

# THE SOCIO- ECONOMIC IMPACT OF SECOND-HAND CLOTHES IN AFRICA AND THE EU

REPORT FOR HUMANA PEOPLE TO PEOPLE  
AND SYMPANY+

FINAL REPORT

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## September 2024

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# EXECUTIVE SUMMARY

**The second-hand clothing (SHC) industry does not only significantly reduce the environmental impact of textile production but also has an underexplored socioeconomic impact.** By promoting garment reuse, extending apparel lifespans, and lowering the demand for new textiles, the SHC industry plays a pivotal role in reducing the environmental impact of textile production. The industry significantly lessens the environmental footprint of clothing items, with reused textiles requiring just 0.01% of water and saving about 3 kg of CO<sub>2</sub> per item compared to the production of new clothing (European Recycling Industries' Confederation, 2023). Less explored, are the contributions of the SHC sector to economic value, employment, and a more sustainable and inclusive global economy.

**This report, commissioned by Humana People to People and Sympany+, aims to quantify the socioeconomic impacts of the SHC industry.** More specifically, it analyses the socioeconomic impact of the SHC industry in the European Union and the United Kingdom (EU27+), as well as in three selected African countries: Ghana, Kenya, and Mozambique. Utilising a comprehensive multi-method approach—including literature review, expert interviews, quantitative surveys, trade data analysis, and qualitative fieldwork—the study offers an in-depth understanding of the value chain, its socioeconomic impacts, and the policies shaping the industry.

## VALUE CHAIN OF THE SHC INDUSTRY

**The value chain of the SHC industry involves several key stages, starting with collection and moving through sorting, wholesale, retail, and ultimately, consumer purchase.** Initially, clothes

are discarded by individuals in the Global North at various collection points managed by SHC companies, including commercial and not-for-profit organisations. These companies collect used textiles through different contracting mechanisms, which include economic transactions such as fees paid to municipalities, and ultimately sell the collected textiles to dedicated sorting companies. The collected clothing serves as the feedstock for the industry, fuelling all subsequent processes. In the following sorting stage, items undergo meticulous categorisation based on their potential for reuse, recycling, or disposal aligning with the waste hierarchy. Sorting centres in the EU27+ typically identify four main categories: clothes suitable for retail in Europe, those destined for markets in the Global South, textiles that are non-reusable and earmarked for recycling, and clothes that cannot be repurposed.

**In contrast to common belief, every step involves financial transactions such as paying workers, buying, and selling clothes, and covering shipment costs.**

Following the sorting stage, reusable clothes are either sold within the EU27+ or shipped to the Global South. In the EU27+, second-hand items are retailed through various outlets, including commercial retail shops and not-for-profit organisations, catering to a diverse range of consumer preferences and price points. In the Global South, the sorted clothing is bought and imported by wholesalers, who may further categorise the items by type and quality to meet specific customer demands. Wholesalers play a crucial role in distributing bales of clothes to both formal retail shops and informal market traders, who are ultimately responsible for ensuring that individual clothing items reach consumers.

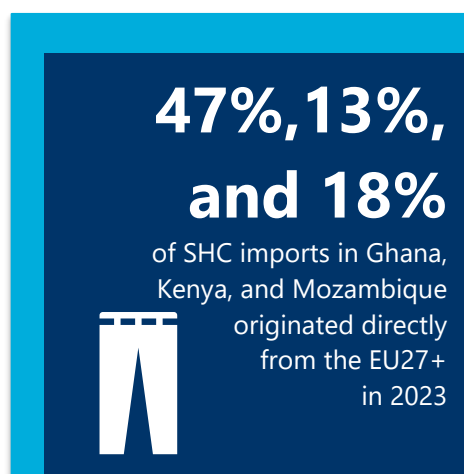
**Following the sorting stage, reusable clothes are either sold within the EU27+ or shipped to the Global South.** In the EU27+, second-hand items are retailed through various outlets, including commercial retail shops and not-for-profit organisations, catering to a diverse range of consumer preferences and price points. In the Global South, the sorted clothing is bought and imported by wholesalers, who may further categorise the items by type and quality to meet specific customer demands. Wholesalers play a crucial role in distributing bales of clothes to both formal retail shops and informal market traders, who are ultimately responsible for ensuring that individual clothing items reach consumers.

