, fearing potential repercussions such as suspension from the African Growth and Opportunity Act (AGOA) and other economic hazards. The primary concern at the local level revolves around the significant employment provided by the mitumba industry, directly impacting tens of thousands of Kenyans and supporting millions more through sales.

Another pressing issue highlighted in chapter one was the absence of clear laws or regulations governing the distribution and sale of used clothing. This legal vacuum has led to an unregulated surge in the market supply of used apparel, giving rise to marketplaces like Gikomba and Toi. These places, aside from being unsanitary and overcrowded, pose serious environmental and health risks, evident in the numerous fatal fires, such as those at Gikomba market. Moreover, discarded clothing often ends up in landfills like Dandora, posing risks to both people's safety and the environment.

While recognizing the mitumba industry's significance as a source of employment, it's crucial to acknowledge that the unregulated market has contributed to its current plight. This situation violates the ideals outlined in Article 42 of the Kenyan Constitution, resulting in a hazardous and unhealthy working environment for those involved.

The ongoing debate on the mitumba ban has traditionally focused on social and economic issues, neglecting its substantial legal aspect. This study has attempted to take a unique legal approach, emphasizing the need for a robust regulatory structure supported by the law.

Closing the legal loophole surrounding the distribution and sale of used clothing holds the potential to effectively address the pervasive issue of unemployment while generating income for the nation. It presents an opportunity to revive the textile sector as a substantial source of income and jobs, aligning with the objectives outlined in the Kenyan Constitution.

Chapter two canvassed the existing trade and import laws. The evaluation of Kenya's legal framework regarding the importation of second-hand clothing stresses the importance of a careful and nuanced approach. While the current protocols mainly focus on health considerations, the paper suggests a more thorough examination, taking into account the wider economic implications on the local textile industry.

Key legislations such as the Kenyan Customs and Excise Act and the EACCMA play a crucial role in customs enforcement and regional trade. However, their direct application to the second-hand clothing market requires meticulous analysis. Strengthening the capabilities of KEBS has the potential to significantly enhance the domestic textile industry by ensuring better product quality.

The paper highlights the substantial impact of AGOA on the textile sectors of eligible African countries. It raises questions about the delicate balance between the benefits derived from AGOA and the potential harm stemming from the trade in second-hand clothing.

This chapter also identified that navigating the intricate dynamics of domestic laws and international trade agreements calls for a strategic regulatory approach in Kenya. A harmonized regulatory framework is essential to ensure safety, quality, and sustainable economic growth, especially within the textile sector.

Chapter three demonstrated Rwanda as a symbol of resilience and adaptability. It showcased the intentional campaign for economic revitalization, particularly in manufacturing post the nation's post-genocide era, which proved remarkably successful. Despite facing setbacks in the textile industry due to the suspension of AGOA's program, Rwanda exhibited remarkable resilience. The country's ability to counterbalance its losses in AGOA status through the "Made in Rwanda" policy and market exploration underscored Rwanda's commitment to sustainable development. Kenya could glean valuable insights from this chapter's exploration of Rwanda's journey in revitalizing its textile industry.

To replicate this success, the chapter identified that Kenya needs to take crucial steps, including crafting a comprehensive policy approach, investing in technological solutions, and placing emphasis on employee development through skill creation. By honing in on innovation, sustainability, and diversifying its market, Kenya can carve a global niche for its textiles.

This chapter also provided insights from a trip to China, offering a glimpse into a history woven with innovation and commerce, contributing significantly to its industrial prowess. China's embrace of technology and market-oriented reforms sets a benchmark for Kenya's economic development journey. Aligning strategies with China's industrial policies can make Kenya's approaches more effective in promoting growth. China's triumph in consumer electronics and e-commerce serves as a testament to how Kenya can bolster its export revenue through meticulous manufacturing processes.

Delving into Malawi's economic narrative in this chapter sheds light on challenges, particularly in textiles, arising from dependence on second-hand clothing, inadequate economic development, and governance issues. Kenya must chart a different course, steering clear of similar pitfalls by implementing strategic policies, diversifying its economy, and ensuring sound governance.

In summary, this chapter positioned Rwanda as a testament to the power of effective policies and industrial focus. It used China as a guide for sound industry management, and Malawi served as a reminder of the importance of avoiding economic strategy pitfalls. With these lessons in tow, this chapter emphasized that Kenya has a unique opportunity to shape its own model of economic development by fostering innovation and prioritizing sustainable growth. Through strategic policies, meticulous planning, and international collaborations, Kenya can overcome challenges and pave the way for a reinvigorated and thriving economy.

