

**IMPACT OF BANNING IMPORTED SECOND- HAND CLOTHES ON  
LOCAL MANUFACTURING INDUSTRIES' PROMOTION IN THE EAC  
REGION: CASE OF TANZANIA**

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DEGREE IN INTERNATIONAL COOPERATION AND DEVELOPMENT**

**2019**

**CERTIFICATION**

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania a dissertation entitled, Impact of Banning Imported Second-hand Clothes on the Local Manufacturing IndustriesøPromotion in the EAC Region: Case of Tanzania. In Partial fulfilment of the requirements for the award of Degree of Masters in International Cooperation and Development (MAICD)

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Date

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Signature

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Date

**DEDICATION**

To my lovely daughter Gerian-Flo Gerald Kimaro for giving me the reason to wake up with so much passion every day and work hard to make sure she gets the best that she deserves.

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## ABSTRACT

Many people in EAC use secondhand clothes, there are many people who depend on the second-hand clothes business for employment as well as for getting cheap and affordable clothes. The East African Community (EAC) has recently proposed banning of second-hand clothes with the aim of boosting local manufacturing industries. The main objective of the research was to assess the relationship between banning second-hand clothes and country's promotion and development of textile manufacturing industries. Findings showed that most second-hand clothes stakeholders do not agree that there is a relation between the banning of imported second-hand clothes and the development of local textile manufacturing industries. The bad performance of local manufacturing industries has been caused more reasons than importation of second-hand clothes including. Give the above findings the study recommends the following; The EAC Partner States' government ministries/ agencies and departments dealing with trade and EAC affairs need to research more on the issue of banning second hand clothes; ban should be done in phases; countries should address other challenges other than banning SHC to promote LMIs; EAC to revise its policy on Export Processing Zones (EPZ); Researchers should conduct more study on this area and publish on different situations in relation to this study, this will be a way forward to come up with more Literature reviews.



## TABLE OF CONTENTS

<b>CERTIFICATION.....</b>	<b>ii</b>
<b>COPYRIGHT .....</b>	<b>iii</b>
<b>DECLARATION .....</b>	<b>iv</b>
<b>DEDICATION .....</b>	<b>v</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>vi</b>
<b>ABSTRACT .....</b>	<b>viii</b>
<b>TABLE OF CONTENTS.....</b>	<b>ix</b>
<b>LIST OF TABLES.....</b>	<b>xii</b>
<b>LIST OF FIGURES.....</b>	<b>xiii</b>
<b>LIST OF ABBREVIATION .....</b>	<b>xiv</b>
<b>CHAPTER ONE.....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>1</b>
1.1. Background to the Research Problem .....	1
1.2. Statement of the Research Problem .....	2
1.3 Research Objectives .....	6
1.4 Research Questions .....	7
1.5 Rationale.....	7
1.6 Organization of the Proposal .....	8
<b>CHAPTER TWO.....</b>	<b>9</b>
<b>LITERATURE REVIEW.....</b>	<b>9</b>
2.1 Introduction.....	9
2.2 Definition of Keys Concepts .....	9
2.3 Theoretical Literature Review .....	10

2.3.1	Second Hand Clothes .....	10
2.3.2	The Textile Industry and Importation of Mitumba in Tanzania .....	11
2.3.3	The Importation of Mitumba in Tanzania .....	13
2.4	Empirical Literature Review.....	13
2.5	Conceptual Framework .....	16
2.6	Research Gap .....	17
<b>CHAPTER THREE .....</b>		<b>19</b>
<b>RESEARCH METHODOLOGY .....</b>		<b>19</b>
3.1	Overview .....	19
3.2	Research Design.....	19
3.3	Sampling Design.....	20
3.3.1	Population.....	20
3.3.2	Sample Selection and Size.....	20
3.4	Data Collection Methods and Data Collection Instruments .....	21
3.4.1	Data Collection Methods.....	21
3.4.2	Data Collection Instruments .....	21
3.5	Data Analysis methods.....	22
<b>CHAPTER FOUR .....</b>		<b>23</b>
<b>FINDINGS AND DISCUSSION.....</b>		<b>23</b>
4.1	Overview .....	23
4.2	Sample Description .....	23
4.2.1	Age of Respondents .....	23
4.2.2	Sex of Respondents.....	24
4.2.3	Marital Status of Respondents .....	24

4.2.4	Occupation of Respondent.....	25
4.3	Stakeholders Perception on banning of Second Hand Clothes.....	26
4.4	Banning of Second Hand Clothes as a Means to encourage Local Textile Industries Production.....	28
4.5	Second Hand Clothes Preference over Locally manufactured Clothes.....	30
4.6	Extent at which Second-Hand Clothes affect Local Textile Manufacturing Industries in Tanzania.....	31
4.7	Stakeholders Perspective on what could be Important Determinants of Textile Industry Promotion in Tanzania.....	33
4.7.1	Advice to the Government on Importation Issues .....	35
4.8	Discussion of Findings .....	36
	<b>CHAPTER FIVE .....</b>	<b>40</b>
	<b>CONCLUSION AND RECOMMENDATIONS.....</b>	<b>40</b>
5.1	Chapter Overview .....	40
5.2	Conclusion .....	40
5.3	Recommendations .....	41
5.3.1	To the EAC Partner States Governments.....	41
5.2.2	Ban should be Done in Phases.....	42
5.2.3	Addressing other Challenges other than banning Second Hand Clothes to promote Local Textile manufacturing Industries.....	42
5.3.4	EAC to revise its policy on Export Processing Zones (EPZ).....	43
5.2.5	To Future Researchers.....	43
	<b>REFERENCES .....</b>	<b>44</b>
	<b>APPENDICES.....</b>	<b>47</b>

**LIST OF TABLES**

Table 3.1: Categories of Respondents .....	20
Table 4.1: Age of Respondents .....	23
Table 4.2: Sex of Respondents.....	24
Table 4.3: Second-Hand Clothes are more Preferable Compared to Locally Manufactured Clothes .....	30
Table 4.4: Extent that Second-Hand Clothes affect LTI Manufacturing.....	31

**LIST OF FIGURES**

Figure 4.1: Marital status of Respondents ..... 25

Figure 4.2: Occupation of Respondents..... 26

Figure 4.3: Banning of Second-Hand Clothes Importation as a Means of  
Encouraging LTI Production ..... 29

**LIST OF ABBREVIATION**

AICC	Arusha International Conference Centre
AIDS	Acquired Immunodeficiency Syndrome
AGOA	Africa Growth Opportunity Act
EAC	East African Community
EPZ	Export Processing Zone
FGD	Focus Group Discussion
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
IDI	In-Depth Interview
LTI	Local Textile Industries
SPSS	Statistical Package for Social Science
UK	United Kingdom
UN	United Nations
USA	United States of America
USD	United States Dollar
ISI	Import Substitution Industrialization
SHC	Second-Hand Clothes
VAT	Value Added Tax

## CHAPTER ONE

### INTRODUCTION

#### 1.1. Background to the Research Problem

Most people in the East Africa Community Partner States have for a long time used second-hand clothes. The EAC Partner States include Tanzania, Kenya, Burundi, Rwanda, Uganda and recently joined by South Sudan. Second-hand clothes are very common in East Africa, in Uganda second-hand clothes account for 81% of all clothing purchases Brooks (2015). 2013 UN figures indicate that clothes worth 59 million US Dollars were exported to Tanzania from Canada and South Korea and 42 million USD worth clothes were exported to Kenya from the United Kingdom alone. The EAC has recently proposed banning of second-hand clothes, the aim of banning second-hand clothes is to boost local textile manufacturing industries and help the countries development BBC (2016).

People in countries like the UK donate second-hand clothes to charity organizations/shops. Brooks (2015) explains that the supply of clothes that are being sold to charity shops exceeds the demand, 70% of donated clothes go overseas where they are sold as second-hand clothes. Mr Brooks says, "people who donate clothes do so thinking that those clothes will be given to those in need or they will be sold to high street shops in order to raise funds, they do not realise that their donations are traded abroad for profit."