**In many countries in the Global South, including Ghana, Kenya, and Mozambique, the informal retail market is particularly significant.** It often sells substantially more clothes than its formal counterpart. Informal retailers purchase clothing bales from wholesalers and individual pieces from formal retailers, and then conduct a wide array of business activities such as washing, ironing, and restyling clothes to enhance their market value. Other informal retailers also act as tailors and repairers, providing additional value to lower-quality clothes. Additionally, informal traders play an important role in distributing clothes to remote areas, ensuring accessibility to affordable clothing for a broader population.



### SHC TRADE BETWEEN THE EU27+ AND GHANA, KENYA, AND MOZAMBIQUE

**In 2023, the EU27+ maintained a leading position in the global SHC trade, exporting 2.2 million tonnes valued at \$2.2 billion.** At the same time, the EU27+ only imported 751,620 tonnes worth \$923 million. The United Kingdom (UK) is the third-largest global exporter, following the United States (US) and China. Major European Union (EU) exporters include Germany, the Netherlands, Poland, and Italy. Notably, much of the SHC exported from the EU27+ remains within the continental boundaries, with some countries functioning as intermediaries that sort and re-export SHC.



**The EU27+ is an important source of SHC for the three African countries selected in this study.** For instance, the EU27+ directly supplied 47% of Ghana's SHC imports in 2023. Direct imports from the EU27+ make up a smaller share of imports in Kenya (13%) and Mozambique (18%). However, the total EU27+ impact on the countries SHC's imports might be higher. Intermediary countries, such as the United Arab Emirates (UAE) and Pakistan, also sort and process SHC collected in the EU27+, and are some of the top supplying markets for the Global South.

**While SHC imports from the EU27+ became increasingly important to Ghana, the volume of direct EU27+ imports in Kenya and Mozambique declined.** In 2023 alone, Ghana imported 53,970 tonnes of SHC valued at \$44 million from the EU27+, with the volume of clothing imported having increased by 6%, and the value of imports growing by 28% over the last decade. In contrast, Kenya's imports of SHC from the EU27+ declined significantly by 2023, dropping to \$26 million or 25,430 tonnes, a decrease of 36% and 40%, respectively, since 2013. Despite this, the overall volume of SHC imports into Kenya nearly doubled over the decade, driven by substantial increases in imports from China, Pakistan, the US, and the UAE. Meanwhile, Mozambique experienced a sharp decline in total SHC imports over the same period. By 2023, exports from the EU27+ to Mozambique declined from 19,736 tonnes (\$21 million) to 7,600 tonnes, valued at \$7.6 million—a 61% reduction in volume and a 64% reduction in value.

**SHC trade from the Global North to the Global South has spurred policy changes in African countries to protect local textile industries, yet these efforts have largely failed to benefit local textile manufacturing.**

The substantial SHC trade from the Global North to the Global South has raised concerns about its negative impact on local textile industries, prompting policy changes in African countries. For example, the East African Community (EAC) initially agreed to ban all SHC imports by 2019 to protect and expand the local textile industry. However, Kenya withdrew from this initiative to protect its export-oriented clothing manufacturing industry, which benefits from the African Growth and Opportunity Act (AGOA) trade agreement. Other countries have taken similar initiatives to restrict SHC imports. Overall, SHC import bans did not significantly benefit local textile manufacturing. With local production being more expensive, large parts of the population demanding affordable clothing may substitute second-hand items with cheap new clothing imports rather than purchasing from the local industry. Moreover, factors such as relying on imported fabrics and lack of investment, combined with competition from cheap new clothing imports, make it difficult for the local industry to meet domestic market needs even in the absence of second-hand imports.

