Textiles from Ethiopia: Applying the market system approach M4P for sustainable Swedish sourcing

Ester Renkel

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List of Abbreviations

CRGE Climate Resilient Green Economy [Strategy]
CSR Corporate Social Responsibility
DFID UK Department for International Development
EMAS Environmental Management and Auditing System
EU European Union
FDI Foreign direct investment
GDP Gross domestic product
GHG Greenhouse gases
GoE Government of Ethiopia
GVC Global value chain
ILO International Labor Organization
M4P Making Markets Work for the Poor
MNC Multinational corporations
NICE Nordic Initiative Clean & Ethical
REACH Registration, Evaluation and Authorization of Chemicals
SA Systems Analysis
SAC Sustainable Apparel Coalition
SDG Sustainable Development Goal[s]
Sida Swedish International Development Agency
SME Small and medium enterprises
SSA Sub-Saharan Africa
STWI Sweden Textile Water Initiative
TC Textile and clothing [industry/sector]
UNEP United Nations Environment Programme
UNGC United Nations Global Compact
ZDHC The zero discharge of hazardous chemicals initiative

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Abstract:
This study assesses the applicability of the Making Markets Work for the Poor approach, as described by Sida, to meet sustainability challenges in the textiles- and clothing industry in Ethiopia. While Sweden has been ranked one of the most sustainable countries in the world, exported emissions and impacts have stained this reputation. As Swedish corporations look to Ethiopia as a new potential sourcing market for textile and clothing products, this interview study uses systems- and scenario analysis to assess the applicability of the market system approach Making Markets Work for the Poor, M4P, to answer to the sustainability challenges in the market system of the textile industry in Ethiopia. The results reveal that while sustainability challenges are numerous in regards to economy, environment and society, governance is the central leverage point when addressing systemic change for sustainability. The study concludes that while M4P can address specific sustainability challenges within the system, such as market access for poor and workers’ health issues, the approach does not answer to the fundamental systemic problems. Instead, it builds on a focus on GDP growth, which this study shows to be part of the problem of neglecting environmental and social aspects.

Keywords: Sustainable development, systems thinking, sourcing, textiles, Ethiopia, M4P.

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Summary:
Sweden has been ranked one of the most sustainable countries in the world. However, the practice of exporting emissions and impacts to low-income countries has stained this reputation. One country that has become increasingly interesting for Swedish corporations in the textiles- and clothing industry is Ethiopia, due to cheap labor costs and a closer geographic location to the European market than other sourcing markets. The government of Ethiopia has made it their goal to become the new leading market for sourcing of textiles and clothing to European purchasers, competing with Bangladesh, China and India. While the industry has historically been a tool for industrialization, it comes with costs to sustainability in terms of economy, environment and society.

This interview study looks at the sustainability challenges that may come from a growing textile- and clothing industry in Ethiopia, and uses systems analysis to find the important actors and leverage points for sustainability in the market system. It also uses scenario analysis to assess the applicability of the market system approach Making Markets Work for the Poor, M4P, to answer to the sustainability challenge in this market system. The results reveal that sustainability challenges are many in regards to economy, environment and society. It also becomes clear that governance is at the heart of solutions when reaching for sustainability in this context. While foreign purchasers and civil society may encourage change, real change must be implemented through the government. The study concludes that while M4P can be a useful tool for addressing specific sustainability challenges within the system, such as market access for poor and workers’ health issues, the approach does not answer to the fundamental systemic problems. Instead, it builds on a focus on GDP growth, which this study shows to be part of the problem of neglecting environmental and social aspects.

Keywords: Sustainable development, systems thinking, sourcing, textiles, Ethiopia, M4P.

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1. Introduction

Sweden has been ranked among the top ten sustainable countries in the world (Yale University, 2019). However, the country’s reputation has been questioned – along with other wealthy countries – when considering impacts from consumption of goods produced abroad, so-called exported emissions or impact (Davis & Caldeira, 2010). An industry where this understanding is particularly relevant is the textile and clothing (TC) industry. The vast majority of textile goods consumed in Sweden are produced abroad, and the Swedish net import of new textiles has increased by 30% since year 2000 (Naturvårdsverket, 2018). Production takes place in countries where labor costs are low, the struggle against poverty is real, and the consequences of unsustainable industrial practices are tangible.

The Ethiopian government plans to increase growth in the country, striving to become a lower middle-income country by 2025, with the TC industry viewed as a central tool (Government of Ethiopia, 2014). The TC industry has historically been found to be an efficient first step towards industrialization, creating job-opportunities and doors into global trade (Dickerson, 1999; Gereffi, 1999; Gibbon & Thomsen, 2004; Yülek & Yağmur, 2018), which is essential for economic growth, and thus higher living standards for developing countries (Fosu, 2011). Ethiopia is a producer of cotton fiber, and holds vast land areas suitable for cotton production. In addition, latter years have shown significant investments in garment manufacturing from international stakeholders and spiking increase in revenue from the sector (Wagave & Walle 2018). Large global brands have entered the market, including Swedish retailer H&M (Dagens Industri, 2014; Khurana, 2018), and others now look expectantly to Ethiopia as a potential new partner in the supply of fashion and interior. With H&M being one of the leading global retailer brands and the absolute biggest textile retailer in Sweden, the move opens up opportunities for other Swedish brands.

Within the subject of sustainability, the issues in the TC industry include, among others; equity, working conditions, financial dependency (Desore & Narula, 2018), land occupation, pesticides, air- and water pollution, and groundwater deprivation (Beton et al., 2014; Desore & Narula, 2018). Though these topics are diverse, they all have direct impact on the poor. Apart from food, drink, transport and private housing, which account for 70-80 % of the environmental impact of consumers in the EU, the clothing sector dominates what is left of impact share (Beton et al. 2014). A 2017 report by the Global Fashion Agenda estimates that the TC industry used 79 billion m3 of water and 1 715 million tons of carbon emissions in 2015. Water use and carbon emissions are expected to increase by 50 % by 2030, if today’s practices are not changed (GFA, 2017).

Speculators now discuss whether the increased interest in Ethiopia as a TC producer will be maintained, and how the Ethiopian government will reach its goals for increased growth. However, in light of the reported negative consequences of the international trade of textiles, it is worth asking what this rapid development of a TC industry, if successful, might mean for Ethiopia in terms of sustainability, and what tools are available to meet potential challenges.

The systemic market development tool Making Markets Work for the Poor, M4P has been widely applied both in European and American intervention to meet sustainability challenges. Though developed over many years, it was synthesized by The UK Department for International Development (DFID) in 2008 (DFID, 2008). It has been embraced by multiple international development agencies, including the Swedish International Development Agency (Sida), and used as a tool for market intervention in programs worldwide. It suggests how different actors can act for systemic change in markets in order to make systems benefit the poor to a higher degree. Sida describes it as applicable to multiple areas and market systems (Sida, 2012).

The aim of this study is to; describe the system of textile garment export from Ethiopia, assess what challenges could be expected in terms of Economic, Environmental and Social Sustainability, and assess how M4P, as described by Sida, might contribute to solving these challenges.
This aim is summarized in the following research questions:

1. What are the potential sustainability challenges of the Ethiopian textile industry, as a supplier to Swedish brands?
2. What are the systemic leverage points that might alleviate potential negative consequences?
3. How could the systemic M4P approach, as described by Sida, be applied to meet the challenges?

The questions of this study, and discussion around them, are deemed relevant for various reasons.

The Cocoyoc Declarations, adopted by the partakers of a UNEP-UNCTAS symposium on resource use, environment and development, states that “any process of growth that does not lead to the fulfillment [of basic needs] – or, even worse, disrupts them – is a travesty of the idea of development” (UNEP, in Sachs, 2010 p. 11). Though researchers conclude that the TC industry is the key to industrialization and global trade, and industrialization is essential for economic growth and higher income, they also conclude that industrialization of TC manufacture leads to other sustainability challenges. While Ethiopia holds significant water resources (Restiani & Sima, 2018), the basic need for access to clean water is still a challenge. With 61 million Ethiopians without access to clean water (water.org, 2019), developing an industry that is known for depleting such resources should arguably be done with concern for potential consequences and with solutions in mind.

Researchers in the field have emphasized the importance of country studies in the TC industry, giving clear indications that each country’s market system responds differently to external shocks. Geographic location, trade relationships, government policy and regulation all lead to different systemic functions and reactions in the industry (Lopez & Robertson, 2012), which is why a systemic understanding of the issues is relevant.

More specifically, Swedish market actors could use findings in the study as a contribution to decision-making processes in sourcing. Further, Swedish brand-initiatives for sustainability in the TC industry could use the assessment in the study to develop and evaluate courses of intervention. Arguably, it may aid a discussion on the applicability of M4P as an intervention tool in diverse sectors. The study also raises questions about the value of M4P as a tool for pro-poor sustainable development and might therefore be of value Sweden’s aid policy.

The thesis is structured in the following way: Chapter 2 provides a background to the issue, and sets the theoretical framework; Chapter 3 describes and discusses qualitative Scenario Analysis with semi-structured interviews as the method of choice; Chapter 4 presents the results of the chosen methods; followed by chapters 5 and 6 with the discussion of results and conclusion.
2. Overview of literature and theoretical framework

This chapter sets the background to and overview of the sustainability challenges of the TC industry, Ethiopian development, and M4P. Second, it describes the theoretical framework, with definitions.

2.1. Sweden, the EU and textile consumption

A recent study by Swerea (2018) aimed at mapping climate impact of Swedish textile consumption concludes that the Swedish textile consumption of 2017 resulted in 4.2 million tons CO2-eq, from material production to waste management. This is an increase from 3.3 million ton CO2-eq in 2000. In the EU at large, the clothing industry accounts for between 2 and 10 % of the environmental impact of EU consumers (Sajn, 2019). Out of these numbers, the production phase represents almost 80% of climate change effects, with energy use being a significant factor. Although a decrease in consumption would clearly be most effective in solving problems (Swerea, 2018), consumption keeps increasing (Naturvårdsverket, 2018).

A very small portion of textile products is made in Sweden (Naturvårdsverket, 2018). The countries from where most of Swedish textiles are sourced are China (32%), Bangladesh (14%), Turkey (7%), India (5%) and Pakistan (3%)(Swerea, 2018). Along the complex textile value chain including production, distribution, consumption and use, the production stage is where the biggest sustainability impact happens. And with production in Europe for European customers on the decrease (Beton et al., 2014), so is the control over an increasingly complex value chain in terms of sustainability and ethical practice.
Though production differs slightly depending on choice of fiber (e.g. cotton, polyester) this stage includes a complex process of production or extraction of raw materials, fiber processing, confection of yarn and fabric, followed by finishing, cutting and sewing (Beton et al., 2014). An EU report on textile consumption emphasizes that impacts from the production process are highest with the use of natural fibers, due to unsustainable agricultural practices. Issues in this stage include eutrophication, agricultural land occupation, biodiversity loss, access to water, natural land transformation and many more. Among all fibers used in textile production, cotton has the greatest impact due to its market dominance and method of production (Beton et al., 2014).

The report also provides a list of suggestions for change, highlighting the relevance of directives, regulations and voluntary schemes for so called cleaner production schemes such as REACH (Registration, Evaluation and Authorization of Chemicals) and EMAS (Environmental Management and Auditing System). The authors discuss the applicability of the policies and legislation targeting specific products. Though production is described as having the greatest impact, one conclusion is that with the majority of textiles being imported from outside the EU, the field of action of such policies is limited. Options for making the impact from production in TC industry more sustainable are many. Reducing the use of agrochemicals in cotton production, substituting cotton with hemp or other materials, and implementing new technology for recycling water, are suggestions that are deemed particularly effective (Beton et al. 2014).

In light of its globalized development and complex interactions, and aforementioned definitions and frameworks of the much-debated concept of sustainability, the TC industry faces multiple challenges.

### 2.2. Sustainability and the TC industry

The so-called Brundtland definition, set by the United Nations General Assembly in 1987 describes sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (United Nations General Assembly, 1987, p. 43). However disputed, this definition provided a direction for further discussions on the issues around sustainability, as well as on what it is/should be. Through the lens of this much-debated concept (which will be further defined later in this chapter), the TC industry with its globalized development faces multiple challenges. To explain current challenges, this chapter begins with a description of why TC industry looks the way it does, after which economic, environmental and social challenges in recent time are presented.

#### 2.2.1. Globalization

The manufacturing of textiles and clothes has been a significant tool for industrialization during the past two centuries (Dickerson, 1999; Gibbon & Thomsen, 2004; Yülek & Yağmur, 2018). Britain, Turkey, the US, Japan, Hong Kong, South Korea, and Taiwan are examples of how the absorption of a large number of unskilled workers, and producing goods to satisfy basic needs became an ingredient of success (Gibbon & Thomsen, 2004; Yülek & Yağmur, 2018). In addition, business venture in this industry has been attractive in that it only requires simple technology and has low start-up and fixed cost (Lopez & Robertson, 2012).

Supply chain management (SCM) in the post-industrial era led to a paradigm shift in manufacturing, from local to global sourcing, accelerating the increase of world imports, exports and cross-border FDI (Grose, 2012; Uzor, 2011 in Rugraff et al. 2011). As production in western countries – such as the US and UK - transitioned to the far east, the urgent need for effective delivery lead to new SCM-models. “Fast fashion” and “Quick Response” models entered the stage to ensure delivery within the right time and cost from the consumer’s perspective. Here, cost is of the essence (Grose, 2012). This development changed the landscape of international trade, and while creating a world of new business opportunities benefiting both so called developing and developed countries, the now much more complicated Global Value Chain (GVC) created new problems (Rugraff et al. 2011).
Design may take place in Europe, materials made in eastern Asia, and garment sewn in yet another particularly labor-abundant country. As previously mentioned, implementing regulation is a challenge when so many countries with differing legal systems and standards are involved (Beton et al. 2014; Scherer & Palazzo, 2011). Also, with the production so spread out, so the economic, environmental and social impacts are distributed across the globe (Sajn, 2019; Yülek & Yağmur, 2018). The industry is emerging, significant in the world market, and heavily reliant on manufacturers and workforce in producing countries. This dependency opens up to various risks, and fragmentation (Yülek & Yağmur, 2018). Buyers, i.e. large consumer oriented corporations, drive the chain by choosing the producing country that gives most profit. These corporations are thus highly important, and interrelated to the development of producing countries. Increased costs in a country decreases orders placed to it, increased costs in other countries means more orders to countries with lower costs, and increased global demands in general increases orders to each (Lopez & Robertson, 2012). Buyers source goods from suppliers who offer quality, reliable delivery, flexibility, and with competitive prices. The possibility of creating long-term strategic partnerships is also significant. In latter years, labor- and environmental compliance have gained increased attention, but competition and price pressures have at the same time become more intense (Lopez & Robertson, 2012; Roos et al., 2015).

Large corporations avoid risks in social and environmental issues in the supply chain through supplier diversification and building long-term strategic relationships. Gereffi and Frederick (2010) view these strategies as effective. However, in the work of Cao et al. (2017) on sustainable supply chain practices in emerging economies (namely the TC industry of South Africa), economic factors were the strongest drivers for sustainability while environmental factors were weakest, indicating that priority in the market lay in economic benefits.

There are many reasons behind the globalization of the TC industry. For one, reduced labor costs combined with an available workforce was essential for the new model. Also, the elimination of quotas in the Multi-fiber arrangement (MFA) in 2005 opened up for sourcing from China by US- and EU retailers after 40 years of implementation. The MFA was a system restricting the quantities and production sites of apparel trade. When the MFA ended, purchasers were given more choices, and the trade of textiles shifted to low-wage countries. Cost and competition became the drivers instead of quotas (Lopez & Robertson, 2012; Sajn, 2019). With lower costs for products, this resulted in an increase of the worldwide value of the apparel trade, from $193.7 billion to $335.9 billion in between 2000 and 2008. In the EU, the share of imports of consumed clothing increased from 33% to 87 % between 2014 and 2012 (Sajn, 2019). Governments also contributed to globalization by creating financial and administrative incentives for retailers to produce goods in poorer countries such as Bangladesh, Sri Lanka and Mauritius (Grose, 2012). As new markets opened, firms had no choice but to approach these new opportunities in order to remain competitive (Muthu et al., 2014). The increasingly globalized industry has one of the world’s largest export sectors, with some of the most traded products, providing jobs for millions (Gereffi & Frederick, 2010).

