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The State of Second-Hand Clothes and Footwear Trade in Kenya

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In 2019

Kenya imported 185,000 tonnes of second-hand clothing in 2019 equivalent to an approximate

8,000 containers

Executive Summary

Kenya is one of the largest importers of second-hand clothes in Sub-Saharan Africa because of its use and export to other countries. The second-hand clothes industry contributes to government revenues. The existence of second-hand clothes is a demand-side issue rather than a supply-side issue. For a considerable number of people, incomes in the country can only support the buying of second-hand clothes. This is a reflection on incomes rather than whether the supply of new clothes and footwear is available.

The volume of imported second-hand clothes and footwear reflect the domestic demand for these goods among the Kenyan population. Therefore, it is essential to examine the corresponding value of the imports. The value of these imports for the corresponding years shows that the nominal value of imports into Kenya has risen by 80% from Ksh 10 billion to 18 billion in the same six-year period. What this growth in import volumes shows is that along with the overall economic growth and the rise in incomes, imports reflect the demand for second-hand clothing among Kenyan households and that this industry has supply stability.

In 2019, import taxes added up to US $15,000 per 40ft container (equivalent to 24 tonnes). Kenya imported 185,000 tonnes of second-hand clothing in 2019, equivalent to an approximate 8,000 containers. The taxes paid amounted to Ksh 12 billion. The sector contributes to at least 1 billion shillings in revenue per month. The traders also pay business license fees, among other payments to national and county governments. Apart from revenue generation for government, they offer livelihoods to almost two million people. The two million people estimated to be in the second-hand clothes industry are employed in more than one sector, such as farming. Trading in second-hand clothes can be seasonal, especially in rural areas. Employment covers, handling, alterations and refinements and distribution of clothing.

The supply and demand for new purchases from the textile industry differ from used clothes. There is a significant difference in prices between the two products, with used clothes being considered to be cheaper. Given the second-hand clothes industry and formal textile industry are separate markets, players in those markets do not necessarily compete with each other. Analysis at the household level shows the majority of households buy new clothes when required such as school or workplace uniforms. 91.5% of households buy second-hand clothes worth Ksh 1000 and below, and 8.5% buy second-hand clothes worth Ksh 1000 and above. On the other hand, 74.5% of all households bought new clothes priced below Ksh 1000, and 25.5% bought new clothes priced above Ksh 1000, confirming the price sensitivity of second-hand clothes.

A fundamental revelation of this information is that in 2016, the value of the median and mean purchase of new clothes was Ksh 450 and Ksh 783 respectively for three months. It demonstrates that half of the households that bought new clothes made purchases of Ksh 450 or less, with the other half spending more than that amount. The average cost of the clothing items purchased comes to Ksh 783 for the same period. Both the median and the mean value for purchases of used clothing and footwear are below the equivalent values for new items. With a purchase mean of Ksh 409 and median of Ksh 280, these values are 33% and 91% lower for used clothes respectively. This position confirms that the purchasers of second-hand clothing and footwear are price conscious and search for value due to

Price sensitivity of second-hand clothes

91.5%

of households buy second-hand clothes worth Ksh 1000 and below

8.5%

buy second-hand clothes worth Ksh 1000 and above

their lower incomes. From a consumer's viewpoint, it is evident that purchase decisions reflected here are based on making choices on what items are available at the most cost-effective prices on each side.

The typical income earner in Kenya spends about 40% of monthly earnings to procure food alone. The rest of the available income is spent on shelter, transportation, education, health, and other needs. 2.5% of private consumption in Kenya was spent on clothing and footwear for the year 2019. This spending amounts to Ksh 197.5 billion which comes to an average of Ksh 4,150 per person per year for all purchases of second-hand garments, new clothes and footwear. Compared to the rest of the middle-income countries, Kenyan consumers spend much less on clothes and footwear.

An insight that comes from this is that imports of second-hand clothes constitute about 1% of all imports' monetary value while it accounts for 2.5% of all private spending. 67.8% of Kenyan households in urban areas spent Ksh 1000 and below, while the corresponding figure for rural dwellers was 79.2%. This finding is consistent with the evidence that rural dwellers have lower incomes and are more interested in affordable clothing and footwear.

There are linkages from the second-hand clothes industry to other sectors such as transport, finance, insurance, warehousing, research, amongst others. Second-hand markets have, in part, saved the environment from the emission of polluted air caused by the production of new clothes. Chalhoub, H. (2012) found that there is a high demand for polyester and cotton clothes in Kenya as the consumers find them easier to wash than fabrics such as silk. The purchase of 100 second-hand items of clothing would save between 60 to 85 new garments and a reduction of impacts resulting from collecting 100 garments for reuse ranging from a 14% decrease in global warming for the cotton T-Shirt to a 45% reduction of human toxicity for the polyester/cotton trousers (Farrant, Olsen and Wangel, 2010). Consistent with this, research has established that the carbon emitted through transportation of baled second-hand clothes by sea, air or bus is less compared to the carbon emitted in industries producing new clothes.

On the legal side, there is no statutory framework specifically regulating the trade of used clothes in Kenya. However, the regulation of businesses is made from importation protocols published by KEBS and the regional and domestic laws on trade. The Constitution of Kenya guarantees economic rights under Article 43 and further makes provision for consumer rights under Article 46. The object of these two categories of rights is to ensure Kenyans have access to economic activities that facilitate viable livelihoods while ensuring that consumers have access to goods and services of reasonable quality.

From Recyclers to Risk-Takers: The Social, Economic and Political Challenges of Selling Second-Hand Clothes in Kenya - 2012

Chapter 1:
Introduction

The typical income earner in Kenya spends about 40% of monthly earnings to procure food alone, meaning that the available income must be spent on shelter, transportation, education, health and other needs.

Chapter 1: Introduction

Kenya has a long history of the sustained demand for used clothing and footwear items for use by its citizens. There are a large number of traders connected through a variety of value chains and supply lines for the import, transportation and distribution through retail and wholesale markets in the republic.

Although Kenyan households have an average income that is substantially larger than that of its neighbours in the East African region, this income still compares poorly to global income levels. For that reason, the Kenyan household is faced by constraints in terms of what can be afforded given the necessities such as food, water, education and clothing. The typical income earner in Kenya spends about 40% of monthly earnings to procure food alone, meaning that the available income must be spent on shelter, transportation, education, health and other needs.

As an essential item of human needs, the availability of clothing and footwear is determined by the affordability and creativity of the wearable item. The Kenyan household, therefore, has a choice to acquire clothing from a variety of courses including, homemade apparel, locally manufactured clothing, manufactured imports and imports of used clothing. All these options represent various forms of value to the purchasers and ensure that clothing needs can be covered among these competing options.

Through the Vision 2030 and the Big Four program initiated by the president of Kenya, Kenya has emphasized the place of manufacturing as an instrument for economic growth and social transformation. In the quest to expand economic activity in manufacturing, the stated development plans each emphasize the need to create and expand existing capacity in the apparel and textiles manufacturing both for domestic consumption and for export.

In the quest for the achievement of these goals of promoting the industry, some in the public sector have argued that the attainment of a manufacturing output equivalent to 15% of the Gross Domestic Product (GDP) is unattainable unless the import of used clothing is discouraged and even banned.

The existing tension in industrial development policy for Kenya is whether to allow the continued imports and trade in used clothing and footwear or to ban these imports in the expectation that this will lead to faster development of domestic apparel and textile manufacturing capability.

Aided by a powerful industrial lobby, part of the public sector in Kenya seem to consider that a protectionist policy for apparel production is an essential tool for industrial policy. Industrial development is associated with increased creation of employment to accommodate the growing population in Kenya in addition to the need to create a more stable economy.

In a sense, industrial development is a prerequisite for developing countries such as Kenya to meet the Sustainable Development Goals (SDGs) which is a compact aimed principally at reducing poverty.

[1] Republic of Kenya (2008). Vision 2030 Document

The purpose of this paper is to examine the structure and extent of the market of the used clothing industry in Kenya and the contributions to the Kenyan economy through firms and households within it

This situation has coincided with an ongoing initiative of the Big Four agenda under the phrase "Buy Kenya, Build Kenya". While there is no formal statement from the Kenya Association of Manufacturers (KAM) stating that the abolition of used clothes is a goal. In the past, the Ministry of Trade and Industry through Kenya Bureau of Standards (KEBS) had considered that permanent ban on used clothing and footwear would be good policy.

The purpose of this paper is to examine the structure and extent of the market of the used clothing industry in Kenya and the contributions to the Kenyan economy through firms and households within it. This will draw an economic analysis of the demand and supply of the used goods and the market interactions that occur based on these goods throughout Kenya and related markets.

This will involve description and data presentation of the source markets for used clothes and footwear, the transportation into Kenya through the port and the distribution into wholesale and retail markets in Kenya. The study will also trace the use and consumption of mitumba in Kenyan households and estimate the share of household income spent on both new and used clothes by Kenyan households. This analysis will not only provide evidence on the economic contributions of the mitumba industry to Kenya but also expound on the used clothing and footwear value chain.

Chapter 2:

Each importer pays on average of 1.5 million per container. This then implies that the government of Kenya received an average of Ksh12 billion in import duty from second-hand clothes

2.1. Assessing Economic Impact of Second-hand Clothes

Kenya is one of the largest importers of second-hand clothes in Sub-Saharan Africa. The sector is therefore crucial to Kenya's economy based on its contribution to employment and as a source for government revenues.

Between 2015 and 2018, the scale of wholesale trade of second-hand garments is estimated to involve 741,000 tonnes of used items. The annual value of this trade was reported in 2019 to be on average Ksh 18 billion which is less than 1% of the total country's imports. The total imports of textiles in Kenya were valued at around Ksh 131 billion depicting that second-hand clothes represented 12.5% of this[3] .

Taxes and levies

The taxes levied on second-hand clothes are import duties, a railway development levy and an import declaration levy. Upon being received at the port of Mombasa, second-hand clothes undergo a chain of processes before reaching the final consumer. At the port, the clothes are inspected and cleared. Accumulatively, the importer incurs about Ksh 1.5 million per container in taxes. If there is a delay which is often the case, the importers incur demurrage charges which could accumulate for weeks. Normally, a 40 feet container carries an average of 24 tonnes. Out of the 185,000 tonnes imported in 2019, it then is averaged to have been transported in 8,000 forty feet containers. Each importer pays an average of 1.5 million per container. This then implies that the government of Kenya received an average of Ksh 12 billion in import duty from second-hand clothes. The sector contributes to at least Ksh 1 billion in revenue per month.

Every wholesaler or retailer in the sector has to pay for a business permit and a fire certificate that is often accorded based on the size of your business. One trader mentioned that they pay Ksh 10,000 and Ksh 5,000 annually for a business permit and a fire certificate respectively. On the other hand, they further pay a turnover tax that is at a 3% rate of their gross sales. Equally, other businesses linked to the sector such as warehouses and truckers pay sales tax, income and corporate tax, amongst a slew of other taxes.

Consumer demand

Second-hand clothes make clothes affordable for all as not all consumers can afford new clothes. For most consumers, second-hand clothes are both trendy and affordable. This shows that consumers are free to go with their preferences. Brand new clothes are deemed as expensive for most and poor quality. Economically, giving consumers choices expands competition between peers. This ends up being beneficial to both consumers and businesses as it complements rather than displaces the production of new textiles and apparels. Therefore, there is no need for government intervention in a working competitive system. Consumers end up getting the best prices and quality of goods. It also spurs the creation of new better products.

Employment

In Kenya, about two million people are employed in the formal sector, leaving out millions of people to either work in the informal sector or suffer unemployment. The informal sector is a blend of both skilled and unskilled labour but absorbs a lot of people who can't be accommodated by the formal sector. Most business owners in these trades have been able to form social networks and enhance their businesses through those who were in the trade before they joined in.

[2] https://www.kebs.org/index.php?option=com_content&view=article&id=655:public-notice-to-importers-of-used-second-hand-garments-and-used-shoes-mitumba&catid=23&Itemid=180

[3] Observatory economic complexity index

The total extended labour force based on the Labour Force Survey report in 2020 is

20,641,175

Based on the Kenya National Bureau of Statistics (KNBS) Manpower Survey, it is identified that mitumba traders fall under the second-hand clothes and footwear industry and as a whole the industry employs an estimate of 10% of the extended labour force. The total extended labour force based on the Labour Force Survey report in 2020 is 20,641,175. Second-hand clothes and footwear employ at least two million people. The two million people we estimate are employed in more than one sector, such as farming. Trading in second-hand clothes can be seasonal especially in rural areas. This sector is, therefore, a source of income for millions of people in Kenya, contributing to improving their standards of living, provision of basic needs, reduction in overwhelming dependency and in turn reducing poverty levels in the country.

The employment chains cover handling, alterations, refinements and distribution of the used clothes. When it comes to the distribution of clothing, there are employees who assist in offloading goods from the containers and taking them to the wholesalers' shop. On average, one wholesale store would have 3 to 4 employees. The loader also assists customers in transporting their purchased goods from the wholesaler to their shops or a vehicle of dispatch that would then end up transporting the goods to other cities or even countries.

Some retailers employ tailors to improve the standard of some of the clothes, for example to slim down oversized pieces from the USA. In the heart of Gikomba market, many tailors exist to do this. After one's goods have been cleared, the importers then have to pay for transportation or storage of goods in warehouses for later transportation, thus procuring the services of transportation firms. Storage fees are also incurred for suppliers that opt to store their imports in warehouses before transportation to the various destinations. There is the rental fee paid by the business owners that is a source of income for the landlord. Due to the nature of the business, many traders pointed out to insecurity thus they have to improve security by procuring the services of a guard.

In Gikomba and other markets that sell second-hand clothes, many people earn their living as well by preparing tea and meals for the traders within the market. Some hawkers try to sell their products, such as fruit and individual clothing items, directly to the wholesalers and retailers . This is aided by the movement of both suppliers and consumers in the market areas on a daily basis.

2.2. Market & Firm-Level Analysis of Second-Hand Clothes Industry

Demand and Supply Side

Kenya attained the classification of a lower-middle-income country in 2014 when the rebasing of the economy demonstrated that the average income per person passed the US$ 1000. At that time, Kenya was the only country along the east African seaboard with such an income level. According to the Economic Survey for 2019, the average income per person in Kenya was equivalent to US$ 1940 per person . This income level has been attained through sustained economic growth over the last decade but compared to the world, Kenyan citizens are still very poor. Indeed, the Wellbeing Report of 2018 issued by the Kenya National Bureau of Statistics (KNBS) stated that 36% of the Kenyan population lived below the poverty line. What these measures show is that while Kenya's annual economic growth rates have been in the range of 4-7%, a substantial share of its citizens still live in poor conditions characterized by low incomes and limited choices in the purchase of goods and services.

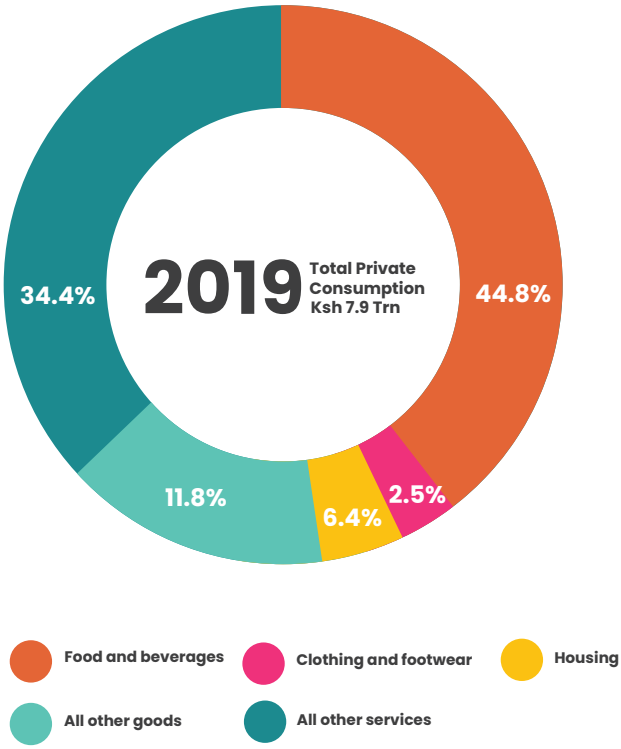
[4] 'From Recyclers to Risk takers: the social, economic and Political Challenges of selling Second-hand Clothes in Kenya.' Hailey Chalhoub.

The Basic Report on Wellbeing determined that

16.4million

Kenyans lived in poverty in the year 2016

Figure 1: Distribution of Expenditure in 2019



Source: KNBS | Statistical Abstract 2019 and KIHBS report 2015/16

Figure 1 illustrates the decomposition of spending in Kenya for the calendar year 2019. This chart shows the main expenditure items concerning the share of total private consumption in Kenya was equivalent to Ksh 7.9 trillion. The chart shows that 44.4% of total spending in 2019 was on food and beverages, 6.4% on housing and 2.5% on clothing and footwear. This ranking of items demonstrates that clothing purchases come as the last priority far below food and housing for the Kenyan population.

The spending profile revealed is consistent with the income levels among a country with a high share of poor people whose incomes are low and must, therefore, dedicate a large share towards the purchase of food. Based on the poverty headcount rate referred to above, the Basic Report on Wellbeing determined that 16.4 million Kenyans lived in poverty in the year 2016. While this figure gives a general view about overall poverty in Kenya, it is also essential that the publication found that 8.6% of the population lived in conditions of extreme poverty with a higher proportion of rural dwellers affected by extreme poverty than urban dwellers.

It has been stated above that 2.5% of private consumption in Kenya was spent on clothing and footwear for the year 2019. This spending amounts to Ksh 197.5 billion and comes to an average of Ksh 4,150 per person per year for all purchases of second-hand and new clothes and footwear. Compared to the rest of middle-income countries, Kenyan consumers spend much less than others on clothes and footwear and this expenditure is constrained by the income levels and the amount of disposable income available to the average family.

[5] Republic of Kenya (2020). The Economic Survey.
[6] Kenya National Bureau of Statistics (2018): Basic Report on Wellbeing in Kenya. Pp. 11-12

2015 - 2019

Unit price of a tonne of imported second-hand clothing has fluctuated between

Ksh 91,700

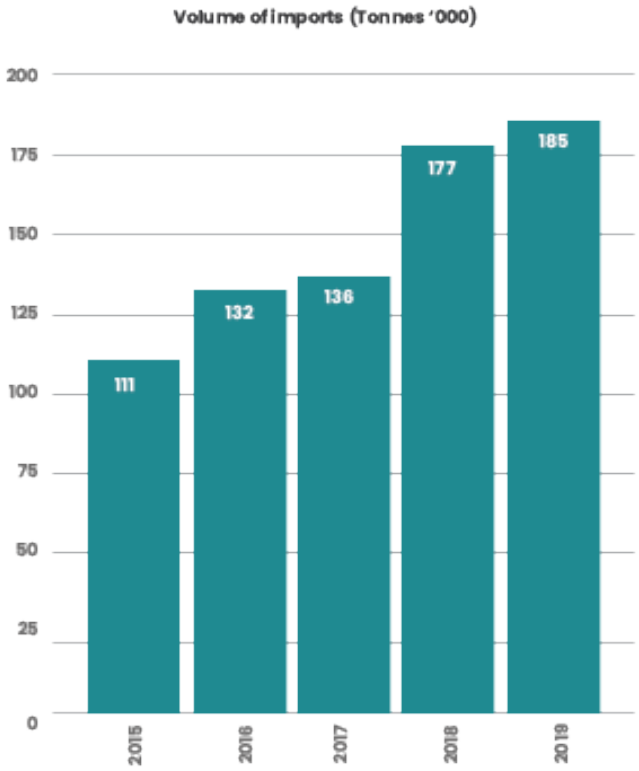
to

Ksh 96,300

per tonne between 2015 - 2019

This study is undertaken against this empirical reality of a population that engages in economic activity and has to make purchasing choices for clothing against low income and a high burden of poverty in which households face pressure to meet many other essential needs. The used clothes industry in Kenya represents a product of demand among Kenyan households and Figure 1 below illustrates the volume of imports in tonnes into Kenya in the sic year period starting from 2015 to 2019. It shows that the volume of clothing has been rising from 111,000 tonnes to 185,000 tonnes in that period, a six-year growth of 66%. The direct illustration is that the imports of second-hand clothing track the growth in economic activity in Kenya. On the other hand, the unit price of a tonne of imported second-hand clothing has fluctuated between Ksh 91,700 to Ksh 96, 300 per tonne in the same period. It is also evident that because the products are imported, this cost will fluctuate with the exchange rate for the Kenyan shilling against the US$ as a global trading currency.

Figure 2: Volume of Imports of Second-Hand Clothing in Kenya (2015-2019)



Source: KNBS Economic Survey 2020

The volumes of imported second-hand clothes and footwear reflect the domestic demand for these goods among the Kenyan population. It is essential therefore to examine the corresponding value of the imports. Figure 2 above illustrates the value of these imports for the corresponding years and shows that the nominal value of the imports into Kenya has risen by 80% from Ksh 10 billion to 18 billion in the same six-year period. What this growth in import volumes shows is that along with the overall economic growth and the rise in incomes, the imports reflect the demand for second-hand clothing among Kenyan households and that this industry has supply stability.

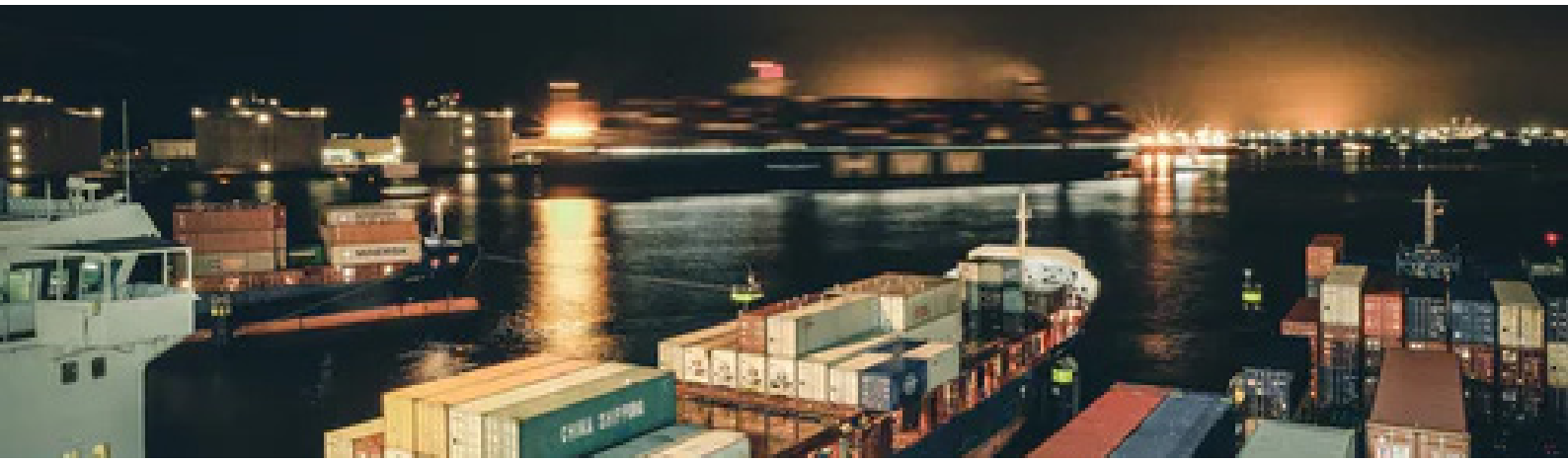
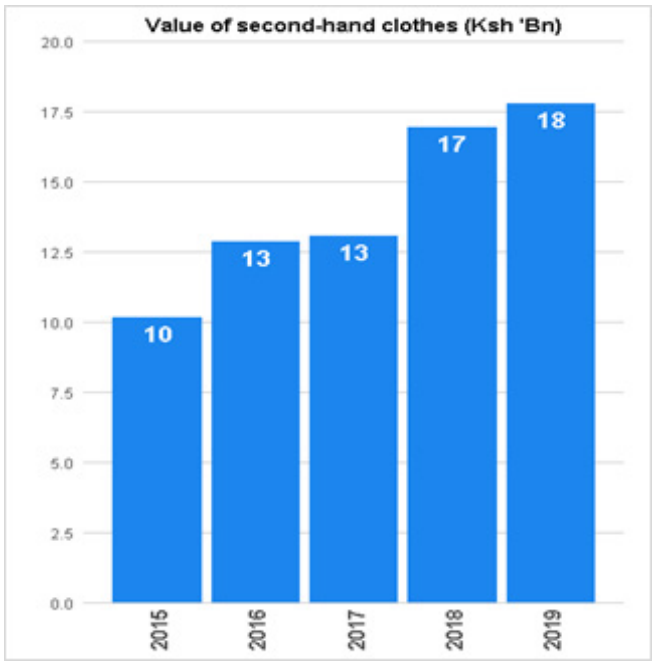
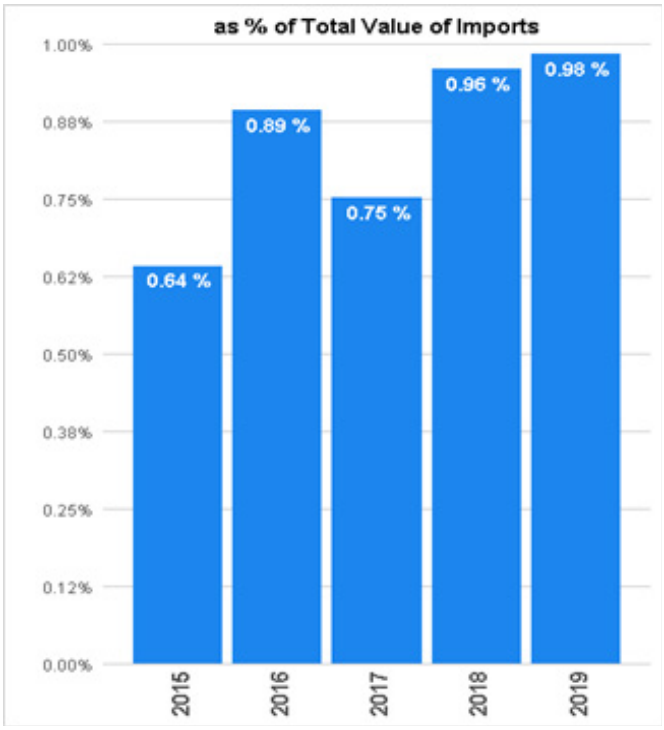


Figure 3: Trends in Value of Imported Second-Hand Clothes in Kenya (2015-2019)



Source: KNBS Economic Survey 2020

Figure 4: Trends in Share of Total Imports



Source: KNBS Economic Survey 2020

Having shown that the supply of imported second-hand clothes in Kenya is rising along with demand, it is essential to make a comparison of this category of imports relative to other imports into Kenya.

The growth in volumes and value of imported second-hand clothing into Kenya is driven by overall economic growth and its effect on consumption through growing private incomes. The period under review was characterized by increased growth in Kenyan imports with the share of second-hand clothing for total Kenyan imports fluctuating between 0.64% to 0.98%. The dip in 2017 reflects the convergence of drought and its effects on income growth in Kenya for the year 2017 and confirms that imports of second-hand clothing are dependent on domestic economic activity.

Figure 4 below shows the trend in the share of Kenyan imports that are accounted for by the second-hand clothing industry. An insight that comes from this is that imports of second-hand clothes constitute about 1% of the monetary value of all imports while it accounts for 2.5% of all private spending.

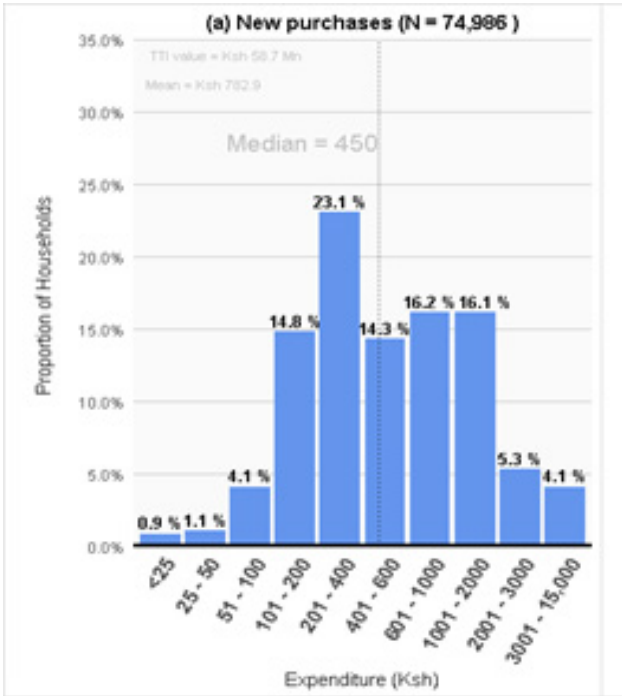
2.3. Household Level Spending on Clothing and Footwear

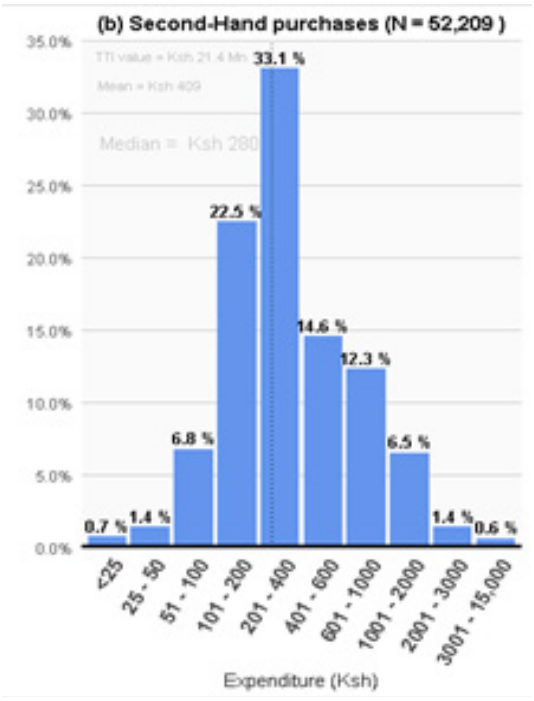
It has been demonstrated that in 2019, Kenyan spending on clothing and footwear was Ksh 197.5 billion. This amount represents the consumption of both used and new items regardless of the source.

To understand the consumption preferences of Kenyan households concerning clothing items and footwear and to decompose this spending into new and used items, this study used the Kenya Integrated Household Budget Survey (KIHBS) 2015-2016.

This is a nationally representative survey with a sample size of 102,179 Kenyan households. It is the most comprehensive survey available in Kenya and is conducted every three years.

Figure 5: Household expenditures on clothing and footwear over the last three months (2015/16)





Source: KIHBS report 2015/16

We extracted data from the KIHBS (2015-2016) on the spending by households on clothes and footwear. This dataset allows for the decomposition of spending by housing characteristics, region and income levels. As Figure 4 shows, 74,986 households in the sample, representing 73.1% of all households in Kenya purchased a new clothing or footwear item in the three months before the survey in 2016. The chart shows the share of the population purchasing items in the price range from Ksh 0 to Ksh 15000 within the three months preceding this survey. A fundamental revelation of this information is that in 2016, the value of the median and mean purchase was Ksh 450 and Ksh 783 respectively for three months. It demonstrates that half of the households that bought new clothes made purchases of Ksh 450, with the other half spending more than that amount. The average cost of the clothing items purchased comes to Ksh 783 for the same period.

There is a wide range in the prices of clothes purchased suggesting that new clothing and footwear is purchased across the income spectrum. For used clothing and footwear, Table 4(b) shows that at least 51.1% of households purchased an item in the three months preceding the KIHBS (2016). Given that both the median and the mean value for purchases of used clothing and footwear are below the equivalent values for new items. With a purchase mean of Ksh 409 and median of Ksh 280, these values are 33% and 91% lower respectively. This position confirms that the purchasers of second-hand clothing and footwear are price conscious and will search for value due to their lower incomes. Looking at the differences between the sample population who purchase second-hand and new items, it is evident that there is a significant overlap in those populations.

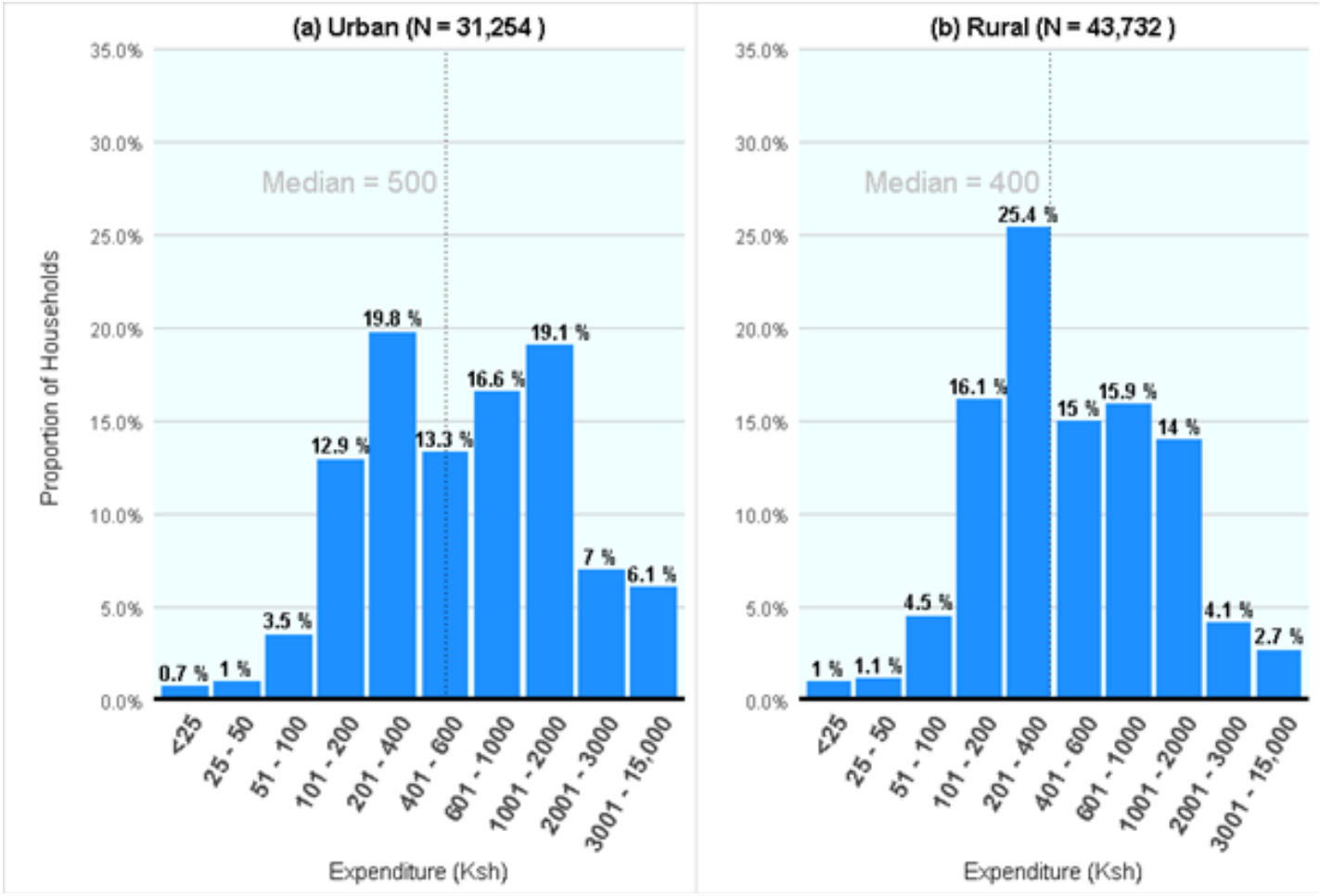
From a consumer's viewpoint, it is evident that purchase decisions reflected here are based on making choices on what items are available at the most cost-effective prices on each side. The differences reflected in Figures 5 (a) and 5 (b) represent an overlap of households who purchase items from both sides, but they may not be purchasing the same items. Equally significant is that the sample represented households that did not make any clothing purchases on one or the other side over the entire period. There is also a skewness in the value of purchases among purchasers of second-hand clothes which may be explained by the fact that there is overlap by clients who purchase both new and second-hand clothes and these consumers buy used clothes at a value above the average cost.

2.4. Purchase by Place of Residence (Urban and Rural)

According to the Basic Report on Wellbeing that has been referred to above, Kenya does not just have a substantial level of poverty but also stark differences in income based on their areas of residence. In Figure 6, we illustrate the residential status of the purchasers of new clothing items as reported in KIHBS 2016. This is a closer focus on the same 73.1% of the households but decomposed by the areas of residence. As it shows, the median value for purchasers is Ksh 500 and Ksh 400 for urban and rural households respectively. According to the data, 67.8% of Kenyan households in urban areas spent Ksh 1000 and below while the corresponding figure for rural dwellers was 79.2%. This finding is consistent with the evidence that rural dwellers have lower incomes and are more interested in affordable clothing and footwear.

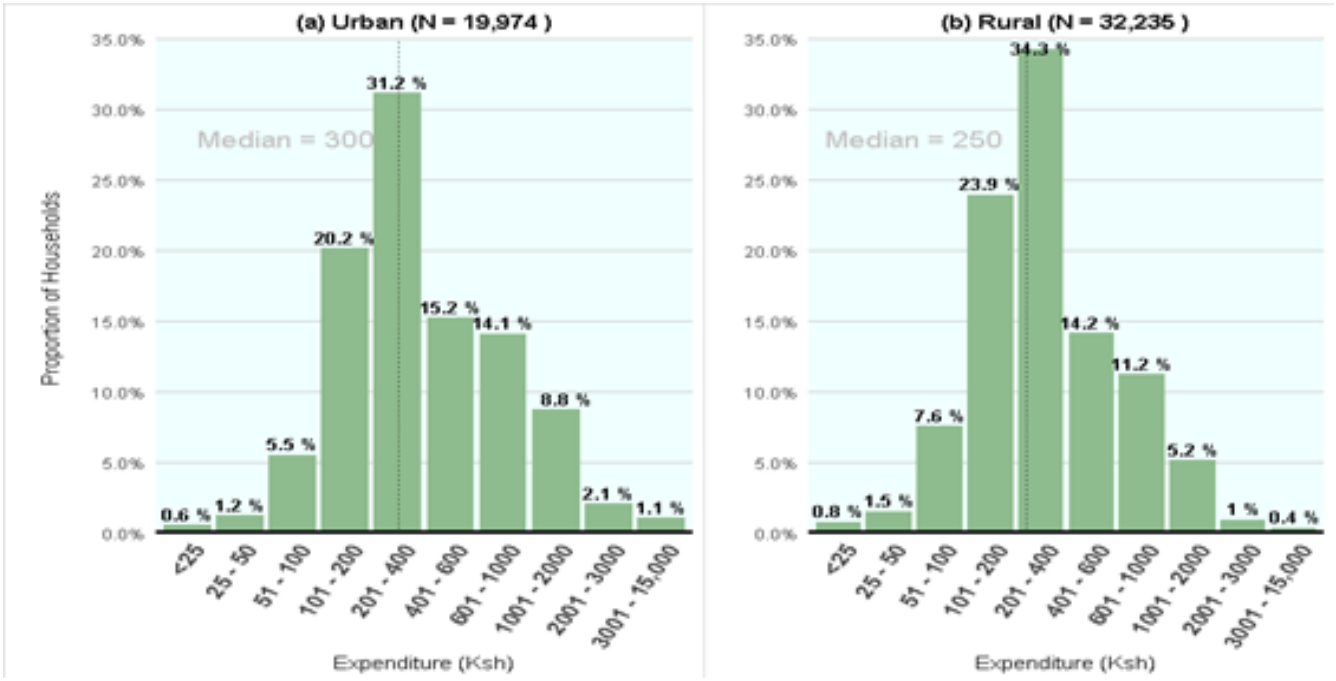
[7] Kenya National Bureau of Statistics (2018). The Kenya Household and Budget Survey

Figure 6: New Purchases by residence



Coming to the decomposition of second-hand purchases by the residence of the purchasing household, it is confirmed that urban dwellers spend more than rural dwellers in Kenya. Specifically, the median value of spending in urban areas is Ksh 300 while that for the rural areas is Ksh 250. In the demand for both used and new items, urban dwellers spend more than rural dwellers and again this confirms the centrality of incomes in the purchase of clothing and footwear in Kenya.

Figure 7: Second-Hand Purchases by Residence (Urban and Rural)



Rural households and lower-income households buy cheaper clothes from both new and second-hand sources

To summarize this chapter, the data from KIHBS 2016 confirms that the demand structure for new and second-hand clothes are very different and that they serve a diverse set of consumers. At the same time, it is clear that the price of purchases on new clothes are higher for both rural and urban dwellers. Urban dwellers are also capable of getting a higher variety than rural dwellers. A significant factor is also that the demand for clothing in Kenya is driven by the need to get maximum value for money because the households do not have much disposable income, and as a result, they purchase affordable clothing and footwear.

Decomposition of the dataset from KIHBS 2016 also shows that rural households and lower-income households buy cheaper clothes from both new and second-hand sources and this suggests that these are complementary markets and not substitutes to each other. The empirical evidence undermines the argument that second-hand clothing is a perfect substitute for new or local manufactures.

Chapter 3:

3.1. Value Chain Analysis of the Second-Hand Clothes Industry in Kenya

For context, value chain analysis can be described as the study of how the individuals or firms in the second-hand clothes industries add value to the final products in its primary and other support activities. Value chain analysis is used by owners of capital (firm owners) to devise competitive policies, recognize the source of competitive advantage, find and develop the relationships between firms support or primary activities that create value (Ensign, 2001). In the study, inputs and outputs are studied to decrease costs and increase differentiation. Firms and individuals in the second-hand clothes industry minimize costs, creating more value to maximise profits. In this chapter, we show the second-hand clothes value chain and the positive effects of geographical concentration of second clothes firms in Kenya (otherwise known as the agglomeration effect).

Second-hand Clothes Value Chain

The value chain for second-hand clothes into two parts: primary activities and support activities, and are described as follows:

Table 4: Second-Hand Clothes Value Chain[8]

Type of Activity	Explanation
Support Activities	• **Human Resource Administration**: Firms and individuals in the sector recruit staff depending on their position in the supply chain, such as importers, wholesalers, tailors for alterations and retailers. • **Research and Development:** Second-hand clothes firms undertake a market assessment to determine what types of second-hand clothes are needed and in which parts of the country. Kenya has different ecological zones which means that not all types of clothes can be worn in every part of the country. • **Procurement:** Firms in the sector purchase other goods and services which include advertising, insurance, transport services, financial services amongst others • **Firm Arrangement:** Given the extent of capital and quantity of clothing imported, firms have organized themselves in terms of financing and general planning of the role they play in the market. Small players have collated resources and imports as one group but later subdivide based on each player's initial contribution.
Primary Activities	• **Logistics:** The logistics process starts from countries of origin, the port of Mombasa, to the warehouse up to the final consumer. Some of the second-hand textiles are sent for exports into other destinations. • **Marketing and Sales:** This is the promotion of clothes to attract different customers. Established firms can follow • **Aftersales:** This is a follow up on complaints if any, after the material has been sold to the retailer by the wholesaler.

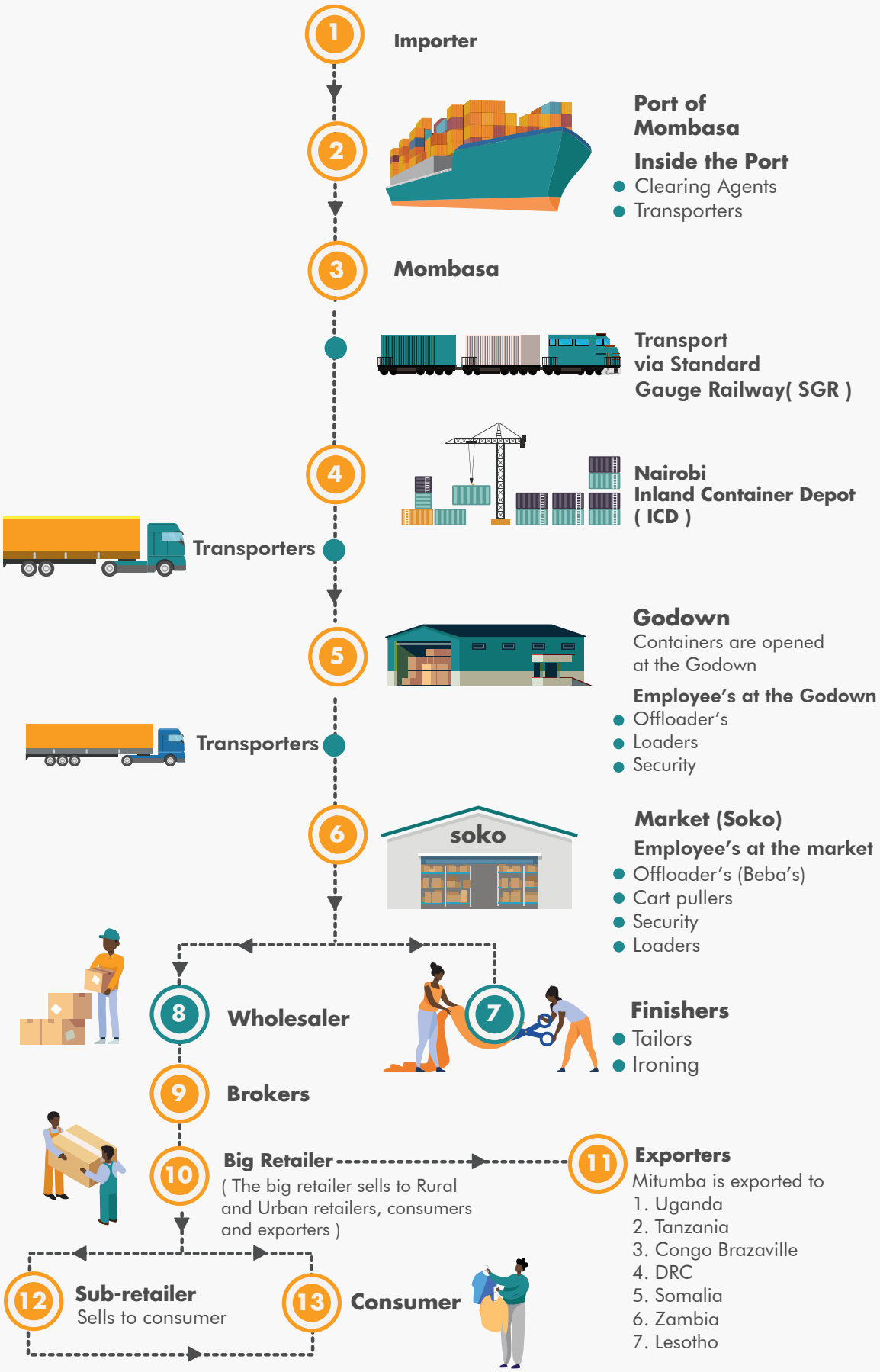
Source: (Porter, 1985)

In the literature, we find that big cities specialize in services rather than manufacturing (Holmes & Stevens, 2002). A majority of the leading specializations in the textile industry are in Kenya's key cities and urban areas such as Nairobi, Mombasa, Kisumu amongst others. The second-hand clothes industry relies mostly on research to understand the market trends and consumptions of its consumers and opportunities in exports. This requires labour and specific skills held by specific persons. The big component in the second-hand clothes industry is the trade-in services; this could be market research, distribution, or actual traders.

Textile firms import second-hand clothes. They liaise with firms in their countries of origin. The payments are done by banks in Kenya. Most of the imports come in under the CIF category. Cost, insurance, and freight (CIF) are defined as expenses paid by a seller to cover the costs, insurance, and freight of a buyer's order while it is in transit. The goods are exported to a port named in the sales contract. The goods for the North Eastern and Coastal region are dispatched and transported via trucks after clearing customs appropriately. The rest of the containers are sent directly through the standard gauge railway to Nairobi where they are cleared at the Internal Container Depot (ICD). The chain is shown in the chart below:

[8] (Harvard Business School, 2020)
[9] (The East African, 2020)

Figure 8: Value Chain from the Port to Consumer



[9] (The East African, 2020)

Source: Institute of Economic Affairs

The industry in Kenya imports an average of

8,000

40ft containers on an annual basis

After the container leaves the ICD terminal in Nairobi, it heads for the warehouse where it is offloaded and the bales are sent to wholesalers and retailers. The wholesalers normally receive second-hand clothes in the form of bales. They then sell and distribute to retailers and other wholesalers. Retailers can be in shops, stalls or informally as hawkers who buy pieces from the retailers. Second-hand clothes are also re-exported depending on demand in the export destinations. The value chain map shows that value is added at every stage to the second-hand clothes. This shows that labour, capital, space and entrepreneurship are used in the second-hand clothes industry in Kenya.

Agglomeration Effect of Second-Hand Textile Firms

In this context, agglomeration is the existence of a large number of second-hand clothes firms and its linked firms in proximity to another. The proximity to one another results in gains in efficiency. If Kenyan firms dealing with second-hand clothes gain an advantage in the global value chain, there are direct benefits and spill-over effects that exist. The industry in Kenya imports an average of eight thousand 40 ft containers on an annual basis. That's an average of 667 containers every month and an average of 22 containers every day. They are sectors that depend on supporting the second-hand clothes industry, including logistics, clearing and forwarding firms and insurance firms.

Studies show that if localization economies are present, firms within denser industry concentrations should exhibit higher levels of performance than more isolated firms (Holmes & Stevens, 2002). In a state of economic independence, localization economies suggest the spontaneous formation of an industrial textiles hub. As explained in the paper, the existence of a second-hand clothes industry is a demand-side issue rather than a supply-side issue. The incomes in the country for a huge number of people can only support the buying of second-hand clothes. This means the existence of second-hand clothes is a reflection on incomes rather whether the supply of new clothes and footwear is available.

Research and policy documents in the textile industry that have focused on the influences on firm survival has largely ignored the potential effects of agglomeration. From the trade data, we note that leading exporters of textiles globally such as Bangladesh, Indonesia and Vietnam amongst others also import a considerable share of textiles. As firms that deal with second-hand clothes grow in size and efficiency, other firms in different sectors of the economy cluster around those firms creating an economic powerhouse.

Firms and individuals who have dealt with second-hand clothes end up creating a specialization effect. As firms compete and agglomerate together, they end up gaining competitiveness in the region and thereafter globally. In the theory of firm dynamics, studies show that optimal investments depend on firms' reputations which is about beliefs of the market about its quality and about firms' beliefs about its quality (Board & Meyer-ter-Vehn, 2019). If the consumers didn't respond positively to the firm's quality of clothes in second-hand markets, its revenues would fall, and they would eventually exit. This means that effective demand exists for second-hand clothes.

Board, Simon, and Moritz Meyer-Ter-Vehn. "A Reputational Theory of Firm Dynamics*.", August 16, 2013. https://faculty.fuqua.duke.edu/ioconference/2013/papers/26_Meyer-ter-Vehn_130816reputation_exit.pdf

3.2. Comparative Analysis of Kenyan Textile Industry and Mitumba Industry

Historically, the factory system developed out of the trade of cotton textiles, when merchants, discovering an insatiable global market, became interested in increasing production to have more to sell more across the world. The factory system led to the use of power to supplement human muscle, followed in turn by the application of science to technology, which in an ever-accelerating spiral has produced the scope and complexity of modern industry.

To understand the differences between the formal textile and used clothes industries, there's a need to make a distinction between the two sectors. The formal Kenyan textile industry involves production of yarn and clothing, research and development, design, m anufacturing and subsequent distribution. A considerable component of the cost of the textiles industry is intellectual property. On the other hand, the used clothes industry involves buying and selling of pre-worn clothes.

The textile industry and used clothes industry are therefore separate markets where they deal with different products and income segments. From markets theory, markets establish the prices of goods through supply and demand. The supply and demand for new purchases from the textile industry differ from used clothes. That's why there is a big price differential between the two products, with the used clothes being considered cheaper. Given the second-hand clothes industry and formal textile industry are separate markets then players in those markets are not necessarily competing with each other. Analysis at household level shows the majority of households buy new clothes, such as uniforms, when they have no alternative.

From the literature, clothes are defined as normal goods (also referred to as necessary goods). This means that an increase in consumer's incomes leads to increased demand. New apparels or garments fall under this category. When incomes decline, or there are massive job losses, there's a subsequent reduction in its demand. Therefore, changes in demand and income have a positive relationship. The total private consumption in the Kenyan economy is Ksh 7.9 trillion (KNBS, 2020). Kenyans spend 2.5% of total private consumption on clothes which is equivalent to Ksh 197.5 billion. This is equivalent to an average to Ksh 4,150 per person (41 USD per year) spent on all purchases of clothing and footwear (both new and second-hand purchases).

The Kenya Integrated Household Budget Survey shows that Kenya households buy more new purchases than second-hand clothes. An average household spends an average of Ksh 409 every quarter on the purchase of second-hand clothes. This is smaller compared to Ksh 783 spent quarterly by the same households on new purchases in the same quarter.

Table 1: Household expenditures on clothing and footwear over the last three months, 2015/16

	<1000 (Ksh)	1000> (Ksh)
New Purchases	74.5%	25.5%
Second-Hand Purchases	91.5%	8.5%

Source: (KNBS, 2015/16)

91.5% of households buy second-hand clothes worth Ksh 1000 and below and 8.5% buy second-hand clothes worth Ksh 1000 and above. On the other hand, 74.5% of all households bought new clothes purchases of below Ksh 1000 and 25.5% bought new clothes purchases of above Ksh 1000. This shows the price sensitivity of second-hand clothes.

We have shown the definition and use of new purchases and second-hand clothes to be different, with separate value chains, different supply and demand curves and a big difference in price sensitivity. The product design is intellectual property and limited to specific firms or individuals. This shows that the two are separate markets. The two markets must be regulated separately. To illustrate further on differences in the two industries, we give the differences as follows:

Formal Textile Industry

Manufacturing of apparels or ready to wear involves many processing steps where it begins with the idea or design concept and ending with a finished product. The apparel manufacturing process involves product design where the product is conceptualized, and this is based more on what is trending on the markets. The fabrics are selected and inspected. The next processes include patternmaking, grading, marking, spreading, cutting, bundling, sewing, pressing or folding, finishing and detailing. The final product is then dyed and washed and is taken to quality control where it is checked if it has met the quality measures as laid out in laws and regulations. The cost of the final product is determined by the complexity of the process and quality of materials used.

Table 2: Major Manufacturing Processes in the Textile Industry

Process	Explanation
Spinning[10]	This is the process of making textile fibres and filaments and making them into yarn. For thousands of years, people spun natural fibres into yarn by hand. In recent years, spinning involves many methods and different machines and this is dependent on what kind of yarn is being made. Fibres are short, natural hairs that come from plants like cotton and animals like sheep. Filaments are long continuous single strands. Silk is a natural filament. In the market, most filaments are synthetic or man-made materials, like polyester and nylon. Converting fibres and the substances that form synthetic filaments into yarn involves other different methods of spinning.
Fabric Manufacturing	The conversion of yarns, and sometimes fibres, into a fabric. Most fabrics are presently produced by some method of interlacing, such as weaving or knitting. Weaving is currently the major method of fabric production.
Textile wet processing	Textile wet processing uses huge amounts of water, dyes and chemicals. Other materials are also used for processes such as dyeing, printing and finishing.
Garments Manufacturing	Garment production is an organized activity consisting of sequential processes such as laying, marking, cutting, stitching, checking, finishing, pressing and packaging. This is a process of converting raw materials into finished products. It will be difficult to maintain the industry if production is not up to the mark if the preproduction phase of preparation of material is not properly carried out.

Source: (Uddin, 2019)

Used Clothes Industry

The traditional definition of the used clothing industry is the re-appropriation of pre-worn clothes and accessories. However, much has happened since the liberalization of the mitumba industry in the early 1990s. The industry has evolved and expanded in terms of the use of second-hand clothes and the complexity of the product. Before that, used clothes were only associated with international aid organizations. At that time, patching of clothes was popular because the new clothes were expensive when compared to incomes.

[10] https://study.com/academy/lesson/what-is-spinning-in-textiles-definition-process.html, accessed 23rd June 2020

Table 3: Evolution of Second-Hand Clothes Industry

Type of Evolution	Explanation
Use	After the liberalisation of the global markets in the early 1990s, imports were mainly second-hand clothes worn by people. The evolution of the second-hand clothes industry is mostly in perfection of grading the clothes into very precise and detailed categories at the suppliers before shipping to Kenya. However, second-hand clothes are used in other sectors such as the cleaning industry and other sectors to make different products other than apparels to be worn.
Complexity	In some instances, the second-hand materials are reprocessed. Repairs, alterations, stitching and finishing is done on second-hand items. Other household items imported from other destinations at times undergo the same process . This is common with items such as curtains.

Regulating the two market segments as one using one uniform regulation would lead to distortions in those specific markets. P ublic policy should be the best regulation model that would benefit the Kenyan citizens most. Kenya is a signatory to Sustainable Development Goals (SDGs) which was adopted by all United Nation member states. SDG Goal 12 requires Kenya to ensure sustainable consumption and production patterns. SDG Goal 10 requires Kenya to reduce inequalities. The incomes in developing economies such as Kenya do not allow for its citizens to afford new clothes purchases. Already, Kenyans are hybrid consumers of apparels, consuming both new and second-hand clothes. In line with SDG 12, both industries should be regulated differently and prudently to allow sustainable production and consumption.

3.3. Linkages of Mitumba Industries to Other Industries

Like biological constructs found in nature, socio-political interactions in general and economies, in particular, are complex. One important property of complexity is the decentralization of decision-making. No central node can handle the volume and velocity of information needed to make decisions for each node in the network.

A centralized decision-making bureau cannot easily determine all that is to be done with second-hand clothes. If a society decides against the existence of a particular trade, it must muster resources to stamp out that trade. The central governing body – a government for example – can spend taxes to deter against the trade-in second-hand clothing. If the demand and supply incentives are sufficient enough to offset the penalties involved, the trade will continue to exist.

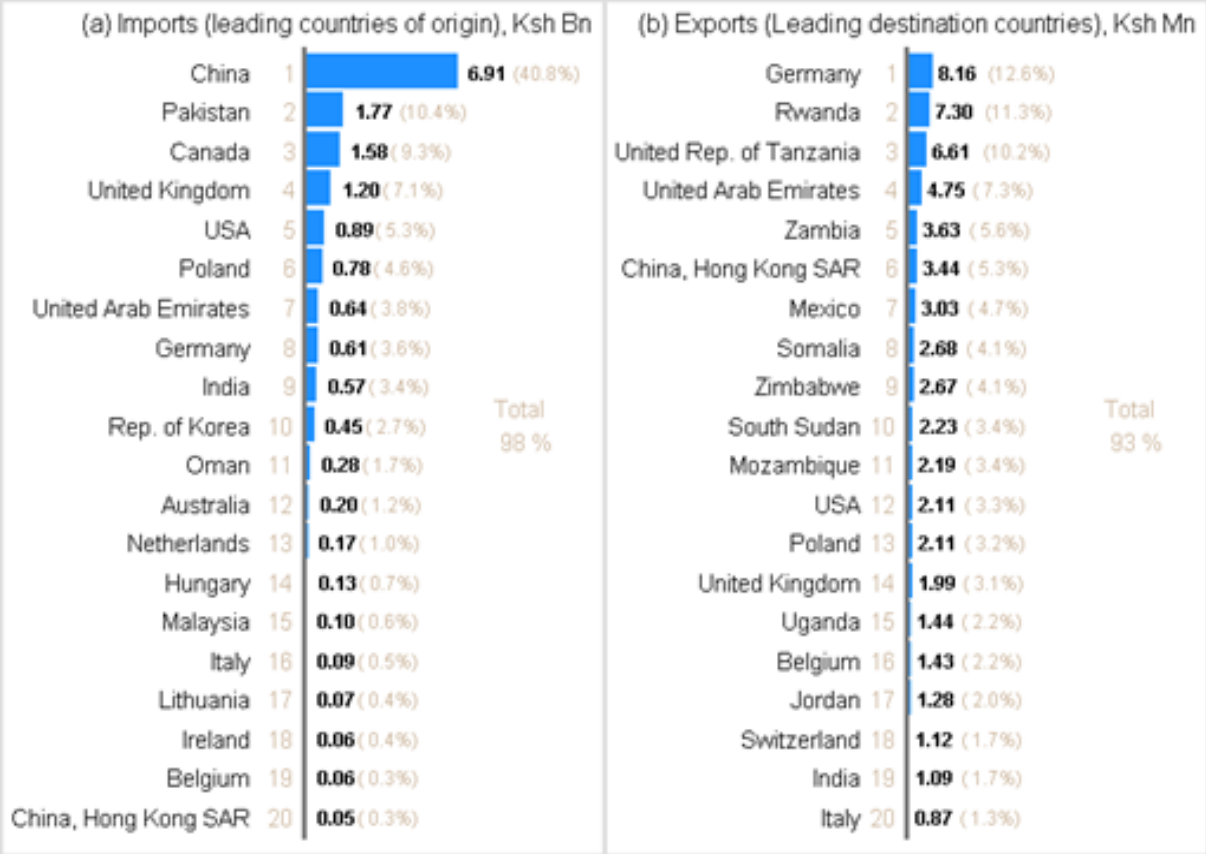
Distorting a market may create a black market in trade. The idea that knowledge cannot be decentralized also has a positive dimension. The accumulation of that knowledge creates value. More precisely, knowledge cannot be uploaded into a human like it can a computer. Pieces of knowledge can contribute to a value chain creating employment for producers and suppliers and availing valuable goods to consumers. The trade of second-hand clothes entails much more than an exchange in unwanted, second rate garbage. It is a trade that deserves regard that moves beyond an aesthetic informed by prejudice.

3.4. Linkages to Industries

The supply of second-hand clothing begins in the accumulation of material goods within the homes and storage facilities of wealthy citizens of the world. The demand for these goods is found in their value as refurbished and repurposed goods. A number of firms based at the Mombasa Port and the Nairobi ICD have developed a specialised capability for clearing and forward services for the importers of second-hand clothes.

3.5. Linkages to Transport

Figure 9: Textiles; Comparing Worn clothing and other Worn articles (2018)



Source: Comtrade United Nations

97% of Kenya's imports in second-hand textiles were made from almost 20 countries. The African origins of the trade were Tanzania and South Africa alone. 98% of the country's exports were also made to just about 20 countries. Half of Kenya's second-hand exports were made to African countries. This trade generates considerable transport opportunities.

Chapter 4:

These policy restrictions were eased in the mid

1980s

when second-hand clothes were allowed as donations for refugees

4.1. The legal and regulatory regime governing the import and trade of used clothes in Kenya

The legal framework on importation and trade of second-hand clothes in Kenya has undergone several modifications through different periods of Kenya's history. From the mid-1960s to early 1980s, the trade was banned, with the purported aim to promote domestic production and protect the local cotton industry from foreign competition. The ban was implemented through industrialization policies enshrined in Sessional Paper No. 10 of 1965 and regulations on importation.

These policy restrictions were eased in the mid-1980s when second-hand clothes were allowed as donations for refugees. Subsequently from the early 1990s, the ban was lifted, as the government focused on trade liberalization.

While there is no express statutory framework specifically regulating trade of used clothes in Kenya today, regulation of the trade is implied under both regional and domestic laws on trade. The Constitution of Kenya guarantees economic rights under Article 43 and further makes provision for consumer rights, under Article 46. The object of these two categories of rights is to ensure Kenyans have access to economic activities that facilitate viable livelihoods while ensuring that consumers have access to goods and services of reasonable quality.

The East African Community Customs Management Act (2004, revised in 2009) is among the regional regulatory frameworks governing the trade of used clothes in Kenya. The Act makes provision for the management and administration of customs and applies to all partner states of the EAC including Kenya. It provides for the computation of import duties on goods, the exemption from duties on various categories of imports and prescribes various offences related to import of different commodities.

Various acts of Parliament in Kenya, make further provisions regarding the regulation of trade of goods and services including imports and consequently imply the regulation of trade of used clothes. The Customs and Excise Act provides for the management and administration of customs in Kenya, and the assessment, charge and collection of customs and excise duties.

The Act defines import duty and provides the specific rates to be imposed on different categories of goods including textile and textile articles, in the first schedule of the Act. Notably, Section 118 provides for variation of the rates of duty on different categories of goods including used clothes.

It provides that the rates of duty may be increased by an amount not exceeding one hundred per cent of the prescribed rates when it comes to used clothing. However, any variations made under this section of the Act must be tabled before the National Assembly for its approval or disapproval.

Other relevant laws include the Miscellaneous Fees and Levies Act which provides for the imposition of duties, fees and levies on imported and exported goods and the Tax Procedures Act, which consolidates the procedural rules for the administration of all tax laws in Kenya to facilitate tax compliance and efficient collection of tax.

[11] http://www.cuts-geneva.org/pdf/PACT2-STUDY-The_Impact_of_Second_Hand_Clothes_and_Shoes_in_East_Africa.pdf

Based on a study done in Sweden and Estonia, for every

100

collected clothing items, 60 would be reused, 30 recycled and 10 would be disposed of

Related acts, which impliedly regulate the trade of used clothes include the Standards Act, CAP 496 of the Laws of Kenya. This Act makes provision for the examination and testing of all goods and commodities traded for public consumption, detailing how they may be manufactured, produced, processed or treated. The Kenya Bureau of Standards (KEBS) established under this Act, is required to provide quality infrastructure for the facilitation of trade. The standards prescribed under the Act apply to locally produced commodities as well as imports and this extends to cover the trade of second-hand clothes. Various provisions of the Public Health Act, whose object is to make provision for securing and maintaining public health also apply to the regulation of trade of second-hand clothes. Section 73 of the Act requires the Minister or Cabinet Secretary in charge of health, to make rules regarding the disinfection of any second-hand clothing, bedding, rugs or any similar imported articles.

4.2. Environmental Implications of Second-Hand Clothes

Recycled and reused clothes give rise to the second-hand clothing market. The clothes and shoes sold in the second-hand markets are in part given as donations to charitable organizations and the donors consider it as a way of connecting to the environment by not disposing of them but using them in the best way possible. Based on a study done in Sweden and Estonia, for every 100 collected clothing items, 60 would be reused, 30 recycled and 10 would be disposed of. The waste hierarchy involves the reuse, reduction, and recycling of clothes and has environmental implications which will be discussed herein.

First in the hierarchy is the reuse of clothes. According to Farrant, Olsen and Wangle (2010), the purchase of 100 second-hand clothes would save between 60 to 85 new garments and a reduction of impacts resulting from the collection of 100 garments for reuse, range from a 14% decrease global warming for the cotton T-Shirt to a 45% reduction of human toxicity for the polyester or cotton trousers (Farrant, Olsen and Wangel, 2010). Consistent with this, research suggests that the carbon emitted through transportation of baled second-hand clothes through sea or air or bus is less compared to the carbon emitted in industries producing new clothes.

Among the best quality garments, a huge %age sold in bales ends up in Sub-Saharan Africa. The clothes that are received by the beneficiary second-hand markets are dependent on what is on-demand in that region of the world. Chalhoub, H. (2012) found that in Kenya there is a high demand for polyester and cotton clothes as the consumers find them easier to wash compared to fabrics such as silk. As demand for polyester increases, supply matches up with increased supply. Polyester is a non-biodegradable fabric derived from petroleum which is a product of the world's largest polluters , the oil manufacturing industry. Due to its complex structure, the creation of polyester is a very energy-intensive heating process. Such a process requires much water for cooling which in turn lowers levels of underground water.

Secondly, the reduction in consumption of clothes is yet another way to minimize clothing waste, earlier estimated to be 10% of clothing items. Reduction in consumption would require consumers to purchase clothes of high quality which would serve them for a longer time resulting in less frequent purchases. This would gradually reduce the piles of discarded clothes all over the world. However, it would, in turn, make second-hand markets experience a shortage of stock.

[12] https://www.prospectmagazine.co.uk/politics/second-hand-september-clothes-fashion-environmental-impact
[13] Baden, S., & Barber, C. (2005). The impact of the second-hand clothing trade on developing countries
[14] https://goodonyou.eco/material-guide-polyester-2/

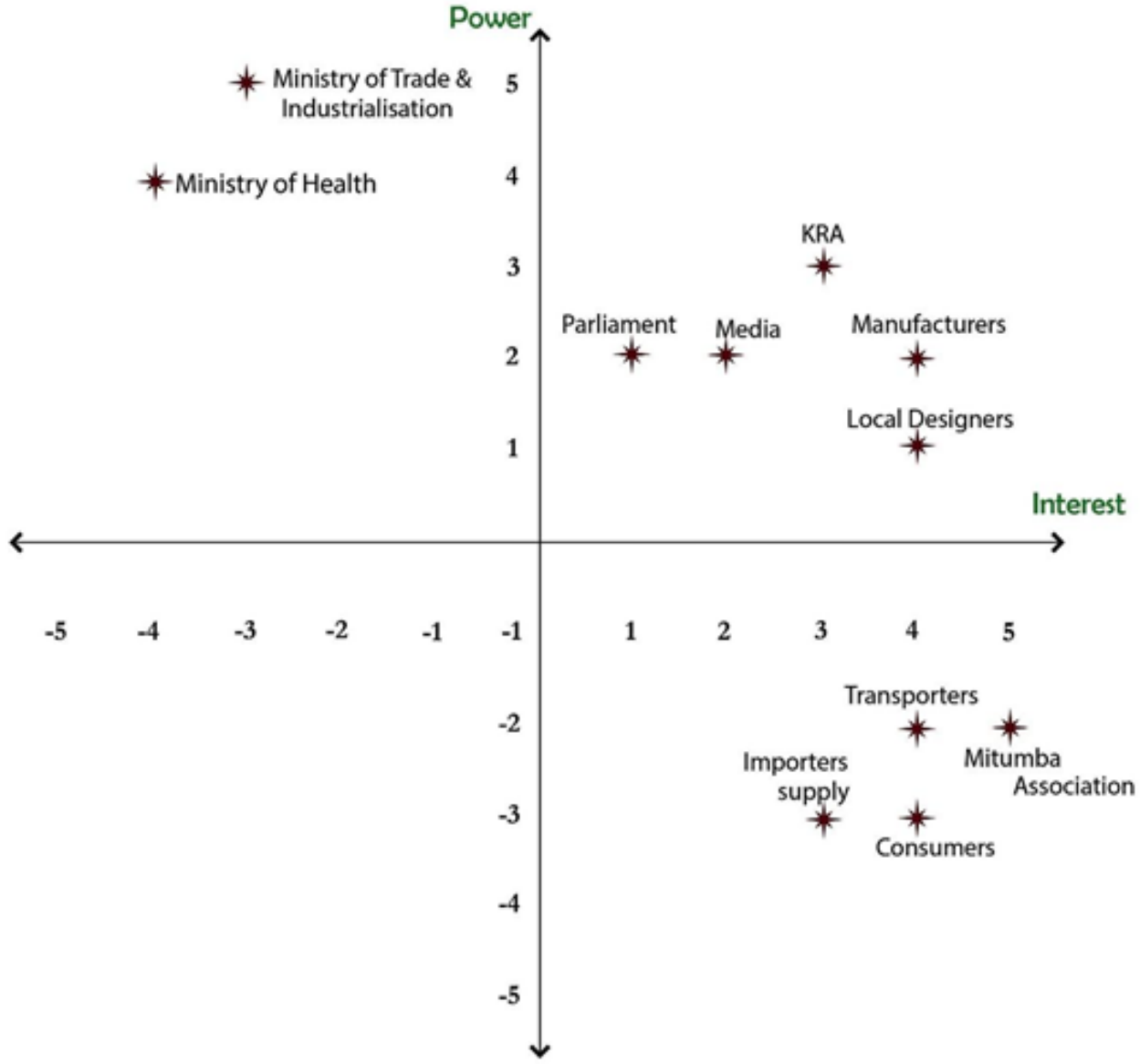
Chapter 5:

5.1. The Politics of Regulation of Second-Hand Clothing Markets in Kenya

This is a high-level political economy analysis of the nature of the trade of second-hand clothes in Kenya. It provides a brief explanation for the ideas and motivation behind the policy processes and the decisions about the regulation of the used clothes and footwear trade in Kenya. In order to determine the institutions that have the greatest policy influence on the import and trade of used clothing in Kenya, this study drew a list of the ten most critical institutions. These individual institutions are then mapped for a matrix in terms of their interest in the matter and their ability to influence the outcomes and policy on mitumba importation and trade in Kenya.

Chart 1 below is an illustration of the mapping based on the understanding of the responsibilities borne by each institution, its core constituency and the interests that they defend or advance in the development of public policy regarding mitumba imports and trading in Kenya in the medium to long term. This chart therefore illustrates the mapping on those individual interests against the power of institutions to determine the outcome consistent with its interest, independent of all other actors.

Power map of main players in the *mitumba* industry



Source: Institute of Economic Affairs

In summary, the chart illustrates four main points:

First, the public sector voice in Kenya is dominated by the Ministry of Industrialization, Trade and Enterprise Development and the Ministry of Health. Both have high power and relatively low interest in the long term advancement of the trade of mitumba within Kenya. The reason is that the Ministry of Trade and Industry is advancing the presidential agenda of promoting domestic reliance (import substitution) through the Big F our agenda. The same Ministry has used its regulatory authority to limit imports using the "logic" of threats to public health that may come from import of used clothes into Kenya.

Secondly, Parliament and the Kenya Revenue Authority are the other core public sector institutions with an interest here and both have high moderate interests but low power to determine the cause of the industry in the medium term. In particular, Parliament has shown little interest in determining the regulatory policy for the sector despite its relative high ability to determine overall industrial and budget policy. For the KRA, its interest is in the relative ease of raising revenue from used clothes imports, because the sector is highly formalized at the importation side and the collection of revenues at the port is relatively cheap.

Thirdly, the domestic apparel manufacturing firms and local designers have a high interest in the sector and moderate to low power in determining the longer-term progression towards a total ban. However, their relative interest and formal recognition implies that they have a disproportionate influence on industrialization policy generally and on mitumba imports policy than the mitumba industry traders.

Finally, the firms and interest groups represented in the value chain of the used clothing industry in Kenya are all represented in the bottom right quadrant of the matrix. This confirms that they have a high interest in maintaining the growth and survival of the industry but would not have the power to determine that outcome based on their present scoring. Of these firms, the Mitumba Association of Kenya, whose members rely directly on the trade has maximum interest but has not generated sufficient political clout to determine the outcomes and ensure a stable policy environment for its members. Most importantly, the consumers of used clothing and footwear have high interest but have no power in the discourse. This is explained by the fact that no survey has shown the fact that Kenyan consumers have a high preference for mitumba goods because of their affordability, quality and convenience.

Table 4 summaries the policy reform focus of the firms represented in the bottom right quadrant in order to reach the outcome of a stable policy environment for imports and the domestic trade of used goods in Kenya.

Table 4: Conclusions and Interpretations from the Power Map

Key Policy Player	Score- Interest (X) and Power (Y)	Defining Interest	Reform Focus	Outcome
Ministry of Trade and Industry	-3, 5	Has immense power relative to the mitumba trade in Kenya but is beholden to import substitution strategy and the presidential agenda for domestic manufacturing. Low interest explained by the erosion of the trading scope for mitumba traders and importers.	The economic value of the industry, number of jobs and the cost of transition to other trades for a large number of mitumba traders. It is also essential to emphasise that there is a weak connection between domestic textile industry growth and the size of the mitumba industry.	

Key Policy Player	Score- Interest (X) and Power (Y)	Defining Interest	Reform Focus	Outcome
Ministry of Health	-4, 4	Kenyans are concerned about health and therefore it is possible to create fear of imports based on health grounds. However, the Ministry of Health reads the signals of the Ministry of Trade and imposes a standard of care and precautionary principles that are not based on good science.	That precautionary principle applied by the MoH should be subject to professional review and that they should be based on the available global standards for preparing used apparel for exports. The focus should be on reducing arbitrary standards.	
Parliament	1, 2	Kenya's legislature responds to the regulatory intent of the executive branch of government. It does not take initiative in the regulation of this sector but has the power to advance and protect the economic interest of mitumba traders throughout the value chain.	The Mitumba Association of Kenya (MAK) should focus its advocacy and policy engagement with the committees of parliament on trade and budget policy. This requires greater formalisation on the part of the association and recognition of key economic interests on which to interact with Parliament to reduce capricious regulation and uncertainty in the used clothes markets in Kenya. In addition, Parliament needs to be informed of the degree to which low income Kenyans are able to purchase Mitumba clothes at an affordable cost. Any ban on imports of mitumba would be a hostile policy against poorer people.	

Key Policy Player	Score- Interest (X) and Power (Y)	Defining Interest	Reform Focus	Outcome
Kenya Revenue Authority	3, 3	KRA's interest is to maximise revenue collection and because of the nature of the exports of used clothes, collections are easy to make and verify. KRA may not have as much power to influence the regulatory policy for trade of mitumba beyond tax collection.	Efficient and fair collection of revenues and recognition of the contribution of the importers and traders throughout the value chain.	
Kenya Association of Manufacturers	4, 2	There is no common view among all manufacturing firms about the need to strictly regulate and ban all imports of used clothes. However, there are members of the association who insist that the market for domestic apparel production is constrained by the availability of used imports.	The Mitumba Association should engage in discussion with KAM to illustrate that the used imports are important for low income households. It is possible to co-opt KAM because used clothing can be an input into other manufacturing activities.	
Local Designers and Clothes makers	4, 1	Local designers have an incentive to reduce imports in order to direct purchases to themselves. They are big advocates of "Buy Kenya, Build Kenya" and aim to capture the domestic market through their reiteration of the slogan.	The primary approach from the mitumba traders' industry is to advocate for the expansion of choice for the consumers.	

Key Policy Player	Score- Interest (X) and Power (Y)	Defining Interest	Reform Focus	Outcome
The Media	2, 2	Kenya's media is sympathetic to the "Buy Kenya, Build Kenya" initiative but also understands the reliance on mitumba by Kenyans. It doesn't report the politics of the dispute between domestic manufacturers and mitumba traders in political terms.	The Mitumba Association should pursue an engagement with business reporters to state the value of the industry to Kenyans from tax payments, employment and utility of affordable clothes.	
The Mitumba Consortium Association of Kenya (MCAK)	5, -2	The score for the association comes from an extremely low profile in the policy discourse on the regulation of the trade.	The Mitumba Consortium Association of Kenya (MCAK) should formalise operations, generate media content on the value of the industry to consumers and establish policy linkages with a parliamentary committee, the media and offices in the executive branch of government. Its main policy focus should be to advocate consistently for preservation of consumer choices and the right to employment by traders.	Stable mitumba sector policy and protection of investments.

Key Policy Player	Score- Interest (X) and Power (Y)	Defining Interest	Reform Focus	Outcome
Mitumba Consumers	4, -3	Many consumers throughout the income spectrum appreciate the value and are dependent on purchasing mitumba clothing and footwear. However, because of the absence of a coherent message, many do not understand the threat that a ban would imply in terms of their ability to afford clothing and footwear.	The focus should be on preservation of choice for consumers in Kenya.	
Mitumba Transporters	4, -2	The industry is dispersed but the Standard gauge railway (SGR) is reliant on transportation into the hinterland from Mombasa port. This makes the SGR dependent on payments from the industry.	To activate the transporters to advocate for their interest in maintaining the mitumba industry in Kenya.	
Mitumba Importers & Wholesalers	3, -3	They have an interest in expanding the sector but are not visible in the policy discourse. This gives the impression that higher value trade is not appropriated by local people.	To become corporate members of the Mitumba Association of Kenya (MAK) and be proactive in the development of standards and licensing rules.	

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