**SOCIOECONOMIC IMPACT IN THE EU27+**

**In the EU27+, the SHC industry has a substantial direct socioeconomic impact.**

In 2023, it contributed €3.0 billion to the region's Gross Domestic Product (GDP) in 2023. This contribution is split between profits (€700 million) and compensation of employees (€2.3 billion). The retail sector accounts for 62% of this gross value added (GVA), followed by sorting and collection companies each contributing 19%. Key countries such as Germany and the UK benefit significantly, with the industry contributing €670 million and €420 million, respectively, to the GDPs of these nations alone. Additionally, the industry generates significant employment in the EU27+, with an estimated 110,000 jobs.<sup>1</sup> Most of these jobs, around 67,000, are provided by retail stores, while sorting facilities employ 35,000 individuals, and collection activities account for 11,000 jobs. Importantly, with the industry facilitating the collection of textile waste and the sorting of recyclable and reusable materials from waste streams, the industry creates green jobs for its employees.



**The total economic contribution of the SHC industry in the EU27+ far exceeds its direct impact.**

Beyond its direct operations in collection, sorting, and retail, the industry also stimulates considerable economic activity through its supply chain spending (indirect effect) and the wage-induced consumption spending of employees (induced effect). In 2023, the industry supported an estimated total contribution of €7.0 billion to GDP in the EU27+, equivalent to 10% of Lithuania's GDP that year. Similarly, the industry also supported another 40,000 jobs through the indirect and induced channels of impact. Thus, the total employment stimulated by the industry in the EU27+ was around 150,000 jobs in 2023.

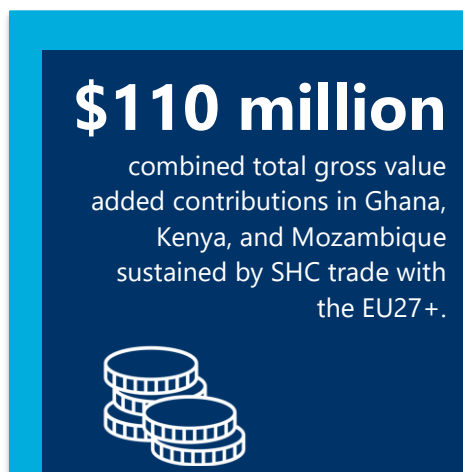
<sup>1</sup> Throughout this report, totals may not add up due to rounding.

**Moreover, the SHC industry generated considerably wider socioeconomic impacts in the EU27+.**

In EU countries, the average gross income of the industry’s employees in each country was, on average, around 12% higher than the respective national minimum wage. Moreover, the industry generated substantial job opportunities in less economically developed regions of the EU27+— including Bulgaria, Romania, and Poland, where around 22,000 workers were employed in the SHC industry. The European SHC industry also fosters equal-paid female employment opportunities, with women making up around 79% of its workforce and no reported difference in pay between men and women. Moreover, 77% of the industry’s employees have a basic/intermediate educational background (e.g. lower secondary school, higher secondary school), compared to 60% in the overall workforce of the EU27+. This highlights that the SHC industry provides accessible job opportunities for which the formal education requirements are rather modest.

**SOCIOECONOMIC IMPACT IN GHANA, KENYA, AND MOZAMBIQUE**

**The socioeconomic impact of SHC trade between the EU27+ and Ghana, Kenya, and Mozambique also generated substantial economic impacts in the three African countries.** In Ghana, the direct economic impact of SHC imports from the EU27+ was substantial, with an estimated contribution of \$35 million to the country’s GDP in 2023. This impact is primarily driven by salaries and wages paid to employees, accounting for 71% of the direct GDP contribution. The industry also created approximately 14,000 formal jobs through the import of SHC from the EU27+. Similarly, the SHC trade between Kenya and the EU27+ provided a direct GDP contribution of around \$9.2 million and supported approximately 3,600 formal jobs. In Mozambique, we estimate a direct GDP contribution of \$2.7 million, driven largely by high salaries and wages paid to the industry’s employees. The industry also created about 1,000 formal jobs within the SHC sector by importing used clothes from the EU27+.



