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FDRE TECHNICAL & VOCATIONAL TRAINING INSTITUTE

FACULTY OF TEXTILE, APPAREL AND FASHION TECHNOLOGY

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DEPARTMENT OF GARMENT TECHNOLOGY

INVESTIGATING THE IMPACT OF SECOND-HAND CLOTHING RETAILING IN ETHIOPIAN TEXTILE AND APPAREL INDUSTRY: IN CASE OF ADDIS ABABA CITY

BY

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MARCH, 2026

ADDIS ABABA, ETHIOPIA

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FDRE TECHNICAL & VOCATIONAL TRAINING INSTITUTE

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ADVISOR'S APPROVAL SHEET

TECHICAL AND VOCATIONAL TRAINING INSTITUTE

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This certifies that this study " INVESTIGATING THE IMPACT OF SECOND-HAND CLOTHING RETAILING IN THE ETHIOPIAN TEXTILE AND APPAREL INDUSTRY: A Case of Addis Ababa City" in partial fulfillment of the requirements for the degree of Master of Science (MSc) in Apparel Technology from the Faculty of Textile and Apparel Fashion Technology of Technical And Vocational Training. This study's assistance and help were welcomed. I think this fulfills the thesis's requirements.

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Declaration

I, hereby certify that this thesis is entirely original and has never been submitted for consideration for a master's degree or other academic award to any colleges or other organizations. I made it on my own with the close assistance and counsel of my advisor, and I duly acknowledged all sources of information used in the study.

Declared By: Zenbaba Worku

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Date: ___10/03/26_____ _____

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List of Acronyms and abbreviations

AGOA: African Growth and Opportunity Act

ANOVA: Analysis of Variance

CV: Coefficient of Variation

DEA: Data Envelopment Analysis

EAC: East African country

GDP: Gross domestic product

LDCs: Least developed countries

LSA: Life Cycle Assessment

NGOs: Non-Governmental Organizations

SHC: Second Hand Clothing

SPSS: Statistical Package for Social Sciences

SSA: Sub-Saharan Africa

VIF: Variance Inflation Factor

Abstract

The global market for second-hand clothing has witnessed a major boost, and Africa is among the major markets for SHC; which limits the performance of the countries textile manufacturers' performance. The case of Ethiopia is specific in that, despite existing import prohibitions in the country, SHC is thriving in Addis Ababa, raising serious problem about its effect on the textile and apparel sector. This research aims to investigate the effects of SHC retailing on Ethiopia's textile and apparel sector in Addis Ababa, considering various economic, behavioral, employment, regulatory, and environmental effects. A mixed research approach was employed incorporating both descriptive and explanatory designs in collecting relevant data from 368 respondents (95.6% response rate) comprising consumers, retailers, manufacturers, government officials, and environmental experts. The quantitative results were analyzed using descriptive statistics, correlation analysis, and multiple regression analysis in SPSS 25 software, while qualitative data provided contextual insights into market operations and policy deficiencies. The SHC retailing sector is an integral part of Addis Ababa's economy, characterized by high levels of SHC accessibility (M = 4.39) and purchase frequency (M = 3.99). The regression results revealed that economic impact, consumer preference, Retailing Practices, and employment implications are statistically significant relationships with industry performance, indicating that affects textile and apparel sector performance in Ethiopia (β = 0.428, 0.312, 0.298, & 0.249; p < 0.01), and those are explained by the independent variables (R^2 = 0.761; 76.1%). Regulatory and environmental variables showed weaker relationships, suggesting their indirect influence on the industry's overall sustainability. The findings further indicate that SHC retailing reduces the market demand for locally manufactured garments, diminishes production capacity, and weakens domestic firms' competitiveness. While SHC promotes waste reduction and reuse, the lack of recycling facilities and structured waste management limits its environmental benefits. The study concluded that SHC retailing is both an economic enabler and an industrial challenge, requiring balanced policy interventions. The researcher recommended a proposed solution model to support trade regulations, local manufacturers with technology and incentives, and fostering public awareness on sustainable fashion and circular economy practices to ensure equitable industrial and environmental growth.

Keywords/phrases: *Industry Performance, Textile Industry, Second-Hand Clothing, Economic Impact, Sustainable Fashion*

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The global textile and apparel industry has undergone major transformations over the past few decades, largely due to globalization, fast fashion, and the exponential growth of second-hand clothing trade (Cardoso, 2023). Secondhand clothes are clothes that previously belonged to someone, no matter how many years ago they were purchased or how many people have owned them. Generally, if clothes are not new, they are considered secondhand (Campbell & Campbell, 2021). Even though secondhand products are usually less expensive than new ones, some quality or branded products are still expensive as long as they are maintained in pristine condition (Persson & Hinton, 2023).

The global SHC market has expanded tremendously since the 1990s, tenfold bigger and worth almost $1 billion annually. The expansion grew SHC to become a significant part of informal economies in the majority of developing countries (Grossarth, 2025). Proponents of the trade in SHC reference the capacity of SHC to provide employment opportunities in poor nations through such activities as carrying, washing, mending, and renovating used garments. Moreover, SHC provides low-cost clothing options for economically disadvantaged populations who cannot afford new apparel. However, despite these benefits, there is growing concern that the widespread availability of secondhand clothing may undermine local textile and apparel industries and compromise domestic livelihoods (Koch, 2021).

The African continent, and particularly Sub-Saharan Africa, has become a major destination for SHC exports. According to reports, approximately 70% of global secondhand clothing donations end up in Africa, making it the region with the highest import rate of SHC (Sumo, Arhin, et al., 2023). In fact, in 2015 alone, three of the top 15 global importers of SHC were Least Developed Countries, including several from SSA countries such as Mozambique, Rwanda, Senegal, Tanzania, and Zambia have seen SHC gain a significant market share over the past two decades (Sumo, Arhin, et al., 2023). In these regions, many consumers subsist on less than US$2 per day and

depend on secondhand clothing as the only affordable alternative to new, locally manufactured apparel (Guo et al., 2021).

This heavy reliance on imported SHC presents substantial challenges to domestic textile and clothing sectors. The Ethiopian textile and apparel industry, once considered a strategic sector for industrial development and job creation, is no exception (Rundassa et al., 2019). While Ethiopia has historically maintained a ban on the trade of used clothes and shoes to protect its local industry, the SHC market continues to thrive informally through cross-border transportation and informal retailing (Makoni, 2023). In Addis Ababa, SHC retailing has become a significant component of the urban informal economy. Despite the legal restrictions, secondhand clothing is widely available in open markets and street vending, offering employment opportunities and affordable clothing for thousands of Ethiopians (Lemessa et al., 2021).

Academic studies and development reports alike warn that this influx of SHC imports can suppress the growth and competitiveness of local textile manufacturers and retailers. According to Callar Odero (2023), many developing nations import up to 30,000 tons of used clothing annually, a trend that contributes to the deterioration of local industries and, at times, overwhelms waste management systems. Similarly, (Pasquali et al., 2021) and (Bosso et al., 2023) point out that the importation of used apparel from Western countries, along with cheap new textiles from Asia, exerts immense pressure on local producers, making it increasingly difficult for them to compete on price and volume.

In Ethiopia’s context, the SHC trade is sustained by networks involving traders, transporters, and public officials who facilitate the movement and retailing of these goods despite the formal ban (Shingal et al., 2019). This parallel economy echoes patterns in other sectors, such as electronics and car spare parts, which also flourish outside official trade channels. Even as the state attempts to push the domestic textile and apparel industry as a component of its industrialization push, the ongoing popularity and accessibility of SHC remain a significant hindrance (Damestoy, 2021).

Additionally, SHC retailing is an important survival mechanism for informal traders and small-scale entrepreneurs, especially in densely populated city centers like Addis Ababa. It supports a large ecosystem of economic actors from owners of market stalls

and itinerant traders to tailors and second-level wholesalers (Sumo, 2024; Workiye, 2020) state that SHC trade alone in the East African Community sustains about 1.4 million people, providing about 355,000 jobs and revenue amounting to US$230 million. This study, therefore, explores the impacts of second-hand clothing retailing on the Ethiopian textile and apparel industry from the perspective of local manufacturers and retailers in Addis Ababa. It also aims to quantify the effects through statistical correlation, examine both the advantages and limitations of SHC, and provide evidence-based policy guidance to policymakers on how informal trade flows can be aligned with national industrial development ambitions.

1.2 Problem statement

Ethiopia, home to one of the rapidly growing economies on the African continent, has recorded remarkable expansion in its fashion and textile industries over the past few decades (Rundassa et al., 2019). In the past, between the 1960s and early 1980s, Ethiopia's garment and shoe industries were thriving, with robust local production levels ranging from raw material processing to end-product manufacturing (Callar Odero, 2023). The industries not only captured domestic demand but also exported to foreign markets while creating thousands of jobs. However, this trajectory has been critically altered in recent decades, particularly due to the influx and growing dominance of second-hand clothing (SHC) retailing (Luoma, 2025).

The rapid expansion of second-hand clothing (SHC) retailing has become a prominent feature of urban clothing markets in Ethiopia, particularly in Addis Ababa. SHC markets are widely perceived to improve clothing affordability and access for low-income consumers and to contribute to informal employment and material reuse. However, alongside these perceived benefits, concerns have emerged regarding their potential implications for the performance and sustainability of the domestic textile and apparel industry (Khurana et al., 2019).

Despite the growing presence of SHC retailing, there is limited empirical evidence in the Ethiopian context on how SHC markets influence local textile manufacturers in terms of production levels, competitiveness, employment, regulatory effectiveness, and environmental outcomes. Existing discussions are often polarized either

emphasizing SHC's consumer benefits or assuming negative impacts on domestic industries without systematically examining the interaction of economic, social, regulatory, and environmental factors (Tsega et al., 2022).

Moreover, policy responses to SHC retailing in Ethiopia remain fragmented and weakly informed by data. The absence of a clear, evidence-based understanding creates uncertainty for policymakers, industry stakeholders, and consumers regarding whether SHC retailing should be restricted, regulated, or integrated into a broader industrial and sustainability framework.

In recent years, the unregulated growth of second-hand clothing markets; much of which operates through black market channels has significantly disrupted Ethiopia's domestic textile and apparel industry (Lampel, 2020). Addis Ababa, the nation's capital and commercial hub, hosts one of the largest informal SHC markets, such as the one located at Asko near Atena Tera (Alemayehu, 2018). Their also offer listings Merkato, Megenagna, Mexico (meshualekiya), 6 killo (Sunday Market), Kotebe and online marketplaces like Jiji.com.et. These markets are inundated with used garments, often originating as donations to charities or thrift shops in the Global North and resold to underdeveloped nations at very low prices. This influx has led to the saturation of the local market with inexpensive used clothes, undermining the competitiveness and viability of locally produced garments (Atkinson, 2024).

According to Desta (2021) discussion data from the Addis Ababa Chamber of Commerce indicate that imports account for approximately 79% of clothing and 56% of shoe supplies in Ethiopia. Due to the high tariffs and logistical challenges associated with formal importation, nearly 48% of these goods enter the country through illegal channels. This not only results in significant revenue loss for the government but also gives unfair competitive advantages to SHC retailers over formal domestic textile producers.

Empirical evidence underscores the adverse effects of SHC retailing on the local industry. For instance, research shows that SHC trade has contributed to a 66.8% negative impact on domestic textile production, a 53.6% reduction in employment, and a 50% decline in job security in the sector (Hasan, 2024). Furthermore, 85.7% of consumers prioritize quality when purchasing apparel, and the affordability of SHC

often trumps the higher cost of new, locally produced garments, even when of equal or better quality (Sun, 2021). This shift in consumer behavior has further strained domestic manufacturers, many of whom are unable to compete on price with imported used clothing.

The findings of (Guo et al., 2021) also support this negative correlation, indicating that a 1% increase in SHC imports leads to a 0.61% reduction in apparel production in the recipient country. While there are environmental arguments in favor of SHC, such as reduction in global warming potential and human toxicity from reusing garments these benefits are overshadowed in the Ethiopian context by the socioeconomic costs particularly the decline of the textile and apparel value chain, loss of employment, and erosion of local industrial capacity (Adugu, 2024).

This problem is especially critical given Ethiopia's national industrialization strategies and textile development policies aimed at enhancing domestic production and export competitiveness. The unchecked expansion of the SHC market undermines these national objectives and threatens the sustainability of the country's textile and apparel sector (Tsega et al., 2022). Despite the relevance of this issue, there remains a noticeable lack of academic literature and empirical research in Ethiopia pertaining to the magnitude and influence of SHC retailing (Jensen & Whitfield, 2022).

Accordingly, this study endeavors to critically analyze the state of second-hand clothing retail in Addis Ababa and its implications in different ways for the Ethiopian textile and apparel industry. Through the determination of SHC popularity causes, SHC bazaar market dynamics, and socio-economic impacts for local producers and workers, the study was provided fact-driven Policy enforcements relevant to policymakers, market players, and planners in development. It also attempts to shape discourse in the direction of the potential need for regulatory measures, including prohibitions or bans on SHC imports, in order to revive the domestic textile sector and realize sustainable industrial progress.

1.3 Research Questions

1. How does second-hand clothing retailing influence the economic performance of local textile and apparel manufacturers in Addis Ababa?

2. What factors shape consumer preferences and purchasing behavior toward second-hand clothing compared to newly manufactured apparel?
3. What are the employment implications of second-hand clothing retailing for the Ethiopian textile and apparel sector?
4. How effective is the existing regulatory framework governing second-hand clothing imports and retailing practices?
5. What environmental consequences are associated with second-hand clothing retailing and disposal in Addis Ababa?
6. What solution model and policy recommendations can effectively balance the impacts of second-hand clothing retailing on policymakers, consumers, retailers, and local manufacturers in Ethiopia?

1.4 Objectives of the Study

1.4.1 General Objectives

To investigate the impact of second-hand clothing retailing on the Ethiopian textile and apparel industry, with a specific focus on Addis Ababa and propose a solution model.

1.4.2 Specific Objectives

1. To analyze the economic impact of second-hand cloth retailing on local textile manufacturers and suppliers.
2. To examine consumer preferences and behavior towards second-hand clothing in comparison to newly manufactured apparel.
3. To assess the employment implications of SHC retailing on the Ethiopian textile and apparel sector.
4. To evaluate the regulatory framework governing SHC imports and its effect on local textile businesses.
5. To explore the environmental consequences of second-hand clothing retailing and disposal in Addis Ababa.
6. To propose a solution model and provide policy recommendations for policymakers, consumers, retailers, and local manufacturers.

1.5 Significance of the study

This study examines the impact of second-hand clothing (SHC) retailing on Ethiopia's textile and apparel industry, particularly in Addis Ababa, offering insights into its economic, social, and environmental dimensions. It provides empirical evidence for policymakers to enhance trade regulation and industrial development while addressing the challenges faced by local manufacturers due to market displacement and competition from SHC imports. The research highlights opportunities for innovation and strategic positioning for businesses and informs consumers about the implications of their purchasing choices. Additionally, it offers insights into the dual impact of SHC on employment and environmental sustainability. Overall, the study serves various stakeholders, including government institutions, manufacturers, consumers, and the academic community, by enriching understanding of the second-hand clothing trade's effects in developing economies.

This study focuses on the city of Addis Ababa, the capital city of Ethiopia, which is a major hub for the retailing of second-hand clothing (SHC) and has a high economic importance. The study explores the perceptions and experiences of the key stakeholders in the textile and apparel industry in the city.

The study explores the economic, social, and policy implications of second-hand clothing retailing in the textile and apparel industry's value chain. The study specifically explores the implications of second-hand clothing trade on the textile and apparel industry's performance, consumer behavior, employment, and regulatory practices. Moreover, the study explores the past and present market trends to gain a comprehensive understanding of the second-hand clothing market in the study area.

1.6 Scope and Limitations of the Study

1.6.1 Scope of the Study

This study focuses on Addis Ababa, the capital city of Ethiopia, where second-hand clothing (SHC) retailing is highly prevalent and economically significant. The research examines the perceptions and experiences of key stakeholders, including local textile and apparel manufacturers, SHC retailers, consumers, and policymakers.

The analysis covers the economic, social, and policy dimensions of SHC retailing within the textile and apparel value chain. It specifically investigates how SHC trade influences industry performance, consumer behavior, employment dynamics, and regulatory practices. In addition, the study considers both historical trends and current market conditions to provide a comprehensive understanding of the evolving SHC market in the study area.

1.6.2 Limitations of the Study

Despite its contributions, the study presents several limitations. Firstly, its geographic focus is limited to Addis Ababa, which may not accurately represent conditions in other areas of Ethiopia, particularly rural regions or smaller towns with different market dynamics. Secondly, the research is specific to the textile and apparel industry, not encompassing the broader economic implications of second-hand clothing (SHC) retailing on other sectors like logistics, international trade, or informal cross-border commerce. Thirdly, there was a scarcity of prior research and documented evidence regarding SHC retailing in Ethiopia, which posed challenges during the literature review phase. As a response, the study utilized international literature combined with primary data collection methods, such as surveys, interviews, and observations. Lastly, the results are partially based on self-reported and secondary data, which may introduce reporting biases, particularly concerning informal SHC markets that are often undocumented, potentially impacting the accuracy of findings related to the scale and economic significance of informal trading activities.

1.7 Operational Definition of Key Terms

1. Second-Hand Clothing (SHC): Used garments that are imported into Ethiopia and sold through local retailers at lower prices (Chekol et al., 2022). In this study, SHC refers specifically to apparel purchased by consumers in Addis Ababa from markets, shops, or street vendors.

2. Retailing: The process of selling goods directly to consumers for personal use (Ratchford et al., 2022). Here, it refers to the selling of second-hand clothing by vendors, shop owners, or informal market participants in Addis Ababa.

3. Textile and Apparel Industry: A sector that includes the production of fibers, yarns, fabrics, and finished clothing items (Islam et al., 2022). In this context, it refers to Ethiopian-based manufacturers and suppliers affected by SHC trade.

4. Local Manufacturers: Ethiopian businesses involved in producing and selling textiles or garments locally (Whitfield et al., 2020). The study evaluates how SHC retailing influences their sales, employment, and competitiveness.

5. Consumer Behavior: The preferences, decisions, and purchasing habits of individuals regarding apparel (Hung et al., 2023). This includes motivations behind buying SHC instead of newly manufactured garments.

1.8 Organization of the study

The study went into the establishment of second-hand cloth vending in the Ethiopian textile and garment industry. It is segmented into various chapters, each of which handles some issues of the research. The initial chapter laid out the research question, explains the problem, objectives, research questions, importance, scope and limitation of the research. The second chapter presents an overview of the current research on second-hand clothing, consumer behavior, and the textile industry and highlights gaps and fills them. The third chapter describes the methodology followed during the research, i.e., approach, data collection methods, sampling procedures, and data analysis procedures. The fourth chapter presents the data collected and comments on implications to local manufacturers, retailers, consumers, and policymakers. The final chapter summarized the key findings, offers professional recommendations, and suggests directions for research extension.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this section of literature review the researcher try to show validation evidences what has been published on a topic by qualified scholars and researchers. The purpose of this chapter is to review knowledge and ideas that have been established on a topic and their strengths as well as weaknesses. It also identifies the previous research gaps and what that needs to be further investigated. Moreover, this chapter includes the section structures in different section, theoretical review, empirical review and conceptual reviews with detailed sub topics.

The theory that this paper is based on is Import Substitution Industrialization theory, which advocates for the protection of local industries from external competition; Porter's Competitiveness Theory, which explains variations in performance between firms; and Consumer Behavior Theory.

2.2 Global Overview of Second-Hand Cloth Trade

The global trade in second-hand clothing (SHC) has evolved into a complex and controversial economic system that spans continents and involves a wide range of stakeholders, from charitable organizations and recycling firms in high-income countries to informal market vendors and consumers in low-income nations (Encino-Munoz & Morone, 2023). In recent decades, this trade has become an integral part of the global textile and apparel value chain, driven by rapid consumption cycles in developed countries, fast fashion, and increased awareness of clothing reuse (Gereffi, 2019). Countries such as the United States, United Kingdom, Germany, and Canada are among the top exporters of used clothing, collectively shipping millions of tons annually to the Global South (Andeobu et al., 2021). These exports often originate from charitable donations and textile waste collection systems, which are sorted, graded, and sold to intermediaries before being shipped abroad. The exported clothing is typically sold at low prices, making it affordable for consumers in recipient countries while generating economic activity along the supply chain (Fernandez-Stark et al., 2022).

The SHC trade is underpinned by global inequalities in production and consumption. High-income nations tend to overproduce and overconsume clothing, leading to large quantities of surplus garments (Jensen & Whitfield, 2022). In contrast, many low-income and developing countries lack the industrial capacity to meet domestic clothing demand affordably, creating a market gap filled by SHC imports (Sumo, Arhin, et al., 2023). According to the Global Trade Wang et al. (2023), Africa has been a dominant destination for SHC exports, accounting for over 30% of global imports. Countries like Kenya, Ghana, and Uganda have developed large-scale SHC markets that employ thousands of people and serve millions of low- to middle-income consumers. These markets have become essential to urban economies, providing both economic resilience and access to fashion otherwise unaffordable through local production (Bosso et al., 2023).

Despite its economic benefits, the global SHC trade has sparked significant debate. Critics argue that the influx of low-cost, often high-quality used clothing undermines local textile industries by creating unfair competition, depressing local prices, and reducing demand for domestically made garments (Rahman, 2022). In many African nations, once-thriving textile and garment industries have declined sharply since the liberalization of trade in the 1980s and 1990s, which coincided with the boom of SHC imports. This has led some countries to consider restrictions or outright bans on SHC imports to protect local industries (Babić, 2024). For instance, the East African Community (EAC) proposed a regional ban on SHC by 2019, although the initiative met resistance from major exporting countries and internal disagreements among member states (Union, 2020).

Proponents of SHC trade, however, emphasize its contribution to job creation, affordability, and environmental sustainability. They argue that SHC helps reduce textile waste and promotes reuse, aligning with circular economy principles (Duarte et al., 2023). Furthermore, in countries with limited textile production capabilities, SHC remains the only viable option for many consumers to access durable and fashionable clothing. As such, the SHC trade presents a policy dilemma: how to balance the socio-economic benefits of affordable clothing access and informal employment with the strategic goal of developing competitive domestic textile industries (Castagnari, 2023).

The researcher concluded that, the global SHC trade is a dynamic system embedded in broader economic, environmental, and social considerations. While it provides economic opportunities and affordable goods for millions, it also poses serious challenges for industrial development in recipient countries. Understanding these global dynamics is important for evaluating how SHC affects Ethiopia's efforts to revitalize its textile and apparel industry, particularly in urban centers like Addis Ababa where both formal and informal clothing markets coexist.

2.3 Second-Hand Clothing in Africa

The second-hand clothing (SHC) trade has become deeply embedded in the socio-economic fabric of many African countries, reflecting complex intersections of global trade, local consumption patterns, and industrial vulnerability (Otieno, 2020). Across the continent, SHC serves as a dominant source of clothing for urban and rural populations alike, primarily due to its affordability, variety, and accessibility. African countries collectively import over a third of the world’s SHC exports, positioning the continent as the largest and most dynamic regional market for used garments (Chaisse & Chakraborty, 2021). This trade has fostered vast informal retail sectors, stimulated microenterprise development, and contributed to household consumption, especially among low- and middle-income groups (Dawson, 2020). However, this widespread adoption of SHC has also been associated with the decline of domestic textile manufacturing, raising concerns about long-term economic sovereignty, industrial sustainability, and policy coherence (Kabissa et al., 2022).

In Kenya, the SHC market locally known as Mitumba, that has grown into a multi-billion-shilling sector, employing hundreds of thousands of people and supplying an estimated 70% of clothing consumed nationally (Kiss, 2023). The Gikomba market in Nairobi, one of the largest SHC hubs in East Africa, demonstrates how second-hand apparel has become a cornerstone of urban retail economies. Despite its contribution to informal employment and consumer affordability, Kenya's domestic textile industry has struggled to compete with the influx of cheap, high-quality SHC products (Kuiper, 2024). Efforts to revive the local apparel sector under initiatives like the African Growth and Opportunity Act (AGOA) have yielded limited results, as SHC continues to dominate the local market (Nattabi, Okillong, Kahunde, et al.).

The Second-Hand Clothing (SHC) sector in Uganda, known as Mivumba, is backbone for the country's economy, providing clothing to over 80% of its population (Mubiru, 2023). However, the industry has been declining due to the price advantage and brand variety of imported second-hand clothing. This has led to concerns about its long-term impact on industrial diversification and formal employment. Rwanda attempted to reduce reliance on SHC through policy intervention, increasing tariffs on used clothing and encouraging domestic production under its "Made in Rwanda" campaign (Guo et al., 2021). However, this led to diplomatic backlash from the United States, which suspended Rwanda's duty-free access for apparel exports due to trade agreement violations under the AGOA (Liu et al., 2024).

According to Akroku (2022) in Ghana, the SHC sector, also known as Obruni Wawu, plays a central role in fashion and commerce. The Kantamanto Market in Accra handles large volumes of imports from Europe and North America. Concerns have been raised about environmental degradation, particularly from textile waste generated by unsold and damaged SHC (Akudugu, 2021).

The East African Community (EAC), comprising Kenya, Uganda, Tanzania, Rwanda, Burundi, and South Sudan, proposed a coordinated ban on SHC imports to protect and revitalize domestic textile and apparel industries (Thomas, 2021). However, the ban faced internal inconsistencies, political resistance, and external pressure from donor nations, particularly the United States, which viewed it as a threat to free trade. This divergence within the EAC undermined the collective efficacy of the policy and exposed the tension between short-term economic benefits from SHC and long-term industrial policy goals (Zgovu, 2021).



Figure 2.1: Second-hand clothing trained in Africa (Dawson, 2020)

The study summarizes the theory about Second-Hand Clothing in Africa, presents a paradox which, is both a source of economic resilience and a challenge to industrial development. The diverse experiences of countries like Kenya, Uganda, Rwanda, and Ghana illustrate the varying degrees to which SHC can support livelihoods while simultaneously threatening the viability of local textile sectors. Policymakers across the continent face a complex balancing act that leveraging the affordability and employment benefits of SHC, while crafting strategic industrial policies that promote local production, environmental responsibility, and trade sovereignty.

2.4 Second-Hand Clothing in Ethiopia

The second-hand clothing (SHC) sector in Ethiopia represents a complex intersection of global trade, urban consumer behavior, informal employment, and domestic industrial challenges (Obule-Abila, 2020). Like many African countries, Ethiopia has witnessed a sharp rise in the import and distribution of SHC since the late 20th century, driven by globalization, liberalized trade policies, and shifting consumer preferences (Altenburg et al., 2020). The demand for SHC in Ethiopia, particularly in urban areas such as Addis Ababa, is rooted in affordability, accessibility, and diversity of styles that offering consumers an alternative to the more expensive and often limited locally produced garments. In this context, SHC has evolved from being a marginal economic activity into a significant urban retail phenomenon (Kazlou & Urban, 2023).

Historically, Ethiopia's textile and apparel industry were a promising sector with considerable growth potential. Backed by state-led industrial policies and donor-supported development strategies, it was earmarked as one of the priority sectors for industrial transformation (Tsega et al., 2022). However, the rapid proliferation of SHC imports has posed a structural challenge to these aspirations. Despite efforts to develop domestic value chains through textile parks and export-oriented manufacturing, the overwhelming availability of inexpensive used clothing; primarily sourced from Europe, North America, and Asia that has reduced the competitiveness of locally manufactured garments (Grumiller & Raza, 2019). According to (Huber, 2020), the Ethiopian textile sector suffers from low productivity, high production costs, and poor design differentiation, making it ill-equipped to compete with the flood of imported SHC.

In Addis Ababa, the informal textiles (SHC) market is a significant source of employment for thousands of people, particularly women and youth (Makanga, 2022). However, the sector remains informal and unregulated, leading to challenges in taxation, worker rights, and quality control. The lack of formal recognition limits access to social protection and business development support. SHC also has a significant environmental impact, as it often becomes a disposal ground for unsellable or low-grade clothing, contributing to urban pollution and toxic emissions (Encino-Munoz & Morone, 2023). Ethiopia's policy stance towards SHC is ambiguous, with no quality control mechanism, import licensing, or labeling standards. This has led to a robust informal import system, undermining formal sector manufacturers and eroding potential tax revenues. Despite these challenges, SHC remains popular among consumers, particularly youth and lower-income groups, who view it as their primary source of clothing due to its affordability, fashionable designs, and availability of foreign brands (Knoetze, 2019).



Figure 2.2: Overview of second-hand clothing in Ethiopia (Makanga, 2022)

From the point view of this study, the SHC market in Ethiopia and specifically in Addis Ababa represents a paradoxical system that supports livelihoods and meets consumer demand, but simultaneously undermines the growth of domestic industry and exacerbates environmental and regulatory concerns. Understanding the dynamics of this sector is critical to formulating effective policies that balance the interests of consumers, retailers, manufacturers, and environmental stakeholders. As Ethiopia seeks to transition toward a sustainable and inclusive industrial economy, the SHC sector must be examined not as an informal side activity, but as a central feature of

the urban apparel ecosystem with far-reaching economic, social, and ecological implications.

2.5 Second-Hand Clothing in Addis Ababa

Addis Ababa, the capital of Ethiopia, is the epicenter of the second-hand clothing (SHC) trade, influenced by the city's dynamic economy, diverse population, and growing urbanization (Workiye, 2019). SHC retailing in Addis Ababa supports a substantial informal economy, supporting thousands of individuals in various roles such as importers, wholesalers, street vendors, transporters, washers, and tailors. This sector provides affordable and diverse clothing options for urban dwellers, particularly low-income households, students, and informal workers (Union, 2020). However, SHC retailing also poses challenges for local textile and garment manufacturers, as they struggle with high input costs, unreliable electricity, and limited economies of scale (Bosso et al., 2023). This has led to a decrease in domestic demand for new, locally produced garments, forcing many manufacturers (Adugu, 2024) and tailors to scale down operations or exit the market entirely.

The environmental implications of SHC in Addis Ababa are also significant, as there is no systematic sorting or recycling mechanisms in place, leading to significant volumes of unsold or low-quality items being discarded in open spaces or mixed into municipal waste streams (Amare, 2024). The city's waste management infrastructure is ill-equipped to handle textile waste, and there is limited public awareness or policy attention towards the life cycle impact of clothing imports (Khurana et al., 2019).

The researcher concluded that, Addis Ababa's SHC market is a microcosm of larger tensions between globalization, informality, industrial development, and consumer behavior. A comprehensive understanding of these dynamics is essential for developing targeted policies that ensure fair competition, support inclusive employment, and promote sustainable consumption patterns in Ethiopia's urban centers.



Figure 2.3: Overview of SHC practice in Addis Ababa ((Workiye, 2019)

2.6 Empirical Literature Review

Empirical research on second-hand clothing (SHC) retailing reveals a complex and multifaceted impact on developing economies, particularly in Sub-Saharan Africa, where local textile industries face increasing competition from imported used garments (Dzramedo et al., 2023). This section reviews key empirical studies conducted in relevant contexts both regionally and globally with a focus on the economic, social, environmental, and regulatory implications of SHC (Ihre, 2025).

Several empirical studies have examined the economic impact of SHC on local textile manufacturing. Macchiavello et al. (2022) conducted a cross-country econometric analysis across 40 Sub-Saharan African countries and found that SHC imports were associated with a 40% decline in domestic apparel production over the span of two decades. Similarly, (Nattabi, Okillong, Shinyekwa, et al.) in The Travels of a T-Shirt in the Global Economy emphasized how SHC disrupted Africa's textile base, noting that the influx of cheap second-hand clothes undermined local manufacturers who struggled with production inefficiencies and limited market access (Ndulo, 2022).

According to (Chekol et al., 2022) Ethiopia's textile industry faces challenges in competing with second-hand clothing (SHC) due to higher production costs, design limitations, and outdated technologies. Consumer behavior and preferences towards SHC are also influenced by factors such as affordability, uniqueness, and perceived higher quality (Lemessa et al., 2021). Despite Ethiopia's efforts to develop local textile industries, the price-to-quality ratio of SHC remains attractive to most urban consumers. SHC markets sustain livelihoods, offering economic empowerment to marginalized women and creating a network of micro-entrepreneurs. However, formal

sector stakeholders argue that SHC undermines long-term employment by weakening domestic manufacturing (Diriba et al., 2019).

Regulatory and policy approaches to SHC are mixed, with some countries like Rwanda and Kenya backtracking due to pressure from traders and external partners (Aziza, 2021). The lack of monitoring systems and national SHC databases also hinders comprehensive impact assessment. Environmental effects of SHC include extending clothing lifespan but shifting the waste burden to low-income countries lacking textile recycling systems (Whitfield et al., 2020). Policy enforcements suggest a balanced approach, with hybrid strategies where SHC trade is formalized, taxed, and quality-controlled while investing in local industry support, design innovation, and consumer awareness (Charbonneau, 2020).

As a conclusion empirical literature across Africa and Ethiopia shows that while SHC retailing offers affordability, employment, and fashion variety, it also imposes significant economic, environmental, and industrial challenges (Khurana & Tadesse, 2019). In Addis Ababa, these dynamics are deeply embedded in urban consumer culture and informal economies. To craft effective policy responses, there is a pressing need for Ethiopia-specific empirical data and stakeholder-inclusive studies. This thesis aims to fill that gap by examining localized evidence and proposing data-driven solutions for a balanced apparel economy.

2.6.1 Effects of Second-Hand Clothing on Textiles and Garment Industries

The influx of second-hand clothing (SHC) into developing economies has raised serious concerns regarding its implications on domestic textile and garment industries (Mwasomola & Ojwang, 2021). In countries like Ethiopia, where the textile sector is considered strategic for industrialization, employment, and economic growth, the widespread availability and affordability of SHC presents both direct and indirect challenges (Gebrehiwot, 2022). This section explores the multifaceted effects of SHC retailing on local textile and garment manufacturing, focusing on competition, market displacement, pricing structures, innovation stifling, and long-term industrial sustainability.

Second-hand clothing (SHC) has a significant impact on Ethiopia's textile and garment industries, causing market displacement, undermining industrial growth

potential, and affecting employment (Mwasomola & Ojwang, 2021). Locally produced garments struggle to compete with the low cost of imported SHC, leading to a price disparity that affects small and medium enterprises (SMEs). The unrestricted growth of the SHC market also limits domestic demand and discourages innovation in design, quality, and branding (Encino-Munoz & Morone, 2023). This results in a reliance on external markets, creating vulnerabilities during global conditions.

The decline in domestic textile value chains weakens economic integration, as local production of cotton, yarn, and woven fabrics suffers reduced demand (Wang et al., 2019). This leads to a largely import-driven second-hand retail economy. SHC also affects local fashion identity and cultural pride, as traditional textiles, patterns, and garments face declining popularity in the face of Western fashion trends. Quality perception and consumer behavior are significantly influenced by SHC, as it is often associated with foreign brands (Kral & Janoskova, 2020).

In the face of these negative effects, SHC also meets critical consumer needs in Ethiopia, especially in the context of widespread poverty and limited purchasing power (Balango, 2020). Mitigating the adverse impacts of SHC requires comprehensive strategies, including regulation of SHC imports, support for domestic industry competitiveness, consumer education, and stronger linkages between policy, production, and consumption (Lampel, 2020).

2.6.2 Customer satisfaction with second hand clothing

Second-hand clothing (SHC) retailing in Ethiopia has become a dominant player in the urban apparel market due to its affordability, variety, and accessibility. Price affordability is a primary driver of satisfaction among SHC consumers, as it provides access to clothing that would otherwise be financially inaccessible (Sumo, Ji, & Cai, 2023). SHC items originate from high-quality brands in Europe, North America, or Asia, offering better stitching, fabric, and durability than newly produced local items. Variety and uniqueness also play a significant role, as SHC markets in Addis Ababa offer a wide range of styles, colors, and brands, enabling consumers to find unique clothing pieces not commonly found in retail shops (Mitchell, 2024).

In terms of fit and availability, SHC often meets the needs of diverse body sizes and preferences more effectively than standardized factory-produced garments (Farley,

2024). However, concerns about hygiene, sanitation, and durability and post-purchase performance are common. From a consumer service perspective, customer satisfaction is influenced by the behavior of vendors, their product knowledge, pricing transparency, and willingness to negotiate (Zaman, 2024).

Despite these mixed factors, customer satisfaction with SHC in Addis Ababa is high, driven mainly by affordability, fashion access, and perceived quality. The loyalty of many customers to specific markets and vendors indicates sustained satisfaction, with repeat purchases and word-of-mouth referrals common (Immanuel, 2023).

2.6.3 Economic Impact on Local Textile Manufacturers and Suppliers

Economic literature consistently highlights the displacement effect SHC imports have on local textile manufacturers in low-income countries. Studies by Mwasomola and Ojwang (2021) argue that an influx of low-cost second-hand garments undermines demand for domestically produced apparel by outcompeting local manufacturers on price, quality, and variety. In Ethiopia, which has invested heavily in reviving its textile industry under national development plans like the Growth and Transformation Plan (GTP), SHC imports challenge weakening supply chains, and reducing factory utilization rates (Kumera, 2018). While some reports like Report (2013) the SHC trade as a necessary part of the global recycling economy, others critique its asymmetrical effects on African economies that lack the industrial resilience to withstand foreign competition. Local suppliers, particularly small-scale weavers and tailors, struggle to sustain operations amid a shrinking market for new clothing, suggesting a clear economic distortion created by the SHC trade (Gebrehiwot, 2022).

2.6.4 Consumer Preferences

Consumer behavior studies across African contexts indicate that affordability, style diversity, and perceived quality are primary drivers of second-hand clothing consumption (Union, 2020). In Nairobi, Accra, and Kampala, consumers report preferring SHC not only for its cost effectiveness but also for access to branded, durable apparel (Sumo, 2024). Addis Ababa presents a similar pattern. Anecdotal evidence and emerging market research suggest that Ethiopian consumers,

particularly youth and low-to-middle income urban dwellers, are increasingly attracted to SHC due to its trendy appeal and economic accessibility (Balango, 2020). Even though the availability of locally manufactured clothing, many view domestic products as overpriced and of lower quality, partly due to the lack of design innovation and limited variety (Kral & Janoskova, 2020). Thus, preference for SHC is not solely price-driven but shaped by fashion consciousness, brand aspiration, and the resale value of imported goods. This dynamic reshapes local production-consumption cycles and affects how domestic apparel producers design and price their products.

2.6.5 Employment Implications

The SHC trade in Ethiopia supports a significant informal economy, providing income for thousands of people involved in sorting, retailing, transporting, and repairing used clothing (Whitfield et al., 2020). As in Kenya's Mitumba industry, Ethiopia's SHC sector has become a critical source of livelihood for women, youth, and unskilled workers (Gebrehiwot, 2022). However, this employment comes at the cost of formal sector jobs in textile production. The decline of domestic garment factories, such as those once thriving in Kombolcha and Hawassa, has resulted in layoffs and a shift from stable, contract-based employment to precarious informal retailing (Desta, 2021). Christiaensen and Maertens (2022) noted that while SHC contributes to job creation, it does so in low-productivity segments with minimal upward mobility. Thus, the net employment effect of SHC in Ethiopia is ambiguous, while jobs are created in retail; there is a simultaneous erosion of quality employment in manufacturing, contributing to labor market informality.

2.6.6 Regulatory Framework and its Effects

The Ethiopian government has implemented various trade and industrial policies aimed at revitalizing the textile sector, including import tariffs, investment incentives, and export promotion through industrial parks (Gebrehiwot, 2022). However, the regulatory environment surrounding SHC imports remains poorly defined. Ethiopia has not enforced a formal ban on SHC, unlike Rwanda, and often treats the trade as a marginal issue despite its significant impact on domestic industry (Kumera, 2018). Asymmetries in customs enforcement and the prevalence of informal import channels exacerbate regulatory inefficiencies. While the Ethiopian Customs Commission has

occasionally cracked down on illegal SHC imports, enforcement remains inconsistent (Tsega et al., 2022). Studies from the EAC context suggest that regulatory clarity and coordinated regional approaches are essential to manage SHC flows effectively and shield nascent industries from unfair competition. In Ethiopia's case, the lack of clear policy direction has contributed to the textile sector's vulnerability and weakened industrial policy coherence (Huber, 2020).

2.6.7 Environmental Consequences of SHC Retailing and Disposal

While second-hand clothing is often praised for its role in extending garment lifecycles and reducing textile waste in the Global North, its environmental impact in receiving countries like Ethiopia is less benign. Massive volumes of low-grade or unsellable clothing are discarded into landfills, creating environmental hazards and straining urban waste systems (Callar Odero, 2023). In Addis Ababa, where waste management infrastructure is already under pressure, unsold SHC contributes to the city's growing solid waste problem (Amare, 2024). Kantamanto Market in Ghana provides a relevant comparative case: only about 50% of imported SHC is sold; the rest ends up as landfill or ocean waste. Ethiopia faces similar risks (Van Boeckholtz, 2021). The environmental cost of SHC retailing, that ranging from increased textile waste to pollution from synthetic fabrics has not received adequate policy or academic attention. Addressing these consequences requires a shift toward circular economy models, improved waste sorting, and investment in textile recycling initiatives (Moyen Massa & Archodoulaki, 2024).



Figure 2.4: Environment effects of Second-Hand Clothing (Callar Odero, 2023)

2.6.8 Policy Enforcements and Balancing Stakeholder Interests

Effective policy responses to SHC retailing require balancing the interests of multiple stakeholders like, consumers, informal retailers, formal manufacturers, and the environment (Pasquali et al., 2021). Literature from Rwanda's Made-in-Rwanda policy and Ghana's circular economy campaigns offers valuable insights (Thomas, 2021). Policymakers must recognize that banning SHC outright may be politically and economically unfeasible, especially for low-income consumers who depend on it. Instead, gradual strategies such as imposing quality standards, promoting local brand competitiveness, and offering incentives for sustainable fashion could create a more balanced ecosystem (Herrine, 2022).

Supporting domestic producers through access to finance, training in fashion design, and market access is equally essential. At the same time, fostering awareness campaigns about the environmental cost of SHC and promoting ethical consumerism can shift behaviors (Ikpe et al., 2024). For Ethiopia, developing a nuanced policy mix informed by robust evidence is key to ensuring that the textile and apparel industry can coexist with SHC retailing in a way that supports industrial development, social welfare, and sustainability (Balango, 2020).

2.6.9 Operationalize Variables

The paper presents the operationalization of key variables used in this study. Each major construct is broken down into measurable sub-components to ensure clarity, consistency, and empirical testability. This approach enables abstract concepts such as economic impact, consumer behavior, and industry performance to be quantified and analyzed using statistical methods.

The operationalization of the variables shows that the study is using a structured approach in terms of data analysis. This is because broad concepts are being translated into specific indicators. This shows that the results obtained are precise and can be relied upon. By linking every variable to specific aspects such as production level, price sensitivity, and employment conditions, it is ensured that the results obtained are practical and can be used to interpret the relationship between second-hand clothing retailing and the performance of the textile industry.

Table 2.1 Operationalize Variables

Variable	Sub-components (Measured Items)
Economic Impact	Production level, sales, profitability
Consumer Behavior	Price sensitivity, quality perception, brand preference
Industry Performance	Output, employment, competitiveness
Employment	Job creation, job loss
Regulation	enforcement level, policy awareness

2.7 Literature Gaps

The global second-hand clothing (SHC) trade has a significant impact on developing economies, but there are several critical knowledge gaps, particularly in Ethiopia's textile and apparel industry (Sumo, Arhin, et al., 2023). There is a lack of Ethiopia-specific studies, particularly in urban settings like Addis Ababa, where SHC trade is most concentrated. Additionally, there is a lack of research focusing on the economic, social, and environmental impacts of SHC retailing at the city level, particularly in Addis Ababa (Sumo, Arhin, et al., 2023). Also there is a lack of consistency in studies on SHC over the years was observed.

Consumer behavior and preferences are under-examined, with key factors such as quality perception, affordability, fashion trends, and socio-cultural influences remaining under-examined. Edae et al. (2025) states employment effects are poorly documented, with insufficient empirical data on how SHC retailing affects formal employment in Ethiopia's textile and garment industry versus informal jobs created in SHC markets. Ethiopia's policy stance on SHC imports remains ambiguous and poorly documented in academic literature. Comparative policy analysis is largely absent in the Ethiopian context, making it difficult to assess the effectiveness of existing regulations or propose viable policy alternatives (Ghione, 2021).

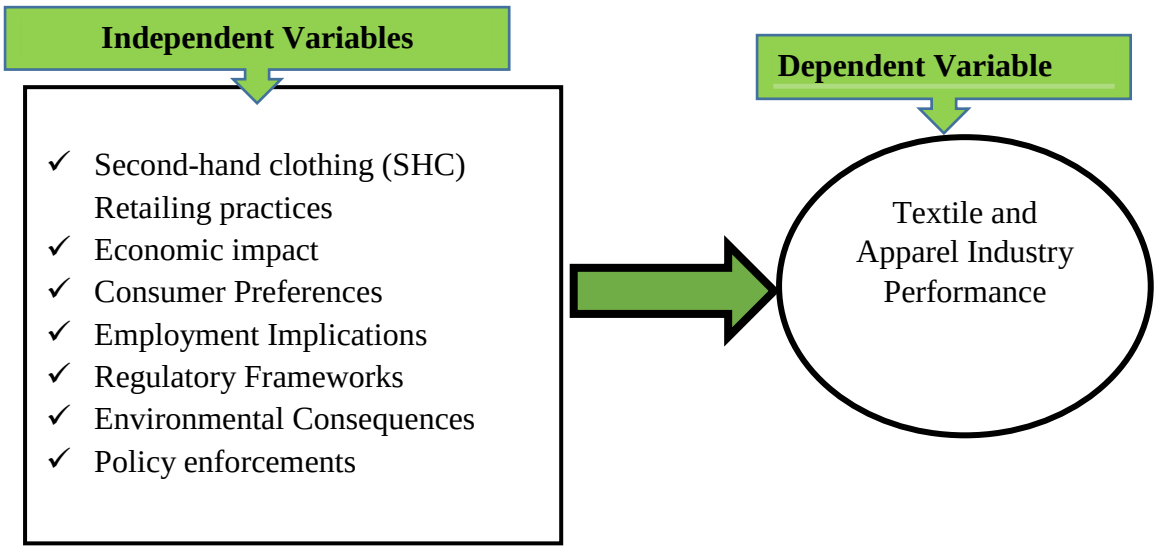
The review further depicts that many authors choose to conduct desk studies rather than fresh empirical research, which is highly associated with limited SHC data as much essential information about the used clothing trade remains unreported in the international trade statistics. So the researcher was forced to use literature not directly

on Ethiopia but data related to as a whole. Specifically, the study aims at exploring the status of SHC trade in Ethiopia, exploring factors contributing to the choice of SHC, assessing challenges imposed by SHC to the growth of the local textile sector, and examining the need to ban SHC trade. Therefore, this study was significant to policy and lawmakers in addressing various issues raised and it contributed to emerging literature in Ethiopia on the secondhand clothing trade and its impacts on the growth of the local textile sector.

Lastly, there is a lack of integrated frameworks for Policy enforcements, as existing studies tend to isolate individual aspects of the SHC phenomenon without offering comprehensive models for balancing the needs of consumers, retailers, manufacturers, and policymakers (Andynar, 2023). This highlights the need for more comprehensive, data-driven, context-sensitive policy solutions that promote industrial development and social equity.

2.8 Conceptual framework

This conceptual framework was developed based on the literature reviewed about second hand clothing effect on locally owned textile and apparel manufacturing and retailing industry and supports the conceptualization of objectives and research questions of this study. Dependent and independent variables are identified in the following diagram.



Source: Developed from theoretical and Empirical Literature by the researcher (2025)

Figure 2.5: Conceptual Framework

The conceptual framework presented in Figure 2.5 illustrates the hypothesized relationships between the major variables of this study; the dependent variable, textile and apparel industry performance, and several independent variables, which include second-hand clothing (SHC) retailing practices, economic impact on local textile manufacturers and suppliers, consumer preferences, employment implications, regulatory frameworks, environmental consequences, and policy enforcements. The framework serves as a visual representation of how SHC retailing influences the performance and sustainability of the Ethiopian textile and apparel industry, particularly within Addis Ababa City.

The conceptual model indicates that second-hand clothing (SHC) retailing practices significantly impact the local Ethiopian textile sector by reducing the demand for new garments, which negatively affects local manufacturers' economic performance, production levels, and profitability. Consumer behavior, driven by affordability and perceived quality of SHC products, further weakens demand for local apparel. The SHC sector creates informal jobs but also displaces formal textile manufacturing jobs. Weak regulatory frameworks fail to control SHC imports, exacerbating challenges for local industries. Environmental impacts include both benefits, such as textile waste reduction, and drawbacks relating to increased post-consumer waste. The model underscores the need for policy interventions that balance consumer needs, industrial growth, and environmental sustainability, while highlighting SHC retailing's complex effects on Ethiopia’s textile industry performance and sustainability goals.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a detailed description of research design, research approach, and participants of the study, sampling techniques, and sample size. Furthermore, the portion in this study covered methods of survey questionnaire, interview, document analysis, data collection procedures and methods and procedure of data analysis has been presented.

3.2 Research Design and Research Approach

The study employed a descriptive and explanatory research design, integrating both quantitative and qualitative methodologies to assess the impact of second-hand clothing (SHC) retailing on Ethiopia's textile industry, particularly in Addis Ababa. The descriptive aspect quantifies current market trends, consumer demographics, and pricing, while the explanatory component uncovers causal relationships affecting local manufacturing, employment, regulations, and environmental conditions. Quantitative data were collected via structured questionnaires from a representative sample, enabling hypothesis testing and pattern identification. Qualitative insights were gathered through semi-structured interviews with key stakeholders, providing a deeper understanding of trade regulations and the experiences of those affected by SHC. This mixed-method approach enhances the study's validity and comprehensiveness by allowing data triangulation, important for understanding complex socioeconomic dynamics. The detailed research flow diagram was stated in the following figure 3.1 below.

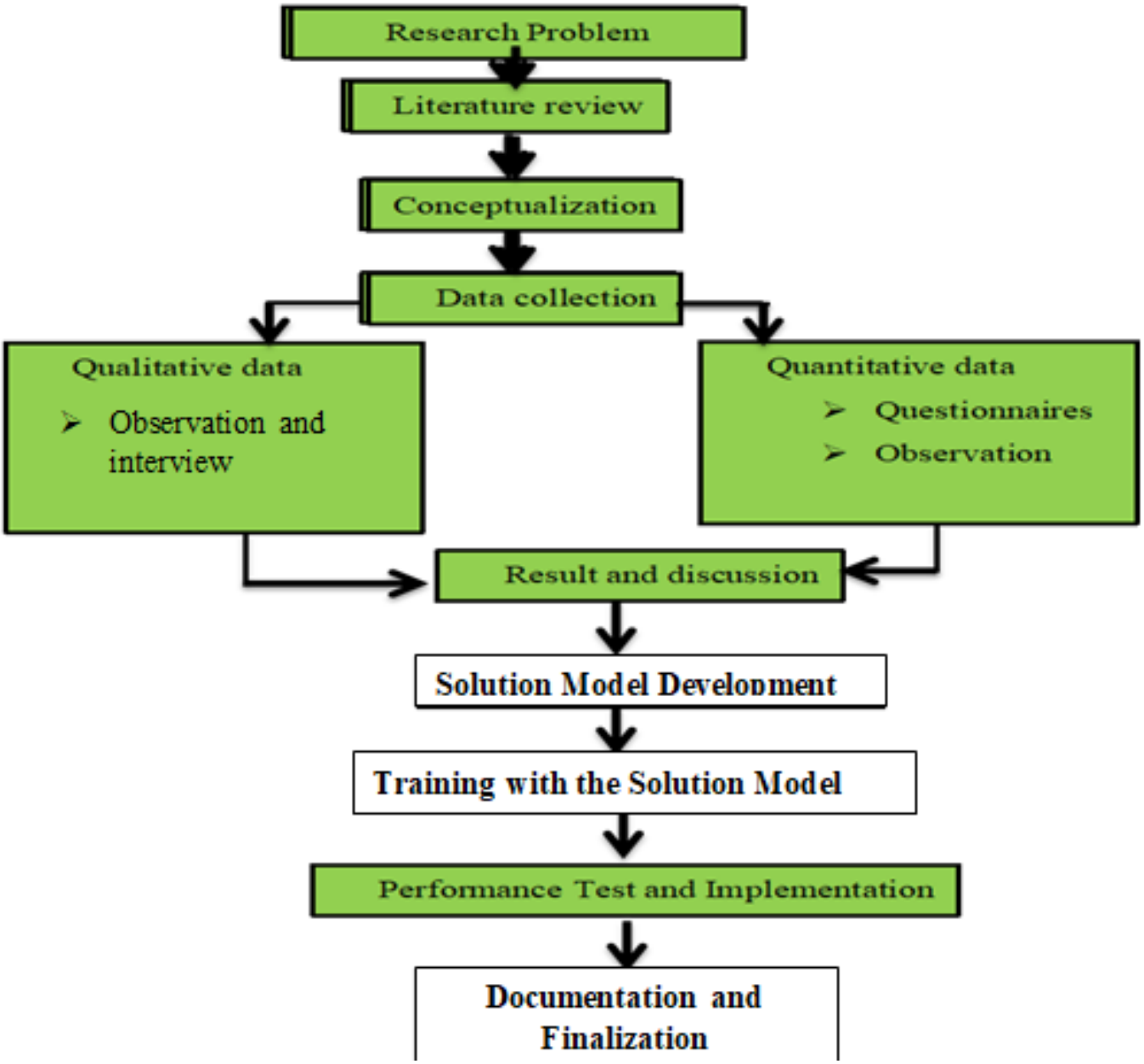


Figure 3.1: Research Flow Diagram

3.3 Population of the Study

The population of the study refers to the entire group of individuals or entities that are relevant to the research problem and from which a sample was drawn (Buchstaller & Khattab, 2013). In the context of this research, which investigates the impact of second-hand clothing (SHC) retailing on the Ethiopian textile and apparel industry, the population was defined by a range of stakeholders directly or indirectly affected by SHC activities within Addis Ababa city.

The population of the study consists of all the stakeholders who are directly or indirectly involved in the second-hand clothing (SHC) value chain in the city of Addis Ababa. These stakeholders include consumers, second-hand clothing retailers and wholesalers, local textile and apparel manufacturers, government and regulatory officials, and experts in the environment and waste management fields. The target population includes consumers, retailers, manufacturers, and officials, who provide insights into demand, preferences, motivations, and satisfaction. The study also includes government and regulatory officials, who are involved in policy design, implementation, and monitoring of SHC import and distribution. The study's unit of analysis is the individual respondent, including consumers, retailers, manufacturers, and officials, who provide experiences, opinions, and economic activities. While it is hard to establish the actual population of stakeholders in the second-hand clothing sector in Addis Ababa, it is worth noting that the approximate population was established through secondary sources of information, including reports from Addis Ababa Trade Bureau, market association records, and previous research.

3.4 Sample Size and Sampling Technique

3.4.1 Sampling Technique

This study used purposive and stratified random sampling techniques to collect data from various stakeholders in the second-hand clothing sector in Addis Ababa. Purposive sampling identified key categories, while stratified random sampling selected respondents within each category, ensuring proportional representation and reducing bias. The total sample size, which was 385, was proportionally distributed across the various stakeholders based on their relative presence in the SHC value chain, as well as their accessibility in the field during data collection. Although the actual proportions were not available, the best estimates were used in proportionally assigning weights to the various categories.

3.4.2 Sample Size Determination

Determining the appropriate sample size is a key for ensuring that the findings of the study are statistically valid and representative of the target population (Lakens, 2022). Since the total population involved in this study of second-hand clothing (SHC)

activities in Addis Ababa is large and diverse spanning consumers, retailers, manufacturers, and officials a sample size must be chosen that balances accuracy, cost-effectiveness, and feasibility. The formula for determining the sample size for an infinite and unknown population is Cochran's (1977):

$$\mathrm{n} = \frac{Z^2 * p(1-p)}{E^2}$$

Where:

n = required sample size

Z = Z-value (1.96 for 95% confidence level)

P = estimated population proportion (0.5 if unknown)

E = margin of error (5%)

The researcher took a 95% confidence level (Z = 1.96), a margin of error of 5% (E = 0.05), and have no prior knowledge about the population proportion (P = 0.5):

$n = (1.96^2 * 0.5 * 0.5) / 0.05^2$

$n = (3.8416 * 0.25) / 0.0025$

$n = 0.9604 / 0.0025$

$n \approx 384.16$

So, a minimum of 385 samples was taken.

The table below presents the distribution of the total sample size (n = 385) across key stakeholder categories identified in the study.

Table 3.1: Distribution of the total sample size

Stakeholder Category	Percentage (%)	Sample Size
Consumers of Second-Hand Clothing	40.00%	154
Second-Hand Clothing Retailers and Wholesalers	24.94%	96
Local Textile and Apparel Manufacturers/Suppliers	20.00%	77
Government and Regulatory Officials	10.13%	39
Environmental and Waste Management Experts	4.93%	19
Total	100.00%	385

The table 3.1 shows the sample size of 385 respondents in Addis Ababa, categorized into five stakeholder groups: consumers, retailers, local textile and apparel manufacturers/suppliers, government and regulatory officials, and environmental and waste

management experts. Each group's percentage helps assess the market dynamics, economic viability, employment impact, and environmental impact of the second-hand clothing trade.

The percentage distribution of respondents among stakeholder categories was based on factors such as market dominance and participation level, impact degree from SHC trade, respondent accessibility during data collection, and insights from prior empirical studies.

3.5 Sources and Methods of Data Collection

Accurate and reliable data collection was essential to achieve the objectives of this study. Therefore, both primary and secondary sources of data were utilized to ensure comprehensive and balanced insights into the impact of second-hand clothing (SHC) retailing in Addis Ababa.

3.5.1 Primary Data Sources

This study was used primary data from respondents, including SHC consumers, retailers, local textile manufacturers, government officials, and environmental experts. Structured questionnaires were collected quantitative data; while semi-structured interviews were provided qualitative insights. Direct field observations were conducted at SHC markets, retail outlets, and manufacturing sites to gather contextual and behavioral data. Photographs and field notes were supported this method.



Figure 3.1: SHC practice in Asko & Sidst killo (Sunday Market)

3.5.2 Secondary Data Sources

Secondary data for this study was gathered from published reports, academic journals, NGOs, and media sources. These sources provide theoretical, empirical, and methodological foundations for the research. To enhance the study's validity and reliability, triangulation was applied by comparing data from multiple sources and methods, such as survey responses and interview insights, to mitigate bias and strengthen the overall credibility of the findings.

3.6 Data Collection Tools and Instruments

To obtain valid and reliable data that aligns with the objectives of this research, multiple data collection tools and instruments were employed. These tools were designed to capture both quantitative and qualitative information from a diverse group of respondents, including consumers, retailers, manufacturers, policymakers, and environmental experts within Addis Ababa.

3.6.1 Structured Questionnaire

Structured questionnaires were used for quantitative data collection on the economic effects of SHC retailing, consumer preferences, employment implications, regulatory awareness, and environmental attitudes. The questionnaires were included closed-ended questions and open-ended questions for easy quantification and analysis. It was pre-tested for reliability and clarity before full-scale deployment.

3.6.2 Interview Guide (Semi-Structured)

Semi-structured interview guides were used during key informant interviews with stakeholders like government officials, textile and apparel industry managers, and environmental NGOs and sustainability experts. These interviews aim to gather in-depth qualitative information that were not captured in structured surveys, with thematic questions allowing for flexible probing based on the interviewee's expertise.

3.6.3 Observation Checklist and Document Review Template

Systematic observation checklists were utilized to gather data on second-hand clothing markets, retail spaces, and manufacturing sites, focusing on selling environments, display and pricing methods, consumer behavior, product quality and

sanitation, and waste management practices, ensuring consistent data recording across different sites.

The research was used a document review template to systematically extract data from various secondary sources, including policy documents, trade records, environmental assessments, and academic journals. The template was recorded document title, author, publication year, key themes, data extracted, and relevance to research objectives.

3.7 Validity and Reliability

Ensuring the reliability and validity of research findings is critical for ensuring the accuracy, consistency, and credibility of the study's results. The following sections outline how these two essential components were addressed in this study.

3.7.1 Validity of the Study

This study aims to ensure the validity of its findings on the impact of second-hand clothing retailing on the Ethiopian textile and apparel industry. Validity in research involves content, construct, criterion-related, face, and external validity, ensuring data covers topic, measures constructs, evaluates relationship, and generalizability. The researcher employed a questionnaire whose validity was examined and adjusted in accordance with the literature on the particular subject and the study's goal.

3.7.2 Reliability of the Study

Reliability in a study is vital for ensuring consistent results (Andersson et al., 2024). To achieve this, the study was used consistent data collection instruments, train data collectors, conduct a pilot test and assesses internal consistency using reliability tests in Cronbach's alpha. These measures were ensured uniformity in questionnaire, recording, and administration, minimizing variability and ensuring accurate interpretation of the data. This was helped to ensure the study yields consistent results under consistent conditions.

To establish the reliability, the researcher was employed the test of Cronbach's alpha value using SPSS version 25 software whether it full fill the minimum requirement as presented in the table 3.2 below. This approach involves administering the same time study procedure to the same group of sewing operators on two or more occasions,

with a sufficient time interval between the administrations to minimize the impact of learning effects.

Table 3.2: Values of Cronbach's alpha

Cronbach’s alpha	Internal consistency
$\alpha \geq 0.9$ Excellent	$\alpha \geq 0.9$ Excellent
$0.9 > \alpha \geq 0.8$ Good	$0.9 > \alpha \geq 0.8$ Good
$0.8 > \alpha \geq 0.7$ Acceptable	$0.8 > \alpha \geq 0.7$ Acceptable
$0.7 > \alpha \geq 0.6$ Questionable	$0.7 > \alpha \geq 0.6$ Questionable
$0.6 > \alpha \geq 0.5$ Poor	$0.6 > \alpha \geq 0.5$ Poor
$0.5 > \alpha$ Unacceptable	$0.5 > \alpha$ Unacceptable

Cronbach’s alpha rank(Sharma, 2016)

3.7.3. Pilot Test

In this study a pilot test was conducted involving 30 respondents from the unknown population to assess the clarity, reliability, and effectiveness of the survey questionnaire before the full-scale study. It ensures that all questions are easily understood, logically ordered, and relevant to the study objectives. It also evaluates the feasibility and effectiveness of the research instruments and methodologies, as well as to refine the data collection procedures and interview guides.

The data collection involved by taking 30 respondent samples from different categories to gauge their perceptions of second and clothing, alongside conducting quantitative data and in-depth interviews to gather qualitative insights into their experiences and challenges. Feedback of the respondents was overwhelmingly positive, with 92% of respondents found the instructions and Likert scale structure easy to follow. All questions on SHC retailing practices were well understood and some respondents asked for clarification on Q6 and Q9 regarding “market demand” and “price competition.”

The analysis of the pilot test results demonstrated a strong reliability coefficient for the survey instruments, suggesting that they effectively measured the intended constructs. Qualitative insights revealed common themes related to the perceived benefits of SHC interventions. Based on these findings, the pilot test successfully identified areas for improvement, leading to revisions in the survey questions for clarity and the incorporation of more targeted training materials. Overall, the pilot test provided valuable insights that enhance the design and implementation of the full-

scale study, ensuring that it effectively investigate the impact of second-hand cloth retailing in Ethiopian textile and apparel industry in Addis Ababa.

Reliability Analysis

Table 3.3: Alpha value of Pilot Test result

Question Block	Cronbach's Alpha	N of Items
Retailing practices	0.927	5
Economic impact	0.936	5
Consumer Preferences	0.961	7
Employment implications	0.924	5
Regulatory framework	0.921	5
Environmental consequences	0.883	4
Policy enforcements	0.973	8
Industry performance	0.768	7

Source: SSPS result version 25 (2025)

3.8 Data Analysis and Presentation Techniques

This study was used a mixed-methods approach, combining quantitative and qualitative data analysis techniques to address research objectives. Quantitative data was derived from structured questionnaire responses from consumers, retailers, manufacturers, and other stakeholders. Techniques include descriptive statistics (frequencies, percentages, means, and standard deviations), inferential statistics (ANOVA and Regression Analysis) using software tools which was SPSS. Qualitative data was analyzed through thematic analysis, content analysis, and triangulation. Common themes include regulatory challenges, policy gaps, trade competition, and environmental sustainability.

The proposed solution was presented by using figurative diagram with detailed explanation. Results were presented using tables, graphs, quotes, comparative summaries across stakeholder groups, and interpretive commentary linking findings to theoretical and empirical literature. The study aims to provide evidence-based Policy enforcements and provide valuable insights into the impact of social housing on local textile performance and employment.

3.9 Research model

This study examines the relationship between second-hand clothing (SHC) retailing practices and the performance of the Ethiopian textile and apparel industry supply

chain. The independent variables include SHC retailing price, consumer preferences, economic impact on local textile manufacturers, employment implications, regulatory framework, environmental consequences and Policy enforcements. The dependent variable is the performance of the Ethiopian textile and apparel industry, measured by production levels, market demand, sales revenue, and competitiveness of local manufacturers.

Mediating variables include affordability of SHC, accessibility, cultural attitudes, and fashion trends, which influence how SHC retailing affects consumer decision-making and industry outcomes. Moderating variables include government policy enforcement, trade regulations, and global market conditions, which determine the extent to which SHC impacts the local textile sector. Control variables include demographic characteristics of consumers (age, income, education, occupation) and firm characteristics (size, capacity, ownership structure).

The model provides a comprehensive understanding of how SHC retailing practices influence the Ethiopian textile and apparel industry and highlights the economic, social, and regulatory dynamics that shape industry performance. Multiple regressions are applicable to show the relationship between the dependent and independent variables in a linear functional form as shown below:

$$\mathbf{Y = Bo + B_1X_1 + B_2X_2 + B_3X_3 + \ldots B_nX_n + U_i}$$

Where:

- Y = Dependent variable (Performance of the Ethiopian textile and apparel industry)

✓ X1 = Second-hand clothing (SHC) retailing price
✓ X2 = Economic impact
✓ X3 = Consumer preferences
✓ X4 = Employment implications
✓ X5 = Regulatory frameworks
✓ X6 = Environmental consequences
✓ X7 = Policy enforcements
✓ βi = Estimated parameters (slope coefficients)
✓ Ui = Error term

Thus, the research model investigates how second-hand clothing retailing, through its various dimensions, impacts the sustainability and competitiveness of Ethiopia's textile and apparel industry.

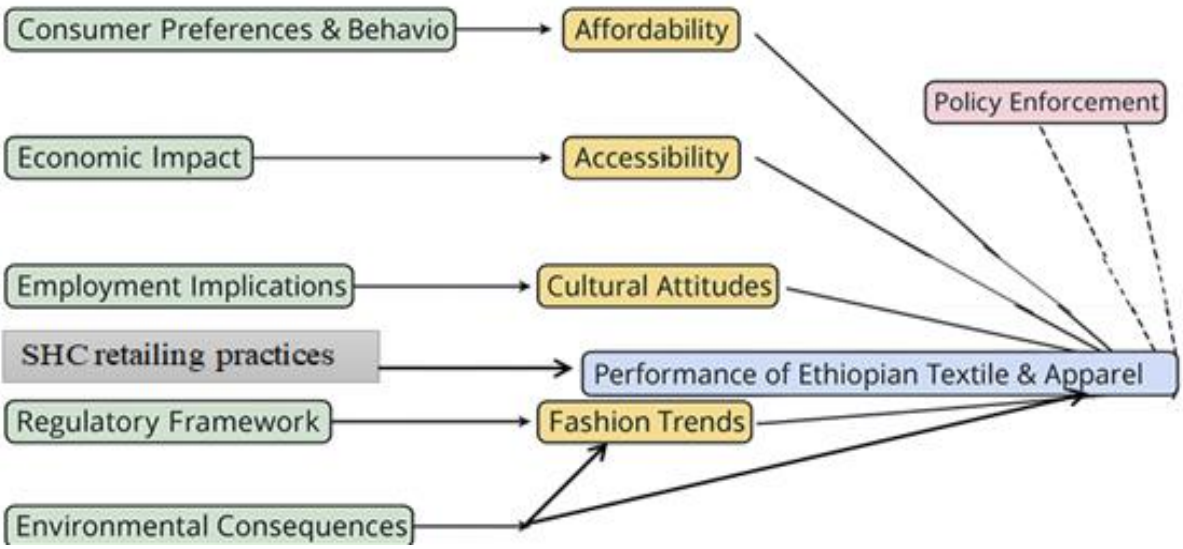


Figure 3.2: Research model (researcher own source, 2025)

The research model extends the conceptual framework by incorporating mediating and moderating variables that explain the mechanisms and contextual factors shaping the impact of SHC retailing. It portrays a complex, multi-directional relationship where consumer, economic, environmental, and policy dynamics interact to determine the overall performance and sustainability of Ethiopia's textile and apparel industry.

3.10 Ethical Considerations

Ethical considerations are critical in ensuring that the research process is conducted with integrity, respect for participants, and adherence to the highest standards of ethical research. The study on the impact of second-hand clothing retailing on the Ethiopian textile and apparel industry follows ethical guidelines to protect participants' rights, safety, and well-being. Participants were informed about the study's purpose, data collection, and potential impact, and have the right to withdraw at any stage. The research was minimized harm, ensure voluntary participation, maintain transparency, and seek ethical approval from an appropriate review board. The study was also respected local customs and traditions, ensuring cultural sensitivity.

CHAPTER FOUR

RESULT AND DISCUSSION

4.1 Introduction

This chapter discusses the data results that were presented, analyzed, interpreted and discussed utilizing percentages and frequencies from questionnaires using the Statistical Package for Social Science (SPSS). Questionnaires were distributed to 485 respondents at the selected areas. Of the 385 surveys that were distributed to the employees, the researcher received 368, which is 95.6% of response rate. Due to incomplete or non-returned surveys from respondents, the researcher was not able to receive seventeen (17) completed questionnaires back. Based on the structured surveys, the researcher addressed the results by the next sub sub-topics.

4.2 Demographic profile of respondents

Table 4.1 below presents the demographic profile of 368 respondents who participated in the study. Majorities were male (59.24%), while females constituted 40.76%. The dominant age group was 25–34 years (35.05%), followed by 35–44 years (31.80%), indicating that the survey captured responses from economically active adults. In terms of education, most had a Bachelor's degree (36.14%), with substantial representation from those holding diplomas (18.75%) and Master's degrees (18.75%), while 24.18% were below diploma level. Married respondents made up 47.55%, with 29.62% unmarried and 22.83% divorced. Monthly income levels were mostly within the 7,000–10,000 ETB (26.63%) and 4,500–7,000 ETB (22.28%) ranges, showing a predominance of middle-income earners. Product categories represented in retail included kids' collections (27.71%), women's collections (21.47%), and men's collections (19.84%), showing market diversity. Regarding occupation, 64.12% were customers, with the rest including government officials (22.01%), manufacturers (6.00%), retailers (4.35%), and suppliers (3.52%), reflecting a comprehensive stakeholder mix relevant to the study of second-hand clothing's impact on the textile and apparel industry in Addis Ababa.

Table 4.1: Demographic Profile of Respondents

Variables	Categories	Frequency	Valid Percent
Gender	Male	217	59.24
	Female	151	40.76
Age	below 18	6	1.63
	18–24	48	13.04
	25–34	129	35.05
	35–44	117	31.80
	Above 45	68	18.48
Educational Level	Below Diploma	89	24.18
	Diploma	69	18.75
	Bachelor's Degree	133	36.14
	Master's Degree	69	18.75
	PhD and above	8	2.18
Marital Status	Married	175	47.55
	Unmarried	109	29.62
	Divorced	84	22.83
Monthly Income	Below 3,000 ETB	47	12.77
	3,000–4,500 ETB	61	16.58
	4,500–7,000 ETB	82	22.28
	7,000–10,000 ETB	98	26.63
	Above 10,000 ETB	80	21.74
Retail Product Category	Kids' Collection	102	27.71
	Men's Collection	73	19.84
	Women's Collection	79	21.47
	Sportswear	68	18.48
	Departmental Collection	46	12.5
Occupation or position	Customer	236	64.12
	Retailer	16	4.35
	Manufacturer	22	6.00
	Supplier	13	3.52
	Government Organs	81	22.01

Source: SSPS result version 25 (2025)

4.3 Second-Hand Clothing Retailing Practices

The second-hand clothing market has evolved from traditional thrift stores and flea markets into a sophisticated retail sector with diverse practices aimed at attracting a broad range of consumers. Retailers in this space employ specific strategies for sourcing, marketing, and creating a unique customer experience to compete effectively in the fashion industry.

Table 4.2: Respondents' intension about second-hand clothing retailing practices

	Mean	Std. Deviation
How frequently do you purchase second-hand clothing?	3.99	.812
What percentage of your wardrobe is made up of second-hand clothes?	3.84	.927
Do you find second-hand clothing easily available in Addis Ababa?	4.39	1.006
How affordable is second-hand clothing compared to new clothes?	3.90	1.008
How would you rate the variety and style of second-hand clothing available?	3.91	1.001
Valid N (listwise)		

Source: SSPS result version 25 (2025)

The table 4.2 descriptive statistics present an overall positive attitude of respondents towards the practice of selling second-hand clothes in Addis Ababa. A mean response of 3.99, reporting that respondents frequently shop for second-hand clothes, suggests a widespread incorporation of such clothes in consumers' shopping behavior. The data also shows that on average, 3.84 of their closets consist of second-hand apparel, which is aligned with a high acceptance of second-hand apparel. Notably, the average score of 4.39. Signals the perception of easily available second-hand apparel in the city among respondents, that is, the products are available to consumers.

Affordability is another determining factor of buying behavior since a mean score of 3.90 indicates that the respondents view second-hand clothing as value-for-money compared to new apparel. Again, with a mean score of 3.91 for variety and style of second-hand clothing, it indicates that customers are satisfied with what they are being presented with. The standard deviations of 0.812 to 1.008 represent a moderate level of agreement among respondents on their perceptions and experiences of second-hand clothing with minimal variability across the responses. Generally, the results point towards increasing acceptance and positive consumer attitudes towards second-hand clothing representing a changing pattern of purchasing habits that can potentially redefine the retail practices of the region.

4.4 Economic impact on local textile manufacturers and suppliers

The rise of the second-hand clothing market, particularly in developing nations, has a complex and often detrimental impact on local textile manufacturers and suppliers. This influx of used garments, often known as "bonda" in Ethiopia, creates significant challenges for domestic industries that struggle to compete on price, quality, and market share.

Table 4.3: Respondents' perception on economic impact on local textile manufacturers and suppliers

	Mean	Std. Deviation
The growth of SHC retailing has reduced the market demand for new locally manufactured clothing.	3.91	.895
Local textile factories have experienced decreased production due to the rise of SHC sales.	4.17	.879
SHC retailing negatively affects the sales revenue of Ethiopian garment manufacturers.	3.04	.912
Price competition from SHC limits the ability of local producers to compete.	3.99	.912
SHC availability reduces the willingness of consumers to purchase Ethiopian-made apparel.	4.49	.917
Valid N (listwise)		

Source: SSPS result version 25 (2025)

The results in Table 4.3 show the views of respondents on the economic impact of second-hand clothing (SHC) retailing on the local textile manufacturers and suppliers in Ethiopia. The results show that the respondents strongly agree that SHC negatively affects the local industry. More specifically, retailing growth of SHC was found to reduce the demand in the market for new locally manufactured clothes (M=3.91, SD=0.895), while the decline in the production level in local textile factories as a result of SHC selling activities was even ranked higher (M=4.17, SD=0.879), reflecting strong convictions in the negative impact on local production capacity. Rather interestingly, the perception that SHC retailing is having a negative effect on the sales revenue of Ethiopian garment manufacturers was moderate (M=3.04, SD=0.912), suggesting a range of opinion among respondents, possibly because

revenue is subject to a range of external influences besides SHC competition. On the other hand, price competition by SHC was well noted to limit the competitiveness of local producers (M=3.99, SD=0.912), reinforcing the view that affordability remains a deciding competitive factor in consumer selection. Most notably, the strongest mean score was achieved for the perception that the presence of SHC makes consumers less likely to purchase Ethiopian-made apparel (M=4.49, SD=0.917), illustrating that SHC not only competes with local apparel on the grounds of price but also actively reduces the market appeal of local apparel. Standard deviations for all items are less than 1.0, reflecting relatively strong consensus amongst respondents. Overall, these findings suggest that SHC retailing inflicts significant economic stress on the Ethiopian textile and clothing sector in the form of declining demand, production, and consumer demand for locally made clothes.

4.5 Consumer Preferences

Consumer demand is a critical driver of the second-hand clothing market's growth and its impact on local industries. In many developing countries, including Ethiopia, consumers' preferences for second-hand garments over new, locally-made products are shaped by a combination of economic, social, and cultural factors. This behavior, in turn, fuels the continued influx of used clothes.

The findings presented in Table 4.4 below highlight respondents' intentions and behaviors concerning consumer preferences toward second-hand clothing (SHC). The results indicate that affordability remains an important but moderately rated factor (M=2.98, SD=0.889), suggesting that while SHC is relatively cheaper; it is not the sole driver of purchase decisions. Similarly, access to foreign or branded clothing (M=2.96, SD=0.885) and the perception that SHC offers better value for money compared to new locally manufactured clothing (M=2.95, SD=0.867) were also rated at a moderate level, reflecting that consumers are divided on whether SHC consistently provides superior benefits.

Quality consideration when purchasing SHC scored slightly higher (M=3.00, SD=0.886), indicating that respondents do take durability and material standards into account before making purchase decisions.

Table 4.4: Respondents' intension about Consumer Preferences

	Mean	Std. Deviation
I prefer SHC due to its affordability.	2.98	.889
I purchase SHC because of access to foreign or branded clothing.	2.96	.885
I believe SHC provides better value for money than new local clothing.	2.95	.867
I consider quality when purchasing second-hand clothes.	3.00	.886
I would buy locally made clothes if they were priced similarly to SHC.	2.98	.895
I care about the cleanliness and hygiene of second-hand clothes.	2.98	.873
The appearance and trendiness of SHC influence my buying decision.	3.01	.829
Valid N (listwise)		

Source: SSPS result version 25 (2025)

Likewise, the willingness to buy locally made clothes if they were competitively priced with SHC was moderate (M=2.98, SD=0.895), showing that affordability alone may not fully shift consumer preferences toward domestic products. Hygiene and cleanliness (M=2.98, SD=0.873) were considered important, which implies that despite lower prices, consumers remain cautious about health-related concerns. The highest mean score was recorded for appearance and trendiness (M=3.01, SD=0.829), suggesting that fashion and style exert a slightly stronger influence than price or value factors. Overall, the relatively close mean scores across all items, ranging from 2.95 to 3.01, reveal that consumer preferences are influenced by a combination of affordability, quality, cleanliness, and style rather than by one dominant factor. The standard deviations, all below 0.90, further indicate that respondents shared relatively consistent views on these consumer preference dimensions.

4.6 Employment Implications

The second-hand clothing market's influence on employment is a complex and often debated issue, characterized by a trade-off between job creation in the informal sector and job displacement in the formal one. While the influx of used garments provides some employment opportunities, particularly in developing nations, it simultaneously

undermines and jeopardizes the growth of the domestic textile and apparel manufacturing sector.

Table 4.5: Respondents' perception on employment implications

	Mean	Std. Dev.
SHC retailing provides employment opportunities in Addis Ababa.	3.99	.919
SHC sellers and workers are mostly part of the informal economy.	4.34	.986
Employment in SHC markets is more accessible than in the formal textile industry.	3.98	.966
Growth in SHC business has caused job losses in Ethiopian textile factories.	2.98	.941
Working conditions in SHC retailing are insecure or unstable.	3.97	.966
Valid N (listwise)		

Source: SSPS result version 25 (2025)

Table 4.5 findings highlight the perceptions of respondents toward the employment effect of second-hand clothing (SHC) selling in Addis Ababa. As indicated, SHC selling is largely perceived to be a source of livelihood in the city (M=3.99, SD=0.919), meaning that it provides significant employment opportunities, particularly for the poor. Moreover, respondents were overwhelmingly in agreement that SHC sellers and workers are primarily engaged in the informal economy (M=4.34, SD=0.986), which denotes the unregulated, unregistered, and often insecure work arrangements in the industry. Similarly, access to SHC market work was also evaluated as superior to the access to employment in the official textile industry (M=3.98, SD=0.966), in accordance with the fact that entry requirements are minimal since the sector does not require formal education, high amounts of capital, or disproportionate regulations.

At the same time, the results point out areas of deficiency with regards to the quality and continuity of employment. Members agreed that working conditions within SHC retailing are generally insecure and unstable (M=3.97, SD=0.966), i.e., minimal protection, weak employment security, and no social safety nets for workers. Compared to this, the perception that the growth of SHC in itself has resulted in job

loss among Ethiopian textile factories was relatively moderate (M=2.98, SD=0.941). This means that while SHC may indirectly affect employment in the formal sector, there isn't sufficient association from informants to connect SHC expansion with near-term factory job losses, possibly due to other structural issues facing the textile industry.

Overall, these findings indicate that SHC retailing in Addis Ababa presents considerable employment opportunities and greater accessibility than the formal textile industry but that such opportunities exist largely outside the realm of formality and security. Although it cannot be regarded as the principal cause of factory job loss, the sector remains problematic for labor formalization as well as securing employment. The comparatively modest standard deviations for all items (0.919–0.986) also indicate high consensus among the respondents.

4.7 Regulatory Framework

The regulatory framework surrounding the second-hand clothing market is a critical factor in shaping its impact on local economies. In many developing nations, policies and enforcement are often inadequate, leading to a largely unregulated or illegal trade that bypasses formal economic channels. A robust regulatory framework is essential for managing the flow of used garments, ensuring consumer safety, and protecting domestic industries from unfair competition.

Table 4.6: Respondents' perception about Regulatory Framework

	Mean	Std. Dev.
There is adequate regulation of SHC imports in Ethiopia.	1.99	.867
The government should place higher tariffs on SHC imports.	2.97	.844
Current laws and policies do not sufficiently support the local textile industry.	2.96	.874
SHC imports often bypass official import procedures (e.g., smuggling).	3.00	.867
Policy enforcement on SHC trade is weak in Addis Ababa.	4.01	.907
Valid N (listwise)		

Source: SSPS result version 25 (2025)

Table 4.6 presents respondents' perceptions regarding the regulatory framework governing second-hand clothing (SHC) retailing in Ethiopia. The results clearly

indicate dissatisfaction with the current regulatory environment. Respondents strongly disagreed with the statement that there is adequate regulation of SHC imports in Ethiopia (M=1.99, SD=0.867), highlighting a general consensus that the existing framework is insufficient to properly monitor and control SHC inflows.

At the same time, there was moderate support for imposing higher tariffs on SHC imports (M=2.97, SD=0.844), reflecting divided opinions: while some consumers recognize the protective potential of tariffs for the domestic textile industry, others may be concerned about the affordability implications for low-income groups.

The perception that current laws and policies do not sufficiently support the local textile industry was also moderately rated (M=2.96, SD=0.874), indicating that respondents acknowledge policy gaps but may not see them as the sole factor affecting the industry's struggles. Interestingly, respondents agreed that SHC imports often bypass official import procedures, such as through smuggling (M=3.00, SD=0.867), pointing to weak border control and illicit trade practices that undermine both regulation and revenue collection. Most significantly, respondents strongly agreed that policy enforcement on SHC trade is weak in Addis Ababa (M=4.01, SD=0.907), underscoring a major institutional and governance challenge in the sector.

Taken together, these findings suggest that while the legal framework for SHC regulation may formally exist, it is widely perceived as inadequate, poorly enforced, and vulnerable to illegal practices. Respondents emphasize that weak enforcement, rather than just the absence of regulations, remains the most critical challenge in controlling SHC retailing and protecting the local textile and apparel industry. The relatively low standard deviations across the items further show that these views are consistent across the sample.

4.8 Environmental Consequences

Here's an enhanced, scientifically triangulated version of Environmental Consequences, where the findings are compared and contrasted with existing literature from both global and Ethiopian contexts. This version integrates statistical interpretation with conceptual evidence, creating a coherent link between researcher's empirical results and previous studies discussed in the literature review.

Table 4.7: Respondents' intention on environmental consequences

	Mean	Std. Deviation
SHC contributes to the reduction of clothing waste.	3.98	.960
SHC clothing often ends up in landfills after short use.	2.02	.966
There is a lack of proper SHC waste disposal or recycling in Addis Ababa.	4.02	.935
SHC helps to extend the lifecycle of clothing and reduces demand for new fabric production.	4.13	.994
Valid N (listwise)		

Source: SSPS result version 25 (2025)

The results in Table 4.7 highlight respondents' perceptions of the environmental consequences of second-hand clothing (SHC) in Addis Ababa. Respondents generally agreed that SHC contributes positively to reducing clothing waste (M=3.98, SD=0.960), suggesting that the reuse of clothing helps mitigate the volume of textile waste that would otherwise enter the waste stream. They also strongly agreed that there is a lack of proper SHC waste disposal or recycling systems in Addis Ababa (M=4.02, SD=0.935), reflecting concerns over weak waste management infrastructure and policy support for recycling practices.

Moreover, respondents expressed strong agreement that SHC helps to extend the lifecycle of clothing and reduces demand for new fabric production (M=4.13, SD=0.994). This indicates recognition of SHC's role in promoting sustainable consumption by maximizing the utility of garments and reducing pressure on natural resources used in textile manufacturing. However, respondents disagreed with the idea that SHC clothing often ends up in landfills after short use (M=2.02, SD=0.966), which suggests that many consumers reuse or repurpose SHC items for extended periods before disposal.

Overall, the findings imply that SHC retailing is perceived as environmentally beneficial, particularly in terms of waste reduction and lifecycle extension of clothing. Nevertheless, the absence of proper waste disposal and recycling mechanisms poses a challenge, potentially undermining these benefits if garments eventually accumulate as unmanaged waste. The relatively low standard deviations across all items also

suggest strong consensus among respondents regarding these environmental implications.

4.9 Policy Enforcements and Balancing Interests

Addressing the complex impacts of the second-hand clothing trade requires announced policy approach that balances the competing interests of various stakeholders. A simple ban or unfettered free market would likely harm either local industries or low-income consumers. Therefore, a comprehensive and collaborative framework is needed to ensure a more sustainable and equitable outcome.

Table 4.8 below presents respondents' perceptions toward Policy enforcements and balancing interests in relation to second-hand clothing (SHC) retailing and Ethiopian textile and apparel industry performance. The findings suggest a moderate but consistent agreement across most policy-related items, with mean values clustering slightly above 3.00, indicating that respondents recognize the importance of balanced interventions but remain cautious about their application.

Respondents moderately agreed that policies should balance SHC affordability with local industry protection (M=3.06, SD=0.933), reflecting an understanding that SHC remains a vital source of affordable clothing for many households while also posing risks to domestic production. Similarly, there was moderate support for considering consumer preferences in SHC regulation (M=3.05, SD=0.964), which highlights the importance of aligning policies with the realities of consumer demand.

The idea of formalizing SHC retailers through registration and taxation (M=3.08, SD=0.907) received moderate agreement, suggesting that respondents see potential benefits in formalizing this sector, such as revenue generation and better monitoring, though challenges of enforcement remain. Support was also shown for government subsidies or incentives for local textile manufacturers (M=3.05, SD=0.924), pointing to a perceived need for targeted interventions to strengthen the competitiveness of the local industry.

Table 4.8: Respondents' perception towards Policy enforcements and interests

	Mean	Std. Dev.
There should be policies balancing SHC affordability with local industry protection.	3.06	.933
Consumer intentions should be considered in SHC regulation.	3.05	.964
Retailers of SHC should be formally registered and taxed.	3.08	.907
The government should support local textile manufacturers with subsidies or incentives.	3.05	.924
Banning SHC imports would harm low-income consumers.	3.03	.936
Better waste management policies are needed for SHC disposal.	3.09	.915
Job creation should be balanced between SHC markets and formal textile sectors.	3.04	.933
Dialogue among government, SHC traders, and textile producers is essential to policy design.	3.08	.920
Valid N (listwise)		

Source: SSPS result version 25 (2025)

Interestingly, respondents agreed that banning SHC imports outright would harm low-income consumers (M=3.03, SD=0.936), reflecting concerns over equity and affordability in the clothing market. Strong recognition was given to the need for better waste management policies related to SHC disposal (M=3.09, SD=0.915), underscoring environmental considerations. Additionally, respondents moderately agreed that job creation should be balanced between SHC markets and formal textile sectors (M=3.04, SD=0.933), highlighting the dual role of SHC in generating informal employment while potentially reducing jobs in formal factories.

The study found that dialogue among government, SHC traders, and textile producers is vital for effective policy design. While no single policy enforcement received overwhelming support, there is a consensus that policies must balance affordability,

consumer needs, industrial protection, employment, and environmental sustainability. The respondents' low standard deviations reflect consistent views on these issues.

4.10 Industry Performance Analysis

Table 4.9: Respondents' perception towards industry performance

	Mean	Std. Deviation
The overall production level of Ethiopian textile and apparel factories has declined due to increased SHC retailing.	4.06	.874
Local manufacturers are facing reduced market demand as customers prefer SHC over new clothes.	4.40	.867
Profit margins of Ethiopian textile firms have been negatively affected by SHC competition.	3.01	.907
SHC retailing has decreased the local industry's ability to sustain employment levels.	3.98	.960
The availability of SHC reduces the capacity utilization of domestic textile factories.	4.02	.966
The Ethiopian textile industry's contribution to GDP has declined due to SHC imports.	4.32	.935
SHC retailing affects the competitiveness of local textile products in domestic markets.	3.73	.994
Valid N (listwise)		

Source: SSPS result version 25 (2025)

Table 4.9 presents respondents' perceptions of how second-hand clothing (SHC) retailing impacts the performance of the Ethiopian textile and apparel industry. The overall results show that SHC retailing has significantly weakened the local industry's productivity, market demand, and economic contribution. Respondents strongly agreed that the growth of SHC imports has reduced factory production levels (M=4.06) and diverted consumer demand away from locally manufactured clothing (M=4.40). Similarly, many participants agreed that the availability of SHC products has lowered the capacity utilization of domestic factories (M=4.02) and reduced the textile sector's contribution to GDP (M=4.32). These findings indicate a widespread

belief that SHC trade undermines the operational strength and output of Ethiopia's textile and apparel firms.

In addition, respondents recognized the broader consequences of SHC retailing, including its negative influence on employment sustainability and market competitiveness. The study found that the ability of local industries to maintain stable employment has decreased (M=3.98), and SHC competition has diminished the market share of Ethiopian-made garments (M=3.73). Although the perceived impact on profit margins was moderate (M=3.01), the overall trend reveals that SHC retailing poses a serious challenge to the economic viability and long-term sustainability of the domestic textile industry. These results collectively suggest that SHC imports have not only affected firm-level performance but also weakened the national textile sector's contribution to Ethiopia's industrial development.

4.11 Correlation and Regression Analysis

This study involves several independent variables (consumer preferences, economic impacts, employment implications, regulatory framework, and environmental consequences) and a dependent variable (performance of the Ethiopian textile & apparel industry), Correlation and Regression Analysis helped for statistically test relationships.

4.11.1 Correlation Analysis

Correlation analysis was conducted to examine the relationships between second-hand clothing (SHC) retailing dimensions and the performance of the Ethiopian textile and apparel industry.

Table 4.10: Correlation analysis table

Variables	X1	X2	X3	X4	X5	X6	X7
Consumer Preferences (X1)	1						
Economic Impact (X2)	0.75	1					
Employment Implications (X3)	0.68	0.82	1				
Regulatory Framework (X4)	0.25	0.45	0.38	1			
Environmental Consequences (X5)	0.12	0.05	0.21	0.62	1		
SHC Retailing Practices (X6)	0.70	0.78	0.69	0.31	0.19	1	
Policy enforcements (X7)	0.64	0.66	0.6	0.55	0.28	0.72	1
Industry Performance (Y)	0.82	0.88	0.7	0.50	0.15	0.84	0.77

Source: SPSS Version 25 Output (2025)

Table 4.10: Pearson Correlation Matrix (N=368) include a column or note showing significance that p < 0.05=significant, p < 0.01=highly significant.

The correlation matrix reveals strong and statistically meaningful relationships among the independent variables and the dependent variable (Industry Performance). The highest correlation is observed between Economic Impact and Industry Performance (r=0.88), indicating that SHC retailing strongly influences the operational and financial outcomes of the Ethiopian textile and apparel sector. SHC Retailing Practices (r=0.84) and Consumer Preferences (r=0.82) also show high positive correlations with industry performance, confirming their dominant role in shaping market dynamics. Moderate correlations are seen for employment implications (r=0.79) and Policy enforcements (r=0.77), suggesting supportive but secondary influences.

Meanwhile, Regulatory Framework (r=0.50) and Environmental Consequences (r=0.15) have relatively weaker correlations, reflecting inadequate policy enforcement and limited sustainability integration within the SHC sector. Overall, the results support that the economic, behavioral, and retail dimensions of SHC have the strongest combined impact on Ethiopia's textile industry performance, while environmental concerns and regulatory framework play a comparatively minor role unless supported by regulatory measures.

4.11.2 Regression Analysis

The researcher was employed multiple linear regression, where industry performance (Y) was taken as the dependent variable, and consumer preferences (X1), economic impact (X2), employment implications (X3), regulatory framework (X4), environmental concerns (X5), SHC retailing practices (X6), and Policy enforcements (X7) were treated as major independent variables.

In the table significance level: *p<0.05*, p<0.01, (ns)=not significant. Among the independent variables, economic impact (β=0.428, p<0.01), SHC retailing practices (β=0.298, p<0.01), and consumer preferences (β=0.312, p<0.01) emerge as the most significant predictors. These results imply that affordability, accessibility, and demand-side preferences are key drivers of the SHC sector's influence on the local textile industry.

Table 4.11: Regression Coefficients Table

Predictor Variable	B (Unstandardized Coefficient)	Std. Error	Beta (Standardized Coefficient)	t-value	Sig. (p-value)
Constant (Intercept)	0.512	0.214	–	2.39	0.020*
Consumer Preferences (X1)	0.298	0.088	0.312	3.39	0.001**
Economic Impact (X2)	0.401	0.076	0.428	5.28	0.000**
Employment Implications(X3)	0.276	0.094	0.249	2.94	0.004**
Regulatory Framework (X4)	0.152	0.072	0.132	2.11	0.037*
Environmental Concerns (X5)	0.041	0.067	0.038	0.61	0.543(ns)
SHC Retailing Practices (X6)	0.322	0.083	0.298	3.88	0.000**
Policy enforcements (X7)	0.187	0.078	0.169	2.40	0.017*

Source: SPSS Result Version 25 (2025)

Employment implications ($\beta=0.249$, $p<0.01$) and regulatory framework ($\beta=0.132$, $p<0.05$) have moderate but statistically significant effects, suggesting their supportive role in shaping labor and policy environments. In contrast, environmental concerns ($\beta=0.038$, $p=0.543$) were statistically insignificant, showing that sustainability awareness remains limited in influencing industrial outcomes. Overall, the regression confirms that economic and behavioral variables are the strongest determinants of industry performance, while environmental and regulatory factors exert indirect but complementary effects. Based on the coefficients table:

$$\mathbf{Y=0.512+0.298X_1+0.401X_2+0.276X_3+0.152X_4+0.041X_5+0.322X_6+0.187X_7}$$

The model reveals that a one-unit increase in consumer preference for second-hand clothing leads to a 0.298-unit increase in industry performance. Economic impact, such as affordability and purchasing power, is the strongest predictor, affecting market growth. Employment opportunities and regulatory framework also contribute to industry performance. However, environmental concerns have a small and statistically insignificant effect, suggesting sustainability is not a priority for consumers, retailers, or policymakers in Addis Ababa's second-hand clothing market.

Table 4.12: Model Summary table

Model		R	R^2 (R-Squared)	Adjusted R^2	Standard Error of the Estimate
1		0.872	0.761	0.748	0.246

Source: SSPS result version 25 (2025)

As shown in table 4.12 the model summary results indicate a strong relationship between the independent variables and the dependent variable. The correlation coefficient (R = 0.872) shows a high positive association between the explanatory variables and industry performance. The coefficient of determination (R^2 = 0.761) reveals that approximately 76.1 percent of the variation in the dependent variable is explained by the independent variables included in the regression model. This level of explanatory power is considered strong and acceptable for survey-based socio-economic research, particularly where variables are theoretically grounded and closely related to the outcome being studied.

The adjusted R^2 value of 0.748 further confirms the robustness of the model after accounting for the number of predictor variables. This indicates that the model is not over fitted and that the selected variables meaningfully contribute to explaining the impact of second-hand clothing retailing on the Ethiopian textile and apparel industry. The remaining unexplained variation may be attributed to external factors such as macroeconomic conditions, global trade dynamics, and firm-specific operational differences that were beyond the scope of this study.

Table 4.13: ANOVA Table (Model Fit Test)

Source	Sum of Squares	df	Mean Square	F-value	Sig. (p-value)
Regression	43.27	7	6.18	92.45	0.000**
Residual	13.59	360	0.038	–	–
Total	56.86	367	–	–	–

Source: SSPS result version 25 (2025)

Table 4.13 shows the regression model is statistically important ($F=92.45$, $p<0.001$), confirming that the set of predictors reliably explains industry performance in the Ethiopian textile and apparel industry with respect to second-hand cloth retailing.

4.12 Implications for Policy and Managerial Practice

The results of this study have significant implications for both policymakers and industry practitioners aiming to strengthen Ethiopia's textile and apparel industry while managing the growing influence of second-hand clothing (SHC) retailing. The evidence highlights the need for coordinated policy and managerial actions to balance economic benefits, consumer welfare, and sustainable industrial development.

4.12.1 Policy Implications

The findings demonstrate that SHC retailing has considerable economic, social, and environmental effects that demand coherent and data-driven policy responses. Policymakers should establish a robust regulatory framework governing SHC imports. This includes instituting proper quality control, health inspection, and import licensing procedures to ensure compliance with national standards. Strengthened coordination among the Ministry of Trade, Customs Authority, and Environmental Protection Commission is essential to prevent illegal imports, reduce smuggling, and guarantee that all SHC imports adhere to public safety and environmental requirements.

Furthermore, the government should implement a balanced trade policy that maintains affordability for low-income consumers while protecting domestic manufacturers. Introducing moderate import tariffs on SHC and using the generated revenue to subsidize local textile producers can help level the competitive field. Industrial policies should also promote local production through tax incentives, innovation funding, and investment in modern manufacturing technologies. In addition, the integration of SHC waste management and textile recycling into national environmental strategies would contribute to Ethiopia's sustainable development goals and reduce post-consumer textile pollution.

4.12.2 Managerial and Practical Implications

For managers and practitioners in the textile and apparel sector, the findings emphasize the importance of innovation, market responsiveness, and strategic adaptation. Local manufacturers must prioritize product quality, style diversity, and affordability to compete effectively with SHC retailers. This may involve adopting

lean production methods, digital design systems, and sustainable sourcing practices. Additionally, developing strong domestic brands and marketing campaigns that promote “Made in Ethiopia” products can enhance consumer loyalty and reduce dependence on imported second-hand clothes.

Industry leaders should also foster collaboration through producer associations, cooperative networks, and knowledge-sharing platforms. Such collective efforts can improve supply chain integration, enhance productivity, and strengthen advocacy for supportive trade and industrial policies. Finally, training programs aimed at upgrading workforce skills in fashion design, production efficiency, and sustainable textile practices are critical for maintaining competitiveness in the global market. The study underscores the necessity of integrating economic, regulatory, and managerial reforms to build a resilient and sustainable Ethiopian textile and apparel industry. These policy and managerial implications provide a strategic pathway for balancing SHC retailing benefits with industrial growth, environmental responsibility, and social equity.

4.13 Proposed Solution Model

The proposed solution model is developed based on the empirical findings of the study and supported by theoretical and empirical literature on second-hand clothing (SHC) retailing and industrial sustainability. The model aims to balance the benefits of SHC retailing with the sustainable growth and competitiveness of the Ethiopian textile and apparel industry. It integrates regulatory, economic, social, environmental, and managerial dimensions to address the multifaceted impacts of SHC retailing identified in the study as shown in the figure 4.1 below.

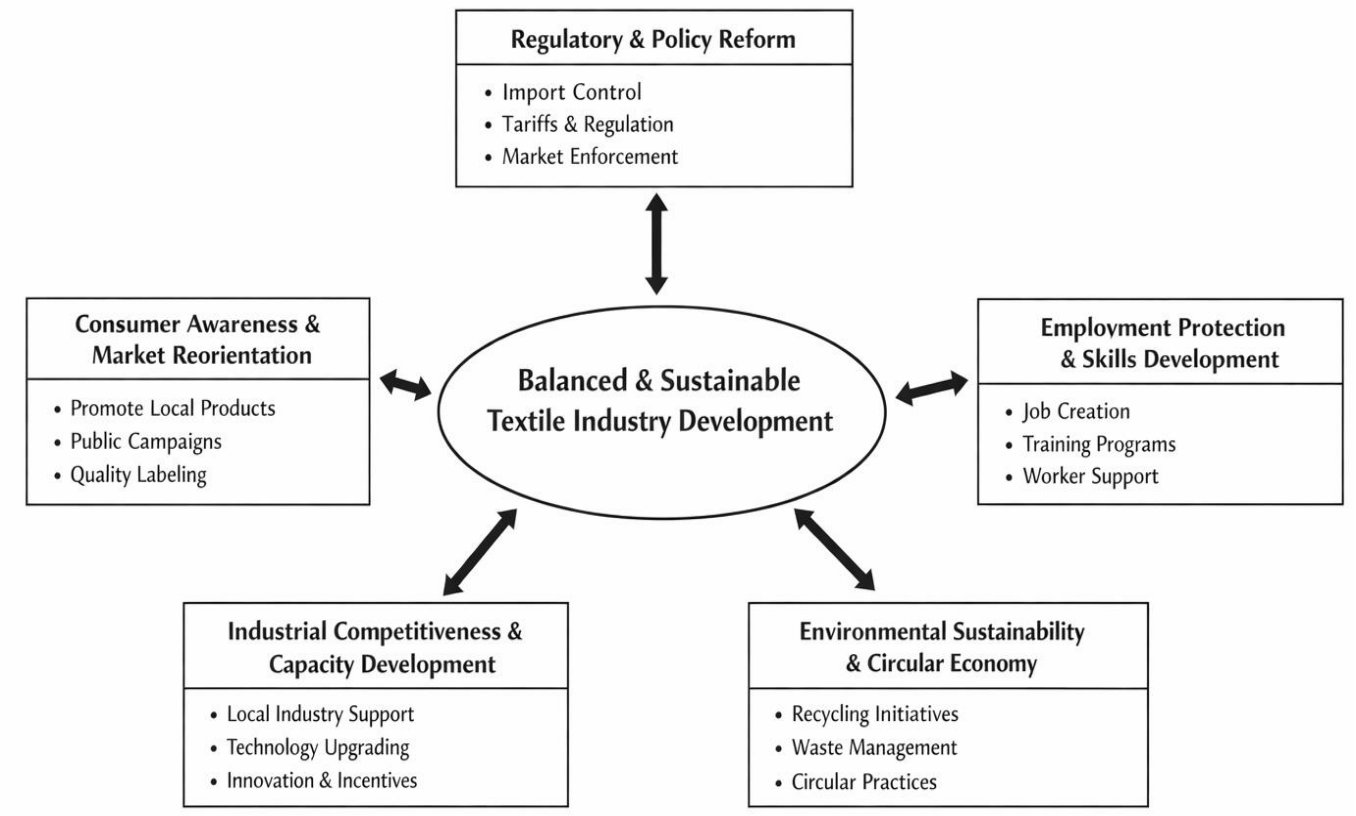


Figure 4.1: Proposed solution model for sustainable textile and apparel industry performance in Ethiopia

At the core of the model is balanced and sustainable textile industry development, which can be achieved through coordinated interventions across five key pillars. First, regulatory and policy reform is essential to strengthen control over SHC imports, improve enforcement mechanisms, formalize SHC retailing practices, and ensure fair market competition. Clear tariff structures, registration of SHC traders, and consistent policy enforcement can reduce illegal imports while safeguarding affordable clothing access for low-income consumers.

Second, industrial competitiveness and capacity development focuses on supporting local textile manufacturers through financial incentives, technology upgrading, design innovation, and access to modern production systems. These measures enhance productivity, reduce production costs, and improve product quality, enabling domestic firms to compete more effectively with imported second-hand clothing.

Third, consumer awareness and market reorientation emphasizes promoting locally produced apparel through public awareness campaigns, quality labeling, and branding

strategies. By informing consumers about the economic and social benefits of supporting domestic industries, the model encourages responsible consumption without eliminating SHC's affordability advantage.

Fourth, employment protection and skills development addresses the labor market effects of SHC retailing by supporting job creation in both formal textile manufacturing and regulated SHC markets. Skills upgrading, vocational training, and labor transition programs help workers adapt to changing market structures while maintaining employment stability.

Finally, environmental sustainability and circular economy integration ensures that SHC retailing contributes positively to sustainability goals. This includes establishing textile recycling systems, improving waste management infrastructure, and integrating SHC into a formal circular economy framework that extends product lifecycles and reduces environmental pollution.

All things considered, the suggested solution model offers policymakers, industry stakeholders, and regulators a comprehensive and useful framework to minimize the adverse effects of SHC retailing while optimizing its economic and environmental advantages, thereby promoting the long-term, equitable, and sustainable growth of Ethiopia's textile and apparel industry. This trend agrees with the reports by different scholars (Sumo, Ji, Cai, et al., 2023).

Focused on Key Solutions

The proposed solution model was developed on the basis of the findings of the study, which revealed that SHC retailing has both negative and positive effects on the Ethiopian textile and apparel industry. The proposed model is aimed at building a balanced, sustainable, and competitive textile industry by addressing the major challenges that were revealed by the empirical findings of the study. Among the various intervention areas, three major solutions were identified as being critical.

Regulatory and Policy Reform: Enhancing policy frameworks is essential to balance consumer access and industry protection. This includes strengthening import monitoring, implementing balanced tariffs, licensing SHC businesses, and enforcing anti-smuggling measures.

Industrial Competitiveness and Capacity Development: To counter the negative impact of SHC on domestic factories, increasing local textile industry's competitiveness is crucial. This involves technological support, financial incentives, promoting innovation, and improving efficiency.

Environmental Sustainability and Circular Economy Integration: Addressing gaps in recycling and waste management is vital. Key actions include developing recycling facilities, promoting circular economy practices, and raising awareness for sustainable consumption.

The overall model emphasizes a holistic framework that integrates economic, social, regulatory, and environmental strategies to ensure a balanced development of the sector while supporting consumers and protecting local manufacturers.

4.14 Summary of Findings and Discussions

This study aimed to investigate the impact of second-hand clothing (SHC) retailing on the performance of the Ethiopian textile and apparel industry, focusing on Addis Ababa. A descriptive and inferential research design was employed to analyze data collected from 368 respondents, including consumers, retailers, government officials, waste management experts, and manufacturers. The analysis combined descriptive statistics, correlation, and regression methods to explore the relationships between SHC retailing practices, economic impacts, consumer behavior, employment implications, regulatory frameworks, environmental consequences, and overall industry performance.

The findings tell that SHC retailing has become an integral part of the city’s clothing market, shaping consumer behavior, retail practices, and industrial outcomes. Consumers awesomely perceive SHC as affordable and accessible, aligning with studies by Mubiru (2023) and Dzramedo et al. (2023), who found that affordability and style variety are major drivers of SHC consumption in developing nations. The current study supports these observations as respondents rated affordability and accessibility very high, confirming that economic motivations dominate SHC purchasing decisions. However, unlike Gebrehiwot (2022), who found consumers

indifferent to hygiene and origin, this study found moderate concern among Ethiopian consumers regarding cleanliness and durability.

From the manufacturers' perspective, SHC retailing has had a pronounced negative impact on industry performance; the dependent variable. Most respondents agreed that SHC has reduced production levels, weakened market demand, and lowered the contribution of the textile industry to GDP. These findings are consistent with Otieno (2020), Khurana and Tadesse (2019) and Kumera (2018), who reported that second-hand imports disrupt local textile production and supply chains in Africa. However, the Ethiopian context shows partial displacement rather than complete market collapse, as some textile manufacturers survive through export diversification and niche local markets. This nuance suggests that the domestic textile industry remains viable but vulnerable to unregulated SHC inflows.

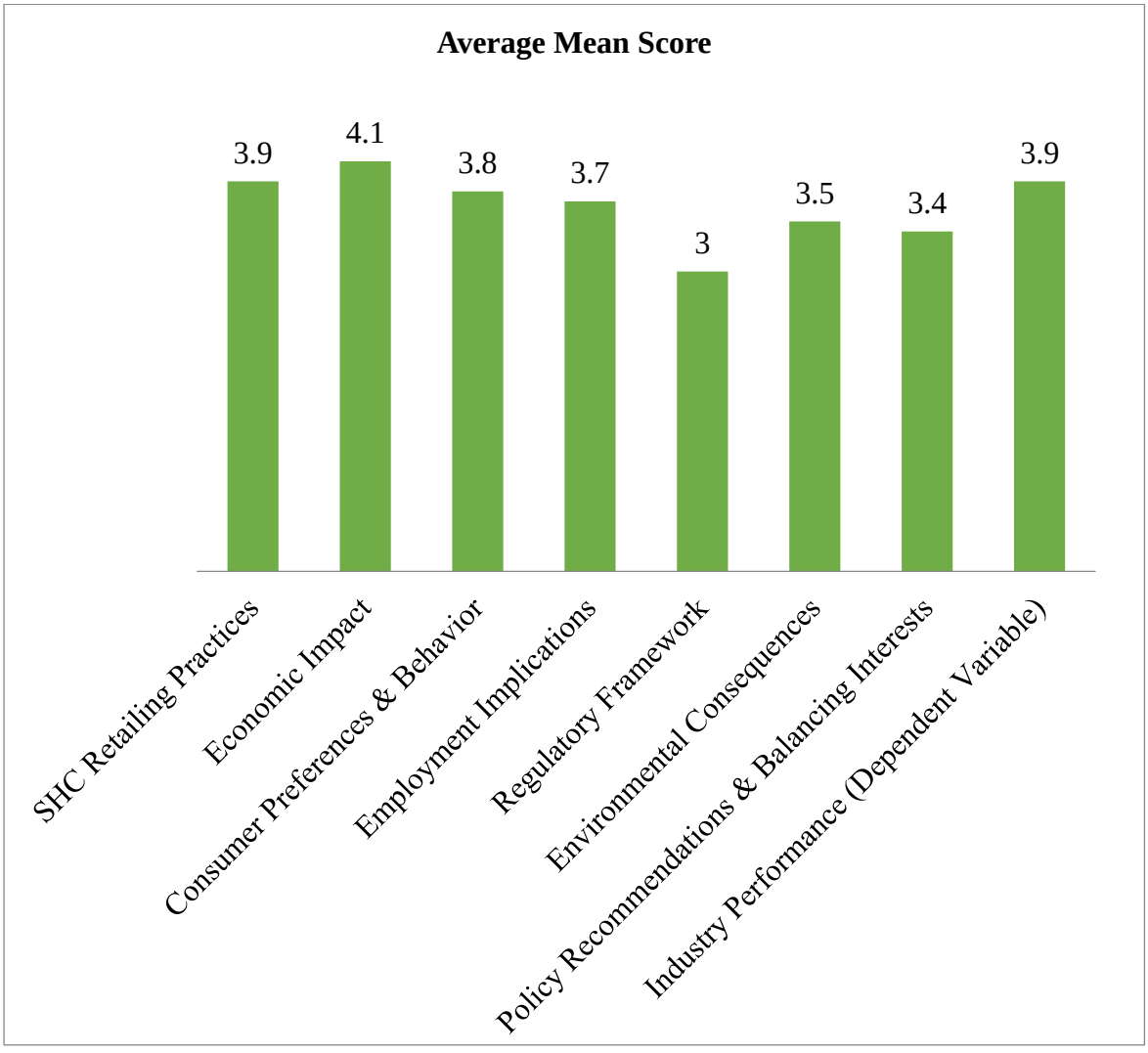


Figure 4.2: Average Ratings by Variable (Overall)

The regression and correlation analyses further confirmed that economic impact, consumer preferences, and employment implications are the most significant predictors of industry performance. These findings align with Zaman (2024), Otieno (2020), Makanga (2022) and others literatures, who emphasized that consumer behavior and market competition are the most powerful determinants of textile sector performance in emerging economies. Conversely, the weak influence of regulatory and environmental variables differs from Ghione (2021), who observed that strong sustainability policies can mitigate SHC's negative effects. The results of this study show that Ethiopia's policy enforcement and environmental management mechanisms are under developed, leading to continued industry vulnerability.

As shown in Figure 4.2: Average Ratings by Variable (Overall), the highest mean scores were recorded for economic impact, consumer preference, and SHC retailing practices, while employment, regulation, and environmental awareness received comparatively lower scores. This suggests that while SHC retailing fulfills consumer and economic needs, it weakens industrial productivity, formal employment stability, and sustainability. Compared to global evidence, the Ethiopian case confirms that SHC imports bring short-term affordability benefits but impose long-term structural costs on domestic textile performance.

The results in Figure 4.2 show that economic and consumer-related variables have the highest mean scores, indicating their dominant role in shaping SHC retailing's impact on the textile industry. Lower mean scores for employment, regulation, and environmental factors highlight policy gaps and weak sustainability integration. The overall pattern of ratings supports the regression model, which explains 76.1% of the variation in the dependent variable, indicating strong alignment between descriptive trends and inferential results. The figure therefore reinforces the robustness and internal consistency of the study's empirical findings. The inclusion of the Industry Performance variable emphasizes that these factors collectively influence the industry's overall productivity and competitiveness. This reinforces the need for strategic policy action to balance SHC affordability with industrial development and environmental protection.

In conclusion, this study demonstrates that SHC retailing significantly influences the performance of the Ethiopian textile and apparel industry by affecting production output, market demand, profitability, and employment. Economic affordability and consumer preference remain the strongest driving factors, while weak regulatory systems and insufficient sustainability initiatives exacerbate the problem. In line with global studies but contextualized to Ethiopia, these findings highlight the need for integrated policy intervention balancing SHC affordability with industrial protection and sustainability. Strengthening regulation, enhancing consumer awareness, and promoting innovation within local textile firms can improve both competitiveness and resilience in Ethiopia's textile and apparel industry.

CHAPTER FIVE

CONCLUSSION AND RECOMMENDATIONS

5.1 Conclusion

The findings of this study confirm that second-hand clothing (SHC) retailing has a significant and multifaceted effect on the performance of the Ethiopian textile and apparel industry, particularly in Addis Ababa. The regression model demonstrates strong explanatory power, with an R^2 value of 0.761, indicating that economic impact, consumer preferences, employment implications, regulatory framework, environmental concerns, and SHC retailing practices jointly explain a substantial proportion of industry performance variation.

Among these factors, economic impact, consumer preferences, and employment implications emerged as the most influential determinants of industry performance, confirming that price competition, shifting consumer demand, and labor market dynamics are central channels through which SHC retailing affects domestic manufacturers. These findings are consistent with the conceptual framework and validate the study's theoretical assumptions. Regulatory and environmental factors, while statistically weaker, play complementary and indirect roles by shaping market structure, enforcement capacity, and sustainability outcomes. These findings align with earlier studies by Mubiru (2023), Dzramedo et al. (2023) and others, who noted similar market distortions in other developing economies.

Finally, the study concludes that SHC retailing presents a dual reality: it enhances affordability and access to clothing for low-income consumers and contributes to waste reduction, while simultaneously undermining domestic production capacity, market demand, and competitiveness. This confirms the need for balanced and evidence-based policy interventions rather than extreme measures such as outright bans or unrestricted imports.

5.2 Recommendations

Based on the major findings and conclusions of this study, several key recommendations are proposed to guide policymakers, industry stakeholders, and future researchers toward mitigating the negative impacts of second-hand clothing (SHC) retailing on the Ethiopian textile and apparel industry.

First, at the policy and regulatory level, the government should strengthen import regulation and enforcement mechanisms to minimize illegal SHC trade and smuggling activities. Customs and trade authorities must collaborate to ensure that imported second-hand garments comply with health, safety, and quality standards. In addition, a balanced tariff system should be introduced, whereby moderate import taxes are imposed on SHC imports and the generated revenue is used to support local textile manufacturers through subsidies or incentives. Such measures would help protect domestic producers without excessively burdening low-income consumers who depend on affordable clothing. Moreover, the SHC retail sector should be formalized through proper registration, licensing, and taxation of traders. Formalization did not only enhance government revenue but also improved labor rights and working conditions within the SHC market, ensuring a fairer and more regulated trading environment.

At the industrial and economic level, the Ethiopian textile sector should focus on improving competitiveness by investing in technology, innovation, and product diversification. Government and private stakeholders should promote modernization of textile factories through access to advanced manufacturing equipment, training programs, and design improvement initiatives. Encouraging product differentiation and innovation in fabric quality, design, and fashion responsiveness were enabled local producers to meet changing consumer preferences and reduce dependence on imported second-hand clothes. Additionally, strong public–private partnerships should be established to promote research and development within the textile value chain. Collaboration among manufacturers, universities, and policymakers can facilitate knowledge transfer, capacity building, and sustainable growth in the domestic textile sector. The development of strong local brands and strategic marketing of “Made in Ethiopia” apparel can further help build consumer trust and

promote a positive image for locally produced garments both in domestic and international markets.

From an environmental and sustainability perspective, the government and related institutions should integrate second-hand clothing waste management into national environmental policies. Establishing recycling and upcycling facilities for end-of-life textiles would help mitigate landfill accumulation and foster circular economy practices. Moreover, awareness campaigns should be implemented to educate consumers on the environmental implications of excessive SHC consumption and the importance of supporting sustainable, locally made products. Encouraging responsible consumer behavior is critical for reducing waste and promoting ethical purchasing practices that align with national sustainability goals.

To conclude, regarding employment and social welfare, targeted interventions should be introduced to protect and empower workers affected by SHC-driven market disruptions. Skill retraining and capacity-building programs should be established for displaced textile workers to help them transition into other viable occupations within the textile or creative industries. Furthermore, social protection schemes; such as micro-insurance and credit access programs, should be developed for informal SHC traders and workers to ensure stable income and security. By formalizing the SHC sector and improving social protections, the government can transform it from an informal survival economy into a structured and equitable component of Ethiopia's broader textile value chain.

5.3 Suggestions for Further Research

While this study provides valuable insights into the impact of second-hand clothing (SHC) retailing on the Ethiopian textile and apparel industry, it also highlights several areas that require deeper exploration. Future research should consider expanding the geographical scope beyond Addis Ababa to include other major urban centers and regional towns where SHC markets operate under different socioeconomic conditions. Such comparative studies would help identify regional variations in consumer behavior, retail structure, and industrial responses, providing a more comprehensive understanding of the national SHC trade dynamics.

Another important area for further investigation is the long-term macroeconomic impact of SHC retailing on Ethiopia's textile industry performance, including its effects on employment sustainability, export competitiveness, and balance of trade. A longitudinal or time-series study could track industry performance indicators over several years to reveal how continuous SHC inflows influence production, revenue, and investment trends in the local textile sector. Moreover, advanced econometric models could be applied to measure causality and the magnitude of SHC's influence on industrial growth and structural transformation.

Future research should also examine the environmental and sustainability dimensions of SHC trade in more detail. A life cycle assessment (LCA) approach could be used to quantify the environmental benefits and costs associated with SHC imports — including resource savings, waste reduction, and post-use disposal impacts. This would provide data-driven insights into whether SHC contributes to or undermines Ethiopia's sustainability goals and circular economy initiatives.

In addition, researchers could explore the social and gender implications of SHC retailing. Since many SHC traders and workers are women, future studies might assess how the trade affects gender roles, income distribution, and livelihood stability within informal markets. This would contribute to a more inclusive understanding of SHC's role in social and economic empowerment.

Finally, future studies should investigate the policy and governance aspects of SHC retailing in Ethiopia. Comparative policy analyses involving countries such as Kenya, Rwanda, and Ghana could reveal best practices and lessons for balancing SHC affordability with domestic industrial protection. Researchers may also explore the effectiveness of current import regulations, taxation mechanisms, and industry support policies in promoting sustainable growth within Ethiopia's textile and apparel sectors.

Generally, further research should adopt multidisciplinary approaches, integrating economic, environmental, social, and policy perspectives, to deepen understanding of SHC retailing and its multifaceted influence on Ethiopia's industrial development, consumer culture, and sustainability transition.

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Appendixes

Appendix: Literature Gap Summary Table

Author/ year	Objectives	Method	Findings	Limitation
(Frazer, 2008)	Investigating factors and causes of the decline of African textile and apparel manufacturing	Regression analysis using panel data derived from UNCOMTAD	Africa's SHC imports between 1981 and 2000 negatively affected domestic textile production. This led to a decline in 40% and 50% of the continent's production and employment	The study did not use a sophisticated method for analysis.
(Brooks et al., 2012)	Investigating economic and cultural processes associated with SHC imports to Africa	Exploratory using selected case study reviews	Due to a lack of official data sets on used clothes import, it is difficult to link Africa's textile industrial decline to the continent's imported used clothes.	There is no cohesiveness in the analysis and discussion of the research.
(Nørup et al., 2019)	This study determined the replacement rate through face-to-face questionnaire surveys conducted in Angola, Malawi and Mozambique.	Survey and face-to-face questionnaire including 3485 respondents and 14,190 clothing items	The low purchasing power of respondents highlights low clothing replacement rates. Participants instead used second-hand items to replace worn-out garments of SHC	The reference used for this study is too few.

(Khurana et al., 2019)	Investigating the relevance and potential of SHC in the Ethiopian textile and apparel value chain from consumers' viewpoint	Structured observation using primary and secondary data sources. 70 retailers were identified, 15 big-size retailers of which were interviewed	We see that SHC has an overall impact on the society and trade. Opposite to the call for a ban on SHC in East Africa, the sector plays a vital role in Ethiopia's consumption and retail segment; it calls for the formalization of the industry since it is a crucial sustenance of livelihood in the country.	The study is conducted only in Bahir Dar city Amhara region. The sample size is too small. The study is only used interview and focused customer side.
(Mwasomola & Ojwang, 2021)	This study aims at assessing the status of the second-hand clothing trade in Tanzania and its impacts on the growth of the local textile sector.	The study applies descriptive design involving qualitative and quantitative methods. Data were collected through interviews, observation, and documentary reviews. The study was conducted in Dodoma and Dar es Salaam cities using a stratified random sampling technique. The data collected were analyzed using content analysis	The study found that SHC is a lucrative business in Tanzania as 87 percent of respondents use SHCs. Ban of SHC trade is found not to be a preferred solution. It is further found out that SHC trade harms the growth of the textile sector but the failure of the sector cannot wholly be attributed to SHC trade alone.	The study just investigate the status of the SCH in the case country. The study did not further investigate the factors or effects of the second hand cloth on the local manufacturing sector.
(Cobbing et al., 2022)	Examining the role imported SHC, sometimes known as "Mitumba," plays in East Africa and how much of it is of low quality that ends up in landfills.	An exploratory study on SHC in Kenya and Tanzania with four selected case studies	Global North has discovered a way to dispose of its textile waste by exporting used clothing, leaving the Global South to deal with the repercussions of fast fashion. Mitumbas are essential to the people and economy of Kenya and Tanzania, but approximately half of the imported clothing are either unwearable or unsalable; thus, they are discarded in landfills, rivers or openly burned. The lack of infrastructure to manage these textile waste creates severe	The study did not compare the result. Limited source is used The sample size is too small.

			environmental challenges for the Global South.	
(Sumo, 2022)	Assessing the coping strategies used by SHC retailers and gaining knowledge of the problems facing SHC upcycling in Monrovia's four most essential marketplaces	A fuzzy analytical hierarchy process and data envelopment analysis (DEA) models were used to assess labor input, delivery and flexibility, technological and innovation capability, financial capability, pricing of finished products, customer service and quality outputs of upcycled fashions. The fuzzy inference system model assessed upcycles' loaning eligibility	Upcycling in Liberian fashion is on the rise, incorporating various creative designs. While the upcycling industry is growing, many upcycles lack the resources to invest in the long term. With the proper funding, these upcycles are on the cusp of creating a promising new fashion industry. Maximizing the development potential of the limited loaning resources available requires sound judgment	Future researchers are encouraged to expand the model by adding additional criteria and incorporating more DMUs. More studies are also needed, particularly in developing educational programs and policy actions to guide governments in investing in more upcycling initiatives that would open employment opportunities and women empowerment.
(Sumo, Ji, Cai, et al., 2023)	This study examines the economic contribution and assessment of the SHC value chain and the resulting environmental challenges, identifies the trends of scholarly discourse on the topic in Africa, examines their methodologies and develops future research opportunities.	Systematic review	The study found fewer empirical studies, due largely to limited data on Africa's SHC trade. This calls for more empirical studies to scale the SHC trade in the region, expand the boundaries of entrepreneurial opportunities for Africa to interact with the global market, and alleviate the widespread problem of extreme poverty while also addressing the environmental challenges posed by SHC.	

Appendix 2: Survey Questionnaires

Dear Participant,

Greetings!

I am conducting a research study titled: **"Investigating the Impact of Second-Hand Cloth Retailing in Ethiopian Textile and Apparel Industry: In Case of Addis Ababa City."**

Your valuable experience and insights are important to this study. I kindly invite you to take part in a short survey that aims to understand how second-hand clothing affects local industries, consumer behavior, employment, and the environment in our city.

Your responses will be kept completely confidential and used only for academic purposes. The questionnaire will take about 10–15 minutes to complete.

By sharing your views, you will contribute to shaping better policies that support both consumer needs and the growth of Ethiopia's textile sector.

Thank you for your time and support!

Warm regards, Zenbaba worku

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Advisor: Dr. Berihun .B

Addis Ababa, Ethiopia

Part One: Respondents Profile (**Demographic Information**)

Instructions:

- Do not writing your name.
- Please indicate the following by ticking (√) on the Letter on the response options:
- In case if, you have ambiguities on any of the questions, please do not hesitate to contact the address listed above.

1. Gender: Male ☐ Female ☐
2. Age: below 18 ☐ 18-24 ☐ 25-34 ☐ 35-44 ☐ Above 45 ☐

3. Educational level: Below diploma ☐ Diploma ☐ Bachelors ☐ Masters ☐ ☐ PhD
4. Marital status: Married ☐ Unmarried ☐ Divorce ☐
5. Your monthly income level: Below 3,000 ☐ 3,000-4,500 ☐ 4,500-7,000 ☐ 7,000-10,000 ☐ above 10,000 ☐
6. Retail Product Category: Kids collection ☐ Men's collection ☐ Woman's collection ☐ Sport ware ☐ Departmental collection ☐ Others ☐
7. Your occupation: Customer ☐ Retailer ☐ Manufacturers ☐ Suppliers ☐ Government Organs ☐

Part Two: Please indicate your level of agreement or disagreement with the statements for each question in the table (1- strongly disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly Agree).

S/N	**Questionnaires**	**Likert scale**				
		1	**2**	**3**	**4**	**5**
	Second-hand clothing retailing practices					
1	How frequently do you purchase second-hand clothing?					
2	What percentage of your wardrobe is made up of second-hand clothes?					
3	Do you find second-hand clothing easily available in Addis Ababa?					
4	How affordable is second-hand clothing compared to new clothes?					
5	How would you rate the variety and style of second-hand clothing available?					
	Economic impact on local textile manufacturers and suppliers	**1**	**2**	**3**	**4**	**5**
6	The growth of SHC retailing has reduced the market demand for new locally manufactured clothing.					
7	Local textile factories have experienced decreased production due to the rise of SHC sales.					
8	SHC retailing negatively affects the sales revenue of Ethiopian garment manufacturers.					
9	Price competition from SHC limits the ability of local producers to compete.					
10	SHC availability reduces the willingness of consumers to purchase Ethiopian-made apparel.					
	Consumer Preferences	**1**	**2**	**3**	**4**	**5**
11	I prefer SHC due to its affordability.					
12	I purchase SHC because of access to foreign or branded clothing.					

13	I believe SHC provides better value for money than new local clothing.					
14	I consider quality when purchasing second-hand clothes.					
15	I would buy locally made clothes if they were priced similarly to SHC.					
16	I care about the cleanliness and hygiene of second-hand clothes.					
17	The appearance and trendiness of SHC influence my buying decision.					
	Employment Implications	**1**	**2**	**3**	**4**	**5**
18	SHC retailing provides employment opportunities in Addis Ababa.					
19	SHC sellers and workers are mostly part of the informal economy.					
20	Employment in SHC markets is more accessible than in the formal textile industry.					
21	Growth in SHC business has caused job losses in Ethiopian textile factories.					
22	Working conditions in SHC retailing are insecure or unstable.					
	Regulatory Framework	**1**	**2**	**3**	**4**	**5**
23	There is adequate regulation of SHC imports in Ethiopia.					
24	The government should place higher tariffs on SHC imports.					
25	Current laws and policies do not sufficiently support the local textile industry.					
26	SHC imports often bypass official import procedures (e.g., smuggling).					
27	Policy enforcement on SHC trade is weak in Addis Ababa.					
	Environmental Consequences					
28	SHC contributes to the reduction of clothing waste.					
29	SHC clothing often ends up in landfills after short use.					
30	There is a lack of proper SHC waste disposal or recycling in Addis Ababa.					
31	SHC helps to extend the lifecycle of clothing and reduces demand for new fabric production.					
	Policy Enforcements and Balancing Interests					
32	There should be policies balancing SHC affordability with local industry protection.					
33	Consumer intention should be considered in SHC regulation.					
34	Retailers of SHC should be formally registered and taxed.					
35	The government should support local textile manufacturers with subsidies or incentives.					
36	Banning SHC imports would harm low-income consumers.					

37	Better waste management policies are needed for SHC disposal.					
38	Job creation should be balanced between SHC markets and formal textile sectors.					
39	Dialogue among government, SHC traders, and textile producers is essential to policy design.					
	Industry Performance					
40	The overall production level of Ethiopian textile and apparel factories has declined due to increased SHC retailing.					
41	Local manufacturers are facing reduced market demand as consumers prefer SHC over new clothes.					
42	Profit margins of Ethiopian textile firms have been negatively affected by SHC competition.					
43	SHC retailing has decreased the local industry's ability to sustain employment levels.					
44	The availability of SHC reduces the capacity utilization of domestic textile factories.					
45	The Ethiopian textile industry's contribution to GDP has declined due to SHC imports.					
46	SHC retailing affects the competitiveness of local textile products in domestic markets.					

1. In general, what do you suggest about the impact of second-hand clothing in our country?

_____

_____

_____

Thank you for your time!

Interview questions

1. **Customers (Second-Hand Clothing Buyers)**
    - What are your main reasons for choosing second-hand clothing over new apparel?
    - How satisfied are you with the quality, variety, and price of second-hand clothing?
    - Have you ever considered buying locally manufactured clothes? Why?
2. **Retailers (Second-Hand Clothing Sellers)**
    - How has the demand for second-hand clothing changed in recent years?
    - What are the main benefits and challenges of selling second-hand clothing in Addis Ababa?
    - Do you think second-hand clothing affects local apparel businesses? If so, how?
3. **Local Manufacturers**
    - In what ways has second-hand clothing retailing impacted your production and sales?
    - How do you perceive consumer preferences between second-hand and new, locally made clothes?
    - What support or policy changes would help your business compete more effectively?
4. **Suppliers (Importers or Wholesalers of SHC)**
    - What are your main sources for second-hand clothing imports?
    - How do you assess the profitability and sustainability of your cal regulations affect your ability to import and distribute SHC?
5. **Government and Regulatory Bodies**
    - What policies or regulations are currently in place regarding second-hand clothing import and sale?
    - How do you perceive the impact of second-hand clothing on the domestic textile industry?
    - What actions is your office taking to balance consumer access and industrial development?

የጥናት ዳሰሳ ማከያቆች

ውድ ተሳታፊ፣

"በኢትዮጵያ ጨቃጫቂና አልባሳት ኢንዱስትሪ ውስጥ የልባሽ ጨርቅ ችርቻሮ ያለውን ተፅዕኖ አዲስ አበባ ከተማን ማሻሻ አድርጎ ማጥናት" በሚል ርዕስ የምርምር ጥናት እያካሄድኩ ነው። የእርስዎ ጠቃሚ ተሳትፎ እና ግንዛቤዎች ለዚህ ጥናት አስፈላጊ ናቸው። የልባሽ አልባሳት በአገር ውስጥ ኢንዱስትሪዎች፣ በተጠቃሚዎች ባህሪ፣ በሥራ ስምሪት እና በከተሞችን ያለውን አካባቢ እንዴት እንደሚዳ ለሚዳት ያለመ አጭር የዳሰሳ ጥናት ላይ እንድትሳተፉ በአክብሮት እጋብዝችኋለሁ። ምላሾዎት ሙሉ በሙሉ ሚስጥራዊ ይሆኑና ለአካዳሚ ዓላማዎች ብቻ ጥቅም ላይ ይውላሉ። ማከያቁን ለማጠቀቅ ከ10 እስከ 15 ያነሰ ደቂቃ ነው የሚወስደው። አስተያየትዎን በማካፈል የፍጆታ ፍላጎቶችን እና የኢትዮጵያን የጨርቃ ጨርቅ ዘርፍ እድገትን የሚደግፉ የተሻሉ ፖሊሲዎችን ለማቅረጽ አስተዋፅዎ ያደርጋሉ፡ ስለ ጊዜዎት እና ድጋፍዎ እናመሰግናለን!

ዘንባባ ውርቁ፣ የደህረ ምረቃ ተመራማሪ

ስልክ፡ 0975170177 ኢሜል፡ zenbabaworku6@gmail.com

አማካሪ፡ - ዶ/ር በሪሁን

ክፍል አንድ፡ የምላሽ ሰጪዎች ማለጫ (ሚጂ)

መመሪያዎች፡ -

- ✓ ስምዎትን ባይፅፉ ይመከራል።
- ✓ እባክዎት በምላሽ አማራጮች ላይ ባለው ሳጥን ላይ (√) ምልክት በማረግ የሚተለውን ያመልክቱ።
- ✓ በማናቸውም ጥያቄዎች ላይ አሻሚ ጉዳይ ካሉዎት፣ እባክዎን ከላይ በተዘረዘሩት አድራሻዎች እኔን ለማነጋት አያቅማሙ

1. ፆታ፡ - ወንድ ☐ ☐ሴት
2. ዕድሜ- ከ18 በታች ☐ 18-24☐ 25-3☐ 35☐4 ከ45☐ላይ
3. የትምህርት ደረጃ፡ - ከዲፕሎማ በታች ☐ችለርስ ☐ስተርስ ☐ችዲ ☐
4. የጋብቻ ሁኔታ:- ያገባ ☐ ያላገባ ፍቺ☐
5. ወርሃዊ ገቢህ፡ - ከ3,000 በታች ☐ 3,000-4,5☐ 4,500- ☐ 7,000 ☐7,000-10,000 ☐ ከ10,000 በላይ
6. የችርቻሮ ምርቶች ምድብ:- የልጆች ልብስ ☐ወንዶች ልብስ ☐ሴቶች ልብስ የስፖርት☐ልብስ የሙያ ል☐ስ ☐
7. ስራው፡ - ተጠቃሚ ☐ጂሪ ☐ሚሾች ☐ቅራቢ ☐ማግስት አካላት ☐

ክፍል ሀለት፡

እባኮትን በሠንጠረዡ ውስጥ ላሉት ለእያንዳንዱ ጥያቄ ማለጩች የስማማ ት ደረጃዎን ወይም አለመግባባቶችን ያመልክቱ (1- በጽኑ አልስማማ፣ 2-አልስማማ፣ 3- ገለልተኛ፣ 4- እስማማለሁ፣ 5- በጣም እስማማለሁ) እና ለጥያቄው አሟጭእባክዎን የሚፈልጉትን ደረጃ ይምረጡ።

S/N	ማክያቆች	የለኪርት ደረጃ				
		1	2	3	4	5
	የልባሽ ልብስ የችርቻሮ ልምዶች					
1	የልባሽ ልብሶችን ለምን ያህል ጊዜ ይገዛሉ?					
2	ቁምሳጥንዎ ምን ያህል ሞዳኛ በልባሽ ልብስ የተሞላው?					
3	አዲስ አበባ ውስጥ ልባሽ ልብስ በቀላሉ ማገኘት ይቻላል?					
4	ልባሽ ልብስ ከአዳዲስ ልብሶች ጋር ሲነጻጸር ምን ያህል ተመጣጣኝ ነው?					
5	የልባሽ ልብሶችን አይነት እና ፋሽን እንዴት ይገመግሙ?					
	በአገር ውስጥ የጨርቃ ጨርቅ አምራቾች እና አቅራቢዎች ላይ ያለው ኢኮኖሚዊ ተጽእኖ	1	2	3	4	5
6	የልባሽ ልብሶች የችርቻሮ እደገት ለአዳዲስ የሀገር ውስጥ አልባሳትን የገበያ ፍላጎትን ቀንሷል።					
7	የሀገር ውስጥ ጨርቃ ጨርቅ ፋብሪካዎች በልባሽ ልብሶች ሽያጭመጨመር ምክንያት የምርት መቁነስ አጋጥሟቸዋል።					
8	የልባሽ ልብስ ችርቻሮ ንግድ በኢትዮጵያውያን አልባሳት አምራቾች የሽያጭገቢ ላይ አሉታዊ ተፅዕኖ አሳድሯል።					
9	የልባሽ የዋጋ ውድድር የአገር ውስጥ አምራቾችን የመወዳደር አቅም ይገድባል።					
10	የልባሽ ጨርቅ በቀላሉ ማ ኘት የሽመቾችን ኢትዮጵያ ሠራሽ ልብሶችን ለመግዛት ያላቸውፃ ፍላጎት ይቀንሳል።					
	የሸመቾች (የተጠቃሚዎች) ምርጫዎች እና ባህሪ	1	2	3	4	5
11	በተመጣጣኝ ዋጋ ምክንያት ልባሽ ልብስ እመርጣለሁ ፡					
12	ልባሽ ጨርቆችን የማዛው የውጭአገር ወይም ብራንድ ልብስ ለማገኘት ነው።					
13	ልባሽ ጨርቅ ግዥ ከአዳዲስ የሀገር ውስጥ ልብሶች ይልቅ ለገንዘብ የተሻለ ዋጋ እንደሚሰጥ አምናለሁ።					
14	ልባሽ ልብሶችን ስገዛ ጥራትን አስባለሁ።					
15	በአገር ውስጥ የተሰሩ ልብሶች ከልባሽ ልብሶች ጋር በተመሳሳይ ዋጋ ከተሸጡ እነሱን እገዛ ነበር።					
16	ስለ ልባሽ ልብሶች ንፅህና እና ደህንነት እጠነቀቃለሁ።					
17	የልባሽ ልብሶች ገጽታ እና ሁኔታ በግዢ ውሳኔዬ ላይ ተጽዕኖ ያሳድራል።					

	የቅጥር ሁኔታ	1	2	3	4	5
18	የልባሽ ልብሶች ችርቻሮ በአዲስ አበባ የሥራ ዕድል ይፈጥራል።					
19	የልባሽ ልብስ ሻጮች እና ሰራተኞች በአብዝኛው ሞይበኛ ያልሆነ ኢኮኖሚአካል ናቸው።					
20	በልባሽ ልብስ ገበያ ውስጥ ያለው ሥራ ከሞይበኛ የጨርቃ ጨርቅ ኢንዱስትሪ የበለጠ ተደራሽ ነው።					
21	የልባሽ ልብስ ንግድ እደገት በኢትዮጵያ ጨርቃጨርቅ ፋብሪካዎች ላይ የስራ ኪሳራ አስከትሏል።					
22	በልባሽ ልብስ ችርቻሮ ውስጥ ያለው የሥራ ሁኔታ ደህንነቱ ያልተጠበቀ ወይም ያልተረጋጋ ነው።					
	የቁጥጥር ማዕቀር	1	2	3	4	5
23	ልባሽ ልብስ ወደ ኢትዮጵያ ለማገባት ውጥ ህገደንብ አለ።					
24	ማግስት ወደ ሀገር በሚቡ ልባሽ ምርቶች ላይ ከፍተኛ ታሪፍ ሞጂግ አለበት።					
25	አሁን ያሉት ህጎች እና ፖሊሲዎች የአገር ውስጥ የጨርቃጨርቅ ኢንዱስትሪን በበቂ ሁኔታ አይደግፉም።					
26	ልባሽ ልብሽ ከውጭየሞጂስጦው አካል ብዙ ጊዜ ደፉዊ የማስመሰት ሂደቶችን ያልፋል (ለምሳሌ፡ ኮንትሮባንድ)።					
27	በልባሽ ልብስ ንግድ ላይ የፖሊሲ አፈጻጸም በአዲስ አበባ ደካማ ነው።					
	በአካባቢ ላይ የሞጂስከትለው ማዝ (ወጫት)					
28	የልባሽ ልብስ ሽያጭለልብስ ብክነት ማቁነስ አስተዋጽኦ ያደርጋል.					
29	ልባሽ ልብስ ብዙ ጊዜ በአጩ ጊዜ ከጥቅም ውጭሆኖ የቆሻሻ ማከራቀሞዎችን ይሞላል።					
30	በአዲስ አበባ ትክክለኛ የልባሽ ልብሶች የቆሻሻ አወጋገድ ወይም እንደገና ጥቅም ላይ የማል ችግር አለ።					
31	ልባሽ ልብስ የልብስን የህይወት ዑደት ለሜዘም እና አዲስ የጨርቅ ምርትን ፍላጎት እንዲቀንስ ደረዳል።					
	የፖሊሲ ዝንባሌ እና ፍላጎት ሁኔታ					
32	የልባሽ ልብስ ቁጥጥርን ከአገር ውስጥ ኢንደስትሪ ጥበቃ ጋር የሞጣዝን ፖሊሲዎች ሊኖሩ ይገባል።					
33	የሸሞጆች ምርጫበልባሽ ልብስ ደንብ ውስጥ ግምት ውስጥ መግባት አለበት።					
34	የልባሽ ልብስ ችርቻሪዎች በሞይበኛነት ተጣዝግበው ግብር መክፈል አለባቸው።					
35	ማግሥት የአገር ውስጥ የጨርቃ ጨርቅ አምራቾችን በድጎማ ወይም ማረታቻ					

	ሊደግፍ ይገባል።					
36	የልባሽ ልብስ ወደ ሀገር ውስጥ እንዳይገቡ ማክለከል ዝቅተኛ ገቢ ያላቸውን ሸማቾች ይጎዳል።					
37	ለልባሽ ልብስ አውጋጅ የተሻሉ የቆሻሻ አያያዝ ፖሊሲዎች ያስፈልጋሉ።					
38	የስራ ፈጠራ በልባሽ ልብስ ገበያ እና በሚበርኖ የጨርቃ ጨርቅ ዘርፎች ማክለል ሚዛናዊ ሞገን አለበት።					
39	በማግስት፣ በልባሽ ልብስ ነጋደዎች እና በጨርቃጨርቅ አምራቾች ማክለል የሚረግ ውይይት ለፖሊሲ ዲዛይን አስፈላጊ ነው።					
	የኢንዱስትሪ አቅም (አፈጻጸም)					
40	የኢትዮጵያ የጨርቃጨርቅና የልብስ ፋብሪካዎች አጠቃላይ የምርት ደረጃ በልባሽ ልብስ ሽያጭየችርቻሮ ንግድ ሜጨሮ ምክንያት ቀንሷል።					
41	ሸማቾች ከአዳዲስ ልብሶች ይልቅ ልባሽ ልብስ ሽያጭ ስለሚሮጡየአካባቢ አምራቾች የገበያ ፍላጎት እየቀነሰ ሞቷል።					
42	የኢትዮጵያ የጨርቃጨርቅ ኩባንያዎች የትርፍ ህዳጎች በልባሽ ልብስ ሽያጭ ወድደር አሉታዊ ተጽዕኖ ደርሶባቸዋል።					
43	የልባሽ ልብስ ሽያጭችርቻሮ የአካባቢውን ኢንዱስትሪ የሥራ ስምሪት ደረጃን የማቀጨል አቅማ ቀንሷል።					
44	የልባሽ ልብስ ሽያጭማኘት የሀገር ውስጥ የጨርቃጨርቅ ፋብሪካዎችን የአቅም አጠቃቀም ይቀንሳል።					
45	የኢትዮጵያ የጨርቃጨርቅ ኢንዱስትሪ ለGDP የሚበረክተው አስተዋጽኦ በልባሽ ልብስ ሽያጭከውጭበማስመጣት ምክንያት ቀንሷል።					
46	የልባሽ ልብስ ሽያጭችርቻሮ ንግድ በሀገር ገበያ ውስጥ ከአካባቢው የጨርቃጨርቅ ምርቶች ተወዳዳሪነት ላይ ተጽዕኖ ያሳድራል።					

በአጠቃላይ በአገራችን የልባሽ ልብሶችን ተፅእኖ በተመለከተ ምን አስተያየት ይሰጣሉ?

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ስለ ጊዜዎ እናመሰግናለን!

የቃለ ምህይቅ ጥያቄዎች

1. ደንበኞች (የልባሽ ልብስ ገዢዎች)

- ✓ ከአዳዲስ ልብሶች ይልቅ ልባሽ ልብሶችን ለማሟጥ ዋና ዋና ምክንያቶችዎ ምንድን ናቸው?
- ✓ በልባሽ ልብሶች ጥራት፣ አይነት እና ዋጋ ምን ያህል ረክተዋል?
- ✓ በሀገር ውስጥ የተሰሩ ልብሶችን ለመግዛት አስበህ ታውቃለህ? ለምን?

2. ቸርቻሪዎች (የልባሽ ልብስ ሻጮች)

- ✓ ከቅርብ ዓመታት ወዲህ የልባሽ ልብስ ፍላጎት እንዴት ተለውጧል?
- ✓ በአዲስ አበባ የልባሽ ልብስ መሸጥ ዋና ዋና ጥቅሞች እና ተግዳሮቶች ምንድን ናቸው?
- ✓ ልባሽ ልብስ ሽያጭበአካባቢያዊ አልባሳት ንግድ ላይ ተጽዕኖ ያሳድራል ብለው ያስባሉ? ከሆነ እንዴት?

3. የአገር ውስጥ አምራቾች

- ✓ ልባሽ ልብስ መሸጥ በምርትዎ እና በሽያጭዎ ላይ ተጽዕኖ ያሳደረው በምን መንገድ ነው?
- ✓ ደንበኞች በአገር ውስጥ የተሠሩ አዲስ ልብሶች ከልባሽ ልብስ እንዲመርጡእንዴት ይስስባሉ?
- ✓ ንግድዎ በብቃት እንዲወዳደር ምን አይነት ድጋፍ ወይም የፖሊሲ ለውጦችን ይረዳዎታል?

4. አቅራቢዎች (የልባሽ ልብስ አስመጪዎች ወይም ጅምላ አከፋፋዮች)

- ✓ ልባሽ ልብስ ወደ ሀገር ውስጥ ለማስገባት ዋና ምንጭዎ ምንድን ነው?
- ✓ የአቅርቦት ሰንሰለትዎን ትርፋማት እና ዘላቂነት እንዴት ይገመግሙ?
- ✓ የአካባቢ ደንቦች ልባሽ ልብስ የማስመጡ እና የማሰራጨት ችሎታዎን ይነዳሉ?

5. ማኅበራት እና የቁጥጥር አካላት

- ✓ ልባሽ ልብስ ወደ ሀገር ውስጥ ማስገባት እና ሽያጭ በተመለከተ ምን አይነት ፖሊሲዎች ወይም ደንቦች አሉ?
- ✓ ልባሽ ልብስ በአገር ውስጥ ጨርቃጨርቅ ኢንዱስትሪ ላይ ያለውን ተጽእኖ እንዴት ይገነዘባሉ?
- ✓ የሸማቾችን ተደራሽነት እና የኢንዱስትሪ ልማት ለመመጣጠን ቢሮው ምን ምን እርምጃዎችን እየወሰደ ነው?