

AN EVALUATION OF MADE IN RWANDA:

A policy dialogue on Standards, Quality and Sustainability in fashion and textiles

This study is published as a part of the Fashion Revolution Policy Dialogue project in partnership with the British Council which aims to shed light on the multiple perspectives of a particular issue through a series of evidence-based discussions, interviews, focus group discussions and workshops with stakeholders.

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EXECUTIVE SUMMARY

The Rwandan fashion and garment industry has often been said to bear potential as an economic driver towards the national goal of becoming an upper-middle-income nation by 2035 and a higher income nation by 2050. In recent years, after the implementation of the Made in Rwanda Policy, the budding industry has continued to demonstrate opportunities for further job creation, reduction of trade deficits and global competitiveness with Made in Rwanda products. However, in the face of emerging opportunities, there are concerns of poor quality, lack of skills and standards that have not been addressed could continue to hinder the growth of the sector and its impact on the economy.

Through the evaluation of the Made in Rwanda policy and collaboration with stakeholders through the policy dialogue, key areas were identified as challenges and opportunities that would contribute to the growth and sustainability of the fashion and garment industry in the country.



Chris Schwagga for Haute Baso

Key insights:

- The fashion and garment industry is primarily driven by SMEs. The number of new fashion businesses has continued to rise since the introduction of the Made in Rwanda Policy as well as the banning of second-hand clothing imports.
- While the Made in Rwanda policy promotes quality, value and competitiveness, Rwandan products lack consistent quality standards therefore are not challenging the local mindset that imported products are superior to local products.
- Improved technical and non-technical skills through training and mentorships would address the quality, sustainability and heritage challenges faced by the fashion and garment industry in Rwanda.
- The Made in Rwanda policy should better address the challenges of access to raw materials, as it currently does not consider that most stakeholders are small scale producers and making some of the interventions inaccessible. The government should also focus on facilitating innovation and the development of local raw materials and fabrics.
- The policy dialogue highlighted the need for centralised information of government incentives, as many SMEs either have no knowledge of incentives or believe incentives are strictly for larger enterprises.
- As the number of SMEs in the fashion and garment industry increases there's a continued sense that businesses are operating in isolation, with limited linkages, cooperation and collaboration between stakeholders across the industry, there are increased challenges in systematically implementing quality and sustainability standards.



Given the key insights and challenges highlighted by stakeholders in the Rwandan fashion and garment industry, the following are brief areas identified as actionable policy recommendations to ensure the sustainability and growth of Made in Rwanda:

- Systematic implementation of quality standards and sustainability for Made in Rwanda products
- Provide technical and non-technical training for stakeholders through technical-vocational institutions and the establishment of a local Fashion Design College
- Improve access to raw materials for SMEs
- The need to build more awareness of government incentives and facilitate linkages between stakeholders

1. INTRODUCTION



Harris Regis for Fashion Rev Policy Dialogue

The Rwandan fashion and garment industry has the potential to become an economic driver towards the national goal of becoming an upper-middle-income nation by 2035 and a higher income nation by 2050, these aspirations translate into average annual growth rates of more than 12% (World Bank, 2020). In recent years, the budding industry has continued to demonstrate opportunities for further job creation, reduction in the trade deficit and global competitiveness with Made in Rwanda products.

In 2015, The Government of Rwanda launched the "Made in Rwanda" campaign to increase the awareness of the benefits of buying Rwandan-made products as part of the Domestic Market Recapturing Strategy (Ministry of Trade and Industry, 2015). Following their successful campaign, in 2017 the government launched the "Made in Rwanda" policy intending to "address the trade deficit by boosting production of and stimulating sustainable demand for competitive Rwandan value-added products by addressing factors constraining the quality and cost competitiveness" (Ministry of Trade and Industry, 2017).

Simultaneously, The Government of Rwanda has implemented a gradual phase-out of second-hand clothes imports, halting the multi-million dollar second-hand import industry, to boost local manufacturing and revitalise the local market which had previously been dependent on imports (Wolffe, 2020).

Beyond an array of experts' opinions on the issue and potential of the sector, there has not been a conclusive scoping study or survey among start-ups in the textiles, garment and leather sector to determine the major bottlenecks, potential solutions and opportunities through the challenges. Given that the "Made in Rwanda" policy will be largely involving at SME businesses, key stakeholders fashion designers, retailers, and artisans must be involved in the design and implementation of the policy.

To fill this gap, this Policy Dialogue report aims to:

- Understand the current standing and sustainability of the Made in Rwanda textiles; garments, and leather industry in regards to standards, heritage and quality.
- Understand the challenges and priorities of key stakeholders impacted by the policy, including designers, retailers and artisans.
- Provide practical recommendations for the implementation of the "Made in Rwanda" policy based on the opinions, and guidance of the key stakeholders.

1.1 BACKGROUND

The textile and garment manufacturing industries are relatively new in Rwanda, yet is an increasingly key area of focus for the Rwandan government to achieve their aim of becoming an upper-middle-income country by 2035 and higher income by 2050 (World Bank, 2020).

As a result, the growth of the textiles industry in Rwanda accelerated from 3 per cent in 2015 to 10 per cent in 2016, with exports increasing from 16 million to 20 million USD in 2016, representing around 1.5% of Rwanda's total exports (World Bank, 2020).

However, Rwanda imports the majority of their textiles, apparel and footwear, with 26.8 million USD worth of new textiles imported from China alone in 2015, Rwanda's largest import partner (Ministry of Trade and Industry, 2016). Until recently, around 22% of imported clothing into Rwanda was second-hand clothes, locally known as mitumba (ILO, 2018). Higher taxes on second-hand clothes was implemented by the Government of Rwanda to promote local manufacturing and phase out mitumba, this resulted in a 97% reduction in the imports of second-hand clothing (ILO, 2018).

Small and medium-sized enterprises (SMEs) account for 98% of Rwandan companies, however, limited access to finance, raw materials and skills make it hard for these businesses to survive (Ministry of Trade and Industry, 2017). SME's that started in 2010 only had a 24% chance of surviving to 2014 (Ministry of Trade and Industry, 2017). In the textiles and garment industry in Rwanda, there is an extremely low number of formal, active businesses. In 2016 only 22 businesses were registered with the Rwanda Revenue Authority (Ministry of Trade and Industry, 2017).

The production and export of garments are dominated by two larger companies, Utexrwa and C&H, who both employ around 2,000 workers in Rwanda (ILO, 2018; NIRDA, 2017). Utexrwa, a Rwandan company established in 1984, produces garments in addition to some fabrics, which are mainly for the domestic market. Whereas, in 2014 The Government of Rwanda signed an MOU with Chinese-owned C&H (who runs 3 factories in Mauritius and 15 in Kenya) to achieve large-scale industrial manufacturing and develop relevant skills in Rwanda. After training and hiring Rwandan workers, C&H started operations in 2015 and by June 2018 could produce 70,000 pieces of clothing per month. C&H in Rwanda, exports 80% of their products, while 20% remain on the local market, including for uniforms for the Rwandan military, police, immigration department and schools (Eom, 2018).

Because the textiles and garment industry is still in its infancy in Rwanda, there are still many challenges and barriers which are preventing further growth. In WEF's Global Competitiveness Report 2019 which is designed to help policy-makers, business leaders and other stakeholders shape their economic strategies, Rwanda placed 100th out of 141 economies in the with the report citing low levels of skills (128th), infrastructure (111th), innovation capacity and market size (129th) as leading causes for the lack of competitiveness (World Economic Forum, 2019). These are largely true for the textiles sector in Rwanda. A survey by MINICOM of businesses attending the Kigali Made in Rwanda Expo in December 2016 showed that 84% of companies said that their biggest challenge was the high cost of production eroding competitiveness.



“It is important to have a minimum requirement for each producer to make sure that clients trust local products and not always perceive them to be inferior.”