**The total economic impact of EU27+ SHC imports in the three African countries studied extends beyond direct contributions by stimulating economic activities through supply chain and wage-funded consumption spending.** In Ghana, the total socioeconomic contribution of these imports across all three channels of impact was approximately \$76 million and 22,000 formal jobs. Consequently, the industry stimulated a GDP multiplier effect of 2.2, with each Dollar in GVA generating an additional \$1.20 elsewhere in the economy. Similar patterns were observed in Kenya and Mozambique, where the SHC trade with the EU27+ stimulated GVA of \$24 million and 6,300 formal jobs in Kenya, and €11 million in

GVA and 5,700 formal jobs in Mozambique, through the industry’s direct impact, procurement, and the wage-financed consumption spending of employees. The tax revenues from SHC trade with the EU27+ in these countries were also noteworthy, stimulating between 0.1% and 0.4% of the total national tax revenues across all channels of impact in 2023. This included substantial import duties and Value-added Tax (VAT) collections, highlighting the sector’s critical role in supporting government revenues.

**The SHC industry in the three African countries is strongly characterised by its informality, with most employment being created through informal market traders and its employees.** We estimate that the SHC trade with the EU27+ generated jobs for 43,000, 68,000, and 15,000 informal workers in the SHC industries in Ghana, Kenya, and Mozambique, respectively. Next to those working directly for SHC wholesalers and retailers, this includes employment opportunities for ancillary workers such as unloaders or transporters working within the sector. Furthermore, the informal industry supports several opportunities for women and youth. For example, 77% of the interviewed informal retailers in Ghana, Kenya, and Mozambique were women, and approximately 70% younger than 45 years old.



**TABLE 1: ECONOMIC CONTRIBUTION OF THE SHC INDUSTRY RELATING TO SHC IMPORTS FROM THE EU27+ ACROSS CHANNELS AND METRICS, 2023**

	Ghana	Kenya	Mozambique
<b>Total SHC imports</b>	111,000 tonnes	198,000 tonnes	50,000 tonnes
<b>SHC imports from EU27+</b>	54,000 tonnes	25,000 tonnes	7,600 tonnes
<b>Direct GVA</b>	\$35 million	\$9.2 million	\$2.7 million
<b>Total GVA</b>	\$76 million	\$24 million	\$11 million
<b>Direct formal jobs</b>	14,000	3,600	1,000
<b>Total formal jobs</b>	22,000	6,300	5,700
<b>Direct informal jobs</b>	43,000	68,000	15,000
<b>Direct tax revenue (incl. VAT)</b>	\$33 million	\$22 million	\$8.3 million
<b>Total tax revenue (incl. VAT)</b>	\$38 million	\$23 million	\$11 million

Source: Oxford Economics

Note: Mozambique import figures are based on the exports to Mozambique reported by the EU27+.

**While substantial employment numbers are reported, the quality and consistency of jobs can vary depending on the formality of the employment and the country.** Countries importing SHC such as Ghana, Kenya, and Mozambique generally have a highly informal workforce, with SHC imports from the EU27+ supporting the livelihoods of the many traders—including informal ones—in all three countries. Most of the interviewed traders reported relying on SHC trade as their sole source of income. While the formal industry enables full-time workers to earn “living wages” within Ghana, Kenya, and Mozambique, the employment provided by informal traders is characterised by low wages, as several informal traders reported that their workers also rely on other sources of income.

