

Title

**ASSESSING THE INFLUENCE OF SOCIOCULTURAL AND ECONOMIC FACTORS ON
WOMEN'S PARTICIPATION AND BUSINESS PERFORMANCE IN THE SECOND-HAND
CLOTHES TRADE: A CASE STUDY OF DEDZA CENTRAL MARKET**

Author

GODFREY MANDA

Co-Author

ELESTINA MAGALASI



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ABSTRACT

This article synthesizes the findings of a study investigating the dual influence of sociocultural and economic factors on women entrepreneurs in the second-hand clothes (kaunjika) trade at Dedza Central Market, Malawi. Utilizing a mixed-methods approach with 74 women traders, the research reveals a complex environment where deep-seated sociocultural norms and acute economic constraints intersect to shape business participation and performance. A critical finding is the significant gender gap in access to formal capital, forcing a majority of women to rely on precarious, high-cost informal financial networks. Furthermore, the study identifies a contradictory empowerment dynamic: while women demonstrate strong agency in daily business decisions, their ability to grow and scale their enterprises is systematically limited by a dual burden of domestic responsibilities and structural economic barriers. These findings challenge simplistic narratives of the informal sector, positioning the kaunjika trade as a site of both resilience and persistent inequality. The article concludes that effective interventions must move beyond isolated support to implement integrated strategies that simultaneously address economic access, social norms, and practical burdens. Recommendations include the development of collateral-free financial products, business training coupled with childcare support, and community-led dialogues to shift restrictive gender norms, thereby fostering a more equitable and sustainable entrepreneurial ecosystem for Malawian women.

Keywords: Women Entrepreneurship, Informal Economy, Kaunjika Trade, Gender Norms, Financial Exclusion, Economic Empowerment, Malawi.

INTRODUCTION

Background of the Study

Malawi ranks among the world's least developed nations, with over 70% of its population living below the international poverty line of US\$2.15 per day. The economy is predominantly agrarian, with agriculture contributing approximately 30% to GDP and employing about 80% of the workforce. However, the agricultural sector *"can no longer generate sufficient income and employment opportunities for new entrants to the labour force, hence the need to promote non-agricultural sectors has been recognized in Malawi"* (Dedza Socio-Economic Profile, 2009). This structural reality has driven millions into the informal economy, which now employs an estimated 89% of the working population.

Within this informal economy, women constitute the majority. They dominate cross-border trade, market vending, and small-scale retail activities. Yet their participation in economic life occurs within a complex web of social expectations, legal constraints, and economic barriers that systematically disadvantage them. Recent research reveals the magnitude of this disadvantage: male-owned businesses in Malawi earn profits more than double (120%) those of female-owned businesses (Duval-Diop *et al.*, 2021). This staggering gap persists despite women's demonstrated resilience, entrepreneurial spirit, and critical role in household survival.

The Kaunjika Economy: A Nexus of Livelihood and Constraint

The second-hand clothing trade, known locally as kaunjika, represents a cornerstone of Malawi's informal economy and a vital livelihood strategy for thousands, particularly women. This sector, characterized by its low barriers to entry and flexibility, has become a critical buffer against poverty and unemployment. Bales of second-hand clothing

arrive from Western countries and find their way to markets across Malawi, where they are sold at prices affordable to the majority of the population.

In Dedza Central Market, as across Malawi, women dominate this trade, navigating a complex web of global supply chains that funnel garments from Western charities and recyclers to African markets. The trade's appeal lies in its accessibility: start-up costs are relatively low compared to retailing new garments, and stock can be purchased in small quantities. However, this very characteristic contributes to market saturation and intense competition.

The significance of kaunjika extends beyond the traders themselves. For consumers, second-hand clothing is often perceived as offering superior quality, affordability, and access to global fashion trends. A study across Malawi, Mozambique, and Angola found a replacement rate of only 35% in Malawi, meaning most second-hand purchases do not substitute for a new item but represent the only affordable option (*Journal of Cleaner Production*, 2019). This underscores the trade's role in meeting basic needs in a low-income context.