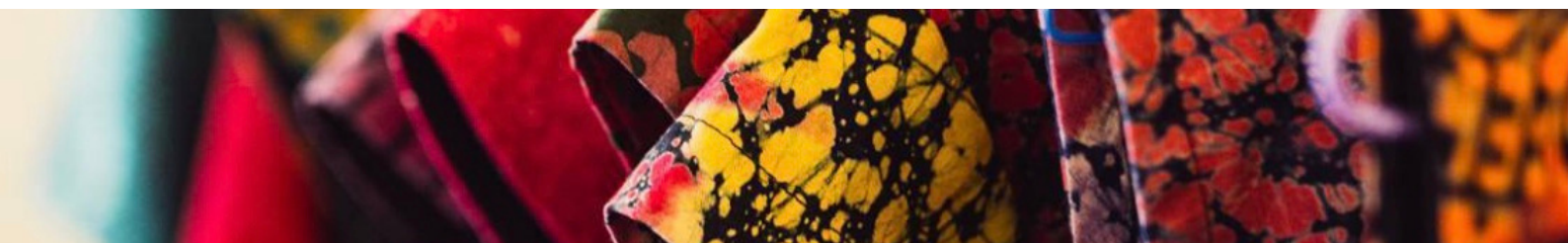
When asked to break down the cost of production, raw materials came out as the most pressing driver, followed by electricity (Ministry of Trade and Industry, 2017).

In Rwanda, access to raw materials is one of the largest problems facing the textiles and garment industries. Less than 5% of Rwanda's fabric needs are produced locally and there is only one company, Utexrwa, which produces fabrics in Rwanda. Usually, a well-balanced value chain should produce a minimum of 50% of the fabric needed locally (NIRDA, 2017). Increased local production of fabrics will secure on a long-term basis, the textile industry against investors shifting production from one country to another to achieve short-term economic benefits. Producing raw materials and fabrics locally may also provide them with an advantage when it comes to sustainability as they would have greater scope to integrate sustainability from the get-go and have more control over the entire value chain.

While Rwanda currently imports the majority of its raw materials and fabrics, there are certainly opportunities to develop the local production of raw materials to help grow the local manufacturing industry further. While Rwanda has no shortage of high-quality skins and hides, the country exports the majority of its raw hides and skins as there are little incentives to keep raw materials in the country. With only one operational tannery in the country and the absence of hide and skin grading standards, the opportunity to be regionally and internationally competitive is missed. In 2014, Rwanda exported 14.7 million dollars' worth of raw hides and skins (NIRDA, 2017b), however, if the value addition occurred locally the potential for export revenues is approximately 170 million for finished leather products (Kuradusenge, 2018). Though there are clear limitations for domestic textile production, the leather sub-sector presents imminent opportunities for scalability. Through the Made in Rwanda Policy and other government incentives, the promotion of locally produced leather products is supported by tax incentives, capacity building support, preference to local producers for government tenders and reduction in industrial electricity tariffs (Ministry of Trade and Industry, 2017).

Though the focus is typically on industrialisation and mass production, the promotion of the leather industry has created opportunities for the cottage industry to grow with the establishment of microprocessing plants in rural parts of the country and also promote sustainability. While these SMEs exhibit strong knowledge of leather processing, there remains a gap in the quality standards of the finished products and sustainability management. Similarly, with the lack of adequate technology for waste management throughout the leather value chain, the environmental risks are high as Rwanda is a landlocked country. However, a recent study shows if there is a concentration of manufactures in one area, the implementation of a shared treatment regime can allow for tanneries to operate at volume (NIRDA, 2017b).

Rwanda also produces silk on a small scale, domestic cocoon production in Rwanda is still below 11 tonnes per year. Nonetheless, a Korean investor is establishing a silk yarn factory in Rwamagana Industrial Park and is supporting farmers to rehabilitate 1425 hectares of mulberry plantations across the country and planting a new area on 500 hectares for cocoons production (Ministry of Trade and Industry, 2017). This provides an opportunity to sustainably transition jobs and promote Rwandan raw materials. Further capacity building and infrastructure would be required to be able to process the silk in-country, even so, this could help to retain additional value in Rwanda.



While Rwanda's climate and soil are incompatible with growing cotton (ILO, 2018), there is now sustainable small-scale merino sheep farming for wool. Handspun Hope is the only wool producer and processor in Rwanda and imports merino sheep from Kenya into the mountainous region of Rwanda and employ vulnerable women to spin the yarn and produce garments. Whilst only small-scale production, this certainly demonstrates the ability of Rwanda to diversify their local raw materials and provide a sustainable livelihood for local people. However, according to the company, Rwanda doesn't have a market for their creations, they instead export their garments to the USA (CNN, 2019).

Almost 15% of the Rwandans engaged in the production of handicrafts work in the textile and apparel sector, making it the 3rd largest job creator within handicrafts, after basketry and woodwork (ILO, 2018). However, as 91% of total employment in Rwanda is informal, and the garment sector is no exception, it makes it extremely difficult to get an accurate estimation of the number of people working within the garment and textiles industries in Rwanda (ILO, 2018). Although, estimates suggest there could be around 88,400 tailors working within the sector, most of whom work informally (ILO, 2018).

This level on informality is reflected in the total number of garment and textile business registered: just 22 in 2016 (Ministry of Trade and Industry, 2017). It has also been said that registered businesses largely still operate with elements of informality: not paying social security obligations for their employees and not formally contracting casual workers (ILO, 2018). This informal employment makes workers more vulnerable to seasonal variations in work and often means they lose out on security payments, such as pensions or health insurance and could be harder for workers to receive fair pay for their work. Formalising and strengthening employment through legislation can ensure the protection of workers throughout the value chain.

Due to the level of informality, many workers cannot exercise their rights, which means that decent work is not upheld in the garment industry, despite a fairly supportive national labour rights legislation. In a 2018 ILO study, most tailors in Rwanda, including both women and men, reported to work between 11 and 12 hours per day six days per week, totalling between 66–72 hours a week (ILO, 2018). Decent working time is a crucial part of ensuring decent work with the ILO Conventions (No.1 and No. 30) setting the general standard at 48 regular hours of work per week, with a maximum of eight hours per day. Additionally, in the ILO study, interviewed workers in a large manufacturer make an average of only RWF 40,000 (USD 48) per month and salaries do not tend to increase over time whereas, informal workers can earn on average four times as much, although they receive a much wider variation in income due to an unstable income, as well as working long hours (11– 12 hours a day). Ensuring decent working hours, a fair wage and safe working conditions should be an essential component of Rwanda's strategic development of the industry.

INFORMAL EMPLOYMENT MAKES WORKERS MORE VULNERABLE TO SEASONAL VARIATIONS IN WORK

Lack of skills has been previously cited as one of the causes behind the lack of competitiveness in Rwanda and the garment manufacturing sector. The 2018 ILO study revealed that around 46% of active tailors in Rwanda have not received training in a formal education institution (e.g. TVET), but learnt from peers or masters. Despite investing in training, it is said that skills among tailors employed at the large manufacturing facilities, Utexrwa and C&H, are even more basic as these companies produce large volumes based on chain work whereby each person specializes in a particular task, such as hemming.

As a result of lack of skills, despite many consumers wanting to buy local products a survey carried out by MINICOM indicated that 60% of the people surveyed prefer to buy, and do buy local products over imports. However, many Rwandan's hesitate to buy local due to concerns over the quality and the durability of the products (Ministry of Trade and Industry 2017). Quality-wise, bad finishing and late delivery seem to be the most frequent issues. Additionally, Rwandan clothes are generally perceived as expensive in comparison to imported garments, and this may be aggravated by the belief that quality is lower. To increase the demand for Rwandan made products in the local market, increasing skills and improving quality seem to be key factors to achieving the Government's aim of improving the textiles and garment industry.

Considering that the cost of labour is not as low as countries and the current lack of access to raw materials and textiles, "Made in Rwanda" products may not be able to compete with the prices of imported clothing, instead, Rwanda's only real option in the short to medium term is to compete by providing superior quality and sustainability as opposed to prices.



2.POLICY LANDSCAPE

While the Rwandan fashion industry is nascent, in recent years the Government of Rwanda has prioritised and has put into place policies to push the industrialisation of the garment and textile industry in hopes of positive economic and social impact. The Made in Rwanda Policy was developed off the back of the successful “Made in Rwanda” campaign as part of the Domestic Market Recapturing Strategy (DMRS) which took effect in 2015.

The DMRS Policy aimed to identify sectors where Rwanda could quickly ‘recapture’ the domestic market and therefore lower imports, with a projected \$450m in foreign exchange savings per annum, equal to 17.8% of the 2015 import bill (Ministry of Trade and Industry, 2015). The DMRS focused the government’s attention on certain clusters and value chains, in which Rwanda may feasibly achieve global competitiveness, including the textile and garment industries.

As part of DMRS, the government developed a textile sector strategy aiming at tackling long challenges across the sector such as availability of raw materials, skills and size of the market. “Some of the challenges include lack of local availability of raw materials, lack of tailoring skills, small local market etc. The government is trying to prepare a comprehensive textile sector strategy to holistically address this and complement it with Rwandan Centre for Design and Clothing and other vocational tailoring training programs,” The Ministry of Trade and Industry said.

Although, projects under this policy predominantly focused on creating a business plan for UTEXRWA to recapture the domestic market and attracting foreign investments aimed at production for export (Ministry of Trade and Industry, 2015). There was little focus on SME’s, which make up 98% of Rwanda’s businesses (Ministry of Trade and Industry, 2017).

However, as part of the DMRS, the Government recognised that domestic consumer sentiment could shift towards a preference for local products, but as much as Rwandan consumers express a preference for buying locally, they have quality concerns. Consequently, they created the “Made in Rwanda” Campaign to improve the image and perception of locally made products. While there is some evidence the campaign successfully changed some consumer perceptions to local products, there was still a need for this campaign to go further.

At the same time as the DMRS, in 2015 the Government alongside other EAC countries, took the bold step to phase out second-hand clothing, known locally as cagua. Rwanda increased tariffs on imported used clothes from \$0.20 to \$2.50 per kg in 2016 with the eventual aim to phase out all used-clothes imports (Wolffe, 2020). “Government of Rwanda has adopted protectionist measures to restrict the importation of second-hand clothing to give room to the fashion industry to capture the local market. Removal of import duties has been placed on raw materials for the garment sector to reduce the cost of production for the fashion industry,” Ministry of Trade and Industry said.

Following the increased tariffs, second-hand clothing imports dropped by 97% (ILO, 2018). However, some suggest the reduction of second-hand clothing may not promote local manufacturing as the Government had hoped. As mentioned earlier, Rwanda imports the majority of their new clothes, meaning they have full access to cheap foreign, often Chinese, garments. Secondly, cagua is predominantly purchased by low-income people, who may not be able to afford to buy locally produced garments which are often more expensive.

2.1 The “Made in Rwanda” Policy

Following the success of the “Made in Rwanda” campaign, the government announced the “Made in Rwanda” Policy in 2017. The Made in Rwanda Policy was designed to help further Rwanda’s aspiration to become an upper-middle-income country by 2035 and higher income by 2050 (Ministry of Trade and Industry, 2017).

The policy aims to increase economic competitiveness by enhancing Rwanda’s domestic market through addressing bottlenecks in the value chains and improving quality and boosting cost competitiveness. Among the objectives of the campaign is a mind-set change to adjust the perception among consumers that imported products are superior in quality or price, dampening demand for locally made products.

As a result, the “Made in Rwanda” Policy has five main pillars:

1. Creating Sector Specific Strategies – The Policy aims to set out a template for developing strategies aimed at upgrading specific value chains in Rwanda, with a specific focus on the textile, garment and leather sub-sectors.

2. Reducing the Cost of Production – The Policy aims to improve access to industrial inputs and raw materials, improve access to technology, support access to finance, improve resource efficiency of value chains and promote cleaner production.

3. Improving Quality – The Policy aims for Rwandan products to be known for their quality, reliability and durability through expanding and improving infrastructure and support, providing technical assistance, setting up a graduate placement program and through regulating products that do not meet the necessary minimum standards.

4. Promoting Backward Linkages – The Policy aims to facilitate vertical business integration through supply contracts to multi-national firms and by creating “cluster platforms” to enable greater coordination along the entire value chain.

5. Mind-Set Change – The Policy aims to change the perception that imported products are superior in quality or price to Rwandan-made products. This will be achieved through communications campaigns centred around using the “Made in Rwanda” logo as a symbol of quality assurance for products made in Rwanda.



Other planned interventions include the institution of Rwandan Centre for Design and Clothing is to be established as a polytechnic college, providing much-needed skills and expertise in the priority garment and fashion sector.

Further policy intervention has been through the National Industrial Research and Development Agency. Through value chain prioritization, NIRDA says they support garment value chains to acquire modern equipment. This is through the Open Calls Program, where firms are called to submit their request for support through which the firms deemed to have potential projects are supported. The initiative has aimed to boost production both in quality and quantity in a bid to promote quality Made in Rwanda products.

Besides the modern equipment, NIRDA also provides training on the use of modern equipment, the best technologies to modernize the industry offers marketing and business advisory services among others. Further, NIRDA is invested in sustainable textile innovation and through a hackathon awarded funding for a sugar cane textile start-up. Though it may be early to tell the impact in terms of production, so far it seems as though small businesses are unaware of initiatives like this, so if these initiatives are limited to larger companies, they may have limited impact on the sector as a whole.

There has probably never been a more opportune time for “Made in Rwanda”, as the government of Rwanda has rolled out several policy interventions including the commencement of phase-out of second-hand clothes and exemptions of taxes on imports of raw materials to better support the industry’s growth.

As the Rwandan middle class has grown over the last decade, and the growth of discretionary income has consequently increased the potential market for Made in Rwanda fashion, and paired with the efforts of the Government of Rwanda, local and international entrepreneurs are incentivised to invest in the sector.

Similarly, outside Rwanda, many market opportunities have been emerging to put Made in Rwanda apparel on the international market. Rwanda enjoys duty-free access to the European Union market for all products except arms and ammunition as well as Rwanda also enjoys duty-free access to the United Kingdom through similar provisions.

From July 2020, African Continental Free Trade Area will take effect giving Rwandan products access to a continental market. Globally, there is a growing marketplace, demand and appeal for products by African designers.



“Most of the policy issues that affect African fashion industries have had interventions or at least there has been goodwill to address them. There are also multiple market opportunities for Rwandan fashion products within the local and international market. There, however, has to be a number of adjustments to make the most of the opportunities,” a Rwandan fashion designer said in an interview conducted as part of this research.

However, within the “Made in Rwanda” Policy there seems to be a distinct lack of focus on social and environmental sustainability within the garment and textiles industry. This seems out of character given that Rwanda, over the last couple of decades has taken ambitious steps to ensure the growth of the country does not come at the cost of the environment and has been able to position its self as a country that is at the forefront of green policies (World Economic Forum, 2016). In 2008, Rwanda became one of the first countries to ban plastic bags, a bold initiative that also earned Kigali, Rwanda as the cleanest city in Africa.

Through integrating social and environmental best practice as the industry emerges, Rwanda could market sustainability as a selling point to international brands and consumers who are increasingly looking to improve sustainability in their value chains.

3.METHODOLOGY

Stakeholders involved in the study were sampled methodologically to proportionally represent the stakeholder throughout the value chain and industry in Rwanda. The research process involved the following key research activities:

- Desk-based research, reviewing literature related to the 'Made in Rwanda' policy, local and international fashion value chains and the international 'Made in' movement. Though it should be noted that there is limited research and data on the local industry, therefore limiting the number of relevant resources for this research.
- 12 one-to-one interviews were conducted between September 2019 and November 2019 with stakeholders throughout the garment and textile value chain. Stakeholders included fashion designers, artisans, retailers and textile and garment manufacturers.
- 3 focus group discussions were conducted with 16 stakeholders and 6 exhibitions were attended with a sample of 20 consumers and industry observers. The focus group discussions sought to collect insights, opinions and viewpoints from consumers on the 'Made in Rwanda' fashion industry.
- 23 fashion stakeholders, including 9 designers, 6 artisans and 2 manufacturers, 1 government representative, 3 influencers and 2 photographers took part in a half-day workshop sharing insights on the 'Made in Rwanda' initiative.

Chatham House rules were applied to during the policy dialogue and interviews, which means that the information collected has been shared as quotes in the study, however, their source has not been disclosed.

The key questions asked during engagements assessed aspects such as:



- Whether their brands have any set quality standards as well as the entire industry (by their knowledge).
- Whether it is important to have set standards that would be considered heritage and resultant of good craftsmanship and consequences of lack of predictable standards.
- Who should oversee the establishment of standards and said heritage and ways to ensure adherence to the standards and heritage?
- Challenges in developing the Rwandan garment sector and potential benchmarks for the Rwandan fashion industry.

3.1 Scope and limitations

- There have been many limited studies and research on Rwanda's fashion industry, stakeholders, trends, or growth opportunities. Consequently, there is a lack of adequate data and information on the major activities of the creative economy, their partnerships, their activities, key sector trends, social and environmental implications, incentives, opportunities and challenges in the sector.
- Existing literature has been more general, looking at the fashion industry in the East African region or the context of the creative sector without a Rwandan specific focus.
- Beyond an array of expert opinions on the issue and potential of the sector, there has not been a conclusive scoping study or surveys among players in the sector to determine the major bottlenecks, potential solutions, and opportunities.

4. STAKEHOLDERS

There exists a range of categories for stakeholders working directly and indirectly with the Made in Rwanda fashion industry, among whose actions have a direct impact on the development of the sector. Aside from core stakeholders, government and non-government financial institutions play a vital role with close interactions with core stakeholders which impact the industry' growth and development. Others, play important roles in the promotion, community capacity building and research of Made in Rwanda, among those include international development partners ITC and British Council, while local partners include Private Sector Federation, CollectiveRW and the Rwanda Fashion Design Association. The above-mentioned stakeholder interactions are illustrated in diagram 1.

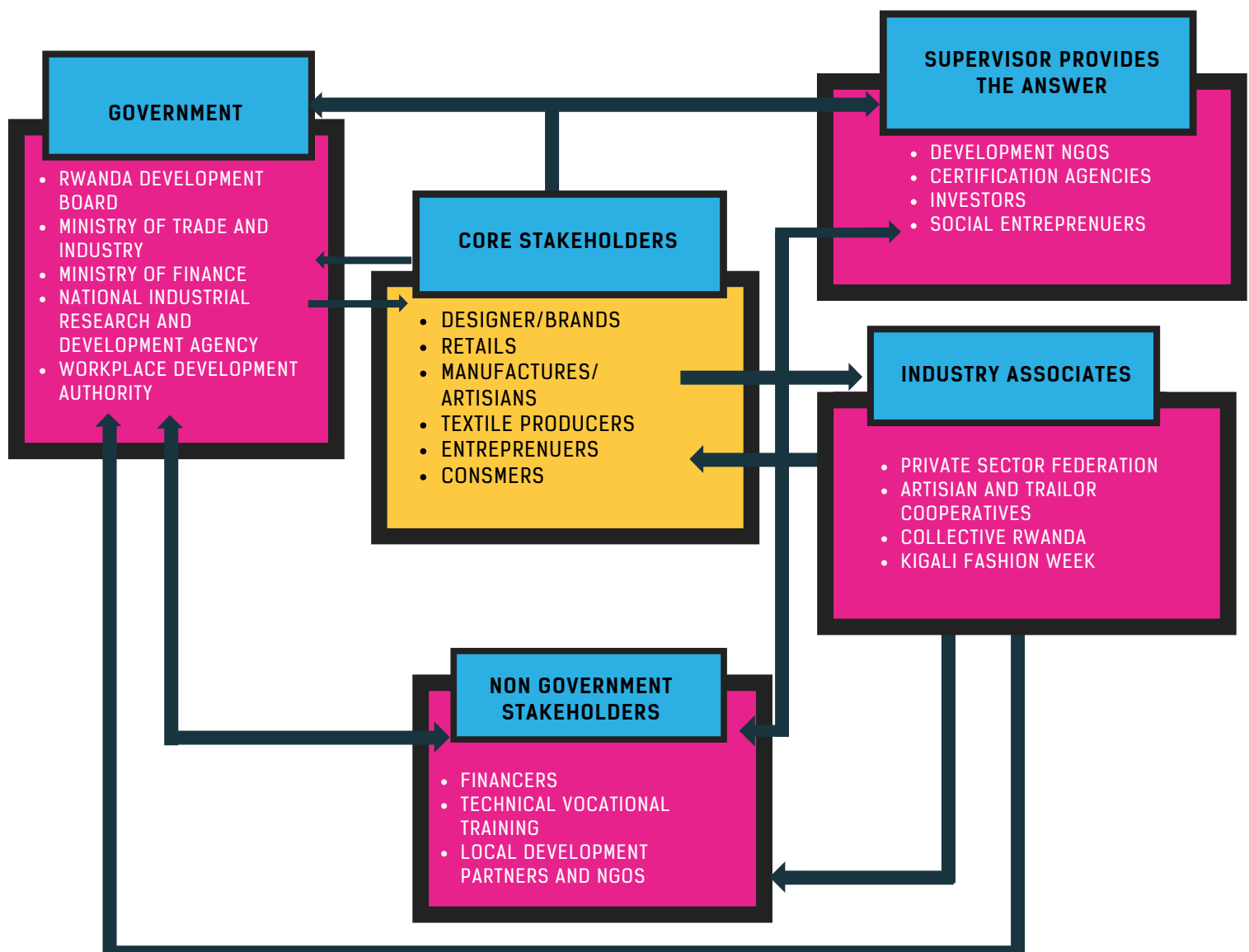


Diagram 1

A Case Study on Made in Germany and The Green Button

The term “Made in Germany” was initially coined by the British as part of the British Merchandise Marks Act in the 1887 when there was an influx of low-priced goods from Germany and other countries (Ewing, 2014). The act aimed to ensure that all foreign products – which could potentially threaten the success of British merchandise – were branded with a label. However, in the mid-twentieth century, people realized that Germany aimed to offer not mass-produced items, but focus instead on its ability to provide quality work and “post-industrial custom-tailoring,” as Economic historian, Abelshauser describes it. In 2019, YouGov asked people from over 23 countries which country makes people think most positively about the products produced there and the results showed that across the 23 countries people would think more positively about a product if they saw “Made in Germany” written on it, compared to any other country (YouGov 2019). This is further supported by a 2017 study by Statista which also found that out of 52 countries, “Made in Germany” is the most highly regarded quality label for goods and services around the world (Statista 2017). This shows how building a reputation on quality products can place a country internationally as leaders for production.

In 2019, Germany took another step to place itself as leaders in quality and sustainability, becoming the first government to establish a sustainability label for the textile industry, with The Green Button and set social and environmental standards for the protection of garment workers and the environment against the harmful practices in the supply chain (Federal Ministry of Economic Cooperation and Development, 2019).

Products with the Green Button must fulfil 26 social and environmental minimum standards. The social criteria include, for example, employee rights, such as the applicable statutory minimum wage, the paid minimum wage and overtime and the right to non-discrimination, as well as prohibition of child and forced labour.

Meanwhile, the environmental criteria revolve around requirements in textile finishing like dyeing procedures or the chemical retrofitting of clothing. However, there has been criticism at the limited scope of the label. So far, the Green Button has looked only at the processes of dyeing and bleaching as well as cutting and sewing textiles – and not at the raw materials stage or spinning and weaving (FashionUnited, 2019). While other critics say the criteria is too weak, for example, the minimum wage set out in the framework is “so low that no one could live off it” and that traceability and transparency requirements should be built into the label (DW, 2019).

Nonetheless, this label demonstrates the desire of both governments, consumers and brands to embrace sustainability within production and lays the ground work for other countries to take similar steps, while also learning from Germany’s mistakes.



A photograph of two women in traditional Rwandan clothing, including long skirts and beaded necklaces, standing on a sandy beach. The image is darkened to serve as a background for the text.

“Most of the policy issues that affect African fashion industries have had interventions or at least there has been goodwill to address them. There are also multiple market opportunities for Rwandan fashion products within the local and international market. There, however, has to be a number of adjustments to make the most of the opportunities,”
a Rwandan fashion designer said in an interview

A Case Study of Ethiopia

Across the Eastern African region, Ethiopia has the most developed fashion industry going by the output volumes and exports. Ethiopia's model has seen the country set itself up as a primary manufacturing hub and is estimated to boost the country's exports by \$30 billion in apparel and textile by 2025, according to government figures. Hawassa is one of five publicly owned industrial parks for the textiles industry and is currently estimated to employ more than 25,000 alone, with an aim to grow to 60,000 employees (NYU Stern Center for Business and Human Rights, 2019).

A 2018 survey by global management consulting firm, McKinsey reported that global fashion firms expect to start or increase their sourcing from Ethiopia in the next 5 years. The same survey found that Ethiopia was the only African country in the top 10 anticipated sourcing destinations over the same period (McKinsey & Company and Business of Fashion, 2018).

The country's incentives and attractions for the fashion industry are considerable. The sector enjoys strong government support (in the form of preferential tax and tariff treatment, low-cost financing, technical expertise, value chain investment, and substantial infrastructure investments to support the industry), low electricity costs, cheap labour and the availability of more than 3 million acres for cotton cultivation. However, the government's eagerness to attract foreign investment led it to promote the lowest base wage in any garment-producing country, the equivalent of \$26 a month (NYU Stern Center for Business and Human Rights, 2019). A minimum wage where most of them young women from poor farming families, cannot afford decent housing, food, or transportation. In addition, the government's regulatory schemes are stronger in law than in practice.

The rapid growth of the industry needs to have a sustainable basis. Without improvements of production practices, the risks of humanitarian and environmental damage will increase exponentially as production levels rise. Ideally, Ethiopia would draft a long-term plan that called for not only increasing the quantity of investment and jobs, but also improving job quality and targeting investments to develop local suppliers and transfer knowledge and skills to Ethiopian employees. Government efforts to set private-sector minimum wage standards could reduce labor exploitation risks, and improving the environment to better accommodate unionization could provide textile workers with comparative power by giving them collective bargaining rights.

There will be many lessons for other African countries to learn from the rapid expansion of Ethiopia's garment industry. For one, Rwanda should not aim to compete with the low prices of Ethiopia's garment industry or else it will risk a humanitarian crisis. Instead focusing on building skills, enhancing quality and sustainability could prevent Rwanda with a unique opportunity to capture the ever-growing market for sustainable, durable goods internationally.





5. FINDINGS

5.1 QUALITY STANDARDS AND PURSUIT OF HERITAGE

5.1.1 Status

Among the key findings, a majority of producers said they use in-house self-set quality standards, as there is not a local industry benchmark on quality. One fashion designer said, “Everyone works by their own perception and idea of quality standards and there is no involvement by the government in setting standards or regulations in the sector”. Several designers agreed that self-set quality standards are driven by consumer preferences for price and quality.

“All producers work on what they consider to be standards and quality which has different reception in the local market. there are some items in the local market that some clients consider to be quality while another category does not consider it as quality. It is determined by the preference of the client and knowing who your client is. We sell shirts for RWF 15000; some people sell at RWF 50,000. The client of the higher range may not consider ours to be quality yet we have clients who think we are quality.” said another Rwandan producer.

Though producers always seek to produce the highest possible quality in every output, without industry standards this has led to a lack of a clear distinguishing quality characteristic of Rwandan made garments and fashion items. Additionally, the lack of systematic standards could often result in producers having inconsistent and unpredictable quality standards of products. As a result, the industry is yet to make a significant impact on the local, regional and international markets, as demonstrated by this designer’s comment:

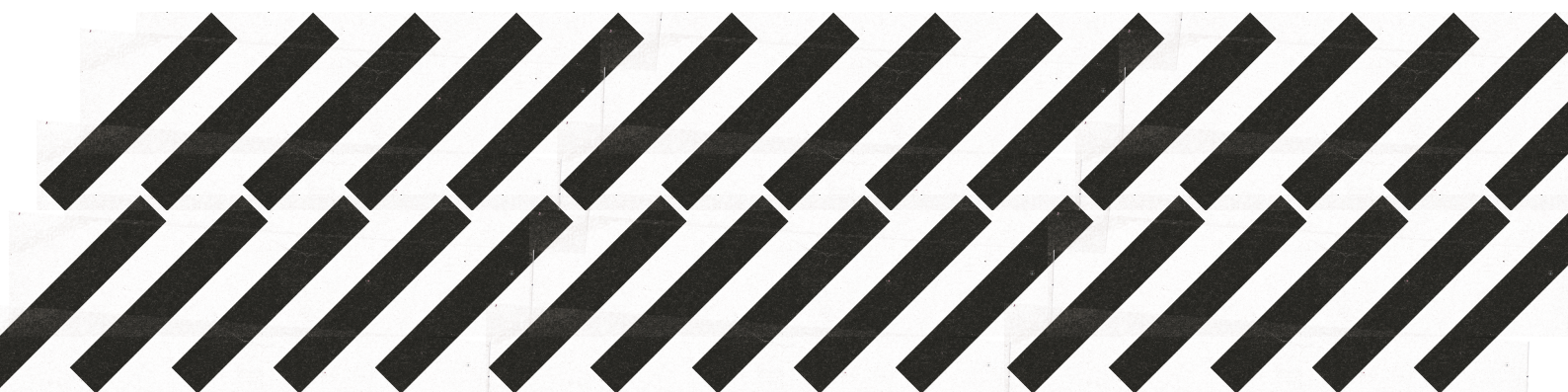
“There are no industry standards, quality threshold or pursuit of sustainability. As a firm, we have our own standards to ensure we meet our customer needs and preferences but as an industry, we are yet to have clear product standards. With that, some people could perceive that the industry is not yet mature from their experience with products that they buy from a player who lacked standards”. The Rwandan market does not have any self-set quality standards and metrics which creates vulnerabilities in the local market in regards to the perception of quality.

The local market also lacks certification of the various products of the fashion industry was mentioned as a constraint of growth in both the local and external markets. In addition, several producers in interviews and during the workshop raised that standards should also consider elements of sustainability. When asked about the importance of standards in the industry, one designer said “It is the only way we can create an edge considering we do not have volumes of production that other markets have. Countries such as Egypt have a large scale of production giving them an edge. We need a comparative advantage such as quality, sustainability, carbon footprint among others.”

The lack of certification they said, often leads to the perception that the local market's products are not quality. An interview participant said, "It is important to have a minimum requirement for each producer to make sure that clients trust local products and not always perceive them to be inferior." Financial constraints to invest more in the production process to guarantee a consistent quality was cited by several workshop participants as a barrier to achieving better quality products.

Among the key factors that producers say influence standards and quality include the quality of skillsets, resources available to acquire raw materials (discussed in sections below). A majority of producers said that the most readily available skills in textile and garment production were TVET trained tailors but cited a gap in designers (discussed in other sections below). This, they said, limits the level of innovation and creativity of products from their sector. The consequences of not having standards designers said include challenges in marketing their products in the country and beyond as well as difficulties in addressing misperceptions that locally made products are sub-standard in comparison to imported products. One participant said that this has led to customers only willing to purchase from imported or a select few companies, damaging the entire industry, "There is a perception that imported products are superior and better than ours [locally produced products]."

There is an assumption that local is expensive and not predictable. Some clients prefer to only work with few brands who they consider superior which has also limited growth."Some brands said the lack of standards has also led to a rise in duplication and copying of their designs by their competitors who offer cheaper versions of lower quality. On this matter, one participant said "There has been a lot of duplication and 'copying' of designs by some producers to produce at a cheaper price. There has also been general confusion due to the lack of standards leading them to look to cheaper products as opposed to quality."Regarding the need of quality standards, almost all stakeholders in the industry agreed that it is necessary as it will serve towards creating a reputation for Rwanda's fashion and garment industry in the country and beyond. This they said will also serve to ensure that clients are appreciative of the prices placed on the products as well as help to rebuild the trust in Rwandan made products. One interview participant cited that the lack of trust in Rwandan quality was negatively impacting her business which sells higher quality garments, "Perception of low quality in the local market as is the case now across the market, even for us who have high standards, it's hard to sell at the right prices as customers based on their previous experience."



5.1.2 Responsibility

On who should stipulate and set the requirements of the standard of products, the majority of the producers thought that producers should lead in setting the standards, predominantly through self-regulation. Supporting the idea of self-regulation, when asked who should lead the process, one producer said “The producers themselves, when you bring in a government agency, the standards and quality measures they put for us to meet might not be realistic and could drive us out of the market due to high cost of operation.” Similarly, another producer said “Every producer in the market should be involved in setting standards as it is what determines their business case. When the standards are too high, it will not make a business case and when it’s too low, there will not be any market confidence.”

However, many producers said that this issue requires collaboration from all stakeholders across the industry, especially from the government. With many producers suggesting that the government should coordinate with producers to set the standards.” Designers and producers ought to work closely with the government to set agreeable standards and quality requirements that all players can adhere to,” said one producer, in support of government involvement. There is room for cooperation with a regulatory authority in providing an S- mark certification (market of standard certification provided by the Rwanda Standards Bureau) for products that meet the standards.

A few have mentioned that the regulation of standards should be handed to an independent oversight body that will have agreed upon measurements of quality. One producer suggested “an association of fashion should be set up to have a role in monitoring the basic requirements and standards. That can be used as a parameter for instance when inviting brands to exhibitions and expos. That can be an ideal way to ensure sustainability in adherence to standards, heritage and anything that would propel us into the market.”. The idea of an industry association was raised independently by another producer “It should come from a balance between client needs and the company’s ability. The ability in terms of skills, affordability etc. That said, the industry should have its own association and umbrella body to oversee such.”



5.1.3 Responsibility

Having agreed standards and quality requirements agreeable by all producers and stakeholders was mentioned as a potential approach to change the long-standing challenges. This can be addressed through industry-level roundtables. The stakeholders also noted that exhibition sites can also use the agreed-upon standards as a minimum benchmark when inviting firms for partnership.

Many producers suggested the standards should go beyond just the quality of a garment, one producer suggested “to have a certification mechanism for a product to be considered Made in Rwanda, it should cover a number of aspects including skills of staff, the composition of staff and quality of raw materials. It is being done for other sectors such as food, it can be done for the local textiles sector too.” It would be very beneficial for the competitiveness of the industry to set benchmarks for sustainability in the production process, considering social factors such as wages and environmental elements such as raw materials and waste.

The Ministry of Trade and Industry could provide an S-mark certification (market of standard certification provided by Rwanda Standards Bureau) especially for export-related products that meet the standards. Government stakeholders, however, say that set standards might stifle creativity noting that currently, the regulation only covers health and safety standards. The challenge being cross-cutting and having multiple impacts and implications, there were other recommendations discussed in sections below.

Finally, to promote quality and sustainability within the industry, the Rwandan government should raise minimum wage and social standards and strengthen legislation and provide additional protections for informal workers, who make up the majority of workers in the textile industry. The government should work in consultation with local SME's to ensure what they set is achievable while still ensuring growth.



5.2 THE SHORTAGE OF SKILLS IN THE LOCAL FASHION INDUSTRY

5.2.1 Status

The Rwandan fashion industry continues to face a shortage of skills across multiple aspects including fabrics selection, design and production among others. There are no higher learning institutions that focus/specialize in fashion industry development. The skills shortage has also affected trends in hiring and recruitment with local designers and brands having challenges in accessing talent and skills. The shortage of skills, they said has had multiple negative consequences including limitation of innovation, quality and consequently market appeal challenges.



One producer said that a lack of skills and higher learning institutions was preventing their success in an international market, "It is hard for some to have return clients or be in demand in the country and outside the country. It is also not possible to build skills among emerging skills if one does not have quality, standards and elements of sustainability. Considering that there are few higher learning institutions if any, it's hard to train emerging talents without good examples. It also weakens the value chain as artisans will produce anything without caring for quality, standards and sustainability. It's also hard to work with international brands as they cannot predict your output. "Another producer cited a lack of mentorship as a key challenge in the industry, "there has been a shortage of mentorship where emerging producers can learn from and emulate".

While the Technical and Vocational schools exist in the country, under the Workforce Development Authority, the training is basic and limited to only aspects such as tailoring and threadwork. Among the planned interventions by the government through the Ministry of Trade is the establishment of The Rwandan Centre for Design as a polytechnic college, providing much-needed skills and expertise in the priority garment and fashion sector. However, at the workshops, some stakeholders said the current training centre run by C&H but funded by the Government is poorly run and that the students are unemployable as they lack basic skills, so they express concerns about the future of any training centres and call for a reform in the education system.

"The local technical training has not been adequate to develop skills in the local market that can sustainably drive towards the ambitions," said one producer.

The government is also addressing the skills deficit through government funded internships in large private firms to train and provide young people with relevant practical skills needed on the labour market. The intervention Workforce Development Authority (WDA) is aided by a grant from World Bank to train over 10,000 people, a majority of them young people to be more fit to the demands of the labour market needs. Local garment factories are part of 117 private companies in manufacturing, agro-processing, energy, hospitality, ICT, transport and logistics that have received over Rwf2B in 2020 for capacity development (The New Times, 2020). The program is providing grants to firms with the most responsive proposals as an effective instrument to rapidly reduce skills gaps and create employment opportunities.

The shortage of skills in the local market has affected the attainment of standards, evolution of product design in the fashion industry as well as the pace of evolution of the sector. According to designers interviewed, the shortage of skills in aspects such as fabric handling has limited their capacity and expansion in the local market. Upskilling workers would also allow the industry to focus on producing quality and durable products which there is a growing market for internationally.

“The limited skills in the market is often a challenge in the process of actualizing some designs and concepts a designer might have. Apart from the basic skills in tailoring, there is quite a deficit in skills in aspects such as design, fabric handling among others”, a designer who owns a local brand said. The skills shortage they said often gets in the way of meeting market demands, responding to bulk demand and prevents much-needed innovation in the industry. As one producer said, “There are skills challenges, lack of innovation due to lack of adequate skills, lack of exposure and expertise.”

5.2.2 Responsibility

Currently, some brands said that they rely on in-house training which they said is not adequate. One producer said “Skillsets have been the main challenge. It’s not easy to train a large pool of people to have predictable quality and standards”.

Examples of large-scale producers such as C&H Rwanda were mentioned among those who train employees and build skills internally. These, however, have not had an impact on the local sector as the skills developed are tailored solely to the firm’s needs. Considering 98% of businesses are SME’s in Rwanda (Ministry of Trade and Industry, 2017), there should be more of a focus on building skills, not just for the larger companies.



Stakeholders interviewed at the policy dialogue said that developing skills is a responsibility that should be delivered by a higher learning institution such as Tertiary and Vocational Education Centres or local colleges. However, stakeholders said there should be cooperation and collaboration between fashion sector stakeholders, for matchmaking the skills in demand and the skills supply. Many cited the need for a formalised platform to unify the industry and promote knowledge sharing around skills and other areas such as standards, raw materials and fabric imports.

Stakeholders cited the Government agencies as the key stakeholders in addressing the shortcoming through the Workforce Development Authority which runs technical vocational schools. The intervention could involve revamping courses offered to make them fit for purpose. This will, however, require the intervention of core stakeholders such as designers and brands as they are in a position to best understand existing shortcomings and existing skills gaps. Among ways participants in the policy dialogue said they could work with government is in aspects such as pointing out skills gaps and shortcoming and curriculum formulation.

The government through the Ministry of Trade and Commerce has included training programmes as part of the comprehensive textile sector strategy which is currently in the formulation. “The government is trying to prepare a comprehensive textile sector strategy to holistically address this and complement it with Rwandan Centre for Design and Clothing and other vocational tailoring training programs,” an official from the Ministry of Trade and Industry said.

5.2.3 Recommendations

Government and stakeholders can map out skills gaps and partner in the development of a curriculum that best reflects the needs in the local market. The government has technical and vocational education institutions that could serve to address the skills gaps.

Additionally, residency or internship programs can be established through partnerships with international colleges and stakeholders, where students can benefit from cultural exchange opportunities abroad and local businesses can have access to skilled professionals who can support to fill their current skills gaps.

Mentorship and networking are also avenues to address skills shortages especially on non-technical skills.

This could be achieved through private/public partnerships through organizations such as Private Sector Federation, Rwanda Development Board, Collective Rw and the Rwanda Fashion Designers Association.

Reviewing the curriculum at Technical Vocational and Training institutions in fashion-related courses to ensure that they are fit for purposes for modern-day needs and challenges. This will as mentioned earlier require the input from core stakeholders to give insights on gaps and relevance of interventions.

However, as a long-term recommendation, the need for a fashion college would aid in addressing the skills gaps across the value chain and provide stakeholders with the knowledge and technical skills to set a new standard for Made in Rwanda that is sustainable, innovative and competitive in both the local and international market.

**"There are skills challenges,
lack of innovation due to lack
of adequate skills, lack of
exposure and expertise"**



5.3 ACCESS TO RAW MATERIALS

5.3.1 Status

During interviews and the workshops, several participants cited access to raw materials as one of their greatest challenges. Access to raw materials in the Rwandan market was said to have structural challenges which affect levels of innovation, quality and diversity of products. One producer said, "Access to quality inputs is a key challenge. When we import almost all raw materials, there is no guarantee that everyone will seek the best quality as there is also a consideration of reducing the cost of production. It results in a lack of creativity, originality and innovation. You can see that by the similarities among local production".

Even though some raw materials could be readily available in the country such as leather and silk, Rwandan designers still import a majority of raw materials from outside the country due to lack of local processing facilities. With most of the raw materials imported from the continent and beyond, designers highlighted challenges with inconsistencies when sourcing and replenishing fabrics which have an impact on the standards, quality and sustainability of their products. "The access to raw materials has also affected maintaining quality as most of them are imported and it's not as easy maintaining the same quality across orders," a local designer said.

While the government has made a policy intervention to remove taxes on raw materials for the garment sector, importation is relatively small in volume considering the capacity of the majority of producers are small scale which remains a challenge. In addition, during the workshop, many producers and designers had no idea that they could have reduced tax on raw materials. Raising the point that the government not only needs to implement these policies but effectively communicate them too. Some participants suggested that this was the role and industry association or body could take and act as a centralized place for information, among other things.

The lack of access to raw materials of a variety of fabrics impacted quality, standards and innovation. The lack of predictable access to raw materials also has consequences on the cost of production which also poses challenges towards maintaining any desired standards, stakeholders said. "Access to quality inputs is a key challenge. When we import almost all raw materials, there is no guarantee that everyone will seek the best quality as there is also a consideration of reducing cost of production," another producer said.

In addition, a focus on reshoring the production of raw materials would allow for greater control of the production process, enabling the industry to focus on creating more sustainable and quality raw materials. This is especially feasible in the leather industry as Rwanda produces many hides but cannot process the hides to leather. However, with strong waste and chemical management standards and processes in place, Rwanda could pioneer sustainable leather and retaining the profits from the entire value chain of leather in Rwanda, providing more economic benefits.

5.3.2 Responsibility

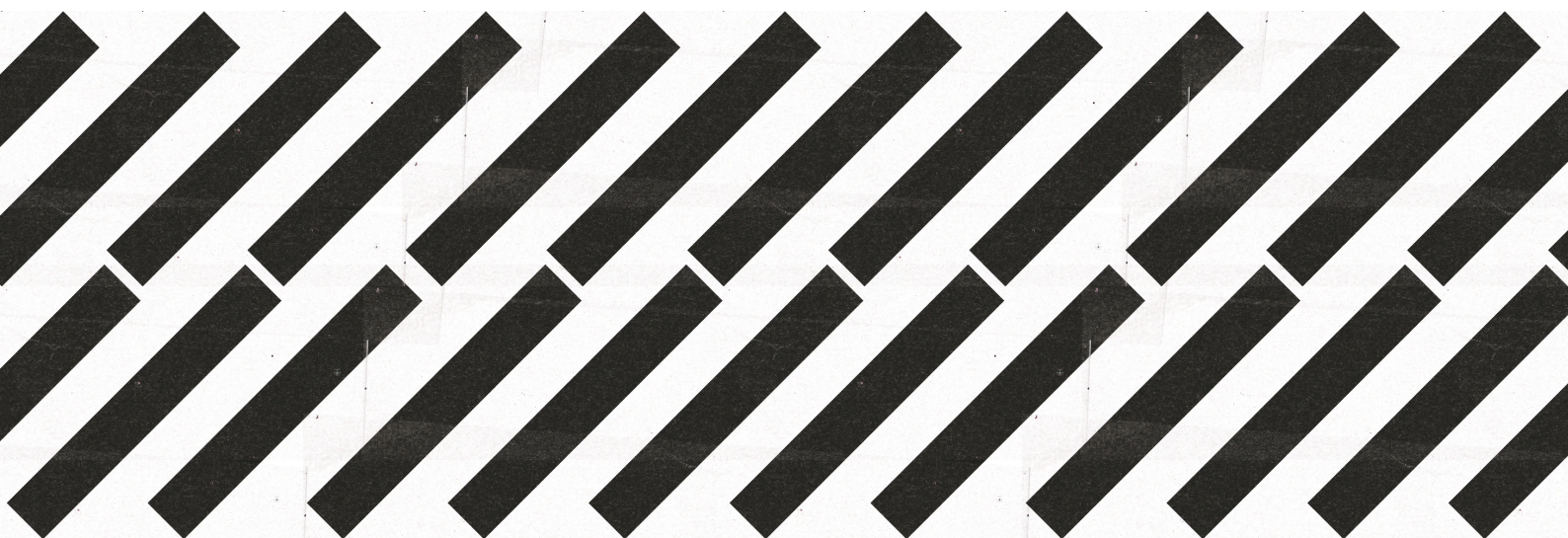
Participants at the policy dialogue highlighted the need for more collaboration and closer ties among industry players to take advantage of economies of scale in the importation of raw materials, perhaps with the establishment of an industry body. These they said would reduce the cost of raw materials that are commonly used in the country and lobby for better quality. It would be likely that the government would be required to facilitate the collaboration, but participants stressed the need for an independent body.

Additionally, the government has a responsibility to better communicate policies to all producers and stakeholders in the industry. The government should also work to get investment to establish processing facilities for key raw materials, such as leather, to allow greater control over production standards, sustainability and to retain as much value as possible within Rwanda.

5.3.3 Recommendations

Close collaboration among core stakeholders in the sourcing of raw materials to enjoy economies of scale. Possible interventions could include organising and consolidating shipments for SMEs to improve the cost of the shipment and provide opportunities for small scale producers to have access to imported quality raw materials that are otherwise not available. This may also open up the opportunity for investment in more sustainable materials, no otherwise available.

Further, incentives from institutions such as RDB, BRD and NIRDA to encourage textile innovation within the country could prove extremely valuable, so that garment manufacturers and fashion designers are not solely dependent on imported textiles. Additionally, locally produced textiles could address several development targets including, job creation, sustainable solutions and skills development. Similarly, clear and centralised incentives for investors engaged in sustainable textile manufacturing could further attract new players in the sector.



5.4 KNOWLEDGE AND USING GOVERNMENT INCENTIVES

5.4.1 Status

Despite the government's move to set up incentives for local producers through the Made in Rwanda policy, it emerged that few know about the existence of the incentives and fewer have used the incentives. This was attributed to lack of awareness, while others said that as small-scale producers, they often think they are ineligible for such incentives. At the workshop session, it emerged that despite having incentives tailored to promote production activities, a majority of local producers have not used the incentives and/or are not aware of how to make use of them. Additionally, many producers were unaware that they could access reduced taxes on raw material imports which could help reduce costs and allow more competitiveness.

The lack of awareness of incentives and how to benefit from them has seen a large section of the sector continue to face the same challenges they did before the rollout of the interventions. This may also provide an advantage to the larger producers, such as C&H or Utexrwa, but prevent SME's from having competitive prices. These have also seen the previously dominant challenges remain and continue to hurt the development of the sector.

5.4.2 Responsibility

Among the stakeholders that could be responsible for addressing the challenges include associations such as the Private Sector Federation which was viewed as a go-between for government and beneficiaries. Participants also put the responsibility on government agencies to reach out to them more often to enlighten them of the incentives as well as how to use them. Once again, the need for an industry association was raised which would allow more effective knowledge sharing throughout the industry, and specifically help smaller businesses access incentives.

5.4.3 Recommendations

Closer interaction between government and beneficiaries to increase understanding of incentives and how to benefit from them. This can be achieved through regular workshop sessions as well as other direct communications for businesses from the government. The publication of a service charter detailing the incentives, eligibility, procedures and processes would serve to create consistent messaging and understanding among stakeholders and new investors. This would allow a level playing field for all producers to access the incentives to reduce costs and increase competitiveness.



5.5 LACK OF LINKS AMONG INDUSTRY STAKEHOLDERS

5.5.1 Status

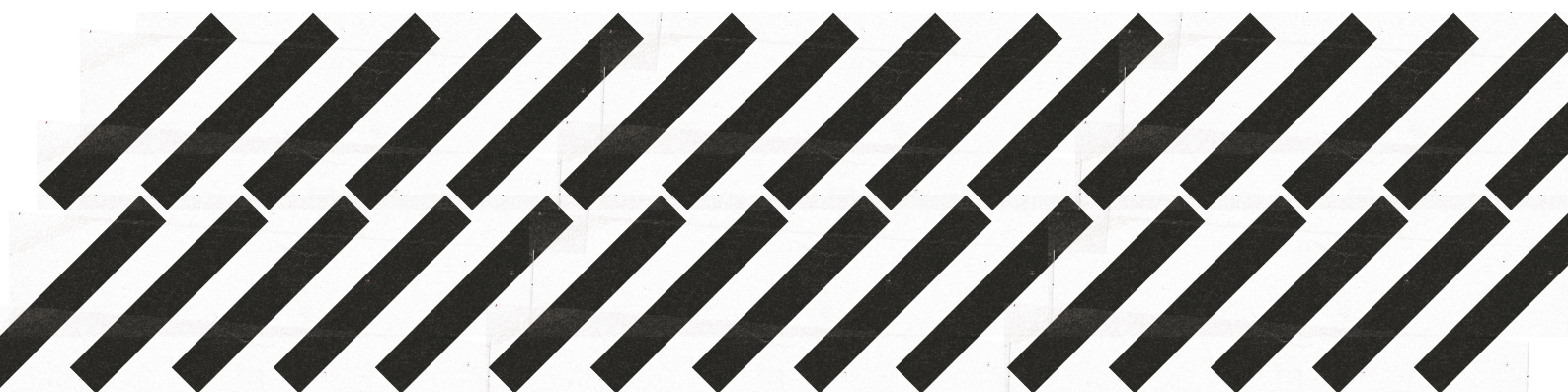
While there is diversity, innovation, expertise and skills across the market, there is a lack of avenues to link stakeholders to engage, share skills, and collaborate. Participants at the workshop mentioned that while there are a wide range of activities by designers, artisans and other stakeholders, there has not been industry level platforms that can serve as a connection to share lessons, experiences and mentorship. The links among industry-level players they said can serve as a platform to discuss and review common challenges in the local market as well as to forge paths towards sustainability and creating shared goals. This would also help to provide as a platform for knowledge sharing of government initiatives, which SME's previously have been unaware of.

"Other than 2 or three companies, very few have over 5 years' experience in proper business to understand the best and most affordable sources of raw materials, among other things. But for that to happen we need an association where we share ideas and speak as one" a local producer said.

Meanwhile, other producers said that an association could allow more unity amongst SME's to lobby the government for what they need. "The main challenge is that there is no cooperation in the local market among producers to look out for each other. With better cooperation, we can cooperate in bulk buying raw materials which also affect standards. With better cooperation or an association, we can lobby the local TVET schools to train the right skills for the local market" said one producer in an interview.

While others said this could association could help set the quality and sustainability standards for the industry, especially if the more developed producers and brands were involved. As echoed by one producer who said "I would look at local firms that have predictable standards and are known for sustainability, standards, and heritage. We can use them for peer learning. These are firms such as Moshions, Haute Baso among others."

The issue of isolated operations by stakeholders was blamed for the delays in addressing long-standing issues in the industry as well as little if any experience sharing across the sector. While some firms could have found ways to get around challenges, their insights have not been of benefit to fellow stakeholders as there are no collaboration mechanisms.



5.5.2 Responsibility

With the immediate stakeholders of the industry, such as brands, designers, artisans, textile producers among others, being the ones who best understand their challenges, workshops participants agreed that they would be best placed to take the lead on the initiative. This they said can take many forms including having regular roundtable sessions, creating associations, creating lobby groups among others. However, some agreed that government intervention might be necessary for the beginning stages to facilitate the workshops or creation of an association.

5.5.3 Recommendations

Regular networking opportunities to increase interaction among local stakeholders while potentially leading to the identification of partnership opportunities would be of utmost benefit to stakeholders. Regular roundtable setups would increase interaction among local stakeholders potentially leading to the identification of partnership opportunities.

Moreover, the creation of a digital database of stakeholders and their activities could help support linkages between stakeholders and should be implemented with the support of PSF. The establishment of a publicly available database of companies and suppliers would be an effective way of encouraging trade and cooperation. This is most likely to work best if it incorporates a large number of firms but also institutes a size cut-off and ensures product quality or includes information or metrics on other standards such as sustainability (International Growth Centre 2017).



Concerns	Recommendations	Stakeholders	Challenges
Quality Standards and Pursuit of Heritage	<ul style="list-style-type: none"> • Having agreed upon minimum standards and quality requirements by producers and stakeholders (Short term). • Certification for standards (Long term). • Create legislation for minimum wage in the textile industry and provide protections for informal workers. 	Core Stakeholders: Producers, brands, designers etc. Government stakeholders	Set standards might stifle creativity
Skills shortage in the local fashion industry	<ul style="list-style-type: none"> • Government and core stakeholders mapping out skills gaps and partner in the development of relevant curriculum. • Development of residency and internship programs. • Mentoring and experience sharing among core stakeholders to address the skills shortage. 	Government, Brands, designers and other core stakeholders	Lack of cooperation
Access to raw materials	<ul style="list-style-type: none"> • Close collaboration among core stakeholders to create economies of scale. • Incentives for local textile production. 	Government, Brands, designers and other core stakeholders	Small market factors leading to interest
Knowledge and using government incentives	<ul style="list-style-type: none"> • Closer interaction between government and beneficiaries increase understanding of incentives and how to benefit from them. • The publication of a service charter, detailing the incentives, eligibility, procedures and processes. 	Government, Brands, designers and other core stakeholders	Lack of cooperation
Lack of links among industry stakeholders	<ul style="list-style-type: none"> • Regular roundtable setups for increasing interaction among local stakeholders potentially leading to the identification of partnership opportunities (Short term). • Creation of a digital database for stakeholders and their activities (Long term). 	Government and Core stakeholders: Brands, designers, producers, textile producers	Lack of cooperation
Training facilities	<ul style="list-style-type: none"> • Reviewing the curriculum at Technical Vocational and Training institutions in fashion related courses to ensure that they are fit for purposes for modern day needs and challenges (Short term). • The establishment of a local Fashion College (Long term). 	Government with the involvement of core stakeholders. i.e. brands, designers etc.	Lack of cooperation

6. CONCLUSION

The fashion and garment industry is primarily driven by SMEs and the number of new fashion businesses has continued to rise since the introduction of the Made in Rwanda Policy and the banning of second-hand clothing imports.

Rwanda should not aim to compete with other low-priced competitors such as Ethiopia and rather focus on quality, sustainability, while protecting worker's wages. This can provide competitiveness given that the market for sustainability and quality products is growing internationally. Integrating sustainability, energy efficiency, social protections and quality from the beginning will provide an advantage, compared to existing industries who will need to retrofit and fix existing issues.

Though the Made in Rwanda policy promotes quality, value and competitiveness, Rwandan products lack consistent quality standards therefore are not challenging the local mindset that imported products are superior to local products.

Improved technical and non-technical skills through training and mentorships would address the quality, sustainability and heritage challenges faced by the fashion and garment industry in Rwanda. Rwanda should implement minimum wage legislation and strengthen social protections for informal workers who make up a significant proportion of the textiles industry.

The Made in Rwanda policy should better address the challenges of access to raw materials, as it currently does not consider that most stakeholders are small scale producers, making some of the interventions inaccessible. The government should also focus on facilitating innovation and the development of local raw materials and fabrics.

The policy dialogue highlighted the need for centralised information of government incentives, as many SMEs either have no knowledge of incentives or believe incentives are strictly for larger enterprises.

As the number of SMEs in the fashion and garment industry increases, there is a continued sense that businesses are operating in isolation with limited linkages, cooperation and collaboration between stakeholders across the industry. There are increased challenges in systematically implementing quality and sustainability standards.

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