**From a consumer perspective, one of the leading social benefits of the SHC industry is that it allows for affordable access to quality clothing.** The affordability of SHC is the leading source of the growing demand—especially as quality is reported to be higher than of comparably cheap, newly produced clothing. However, the ultimate disposal of used clothing items after being worn in importing countries raises concerns regarding the environmental impact of the industry in importing countries. Even though recent studies (Circle Economy, 2023) have revealed that only a relatively small fraction of SHC imports can be considered waste (around 4%), this still amounts to a non-negligible absolute amount of waste due to the high volume of overall imports. As a result, countries importing SHC are often not equipped to handle any accruing waste when relying on their inadequate waste management infrastructure. While this is largely an issue resulting from lacking infrastructure—and does not only affect SHC but all industries and waste streams—it does affect the SHC traders’ ability to properly dispose of possible textile waste.

## CONTRIBUTION TO EUROPEAN, AFRICAN, AND INTERNATIONAL POLICY OBJECTIVES

### **The SHC industry is pivotal in achieving EU policy goals, especially concerning circularity.**

The European Green Deal, Circular Economy Action Plan (CEAP), and European Industrial Strategy, for instance, outline significant frameworks within which the industry operates. The industry contributes to the goals set out in these frameworks by promoting the reuse of textiles, reducing waste, and conserving resources. For example, by separately collecting post-consumer textiles, the SHC industry prevents used textiles from ending up in landfills and therefore contributes to municipal waste reduction. Furthermore, the industry exemplifies sustainable development, as the collection and recycling of used textiles is directly aligned with the EU's goal to decouple economic growth from resource use. By significantly contributing to the reduction of greenhouse gas emissions and supporting climate action, the SHC industry also supports the overall objectives set out in the European Green Deal.

*By separately collecting post-consumer textiles, the SHC industry prevents used textiles from ending up in landfills and therefore contributes to municipal waste reduction.*

**The SHC industry contributes to advancing circular and sustainable development in the Global South, complementing the key policy objectives in Ghana, Kenya, and Mozambique.** The policy goals in the Global South place a stronger emphasis on effective waste management and sustainable development, including job creation. For example, the Ghanaian CEAP and the National Solid Waste Management Strategy focus on managing textile waste and promoting recycling initiatives to support both environmental and economic resilience. Kenya’s Sustainable Waste Management Act and Green Economy Strategy highlight the importance of building infrastructure to prevent waste and improve recycling capacities. Similarly, Mozambique’s Green Economy Action Plan (GEAP) aims to embed green growth within national development priorities, fostering a circular economy. The SHC industry supports these goals by creating formal and informal employment opportunities, fostering local entrepreneurship, and reducing the environmental impact of textile waste through reuse and recycling initiatives.



*The SHC industry significantly contributes to achieving the Sustainable Development Goals.*

**The SHC industry also contributes substantially to the achievement of several UN Sustainable**

**Development Goals (SDGs).** For instance, by providing affordable clothing to low-income populations and creating income-generating opportunities in both formal and informal sectors, the industry acts towards SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth). Moreover, with a large portion of the industry's workforce both in the EU27+ and the three African countries consisting of women, the industry also contributes to SDG 5 (Gender Equality). Finally, the industry's core practices naturally align with SDGs 12

(Responsible Consumption and Production) and 13 (Climate Action) by promoting the reuse and recycling of textiles, reducing waste, and minimising the environmental footprint associated with new textile production.

#### **STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT)**

**The SHC industry in the Global North has both strength and weaknesses.** The SHC industry's strengths include its sustainable and circular nature, creating economic value without the use of new resources and extending the lifecycle of garments, offering options with a smaller environmental footprint than new clothes. The industry also provides substantial accessible employment opportunities across the EU27+, with little formal education requirements. With well-established networks, a broad customer base, and efficient collection, sorting, and transportation processes, the industry has been well-equipped to react to changes affecting the industry. Weaknesses, on the other hand, include the labour-intensive and therefore costly sorting stage. Whilst sorting is a key value-adding process, the high labour costs make it difficult for sorting centres to operate profitably. Another weakness of the industry relates to small shares of waste included in SHC exports, creating environmental and social challenges in recipient countries, and causing reputational costs for the industry.