Banning of second hand clothes has been received in two ways, some support the idea and believe that the ban will help improve and bring back the local manufacturing textile industries that died, will help in providing employment as well

as increase revenue to the government but some don't support the idea as they believe it will affect employment of many young people who depend on second hand clothes business to get their income. Anami & Chemweno (2016) inform that; an estimated amount of 65,000 people works in Kenya's largest mitumba market called Gikomba. Most traders are of the view that if the ban will be implemented the economic growth of the country will be affected. The ban will not only affect traders but also the poor consumers who depend on second-hand clothes, the ban will also affect employment that was created through selling those second-hand clothes and enabling people getting income for sustaining their lives, Anami & Chemweno (2016).

This research, therefore, aims at answering these questions whether the banning will help to improve the local manufacturing industries, create employment and increase government revenue or it will mostly affect employment of many young people who depend on the second-hand clothes business. This will be done by finding out the relation between banning of second-hand clothes and promotion of local textile manufacturing industries and development in East Africa focusing on Tanzania.

## **1.2. Statement of the Research Problem**

In its report BBC (2016) stated that "the textile industry is crucial to development". The textile industry creates employment, contributes to poverty reduction it can also help in the region's technology capability advancement. Kabelwa & Kweka (2006) state that; "cotton was introduced in Tanzania by German settlers in 1904. It contributes 15% of foreign exchange earnings being the second-largest export crop after coffee". Kabelwa & Kweka further state that, "about 40% of the country's



population depends on cotton for their livelihood, the government established the textile subsector in the early 1970s intentionally as part of its industrialization efforts. The government intends to generate more employment, add value to the cotton exports through the textile subsector as well as develop products that could be substituted to the textile imports Kabelwa & Kweka, (2006).

Tanzania is one of the countries with a high demand of clothes, but the local textile industries are not able to meet the demand of the market in terms of both quality and quantity, therefore the used clothes are mostly depended on to fill the gap Kinabo (2004). Kinabo mentions that the poor mostly favour used clothes, as they are affordable due to their low prices compared to those from the textile industries within the country and outside. They also create employment for many people, youth and adults, men and women are on business of selling second-hand clothes famously known as mitumba where they earn money to sustain their living. Mitumba is also a source of income to government, the government charges 25% import tax and 20% VAT.

Kinabo (2004) also adds that despite all the positive sides of mitumba mentioned above, mitumba largely contributes to hindering the growth of local textile industries. She makes reference to designers in Tanzania making homemade clothes including batik, kikoys and tie& dye, these people are affected by availability of mitumba in the market since those used clothes are cheap compared to their products this causes customers to run for mitumba and leave homemade products which they find to be expensive. Kinabo adds; not only the local designers get affected but also cotton farmers get affected due to collapse of textile industries.

The EAC Article 79 of the Treaty Establishing the EAC requires the Partner States to take necessary steps in the field of industrial development to promote self-sustaining and balanced industrial growth, and to improve the competitiveness of the industrial sector so as to enhance the expansion of trade and export of industrial goods within and by the Community. The ban is an execution of Article 79 of the Treaty. The ban is also an implementation of Article 80 of the Treaty. The Article outlines the EAC strategic and priority areas to include among others SME industries, agro-industries, basic capital, and intermediate goods industries and the development of an EA Industrial Development Strategy, among other things, Magezi (2007).

One of the strategic industries that were earmarked for priority development by the East African Industrialisation Policy (2012-2032). Section 4 of the Industrialisation Policy lays down the principles that are to govern the implementation of the Policy as promoting targeted industry value chains with widespread linkages and economic benefits extending across the region and promoting industrialisation on the basis of comparative and competitive advantage. In the EAC, the cotton, apparel, textile, and leather sectors are such sectors. The goal of the Second- hand clothes ban was therefore to boost the cotton, apparel, textile and leather sectors whose industries could not effectively compete with the influx of SHC into the region, Magezi (2007).

Many researchers have investigated the advantages and disadvantages of second - hand clothes in Tanzania, as well as reasons for purchasing 2<sup>nd</sup> hand clothes in Tanzania. For example, Brooks (2015) demonstrates how the clothing and textile sectors have played a major part in making different regions of the world affluent

and impoverished. Hansen (2004) explains how a second-hand clothes industry is an unusual industry with peculiar problems that arise from the uneasy relationship between charity and commercial interests. Baden & Barber (2005) show how second hand clothes are likely to have played a role in undermining industrial textile/clothing production and employment, however such imports have not been the only cause, there are also supply-side constraints which undermine the efficiency of the domestic industry. The constraints include unreliable and expensive infrastructure, the cost and availability of materials, outdated capital stock and lack of access to credit.

Even though second-hand clothes are affecting local manufacturing industries, few researchers have investigated the relationship between second-hand clothes and decline of local textile manufacturing industries in Tanzania. The general effects of economic liberalization on African clothing industries are well documented, although little research has been conducted on the impact of increased imports of second-hand clothes on the local manufacturing sectors. Whether these two processes are causally related is difficult to determine due to limitations in official data sets.

A few notable exceptions include Nyoni, A. B., Nkiwane, L. C., & Gonde, P. (2015) which talks of the continuous growth of second-hand clothing market and illegal imports and how these factors have crippled the textile and clothing industry. Kinabo (2004) also briefly mentions in her presentation that used clothes are retarding the growth of the local textile industry; people do not see the necessity of buying clothes from manufacturers while there is availability of second-hand clothes at cheaper

price. Frazer (2008) bring out the argument that importation of second-hand clothes is causing the diminishing of the manufacturing sector, which leads to significant loss of employment and loss of opportunities for new manufacturers to enter the market.

Majtenyi (2010) emphasize that the casual observer can identify a correlation and attribute a causal relationship; second hand clothes that enter unprotected market causes great competition to locally produced garments and hence affects the market for the locally produced clothes this leads to closure of local clothing factories since they miss the market to sell their products. This relationship needs to be questioned and thoroughly investigated as attempting to understand the real connection between these two trends is more problematic than first appears Majtenyi, (2010).

### **1.3 Research Objectives**

The main research objective is to assess the relationship between banning second-hand clothes and country's promotion and development of textile manufacturing industries. The study will seek to accomplish the following specific objectives;

- i. To assess second-hand clothes stakeholder's perception on banning of second-hand clothes importation in Tanzania
- ii. To assess whether banning of second-hand clothes importation will encourage Local Textile Industries' production
- iii. To examine whether second-hand clothes are preferable compared to locally manufactured clothes and why
- iv. To analyse extent at which second-hand clothes affect local textile

manufacturing industries in Tanzania

- v. To determine second-hand clothes stakeholders' perspective on what could be important determinants of textile industrialisation promotion in Tanzania

#### **1.4 Research Questions**

The research will answer the key question which is: Is there a relation between banning of second-hand clothes importation and the country's local textile manufacturing industries improvement and development?

Specific research questions are;

- i. What is the stakeholders' perception of banning of second-hand clothes importation in Tanzania?
- ii. Will banning of second-hand clothes importation be a solution to improvement of local textile manufacturing industries in Tanzania?
- iii. Which clothes are more preferred between second-hand clothes and locally manufactured clothes?
- iv. To what extent second-hand clothes affect local textile manufacturing industries in Tanzania?
- v. What can help textile industrialisation promotion in Tanzania?
- vi. What are other solutions (if any) than banning that can help boost local manufacturing industries and development?

#### **1.5 Rationale**

This study will be a significant endeavour in establishing the correlation between the banning of second-hand clothes importation and boosting of the manufacturing industry and development in East Africa, focusing on Tanzania. This study will be

helpful to entrepreneurs, government, businesspersons and the whole community in Tanzania in general, for this will present significant findings on the impact of banning of the imports of second-hand clothes to local manufacturing industries performance. Moreover, this study will be an important contribution to a body of research concerning Tanzania manufacturing industries and how this area of local manufacturing affects the development of the country.