Chapter four delved into the intricacies of Kenya's manufacturing sector, particularly emphasizing textiles. It has unveiled a rich tapestry of insights drawn from the diverse experiences of China, Rwanda, and Malawi. Rwanda's demonstrated resilience and adaptability underscored the transformative potential of strategic investments, exemplified notably by the success of the "Made in Rwanda" initiative. This serves as a practical guide for Kenya, highlighting the urgent need for quality enhancement through research and innovation to establish new industry standards.

China's historical narrative, spanning ancient trade routes to the contemporary embrace of Industry 4.0, provided Kenya with a wealth of insights. The tale underscored the importance of innovation, proactive measures, and consistent government support – crucial lessons for Kenya's aspirations to become a global manufacturing hub, vital in shaping its unique trajectory.

It is important to note that while looking to emulate China's manufacturing strategies, Kenya ought to pick and implement practices that have proved to be environmentally sustainable, so as to not worsen the environmental concerns associated with largescale textile manufacturing such as micro plastics, which is an issue currently being faced by China in their manufacturing processes.

The challenges faced by Malawi's textile sector were elucidated, offering pragmatic recommendations for Kenya to carve out its economic path. The call for diversification, human capital development, meticulous planning, a resilient supply chain, strategic international trade agreements, and a shift away from dependence on second-hand clothing provides tangible considerations for the growth of Kenya's textile sector. Learning from Malawi's governance pitfalls further underscores the pivotal role of transparent and accountable governance in laying a robust foundation for Kenya's sustained economic growth.

This chapter has demonstrated that the collective experiences of China, Rwanda, and Malawi offer a mosaic of insights for Kenya's manufacturing sector. By integrating these nuanced lessons into its economic policies and practices, Kenya can advance on a path of sustainable growth, global competitiveness, and resilient adaptation. The unfolding narrative of Kenya's manufacturing sector holds the promise of becoming a compelling success story, drawing inspiration from the diverse and dynamic journeys of its global counterparts.

The widespread presence of the mitumba business in Kenya has impacted the country's economy, and addressing the regulatory gap in the import and distribution of second-hand apparel will lead to a more balanced financial landscape by maintaining regional textile industries and achieving sustainable economic growth.

In support of the hypothesis presented in this paper, chapter one underscores the negative impact of the unregulated mitumba trade on the local textile industry, contributing to the industry's decline and compromising some ideals in the Kenyan Constitution. Chapter two further emphasizes the need for a strategic regulatory approach to safeguard the local textile industry and achieve sustainable economic growth.

However, in opposition of the hypothesis presented, the research has shown that the mitumba trade is seen as providing affordable clothing options, meeting the needs of a large portion of

the population and aligning with the goal of ensuring access to respectable and cost-effective clothes.

The argument also suggests that regulating the import and distribution of used clothing, while supporting the growth of the regional textile industry, can mitigate job losses, promote economic stability, and align with Kenya's commitments to international trade agreements such as AGOA. Balancing economic considerations, consumer access, and environmental sustainability is crucial in achieving a well-rounded solution.

After thorough research, the information provided in the chapters and the hypothesis align in highlighting the importance of addressing the regulatory gap in the mitumba trade to safeguard the local textile industry and achieve sustainable economic growth. The proposed solution involves a strategic regulatory approach, quality control measures, and support for the regional textile industry. However, the need for a balanced perspective, considering affordability and environmental responsibility, is also acknowledged. This conclusion emphasizes the necessity of finding a middle ground that ensures economic stability while addressing environmental and social considerations.

The hypothesis is largely proved, as the information supports the idea that regulating the mitumba trade can positively impact the local textile industry and contribute to sustainable economic growth. However, the complexity of the issue requires a nuanced approach that considers multiple factors, including affordability and environmental sustainability.

In revitalizing the textile sector in Kenya, balance is of utmost importance. An outright ban of mitumba products is impractical, as that would render millions of Kenyans helpless with regard to finding good quality clothing items. This paper does not intend to take away from the benefits of SHC – affordability, accessibility, quality, and durability, notwithstanding the millions of job opportunities provided by this sector. This paper recommends that instead of an outright ban of SHC, policies ought to be put in place that address the procedure for the handling of SHC from the border, ascertaining their quality so as to determine their tax value (which creates a source of revenue for the government, and, regulating the markets that sell SHC, especially addressing the overcrowding and sanitary concerns. This can be done by enlisting already existing bodies such as NEMA, KEBS and KRA.

In conclusion, rather than exporting revenues across borders, a strategic and cooperative approach regarding locally made clothes and SHC has the potential to enhance the economic growth of Kenya through a collective framework that will safeguard consumer choices and prosperity in Kenya. Forming a progressive textile industry while maintaining a good market for SHC products will contribute towards an industry that is stable, environmentally safe, and viable for all Kenyans.