**Despite challenges, the industry is facing several opportunities in the Global North.** Expected growing consumer demand driven by consumers' considerations of sustainability, affordability, and perception of SHC as unique and fashionable. With the industry's inherent business model closely aligning with EU policy goals, future regulatory changes, such as Extended Producer Responsibility (EPR) schemes, could reduce operational costs and therefore improve economic viability. Technological advancements in sorting and recycling could further increase profits by reducing operational costs or opening new revenue streams. Nevertheless, we also identify multiple threats to the industry in the Global North, with an overarching threat of overregulation. Inaccurate or overly stringent regulations could create additional costs, burdens, and other difficulties. Competition in the form of cheap fast fashion, and demand shocks because of geopolitical tensions or economic downturns, constitute further threats to the industry.

**TABLE 2: IMPORTANT STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS IN THE GLOBAL NORTH**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Sustainable and circular business</li> <li>• Value added without the use of additional resources</li> <li>• Substantial employment opportunities in green jobs</li> <li>• Proven adaptability to market or regulatory changes</li> </ul>	<ul style="list-style-type: none"> <li>• Labour-intensive sorting processes</li> <li>• Risk for exports of poor-quality clothing ending up as waste</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Growing market for SHC expected</li> <li>• Industry is in line with EU policy objectives and might further be strengthened by regulatory changes</li> <li>• Advancing technologies in sorting or recycling</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory risks could hamper the industry's operations and create additional costs and burdens</li> <li>• Increased consumption of fast fashion might disrupt both the demand and supply of SHC industry</li> <li>• Economic volatility and geopolitical tensions; vulnerable given, for example, transport routes</li> </ul>

**As in the Global North, the SHC industry in the Global South is characterised by both strengths and weaknesses.** The SHC industry's strengths include its support of numerous jobs at various stages of the value chain and its creation of low-threshold business opportunities for informal retailers. Moreover, the industry is an important and indispensable source of affordable, good-quality clothing for lower-income populations in the Global South. However, due to its import-dependent nature, the industry in the Global South is also vulnerable to any supply chain disruptions, highlighting an important weakness of the industry. Moreover, many workers involved in the industry, especially informal market traders, also face high degrees of economic insecurity and have disproportionately little market and bargaining power. There are also major concerns relating to waste challenges created by the trade with SHC. While waste is not a specific challenge to the SHC industry but to the general economy in many countries, the trade with SHC leads to unsellable textiles being disposed of in inadequate ways, mostly because of an inadequate waste management infrastructure and too little knowledge of recycling opportunities.

**The SHC industry in the Global South faces a mix of opportunities and threats.** Building up domestic facilities to categorise imports could help filter out waste textiles before they enter the retail stage whilst also fostering local jobs and skill development. Similarly, improved product description and frequent communication between sorting centres (in the Global North) and traders in the Global South could reduce waste or unsellable items being imported in the Global South. Leveraging the currently underdeveloped recycling efforts, for instance, through direct cooperation between wholesalers and retailers with local recycling companies, constitutes a further opportunity. Supportive legislation, like lowering import tariffs, could further strengthen the industry. However, there are also multiple threats present, often closely related to identified weaknesses. Supply chain disruptions

threaten the industry, whether they result from geopolitical conflicts, economic downturns, or increased import tariffs in the Global South or policy changes in the Global North. Among other things, the influx of inexpensive fast fashion also poses a significant competitive threat to the SHC industry—at least for customers less responsive to the lower quality often associated with the fast fashion clothes.