### **1.6 Organization of the Proposal**

The research will be organized as follows chapter one of Introduction: Chapter 2: Literature Review, which will include; introduction, the definition of keys concepts, Theoretical and Empirical literature review and research gap. Chapter 3: Research Methodology, this will include an overview, research philosophy, survey population, sampling design and procedures, methods of data collection and data processing. Chapter 4: Findings and Discussion Chapter 5: Conclusion and Recommendations. Then will follow the last part which will be for References and Appendices.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This Chapter discusses a review of published and unpublished work from secondary sources of data in the area of second-hand clothes importation and development. The various views of the various scholars on the topic; concepts of local manufacturing have been canvassed. A linkage between the banning of second-hand clothes importation and the boosting of local manufacturing and development has been established and matters of management and institutional framework of the clothing manufacturing industry have also been discussed.

#### **2.2 Definition of Keys Concepts**

Second-Hand Cloth or used cloth is the one that is being purchased or transferred to a second or later end user, they are clothes that are capable of being reused, in good condition or repairable Roux & Guiot (2008). A used good can also simply mean it is no longer in the same condition as it was when transferred to the current owner (Wikipedia.org). The so-called second object is thus distinguished from its new equivalent by the fact that it cannot claim a first owner status in the life of a buyer. Roux & Guiot (2008).

Banning is to prohibit an action or forbid the use of something especially by official decree (The free dictionary). In this study banning second-hand clothes mean the prohibition of the importation of second-hand clothes in Tanzania which aims at increasing locally manufactured textile products at the same time creating more employment opportunities. Industrialization is defined as the large-scale introduction

of manufacturing into a society. Industrialization causes a shift of the economy from one point to another, for example, an underdeveloped agricultural economy focused on human labour shifting to an industrial economy based on machine labour DiLallo (2015).

During the industrialization process, individual labour is replaced by mass production using machines and specialized labourers, these lead to increased productivity. It is the period in which economic and social changes lead a pre-industrial one DiLallo (2015). During this period both economic and social changes are paired with technological innovation, leading to a massive manufacturing growth, where the economy itself, is organizing for the purpose of manufacturing UK Essays (2015). Industrialization enables mankind to do more with less, example instead of one-man taking days to plough his field with one horse, he can do it in a couple of hours with the help of a tractor that has the power of hundred horses DiLallo (2015).

## **2.3 Theoretical Literature Review**

### **2.3.1 Second Hand Clothes**

According to Norris, (2012) the global trade of second-hand clothing has a long history. Until the 19<sup>th</sup> Century, second-hand clothing was an important way of acquiring clothing. Through industrialization, increased income and mass production general public became able to purchase new rather than second-hand clothing. Few people seem to realize how much-used clothing is profitably sold abroad and those who know little about the market are completely unaware of its value, scale and impact. second-hand clothes value has made an increase of 13% from 2009 only this



is an increase of 2.97 Billion US Dollars Norris (2012). The available figures could, however, be underestimated since the trade is unregulated. It is hard to example judge the value of sealed bales of worn clothes, the increasingly complex network of global re-export hubs and special economic zones also make tracing commodities extremely hard and many countries that ban the import of second hand clothes operate a big number of black markets Norris (2012).

### **2.3.2 The Textile Industry and Importation of Mitumba in Tanzania**

#### **2.3.2.1 The Textile Industry in Tanzania**

As stated by Kinabo (2004) second-hand clothes are famously known as mitumba in Tanzania. Kinabo further states that; Tanzania is among the countries in Africa and in the world which imports used things/ materials such as clothes, footwear, machinery, equipment and spare parts to mention a few examples. There has been an increase of used materials year after year particularly from early 1980s. Since its independence in 1961, Tanzania invested so much in its textile industries, this was done in order to satisfy the demand of the market in terms of clothes and the cotton growing in the country Kinabo (2004). In the 1960s and 1970s, the industries produced enough clothes as well as materials for clothes production and were able to meet the demand of its market.

Furthermore, those industries were the major employers and contributor to GDP. The industries employed about 25% of the working force and contributed 25% of GDP in manufacturing sector Kinabo (2004). Deliberate government policies and great demand are the ones that contributed much to the development of the textile industry. Though the textile industries were able to satisfy the market demand they

were still not able to meet the demand for some types of clothes like suits, suiting materials and other specific dress materials. This was due to the lack of technology of producing those types of clothes Karegero (2016).

From 1980, the economy of the country started to decline, the drop to a large extent also affected the textile industry. The capacity of the sector to produce adequate and good quality garments declined. The government continued to restrict the importation of goods including clothes at the same time this led to limited availability of the clothes. As a result, individuals started to print batik and tie and dye which were commonly known in Kiswahili as "mawingu" because most of them were on skies colour Karegero (2016). In 1994/95, the textile industry collapsed due to the poor economy and government policies emanating from the liberalization policy. According to (Karegero ,2016) the collapse of the textile industry was contributed by different factors including inadequate supply of cotton lint, lack of electricity, power interruptions, high power tariffs, unfair competition from imports and devaluation of Tanzania shilling which made it difficult to purchase spare parts for the machines to continue operating.

From 1980-1985, Tanzanians experienced a shortage of goods including clothes. As already mentioned, that local initiatives of producing clothes emerged including batik and tie and dye but these products were produced at poor quality and were also expensive to the extent that not everybody could afford Kinabo (2004). Due to that some people example in rural areas of southern part of Tanzania decided to wear sacks. Those sacks became shirts and skirts or something to wrap-up. These led to some businessmen/women start to smuggle in used clothes in order to fill the gap. It

is at this time the used clothes became important and its status was raised Kinabo (2004).

### **2.3.3 The Importation of Mitumba in Tanzania**

In Tanzania, Mitumba are imported by businessmen/women and charitable organizations. The businessmen/women import the used clothes for selling and getting profit while the charitable Organization import Mitumba for donating to the people in need. Charitable organizations import mitumba to be donated to poor elderly people, orphans, poor families, disabled, refugees, the victims of disasters and HIV/AIDS Kinabo (2004). The businessmen/women who import mitumba for a business need to get importation license and pay all relevant taxes to the government. Kinabo also informs that a survey that was carried out by Caritas Tanzania shows that most of mitumba imported by businessmen/women are from the United States of America and member countries of the European Union.

The Charitable Organizations in Tanzania apply for mitumba from Charitable organizations and individuals in the European Union and the USA. The Charitable Organizations in these countries then exports mitumba to Tanzania, those mitumba that are imported for charity purposed are usually tax exempted but sometimes charitable organizations try to meet/ recover their transport and clearing costs by selling them to other charitable organizations. Kinabo (2004).

## **2.4 Empirical Literature Review**

According to Baden & Barber (2005), second-hand clothes trade represents only 0.5% of the total global trade in clothing, but for many Sub Saharan African

countries, second-hand clothes dominate more than 30% of the total value of imports and more than 50% in terms of volume. Baden & Barber (2005), also explain that the trade has shown to be preferred by consumers and have clear consumer benefits especially those who are poor and with lower purchasing power. Baden & Barber also add that in many Sub Saharan countries it is noticed that almost all socio-economic groups are choosing to buy Second hand clothes, giving an example that 90% of Ghanaians purchase second hand clothes, pointing out reasons for purchase of second hand clothes as affordability and consumer preferences which is shifting from traditional 'African style' to 'western'.

Baden & Barber (2005) further add that the trade supports hundreds of thousands of livelihoods in developing countries through providing jobs in different areas such as distributing, repairing, restyling and washing those second-hand clothes. Oxfam's research conducted in Senegal illustrates that 1,355 people work in formal sector textile/ clothing industries and estimated 62,000 in informal textile/ clothing production. Baden & Barber also state that; 'in several Western African countries, it is not clear whether local textile/ garment productions and employment would recover even in absence of second hand clothes reason being that there are also new imports from East Asia which are cheaper than locally produced goods and there are serious supply-side constraints'.