### 2.2.2. Sustainability challenges and opportunities in the TC industry

Among manufacturing industries, the TC industry is known as having one of the longest and most complicated value chains (Sajn, 2019). The industry is dominated by small and medium enterprises and includes actors from agriculture, chemicals, logistics, textiles, apparel, design, service, waste management and more. This section provides a brief overview of present-day challenges in this complex chain of interactions in terms of economy, society and environment.

**Challenges and opportunities: Economy**

Creating job-opportunities and providing income to people of poor countries and boosting national economy through exports and FDI is central to achieving economic development. Thus, it has been argued, the same is true for the TC industry (Keane & Velde, 2008). “No Poverty” is also the first of the UN’s Sustainable development goals (SDGs) (UN, 2018). As previously stated, the globalization of the TC industry has created jobs in developing countries worldwide, particularly aiming at the lower income-segments of the communities.
In many low-income countries such as Ethiopia, commodity prices are the primary drivers of growth, industry only contributes a smaller part of the total GDP, and the main goods for export are mostly primary products such as minerals, stones or agricultural produce (Moro, 2016). If the goal is to achieve the same course of development as East Asian countries, with diversified economy, technological development and sustained economic growth, export-oriented industrialization is key. Such should spring from successful industrial policy. In this, the manufacturing of what is called secondary products, e.g. textiles and clothing, is crucial (Yülek & Yağmur, 2018).

While the TC industry provides opportunity for economic growth and development, dependency on a fluctuating global market comes with risks. As a recent example, the financial crisis of 2008 had a severe impact on the TC industry globally, with orders from global corporations being postponed or canceled. Around the same time-period, developed (i.e. importing) countries moved to formulate regulations for sustainability in the sector. New standards and restrictions were formed, which increased the pressure on producers to implement changes, and increased their adding administrative costs. (Wu et al. 2012)

**Challenges and opportunities: Society**

In April 2013, the Rana Plaza garment factory outside Dhaka, Bangladesh collapsed, resulting in the deaths of 1135 workers. The five-story factory was supplying fashion garments for multiple brands globally, and the industrial disaster revealed the social costs of the TC industry. Although this was by no means the first event of its kind, the magnitude and connection to international corporations grabbed headlines around the world, and the event spurred discussions and initiatives regarding corporate responsibility in working conditions and wages. A study in 2011, for example, suggested that a mere increase of 2–6% in the final retail price could finance a 100% increase in production worker wages in the garment industry (Heintz, 2011, p. 269).

Government regulated minimum wages is a hot and complicated topic, weighing job-opportunities and market development against human rights. After South Africa introduced minimum salaries for the TC industry in the country in 2003, wages increased significantly, but this also resulted in decreased orders and a financial crisis for the sector. Within 10 years, the industry was half its original size and factories were closed or moved to countries with lower wages (Yülek & Yağmur, 2018). In Bangladesh on the other hand, regulated minimum wages were raised in 2006, which happened without causing severe impact on employment. However, even after the raise wages in the TC industry in Bangladesh are still among the lowest in the world, thus not causing purchasing companies to look for cheap labor elsewhere (Lopez & Robertson, 2012).

After agriculture, the TC industry is the second largest employer of women. The workforce of the TC industry primarily consists of young, less educated (though literate) single women, and the TC industry has been described as opening a way for women into other manufacturing sectors. Inequality and wages are much debated (Lopez & Robertson, 2012). In his work on the societal impacts of neo-liberalism, Smart (2003), emphasizes how the TC industry in many ways has depleted the cultural identity of peoples in the wakes of industrialization.

**Challenges and opportunities: Environment**

The TC market is dominated by cotton, comprising more than 43 % of all products (Beton et al., 2014). Cotton has the highest environmental impact per kilogram of fiber out of a total of 21 impact categories in the Beton et al. (2014) report, including for example freshwater- and marine eutrophication, ecotoxicity, resource availability, and human health. Cotton production includes many factors that have impact on sustainability: The use of fertilizers, pesticides and machinery, irrigation, distribution, and more. To explain the complexity of impact tracing and resolution, the processing of the fiber to yarn and fabric, finishing of fabric and manufacturing of end product may all happen in different countries. The high demand for cotton cultivation also has a significant impact on land use.
Many suggestions have been made on how to decrease climate impact which, compared to other impacts, is more easily measured. Solutions include working for increased life-length of products, shifting to renewable energy sources in production and transport, and moving production to Europe (Roos et al., 2015; Swerea, 2018). But the main challenges of the TC industry in production are often connected to water- and chemical management (Beton et al., 2014; Munn, 2011), which is not as easy to quantify. In response, Swedish researchers suggest a move away from the use of cotton, which is highly water consuming and has severe negative impact on aquatic eco-systems. Instead, they opt for less water-consuming materials such as viscose (Roos et al., 2015). Pollution, extensive use of non-renewables, and material waste in production are also widespread problems (Radhakrishnan, 2015).

2.2.3. Initiatives for sustainability in the TC industry

The role of international organizations/NGOs is viewed as helping retailers establish and improve their labor policies. One example is the Ethical Trading Initiative, ETI. As previously described, production and manufacturing has been centralized to countries with cheap and flexible labor. While demand for ethically produced goods has created new opportunities for sales for retailers, the demand for cheap clothing is still very high: style and cost remain the foremost decision-making factors, not a product’s ethical credentials (Grose, 2012).

Around the same time as the financial crisis in 2008, a number of new initiatives for sustainability in the TC industry were created under the term Corporate Social Responsibility, CSR (Wu et al. 2012). CSR is described as a new way of conducting business, combining traditional business performance with a respectful and proactive attitude in relation to the whole supply chain. This happens even though such actions are not encouraged or enforced by institutions and regulation. Today, CSR includes many actions and decisions in both more and less direct connection to the chain, including the full spectra of sustainability. With the TC industry being a vital component of the global economy, and being responsible for a large portion of environmental impacts (Sajn, 2019), leading actors in the industry came together to work for making it more responsible. One of these initiatives is called the Sustainable Apparel Coalition (SAC), formed in 2010 (SAC, n.d). SAC is estimated to be responsible for more than one third of clothing and footwear produced globally (Radhakrishnan, 2015).

The collaboration resulted in the so-called Higg Index 2.0, released on December 11, 2013. It is a merge of then existing sustainability measurement tools in the industry, for the aforementioned focus areas, such as Nike’s Apparel Environmental Design Tool. Proof of the relevance of sustainability work in this area, and also the public engagement in the issues, was presented in 2012 when the United Nations Global Compact, UNGC, presented the first Code of Conduct and Manual of an industrial sector, and this was for the TC industry. It was formed in collaboration between Nordic Fashion Association, and NICE. (Radhakrishnan, 2015)

Apart from these overarching initiatives, many others have been formed to answer to the sustainability challenges of the industry. In terms of working conditions, the Bangladesh Accord and the Bangladesh Worker Safety Alliance were created after Rana Plaza event mentioned earlier to avoid similar disasters. Fair Labor Association, Fair Factories Clearinghouse, International Labor Organization (ILO) Better Work Programme and more strive for similar improvements in working conditions (Muthu et al. 2014). The zero discharge of hazardous chemicals initiative (ZDHC) from Germany helps brands and producers to minimize chemical dispersal into waters (Muthu et al. 2014; ZDHC, n.d.). In the Swedish context, the Sweden Textile Water Initiative, STWI, is a collaboration between Swedish retailers for minimizing impact from purchasing (STWI, n.d.). Many Swedish purchasers are also part of the collaborations in the amfori group, working for both environmental and social sustainability (amfori, 2019).

Due to the complexity and impact of the TC industry, International trading agreements guide and shape it and the sustainability initiatives in it. Such relevant agreements are for example: ILO’s declaration on Fundamentals Principles and Rights at Work; the Universal Declaration of Human Rights; The Rio Declaration on Environment and Development and; The United Nations Convention Against Corruption (Gardetti, 2014).
2.3. TC Industry and development in SSA and Ethiopia

2.3.1. Sub-Saharan Africa (SSA) and Ethiopian TC industry

Countries in the SSA region are among those with the world’s lowest income, with the largest percentage of poor among its population (Moro, 2016). The TC industry has been described as laying the foundation for industrialization in many developing countries, of which many can be found in SSA, and approaches to development of this industry in the region in the 21st century are many. Many countries focused on export zones to make use of the African Growth and Opportunity Act (AGOA) with exports to the US, and joining the World Trade Organization (WTO) has been beneficial for the industry in for example South Africa. Liberalization has proven both positive and negative. Tax regulation to boost a specific industry has also been effective, as well as regulations of the imports of secondhand clothing (Kariuki et al. 2014). Africa in general and SSA more specifically are focused on cotton products from yarn to garment (Bennett et al., 2011), and cotton raw material is sourced from the country or region (Kariuki et al. 2014).

Yülek & Yağmur’s (2018) investigation on the ability of the TC industry to contribute to SSA industrialization conclude that the globalized TC industry of today is a critical export industry for developing countries. Though up until now this opportunity has not been particularly well managed, SSA counties can still gain benefits of economic growth from it. According to them, SSA presents a convenient environment for the TC industry to grow, such as low labor costs, integration with the cotton industry of other African countries, logistics and the demand from a large international export market. The TC industry can generate both short- and long-term gains in a country like Ethiopia: Export, employment and economic growth in short term, and industrialization at large in the long term.

2.3.2. The Ethiopian context

Ethiopia is the second largest country in Africa in size and population (Khurana, 2018; World Bank 2017), and the domestic market is significant compared to other African countries, though inhabitants’ purchasing power is limited (EGCAO, 2014). The population of nearly 100 million inhabitants is young and growing (Globalis, 2018; World Factbook n.d.), with 80% living in rural areas. The services sector now contributes to GDP more than agriculture, but over 70% of the population work in agriculture. The population is expected to reach 150 million by 2035 (World Bank, 2017).

GDP growth averaged 10.5% between 2003 and 2016, and has contributed to a significant decline in poverty rates. This is driven by growth of the agricultural, service and construction sectors, and government investment. However, Ethiopia still ranked 174th out of 188 on the Human Development Index in 2015, and those raised from poverty are at close risk of falling back in. Poverty rates in the biggest cities are as high as in rural areas, with a strong connection to unemployment, which in the capital Addis Ababa is 24%, and wages have decreased. While inequality overall is indicated to be low, development in Ethiopia has turned out to be non-inclusive. During the growth-period of 2005-2014, the lower-income 40% did not match the growth of the top 60%. The bottom 10% even experienced a decreased growth, due to inflating food-prices. Women are also exposed to high risk in society due to the cultural setting and their lack of societal opportunities, with indicators being among the highest in SSA (World Bank, 2017).

2.3.3. Challenges for development and sustainability

As the country has adapted the development model of East Asia (from agriculture to manufacturing), higher investment rates and lower public consumption gives problems in public involvement and governance (World Bank, 2017). Despite this, the World Bank (2017) argues that structural transformation only can come from this traditional path of creating jobs outside agriculture. They support the Government’s aim as “an appropriate goal for enhancing the ability to create jobs through the manufacturing sector… that need[s] domestic inputs from the agriculture and service sectors”. In their eyes, Foreign Direct Investment (FDI) in light manufacturing (e.g. textiles), especially in industrial parks, and making Ethiopia a manufacturing hub in Africa is a sound development option.
While the Ethiopian government is growing, supply chain management practices in the country need immediate and significant improvement and scaling (Khurana, 2018). Small- and medium enterprises (SMEs) represent the majority of total enterprises and job-opportunities in the non-agricultural sectors. Thus, these stakeholders are arguably crucial for government interventions. It is worth noting that the majority of the Ethiopian workforce - both workers running SMEs and as informal economy operators - are female (Khurana, 2018). However, Kariuki et al. (2014) describe SMEs of SSA as marginalized in the global value chain of the TC industry. According to their work, this is because these SMEs are short of the needed individual potential to improve their performance of quality. There is a need for essential linkages, financial resources, managerial capacity, and technological development, which could improve their function in the complex interactions of the industry. To boost development, value chain actors must source funds and take initiatives to limit these gaps.

Effective government intervention is crucial for educating the workforce and setting regulatory frameworks. The World Bank report of 2017 also argues that if wanting the East Asia development, the growth of private firms is crucial for leading the process. Today, firms struggle against barriers such as energy access, logistics, and exporting with an unstable exchange rate. Credit and foreign exchange presently benefits public investment to a much larger degree than the private sector, which is crowded out (World Bank, 2017), connecting to the issue of staggering local industry development.

Kariuki et al. (2014) emphasize that the TC industry involves particularly tradable products, providing potential for expansion, and should thus be given special consideration. Policy structures have already taken shape in order to facilitate trade, and should be further implemented with the goal of increasing competitiveness in relation to other producing countries. They present a number of essential work-areas, where development of the cotton industry is number one. Collaboration between SSA countries in trade, easier market access, regulation of imports, improved quality and alignment with international standards, skill- and infrastructure development for decreased operating costs, investment and funding, political stability, and minimized costs for technology upgrade are their suggestions for the rejuvenation of the industry in SSA. After this long list of suggestions for the growth of the TC industry in SSA, they conclude that while interest is on the increase for investment in African countries, this is not all. Research is needed in order to create long-lasting solutions to the challenges of the TC industry, making it more sustainable.

The World Bank (2017) describes climate change impact as a present reality on Ethiopia, with a one degree Celsius increase since the 60s. Agricultural systems are rain-fed, and though climate resilience has improved, the system is still highly vulnerable to both floods and droughts, with the most recent occurring in 2017. Changes may reduce GDP by one to four percent. They also highlight the importance of better natural resource management of water, forests and land/soil. With a continuously increasing population, more pressure is added to eco-systems through loss of forests, land degradation, water stress and soil erosion.

### 2.3.4. Swedish sourcing from Ethiopia

Though part of AGOA, Europe is Ethiopia’s main export market, where Sweden is viewed as an important export partner (EGCAO, 2014). Among Swedish retailers, H&M is a known purchaser of textiles from Ethiopia, entering the market in 2013 (Dagens Industri, 2014; Khurana, 2018). With the majority of this global actor’s production in Bangladesh, their reasons for entering a new market was for guaranteeing capacity of delivery, and expanding their sourcing footprint. At the point of entry, costs per unit were half compared to Chinese prices (RetailDetail, 2013). Adikorley et al. (2017) state that cost is the most significant advantage of sourcing from SSA, which has some of the world’s lowest labor rates and a growing labor force. There is also the opportunity to avoid repeating mistakes made in Bangladesh in terms of sustainability, and create better practices. Their research also describes Ethiopia as a chance for large corporations to spread risk, as with H&M’s approach.
2.3.5. Ethiopian government support and goals

The Government of Ethiopia (GoE) has stated an official goal of becoming a lower middle-income country by 2035. In 2011 and 2016 respectively, they presented the Growth and Transformation Plans I and II. Both plans – and particularly GTP II - emphasize the importance of the TC industry for achieving this goal (Government of Ethiopia, 2011; Government of Ethiopia, 2016). GTP II explicitly expresses a goal of becoming a leading country for supply of TC product not only in Africa but also in the world, competing with established countries in the industry. Also, the GoE has created the Climate Resilient Green Economy (CRGE) Strategy, which is frequently mentioned in GTP II. The strategy aims at building a resilient low-carbon economic structure addressing issues on water, energy, industry and cities.

The government owned Textile Industry Development Institute (TIDI) constitutes one part of the governments units for developing the industry, along with trade unions, labor inspectorate, research institutes and more. Sileshi Lema, Director of TIDI, sees many reasons for focusing on the TC industry: potential domestic cotton cultivation; dependable energy access; a large trainable workforce, political stability, and the geographic location. He also sees it as providing job opportunities and hence economic growth (EGCAO, 2014). Ethiopia has been described as a “rising star” in the TC industry and a significant supplier of raw materials like leather and cotton (Khurana, 2018 p. 213).

As of today, the industrial sector in Ethiopia has a steep upward curve of emissions, which despite expressed concerns for climate impact seems likely to continue if industrial production is to grow. Turning the trend requires not only technological development, but also technological innovation, which researchers have found to be a challenge in Ethiopian SMEs. Innovation requires the flow of knowledge, technology and information between educational institutions, industry, finance, consumers etc. (Wakeford et al. 2017)

In addition, up until 1991 “increasing state centralization was underpinned by a political culture reflecting strong hierarchies and deeply rooted social stratification” (World Bank 2017, p. 4). With Ethiopia being a somewhat new democracy, the World Bank describes challenges in governance. There is strong criticism of the Government from in- and outside Ethiopia, concerning human rights and their lack of inclusion of the political opposition. The results of the elections in 2005 and 2015 were contested, and the state-driven economic development has been followed by large demonstrations and widespread social unrest in some regions. The people demanded increased political influence, emphasizing the need for jobs for the young. The GoE has, to some degree, recognized these demands. There are indications that change regarding citizen participation is under way, through the “good governance pillar” and other actions taken through GTP II (World Bank, 2017).

As mentioned earlier in this paper, female workers dominate the workforce of Ethiopia, but despite government intervention and numerous programs, there is yet much to be done in order to empower them and ensure equal opportunities. Khurana (2018) argues that this is a central challenge for Ethiopia, and domestic female entrepreneurs should be encouraged to invest and engage in it.

Khurana also stresses the importance of market differentiation, and not only focusing on increased export but on the stability and credibility of the domestic market, and encouraging traditional craftsmanship in the sector. The World Bank (2017) argues that structural changes in the present system are necessary for ensuring economic sustainability. For example, while the reach of the road network has increased, infrastructural development is still low when comparing to other countries on the African continent. Also, the growth has not been homogenous, hence limiting access to markets for farmers and workers.
2.4. M4P – Making Markets Work for the Poor

M4P, Making Markets Work for the Poor (also called Market systems development or Market systems thinking) is an approach to development intervention widely used by governments, NGOs and aid agencies (e.g. DFID, USAID, SDC, SECO) (Sida, 2012). The goal is to generate development in the private sector, and thereby create value and alleviate poverty through “inclusive business models, investment, job creation, the provision of goods and services, and tax contributions” (Sida, 2012 pg. 1). Researchers have described it as different to other programming approaches in that it aims for a future where aid is no longer needed, where systems of provision maintain their prosperity in developing countries after a program has ended (Fine & Hall, 2012; Sida, 2012; Taylor et al., 2017).

2.4.1. Evolution of the approach

Although Sida only quite recently incorporated M4P in 2012, its origins go back to the beginning of the 1900s. Then, economists stressed the need to understand markets as resulting from complex relationships between multiple units (businesses, individuals, states, norms etc.). With the so-called systems thinking on the rise, its advocates spoke for the holistic and interconnected nature of systems and their functionalities. Later, in the 1970s, dependency theorists addressed the connection between citizens and the wider economic system, and how the system structure sets the stage for who can participate and benefit from it. After the debt crisis of the 80s, systems thinking became even more relevant. The search for efficiency and sustainability in development in the 90s, led to analysis of subsectors, market linkages, and Business Development Services as an alternative to financial support. Market Systems Development and M4P became relevant in development thinking for finding points of market failure. (Sida, 2012)

Today, the approach is applied to multiple areas including agriculture, business environment reform, media, education, finance, retail and more. Market-based economic engagement with the poor is in many contexts viewed as a central tool for achieving sustainable development (Sida, 2012). The UK Department for International Development (DFID) published a synthesis of the M4P approach in 2008, which is still used as basis for implementing the approach. They describe it as an “overarching approach to development” which is “helpful in meeting the challenge of developing market systems that benefit poor people”. It is “neither a narrow prescription nor a branded tool but a flexible, comprehensive approach with application in both economic … and social … fields”. M4P is meant to address the underlying factors to malfunctioning market systems, providing intervening actors with the “direction required to achieve large-scale, sustainable change in different contexts” and “bring about sustained, systemic change for more competitive and inclusive economies” (DFID, 2008 p. 2).

2.4.2. Sida’s M4P training guide

“Poverty reduction requires markets to work better for the poor... Market systems thinking aims to effectively and sustainably improve the lives of the poor in their capacity as consumers, producers, entrepreneurs, laborers and service users.” (Sida, 2012, p. 1).

In 2012, Sida created a training guide for implementing the M4P market intervention approach in the work of their partnering NGOs (Sida, 2012). Based on DFID’s operational guide (DFID, 2008), it describes strategic tools, skills and principles for sustainability used with the approach, and provides ideas for implementation. Aiming for long-term systemic change, it tackles underlying causes of poverty. Poverty reduction is the main objective, inefficiency in markets is the root to poverty. The goal is summarized in two points: 1) Creating “more inclusive benefit flows (which are transparent, aligned and broadly shared, particularly by the poor)” and 2) “Ongoing performance improvements in markets (i.e. upgrading) defined by end consumers/market” (Sida, 2012 p. 3).

To exemplify suggestions, the guide includes case studies of market intervention programs. Mentioned suggestions for intervention are tax contributions, inclusive business models, investment, job creation
and improved provision of goods and services. More specific examples include encouraging sourcing from local suppliers instead of importing, facilitating farmers’ access to supplies, or ensuring that the issues of women in business are covered in media. Women and youth are given particular emphasis in the framework. The guide also discusses the indirect impact of markets on the poor community through inefficient/failing market systems in their environment. M4P is described as a way of approaching the diversity in contexts - systems and their interconnectedness and complexity - and understanding how sustainable and pro-poor growth can be reached in each context (Sida, 2012).

Large or small enterprises, that can see the suggested change as part of and benefiting their business model, are viewed as central change agents for the approach. External agencies (e.g. Sida) are in turn to find target groups, suggest changes, and work with these market actors to realize change.

**The market system**

M4P defines a market system as built up of *core relationships*, the *supporting functions* around them (infrastructure, legal services, information and technology etc.) and formal and informal *rules* that determine actions and motivation. Analyzing these parts of the system facilitates the process of understanding points of failure and improvement.

M4P strives for what Sida calls *supportive benefits* of economic growth and system change, meaning that social and economic benefits should reach many, and be mutually reinforcing. Actors’ behaviors are defined by their different incentives, as well as perceived risks and comforts. Finding patterns and driving forces in this area may open up opportunities for building important relationships and points of intervention. Consumers’ needs and demands for products and services can provide crucial information for system improvement, showing new opportunities. The guide also emphasizes that local relations regarding gender, conflict and political economy should always be thoroughly understood when developing an intervention.

The most suitable objectives – and thus actions – may differ from one system to another. Suggested changes to the market system, as presented in the guide, could be; improved delivery; changed attitudes, practices, roles, sense of ownership and performance of actors; improved resilience to undesirable changes; independent activity/continuity after end of intervention; opening a system to new markets and; establishing separate streams of provision and connecting to the mainstream.

At the heart of the market systems development approach is the aim of achieving impact at scale. The implication of the term ‘systemic change’ is that something fundamental and new has happened in the market system and that this change no longer requires the continued support of the program. Also, system intervention should be a catalyst for change in market actors, not displacing them. Conduct in relation to market players is also discussed, with an understanding for long-term sustainability. Here, the points of leverage in the system are important for creating catalytic effects and momentum, which in turn may lead to a ripple effect of bringing other benefiting actors into the market system. On this topic, Foreign Direct investment (FDI) is described as problematic since such funds risk altering mechanisms in the system, making it dependent on further external inflow of funds. To ensure sustainability and independence, this must thus be monitored and kept at a reasonable level. (Sida, 2012)

**2.4.3. M4P critique**

Fischer-Mackey and Sahan (2011) argue against the M4P approach from multiple angles, one being that it focuses mainly on economic sustainability. Environmental and social aspects of sustainability are often under-appreciated by M4P advocates. Since many – particularly poor – stakeholders are dependent on natural resources, “… those lively-hoods will only be sustainable if market activity does not erode such natural resources” (p. 21). It is also important to consider how climate change affects environmental systems, and water-issues in Ethiopia are particularly mentioned. They argue that intervention programs such as M4P should work stronger for more balance in power structures in markets, between rural-urban, men-women, small-large scale producers and more.
2.5. Theoretical framework

2.5.1. Sustainability definition

As previously mentioned, The Brundtland definition describes sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (United Nations General Assembly, 1987, p. 43). Later, in the 1990’s, John Elkington coined the triple-bottom-line (TBL) of sustainability, particularly in business, looking at social, environmental/ecological and financial aspects (Elkington, 1999). This understanding is used in the business world at large, and also commonly applied in the TC industry (Muthu, 2014). Seeing the flaws of this understanding, where one area could be the object of focus at the expense of another, Folke et al. (2016) suggested a different model. Their model describes economy as enveloped within society, and society in turn enveloped within the biosphere, or what is here referred to as the environment.

![Diagram](image)

*Fig. 3. Sustainability according to Folke et al. (Modified from Folke et al., 2016).*

2.5.2. Systems analysis

Ludwig von Bertalanffy created the work *General System Theory* in 1968, which became a founding stone for systems thinkers and theorists. While scientists in the past viewed reality in a reductionist way where units are independent of each other, von Bertalanffy described a holistic approach concerned with organizational problems, dynamics and interactions between units in all sciences (Bertalanffy, 1968). Building on this mindset, Meadows (2008) defines a system as “an interconnected set of elements that is coherently organized in a way that achieves something” (2008, p. 11). In a complex, interconnected- and dependent and changing world, systems thinking tries to present reality in a holistic way where interactions happen simultaneously, instead of breaking them down into reductionist pieces. Thus, system diagrams are simplifications of the real world, never a perfect reflection of it (Meadows, 2008; Midgley, 2000). The mindset can be used, and has been used, for understanding many areas, including finances, development, social societal problems, and power structures (Meadows, 2008).

Systems problems are described by Meadows as undesirable behaviors springing from a system structure. These problems can be overcome by understanding the whole system as the source of the problem. Then, the system can be restructured through finding leverage points for change.
A problem example, relevant to this study, could concern the purpose of a system. Meadows (2008) gives the example of a government proclaiming to want to prioritize environmental goals, but does not make commitment in the budget or otherwise. If so, the actual purpose of the system (the government) is different from the stated. Meadows stresses that casting blame is ineffective: actors within a system could act with the best intentions, yet the interactions in the system could lead to unwanted results. The purposes of sub-systems could also lead the system in an unwanted direction. Actors, or what Meadows calls elements, do not alter the purpose of the system, however many are replaced, as long as the purpose and interconnections are not changed. If a new element (e.g. a new prime minister) alters the purpose, the system may change. New interconnections may also change the system. 

In summary, Systems analysis means to 1) sharp understanding of elements, 2) find interconnections, 3) question future behavior scenarios and 4) approach the change of systems with creativity and courage (Meadows, 2008). Given the topic of this study, this mindset is deemed relevant.

The Causal Loop diagram is a tool for describing a system with the reinforcing and balancing feedback loops described in Meadows’ work (2008). In her description, a systems thinking views a system through stocks, which are reinforced or controlled through feedbacks, i.e. rules or actions in the system. A reinforcing feedback reinforces whatever change takes place in the stock, and a balancing feedback opposes change. In the diagram, a reinforcing feedback loop is marked with an R, and a balancing with B. Also, in the system, a shock is a sudden event that often has negative impact on the vulnerability of a system and its parts, while a stress is a long-term trend that worsens actors’ vulnerability (Mensah et al., 2018).

Though systems analysis is dominated by quantitative research and modeling, system researchers have spoken out for the risk of relying solely on quantitative analysis (Midgley, 2000). On the topic of sustainable cities for example, the work of Beck et al. (2018) concludes that while computer based modeling is useful to help understand specific interactions within cities, engaging with less quantifiable areas such as the humanities and governance are crucial for meeting systemic challenges though an overarching perspective. Midgley (2000) also argues for mixing methods from different sources of methodology for answering to each study’s specific purpose, since no system is identical to another.

Holistic descriptions of systems always lead to a simplification of reality, and are dependent on the knowledge and experience of the persons(s) conducting and presenting it. This is particularly true in complex systems. To ensure higher validity, a study could address only levels or segments in the system separately, but this however then fails to present the holistic view (Gassner & Kosow, 2008; Meadows, 2008). Uncomplicated scenario techniques often miss out on describing interactions (Gassner & Kosow 2008).

2.5.3. Scenario analysis

Scenario analysis as a method has been recommended in relation to 1) questions that concern the understanding of driving forces and consequences 2) questions that require the analysis of complex issues and how they realistically may develop within the somewhat distant future, and 3) cases where quantitative methods appear unfit for answering the question (Minx & Böhlke, 2008). Though these recommendations have been made particularly in relation to international politics, they have been used for developing methods for policy assessment and more (Gassner & Kosow, 2008), and are thus deemed relevant for this study.

Explorative scenarios in scenario analysis are used for creating knowledge about the possible futures, whereas normative scenarios provide a foundation for establishing and concretizing goals and choosing between them. Explorative scenarios include creative-narrative scenarios, which, as the name suggests, is a creative process based on qualitative, narrative data. The scenario can be adapted to take in multiple nuances and factors if deemed relevant. Additions can be described with less detail and not as systematically as with other techniques. (Gassner & Kosow, 2008)

It is less formalized than other techniques, implementing intuition, knowledge and creativity and
explicitly allows for estimations, while also incorporating data that is more commonly recognized as objective. The approach considers unpredictability, but also includes whatever information may be available about the future. Springing from the needs of development in business organization, it is built for decision-making processes. From this background, it holds elements of participation and communication when exploring the future. This participatory outlet of intuition and knowledge often comes from a group of experts, taking part in the scenario process (Gassner & Kosow, 2008).

The approach is built on the following steps, as described by Gassner & Kosow (2008):

1. The purpose of the scenario is set, i.e. what it is meant to answer.
2. Relevant driving forces in the context are suggested, and categorized against a framework to ensure that relevant aspects are considered.
3. An evaluation of driving forces is made according to unpredictability and degree of impact.
4. Scenarios are created, consistent, of manageable quantity, and with regard to the purpose of the study and resources available. This step is where creativity and intuition are most specifically applied (Gassner & Kosow 2008).

Applying scenario analysis to a study or otherwise comes with opportunities and challenges. Among other, one topic is that the diversity of questions to be answered by the method may require that techniques and methods borrow from each other to ensure that the purpose is achieved (Gassner & Kosow, 2008). Second, since the method is based on contribution of experts, the quality of conclusions is highly dependent on the sample of interviewees and their contribution, as well as the author’s experience from and knowledge of the topic (Mietzner & Reger 2004, in Gassner & Kosow, 2008). Third, the creative scenario building processes tend to differ between scenarios (Gassner & Kosow, 2008). This may open up to critique on repeatability.

How these topics are managed in this study is addressed in chapters 3 and 5.
3. Methods

3.1. Research design overview

To answer the research questions about the applicability of M4P for sustainability in the TC industry in Ethiopia, systems analysis was chosen as an overarching method, with scenario analysis as a sub-tool (see 2.6.2. and 2.6.3.). The study was conducted in the following steps, described in depth below:

1. **Interviews** with experts in the field were conducted to build understanding of the system, and create some degree of the participative element of the intuitive logics approach (Gassner & Kosow, 2008).
2. **Sustainability challenges** were summarized based on experts’ narratives.
3. **The market system was described**, based on interview narratives, and summarized in a Causal Loop diagram for clear overview of leverage points, as per systems analysis practices.
4. **Scenarios** were built based on the interview data according to intuitive logics.
5. An **assessment** was made of the applicability of M4P in the market context.