**TABLE 3: IMPORTANT STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS IN THE GLOBAL SOUTH**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Properly paid employment opportunities, especially in formal part</li> <li>• Low-threshold business opportunities for local entrepreneurs</li> <li>• Provision of affordable quality clothing that meets local demands</li> </ul>	<ul style="list-style-type: none"> <li>• Highly import-dependent industry</li> <li>• Asymmetries in market/bargaining power between different actors in the value chain lead to precarious employment in the informal sector</li> <li>• Lack of widespread, adequate waste management infrastructure</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Introduction of domestic sorting centres can generate value-added contributions and reduce landfill waste</li> <li>• Potential for growth-stimulating collaboration between the SHC industry and local textile recycling and manufacturing companies</li> <li>• Supportive and adjusted legislation</li> </ul>	<ul style="list-style-type: none"> <li>• Influx of inexpensive fast fashion clothing imports</li> <li>• Vulnerability towards economic fluctuations in the Global North and Global South</li> </ul>

## POLICY RECOMMENDATIONS

**Policymakers in the Global North should primarily focus on refining policies in a way that policy objectives align with the SHC industry’s business reality.** Policymakers in the Global North should implement and enforce EPR schemes for textiles. By holding producers financially responsible for the end-of-life management of their products, the costs for collection, recycling, or disposal of textiles will be borne by the original producer, incentivising the design of more sustainable and recyclable clothing. Properly assigning the EPR to producers of new clothes—and not subjecting SHC to EPR fees—can make collection and sorting of SHC financially sustainable, which may be necessary to ensure the economic viability of commercial and not-for-profit collectors and sorting companies. Additionally, developing clear end-of-waste criteria for textiles is crucial. Establishing stringent guidelines on sorting and end-of-waste criteria that differentiate SHC from waste will enable SHC exports and prevent the export of textile waste to the Global South without hampering the industry.

**In the Global South, policymakers should better leverage the formal SHC industry’s positive socioeconomic effects on GDP and employment while managing its overall environmental impact through the provision of a waste management infrastructure.** Policymakers can support the SHC industry by supporting official SHC imports. Managing import taxes and SHC surcharges can make SHC more affordable for lower-income demographics. Findings suggest that import tariffs and

bans on SHC do little to support local manufacturing and rather benefit fast fashion producers. Moreover, encouraging the establishment of local sorting and processing facilities is essential. Investing in local sorting and processing facilities will foster job creation, support skill development, and contribute to economic diversification. Local categorisation and processing of SHC can further ensure that textiles which cannot be resold domestically are not disposed of unsustainably. Sorting centres can sell textiles directly to recycling companies or transport them to properly managed landfills, also strengthening the local recycling industry. Moreover, lower labour costs in the Global South can reduce operational costs associated with sorting and increase the affordability of SHC for retailers and consumers.

**SHC businesses and not-for-profit organizations in the Global North can play an important role in the SHC's industry profitability and market expansion.** They can enhance supply chain integration and develop e-commerce platforms to improve efficiency, reduce waste, expand market reach, and increase public awareness of the environmental benefits of purchasing second-hand clothing. SHC businesses and not-for-profit organisations in the Global North should focus on developing integrated partnerships within the supply chain for streamlined operations. Improved coordination between collection companies, sorting facilities, and retail outlets can ensure efficient matching of supply and demand, reduce waste, and improve overall profitability. We further suggest that retail businesses should increasingly develop e-commerce platforms to make SHC accessible to a broader audience, including consumers in remote areas lacking developed physical retail networks. With a significant percentage of EU consumers making online purchases, e-commerce provides a large customer base for SHC. Public awareness campaigns underlining the environmental benefits of purchasing SHC could also increase consumer participation and support sustainability goals.

**Businesses and not-for-profit organizations in the Global South can help to increase the positive socioeconomic impacts of the SHC industry in the importing countries.** As mentioned, businesses and not-for-profit organisations in the Global South could benefit from local sorting facilities enabling a better matching of supply and local demand, benefitting both wholesalers (who could charge higher prices) and retailers (who would have to deal with less unsellable textiles). Additionally, establishing associations for informal market retailers could help address power asymmetries in the market. Trade associations can provide a voice for advocacy, engage in collective bargaining, and offer vocational training programs. This can improve market power and economic security for informal traders, who play a pivotal role in the SHC value chain.