According to Quartey (2006), Ghana's textile industry employed 25,000 people and counted for 27% of total manufacturing employment in 1977. However, by 1995 employment within the subsector declined to a 7000 and even declined further to 5000 by the year 2000. Quartey further states that; 'the situation continued to get

worse and employment opportunities continued to deteriorate, in March 2015 the four major textile companies in Ghana employed only 2961 people. A survey was conducted to 40 textile and garment industries in 2005 and confirmed that situation was getting worse Quartey (2006).

Except for Nigeria, formal employment in the sector has declined to very low levels in most countries. Second-hand clothes business is the largest informal sector in most West African countries, given that its impact needs to be closely analysed and monitored. The initial data suggest that second-hand clothes trade has limited direct impact on informal sector production but that needs to be closely analysed given how big the business is and what influence it could bring says Baden & Barber (2005). Despite it being the largest informal employment sector second-hand clothes trade in recipient countries is however poorly regulated. Some instances have been seen where second hand clothes trade facilitated extensive customs fraud where new clothing imports have been passed off as used garments, this has greatly impacted the government's revenue and caused greater competition for domestic production as new imports get to enter without paying full tariff duty as required, Baden & Barber (2005).

The textile and apparel sector in Kenya have been a focus of national economic development strategies since independence in 1963. The 1986 directory of industries compiled by Kenya's central bureau of statistics indicated considerable growth in the number of textile and garments manufacturers and the number of people employed following the colonial period through the 1970s Mangieri (2006). Import substitution industrialization (ISI) policies in the early post-independence years were

a benefit to both cotton growers and textile & apparel industries, due to imposition of 100% duty on imported goods Mangieri (2006). Mangieri adds that under ISI cloth and apparel manufacturing in Kenya was pursued as an aggressive means to industrialization, increased domestic control of the economy and employment generation.

The 1991 trade liberalization policies eliminated the protectionist measures together with the founding of export-oriented production policies which were being implemented after independence to help boost domestic industrial growth Mangieri (2006). A ban on second-hand clothes enacted in 1984 was overturned in 1991 in an atmosphere of widespread liberalization. Second-hand clothes were again legally allowed into the country for resale at prices far below that of new domestically manufactured clothes Mangieri (2006).

## **2.5 Conceptual Framework**

This study used grounded theory. Charmaz & Belgrave (2015) state that "Grounded theory is a general methodology with systematic guidelines for gathering and analyzing data to generate middle range theory. The name "grounded theory" mirrors its fundamental premise that researchers can and should develop theory from rigorous analyses of empirical data". The analytic process consists of coding data; developing, checking, and integrating theoretical categories; and writing analytic narratives throughout the inquiry Barney G. Glaser and Anselm L. Strauss (1967) are the originators of this theory, Charmaz & Belgrave (2015). In the study which uses grounded theory, first proposed thing is that researchers should engage simultaneous on data collection and analysis. From the beginning of the research process, the

researcher codes the data, compare data and codes and identifies analytic leads and tentative categories to develop through further data collection. A grounded theory of a studied topic starts with concrete data and ends with rendering them in an explanatory theory, Charmaz & Belgrave (2015). Under this study in relation to the nature of this theory, having decided using grounded theory the researcher begins with a question and then collection of data. Grounded theory is quite different from the traditional model of research, where the researcher chooses an existing theoretical framework, and only then collects data to show how the theory does or does not apply to the phenomenon under study.

## **2.6 Research Gap**

The emergence of new markets highlights the need for further research on the economic relationships between the used clothing economies embedded regional markets and the means through which these groups connect to wider capitalists economies in the global north. Comparative examples include circulation of old clothing within the East African Community studied by anthropologist Sayaka Ogawa, (2011) cited by Norris, (2012). Fieldwork was done by Milgram, (2008) on the links between the Philippines and Hong Kong and work on cross border smuggling between USA and Mexico by Gauthier (2009).

A detailed analysis of the state of play and implications of the SHC ban on Tanzania was done by Odi in August (2016) and the Economic and Social Research Foundation (ESRF) Report of 2016 There is little research in this unregulated and International networked market involving multiple actors; extracting value from cast-offs by separating things into specifically targeted categories of clothing,

making profits by making connections with niche consumers and trading across social, cultural and economic divides as well as political and regional borders Norris (2012).



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Overview**

This chapter discusses the research design, the methods of collecting and analysing data that will be used in carrying out the study in order to come up with authentic findings that will generate useful recommendations in reference to the objectives of the study. The chapter comprises the research design, population and area of study, sample selection and size, data collection instruments and techniques. It explains how testing for validity and reliability will be conducted and how the data will be analysed. This study will make use of several literature sources, including reference to pertinent books, journals, reports, conference proceedings, internet sources and Government publications.

#### **3.2 Research Design**

This is a case study meant to add to the existing body of knowledge and to be used for decision making. It will, therefore, use the scientific method of research using the case study design which involves an in-depth contextual analysis of matters relating to a situation in the area of study. It is intended to help identify problems and solutions based on a problem-solving experience. In undertaking this study, both qualitative and quantitative methods of research are to be used. Qualitative research will be used in this study as it is more participatory and seeks to project social reality from the point of view of the actors. The quantitative methods are to be used to identify the relationship between variables. An exploratory research design will be used in this research.

### 3.3 Sampling Design

#### 3.3.1 Population

The study shall be carried out among selected staff of Tanzania Ministry of Trade and Industry in Dodoma, East African Community Secretariat staff under the Department of Industry and Trade in Arusha as well as sellers and buyers of second-hand clothes in Dar es Salaam, Mwanza, Arusha and Kilimanjaro. These cities are among the biggest cities in Tanzania and are comprised of high population and markets for second-hand clothes including Kariakoo, Manzese, Karume markets in Dar es Salaam, Makoroboi market in Mwanza, Krokoni market in Arusha, memorial market in Moshi.

#### 3.3.2 Sample Selection and Size

The study sample will be purposively selected; this means that the selection of participants will be done on the strength of their knowledge of the subject matter. A sample size of 120 respondents shall comprise the sample as indicated in the table below. Sekaran (2003) contends that a sample size item larger than 30 and less than 500 is appropriate for most studies.

**Table 3.1: Categories of Respondents**

<b>Category of respondents</b>	<b>Sample</b>
Sellers of second-hand clothes (mitumba)	40
Buyers of second-hand clothes (mitumba)	40
Government officials from the Ministry of Industry and Trade	15
Staff from the EAC Secretariat department of Industry and Trade	5
<b>Total</b>	<b>120</b>

**Source:** Field Data, 2019

### **3.4 Data Collection Methods and Data Collection Instruments**

#### **3.4.1 Data Collection Methods**

In the collection of data, both primary and secondary sources of information shall be used. The primary sources shall include the questionnaires, interviews and focus group discussion, while the secondary sources of information will include a documentary review of current records, paper files, loose minutes, study reports, drafts of documents, and other publications, which will be examined for this purpose.

The key informant interviews shall be used to establish views, facts and opinions as well as to explore the facts further. Focus group discussions shall be used to generate consensus on ideas, views and responses on specific issues. The documentary review shall be an on-going process before, during and after consultations and will be undertaken to explore further and gain a deeper understanding by verifying earlier information, correcting earlier misinterpretations, filling gaps. The information gathered through the above techniques is intended to complement each other in answering the research questions raised in this proposal.

#### **3.4.2 Data Collection Instruments**

The research instruments are of two categories namely; a structured questionnaire for the key informant interviews and an interview guide for the focus group discussion. A key informant interview is an in-depth interview with people who know what is going on in a community. A focus group discussion is a qualitative research method in which a group of persons guided by a facilitator, talk freely and spontaneously about a certain topic. Its purpose is to obtain in-depth information on concepts,

perceptions and ideas on a particular topic. It is frequently used to help understand and solve unexpected problems in interventions.

### **3.5 Data Analysis methods**

Data from questionnaires will be analysed using an analysis method called Statistical Package for Social Science (SPSS), for Interviews and Focus Group Discussion thematic analysis method will be applied. Coding shall be undertaken to organize or group data into thematic concerns of the study before commencing the process of analysis. It is against this background that data shall be entered on the computer. The data shall be analysed using descriptive statistics to frequencies, percentages and extents of magnitudes relating to the study objectives. Information of the same category will be assembled together, analysed and the report written.

## CHAPTER FOUR

### FINDINGS AND DISCUSSION

#### 4.1 Overview

This chapter presents the presentation of data collected from the field and the approach used in the analysis. The study comprised of 120 respondents to whom their responses were achieved through survey questionnaire 98 respondents, focus group discussion 12 participants and in-depth interviews 10 interviewees. Data from the questionnaires were analysed by using SPSS data analysis, on the side of Interviews and Focus Group Discussion Thematic analysis method was applied.

#### 4.2 Sample Description

The following part provides demographic information of the respondents, their responses are as follows:

##### 4.2.1 Age of Respondents

**Table 4.1: Age of Respondents**

		Frequency	Per cent
Valid	15-20	6	15.0
	21-25	11	27.5
	26-30	8	20.0
	31-35	7	17.5
	36 and above	8	20.0
	Total	40	100.0

**Source:** Research Findings, 2018

Table 4.1 explains the response of the respondents on their age. The Table 4.1 provides data as follows: 15.0% of the respondents were between 15 years of age to 20 years of age, 27.5% were 21 years to 25 years, 20.0% ranged between 26 years to

30 years, 17.5% aged between 31 years to 35 years and 20.0% responded that they aged between 36 years and above. Big per cent of respondents ranged between 21-25 years and this is a period which is most independent meaning that they no longer depend on parents for different need including clothing and at this age majority are so much concerned with their look in terms of outfits and appearance, that is to say they are most consumers of second-hand clothes.

#### 4.2.2 Sex of Respondents

In the data collected 47.5 per cent of respondents were male and 52.5 per cent were female who were many compared to male respondents. In most cases, it is easy to reach out to women compared to men due to the nature that most men are very busy and hard to open up to situations but females are quite easy to share and very friendly. On the other hand, women are more likely to be the ones to shop for the family clothes compare to men that is why it was easy to come across women than men. On the side of Focus group discussion, there were 7 female participants and 5 male participants, for the ones who were interviewed out of 10, 6 were male and 4 were female.

**Table 4.2: Sex of Respondents**

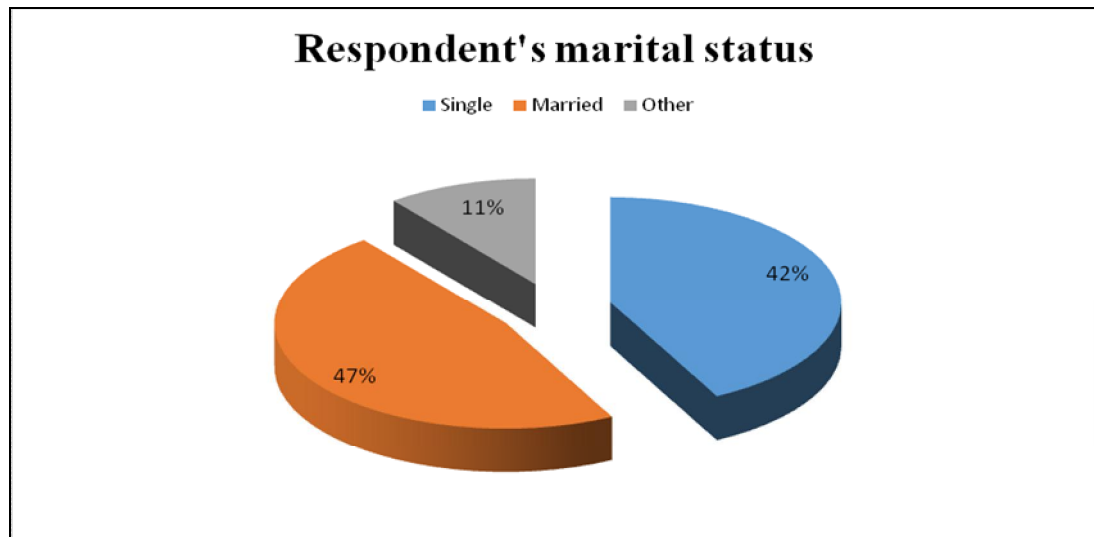
		Frequency	Per cent
Valid	Male	19	47.5
	Female	21	52.5
	Total	40	100.0

**Source:** Research Findings, 2018

#### 4.2.3 Marital Status of Respondents

Under the category of marital status as illustrated in the Figure 4.1 is narrated as

follows: 42 % of respondents are single, 47% are married and remaining 11% comprise of another marital status this can be divorced, widower/widowed, in relationship and other.



**Figure 4.1: Marital status of Respondents**

**Source:** Research Findings, 2018

A large per cent of respondent were married, this could be because most married couples have more duties in terms of catering for the family especially the dependants this can be children, housekeepers and relatives if it happens the family is the extended one. To some settings this group of married couple is catering even parents for both sides of wife and husband. When speaking of catering for needs it includes assurance of basic needs where clothing is one of the crucial needs of any human being.

#### **4.2.4 Occupation of Respondent**

In demographic information especially on the nature of the study conducted, it is important to know the occupation of respondents this may be used as one of the elements to the researched scenario.



**Figure 4.2: Occupation of Respondents**

**Source:** Research Findings, 2018

Focus group discussions was comprised of the known group but with the survey questionnaire respondents it was important to also know occupation of respondents and as shown in the figure above 25 per cent are unemployed, 22.5 per cent are employed, 37.5 per cent are self-employed and 15 per cent were students. As the response of respondents described above, it has been seen that most of them are self-employed and few of them are students, although within the group there are some who are employed, and others are not employed.

### **4.3 Stakeholders Perception on banning of Second Hand Clothes**

In relation to the specific objective one on stakeholders' perception on the banning of second-hand clothes, respondents were of the view that it was a rash decision, the local textile industry is not competent enough to have enough production compared to demand. Local Textile Industries (LTIs) are not stable enough in relation to existing demand, this is not a good alternative as it may result to an illegal way of importing this product, others said there is no need of banning but rather to be taken



as competitive inspiration in designing. Some even suggested that there is no need for banning second-hand clothes instead the government should decrease tax to imported ones.

As this side of respondents gave their views by opposing the idea of banning on the other side of the coin there were some respondents who supported the idea of banning and their arguments were as follows; Yes, for local textile industries to produce more, the government should seriously ensure banning of second hand clothes importation in the country, another respondent said the idea of banning importation of second hand clothes (SHC) is a greater means to boost local industries. In comparison between two sides, it was observed that very few people agree with the idea of banning while the majority's views were quite different.

During In-Depth Interview (IDI), the following four different responses were given on the posed question about their view;

*‘When the government decides to ban the importation of second hands clothes will result to cheap clothes hence clothes from abroad will fade away and that will lead to losing market /hence leads to high demand if we just depend on LTI’*

(IDI with ðMitumba seller, 29 years: 29/04/2018 at Kinondoni area, Dar-es-salaam)

*‘Kuzuia uingizwaji wa mitumba nchini utasababisha ongezeko la idadi ya watu hususani vijana waliokosa ajira na hili ni tatizo kwani watatafuta hata njia zisizo halali ili kujipatia kipato, wakati kwa biashara hii ya mitumba watu wengi waliweza kujitegemea na hata kufikia malengo makubwa kama kujenga nyumba na kuendeleza wenza wao kwa biashara ndogondogo’*

(IDI with ðMitumba seller, 40 years: 26/04/2018 at Manzese area, Dar-es-salaam)

*‘Banning importation of second hands clothes is not a good*

*decision since banning may result to illegal ways of penetrating second hands clothes'*

(IDI with ðMitumbaøseller, 30 years: 29/04/2018 at Kinondoni area, Dar-es-salaam)

*'Kuzizuia kuingizwa nchini zitaleta athari ya kufanya zinaingia kimagendo, hapa suluhu ni kuboresha viwanda vyetu viwe kwa kiwango kinachoendana na ulimwengu wa sasa na kwa upande mwingine bei ya uuzaji wa bidhaa upunguzwe kwa wote kuimudu''.*