However, women's participation in this trade is not merely an economic choice but is profoundly mediated by local sociocultural structures and macroeconomic realities. While the trade offers entry into entrepreneurship, it often fails to provide a pathway out of subsistence-level operation. This article investigates this paradox, examining how the interplay of social expectations, gender roles, and economic systems simultaneously enables and constrains women's business potential in Dedza.

Statement of the Problem

Despite the proliferation of development interventions aimed at women's economic

empowerment in Malawi, significant gaps persist between policy intentions and lived realities. Women in the kaunjika trade continue to operate at subsistence levels, unable to accumulate capital, expand their businesses, or transition to more lucrative segments of the value chain. This stagnation occurs against a backdrop of rhetorical commitment to gender equality from government, donors, and civil society.

Why do women remain concentrated in the most precarious, least profitable segments of the informal economy? Why do interventions that work in theory—microfinance, business training, women's groups—fail to catalyze transformative change? The answer lies in the complex intersection of sociocultural norms and economic structures that jointly constrain women's entrepreneurial potential.

Existing literature has examined either sociocultural barriers or economic constraints in isolation, but few studies have explored their interactive effects. Furthermore, limited research has focused specifically on the kaunjika trade in Malawi's secondary urban centers like Dedza, which differ in important ways from the major commercial hubs of Blantyre and Lilongwe. This study addresses these gaps.

OBJECTIVE OF THE STUDY

Main Objective:

- To assess the influence of sociocultural and economic factors on women's participation and business performance in the second-hand clothes trade at Dedza Central Market.

Specific Objectives:

- To identify the specific sociocultural norms that govern and limit women's participation in the kaunjika trade.
- To analyze the structural economic

barriers, particularly in financial access, that cap business growth and performance.

- To examine the interactive effect of sociocultural and economic factors on women's entrepreneurial agency and business outcomes.
- To propose a context-specific framework for interventions that can enhance women's economic empowerment within the kaunjika sector.

Research Questions

- What sociocultural norms and expectations shape women's participation in the kaunjika trade?
- How do household responsibilities and gender roles affect women's time allocation and business performance?
- What are the primary economic barriers women face in accessing capital, markets, and business development services?
- How do sociocultural and economic factors interact to influence women's entrepreneurial agency and business outcomes?

Significance of the Study

This study contributes to knowledge and practice in several ways. Academically, it advances understanding of gendered entrepreneurship in informal economies, providing empirical evidence from an under-researched context. For policymakers, it provides evidence-based recommendations for designing interventions that address structural drivers of women's economic marginalization. For development practitioners, the findings offer practical guidance on program design. For the women traders themselves, this study amplifies their voices and experiences.

Scope and Delimitations

This study focuses specifically on women engaged in the second-hand clothes trade at Dedza Central Market. Dedza is a district capital located approximately 85 kilometers from Lilongwe, near the Mozambique border. The study is limited to women traders, excluding men from the sample, because the research aims to understand gendered experiences from women's perspectives. Geographically, the study is confined to Dedza Central Market, which limits generalizability but enables depth of analysis.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

The informal economy encompasses economic activities that occur outside formal regulatory frameworks. The ILO estimates that over 60% of the world's employed population earn their livelihoods in the informal economy, with the figure exceeding 80% in many sub-Saharan African countries. In Malawi, the informal economy is not marginal but central to economic life for the majority. According to *the Dedza Socio-Economic Profile (2009)*, "the township has a number of economic activities ranging from small to large enterprises," including trading activities such as "hawking, produce selling, sale of second hand clothes (kaunjika), fish mongering, wholesale, retail."

The Global Second-Hand Clothing Trade

The second-hand clothing trade is a multi-billion dollar global industry that moves garments from wealthy countries to consumers in Africa, Asia, and Eastern Europe. Critics have labeled the trade "waste colonialism," arguing it undermines local textile industries. However, *Brooks (2025)* examines the sustainability dimensions, noting its contribution to circular economy principles by

extending garment life and reducing waste. For low-income consumers and traders in Malawi, the trade represents not a choice between local and imported goods but between second-hand clothing and no clothing at all.

The Malawian Context

Malawi's engagement with the second-hand clothing trade accelerated with economic liberalization in the 1990s. Structural adjustment programs removed protections for local industries, opened borders to imports, and reduced government employment—pushing more Malawians into informal livelihoods. Today, *kaunjika* is ubiquitous in Malawian markets, with research finding a replacement rate of only 35% (*Journal of Cleaner Production*, 2019), meaning most purchases fill needs that would otherwise go unmet.

Women in Entrepreneurship

Globally, women's entrepreneurship has expanded significantly, driven by both necessity and opportunity. However, women's businesses consistently underperform relative to men's. In Malawi, research found that *"male-owned businesses earn profits more than double (120%) those of female-owned businesses"* (Duval-Diop et al., 2021). Critically, 59.8% of this gap is explained by differences in observable attributes (composition effect), with 40.2% attributable to lower returns to these attributes obtained by female owners (structure effect)—capturing discrimination and bias.

Sociocultural Factors Affecting Women's Business Participal

Gender Roles and the Dual Burden: Across sub-Saharan Africa, women bear primary responsibility for unpaid care work. Research confirms that *"female owners' role as the*

primary caregiver in most households" is a primary driver of the composition effect in the gender profit gap (Duval-Diop et al., 2021).

Household Decision-Making: Women's economic participation is often mediated by household power relations, with husbands exercising control over wives' economic activities in many contexts.

Cultural Norms and Gendered Space: Markets are not gender-neutral but shaped by cultural norms about appropriate behavior. These cultural codings shape opportunities and constraints.

Economic Barriers to Women's Entrepreneurship

Financial Exclusion: Access to capital is the most frequently cited constraint. Formal financial institutions have historically underserved women due to collateral requirements. Recent data indicates that around 400 million adults in Africa, 60% of whom are women, remain financially excluded (*Malawi Broadcasting Corporation*, 2024).

Capital Constraints and Business Performance: Firms with more capital can purchase in bulk, access better-quality stock, and weather slow periods. Lack of capital traps women in a *"survivalist"* tier of the market.

Market Infrastructure and Regulatory Environment: Informal traders in Malawi face daily challenges: *"Local by-laws prohibit street vending and restrict informal trading to designated marketplaces, which are usually overcrowded, lack proper infrastructure and are unaffordable for the average informal trader"* (Southern Africa Litigation Centre, 2024). Those who cannot afford designated marketplaces *"risk being arrested, paying fines and having their goods confiscated."* For women, these challenges are compounded by gender-based violence: *"Female informal traders frequently face sexual assault,*

violence, and rape at the hands of law enforcement."

with qualitative data providing depth and context.

THEORETICAL FRAMEWORK

- **Feminist Political Economy:** This perspective analyzes how gender inequalities are embedded within and reproduced by broader economic systems. It directs attention to structural inequalities rather than individual deficits.
- **Gendered Livelihoods Framework:** This approach examines how women construct livelihoods using a portfolio of assets within a context of vulnerability shaped by norms, shocks, and trends. It emphasizes agency within structural constraints.
- **Social Capital Theory:** This examines resources embedded in social networks. For women entrepreneurs, social capital can provide access to information, customers, suppliers, and credit.

Conceptual Framework

This study posits women's participation and business performance as outcomes shaped by the interaction of sociocultural factors (gender roles, household decision-making, cultural norms, social networks) and economic factors (access to capital, skills and training, market infrastructure, regulatory environment). These factors do not operate independently but interact in complex ways.

RESEARCH METHODOLOGY

Research Design

This study employed a mixed-methods case study design, combining quantitative survey data with qualitative interview data. This approach enables triangulation of findings,

Study Area

The study was conducted at Dedza Central Market in Dedza District, Malawi. Dedza is located approximately 85 kilometers south of Lilongwe, along the M1 road. The market serves as a primary trading center, hosting a significant number of kaunjika traders, predominantly women.

Target Population and Sampling

The target population comprised all women engaged in the kaunjika trade at Dedza Central Market (approximately 120 women). A sample of 74 women traders was selected using stratified random sampling by trading experience. Additionally, 15 participants were purposively selected for in-depth interviews, along with key informants.

Table 1: Sample Distribution by Trader Category

Trader Category	Population	Sample
Less than 2 years	25	15
2-5 years	45	28
5-10 years	35	22
Over 10 years	15	9
Total	120	74

Less than 2 years 25 15

2-5 years 45 28

5-10 years 35 22

Over 10 years 15 9

Total 120 74

Data Collection Methods

Data were collected through: (1) structured survey questionnaire administered to 74 women; (2) semi-structured interviews with 15 women traders; (3) key informant interviews with market master, local government officials, and women's group leaders;

(4) two focus group discussions; and (5) systematic market observations.

Data Analysis

Quantitative data were analyzed using SPSS, including descriptive and inferential statistics. Qualitative data were analyzed using thematic analysis, with coding derived from both theoretical framework and emerging themes.

Ethical Considerations

Ethical approval was obtained from DMI-St. John the Baptist University. Permission was obtained from Dedza District Council and the market master. All participants provided informed consent, and confidentiality was guaranteed.

FINDINGS AND DISCUSSION

Demographic Profile of Respondents

Table 2: Demographic Characteristics (n=74)
Characteristic Category Percentage
Age 18-25 16.2%

26-35 37.8%

36-45 29.7%

46+ 16.2%

Marital Status Married 62.2%
Widowed/Divorced 29.7%

Never married 8.1% Education No formal
24.3% Primary 51.4%
Secondary+ 24.3%

The typical kaunjika trader is a married woman in her 30s, with primary education, caring for multiple children. The educational profile is noteworthy: 75.7% have at most primary education.

Sociocultural Factors

- **The Dual Burden as a Business Constraint**

Table: Weekly Hours: Business vs. Domestic Work

Activity Mean Hours/Week

Business activities 42

Domestic work 35

Combined total 77

Women work an average of 77 hours weekly across business and domestic responsibilities—far exceeding standard full-time employment. This double burden leaves little time for skill development or strategic planning. As one trader explained

"I wake at 4am to prepare food. I'm at the market by 7am and sell until 5pm. When I get home, there is more cooking and cleaning. I have no time to think about how to grow my business." (Interview 7)

- **Household Decision-Making Dynamics**

Table: Decision-Making Patterns

Decision Area Woman Alone Joint Husband Alone

What business to do 52.7% 39.2% 5.4%

How much to invest 48.6% 44.6% 4.1%

How to use profits 40.5% 51.4% 5.4%

Women exercise significant autonomy in operational decisions, but decisions about profit use are more likely to involve husbands.

Some women described supportive husbands, while others reported controlling dynamics: *"I have to ask permission to use my own money."* (Interview 11)

- **Cultural Legitimacy and Gendered Space**

Subtle cultural biases persist. Several women reported that wholesalers prioritize male customers. As one explained: *"When a new bale arrives, the wholesalers call their male friends first. By the time we women see it, the best items are gone."* (Focus Group 1)

Community perceptions also frame business success as conflicting with idealized femininity: *"If your business does well, people talk. They say you must be sleeping with men. A successful woman is suspicious."* (Interview 9)

- **Social Networks and Mutual Support**

Women have developed sophisticated social networks—savings groups, information sharing, mutual assistance. These networks support survival but are insufficient for transformative growth.

Economic Factors

- **The Formal Finance Gap**

Table: Sources of Start-up Capital

Source Percentage

Personal savings 37.8%

Family loan/gift 29.7%

Savings group loan 21.6%

Money lender 8.1%

Bank/MFI loan 2.7%

Only 2.7% accessed formal financial institutions. The vast majority rely on informal sources. Reasons for exclusion include: lack of collateral (women rarely own land), documentation requirements (business registration, tax clearance), loan size mismatch, and fear of formal institutions.

- **Reliance on Informal Financial Networks**

Informal sources have significant drawbacks. Savings groups provide small loans only. Money lenders charge high interest—sometimes 50-100% over short periods. As one trader explained: *"I borrowed 30,000 from a lender. I had to pay back 45,000 in two months. After paying, I had almost nothing left."* (Interview 14)

- **Capital Constraints and Business Scale**

Table: Business Scale Indicators

Indicator Mean (MWK) Mean (USD)

Initial capital 45,000 \$26

Current stock value 85,000 \$49

Weekly revenue 65,000 \$38

Weekly profit 18,000 \$10

The average trader started with 45,000 kwacha and now holds stock worth 85,000 kwacha after 5.3 years—minimal real growth. Weekly profits of \$10 are enough to supplement household income but insufficient for accumulation.

- **Skills and Training Gaps**

Table: Business Management Practices

Practice Percentage Using

Keep written records 24.3%

Separate business/household money 43.2%

Calculate profits regularly 51.4%

Have business savings account 13.5%

Most women operate on a cash basis with limited separation between business and household finances. Only 16% had participated in business training.

- **Market Infrastructure and Regulatory Environment**

Infrastructure deficits at Dedza Market include inadequate shelter, storage, and sanitation. The regulatory environment presents challenges: *"We pay fees every day. Sometimes the collectors say we haven't paid and make us pay again. If you argue, they threaten to take your goods."* (Focus Group 2)

The Intersection of Sociocultural and Economic Factors

- **The Paradix of Agency: Ownership Without Growth**

Women exhibit strong operational agency— independent decisions about stock, pricing, stall arrangement. As one stated: *"This is my business. I decide everything."* (Interview 2)

However, this rarely translates into growth agency capacity to strategically expand. This gap results from intersecting pressures:

- Sociocultural burden (time poverty) limits capacity for strategic thinking
- Economic exclusion (capital poverty) prevents investment in growth
- Household gender relations channel

profits toward family needs

- Market-level gender biases constrain access to supply chains

Gendered Value Chains

The kaunjika value chain is gender-segmented: importers and wholesalers (predominantly men) capture larger profits, while retailers (predominantly women) operate at the lowest-value segment. This structure reflects what feminist political economy identifies as gendered value chains.

CONCLUSIONS AND RECOMMENDATIONS

Summary of the Key Findings**Sociocultural Factors:**

- Women bear a dual burden of 77 weekly working hours across business and domestic responsibilities
- Time poverty directly constrains business operations and growth
- Household decision-making grants operational autonomy but limits strategic control
- Subtle cultural biases persist in supplier relationships and community perceptions
- Social networks support survival but are insufficient for transformative growth

Economic Factors:

- Only 2.7% access formal finance; reliance on informal sources traps businesses in high-cost debt
- Capital constraints keep businesses small, with average weekly profits of \$10
- Skills gaps limit business optimization (only 24% keep written records)
- Market infrastructure deficits and regulatory challenges impose additional

costs Intersection of Factors:

- Women demonstrate strong operational agency but limited growth agency
- The kaunjika value chain is gender-segmented, with women in least profitable segment
- Sociocultural and economic factors interact to create a poverty trap
- Digital financial inclusion to reduce transaction costs
- Small grants for poorest women as foundation for eventual credit access

CONCLUSIONS

The kaunjika trade at Dedza Central Market is simultaneously a space of opportunity and a system of constraint. Several conclusions emerge:

First, women's entrepreneurship cannot be understood through economic analysis alone. Sociocultural factors are not external to the economy but constitutive of it.

Second, the distinction between operational agency and growth agency is critical. Women's daily business management should not be confused with capacity for transformative growth.

Third, the gender segmentation of the value chain reflects and reproduces broader inequalities.

Fourth, the interactive effects of sociocultural and economic factors are more powerful than either factor alone.

Fifth, true empowerment requires dismantling barriers that prevent women from thriving and scaling within the market.

Strategic Recommendations

Economic Facilitation: Gender-Sensitive Finance

- Collateral-free financial products using alternative credit assessment (business records, group guarantees)
- Savings group linkages to formal institutions for larger capital access

Social Infrastructure: Mitigating the Dual Burden

- Market-based childcare facilities within or adjacent to Dedza Market
- Labor-saving technologies (improved cookstoves, water access) to reduce domestic work time
- Community dialogues engaging men and traditional authorities to redefine gender norms

Marketing System Strengthening

- Women trader associations to amplify collective voice for better infrastructure and fairer fees
- Market infrastructure investment addressing women's specific needs (storage, sanitation, shelter)
- