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Clothes Minded: An Analysis of the Effects of Donating Secondhand Clothing to Sub-Saharan Africa

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**CLOTHES MINDED: AN ANALYSIS OF THE EFFECTS OF DONATING
SECONDHAND CLOTHING TO SUB-SAHARAN AFRICA**

by

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**SUBMITTED TO SCRIPPS COLLEGE IN PARTIAL FULFILLMENT
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Abstract

This thesis examines the effects of overconsumption of clothing in the Global North on African textile industries through increased donations to secondhand stores. I begin by explaining how the growth of the fast fashion industry has increased the purchase and production of clothing over the recent decades. As an industry built on trends that quickly go in and out of style, fast fashion has resulted in massive amounts of unworn clothing. Consumers either throw away or donate their clothing, each of which result in either environmental or economic challenges.

I explore post-consumer clothing's donation route. Most donated clothing goes to secondhand stores such as Goodwill and The Salvation Army. However, with increasing amounts of donations going to these stores, they've reached a point in which they can no longer sell as quickly as they receive. Leftovers are sent overseas as a philanthropic action, but are met with concern from economists. Foreign aid to developing countries has been a topic of debate, critiqued as a lazy way of providing a short-term benefit with possibly detrimental long-term results. Introducing post-consumer clothing into African clothing markets raises the concern that they will replace local textile industries.

I look at existing literature and fieldwork on this issue in order to examine the effects on textile industries in several countries. While the effects vary in differing countries and there are several other variables involved, such as market and political conditions, collective research shows that used-clothing donations account for 40% of the decline in apparel and textile production in an average African country.

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I. Introduction

Clothing consumption has dramatically increased in the Global North over the recent decades. Much of this is attributed to fast fashion, which can be defined as: “a business model that combines four elements: (i) fashionable clothes mostly for consumers under 40; (ii) affordable prices in the mid-to-low range; (iii) quick response; and (iv) frequent assortment changes” (Caro & Martínez-de-Albéniz 2015). In consumerist terms, that means trends come in and out faster, clothes are cheaper, and quality is reduced. The desire to keep up with what’s coming out is increasing and the ability to fulfill that desire is more accessible.

However, as a result of keeping up with what’s fashionable, consumers have found themselves with more clothing than they could possibly need or want. A recent purchase can go out of style in a matter of weeks and the quality is likely to hold up for only a few uses. As a result, the fast fashion industry has greatly impacted thrift stores. Throughout the 1990s, donations to Goodwill increased by 10% per year (Cline 2012). Although donations are important to Goodwill’s ability to acquire the income necessary for their charity projects, there is overwhelmingly more supply than there is demand. Of all the clothing consigned to charities, half is never put on racks and less than 20% are purchased (Cline 2012).

After spending time in thrift stores, unwanted post-consumer clothing is then transferred to developing countries. One of the top ten exports from the United States to Africa is used clothing, as measured in percentile. Roughly 16% of the containers in ships carrying cargo from the United States to Africa were

filled with used clothing. (Frazer 2008). While an onlooker would presume that donating clothes to the needy is a beneficial solution to the overconsumption phenomenon taking over fast fashion and the Global North, development economists have their doubts. Many donors do not know that their clothing is not simply handed over to the needy, but rather sold in local markets.

A main concern is that secondhand clothing industries are derailing existing textile businesses. In her book *Dead Aid*, author Dambisa Moyo argues that most forms of foreign aid undermine economic growth by replacing local markets, taking away incentives from governments, and ultimately create economic and political development traps. While providing alternative, and usually cheaper, clothing choices via secondhand donations may be beneficial to local consumers, it has closed down thousands of local producers all throughout Africa. This puts villagers in a position of reliance on foreign imports of secondhand clothing, which can become a gamble to local economies and to the villagers themselves, as donations are unpredictable in quality and in shipment timing. My thesis will explore how the road from overconsumption in the Global North leads into African economies and whether the amount we donate is helping or hurting these developing countries.

Section II gives an opening to existing literature and research completed on this topic. Section III explains the methods in which my literature-based research was conducted. Section IV collects existing data on Rwanda, Kenya, Zambia and Mozambique. It then presents empirical research on those four countries in addition to 27 more Sub-Saharan African countries to provide a

holistic quantification on effects of used clothing donations on local industries.

Section V addresses general foreign aid programs and concludes the findings.

II. Literature Review

Current literature on the topic of foreign aid's impact on economic development has come to varying conclusions. While there is research on effects of economic liberalization on African clothing industries, there has been significantly less research regarding the impact of increased imports of secondhand clothes on local manufacturing sectors. Sending any type of foreign aid to developing countries, not just used clothing has become a topic of great concern. Research with cross-country evidence on aid effectiveness has shown it to be fragile, and only slightly positive, but not entirely ineffectual.

In a paper called *Aid Effectiveness—Opening the Black Box*, Bourguignon and Sundberg (2007) examine the causality chain linking aid effectiveness and the receiving countries' development outcomes. They combined and updated 97 different studies on the impact of aid on growth with three different types of approaches that appeared throughout the collective literature. Their conclusions were that at best, there seems to be a small, positive, but insignificant impact of aid on growth. Still, studies like these are important in understanding conditions that allow for foreign aid to positively impact a developing country in order to reshape current aid models. Through their research, Bourguignon and Sundberg found a pattern in which two important factors to foreign aid success are (1) country ownership of development strategies that donors should consider and (2) monitoring results of aid allocation in order to ensure if the ongoing policies are effective.

Two prominent papers that investigate the effects of foreign aid specifically regarding used clothing donations are *Unraveling the Relationships*

between Used-Clothing Imports and the Decline of African Clothing Industries by Brooks and Simon (2012) and *Used-Clothing Donations and Apparel Production in Africa* by Frazer (2008). Brooks and Simon point out that since the early 1980s, African clothing industries have declined since the implementation of economic liberalization policies at the same time as used clothing imports to Africa have increased. Due to the lack of official data sets coming from many of the African countries involved, it is difficult to configure if these two processes are casually related. Still, Brooks and Simon manage to explore cultural and local economic processes in order to find a relationship between used clothing donations and local textile and apparel industries. Their study lacks empirical data, but brings up contributing factors other than used clothing donations that could be used to explain the decline in African apparel industries. These include declining incomes that reduced purchasing power and thus depressed demand, the privatization of textile firms, poor management structure of businesses, and imported Asian clothing producers that increase competition (Brooks and Simon 2012). They conclude that a more rigorous approach is necessary in investigating the African used-clothing trade, a topic that is widely neglected.

Frazer's 2008 paper provides the empirical data that other literature similar to Brooks and Simon lack. Frazer infers that a casual observer would intuitively assume the relationship that cheap imported used clothing would undercut local production of garments when they flood the markets. He takes into account Brooks and Simon's conclusion that there are other factors that affect African textile markets and compares the actual decline in local apparel industries with the amount calculated from his regression. The difference is taken

as the amount that used clothing imports affect textile and apparel markets. I will further examine and present Frazer's numerical research from this paper in Section IV.

It is difficult to fully analyze the African clothing market in its entirety, which is why Kandiero and other papers like hers are important to consider. They closely examine and focus on just a few or even just one country in order to see the effects in a specific region. As each country in Africa has a varying range and combination of political status', import policies, and economic conditions, Kandiero's 2005 paper *Malawi in the Multilateral Trading System* and others structured like it are valuable for a micro understanding.

Kandiero focuses on Malawi, a relatively small Sub-Saharan African country with 11 million people in its population. It is one of the poorest countries in the world, with GDP per capita at only \$163 USD in 2001. Half of the poor population lives in the rural area, a result of lack of industrialization and reliance on agricultural industries. Malawi is an open economy, but such openness to trade has not led the country to achieve economic growth, as indicated by the declining figures. In 1990, economic growth was at 6% and by 2001 it fell to -1%. When the secondhand clothing market entered the liberalized economy, already deteriorating textile and clothing industries were severely affected. Garments produced locally in Malawi are inherently priced higher than that of imported secondhand clothing due to the manufacturing process such as textile and material purchase, tailoring labor, and electricity and maintenance payments. An imported used garment has gone through all of these processes in a different country, paid for by a different manufacturer in its pre-consumption days. The

cost of production becomes virtually nothing once it becomes a donated good, and thus, it can be priced much lower than new clothing. This provides used clothing with a price advantage that new clothing cannot compete with. This issue that Kandiero points out is not unique to Malawi. In response to the collapse of its major local apparel and textile manufacturers, Malawi is in the process of preparing a new anti-dumping law in order to safeguard what is left of their factories. This thesis will take articles like Kandieros to gather and give a focused context to the political and economic situations on select Sub-Saharan African countries. As mentioned in the paper that researches general foreign aid's effects on developing countries, donors should consider recipient countries' conditions before creating aid policies. Additionally, aid should be monitored regularly in order to see their effectiveness (Bourguignon and Sundberg 2007). Taking a focused look on varying African countries involved in used clothing imports is a step towards this aid strategizing approach.

Current literature regarding this topic is anecdotal or (Rivoli 2009) and (McCormick et al 1997) village specific, which becomes difficult when analyzing the overall impacts used clothing donations are making to local apparel industries of all African countries. Imports are still highly restricted in South Africa (Brooks 2015), which is why this thesis will focus on the effects in Sub-Saharan Africa.

III. Methods

I gathered existing research and compiled it in order to capture the entire story of overconsumption, thrift store businesses, secondhand trade export industries, and the many African countries involved. In order to understand how the donation industry affects local textile markets, I compared fieldwork research from varying development economists, including surveys, discussion seminars and quantitative regression data with econometric analysis.

IV. Research

1. Overconsumption: How fast fashion is contributing to extreme clothing consumption

In the United States, annual retail sales of clothing have jumped from \$120.1 billion USD in 1992 to \$244.5 billion USD in 2013 (US Census 2015). This attests to the significance of the fashion business, which is growing into a trillion dollar global industry. However, it is clear that as the United States manufactures clothing for the apparel industry, it is also fostering an obsession for the fashion industry. In choosing low-priced clothing manufacturers in other countries, the US now makes only 2% of the clothing its consumers purchase, down from about 50% in 1990 (Cline 2012). Outsourcing keeps prices low and consumers coming back to purchase new trendy outfits and pieces as opposed to choosing simple, classic and well made articles of clothing that last. This is just one of the ways in which the fashion industry has changed drastically over the recent decades.

1.1 Outsourcing and Pricing

Overseas garment production is a financial choice, as it allows US retailers to bypass local minimum wage laws and employee benefits, significantly cutting costs while boosting supplies. Reducing the cost of production has resulted in lower priced clothing, a happy outcome for the average American consumer. Drawing comparisons from nearly a century ago when mass production, industrialization, and outsourcing weren't as globally accessible and prominent as they are today, clothing has hit a severe price drop. In the early twentieth century, suits averaged \$15 a piece, which equates to \$380 today when

accounting for inflation. Meanwhile, dresses averaged to \$16 a piece, about \$200 today. Junior brand retailers aimed at a more affordable price to match their younger audiences, averaging dresses at \$14 then, which is over \$100 today (CPI 2015). With Forever21 \$2 denim sales popping up online every now and then, \$100 for a dress is not what a typical modern day junior considers affordable. It isn't just juniors--few people would consider these averaged prices affordable anymore. Today, a dress priced at \$100 is likely to be from a high fashion brand, such as Marc Jacobs or Coach. These are the kinds of prices and brand names one would imagine a celebrity or extreme upperclassmen would pay for a typical outfit. This does not at all mean that today's population has gotten incredibly poor. Instead, what has changed is our perception of cost and the lifespan of a piece of clothing.

According to annual statistics compiled by the U.S. Bureau of Economic Analysis, annual individual spending on clothing has fallen under \$1,100. This is the smallest percentage of income ever dedicated to clothes. Yet, this is not to say that Americans are not buying less clothes; rather their dollar is going further than ever before. According to Elizabeth Cline's book *Overdressed: The Shockingly High Cost of Cheap Fashion*, an annual budget of \$1,700 can buy the following: 485 "Fab Scoopneck tops from Forever 21", 240 pairs of lady's sandals from Family Dollar, 163 pairs of capri pants from Goody's, 56 pairs of cargo pants from Target, and 47 pairs of glitter platform wedges from Charlotte Rusee (Cline 2012). Clothing these days has gotten so cheap that consumers find purchasing them inconsequential to their wallets. These cheap brands have significantly occupied the retail market, becoming an typical consumer's first shopping choice.

The Standard & Poor Industry Survey found that the three retailers with highest brand equity during the recession were H&M, Walmart, and Zara (S&P 2015). Brand equity is a phrase used to describe how much a brand is worth based on how well it is known and the way that consumers perceive it. In the marketing world, it is extremely important, as brand equity can increase the financial value of a brand by making it appealing to customers (Keller 2003). In spite of the recession, when unemployment increased and people were ultimately less flexible in their spending, these fast fashion corporations continued to keep a high brand equity, suggesting that consumers view them as affordable even in a time of financial insecurity. While H&M is from Europe, Walmart from America and Zara from Spain, it is clear that they all embody the affordable and trendy movement almost the entire clothing industry is moving towards: fast fashion.

1.2 Fast Fashion: Changing consumer's purchasing perception

Fast fashion can be defined as: “a business model that combines four elements: (i) fashionable clothes mostly for consumers under 40; (ii) affordable prices in the mid-to-low range; (iii) quick response; and (iv) frequent assortment changes” (Caro & Martínez-de-Albéniz 2015). With fast fashion so cheap, and shipments of new style and clothing so abundant, it's no wonder that while consumers are buying quantities large enough to complete their wardrobes, they keep coming back for more. Top businesses in this model recognizable to the average American consumer are Forever 21, H&M, Zara, Target, Gap and UNIQLO.

Forever 21 is an American fashion chain headquartered in Los Angeles, with locations worldwide. A walk through any one of its 480 stores in the US is overwhelming at best, with racks filled to the brim with the latest trends in jewelry, accessories, purses, shoes and most of all, clothing for men and women. Its target customer is the teenage girl, aged high school to college. H&M has a similar aesthetic as Forever 21, with an overabundance of racks of clothing presented in each store. It is a Swedish company that makes clothing for men, women, teens and children, and has 3,500 stores worldwide. Zara originates from Spain, and despite using in-house manufacturers, still manage to send out massive quantities of new styles to their over 2,000 global locations. They produce their styles in very limited numbers and scale them up or down based on popularity. However, the idea is to keep the number of styles low (which is still considerably large and in the several thousand pieces per style range) in order for customers to feel a sense of urgency and rarity in their purchase. For this reason, Forever 21 consistently orders smaller (Cline 2012).

Selling basic and trendy clothing for low prices has increased sales and changed consumer perception of clothing. What was considered “affordable” almost a century ago now seems expensive to current consumers, and a lifespan of a single item of clothing almost a century ago is now reduced to mere weeks today.

2. Overproduction: The issue of quantity over quality

Fast fashion’s movement is a vicious cycle, putting pressure on both consumer (to feel like they need to keep up with the trends by buying more cheap clothing) and

producer (to manufacture at a fast pace and low cost to ultimately set prices low). The more fashion industries meet consumer demands, the more the consumer demands. And thus, quality goes down and manufacturing typically goes overseas.

2.1 Overseas Production

While the average wage of garment worker in the United States is already quite low, it can be further cut much, much lower abroad. A skilled garment worker in New York is paid \$12-\$15/hour and a good pattern maker \$17-\$18/hr. Meanwhile, machine operators make the lowest, at \$9/hr, which equates to \$1,440/month, putting the operator surviving on \$17,280/year. Comparatively, in the Dominican Republic wages equate to \$150/month and in China it is \$147/month, next to nothing compared to the already low wages for a US worker (Cline 2012). These estimates are not by the hour, as many of them are paid by the number of garments they can produce. Overseas production drastically reduces the price of a garment, which is exactly what consumer desire for fast fashion is pushing industries to achieve.

Elizabeth Cline, author of *Overdressed*, visits manufacturers in New York and then China to get a quote on how much they would charge to make her a skirt. The skirt is a polyester black miniskirt she owns and purchased for \$30 from Urban Outfitters, an American retail brand headquartered in Philadelphia. Dalma Dress Manufacturing in New York City is one of the few manufacturers that has managed to stay competitive in an overwhelmingly outsourced industry. Their estimates lead them to charge \$30, plus the cost of fabric. Meanwhile, three

different factories in China quoted less than \$5 while another higher end factory quoted \$12, with fabric included. They all offered to ship skirts for less than \$1.50 a piece, adding that to the total cost, which remains still less than half of Dalma Dress Manufacturing (Cline 2012). Cheap threads tend to be made in Bulgaria, Hong Kong, India, Israel, the Philippines, Romania, Sri Lanka, Thailand, Turkey, Lesotho, and Southeast Asia, but China is the major manufacturer. They account for 41% of imported clothing, dominating in specific categories such as house slippers (90%), footwear (78%), ties (71%), and dresses (50%) (Cline 2012).

In 2009, Forever 21 singlehandedly imported more than 100 million pieces of clothing in a single year, a feat achieved by moving much of its manufacturing to countries such as China, Pakistan, and Vietnam. They now manufacture only about 20 to 30 percent of their clothes in Los Angeles, and choose only styles that require quick turnaround if they are in particularly high demand (Berfield 2011). Importing from overseas keeps prices low and volumes high, as Forever 21 is able to sell its products at double the cost of production, plus a few dollars, ringing up to a price tag of \$7.80 for a pair of jeans for the average consumer. Stores like Forever21 have nearly unbeatable economies of scale that only other massive corporate players can compete with.

2.2 Effects on Quality and Lifespan of Clothing

With the pressure to achieve speed and low costs, factories often use a looser, faster stitch on thinner, lighter fabrics to get the garment out the door as quickly and cheaply as possible. Thus, mass-market clothing is simply not made to last. Trends used to come in two seasons: cold weather and warm weather.

Now, there are new styles moving in and adapted from runways to consumer-friendly ways at extremely high speeds. Going from high fashion to low end garments means they are copies made so their design imitates the high fashion trend at a much lower and affordable quality. And thus, styles like crop tops, high-waisted shorts, sundresses, boyfriend jeans and oversized sweaters flood the fashion markets. With so many new items on the rack at such a low price, there is little desire for consumers to wear the same piece of clothing over the course of several years. By then, even disregarding the quality it would be in, it'd simply be out of style. Therefore, manufacturers find no need for durable, long-lasting fabric (Hansen 2004). Why waste it on a piece that will quickly become out of style and force prices to increase due to the extra production expense added from quality fabric costs? The Environmental Protection Agency cites that in 2012 the US threw away 14.3 million tons of textile waste—a result of consumers dumping no longer fashionable and or wearable clothing (EPA 2014).

2.3 Sports and the Fashion Manufacturing Industry

Overproduction is rampant in sectors other than just the fashion industry. Every year, a large surplus of unwanted sports championship merchandise is produced. They are unwanted because in preparation for either scenario of Team A winning or Team B winning, both teams get their names printed on apparel to be sold to one of the two parties of celebrating fans. In the name of sports only one team can win and thus, the losing team's championship apparel will not be sold. The National Football League (NFL) has rules against selling losing teams' Super Bowl apparel in the United States. Therefore, in 2013 when the San

San Francisco 49ers lost the Super Bowl, over 100,000 championship items made for them in the case that they would've won were left in warehouses. In 1996 World Vision, an evangelical Christian charity, partnered with the NFL to accept all the losers' championship clothing to distribute overseas. This was a win-win situation for the NFL, who got a hefty tax reduction every year from clothing they'd been manufacturing for decades knowing that only half of it would be sold. With donations adding up to \$1.1 billion, it is an extremely profitable partnership for the NFL. Similar arrangements exist with Major League Baseball, the National Basketball Association, and the National Hockey League (Brooks 2015).

In 2010, defeated Indianapolis Colts shirts were supplied to Haiti, in 2008 Pittsburgh Steelers jerseys went to Armenia, Nicaragua, Romania and Zambia, and in 2007 Chicago Bears caps went to Chad and Romania. These donations have been met with criticism, questioning if they were 'bad aid' and undermining local clothing markets (Brooks 2015). Overproduction of clothing has been dealt with by either textile waste or donations, both of which have their negative consequences.

3. Thrift Stores and Donation Bins: The movement from closets to secondhand stores

The secondhand clothing system of provision begins in private households and homes. When consumers tire of their clothing, if they don't throw it away they tend to donate it, believing that they are promoting positive actions of recycling and giving to the needy. However, with fast fashion increasing consumption, donation and thrift stores have found themselves with more clothing than they

could possibly know what to do with. Fast fashion retailers like H&M, TopShop and Zara sell garments that will only be used an average of ten times, leading to a new phenomena of disposing garments after just a few uses (Birtwistle & Moore 2007).