(IDI with ðMitumbaøseller, 38 years: 26/04/2018 at Manzese area, Dar-es-salaam)

On the side of Focus Group Discussion (FGD), the question was asked, and the respondents came up with the following views;

*'In my views, it is better for the government to impose high taxes than totally banning because this will lead to dumping situation which is another problem'*

(FGD participant #01, 13/03/2018 at AICC Building-Arusha)

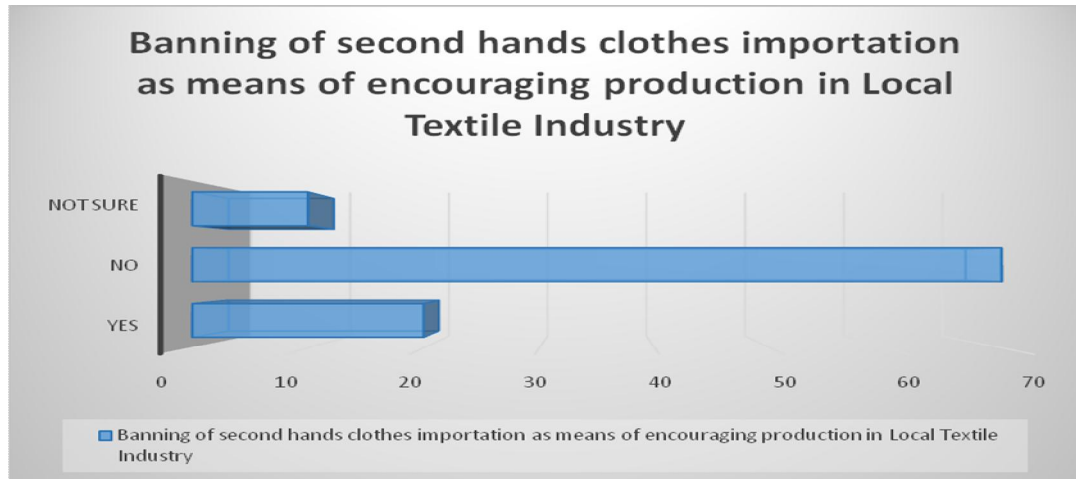
*'Banning importation of second hands clothes is not a solution and will not make a change in industrialization because it's all about quality, price and durability, that is to say once LTI improve on that then there will be a demand'*

(FGD participant #03, 13/03/2018 at AICC Building-Arusha)

#### **4.4 Banning of Second Hand Clothes as a Means to encourage Local Textile Industries Production**

On this part, the question was posed as ðDo you think banning of second hand clothes importation in Tanzania will encourage production from local textile industriesø This question was asked in relation to specific objective two of the study which was to assess whether banning of second hand clothes importation will

encourage Local Textile Industries' production. The feedback was as follows;



**Figure 4.3: Banning of Second-Hand Clothes Importation as a Means of Encouraging LTI Production**

**Source:** Research Findings, 2018

Figure 4.3 illustrates the opinion if banning of second-hand clothes is a means to encourage production from local textile industries. When this question was posed different opinions were received. The results are as illustrated in the figure above and its explanation is as follows; 20% of respondents replied YES 70% replied NO 10% their response was NOT SURE. As presented in the illustrated figure above, majority opposed that banning is a means of encouraging production and minority were not sure if that is the best option or not.

During Interview one interviewee had this to say when this question was posed to him;

*“Hapana napinga kabisa kwani kupiga marufuku uingizwaji wa nguo za mitumba nchini ili kusaidia uzalishaji katika viwanda vyetu vya ndani, sio suluhu cha muhimu ni kuruhusu uhuru wetu wauzaji kutimiza mahitaji ya wateja wetu”*

(IDI with Mitumba seller, 27 years: 26/04/2018 at Magomeni area, Dar-as-salaam).

#### 4.5 Second Hand Clothes Preference over Locally manufactured Clothes

Respondents were asked whether second-hand clothes are preferable in comparison with the locally manufactured clothes. This question was posed in relation to specific objective three of the research which was to examine whether second-hand clothes are preferable compared to locally manufactured clothes and why. Out of the whole number of respondents, the results were; 40 % said NO and 60 % of respondents replied YES as indicated in the Table 4.3.

**Table 4.3: Second-Hand Clothes are more Preferable Compared to Locally Manufactured Clothes**

		Frequency	Per cent
Valid	YES	24	60.0
	NO	16	40.0
	Total	40	100.0

**Source:** Research Findings, 2018

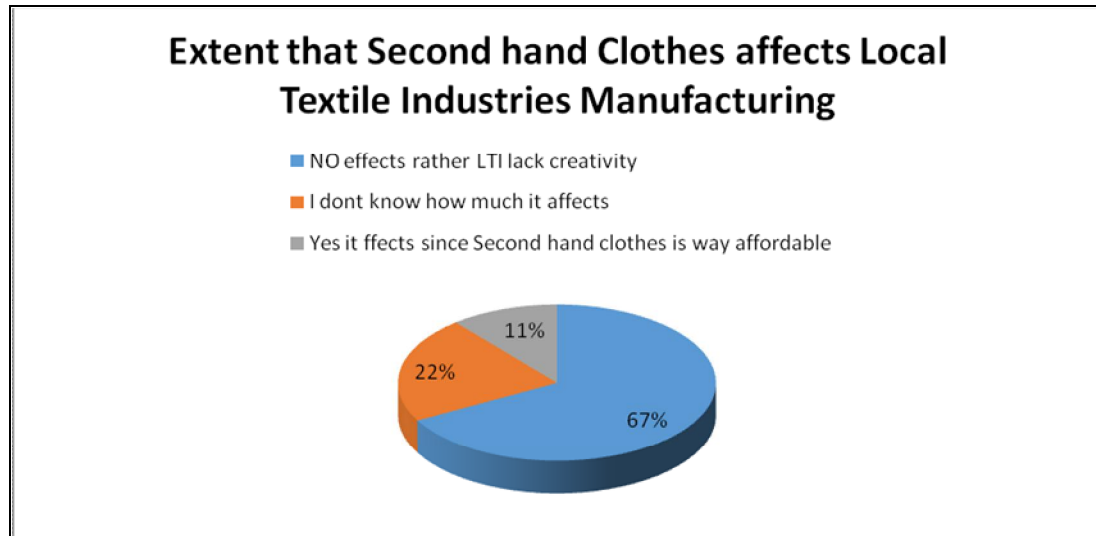
Respondents who replied YES said that with following arguments;

- i. High and good quality of second-hand clothes
- ii. Second-hand clothes are durable compared to local textile industries products
- iii. Long term use assurance due to its best standard
- iv. Western countries manufacturers where most of the second hand clothes are produced are more experienced in manufacturing clothes due to their advanced technology.

From the given feedback above it is seen how majority respondents about 59% agree that second hand clothes are more preferred and 41% disagreed to that and to justify their response to the question they said all needed is assurance of standard raw materials which is available and local industries production to be seriously increased

so as to meet people's demand with consistency.

#### 4.6 Extent at which Second-Hand Clothes affect Local Textile Manufacturing Industries in Tanzania



**Figure 4.4: Extent that second-hand clothes affect LTI Manufacturing**

Source: Research Findings, 2018

Objective four of the research was to analyse the extent at which second-hand clothes affect local textile manufacturing industries in Tanzania. When the question to what extent second-hand clothes affect local textile manufacturing industries in Tanzania was posed to the respondents during data collection, responses from survey questionnaire and even in Focus Group Discussion and in the interview were different as follows;

**Table 4.4: Extent that Second-Hand Clothes affect LTI Manufacturing**

		Frequency	Per cent
Valid	No effect at all	9	75.0
	Yes it affects	1	8.3
	Not sure	2	16.7
	Total	12	100.0

Source: Research Findings, 2018

From Surveyors questionnaire 67% responded no effect at all meaning that importation of second hand clothes does not affect LTI rather LTI lack creativity and they use poor production material that leads to a low quality product. The same answer was given during focus group discussion where 9 respondents out of 12 were of view that SHC importation has no impact on LTI promotion, two participants went further explaining that LTI cannot sustain the demand of clothes that is there (FGD participant #5 and #7, 13/03/2018 at AICC Building-Arusha)

22% of respondents from survey questionnaires responses said they were not sure; in other words, they do not know if it affects or not. Others said it has a little effect which cannot be a cause affecting LTI manufacturing. Two participants from Focus Group Discussion also responded that they were not sure (FGD participant #1&3, 13/03/2018 at AICC Building-Arusha) On the other hand, there are respondents who agreed that importation of second-hand clothes does have an effect to Local Textile Industries manufacturing, 11% of respondents from survey questionnaires responded yes SHC importation affects LTI and one respondent from focus group discussion also agreed that SHC affects LTI. Their arguments were as follows; Yes, it affects since second hand clothes are cheaper and good than local textile industries products, others said at highly per cent it affects since second hand clothes are affordable, that goes along with another respondent who said it does affect due to high price of Local Textile Industries.

#### **4.6.1 Relationship between the Importation of Second-Hand Clothes and Poor Performance of Local Textile Industry**

As seen in the Table 4.5, respondents were asked if there is any relation between the

importation of 2<sup>nd</sup> hand clothes and poor performance of local textile industries. This question also aimed at reacting to specific objective four of the research which was to analyse the extent at which second-hand clothes affect local manufacturing industries in Tanzania.

**Table 4.5: Second-Hand Clothes Importation VS Poor Performance from Local Textile Industries**

		Frequency	Per cent
Valid	Strong Agree	2	5.0
	Agree	4	10.0
	Disagree	18	45.0
	Strong Disagree	16	40.0
	Total	40	100.0

**Source:** Research Findings, 2018

During Interview one interviewee had this to say when the question is there any relation between the importation of 2<sup>nd</sup> hand clothes and poor performance of local textile industries was asked to him;

*‘Hapana hata haviendani kwani kuna kazi kubwa kwa viwanda vyetu kujidhatiti kabla ya kuingia sokoni ili kukidhi mahitaji ya wateja, uwepo wa mitumba hauingiliani kabisa na uzalishaji wa viwanda vyetu vya ndani’*

(IDI with -Mitumbaøseller, 36 years: 27/04/2018 at Mwenge area, Dar-as-salaam).

This shows how there is no any relation between the importation of second-hand clothes and poor performance from local textile. Instead some things need to be considered for better performance of local industries.

#### **4.7 Stakeholders Perspective on what could be Important Determinants of Textile Industry Promotion in Tanzania**

Since it has been noticed and observed how LTI fail to catch up with the existing

production in textile industries. The researcher of this study saw the need to know if there is any way forward to help LTI promotion in Tanzania. This was in relation to objective five of the research which was to determine second-hand clothes stakeholders' perspective on what could be important determinants of textile industry promotion in Tanzania. There were different suggestions and were presented as follows:

Emphasize special tariffs on imported textiles, stop second hand purchases, add more skills to home textile industries, there should be more creativity in designing local textile products, There is a need to create big market this may convince consumers to prefer production from LTI, There is a need to encourage local investors and encourage own production, also on the issue of relief in some taxes on raw materials another respondent reminded that the focus should be on quality and not profit also there is a need to revive and come up with new textiles. Another concern is cotton production should be encouraged and facilitated to ensure availability of adequate material for production and satisfy big demand. Respondents also mentioned that there is a need for reducing the cost of production and promote end product so as to encourage availability of raw materials.

During Focus Group Discussions (FGD) this question was well responded as follows;

*More advancement on the produced product before brand awareness since by having unique brand production and attractive one demand will increase, also there is a need to reduce price and ensure and encourage the availability of raw materials. Moreover, there is a need to encourage adequate knowledge and investment in textile industries.*



(FGD participant #1, 13/03/2018 at AICC Building-Arusha)

*'If I was to decide on the solution I would definitely go on the option of increasing importation price, this will discourage the importation since it will have to take the qualified ones who can obey with the terms to import and not as how it is now'*

(FGD participant #10, 13/03/2018 at AICC Building-Arusha). During the interview one respondent had this to contribute on the asked question;

*There is a need to reduce the cost of production and there should be enough production to satisfy the demand and ensure durability. High quality should also be ensured and maintaining the quality, service and production at large should be ensured. The lucky thing is the case of Tanzania is quite different from other countries I have been to, what matters is assertiveness to local textile industries to quench customers demand and go along with the current global market and especially at this era where fashion is most focused part of life to many people.*

(IDI with Mitumba seller, 30 years: 27/04/2018 at Mwenge area, Dar-es-salaam)

Generally, their suggestions on way forward are tangible and if these suggestions will be seriously implemented then there is an assurance to see improvement on local textile industries.

#### **4.7.1. Advice to the Government on Importation Issues**

In relation to specific objective five of the research to determine second-hand clothes stakeholders perspective on what could be important determinants of textile industry promotion in Tanzania, there were some suggestions that stakeholders gave to the government on importation issues in relation to the textile industrial promotion as follows;

- i. It is a free market world so there is no need for banning but rather improve local production by producing quality, standards and durable products so that

they can compete with the market.

- ii. Care to be taken in order to protect local industries just like how the world over countries do.
- iii. Stop importation and start producing our own products
- iv. Encourage the exportation of our African clothes abroad.

In the Focus group discussion participant #8 and #11 had this feedback on advice to government:

*“It is quite a challenge to encourage the importation of goods from abroad while your industries are not operating and for some which are operating the products are not preferred. It is obvious we are in a very competitive world that means banning is not a solution rather the government should improve standard quality and ensure availability of fabric and industrial products”.*

(FGD, Participant #11, 13/03/2018, AICC-Building, Arusha)

*“Actually the government should be happy that it has a chance of restructuring its industries and mostly textile industries especially with full support from Honourable President of Tanzania who encourage Industrialized country through common theme of ‘Tanzania ya viwanda’, that is to say importation of clothes should not be banned instead we should encourage the local textile industries automatically, people’s mindset will change if the production satisfies and meet peoples demand”*

(FGD, Participant #8, 13/03/2018, AICC-Building-Arusha).

#### **4.8 Discussion of Findings**

The researcher observed that there is a high demand for second-hand clothes and different stakeholders perceive the idea of banning second-hand clothes importation in Tanzania depending on extent of the use or need. Higher purchasing rate shows how much second hands clothes are mostly preferred due to different reasons given

such as; second hands clothes are affordable, durable and unique. Stakeholders also mentioned the issue of purchase of second-hand clothes helping on economic stability of people which make them opt for second-hand clothes. Having known this and in the competitive world of business, this should be a reason for local textile industries to modify the products and meet the standard as the ones imported from abroad.

On the other hand, others said second-hand clothes are not as good as ones you design yourself from tailors, and some said they are not attractive, and others added that it is due to less preference of second hand clothes. Their response gave a picture of two sides the supporters and opposes of second hands clothes banning. It was also observed that there can be other solutions than banning to boost local textile industries development including:

- i. Educate Local Textile producers on quality production

This can be done through the creation of training institute that will be used to train local textile producers to gain skills that will help them in the production of quality and competitive products as well as gain skills and knowledge required at international level to enable them compete.

- ii. Encourage producers and manufacturers to be creative. As observed from the study that second-hand clothes consumers go for such clothes because of variety of styles, for local manufacturers to compete with the market they need to be more creative in coming up with different styles and going with the world trend/ change in fashion.
- iii. Take efforts to seek for standard raw materials

The government should find ways to make sure the cotton sector is boosted to enable farmers to produce more and quality raw materials that will be used to produce clothes that can compete in the world market

- iv. Encourage high taxes on imported clothes

EAC countries should reduce the dependency of imported clothes, high taxes on imported clothes can be one of the measures to control the high influx of cheaper imported second hand clothes

- v. Reduce selling price of locally manufactured clothes for everyone to afford-

There should be government intervention to make clothes as affordable as possible in order to encourage consumers to buy locally manufacture clothes.

The government can direct policy in a manner that ensures that the cost of production is low since this impacts the final price paid by the consumer

- vi. Maximum support should be given to local textile industries in training and finance

Training centres should be built and fully supported in terms of having qualified trainers, having modern technology where employees can learn from and enable them to improve and update their skills that will be in line with the international standards.

- vii. Local textile industries should be up to date and modified to be able to conquer customers demand.

- viii. Follow up so as to understand how others do it, in other words, there should be need of copying from other countries who have succeeded- Tanzania can learn from countries that introduced the ban and succeeded example South Africa and Ethiopia such countries can be used as best practise where

Tanzania can learn from.

- ix. Local textile industries to do serious production.

As seen in discussions on the reasons for importation of second hand clothes is high demand for clothes that could not be fulfilled by local industries. If the ban takes place the EAC countries should do massive production in order to fulfil the gap likely to happen

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Chapter Overview**

This chapter provides the conclusion and recommendation of the findings analyzed, presented and discussed in the previous chapters and that brings us to this chapter which provides conclusion of the findings and recommendation on what should be done further after this study and this is most especially to the future researchers and all those to whom this study may be of concern.

#### **5.2 Conclusion**

The research has shown that EAC is a big import market for second-hand clothes. Most people depend on second-hand clothes to earn their income as well as affordable clothes for themselves and their families, the demand for second-hand clothes seem to vary from the rich to the poor. EAC Partner States also export second-hand clothes amongst themselves, example most second-hand clothes sellers from Tanzania and Burundi get their clothes from Uganda second hand market. All these factors have made banning of second-hand clothes seem to be facing resistance.

The EAC Partner States should find a way of compensating the gap for stakeholders through increasing local textile industries production as well as material needed for production such as cotton and leather. Way to do so should be brainstormed before deciding to completely ban second-hand clothes because the logic is as second-hand clothes disappear from the market there will be an increase in demand for new clothes.

Although the ban seems to have many effects to stakeholders it can still be done as it has been seen possibly done in some countries such as Ethiopia which managed to ban second hand clothes and promote their local industries, there is no reason why all EAC countries cannot do the same. An example has also been shown by Rwanda through increasing tariffs on imported used clothes with an intention of eventually phasing out the importation despite threats to be withdrawn from Africa Growth Opportunity Act (AGOA) benefits from the United States of America. That shows that the same can be done in other EAC Partner States. The summit of EAC Heads of States already made a decision to ban, all that is waited for is the implementation. Therefore, the decision lies in hands of EAC governments.

### **5.3 Recommendations**

#### **5.3.1 To the EAC Partner States Governments**

The EAC Partner States' government ministries/ agencies and departments dealing with trade and EAC affairs need to research more on the issue of banning second hand clothes through looking at examples from other countries, looking at best practices if any and consider them or customize them to best suit the situations of their countries before action of banning to takes place. The researcher recommends that banning can be the last step to be taken as for now some advised ideas (from this research's respondents) can be taken as well as advise from experts in the area.

The governments also need to in place policies that will control unfair competition of foreign products. The EAC Partner States' governments also need to find the solution too all factors that led to failure and collapse of former industries as seen in the research there were some industries that existed at some point but failed. There is

also a need for conducive business and investment environment to be put in place in order to enable the growth of industries.

### **5.2.2 Ban should be Done in Phases**

If the decision to ban is to be taken, then it should be done in phases. As shown in the study some of the second-hand clothes come as good as new and these are known as Grade A. The EAC market is comprised of different grades of second-hand clothes these being grade A, B and C. By phasing out slowly the EAC could decide to start by phasing out grade B and C which do not come as new as compared to grade A SHCs, the phase-out of grade B and C can be done as the countries improve on local textile manufacturing giving themselves a period of example five years. The phasing out, however, should go hand in hand with limiting importation of any SHC below-grade A. This can be enforced by customs and bureau of standards officials.

### **5.2.3 Addressing other Challenges other than banning Second Hand Clothes to promote Local Textile manufacturing Industries**

The research has shown that failure of local manufacturing industries goes beyond importation of second-hand clothes, yes SHC importation is one of the factors but not the only factor and until those other factors are addressed banning of SHC only cannot be a solution to promoting local manufacturing industries. There is need to address other challenges also such as lack of electricity/ power supply, technology, skills, adequate infrastructure like roads and railways for transportation, cost of doing business in form of taxes on raw materials and machinery as well as taxes on export of finished products, although this is being addressed through EAC's



Common Market and Customs Union but there is still a lot to be done as some processes/ agreements are yet to be implemented to make conducting business in EAC easier.

#### **5.3.4 EAC to revise its policy on Export Processing Zones (EPZ)**

EPZ is one of the EAC customs union regulations with the purpose to implement provisions of Article 29 of the Customs Union Protocol to ensure that there is uniformity amongst the Partner States in the implementation of the provisions on EPZ and ensure to the extent possible that the process is transparent, accountable, fair and predictable. With free zone an industry is guaranteed fewer complications of doing business and better well-laid infrastructures like access to roads, good water and power lines. The EAC may revise the policy on EPZ domestic supply to increase the percentage of products that can be sold into the EAC market for cotton, textile and leather sectors.

#### **5.2.5 To Future Researchers**

By Conducting more study on this area and publishing on different situations in relation to this study will be a way forward to come up with more Literature reviews and even more papers on different issues in Tanzania. Also, more research will bring further awareness on the issue of banning of second-hand clothes and other products in relation to promoting local textile industries. Moreover, whenever a research gap is found from this work there is a room for conducting another study and fill in the missing gap

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## **APPENDICES**

### **APPENDIX 1: QUESTIONNAIRE TO CUSTOMERS**

You are kindly informed that Ms. Diana Rutechura is a student of MA International Cooperation and Development at Open University Tanzania, conducting her research on ~~the~~ Impact of banning imported second-hand clothes on local manufacturing industries promotion in the EAC region: Case of Tanzania~~o~~. In response to the above information you are requested to answer the questions found in the questionnaire that will be helpful in data collection for the research mentioned above. The information that you give will be treated confidentially and only be used solely for the stated purpose of the research. Thank you in advance for your time and cooperation that you will give to this research and I kindly appreciate your contribution.

#### **SECTION A**

##### **Personal Information**

Please tick one

1. What is your age group?
  - a) 15-20
  - b) 21-25
  - c) 26-30
  - d) 31-35
  - e) 36 and above
2. Sex
  - a) Male

- b) Female
- 3. Marital status
  - a) Single
  - b) Married
  - c) Other
- 4. Occupation  
í í í í í í í í í í í í í
- 5. Where do you stay? Region and Ward  
í í í í í í í í í í í í í ..

**SECTION B**

- 6. To what extent do you purchase 2<sup>nd</sup> hand clothes?
  - a) Usually
  - b) Sometimes
  - c) Never
- 7. Depending on your answer to the previous question, please explain why Usually/Sometimes/Never?  
í  
í  
í í
- 8. Do you think banning of 2<sup>nd</sup> hand clothes importation in Tanzania will encourage local production from our textile industries?
  - a) Yes
  - b) No



14. What is your advice to government on the issue of importation of clothes and other goods in our country?

í  
í  
í  
í  
í í í í í í í í í í í í í í í

\*\*THANK YOU\*\*



**APPENDIX II: INTERVIEW GUIDE TO SECOND-HAND CLOTHES****SELLERS**

1. How long have you been selling 2<sup>nd</sup> hand clothes?
2. What benefits and challenges do you face in this business?
3. What is your view as a seller on banning of 2<sup>nd</sup> hand clothes importation in Tanzania?
4. To what extent do you think used clothes importation affect local textile manufacturing industries in Tanzania?
5. What do you think will help industrialization promotion in Tanzania?
6. In your view, do you think banning of 2<sup>nd</sup> hand clothes importation will be a solution to improvement of local textile manufacturing industries in Tanzania?
7. What are other solutions (if any) than banning that can help boost local manufacturing industries and development?
8. What is your advice to the government on the issue of importation of clothes and other used goods in our country?