3.2. Data collection - Background and interviews

3.2.1. Data collection - Background

The collection of secondary data for the background section was conducted using search engines including online academic library and Google. Scholarly journals, conference papers, books and policy papers have been used, with the goal of reaching diversity in sources use. To some degree, ‘snowballing’ was used as a technique of finding relevant data from findings in search-engines. These strategies resulted in, among others, data from institutions such as: the Ethiopian Government, European Commission, International Monetary Fund, Sida, the World Bank, DFID, The Netherlands’ Embassy in Addis Ababa, Stockholm International Water Institute (SIWI), as well as Ethiopian and other researchers.

3.2.2. Data collection - Interviews

Interviewees were selected according to the following criteria: They should have a professional connection to or understanding of 1) the Swedish retail market 2) the Ethiopian market system 3) the Ethiopian TC industry and 4) sustainability and NGOs. Interviewees were found via the author’s network within NGOs and the TC industry, and via university contacts. A diverse group was wanted in terms of geographic and professional areas to ensure that multiple perspectives were considered.

- **E (Ethiopian) Researcher 1**: Senior lecturer at the Swedish university in central Sweden specialized in technology, agriculture, logistics and land management in terms of sustainability in both Sweden and Ethiopia. Live interview, April 15th
- **E (Ethiopian) Researcher 2**: PhD researcher at a Swedish university in central Sweden specialized in the complexity of green industrialization in Ethiopia. Live interview, April 9th
- **S (Swedish) Researcher**: PhD researcher at a Swedish university in southern Sweden specialized in business relationships between China and Ethiopia, and the agricultural development in Ethiopia in terms economic sustainable development. Skype interview, April 9th
- **S (Swedish) Retailer**: Swedish sustainability manager in the textile retail industry in a medium size well-known Swedish company with international sourcing. Phone interview, April 16th
- **S (Swedish) NGO worker 1**: Swedish PhD, advisor in water policy and rights. Working with sustainability issues in the TC industry in India, groundwater issues in SSA, and human rights issues. Phone interview, May 6th
- **S (Swedish) NGO worker 2**: Swedish NGO worker stationed in Ethiopia, working with water- and landscape governance and assisting the NGO’s work in TC industry. Phone interview, May 6th
The more flexible semi-structured interviews were chosen, since the data extracted was used to contribute to the creative process of building a system diagram and scenarios. Bryman (2012) describes such interviews as common for exploratory qualitative studies, giving interviewees much freedom in how to respond to the question, and emphasizes how they frame and understand the issue discussed. However, the conversation can still be steered to ensure that relevant data is extracted.

Overarching questions were sent to interviewees beforehand, giving time to prepare. Interviews ranged from 30-60 minutes, were recorded and transcribed. They were conducted in English or Swedish, depending on interviewees’ choices. In the case of NGO workers 1 and 2, the interview was conducted in a pair, on their request. An interview guide (see 9.1.) was used, and all questions in it were asked with similar wording in each interview. Questions may have followed in a different order than in the guide, and room was made for follow-up questions. The guide was created with support of academic experts and based on the rules and suggestions created by Bryman (2012).

Though a conference meeting, i.e. workshop/focus group-structure, would have been beneficial for the creative process in intuitive logics, due to time-constraints of the interviewees and their geographic locations, each interview was conducted separately.

Data from interviews were analyzed in two ways. When addressing sustainability challenges in the TC industry, thematic analysis was applied. This method is built on an index/matrix of central themes (category in this work) in the data to create order and synthesis. Though the methodology normally creates themes from deep-reading transcriptions (Bryman, 2012), here the three sustainability themes of Folke et al. (2016) have been used already in the interview guide to create the themes. Second, when creating the system diagram, the coding techniques of grounded theory have been applied. Data has been broken into parts, named, and the researcher’s understanding of data in the subject area has shaped the codes and corresponding names (Bryman, 2012). Here, the codes/names correspond with the system actors as described by respondents. How the system diagram was built is described under 3.3.1.

3.3. Systems- and scenario analysis

3.3.1. Applying systems analysis

The system diagram of this study was created based on the narratives of interviewees, and in two steps. First, all mentioned actors were extracted from transcriptions, and sorted into overarching categories to avoid over-complication (see 9.4.2.). These were then arranged in a causal loop diagram based on narratives addressing challenges, interactions, outcomes and leverage points (see 4.2.6.). Hence, system boundaries are not created beforehand, but the system emerges from interview data.

3.3.2. Applying scenario analysis

Within the creative-narrative scenario realm, this study leans on the intuitive logics approach, and approaches the system from an explorative point of view, as opposed to the normative.

The creative-narrative technique was applied to this thesis in the following way:

1. The purpose of the scenario here equals the research questions, which were set by the author.
2. Relevant driving forces were, since the study concerns a systems approach, derived from semi-structured interviews with experts and summarized in a causal loop diagram.
3. An evaluation was conducted through the interviews, in which interviewees provided their understanding of leverage points in the system.
4. Two scenarios were created. Due to the creative nature of this process, much emphasis was placed on the experts’ input through the aforementioned interviews. Though repeatability is impossible in creative processes (Gassner & Kosow, 2008), this was arguably controlled by that one person (the author) collected data. The same person also built scenarios based on narratives, and with an understanding of previous research. This approach may also create an element of triangulation.
3.5. Limitations, Delimitations and Assumptions

3.5.1. Limitations
A relevant limitation concerns access to data. The Ethiopian TC industry is emerging, and can thus be argued to be under rapid change. What may otherwise be considered recent data may in fact be outdated. Hence, extra care has been taken to use as fresh data and research as possible.

3.5.2. Delimitations
First, since there are many descriptions of M4P and similar programs, this study focuses on the documents used by Sida, i.e. the summary created by DFID in 2008, and Sida’s own interpretation of the Training Guide, finalized in 2012. This focus is chosen due to the Swedish perspective of the thesis. Though the use of multiple documents could give a wider understanding of the approach and thus its purpose and discourse, this thesis assesses the Swedish understanding.

Second, to ensure focus, the study will not particularly discuss neo-colonialism as a theory, though it may be deemed a relevant issue with M4P being an intervention approach presented by a western country. Neither will it address the definition of poverty, and the discussion around human development/other potentially more suitable indicators of human welfare.

Third, sustainability impact and challenges are only considered with the country of Ethiopia and within the TC industry specifically, not between countries or in purchasing countries. For example, maritime and air transport is excluded.

3.5.3. Assumptions
This study assumes that M4P as described by Sida is true to systems thinking theory.
4. Results

This chapter presents an analysis of the data collected to answer the research questions:

1. What are the potential sustainability challenges of the Ethiopian textile industry, as a supplier to Swedish brands?
2. What are the systemic leverage points that might alleviate potential negative consequences?
3. How could the systemic M4P approach, as described by Sida, be applied to meet the challenges?

Results are presented in the following sequence: First, the main sustainability challenges from interview narratives are summarized. Second, relevant leverage points are presented and the system is summarized in a causal loop diagram. Lastly, respondents thoughts on how the M4P approach can be applied to meet sustainability challenges mentioned are described, and scenarios are drafted in relation to their perception of challenges, leverage points, potential solutions and M4P. A full description of quotes used can be found in appendices.

4.1. Sustainability challenges

The sustainability challenges in categories economy, environment and society as mentioned by interviewees has been summarized in tables below, after which narratives are described more in depth.

4.1.1. Economic sustainability

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Challenge</th>
<th>Sustainability category</th>
</tr>
</thead>
<tbody>
<tr>
<td>E Researcher 1 &amp; 2, NGO Worker 1 &amp; 2</td>
<td>Corruption</td>
<td>Economy/Environment</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Threatened domestic industrial development</td>
<td>Economy</td>
</tr>
<tr>
<td>E Researcher 2 &amp; S Researcher, S NGO Worker 2</td>
<td>Too fast transfer from Agriculture to manufacturing</td>
<td>Economy</td>
</tr>
<tr>
<td>E Researcher 1 &amp; 2, NGO Worker 2</td>
<td>Unemployment</td>
<td>Economy</td>
</tr>
<tr>
<td>S Researcher</td>
<td>Inclusion</td>
<td>Economy</td>
</tr>
<tr>
<td>E Researcher 1 &amp; S Researcher</td>
<td>Poverty overshadowing environmental issues</td>
<td>Economy/Environment</td>
</tr>
</tbody>
</table>

Table 1. Economic sustainability challenges mentioned by interviewees, placed into categories (see 3.2.).

E Researcher 1 and 2, and NGO worker 1 and 2 mention problems with corruption in multiple parts of the system: Investors corrupting NGOs and politicians, and firms bribing NGOs to ensure environmental certification of products. This is also mentioned later under social sustainability challenges. E Researcher 1 says: “Some of the international organization, international consulting of these NGOs, they are much better, but… directly or indirectly they are corrupted”. He describes how NGOs who expose environmental mismanagement would not be allowed to stay in the country, and thus, to be able to stay and contribute to positive change, they must to some degree assimilate to the corruptive behavior. He also mentions that giving too much power to Chinese investors has increased the risk of harming the growing domestic industry, as cheap Chinese and Indian products enter the Ethiopian market. NGO worker 1 and 2 add that while attempts at policies for facilitating import of sustainable technologies have been made, such have been so misused through corruption that the policies give no results.

Respondents are concerned that the shift in focus from agriculture to manufacturing, where the TC industry is central in Growth and Transformation plan of 2016, GTP II, is happening too fast. For the majority of the low-income segment, agriculture is still more important, she argues. “This shift in focus from agriculture to industry is premature in the Ethiopian context were so very many still live in rural areas.” NGO Worker 2 believes other sectors to be more strategic for investment than the
complex textile sector, since Ethiopia is generations behind other countries in development. Tourism and wildlife are more relevant, since Ethiopia has many national parks that are not well managed.

Unemployment is an existing challenge in Ethiopia mentioned by E researcher 1, 2 and NGO Worker 2, and is a reason for developing the textile industry. In this, E Researcher 1 also sees a challenge with a growing population. NGO Worker 2 paints it as a purely political problem: Economic growth is at the utmost priority, and job opportunities are central for the political leadership to remain in power. But as S Researcher points out above, there is a risk that only a small portion will experience the positive effects, particularly when having a focus on building industrial zones/parks. In her eyes inclusion is the greatest challenge of today.

E Researcher 1 and S Researcher describe poverty as being so crucial that it far outweighs environmental issues from the higher segment of society. She hopes that its importance will increase when the issue of economic growth is less pressing. E Researcher 1 emphasizes that the same is true for civil society: “You need your bread first to be able to care about the environmental aspects”.

4.1.2. Environmental sustainability

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Challenge</th>
<th>Sustainability category</th>
</tr>
</thead>
<tbody>
<tr>
<td>E Researcher 1</td>
<td>Cotton production clearing forests</td>
<td>Environment</td>
</tr>
<tr>
<td>E Researcher 1 &amp; NGO Worker 2</td>
<td>Investors behavior/interests</td>
<td>Environment</td>
</tr>
<tr>
<td>E Researcher 1 &amp; 2</td>
<td>Pollution from transport, emissions</td>
<td>Environment</td>
</tr>
<tr>
<td>E Researcher 1 &amp; 2</td>
<td>Poor waste management</td>
<td>Environment</td>
</tr>
<tr>
<td>E Researcher 1 &amp; 2, S Retailer &amp; NGO Worker 1 &amp; 2</td>
<td>Water pollution and access to clean water</td>
<td>Environment</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Lacking chemical regulation</td>
<td>Environment</td>
</tr>
<tr>
<td>E Researcher 1 &amp; 2, NGO Worker 2</td>
<td>Soil degradation from cotton production and factory chemical use</td>
<td>Environment</td>
</tr>
<tr>
<td>E Researcher 2 &amp; NGO Worker 2</td>
<td>Lack of environment protection policies</td>
<td>Environment</td>
</tr>
<tr>
<td>E Researcher 1, S Researcher &amp; NGO Worker 2</td>
<td>Environmental degradation, pollution generally</td>
<td>Environment</td>
</tr>
</tbody>
</table>

Table 2. Environmental sustainability challenges mentioned by interviewees.

E Researcher 1 expressed concern for that a growing TC industry, and thus expanding area for cotton production, would lead to the clearing of forests. He also emphasized that while foreign investment is important for development, the behavior of investors is hard to control. Along with NGO Worker 2, he describes how factories in other countries have been forced to close to stricter environmental regulations, but have then moved production and thus pollution to Ethiopia instead, since the country provides cheap land and less strict regulations. NGO Worker 2 draws an even more serious picture of investors approaching the GoE explicitly expressing that investment only will happen if no environmental impact assessment is required and pollution is not traced.

Waste management and pollution from transport within the system will also be growing challenges in a growing industry according. The GoE is building train communication running on electricity, E Researcher 1 says, but transportation by car using traditional fuel to and from markets will cause increased emissions. E Researcher 2 views the development of the TC industry as positive, but only providing that environmental aspects are considered in line with international agreements and codes. Here, liquid waste is a particular concern for S Retailer, not wanting to repeat previously made mistakes when having entered new markets. There must be both access to clean water for quality production, and also means to keep it so. E Researcher 1 and 2 both describe this as an existing problem in Ethiopia, with chemicals leaking to the groundwater and entering rivers, causing the death of both cattle and people. In light industries generally, of which the TC industry is one, the water issue is the most pressing, they conclude. Problems spring from mismanagement and a lack of regulation in this water- and waste intensive industry. E Researcher 1 describes that with the government-built industrial parks, this is alleviated since they are built with water cleaning plants, and firms in the parks
must recycle the resources. Zero discharge policies are also now also in place, he states. However, from his experience of the textile producing Hawassa industrial park, firms using the cleaning plant must pay a fee. Being reluctant to do so, they avoid using the plant. NGO Worker 2 describes a similar trajectory, where development of the TC industry inevitably comes at the expense of land- and water quality. She does not see a capacity within the country for sustainable resource management. In addition, NGO Worker 1 explains that high costs and complicated administration for import of sustainable tech solutions makes increases difficult, and she has deep concern for practices of wet-processing factories in Ethiopia.

On this topic, soil degradation is a serious concern for both E Researcher 1 and 2, due to chemical fertilizers and pesticides used in cotton production. From his research in the floral industry, looking at 80% of the floral firms around Addis Ababa has concluded that farms use chemicals that are banned elsewhere. He explains that the inflow of chemicals is not regulated, and it is tax-free. He also expresses deep concerns regarding the health of workers, who don’t use protective clothing. These chemicals also kill the microorganism in the soil, decreasing production efficiency from farming.

S Researcher summarizes these concerns when she compares to the development in China, in response to a question on long-term challenges. In the Chinese market, textile production is moved abroad. “You send it to Vietnam or Bangladesh because you don’t want it at home, because it pollutes the country. [The TC industry] is the first step to moving forward and then you want to abandon it.” In her research she has seen little indication of that there is a will, knowledge or education for managing these consequences, but hopes that Ethiopia will “get there eventually… in 10-15 years”.

4.1.3. Social sustainability

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Challenge</th>
<th>Sustainability category</th>
</tr>
</thead>
<tbody>
<tr>
<td>E Researcher 2</td>
<td>Land grabbing, eviction of rural peoples</td>
<td>Social</td>
</tr>
<tr>
<td>S Retailer</td>
<td>Corrupted workers’ unions</td>
<td>Social</td>
</tr>
<tr>
<td>E Researcher 1 &amp; 2</td>
<td>Inequality</td>
<td>Social/Economy</td>
</tr>
<tr>
<td>E Researcher 1, 2 &amp; S Retailer</td>
<td>Low wages, lack of minimum wage regulation</td>
<td>Social/Economy</td>
</tr>
<tr>
<td>E Researcher 1 &amp; 2, NGO Worker 1</td>
<td>Working conditions, women</td>
<td>Social</td>
</tr>
</tbody>
</table>

Table 3. Social sustainability challenges mentioned by interviewees.