3.1 Goodwill and The Salvation Army

Throughout the 1990s, donations to Goodwill increased by 10% per year (Cline 2012). Last year, Tim Raines, marketing manager of the Salvation Army announced that their locations across the United States collected a total of 80 million pounds of clothing (Boboltz 2015). However, numbers like these are not new to the past few years, as charities decades ago passed the point of being able to sell all of their available wearable clothes. The Salvation Army started in the United States in 1880- when the US population was less than 40 million and almost all clothing was still painstakingly handmade. Then, the late 1950s came and charities began to open retail outlets, using the sale of used clothing as income to fund charitable works. As a concept, donating extraneous clothing from fast fashion is a positive solution for overconsumption, as it funds projects such as homeless shelters, disaster relief, and humanitarian aid.

Due to the massive influx of donations, garments that make it to the Salvation Army thrift stores have exactly one month to sell. Goodwill garments have a similar three-to-five week window (Cline 2012). While one could consider the impact of smaller boutique thrift stores like Crossroads and Buffalo Exchange, Goodwill and the Salvation Army are two of the largest national charitable organizations that accept clothing donations. Together, they took in

about 75% of the used clothing donated worldwide (Hansen 2000). However, of all the clothing dumped off to charities, less than 20% are sold and half are never put on racks (Cline 2012). For a while, the rest of the unsold clothing was dumped. As a secondhand clothing retailer, there were little places left to get rid of their twice-rejected clothing and thus, they often resorted to landfills.

When the public expressed disapproval that Goodwill was dumping items they couldn't sell or store, charities were forced to look for other solutions. Wiping-rag industries popped up to turn unsellable clothing into rags for industrial purposes and textile recyclers took in clothing as material. There are obvious advantages of reusing and recycling. When left in a landfill, textiles can become environmentally damaging, as synthetic products cannot decompose. Though woolen garments can, their particular decomposition process produces methane, which contributes to global warming (Birtwistle & Moore 2007).

3.2 Secondhand Textile Processors

Today, there are thousands of secondhand textile processors in the United States, such as the Trans-Americas Trading Company located in New Jersey. Textile processors are responsible for purchasing, recycling, processing and selling post-consumer textiles and clothing that secondhand stores cannot sell. Trans-Americas Trading Company processes two trailer loads of bales a day, which adds up to 16.8 million pounds of used clothing a year (Export 2011). The volume that they process parallels with the increasing consumption of clothing, as a majority of bales sent to them come from charities.

However, more often charities are seeing donations arrive in ragtag condition, as the culture is no longer to tailor and repair items but rather to buy cheap and toss out quickly. Goodwill executives reported to the *Washington Post* in 2002 that their organization spent half a million dollars that year hauling away worthless soiled clothing that couldn't be resold to consumers or even textile processors and recyclers. Of the leftover clothing Goodwill could not sell in stores, only about 30% are able to be sold to textile processors. 20% are completely not wearable and sold to fiber buyers who break them down into components used for insulation, carpet padding, or building materials. 5% are considered completely soiled due to damages from water, soil, mold, or rips and are thrown away. The remaining are sold overseas (SMART 2007).

Once the quality clothing are sold and the outcasts are sent away to fiber and rag manufacturers, the leftovers are sorted, shrink wrapped, and tied up to be sold to used-clothing vendors around the world. Unsurprisingly, countries receiving clothing donations from the Global North are also feeling the negative effects of fast fashion. Rag buyers in Africa are more frequently seeing broken zippers, discolored fabrics, and flimsy clothes that stain and rip more easily (Siegle 2011). Still, due to their cheap prices they are sold and creating new used-clothing markets in sub-Saharan Africa.

3.3 Global Donations

In the United States, used clothing is consistently one of the top ten exports to African countries and one of the top eight exports to the world (Frazer 2008). As only 20% of clothing given to secondhand stores is sold domestically, a

large amount moves internationally. Used clothes collected by charities and clothing recyclers for export to the global South are overwhelmingly retailed for profit in the Global South and are not freely distributed. Oxfam and the Salvation Army are the two of the most widely used clothing collectors in the UK. Oxfam exports 50% of its total volume to West Africa, 25% to Eastern Europe and 25% to the Middle East (Brooks 2013). The following map illustrates the trade flow across the world.



source: Planet Aid

The United States imports secondhand clothing to a vast number of countries and continents, including Central and South America, Russia, Pakistan, East Asia, and India--not just Africa. However, the reason that economists focus on the effects in Africa specifically is due to how large and accessible the secondhand clothing industry has become within its countries. Roughly 80% of the population of Africa wears secondhand clothing, suggesting the reliance they have on donated goods (Planet 2015). There are a number of reasons why this is the case, one of which being that many countries within Africa lack the resources and market structure to have textile industries that are strong enough to not be easily overtaken by donated goods. With poorly functioning machinery, rising labour costs, political corruption, and other factors varying from country to country, local clothing production costs become expensive and unpredictable. African textile companies are then unable to keep the prices of their goods low, making them easily undercut by ready-made used clothing (USAID 2015).

Meanwhile, in countries such as Russia where only the top quality pieces are donated and then sold for high prices as a luxury good, secondhand clothing industries have less of an impact. Unwanted secondhand clothing from Russia is also sent over to Africa. Indian and Pakistan clothing industries are less threatened by overseas donations, as they have the systems and facilities to successfully produce their own clothing to compete. Instead, much like in the United States and Russia they often have leftover donated clothing, which they also send to Africa. East Asian countries are where many existing factories are outsourced from the United States in order to manufacture clothing--in these countries locally made goods have a low cost of production and therefore are

inexpensive for local consumers. Similar to India and Pakistan, East Asia has less trouble competing against donated clothing industries than Africa does.

4. Effects on African Textile Economies: Good aid or bad aid?

We have seen how fast fashion and overconsumption lead a majority of consumers to unknowingly affecting African textile markets through donations. It's generally assumed that used apparel donations simply give to those in need. However, critics and some economists trace negative effects, attributing used clothing donations to the disruption and decline of existing African apparel industries. Between 1981 and 2000, the African apparel industry has declined by 5.3% per year (Frazer 2008). Meanwhile, Taiwan, Korea, Hong Kong and China have mastered sophisticated technologies and markets to provide industrial goods for their economies to grow. With Africa's low wage levels and abundance of cotton, policymakers are puzzled as to why Africa is unable to produce and export textiles and apparel (Frazer 2008).

4.1 A History of African Clothing Markets: other contributing factors

There are many factors to consider before making the argument that donated used clothing is the cause of the local apparel industry's decline. Many African clothing industries were already facing a steep decline during the 80's when donations were first coming in. When economic liberalization was initiated via the International Monetary Fund (IMF) in the 1990's, domestic clothing industries lost government protection. The IMF was pushing for a neoliberal development model by supporting the market friendly policies upheld by the

successful Global North (Brooks 2015). However, their implementation in African countries didn't bring the progress they'd hoped for. The IMF acknowledges the slow progress in poorer countries despite their free market policy implementation and explains it by, "complex, deep-seated structural problems, weak policy frameworks and institutions, and protection at home and abroad" (IMF 2001).

Neoliberal development gives way for controlled African economies to open up and for foreign imports to come in. Throughout the early 1990s, imports grew extremely rapidly in both urban and rural markets (Hansen 2004). In Lusaka, the capital of Zambia, 75% of the population was wearing secondhand clothes, closely aligning with the roughly 80% of the entire African population reported to wear secondhand clothing. The rapidity is in part due to the lack of government protection, which gave way to free-market principles and allowed such massive amounts of donated goods into the economy. The textile industry was already in a precarious state at this time and not in a position to compete against cheaper, readymade clothing. They faced high interest rates, lack of domestic credit, high import tariffs on updated machinery, and expensive dyes, chemicals and fibers--all costs which the government did not aid in. In response to these costs, owners can no longer manufacture goods at a price consumers can afford, leaving them unable to sell their items. In Zambia, two major textile plants on the verge of bankruptcy were taken over by Chinese investors in the late 1990s (Hansen 2004).

4.2 Literature on Effects of Clothing Donations in Varying African Countries:

Therefore the ongoing belief is that while there are contributing factors to Africa's textile industry decline other than just secondhand clothing, donations are still an impacting factor. When cheaper, imported clothing come into markets at extremely low prices due to their virtually zero cost of production, consumers make the easy choice of buying secondhand for much less. They are able to undercut price tags of struggling apparel industries that must sell at a higher price to meet the costs of production. Post-consumer clothing's price advantage is recognized by many existing local textile producers. 85.4% of polled businesses in Nairobi claim that secondhand clothes were a problem, as their low prices provide an unfair competitive factor (McCormick et al 1997). While polls from owners of apparel businesses may create biased answers, it is important to acknowledge information from both statistical data and from individuals who are directly affected.

The global North donates their used clothing to many parts of Africa, each of which are in completely different economic situations. Therefore, the impact of donated clothing affects each of their respective economies differently. Though several areas are involved, the following four locations are representative of the varying political, economic and social status categories existing in Africa today: Rwanda, Kenya, Zambia and Mozambique. Additionally, they range from the level of existence and presence of a formal clothing sector from least to most.

Rwanda



Image source: http://traveltip.org/countries_visited.php

Rwanda is a particularly unique case due to its current situation of civil unrest. However, development economist Steven Haggblade studied Rwanda in the 1980s before the civil wars. Though this was a period before the massive boom of fast fashion that so heavily attributes to the masses of clothing donations going into Africa, Haggblade was able to collect valuable information about secondhand clothing donations effects on an economy in which a formal clothing sector does not exist. Throughout the 1980s, Rwanda had no textile and garment manufacturing industry. Rather, they had informal sectors of tailors who used textiles as one of the many side jobs that kept them afloat (Hansen 2004). Due to the lack of an established clothing industry in Rwanda, this study does not look for a connection between local clothing manufacturers and second hand clothing. However, it is important to consider the existence of a second hand clothing industry in an area in which there are no other formal options for clothing, as this is common in more African countries than just Rwanda.

When secondhand clothing donations from the Goodwill, Salvation Army and others like it began to come in, about 88% of employment in informal-sector tailoring was directly replaced with paid used-clothing distribution (Hansen 2004). Additionally, secondhand clothing created a demand for cleaning, repairing and restyling donated garments that were not up to par with the quality of locally made clothing. Value-added comparisons also showed that secondhand markets were a positive attribute to economies by increasing national income through giving higher rates of return to labor involved than the previously existing informal-sector tailoring (Hansen 2004). Additionally, low-income consumers were able to afford more higher quality clothing than what they were used to. Haggblade believes that this research provide “grounds for cautious optimism that used clothing imports to Sub-Saharan African countries without large domestic textile industries may offer a modest but rare policy lever for directly increasing not only national income but also incomes of the rural poor” (Hansen 2004).

Kenya

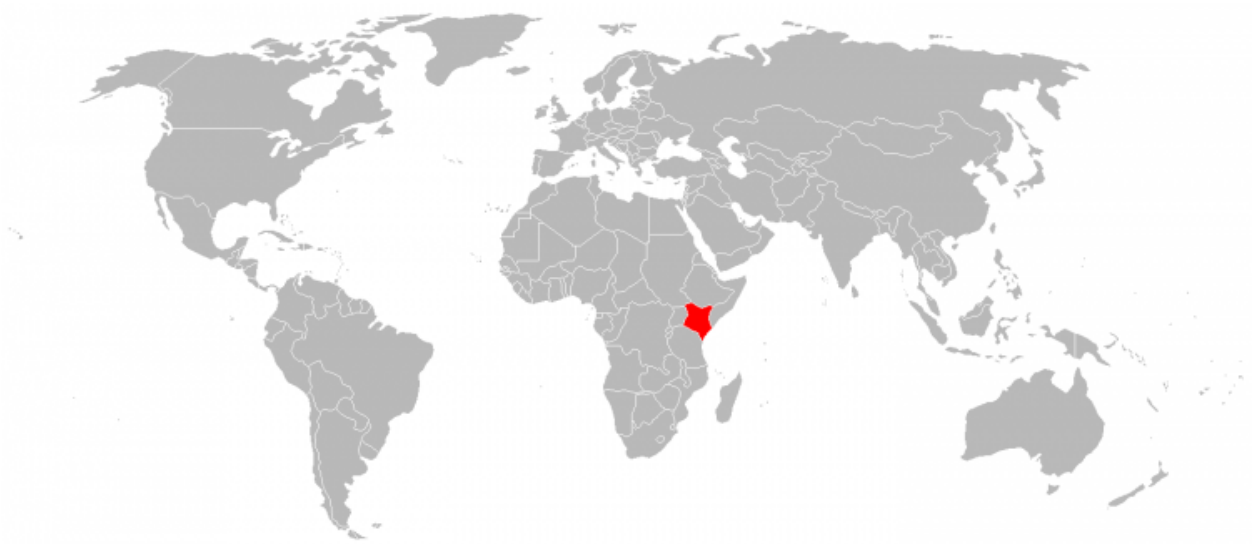


Image source: http://traveltip.org/countries_visited.php

Until the 1970s, Africa's industry was mainly agricultural and fell into one of two categories: large private firms or small slum businesses. When the civil environment through the 1980s and 1990s became unstable, African business owners decided to branch out with new industries, such as custom tailoring. Tailoring is different from clothing manufacturing, as it includes taking existing clothing and altering it, as well as making brand new clothing, but within the context of an informal sector. Tailors tend to be self-employed and do not hire skilled laborers to work for them. They also do not have functioning machinery for mass production that other countries with successful apparel industries have. Nairobi's general garment industry, including both manufacturers and tailors, consist of a variety of sizes of firms. They go from one-person firms (33.9%), 2-3 person firms (41.3%), medium firms of 4-49 workers (23.4%), and large firms of over 49 workers (1.4%) (McCormick et al 1997).

Researchers Dorothy McCormick, Mary Kinyanjui and Grace Ongile collected data in Nairobi in order to understand why small businesses were shrinking rather than growing. In 1989 they conducted an industry sample among 91 Nairobi firms within the medium size range category of 4-49 workers. By 1992, 22 of the firms in the sample either closed or changed from garment production to another manufacturing business. Data was collected in two parts: (1) interview questionnaires to gather information on each business' production, finance, capital sources, markets, and any perceived issues and (2) a half-day seminar in which business owners could meet with each other and have group discussions during which researchers took notes. This data was collected during the years of 1989-1993.

At the beginning of 1989, 57.2% of firms added employees. By 1993, 19.3% of firms increased employment, 10.5% stood still and 70.2% lost employees (McCormick et al 1997). Many firms had to fire employees in order to save money to account for the cost of production and lack of sales. 98.6% of the 91 firms that participated in the survey listed low demand as an important reason why their small businesses fail to grow. Additionally, 85.4% of the businesses claimed that secondhand clothes were a problem, as their lower costs gave them a price advantage. McCormick collected prices in 1991 to compare prices of locally made clothing to secondhand clothing to understand how a consumer would make their purchasing decision. Imported used men's trousers cost K.shs 40 in secondhand markets while newly made men's trousers cost K.shs 120 in a local apparel shop. Similarly, a donated used women's dresses cost K.shs 30 in secondhand markets compared to a newly made dress at K.shs 150 in a local apparel shop. The stark

contrast in price attests to the lower quality of secondhand clothing in comparison to brand-new garments, its virtual zero-cost of manufacturing, and the scale of stock of used clothing donations. Despite differences in quality, purchasing trends show that consumers view donated and new clothing as close substitutes. It shows how villagers view using clothing as a means of immediate necessity as opposed to a durable item they could have for both immediate and long-term use.

Secondhand donations are highly appealing to the middle-income consumers, who view them as affordable and preferred alternatives to locally made clothing. Business owners participating in the second portion of the research, the follow-up seminar, mostly agreed that while secondhand clothing was a serious problem for producers, there should not be a complete import ban on them. Nairobi residents enjoy the variety and opportunity for cheaper and abundant clothing, and governments do not want to revert back to their closed borders policy by banning foreign imports. However, business owners argued that dealers should be licensed and regulated in order to integrate into the existing clothing markets in a way that ensures fair competition with their own local apparel stores.

Zambia



Image source: http://traveltip.org/countries_visited.php

According to the United Nation's standards, Zambia is one of the least developed countries in the world. They were one of the countries that were aggressively moved from a government-protected economy to a completely free-market principle. This extreme switch left Zambian industries in a precarious state and without aid for their factories that had outdated technology, poor management and unskilled labor. Most importantly, they did not have the capital to tend to these issues. Secondhand clothing becomes both desired and needed in a country like Zambia where cutting costs is extremely important. Consumers in Zambia purchase secondhand clothing for three reasons: (1) it is affordable (2) it offers choice and (3) it gives better value for the money. With soaring clothing costs in Zambia in the wake of economic liberalization, ready-made clothing in most formal shops are priced too high for low-income workers to be able to afford them. A domestic servant in Zambia will average about K8,000/month (Hansen 2000). When the cheapest locally made dress sold in stores averages K5,000-

K8,000 and a cotton secondhand dress averages K500-K800, it's clear which choice the domestic servant will go for.

Generally, competition is a driving force in pushing one firm out for another, just as how wholesale local industries widely collapsed after fragile African economies were open to imports. Local industries, though already struggling before they were met with imported goods, are not given the opportunity to find a long-lasting solution that could help them to develop into self-sustainable models. Although closing borders to secondhand clothes are not likely to enable the development of clothing industries in Africa on their own, used clothing are increasingly part of the issue (Brooks 2013). When Michael Miti, the chair of the Clothing and Allied Industries Association of Zambia, issued a statement contesting to the unfair advantage of foreign secondhand clothing on economic markets, governments rejected his argument for a ban (Hansen 2000). Banning secondhand trade would simply go against the government's policy goals of liberalizing the economy.

Mozambique



Image source: http://traveltip.org/countries_visited.php

Mozambique is a key example of the unpredictable effects globalization has had on African markets. It was initially championed as an example of how open policies and globalization can change a nation. Over the past decades it has grown tremendously from warfare to social stability, in addition to turning around from economic failure to rapid growth. Stimulation of the previously stagnant economy was largely credited to Western policy prescriptions of democracy, as well as economic reforms that promoted liberal economies (Brooks 2015). However, while policymakers promote Mozambique as a prime example of how neoclassical development models can be the solution to faltering economies, a closer look reveals a different story.

Though they achieved peace after the 1992 ceasefire, Mozambique remains a place of persistent poverty. Discoveries of coal and gas reserves fueled economic expansion in terms of increased GDP, but these gains were not evenly distributed. The World Bank illustrated that since 2003, GDP averaged over 7% growth per

year while the percentage of those below the poverty line remained stagnant at 54% from 2003 to 2009 (Brooks 2015). Their gross national income per capita is a staggering \$501/year. Additionally, extraction of natural resources is not a labor-intensive industry, providing GDP growth but very little employment. This is a major reason why wealth is not evenly distributed despite economic stimulation. Meanwhile, clothing and textile industries have fared poorly, as newly privatized owners followed the same themes as those in Zambia, Kenya and Rwanda. They lacked capital, management capacity and skilled workforce, all of which put them at a disadvantage to their secondhand clothing competitors (Brooks 2015).

UN data shows that \$55.3 million worth of used clothing was exported to Mozambique in 2012. This equates to roughly 52 million tons of garments, which is the weight of 423 million T-shirts. However, it is difficult to tell if all 52 million tons of garments donated are necessarily useable. Bales are sold 'blind' as sealed and unopened packages. Market traders who come to purchase the bales will only know what category of clothing each bale is composed of, but never the quality of them. As it turns out, many pieces are ripped, rotten, or too large for the average Mozambican.

Opening up borders to trade and imports has brought in a new crop of problems, such as corruption amongst warehouse sellers as well as counterfeit items. With 80% of the African population wearing secondhand clothing, they have become a sought-after item. Though a large portion of bales contains low quality clothing, there are oftentimes pieces in good condition with internationally known brands that are highly recognized and sought after by

villagers. In order to increase their appeal, Mozambican shoe sellers have created a scheme to trick consumers into purchasing what they believe to be authentic secondhand American brand shoes, such as Adidas, Nike and Reebok. Due to the prominence of used clothes donations, these have become recognized and preferred over locally made unbranded goods. What they are actually buying oftentimes are counterfeit brand name shoes that have been scuffed to look like genuine secondhand donations. While this is most prominent in shoes, counterfeit items have also been shown to be extremely problematic in other sectors of apparel. As new, locally made clothing struggles to compete even aesthetically against secondhand clothing, some of their solutions involve aforementioned tactics of making local goods appear imported.

The USAID report summarizes the issues in Mozambique, which can be applied to most countries that have opened their economies to imports. “Substantial imports of used clothing underscored the limited means of most Mozambican consumers. Thus, local demand for new clothing and the productivity and size of the apparel industry could not sustain the capital investments that a competitive spinning, weaving and finishing industry requires simply to survive. Overwhelmed with debt, rising labor costs attributable to new regulations and laws, and a centralized industrial strategy that put wealthy consumers in export markets beyond their reach, Mozambique’s textiles and apparel industries dwindled to a few small suppliers of local niche markets” (USAID 2015).

Used clothing is increasingly becoming the major source of garments in many African nations. In Uganda in particular, they account for 81% of the

country's total clothing purchases (Brooks 2015). While I highlighted only four locations were highlighted, the trade is affecting most of Sub-Saharan Africa (including Kenya, Malawi, Nigeria, Senegal, Swaziland, Tanzania, and Zimbabwe) as opposed to South Africa, where imports are highly restricted (Brooks 2015). Though all of the countries and cities involved are in varying economic and political statuses, economist Garth Frazer collected data in all Sub-Saharan African countries during the period 1981-2000 to research if there is a causal relationship between used-clothing donations and declines in apparel industries.

4.3 Empirical Data on Effects of Clothing Donations

Imports of secondhand clothing are found to have negative impacts on African apparel and textile production, but cannot be fully account for the total decline in local African clothing industries. Instead, they explain roughly 40% of the decline in apparel or textile production—the remaining 60% can be attested to a degree of varying region-specific reasons mentioned in the 4 country overview, such as government corruption, lack of capital, and unskilled labor forces. Frazer's findings cover the time period from 1981-2000.

Methods

To test for a causal link between used-clothing imports and local apparel production, Frazer used an instrumental variables strategy with data from the U.N. Comtrade database. He used an identification technique that used geographic characteristics as the instrumental variable to determine the level of trade between countries. Variables were created from the fraction of total exports to each African country.

Frazer's regression went as follows:

$$\log A_{it} = \alpha + \beta \log U_{it} + \gamma \log M_{it} + \lambda Y_{it} + \delta_i + \nu_t + \zeta_{it}$$

where:

A_{it} = the measure of production in the apparel sector in country "i" at time "t"

δ_i = country fixed-effect to control for time-invariant factors that will affect a country's apparel production

ν_t = year fixed-effect to control for influences to apparel production in a given year (such as factory fires or strikes)

U_{it} = used-clothing imports

M_{it} = overall level of manufacturing, not including apparel and textile production

Y_{it} = country's per capita income

ζ_{it} = other factors that may influence a country's level of apparel production (such as management, policies, government, or capital)

Additionally, Frazer created dummy variables to address the different ports each country ships to. For example, European and North American countries would be more likely to export to countries via Africa's Atlantic Coast. Meanwhile, Japan and Australia are more likely to export using Africa's Indian Ocean coast. He included data from the available OECD countries within the time period 1981 to 2000, including the years in which data was available for that country in parenthesis: Benin (1), Botswana (12), Burkina Faso (3), Burundi (7), Cameroon (14), Central African Republic (7), Congo (8), Côte d'Ivoire (14), Ethiopia (7), Former Ethiopia (9), Gabon (2), Ghana (10), Kenya (19), Lesotho (5), Madagascar (8), Malawi (18), Mauritius (18), Namibia (1), Niger (9), Nigeria (11), Rwanda (3), Senegal (17), Seychelles (4), Sierra Leone (5), South Africa (20), Swaziland (10), Tanzania (9), Togo (2), Uganda (1), Zambia (4), Zimbabwe (19). Many of the Sub-Saharan African countries entirely missing from the dataset

include countries that suffered from civil war under all or part of the period studied.

The dummy variables are for country-pairs like these that share oceans. Therefore, the level of used-clothing exports (U) from country j into country i in year t, as a fraction of the total level of used-clothing exports, is expressed as U_{ijt}/\bar{U}_{jt} and is used in the following equation:

$$U_{ijt}/\bar{U}_{jt} = \beta_0 + \beta_{1t}(AO_{ij}) + \beta_{2t}(PO_{ij}) + \beta_{3t}(C_{ij}) + \beta_{4t}(L_i) + \beta_{5t}\log(N_{it}) + \beta_{6t}\log(A_i) + \varepsilon_{ijt}$$

where:

AO_{ij} = Atlantic Ocean

PO_{ij} = Pacific Ocean

C_{ij} = Colonial Relationship

L_i = Landlocked

N_{it} = Population count

A_i = Area

Results

The coefficient used to capture the overall impact of used-clothing imports on apparel is called “value-added” meaning it measures the percentage change. The following table is a list of all the value-added data used in the regressions.

Table 1 - Data Summary

	Overall	
	Means	Standard Deviation
log (population of importer)	15.346	1.613
log (population of exporter)	16.542	1.475
log (area of import country in sq km)	11.966	2.188
log (area of export country in sq km)	12.45	1.50
import country is landlocked	0.286	0.452
export country is landlocked	0.093	0.290
used-clothing exports to country i as a share of total used-clothing exports from country j	0.005	0.025
log (total used-clothing imports (hectograms per person) into country i)	-2.472	1.958
log (manufacturing value-added (constant U.S.\$) per capita)	-1.137	1.421
log (manufacturing value-added (constant U.S.\$) per worker)	-0.347	1.480
log (manufacturing value-added (constant U.S.\$) share of GDP)	1.179	0.836
log (manufacturing value-added (constant U.S.\$))	14.622	1.792
log (apparel value-added (constant U.S.\$) per capita)	-4.437	2.438
log (apparel value-added (constant U.S.\$) per worker)	-3.621	2.484
log (apparel value-added (constant U.S.\$) share of GDP)	-2.696	1.820
log (apparel value-added (constant U.S.\$))	11.637	2.381
log (textile value-added per capita)	-3.240	1.506
log (textile value-added per worker)	-2.430	1.561
log (textile value-added share of GDP)	-1.488	1.189
log (textile value-added)	12.590	1.994
Number of country-by-country-by-year observations for predicting trade	18345	
Number of observations for the apparel production regressions	217	

source: Frazer 2008 (page 16)

Standard least-squares regression of apparel production against secondhand clothing imports show a negative correlation and a significant elasticity of -0.29. Incorporating country-level fixed-effects still leave the coefficient at -0.28, but accounts for time-invariant factors that could change the total amount of apparel production over time.

In the least squares results, once manufacturing controls are included, the impact of used-clothing imports on apparel production is -0.26. Therefore, a 1% increase in used-clothing imports results in a 0.26% decrease in apparel production. Similarly in a test on per capita used-clothing, a 1% increase in per

capita used clothing imports results in a 0.23% decrease in the apparel share of manufacturing.