E Researcher 2, who has conducted thorough research on land grabbing in Ethiopia, lifts this as a highly relevant concern in the TC industry. The people have strong social ties with the land, now lost at the hands of land grabbers. He describes a new era of colonialism, where Chinese and others come to African countries to get large areas of land practically for free, calling it “green gold”. This comes at a large cost for farmers in these areas, who are evicted with extremely marginal compensation.

Working conditions is mentioned recurrently and in different forms. S Retailer sees risks with purchasing from a country without regulated minimum wages: “Simply having a code of conduct [is a challenge]… It is too unregulated in Bangladesh… even more unregulated in Ethiopia.” In countries with corruption, bribes are not uncommon in workers’ unions. NGO worker 1 describes visiting an Ethiopian factory with very poor air-conditioning, where workers had limited access to water.

Inequality is described from multiple perspectives. As E Researcher 2 describes it, the GoE promotes industrial parks as building the economy and boosting export. But in reality “the wealth is concentrated in some hands”. Foreign investors capitalize heavily on cheap land and labor and benefit from five years of tax exemptions while the poor become poorer. S Retailer argues that the problem lies with the “disgustingly wealthy” in political positions with ownership in the TC industry. She describes this group as avoiding taxes and refusing to work for minimum wages. In the large industrial parks, E Researcher 1 explains, thousands of poor women work with low wages, while the GoE boasts of earning millions from the TC industry. He describes uneducated women in the industry as having
no other choice in the job-market.” E Researcher 2 also highlights women’s situation in production, with the aforementioned example from the floral industry, where young girls are majority, with wages around 8 SEK per day. Lack of protection clothing when working with chemicals has also resulted in conditions that have been mistaken for HIV, thus having serious social implications for women.

4.2. Leverage points and system diagram

This section describes the leverage points in the system as described by interviewees. These are summarized, together with previous comments regarding challenges and interactions, in a causal loop diagram describing interactions.

4.2.1. Government

E Researcher 1 describes the system as revolving around the GoE. “The system itself or the convention is that everything comes from the Government,” he argues. Though he has a positive perception of GoE investments and activities, their control is problematic relating to actions of international organizations. E Researcher 2 seconds this when he describes how the GoE rather than the people’s needs guide NGOs’ actions. E Researcher 1 wishes the GoE to create an economic incentive system directed at the real interests of firms, for example when GoE builds water-cleaning plants in industrial areas, but factories don’t use them. He also argues for facilitating certification processes in production. In his examples – though coming from the coffee industry - farmers fail to complete certification processes due to its complexity, time expense (5 years or more) and costs. Corruption is then an easier solution. When viewing the issue of overly powerful foreign investors, he sees an opportunity in giving the power back to the farmers, if the GoE would view farmers as potential investors instead of converting them to daily wageworkers.

S Researcher is even more clear in her response to questions on leverage points, clearly stating that the GoE “must lead this”, arguing that no other center of power holds power and ability for action. In her view neither a “common capitalist” nor civil society can lead change. Change requires effort and will-power from the top. For S Retailer, approaching the government is key when it comes to for example minimum salaries. Comparing to Bangladesh where 85% of GDP comes from textile export, politicians are still not interested in raising the regulated minimum salaries. Though retailers could pay more, it is hard to control that resources actually goes to the workers.

Failing governance is at the heart of failing environmental policy implementation, E Researcher 2 argues. Lack of competence and knowledge with government workers and governors hinders sustainable development. Investors corrupting politicians is also a central issue, and increased awareness among this group is mentioned by E Researcher 1. S Retailer insists that will power of wealthy politicians to solve social issues and help their own is crucial.

According to E Researcher 2, policy makers are crucial to making the market benefit the poor to a greater extent. He speaks of a need for increased awareness among this group, understanding the importance of prioritizing needs of farmers, the local people, and not only looking to foreign investors. He also highlights the importance of policy to safeguard the local market system, to ensure growth of local production. Second, this point is crucial for implementing practices for environmental protection in industries, taxation policies as an important tool for regulating inequalities.

NGO worker 2 means that the government must act for liberalizing the economy, to encourage domestic entrepreneurial activity for sustainability. Today, she points out, starting a business in Ethiopia is impossible for a common entrepreneur. The means of doing business are too complicated, and should someone succeed and aim to “break the market”, the venture will be shut down.
Corruption in the relationship between politicians and investors is another “bottle-neck” according to E Researcher 2.

### 4.2.2. Regional governments and religious institutions

When discussing the role of NGOs and intervention programs, E Researcher 1 is the only interviewee mentioning the regional governments as important forces for change. The “elderly leaders”, religious institutions, and their local legal structures are highly relevant for finding functional solutions. Each community has an indigenous system, which “function[s] well in the given community”. However, he describes how NGOs or international institutions ignore these systems, going directly to the GoE. The GoE then gives them a “package” of things to do, creating a system or solution that is malfunctioning, and NGOs “waste their money”. While policy should guide interventions “I would prefer those international agencies to address the societal goals from the societies perspective” he says. “People listen to those local institutions [more] than the government,” and should thus be empowered.

### 4.2.3. Civil society

Interviewees do provide indications that civil society has been able to contribute to change. In the case of foreign firms moving to Ethiopia because they were shut down in their home countries due to poor environmental practices, E Researcher 1 explains how the people were protesting against the GoE, which resulted in the cancelation of licenses of some of the polluting corporations. On the same topic, E Researcher 2 makes reference to revolts happening in Ethiopia in the last five years in response to land grabbing: “many thousand lives are lost... I think [the GoE] are forced by the people… The land grabbing is reduced now: it is by the people. People protested and gave their life.” Here, awareness is central. E Researcher 1 speaks of awareness of the general public as an important leverage point. NGO worker 1 seconds this, explaining that a present lack of understanding of regulations closes off the governance structure. Rules and regulations must be made accessible to those involved.

### 4.2.4. Purchasing companies

As previously mentioned, S Researcher argues that it would be difficult for an ordinary capitalist to create change. S Retailer supports this thought to some degree, but there are opportunities in impacting the market as role models “saying that 'I have enough and the rest could go to Foundations', she explains. For mediums size – or in comparison to H&M rather small – companies, similar initiatives are futile. For this category, instead she speaks of ways to approach the GoE through “large collaborative initiatives like BSCI [see 2.2.2.], where the unified purchasing value is enormous and pressing on... Of course that has some effect, and I hope it has some effect on the politicians. BSCI has written letters to the Government of Bangladesh for pushing minimum wages to a higher level.” She also mentions collaborations for education about factory workers’ rights.

### 4.2.5. System diagram

When asking interviewees about important leverage points in the system for creating change, the most recurrent leverage point was the GoE, which also has been continuously mentioned in relation to challenges. Thus, the Causal Loop diagram of the system places GoE at the center. Most transactions from the system into the GoE concern GDP growth, in response to the goal of becoming a middle-income country by 2035 (Government of Ethiopia, 2016). There are two exceptions to this. One is protests from civil society in response to GoE actions causing increased pollution, such as inviting foreign investors with factories with environmentally degrading practices. Depending on how the GoE can manage this and create job-opportunities for the community, protests may increase or decrease. In the diagram, this loop is thus market as enforcing or balancing. The second exception is in relation to purchasers. While their interaction with the system contributes to reinforcing the loop of GDP growth and thus increased pollution from industry, they may also contribute to change for sustainability through sharing knowledge on sustainability issues and share their experiences of such practices. This may also be shared with factories. Transactions from the government to system actors include various support functions and opportunities for business and jobs.

The poor outside the market, NGOs, international institutions, and indigenous governments are placed outside the market system since they, while being affected by or trying to impact the market, are not
directly involved in interactions/ value exchange in the system.

Worth noting is that the system contains multiple reinforcing feedback loops, i.e. interactions, which reinforce present activities, with only one potential balancing feedback loop created by civil society.

The causal loop diagram emerging from interviews can be found below, and a full-page size diagram in appendices.

Fig. 4. Causal loop diagram of the Ethiopian TC industry of today (see 9.4.5. for full-page size).

4.3. Application of M4P

This section describes interviewees’ understanding of how M4P could be applied to meet the challenges they have described. Thereafter, two scenarios are drafted: one describing the course of the trajectory of today’s systemic interactions, and another where the system has been altered.

4.3.1. Interview data

As previously mentioned, S Researcher speaks for GoE being the only actor strong enough to create change. She addresses intervention programs saying, “I shouldn’t depreciate it, but…” When asked specifically about M4P, she addresses its potential applicability for creating market access for the poor in rural areas, solving issues of inclusion, which she sees as the biggest challenge for Ethiopia. This should be done through building physical infrastructure. Though the development of the TC industry has created and does create opportunities for infrastructure development generally, it will not automatically contribute to including the poor. Inclusion must be the specific intention of infrastructure development.
E Researcher 2 sees potential with M4P. The way he sees the present market system, he also highlights the importance of physical infrastructure. Shortening the value chain to let producers - in this case cotton farmers - sell the raw material directly to the industry instead of letting goods go through middlemen would increase farmers’ market benefit. This would also require organizational infrastructure in forms of cooperatives and credit systems. E Researcher 1 also mentions market access for the poor, but intervention programs are inefficient when happening through NGOs. Such interventions are project based and limited to a small area, not creating much impact. Instead, interventions must be “incorporated into… the regular function of the government or the system.” NGO workers 1 and 2 say a clear No to the ability of M4P or similar programs to solve the system-related sustainability issues in Ethiopia, in light of the fundamental systemic problems of corruption, inequality, poverty and lack of awareness. The only way M4P initiatives or similar could potentially build sustainability would be through indirect helping the poor within the market system to gain education on hygiene or provision of healthcare, simply for letting them maintain their jobs.

4.4. Scenarios

Scenarios describe a future 10+ years from 2019, approaching GoE’s deadline for becoming a middle-income country by 2035, and are based on interview data as described previously and in appendices.

4.4.1. Scenario 1: GTPII come true

In this scenario, Ethiopia continues on its trajectory to growth through the light manufacturing industry, seeing the TC industry as the tool for industrialization. Reinforcing loops (as seen in the system diagram above) are not balanced through laws and regulations, but are allowed to continue unchecked. The country becomes a leader in TC production, taking the top place as the provider of TC products for the European market. Demand remains high, logistics for the sector are developed, and large corporations settle firmly and increasing orders to the country. Foreign investment keeps coming in to the country, and more industrial parks are built. GDP grows stays above 10%, and the cities bloom. Also, with developing infrastructure, some of the poor male and female cotton farmers in rural areas have gained access to the market, and struggling farmers in other sectors have switched to cotton cultivation instead, seeing the new opportunities. The TC industry now contributes to a higher degree to the GDP than all other sectors in the country.

While the Climate Resilience Green Economy Strategy is still in place, taking up more space in GTP III and IIII, the development regarding sustainability issues has not been prioritized at all to the same degree as economic growth. Looking back, the entrance of the highly polluting TC industry, with non-complying investors and factory owners to the Ethiopian land, has brought severe consequences. While the now higher demands for water increases water infrastructure, and to some degree water access, the water is polluted by the industry before reaching the people. Land, water and air quality are declining, and not only does the agricultural sector suffer losses, but consequences for human health are becoming more and more tangible. The soil that was once called “green gold” is contaminated, groundwater and rivers are severely damaged, and those in the lower-income segment in the rural areas who previously struggled with clean water access are severely negatively impacted. Many have left their home-regions, hoping for jobs in the cities, where poverty and growing slums is an increasing problem. Although overall poverty has decreased, inequality keeps increasing.

4.4.2. Scenario 2: Forward to the roots

The TC industry, which was once considered so important, has now transitioned into a relevant but minor part of the country’s economy. The cause of this transition is an increased awareness of the considerable challenges posed in adapting Ethiopia to this complex industry, both in the eyes of the GoE, among civil society and also from purchasers’ perspective. While sustainability issues are still not as high up on the agenda as economic growth and job creation, increased awareness among the younger generation, supported by research institutes, has triggered interest for the topics, spreading knowledge with a bottom-up approach. Seeing this development, the government has seen reason to
use this awareness for political gains, thus increasing and encouraging emphasis on sustainability issues in terms of not only economy but also environment and society. Also, new politicians with more knowledge and awareness of sustainability have entered the GoE, causing the GoE to shift focus and adding sustainability more tangibly to goals.

What once was expected to be the role of the TC industry - providing growth, job opportunities and poverty alleviation - has been taken by a now stable and more effective agricultural sector, which not only provides for the Ethiopian population, but also leaves margin for export. The growth and development of this sector has increased quality of employment in rural areas, and the government’s implemented policies for ensuring inclusion of people in the not so densely populated country have paid off. Smart and effective management of investment has enabled new projects aimed at building inclusive infrastructure. This has happened partly because of new policies created by the GoE that encourage system intervention program in line with M4P that have interacted with indigenous institutions to find the best solutions for infrastructure. NGOs using this approach have also aided knowledge transfer and education to improve health among workers. Better infrastructure has also shortened the supply-chain, enabling the numerous poor farmers in rural areas to gain more benefits from the market system. The services sector has grown, and now provides support services to agriculture and other industries, including the TC industry.

Fig. 5. System diagram for Scenario 2, with alterations in red (see 9.4.6. for full-page size).
5. Discussion

The goal of this study was to use system- and scenario analysis to understand the sustainability challenges in the system of the Ethiopian TC industry from the Swedish perspective, the leverage points to solving challenges and the applicability of M4P to meet them. This chapter discusses results and how they answer the research questions asked.

5.1. Challenges

Challenges around the TC industry in Ethiopia, as described by the respondents of this study, are many, both regarding economy, environment and society. While the TC industry is described as a source for economic growth and job-opportunities, corruption and a flawed governance structure are central topics, which hinder a natural domestic industrial development and cause inequity. All respondents see some potential in the TC industry providing job opportunities, but four out of six respondents clearly state that the focus on the TC industry as solving the poverty issue is unbalanced and premature. While Yülek & Yağmur’s (2018) for example have emphasized the relevance of the TC industry for SSA countries both in the short- and long term, the descriptions of respondents describe a system that is not yet ready. Foreign investment that could have been placed in other sectors such as agriculture, service or tourism is wasted on the significantly polluting TC industry. The widespread poverty and need for job-opportunities is such a central issue in Ethiopia that it overshadows environmental consequences.

Challenges for environment appear significant already today, and will be particularly tangible in the long term with a growing TC industry. With the current lack of regulations and their weak implementation, land, forests, water and air will be severely damaged, with health issues for human and wildlife, and decreasing potential for future generations to use the resources now available in the country. This applies to the whole supply-chain, particularly if the present goal of enlarging the cotton production should become reality. With poverty being a serious problem in the country, the study here finds a clear example of the conflict between economic growth, the alleviation of poverty and long-term environmental goals.

Regarding social sustainability, workers may benefit through gaining skills and entering the general market system, but they are vulnerable to the inhumane working conditions in an industry with lacking or non-implemented regulations. This is particularly mentioned in relation to women in the system. In addition, widespread corruption in the system feeds inequality, with government officials and foreign investors earning millions while the poorest remain poor or even fall further into poverty.

5.2. Leverage points

As the system diagram describes, the leverage points lead back to the GoE, legislation and policy, as is also supported by the 2017 World Bank Report. However, the points made by NGO worker 2 and S Researcher summarize the conflict of interest between economic development and sustainability: The government budget does not include the means to deal with environmental aspects, and poverty is such a pressing issue that it must be prioritized over everything else. In addition, the long-term environmental consequences are feared to be detrimental in terms of land and water quality. Worth noting also, as previously mentioned, is that the system contains multiple feedback loops that reinforce present activities in the system. Policy or regulatory frameworks are not in place to provide balancing feedback in a functional manner. Thus, the system as painted in this study focuses on economic/GDP growth at the cost of environmental and social sustainability. Regional governments could be made to participate in governance for sustainability, and civil society and purchasing companies may influence the GoE into more sustainable practices, but change must be implemented at the top.
5.3. Applying M4P

The last question of this thesis concerns whether M4P can contribute to sustainability in this context. Interviewees have provided indications that M4P may contribute to economic sustainability by creating a more inclusive economic growth of the TC industry. Such initiatives should then focus on building physical infrastructure that is specifically aimed at providing market access for the rural poor. First, this could enable the rural people to both partake in the industrial development through factory work, and services. Second, it could also shorten the value-chain in cotton production, and thus increase the direct benefits for cotton farmers. Third, M4P or similar initiatives may provide indirect solutions to this challenge, such as providing healthcare or education on hygiene to minimize illness and thus loss of work. However, as the system diagram explains and respondents describe, such changes can only create long-term impact of scale through the GoE. Thus, as M4P is described by Sida (2012) as having the goal of creating long-term impact of scale in these specific areas, it appears that the approach fails in creating such in this system unless it is incorporated into the governance structure.

Even so, while the above concerns the economic sustainability challenges of inequality, it appears to be building on the goal of GDP growth. As the system diagram explains, this is the reason for the reinforcing loops creating long-term negative economic, environmental and social consequences affecting the poor in the system. It may however be argued that Making Markets Work for the Poor is not particularly aimed at the overarching picture of sustainability, but at providing market access particularly, which this study provides indications of that it could through the building of physical infrastructure. While this is true, the environmental and social issues in this system are very evident and intertwined with the economic development, as Fischer-Mackey and Sahan (2011) also emphasize in their critique of M4P’s economic focus. Folke et al.’s definition of sustainability, with economy enveloped within society, which in turn is enveloped in the biosphere/environment, describes this relationship (2016). Their framework places the economy in direct dependency of the other parts of sustainability, and cannot be viewed in isolation.

Scenario 1 described how GTPII and the goals of GoE of today would lead to increasingly severe sustainability challenges in economy, environment and society. As one of the interviewees argued, this could be viewed as a necessary path for development, and consequences would have to be handled at a later stage, when the economy is stable. However, Scenario 2 pictures a future where the GoE focus, due to an understanding of these consequences and challenges, is shifted back to agriculture and services, making these sectors more efficient and more sustainable in terms of environmental protection, social welfare and economic development. As previously mentioned, Meadows (2008) provides the example that a system could be altered if leadership impacts the purpose of the system. While the second scenario does require a certain degree of commitment and interest in sustainability issues within the Ethiopian population on all levels, it is arguably a more pleasant outlook to strive towards than 10-15 years of environmental degradation, which cannot be undone. As this scenario also describes, change must come from the GoE, but could potentially be encouraged by the Ethiopian civil society and to some degree by purchasers. Here, M4P is not a tool for system change, but rather a specific tool for when change is already underway.

Connecting this to Swedish sourcing, M4P is, based on the outcome of this study, an approach and a mindset that could be relevant for Swedish textile purchasers, Sida, and NGO’s working with the TC industry, as a tool for answering to sustainability challenges regarding inclusion and equality in TC industry in Ethiopia. However, it should be clearly understood that it does not take into consideration the bigger picture of sustainability, nor solving the fundamental systemic challenges.
5.4. Methods – validity and reliability

5.4.1. Data collection

Writing a study on an Ethiopian market system while based in Sweden is rightfully questionable. Journeying to Ethiopia would have given in-depth information on the relationships and interactions through observation. However, since the purpose of the study was to create an overview of the system around the TC industry in Ethiopia, with the stated delimitations, interviews/observations for creating such a one would require a massive traveling schedule. It was thus deemed relevant to make such an overarching description, which could be deemed sufficient for meeting the stated goal, from publicly available documentation and selected interviews. After discussing with representatives from a renowned Swedish NGO working in the country on sustainability in the TC industry, their description of challenges around retrieving data for even very focused studies affirmed this decision. Are these challenges real for an established NGO, they are more so when the researcher is a young Scandinavian female without language- and cultural knowledge and without backing from a respected local organization. With this said, the purpose of the study was not to describe all interactions in the system, nor all potential challenges, but to provide a mapping and analysis of the by experts most strongly appearing challenges and leverage points in relation to sustainability from a selected perspective (Swedish sourcing).

Also, finding a sufficient number of experts with the needed knowledge of the Swedish and Ethiopian market, sustainability and NGOs/M4P, and getting them to participate in the study, was a challenge. While interviews revealed that more knowledge - particularly about M4P - would have helped build stronger conclusions, the results have arguably given sufficient data for conclusions made. A deeper and/or wider study both with M4P experts and Swedish actors who are presently sourcing from the Ethiopian market would have given interesting input to conclusions. Attempts were made, but unfortunately with negative outcome. Though the author had access to a report for internal use from a relevant corporation, this could not be used for ethical reasons. Thus, input from the Swedish retail industry was limited to an SME with less understanding of Ethiopia.

On this note, it is worth mentioning that respondents showed different views on what sustainability means. For example, S Purchaser mentioned numerous sustainability challenges that had to do with the safety of purchaser’s staff when visiting Ethiopia, and financial sustainability challenges for the purchaser when entering a new market. These were discarded since they were outside the scope of the study, looking at challenges within Ethiopia only. For others, sustainability equaled environmental issues specifically, and they excused themselves when mentioning social issues. To avoid this, a limitation could have been made to look at only one aspect of sustainability at a time. However, the purpose of this study was indeed to build an overarching picture and understand the applicability of M4P in the system.

Though a conference meeting, i.e. workshop/focus group-structure, would have been beneficial for the creative process in intuitive logics, due to time-constraints of the interviewees and their geographic locations, each interview was conducted separately. Also, focus groups pose the challenge of letting everyone have a say, and avoiding unbalanced responses (Bryman, 2012). This was argued to be a problem with this limited time. However, with more time, this technique would provide greater understanding for finding ways of solving the central issues.

5.4.2. System- and scenario analysis

Validity in this work has been attempted in two ways. First, while both systems- and scenario analysis emphasizes the importance of not making systems or scenarios overly complicated (Gassner & Kosow, 2008; Meadows, 2008), limitations have not been made as to what specific interactions within the TC industry in Ethiopia are relevant, nor which areas of sustainability are in focus. The initial intention was to draft a system diagram based on previous research, and ask interviewees for input. Instead, the research design has been shaped to allow respondents to draw the system freely to ensure that responses were not steered. While this comes with the risk of drawing an overly complex
system, the outcome of the results is arguably not too intricate for answering research questions. The
same care was arguably taken when shaping the interview guide.

Based on the sustainability definition of Folke et al. (2016), economic/market systems are placed
within society, which is placed within the environment. Hence, the environment has not been added
as actor within the system, rather the setting in which the system is placed, and is also affected by the
system itself. Some researchers may argue that the environment is a direct actor in the system.
Building a system diagram from this perspective could perhaps bring further depth and understanding
on the leverage point for each environmental aspect. However, to create an overarching description of
the system within society and environment, the approach chosen in this work is arguably a good
starting point.

It may be discussed to what degree the participatory element of scenario analysis was incorporated. In
light of the data collected, the author judges that while a variety of challenges, leverage points, and
suggestions for M4P were collected, data from respondents still provided a satisfyingly clear image.
The Causal Loop model presented the system as in a downward reinforcing movement, and could
show that with the government at the heart of both challenges and solutions, the ability of M4P to
contribute to sustainability is limited. Summarizing the future outlook as painted by interviewees in
scenarios further clarifies the potential consequences of choices made.

With the scenario method being based on contribution of experts, the quality of conclusions is highly
dependent on the sample of interviewees and their contribution, as well as the author’s experience
from and knowledge of the research topic (Mietzner & Reger 2004, in Gassner & Kosow, 2008).
This is arguably well managed by the criteria for interviewees and their experiential diversity. Also,
with the author having 10+ years of experience from the TC industry, sustainability work within it
from a retailer perspective, NGOs working with the TC industry in developing countries, and
Swedish NGOs working in the TC industry, the potential for understanding data retrieved is deemed
acceptable for reaching the research aim.

As previously mentioned, computer based modeling is a useful tool in systems analysis for
understanding systems, and Beck et al. (2018) argue that such are particularly relevant when viewing
more specific interactions within a system when an overarching understanding has been reached
(Beck et al., 2018). It would thus be relevant to approach the specific interactions within the system
more in depth, using quantitative analysis. With more resources of time, a quantitative model of the
large system is likely to show more detail of leverage points, contributing to finding solutions.
6. Conclusion

This study has mapped sustainability challenges and the leverage points to solving them in the TC industry in Ethiopia, and assessed the applicability of M4P in this market system.

First, the TC industry in Ethiopia Economic development through the TC industry will have severe long-term consequences for sustainability in Ethiopia, directly affecting the poor. Challenges in economy include; corruption, long-term development, unemployment, inclusion and poverty. In terms of environment, issues concern pollution to air, water and land, lacking regulations, natural resource management and foreign investors’ behavior. Important social aspects are land grabbing, inequality, wages and working conditions.

Second, while various actors within or outside the system of the TC industry in Ethiopia may act for sustainability, governance is the heart of change. The success of sustainable action in all parts of the system depends on governance practice, policy and regulation.

Third, and connected to the above, this study concludes that M4P may contribute to solving challenges regarding unemployment, inclusion and equality in the TC market system in Ethiopia. This could be done through facilitating market access for the poor who are now outside the system, or improving market access and benefit for those who struggle within it. Building physical infrastructure is an important action to be taken in this case. Also, indirectly helping workers maintain their jobs through education on health and hygiene could contribute to the same. However, this study finds no indication that M4P could contribute to solving the systemic problems described by respondents regarding governance and environmental impact. M4P does not appear to provide the force needed to create balancing feedbacks to the system.

Lastly, this work concludes that sustainable economic development requires timing and balance in the larger market system. Though the TC industry has contributed to development in countries historically, if such a development is to happen sustainably, maturity of the system in question must be considered for potential sustainability issues to be well managed.

With the aim of this study being to create a brief but holistic overview of the system, its challenges and leverage points and the applicability of M4P in it, the results arguably provide a starting point for understanding this complex system and potentially spurring ideas for new solutions, or ways of applying existing tools. It could be useful for initiating a discussion on the relationship between Swedish sustainability-conscious retailers and the stakeholders of emerging markets. Swedish purchasing corporations in textiles must, when viewing Ethiopia as a potential source of TC products, consider the challenges in this specific context, and if entering the market must see what tools are available for mitigating damage in an effective way.

Much research is arguably needed to further understand the topics discussed in this work. One suggestion of further research would be to, as mentioned in discussion, view the system of the Ethiopian TC industry or parts of the system from a quantitative perspective. This could give a deeper understanding of for example the flow of foreign direct investment, the degree of corruption in the system or the inflow of investment coming from polluting actors from other countries. Also, the ability of M4P interventions to view the larger picture of sustainability could be tested through evaluating existing projects generally or in the TC specifically, if such exist. Another topic could be reviewing the interest/understanding of systems thinking in Swedish stakeholders/textile NGOs.

To conclude: If Sweden is to rightfully keep its position among the most sustainable countries in the world, exported emissions and long-term sustainability impacts must be taken into consideration by Swedish market intereners. Creating job-opportunities is not the whole story. This work has hopefully provided a basis for discussion on the impacts of the TC industry in emerging markets, and the applicability of available tools for answering to these impacts.
7. Acknowledgements

The author wishes to express the deepest gratitude to Michael Jones for patient, attentive and supportive help, providing deep insight and new perspectives to systems thinking, and giving more time to providing feedback than I expected. Also to Hans Liljenström for helping me get in touch with potential interviews, and providing ideas and an unexpected confidence-boost just when needed. Many thanks also to Gosia for answering emails practically before they were sent, and organizing this thesis-journey in the best way possible.

A big Thank You to interviewees for your invaluable time and reflection, and even to those who turned me down but responded in the kindest of ways. And of course to those helping me get in touch with them. This is partly your work – Thank you!

To classmates and family for enduring my crises and prepping me with pep talk, wise words, constructive feedback and food. I am most grateful that you are in my life.
8. References


9. Appendices

9.1. Interview guide

Research questions:
1. What are the potential sustainability challenges of the Ethiopian textile industry?
2. What are the systemic leverage points that might alleviate potential negative consequences?
3. How could the systemic M4P approach, as described by Sida, be applied to meet the challenges?

Description of study
As we discussed, this interview concerns a master study on sustainability in the TC industry in Ethiopia in relation to the Swedish retail market. Also, we are looking at a specific system intervention tool, and its applicability in the system. 1) Potential sustainability challenges in the system 2) System sketch created, and 3) possible future scenarios based on M4P/Market intervention programs. As you have seen, I have suggested sustainability challenges, drafted a system sketch of interaction, as well as possible scenarios, and the purpose of this interview is to gain your expert input on the topics discussed.

Anonymity
The data extracted from this interview will be anonymized, both your name and employer. You are free to choose to avoid answering a question, pause the recording or end the interview at any time, should you wish it. The interview is expected to take 30-45 minutes, and will be recorded in full.

Do I have your permission to proceed?

x. Information about the interviewee

Age, years in the industry, nationality, what you do now, time in Ethiopia etc.

1. Sustainability challenges in Ethiopia.
   a. What are the most pressing S challenges in the TC industry in Ethiopia today? Economy, society and biosphere/environment
   b. What do you believe to be the most pressing S challenges in the TC industry in Ethiopia in 10 years?
   c. Do you see the growth of the TC industry in Ethiopia as problematic in terms of S? (Brief description of GTPI and II by interviewer)

2. System
   a. What do see you as important leverage points in the market system to meet these challenges?

3. M4P & scenarios
   a. Are you familiar with M4P, Making Markets Work for the Poor? (Brief description by interviewer)
   b. What is your experience of market intervention programs?
   c. How do you see that such an approach would contribute to S as a whole in the Ethiopian TC industry? (Describe scenarios)

4. Anything to add that I have not covered in questions that you may find relevant for the study?

Thank you for your time and contribution!
### 9.4. Results in detail

#### 9.4.1. Mentioned sustainability challenges

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Topic</th>
<th>Theme</th>
<th>Comment description</th>
</tr>
</thead>
<tbody>
<tr>
<td>E Researcher 2</td>
<td>Corrupted politicians and NGOs</td>
<td>Economy</td>
<td>... Some of the investors, those who are owners of the industry, they corrupt the politicians... knowingly or unknowingly you will be merged with that corruption system... Some of the international organization, international consulting of these NGOs... They are much better, but they also should be corrupted also because: Number one: even if you some of the NGOs working in the exposing in terms of environment... Directly or indirectly they are corrupted... and if they expose [mismanagement], they are not[allowed to stay] in the country... Yes they do stay there; they have to do this behavior also. That is a problem.</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Natural industrial development</td>
<td>Economy</td>
<td>The Chinese are not only participating in land grabbing, but also some sort of maybe replacement of the local industries, It just crushed, so slowly the indigenous, the home industries, are dying and almost replaced because... Which means that they massively produce, and export to Ethiopia and then maybe cheaper</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Transfer from Agriculture to industry</td>
<td>Economy</td>
<td>even the agricultural society is converting to industry. And there should be... there should be a gradual change, and the linkage should be there</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Unemployment</td>
<td>Economy</td>
<td>And at the same time the country's main problem is unemployment</td>
</tr>
<tr>
<td>S Researcher</td>
<td>Inclusion</td>
<td>Economy</td>
<td>Det som jag tycker är den största utmaningen, approachen till utveckling, är inkludering. Det tror jag är den största utmaningen med en sådan zone-approach, att det blir små enklaver, att en viss liten urban elit from Addis får jobb där... Om man tänker att det ska bli tillväxt-stegen på samma sätt som det var i Ostasien, måste många människor ... få ett bättre liv genom det. Man är fortfarande lika fattig om man är tre timmar utanför staden... det ger ingen effekt på ekonomin som helhet... min slutsats är ju att det inte kommer göra någon skillnad för ekonomin... Jag tror verkligen att det finns utmaningar i ett så pass stort land som Etiopien ändå är, att textilindustrin på den skala den är nu att det kommer ha en transformative impact.</td>
</tr>
<tr>
<td>S Researcher</td>
<td>Poverty</td>
<td>Economy</td>
<td>Ja, de är så pass fattiga... alltså folk är ju verkligen fattiga. Och väldigt många är verkligen fattiga. Och det är ju verkligen... den prioriteten överskuggar ju då miljökonsekvenserna. Förhoppningen... Att det har blivit lite viktigare när inte ekonomisk tillväxt inte är lika pressing som det är idag.</td>
</tr>
<tr>
<td>S Researcher</td>
<td>Transfer from Agriculture to industry</td>
<td>Economy</td>
<td>För den stora majoriteten av Etiopiens... low income segment – så är jordbruket fortfarande viktigare. Man lever fortfarande av jorden, man är fortfarande liksom långt bort från Addis, man är långt bort från Djibouti. Och i landet Etiopien som inte är så himla befolkningstätt så tror jag att jordbruket är ett viktigare steg än en liten tillverkningsindustri... Kanske det förändras om 10 år när det är lite mer utvecklat . Men än så länge tror jag att det en väldig massa folk som inte kommer bli speciellt positivt påverkad för att de inte kommer märka det, av en växande tillverkningsindustri. Där måste jordbruket då liksom ta den rollen... Alltså jag tycker att det här fokuset från jordbruket till ett industrifokus är prematur i Etiopiens kontext där så väldigt många människor fortfarande bor ute på landsbygden... de är lite för eagar, att vilja hoppa till nästa steg... Men jag ser en fara med det, för inkluderingen.</td>
</tr>
<tr>
<td>NGO Worker 2</td>
<td>Unemployment</td>
<td>Economy</td>
<td>de prioriterar ju ekonomisk tillväxt... framför allt. För de har ju ett politiskt problem inom landet också. De måste ju skapa en arbetstillväxt utan dess like. Och egentligen har man ju samma problem i Indien, det här med jobs less growth och hela det valet som pågår där nu är ju ett test av den sittande regeringen som fick stort stöd,... för 4 år sedan... lovade arbetstillfällen. Och det har han inte kunnat infria.</td>
</tr>
<tr>
<td><strong>NGO Worker 2</strong></td>
<td>Too fast transfer from Agriculture to manufacturing</td>
<td><strong>Economy</strong></td>
<td>det finns mycket bättre strategiska sektorer att investera i än en komplicerad textilsektor, när de ligger 3, kanske 2-3 generationer bakom alla andra länder i utvecklingen. Till exempel turism och vildmarks sektorn. Så det är ju liksom inte den självklara industri att investera i om det nu skulle vara low-hanging fruit att investera i. Etiopien har väldigt många nationalparker som de inte tar hand om över huvud taget. Så om du vill utveckla ett land med en kompetent befolkning så tror jag att det är andra saker som man måste investera i. Och sedan måste du också investera i hela värdekedjan också, det är inte bara textil.</td>
</tr>
<tr>
<td><strong>NGO Worker 1</strong></td>
<td>Corruption</td>
<td><strong>Economy</strong></td>
<td>Ja men precis och då blir det en risk för korruption och att man utnyttjar systemet istället och det är därför man inte har sett det här som en...</td>
</tr>
<tr>
<td><strong>E Researcher 1</strong></td>
<td>Cotton production clearing forests</td>
<td><strong>Environment</strong></td>
<td>if you expand your textile industry you also need to also expand you know the production of cotton for example. Cotton is one of the inputs, the most important input for the textile industry. So when we plan to expand our textile industry we need to also expand the production of cotton, and that – the production of cotton – has to be also organic, right, it has to be in a pro-environment way. My worry is that, if we expand cotton production, given that the fixed amount of land we have, I feel that we are going to clear some forests for cotton production.</td>
</tr>
<tr>
<td><strong>E Researcher 1</strong></td>
<td>Investors behaviour/interests</td>
<td><strong>Environment</strong></td>
<td>If [investors] are aware of environment and if they are interested to invest in clean technologies, that’s an asset... But if investors are not keen to achieve environmental objectives... If they just seek to get money, that... You can’t control their every day activity</td>
</tr>
<tr>
<td><strong>E Researcher 1</strong></td>
<td>Pollution from transport</td>
<td><strong>Environment</strong></td>
<td>We need transport to take our textile products to the market. And if you use the mode of transport that is more polluting, that can also create a challenge. But if you use for example the cars that use you know the fuel, that is also, that has implications on the environment. You produce these textile products here, you need to transport it to the market, and there is an emission of CO2 and GHG emissions.</td>
</tr>
<tr>
<td><strong>E Researcher 1</strong></td>
<td>Waste management</td>
<td><strong>Environment</strong></td>
<td>Waste – used to be disposed just outside the facility (14/15)</td>
</tr>
<tr>
<td><strong>E Researcher 1</strong></td>
<td>Water</td>
<td><strong>Environment</strong></td>
<td>Zero discharge policies exist. I have some information from the Hawassa industry park... the government built treatment plant and you know firms need to pay some fee for using that treatment plant and to... Some firms... are not you know interested to use the treatment plant, because it costs extra</td>
</tr>
<tr>
<td><strong>E Researcher 2</strong></td>
<td>Fertilizers</td>
<td><strong>Environment</strong></td>
<td>to produce more from given plot of land, some people may use you know chemical fertilizer . So that chemical fertilizer you know its creating pollution, it’s also dangerous for the soil, because it has a lot of chemicals</td>
</tr>
<tr>
<td><strong>E Researcher 2</strong></td>
<td>Chemicals use</td>
<td><strong>Environment</strong></td>
<td>these farms use chemicals that are absolutely forbidden elsewhere in Europe or in us or like that. Just because number one, they are cheap, number two there is not control because legally they have not only tax free, they can import anything without any control... And so this, when they spray these chemicals, number one there is no protection nothing, no garment no nothing, nothing. So they spray, that comes directly to the nose, and also inhaled it so it comes into the body, and also to the skin.</td>
</tr>
<tr>
<td><strong>E Researcher 2</strong></td>
<td>Cotton production</td>
<td><strong>Environment</strong></td>
<td>Cotton – soil degradation</td>
</tr>
<tr>
<td><strong>E Researcher 2</strong></td>
<td>Env. Protecting policies</td>
<td><strong>Environment</strong></td>
<td>Lack of environmental protection policies, and implementation of the same – factories moving to Ethiopia</td>
</tr>
<tr>
<td><strong>E Researcher 2</strong></td>
<td>Insects dying</td>
<td><strong>Environment</strong></td>
<td>you have to control the emission, control also the waste, the waste management generated from the industry.</td>
</tr>
<tr>
<td><strong>E Researcher 2</strong></td>
<td>Waste management</td>
<td><strong>Environment</strong></td>
<td>you have to control the emission, control also the waste, the waste management generated from the industry.</td>
</tr>
<tr>
<td><strong>E Researcher 2</strong></td>
<td>Emissions</td>
<td><strong>Environment</strong></td>
<td>and then also actually this chemicals you know the soils is full of microorganism, living organisms, which actually this is for the agricultural soil. This is why we have fertile soils. And these chemicals kills, kill, the microorganism in the soil. Which means that after some, many, some, years this soils are almost useless, they don’t produce anything. If you sow, nothing can be grown on them</td>
</tr>
<tr>
<td><strong>E Researcher 2</strong></td>
<td>Soil degradation</td>
<td><strong>Environment</strong></td>
<td>The other one is it leaks to groundwater and also come up with through rivers. That has shown also a proof, many cattle have died also</td>
</tr>
<tr>
<td><strong>E Researcher 2</strong></td>
<td>Water</td>
<td><strong>Environment</strong></td>
<td>The other one is it leaks to groundwater and also come up with through rivers. That has shown also a proof, many cattle have died also</td>
</tr>
<tr>
<td><strong>E Researcher 2</strong></td>
<td>Life on land</td>
<td><strong>Environment</strong></td>
<td></td>
</tr>
</tbody>
</table>

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39
<table>
<thead>
<tr>
<th>Participant</th>
<th>Topic</th>
<th>Environment</th>
<th>Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGO Worker 1</td>
<td>Water</td>
<td>Environment</td>
<td>vi spelar in a global värld där vi använder varandras resurser och... Men det är klart att alla måste ha en lönsam affär. Alltså, även den som är våran fabrik måste ju ha en lönsam affär. Vi kan ju inte be dem gå på knäna och kräla för att de fixar ordrarna helt enkelt. Och vi måste ju ha ha...</td>
</tr>
<tr>
<td>S Purchaser</td>
<td>Resource use</td>
<td>Environment</td>
<td>Access to clean water, and wastewater management</td>
</tr>
<tr>
<td>S Purchaser</td>
<td>Water</td>
<td>Environment</td>
<td>S just in Etiopien så ser jag inte att det finns jätteförberedelse för hur man ska ta hand om the long term negative consequences... Kina... Där tycker jag att, även den som är våran fabrik måste ju ha en lönsam affär. Vi kan ju inte be dem gå på knäna och kräla för att de fixar ordrarna helt enkelt. Och vi måste ju ha ha...</td>
</tr>
<tr>
<td>S Researcher</td>
<td>Environmental degradation</td>
<td>Environment</td>
<td>S just i Etiopien så ser jag inte att det finns jätteförberedelse för hur man ska ta hand om the long term negative consequences... Kina... Där tycker jag att, även den som är våran fabrik måste ju ha en lönsam affär. Vi kan ju inte be dem gå på knäna och kräla för att de fixar ordrarna helt enkelt. Och vi måste ju ha ha...</td>
</tr>
<tr>
<td>E Researcher 1</td>
<td>Environmental degradation, pollution</td>
<td>Environment</td>
<td>You know people are seeing different companies coming from China and India, and they are polluting the environment... When people track you know the, those companies: They used to operate in China or India and they were closed there, because of the environmental problem. And they came to you know create the same problem there in Ethiopia. You know people are seeing different companies coming from China and India, and they are polluting the environment... When people track you know the, those companies: They used to operate in China or India and they were closed there, because of the environmental problem. And they came to you know create the same problem there in Ethiopia.</td>
</tr>
<tr>
<td>NGO Worker 2</td>
<td>Environmental degradation, pollution</td>
<td>Environment</td>
<td>Däremot när det gäller wet-processing där tycker jag att det ser allvarligt ut. Däremot när det gäller wet-processing där tycker jag att det ser allvarligt ut.</td>
</tr>
</tbody>
</table>
| NGO Worker 2 | Environmental degradation, pollution | Environment | Ja alltså [utvecklingen av TC industrin] kommer ju vara till bekostnad på land och vatten kvalitet. Ser vi ju som ganska klart. För de har ju ingen kapacitet för att förvalta sina naturresurser... på ett hållbart sätt. Så det är ju ”open for grabs”.
Ja alltså [utvecklingen av TC industrin] kommer ju vara till bekostnad på land och vatten kvalitet. Ser vi ju som ganska klart. För de har ju ingen kapacitet för att förvalta sina naturresurser... på ett hållbart sätt. Så det är ju ”open for grabs”.
| NGO Worker 2 | Environmental degradation, pollution | Environment | det här med höga importtullarna som är så prohibitibly high... som man har erfart efter att de har etablerat sig, och i stort sett allt som behövs för textilproduktionen alltför pumpen i brunnen till dyestuff och så vidare måste importeras till landet för det tillverkas inte intern, domestic. Och förutom att det är väldigt höga, nästan straffuller, så kanske du måste vänta ett halvår. Du måste helt enkelt sitta på lager som är enormt stora, för att kunna klara av din produktion och sedan kunna ha framförhållning, vilket innebär att om motorn till pumpen i brunnen, om den brinner, ja då står du där. det här med höga importtullarna som är så prohibitibly high... som man har erfart efter att de har etablerat sig, och i stort sett allt som behövs för textilproduktionen alltför pumpen i brunnen till dyestuff och så vidare måste importeras till landet för det tillverkas inte intern, domestic. Och förutom att det är väldigt höga, nästan straffuller, så kanske du måste vänta ett halvår. Du måste helt enkelt sitta på lager som är enormt stora, för att kunna klara av din produktion och sedan kunna ha framförhållning, vilket innebär att om motorn till pumpen i brunnen, om den brinner, ja då står du där. |
| NGO Worker 1 | High import costs for tech solutions | Environment | det här med höga importtullarna som är så prohibitibly high... som man har erfart efter att de har etablerat sig, och i stort sett allt som behövs för textilproduktionen alltför pumpen i brunnen till dyestuff och så vidare måste importeras till landet för det tillverkas inte intern, domestic. Och förutom att det är väldigt höga, nästan straffuller, så kanske du måste vänta ett halvår. Du måste helt enkelt sitta på lager som är enormt stora, för att kunna klara av din produktion och sedan kunna ha framförhållning, vilket innebär att om motorn till pumpen i brunnen, om den brinner, ja då står du där. det här med höga importtullarna som är så prohibitibly high... som man har erfart efter att de har etablerat sig, och i stort sett allt som behövs för textilproduktionen alltför pumpen i brunnen till dyestuff och så vidare måste importeras till landet för det tillverkas inte intern, domestic. Och förutom att det är väldigt höga, nästan straffuller, så kanske du måste vänta ett halvår. Du måste helt enkelt sitta på lager som är enormt stora, för att kunna klara av din produktion och sedan kunna ha framförhållning, vilket innebär att om motorn till pumpen i brunnen, om den brinner, ja då står du där. |
| NGO Worker 2 | Poor city planning | Environment | mitt inne i bostadsområden så står det ju liksom textilfabriker och resorts, och att allt är ju liksom blandat inom samma vattendäcka också. Så att om det sker utsläpp så kommer det ju drabba bostadsområden, hotell resorts och så vidare mitt inne i bostadsområden så står det ju liksom textilfabriker och resorts, och att allt är ju liksom blandat inom samma vattendäcka också. Så att om det sker utsläpp så kommer det ju drabba bostadsområden, hotell resorts och så vidare |
| NGO Worker 1 | Water pollution | Environment | vi såg ett fall i en fabrik som många stora brands sourcer ifrån och som nog såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det såg sig själv som en jättebra fabrik som hade fått så mycket certifikat och så många utmärkelser och folk var så nöjda. Och det så g...
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<tr>
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<th><strong>Land grabbing</strong></th>
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<td><strong>Corruption in workers' unions</strong></td>
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<td><strong>E Researcher 2</strong></td>
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<td><strong>E Researcher 2</strong></td>
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<td><strong>E Researcher 2</strong></td>
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<td><strong>E Researcher 1</strong></td>
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<td><strong>E Researcher 2</strong></td>
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<tr>
<td><strong>NGO Worker 1</strong></td>
<td><strong>Working conditions</strong></td>
<td><strong>Social</strong></td>
</tr>
</tbody>
</table>

And then to leave that area, is their area where the ancestors are buried... psychological ties in the community... So whenever you are evicted of that, you lose that one... A new era of colonialism has appeared... the Chinese and others... come to many countries in Africa, and among them in Ethiopia... land was almost given to these investors for free. One Indian investor called this as 'green gold'. And it was many thousand hectares, imagine, for one individual... so, it is at a cost of these farmers... They are evicted, with extremely marginal compensation. And the compensation was almost like 20 to 10 cents, which is almost divide that one by three, is 6 öre.

Speziellt då inte i ett land där det inte finns ordentliga fackföreningar som funkar optimalt utan är till viss del korrupta.

you see some local cities, they have huge industrial parks, newly built industrial parks, good facility, thousands of young women are working there, they are poor. But government reporting that "Ah we earned this many million USD from export in textile products". So, why? Me, I am working the in the textile industry, I'm poor, government or somebody else getting money. That is not a good way. My perception is that sustainability is of the people and for the people. It's me.

Low wages – two-fold: "You need your bread first to be able to care about the environment". And social aspects

Women – don't have another choice, must accept the low wages

Working conditions – that becomes your first concern

And so this, when they spray these chemicals, number one there is no protection nothing, no garment no nothing, nothing. So they spray, that comes directly to the nose, and also inhaled it so it comes into the body, and also to the skin... The other one is it leaks to groundwater and also come up with through rivers. That has shown also a proof, many cattle have died also. And many people died also, we have record of that.

From the others side, the government says that it promotes the economy and also the export or like that, and this, those who got land they got five years of tax exemptions so and it is five years tax free festival. So and getting millionaire also like that but the poor are poorer... [The] Ethiopian government – not his one but, the are the same but – some years back, the GNPD, and they say it is 11 % growth also...This is just how you calculate it, but the wealth is concentrated only in some hands.

And extremely low wage, about 8 crowns per day

90 % of the workers are young girls, below 20s like that. And extremely low wage, about 8 crowns per day

Och i Etiopien till exempel, det är ju ett helt oreglerat land, du får ju ta...

arbetsmiljö, du måste ta ansvar för hela arbetsmiljö- rätten... Men sen ska de ju ha rätt lön för den marknaden och det är alldeles för... och det är tidsersättning. Inget tvångsarbet, de ska kunna välja att ta...

jag menar det är ju för oreglerat i Bangladesh, men där finns ju lagar och där finns institut och så där som kan kolla det. Sen att de är korrupta och inte alltid gör det på bästa sätt... Man har åndå... vi har åndå lagar att hänvisa till, när vi går in, vår personal går in och säger: "det finns faktiskt lagar i ert land som ni måste följa".

Man kan ju tycka och tänka vad man vill om Bangladesh, men där finns ju lagar och där finns institut och så där som kan kolla det. Sen att de är korrupta och inte alltid gör det på bästa sätt... Man har åndå... vi har åndå lagar att hänvisa till, när vi går in...

Bangladesh, men där finns ju lagar och där finns institut... Sen att de är korrupta och inte alltid gör det på bästa sätt... Man har åndå... vi har åndå lagar att hänvisa till, när vi går in...

these farms use chemicals that are absolutely forbidden elsewhere in Europe or in US....they are cheap... tax free, they can import anything without any control... when they spray these chemicals, number one there is no protection nothing, no garment no nothing, nothing. So they spray, that comes directly to the nose, and also inhaled it so it comes into the body, and also to the skin... The other one is it leaks to groundwater and also come up with through rivers.

NGO Worker 1 | Working conditions | Social |

Table 4. Interviews: Mentioned relevant sustainability challenges

en annan fabrik som vi var i, det var varm och kvalmigt och... ingen bra liksom air-circulation i fabriken. Och man såg inte en enda vattenflaska vid någon arbetsplats. Och när man frågade "Får de dricka? Ja, ja, absolut", men det är ju frågan om de faktiskt får det, om det är så att deras toilettpauser är så reglerade

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## 9.4.2. Mentioned system actors

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<th>Policy makers</th>
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<td>Rivers</td>
<td>Land</td>
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<th>International development agencies</th>
<th>International organizations</th>
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<td>Complying facilities</td>
<td>Foreign facilities</td>
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<tr>
<td>Others</td>
<td>Research institutes</td>
<td>Supply-chain middle-men</td>
<td>Neighboring countries</td>
<td>Foreign governments</td>
<td>Workers' unions</td>
</tr>
</tbody>
</table>

Table 5. Mentioned system actors
### 9.4.3. Mentioned leverage points

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<th>Interviewee</th>
<th>Suggested leverage point</th>
<th>Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGO Worker 1</td>
<td>Awareness</td>
<td>Men sen om lagstiftning inte efterlevs och framför allt om den inte förstås, och man inte är medveten om den lagstiftning som finns... då är... governance strukturen... lite stängd. Det behövs bättre utbildning, de behövs... lagar och regler behöver tillgängliggöras, så att man kan gå in på nåt och läsa, men vad är det som gäller egentligen, och det är också en brist i det Etiopiska systemet.</td>
</tr>
<tr>
<td>E Researcher 1</td>
<td>Awareness - public and investors</td>
<td>Other leverage point is you know of course awareness, awareness of the general public, the people, including the consumers. And even the investors.</td>
</tr>
<tr>
<td>E Researcher 1</td>
<td>Civil society</td>
<td>different companies coming from China and India, and they are polluting the environment... They used to operate in China or India and they were closed there, because of the environmental problem. And they came to you know create the same problem there in Ethiopia and people you know they were protesting against the government. And even the government you know canceled the license of some companies.</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Civil society</td>
<td>So and getting millionaire also like that but the poor are poorer. So that actually created a revolt in Ethiopia in the last five years, and because of that and many thousand lives are lost. And today I think they have minimized to give such huge land to the investors like that.</td>
</tr>
<tr>
<td>E Researcher 1</td>
<td>Local/Indigenous government</td>
<td>Instead of using the existing and the indigenous systems, they just go to the government, they consult the government, and the government tells them something to do, then they [NGOs] come and waste their money... So there are local institutions for example. We have you know a lot of indigenous institutions, for example the religious... Religion is very strong institution on Ethiopia. Local community, the elderly leaders, they have no, the customary you know, the way of governance itself. People listen to those local institutions [more] than the government. So it would be good to empower local system.</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Governance</td>
<td>So, why it is not implemented, why it is not developed? I think it depends on the governance on the, as a whole... lack of competence, lack of knowledge... in the governmental sections... and... governors.</td>
</tr>
<tr>
<td>E Researcher 1</td>
<td>Government</td>
<td>the government plays a great role. They are doing a very good job in Ethiopia. They are investing you know a lot of money, building eco-industrial parks... Every intervention, or every international policies or interventions comes through the government. They for example if you see DFID or Sida or any international development agencies, they do things through government. So that’s also problem.</td>
</tr>
<tr>
<td>E Researcher 1</td>
<td>Government</td>
<td>In every community, we have a local system, indigenous systems, that functions well in the given community. And instead of using those systems, and strengthening it, they come to the government, and the government proposes their... you know, way of doing things.... Sometimes they create another system, and... that’s not helping. That’s not because the government is already big, agent there, its because the system itself or the convention is that everything comes from the government.</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Government</td>
<td>[NGOs] performance is simply guided by the government.... And they go where they should go... the answer I got is that “we act... our activities are those places where the government assign us”.</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Government</td>
<td>So you remain only a consumer instead of producing your own. So such policy is actually is converting the country as a consumer and also marketing place. But this is lack of policy. The policy should be there to safeguard the country’s interest. Even if there is a free economy or like that, you should safeguard... safeguard also to from the international monopolie...</td>
</tr>
<tr>
<td>S Researcher</td>
<td>Government</td>
<td>mitt första intryck att det är regeringen som måste leda det här. Egentligen finns det ingen annan...ingen annat maktcenter som ju har både makt och möjlighet att göra någonting.. Jag tror det skulle vara väl övrigt svårt för en vanlig kapitalist eller även för civilsamhället att vara någon slags ledare här. Och även om man kan göra påverkansarbeten bla bla bla... Jag ska ju inte förringa det, men att just i Etiopien som det är idag, om det ska bli någon verklig förändring så måste det... komma från regeringen. Att det måste finnas liksom ett driv och kapacitet liksom, en insats bakom det.</td>
</tr>
<tr>
<td>S Purchaser</td>
<td>Government</td>
<td>BSCI har ju skrivit brev till Bangladesh regering för att trycka upp minimilöner</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Governors</td>
<td>functioning governors should be there in order to have these three pillars of sustainability</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Policies</td>
<td>whenever industry should be established, or any project established, the first thing what you should do is to go into the environmental impact, and they have to have the environmental policies of how they handle it. Actually, that is what is lacking... there [are] no such concrete policies and... lacking or it is not this much emphasized in some areas... There could be some, BUT it is that it should be implemented. I see that there would be government policy requiring them to pass through that procedure, but I would prefer those international agencies to address the societal goals from the societies perspective... it could be better if they use the local... indigenous systems, customs that people have</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Policy</td>
<td>So you remain only a consumer instead of producing your own. So such policy is actually is converting the country as a consumer and also marketing place. But this is lack of policy. The policy should be there to safeguard the country’s interest. Even if there is a free economy or like that, you should safeguard.</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Policy makers</td>
<td>taxation system that is an instrument how you regulate it</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Policy makers</td>
<td>and I think the main road in this aspect is actually the policy makers... should understand that they should promote the interest of the farmers and in the farmers, and in first place the indigenous... yeah the national aspect of it... there should be a very clear policy to benefit the farmers in the first place... they cannot concentrate at &quot;Come here investors, come here and do it&quot;. And at the same time you forget, Instead of converting farmers to daily wage laborers, you can convert the farmers to investors.</td>
</tr>
<tr>
<td>S Purchaser</td>
<td>Politicians</td>
<td>Ja men om man tänker minimilöner... vi kan ju påverka en del som företag, men då kan jag tyck att man måste lobba för högre... alltså lagreglerade minimilöner i landet. Vi ser ju i Bangladesh då där 85 % av BNP står för textilexport och politikerna faktiskt inte är intresserade av att höja minimilönerna. Där får ju vi som företag hjälpa till och trycka på. Vi kan ju betala mer, men det är väldigt svårt för oss att kontrollera att det faktiskt går till arbetarna.</td>
</tr>
<tr>
<td>S Purchaser</td>
<td>Politicians</td>
<td>Politikerna måste ju vilja bli av med de här sociala bristerna och vilja höja höja landet... de är ju också så enorm mycket rikare mot. som sitter och påverkar, och inte vill betala skatt. De är inte för att hjälpa sina egna ens en gång... jag tror att vi måste hoppa på alla väldigt rika i världen som inte vill betala mer i skatt till sitt land, till sin egen befolkning, eller som ager sina fabriker och tjänar mer pengar på sina fabriker utan att höja minimilönerna. De är så ofantligt äckligt rika. Vissa av dem, inte alla. förebilder... som faktiskt säger att jag har så det räcker och resten kan gå till Foundations och grejer... Både H&amp;M och IKEA har liksom såna här Foundations där liksom... Nu var det väl H&amp;M som hade sin bolagsstyring, sitt ledningsmöte som de skulle föreslå att vinsten skulle gå till en fond för levdadslöner.</td>
</tr>
<tr>
<td>S Purchaser</td>
<td>Purchaser rolemodels</td>
<td>våra fabrikter bryr sig ju inte om att vi skickar något litet brev... Men att vi går ihop med... stora gemensamma initiativ som BSCI där inköpsvärdet är enormt gemensamt och trycker på. Det är klart att det har en viss effekt, och hoppas jag har en viss effekt på politikerna... BSCI har ju skrivit brev till Bangladesh regering för att trycka upp minimilöner och så där... [Company X] är ju med i Quissar när det gäller att utbilda fotfolket helt enkelt om sina rättigheter</td>
</tr>
<tr>
<td>S Purchaser</td>
<td>Purchasers’ collaborations</td>
<td>Delvis lagstiftningssässigt. Och det kan vara en möjlig förbättring åtminstone. Men sen om lagstiftning inte efterlevs och framför allt om den inte förstas, och man inte är medveten om den lagstiftning som finns, så är det förstas, då är den så att säga governance strukturen, den vägen är ju lite stängd.</td>
</tr>
<tr>
<td>NGO Worker 1</td>
<td>Regulations and laws</td>
<td>Vi är ju för lag-reglerade minimilöner i länderna, åtminstone till något slags rimlig nivå</td>
</tr>
<tr>
<td>S Purchaser</td>
<td>Regulators</td>
<td>Vi är ju för lag-reglerade minimilöner i länderna, åtminstone till något slags rimlig nivå</td>
</tr>
</tbody>
</table>
I think one of the most important leverage points is well creating... an incentive system, you know to ensure sustainability... And if we both... go to the same market and sell the product at the same price, there is no incentive for you to go green, to be sustainable, right? So there has to be incentives, economic incentives. We could have some certification schemes, some... you know premiums pricing initiatives, export market, but that’s not enough... the procedure to get certification is rather bureaucratic and very, very long... If you apply for certification, it could take years... one of the leverages is creating a system, creating a system that awards the sustainable production of productions the other main bottleneck is also, some of the investors, those who are owners of the industry, they corrupt the politicians.

Table 6. Mentioned leverage points

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<td>E Researcher 1</td>
<td>Market access for the poor</td>
<td>If my father is a farmer and he produces some products and if there’s no market for those products or if there is no efficient market for you know those products, they, my father cannot earn sufficient income and he cannot send me to the school... So making markets to work for poor is very very important topic. But in Ethiopian context, as you mentioned there are lot of NGOs, promoting it, but those interventions are you know project based, they address you know only few people or very small area. But that’s not creating a lot of impact. So I would prefer to make it systematic instead of just you know, creating a project and selecting one hundred or some people and then that stops after a year or two. It needs to be incorporated into the... you know the regular function of the government or the system.</td>
</tr>
<tr>
<td>E Researcher 2</td>
<td>Shortened value chain through infrastructure. Cooperatives and credit system</td>
<td>So that, to shorten the market, so that the producer can sell it to the process directly to the industry, so that they benefit what actually the middlemen benefit. So that could only be improved through the development of infrastructure. One is this physical infrastructure for the farmers, and organizational infrastructure should be there something cooperatives and also credit system</td>
</tr>
<tr>
<td>S Purchaser</td>
<td>Collaborations for minimum wages</td>
<td>att folk ska nå marknaden liksom, att folk ska kunna ta del av marknaden. Och det är ju verkligen någonting som är diskuterat i den ekonomiska litteraturen eller i nationalekonomi. Om inte folk kan ta sig till marknaden så finns det ju ingen marknad. Och kan folk inte ta sig till marknaden så finns det ju ingen möjlighet för dem att dra nytta av marknaden. Så jag ser verkligen att sådana här initiativ kan ha påverkan. Om man tänker på det här alltså marknadstillgången, i Etiopien, det som är den största utmaningen där, är ju infrastrukturen. Alltså att faktiskt fysiskt ta sig till någon slags by, där man kan köpa och handla, köpa och sälja... Så, jag vet inte exakt vad de här gör, men jag hoppas att de bygger vägar. Jag tror att det finns en möjlighet att det kan bidra, men jag tror inte att det är... likom utan koncentrerd effort så tror jag inte att det kommer av sig självt.</td>
</tr>
<tr>
<td>S Researcher</td>
<td>Physical infrastructure for improved market access for the poor</td>
<td>Jag tycker det låter nästan orealistiskt, givet de här sakerna som Anna har nämnt med de dåliga förutsättningarna och de annorlunda förutsättningarna. Nej verkligheten är lite för komplex. Och det handlar inte bara om att bana vägen för en marknad och en marknadsekonomi där de fattigas kontext ges större utrymme på annat sätt än i en konventionell marknadsekonomi utan det är många andra hänsyn som måste tas.</td>
</tr>
<tr>
<td>NGO Worker 1</td>
<td>No contribution</td>
<td>Ja, alltså det som man skulle kunna tänka eller titta på är, ja men arbetarnas tillgång till hälsa, deras förståelse för hygien, som är ett problem också. De blir sjuka väldigt ofta. Tillgång till mansartiklar och sånt... Dålig luft, att de inte kan komma till jobbet. Och sen är det ju liksom arbetsgivarens egna arbetsförhållanden också som man kan jobba med. Nej, absolut, alltså det är mycket kring arbetarnas välmående som man kan göra något åt. Själva industrin i sig och själva hållbarheten kring utvecklingen kan man inte lösa med approachen jag säga.</td>
</tr>
<tr>
<td>NGO worker 2</td>
<td>No impact on the industry at large, but indirect issues such as working conditions and health</td>
<td></td>
</tr>
</tbody>
</table>
9.4.5. Causal Loop diagrams 1 and 2

Fig. 6. Causal loop diagram 1.
Fig. 7. Causal loop diagram 2