Impacts of used-clothing imports on apparel production is shown in the first four columns of the following table:

**Table 8 - Used-Clothing Trade and Apparel and Textile Production - Summary
Including Manufacturing Controls and Fixed Effects**

	Apparel				Textile	
	Flow		Stock		Stock	
	OLS	IV	OLS	IV	OLS	IV
Dependent Variable:						
1) log (Apparel/Textile Value-added per capita)			-0.335*** (.100)	-0.421*** (.153)	-0.121** (.052)	-0.307*** (.082)
2) log (Apparel/Textile Value-added per worker)			-0.349*** (.102)	-0.445*** (.159)	-0.124** (.053)	-0.322*** (.086)
3) log(Apparel/Textile Value-Added Share of GDP)	-0.159*** (.064)	-0.258* (.154)	-0.335*** (.112)	-0.446** (.200)	-0.085 (.058)	-0.321*** (.108)
4) log(Apparel/Textile Value-Added Share of Manufacturing)	-0.166*** (.051)	-0.228*** (.089)	-0.301*** (.081)	-0.330*** (.114)	-0.142*** (.051)	-0.281*** (.072)
5) log(Apparel/Textile Value-Added)	-0.173*** (.053)	-0.256*** (.077)	-0.292*** (.078)	-0.305*** (.098)	-0.127*** (.040)	-0.210*** (.051)

Notes: Standard errors are in parentheses. All regressions are fixed-effects regressions. In rows 1), 2), 3), and 5), the regressions include appropriate controls for non-textile, non-apparel manufacturing (i.e. manufacturing per capita value-added, manufacturing per worker value-added, manufacturing share of GDP, and total manufacturing value-added in 1),2),3) and 5) respectively.) The first-stage regression for 1),2),3),4) is given in Table 4. The first-stage regression for row 5) is given in Appendix G1. For all of the stock regressions, the assumed depreciation rate is 0.15. Coefficient estimates marked *, **, and *** are significant at the 10% level, 5% level, and 1% level respectively.

source: Frazer 2008 (Appendix)

Value added domestic production and demand after a 1% increase in used-clothing imports is -0.42%. A 1% increase in per capita used-clothing imports results in a -0.45% decrease in apparel production. And lastly, as a check for robustness, the impact of a 1% increase in total used-clothing imports on total apparel production is -0.31%. A 1% increase in per capita used-clothing stock results in a -0.32% decrease in textile production in the larger GDP scale.

Throughout the time period 1981-2000, average per-capita used-clothing import stock increased by 11.2%. According to the regression, this would've

resulted in a 4.7% drop in per capita apparel production and a 3.4% annual drop in per capita textile production. However, the actual numbers were a 11.1% drop in apparel and a 9.3% drop in textiles. Therefore, used-clothing imports can be interpreted as responsible for 42% of the decrease in apparel manufacturing and 37% of the decrease in textile manufacturing. These numbers average to roughly 40%, showing that used clothing donations are 40% of the reason why apparel and textile production in an average Sub-Saharan African country is declining.

Interestingly, imports of less than 0.1 kg per capita had no impact on apparel production. However, in a non-linear fashion, above the 0.1 kg per capita the impact became substantial and significant. Therefore, if one limits the import of used clothing to the weight of one light T-shirt per person, it is still possible to import used clothing without negatively impacting the domestic apparel industry (Frazer 2008). At the current rate of an equivalent 423 million T-shirts donated annually to Mozambique, whose population is 25 million people, this equates to 16 shirts per person (Brooks 2015). Thus, with Frazer's regression in mind it is clear how this excess in used-clothing donations is negatively impacting Mozambican textile industries and industries of other developing countries like it.

V. Conclusion

Based on the information I gathered from existing literature and research, there is evidence that used clothing donations negatively impact local apparel industries. Used-clothing imports are beneficial for consumers of used clothing due to the availability of affordable apparel. The philanthropic nature of donations leads consumers to believe that they are only helping developing countries. However, an important part of development is the ability to create self-sustaining economies and businesses that can support villages, towns, and cities and employ the people within them. Used-clothing donations are partially responsible for taking away this opportunity for those in the apparel industry, potentially causing dependence and negligence of existing clothing businesses.

The question of “good aid” versus “bad aid” is an ongoing debate that most types of foreign aid must consider. TOMS shoes was recently under fire for their seemingly humanitarian business model of giving one pair of shoes to a child in need for every pair that they sell. In *Do In-Kind Transfers Damage Local Markets? The Case of TOMS Shoes Donations in El Salvador* economist Susan Baird finds that households are less likely to purchase shoes from local vendors when given a pair of free shoes. This is particularly troublesome, as in many developing countries there is not necessarily an issue of a lack of shoes. By giving free shoes, TOMS is replacing existing markets. Parallel to this thesis, in many African countries, there is not necessarily a lack of accessible clothing. Rather, providing of funds to make existing local clothing affordable is potentially a more productive means to create and sustain long-term change.

As reviewed from literature on interviews with secondhand storeowners, mitumba traders, vendors and textile manufacturers, clothing consumption in the Global North is increasing and overflowing into African economies. Consumers are accumulating and then donating more clothing, where thrift stores like Goodwill struggle to sell them. Of the 80% of clothing left unsold, 30% are transported to textile processors, 20% sold to fiber buyers to be broken down into insulation, carpet padding, or building materials. 5% are thrown away and the remaining is sold overseas (SMART 2007). While the United States imports secondhand clothing to a vast number of continents, local African apparel markets struggle to compete against them in ways other continents do not.

There are a multitude of obstacles against African textile industries aside from the competition that used clothing creates. Unstable governments resulting from civil wars, unskilled labor forces, lack of capital to update poorly functioning machinery, and inefficient market structure are common issues that already existed in the countries studied and were leading local apparel industries to their downfall. Texmoque, a large and privately owned textile factory in Mozambique was forced to close, reporting lack of essential resources such as materials and electricity as their main issues (Brooks 2015). Competition from secondhand clothing, though a possible obstacle, was not cited as a factor.

However, as Frazer concludes, though used clothing donations are not the singular reason for failures of all African countries, they do account for 40% of the decline in an average African country's apparel production. Research has shown that it is also responsible for 50% of the decline in employment of the apparel industry in an average African country. However, Frazer does not specify

the outcomes of the decline and whether it results in an overall shift in labor forces or adds to unemployment.

In Hansen's research, it is clearly stated that in Rwanda, 88% of employment in informal-sector tailoring was replaced directly with paid used-clothing distribution, giving hope that though the apparel industry is suffering, workers from that sector are still able to shift over to the newer sector of used clothing donations (Hansen 2004). Hansen attributes this simple employment shift to the fact that Rwanda did not at the time of writing have formal apparel production facilities. Rather, they had what he called "informal sector tailoring", raising the point that used-clothing donations have a potential for overall positive benefits to countries without formal apparel industries. It would be interesting to further this hypothesis by researching more countries with informal clothing sectors and observing how their economies and labor forces are positively impacted by used clothing donations.

Continuing to see how our consumption and donations are affecting African clothing markets would extend research on this topic. With the increasing amount of clothing donated to African countries and the change from closed to open borders to trade and imports, local apparel industries will continue to be affected. Additionally, there are other factors Frazer has mentioned as well, such as considering that there could be positive impacts to the apparel industry that are not accounted for. If so, the impact of used-clothing on apparel production could be even larger than the decline observed.

Additionally, research shows a possibility that there could be a limited level of imports of used clothing that would not significantly impact the domestic

apparel industry. Imports of less than 0.1 kg per capita had little to no effect on apparel production (Frazer 2008). This provides the hope that with monitoring and limitations, importing used clothing to developing countries can become good aid.

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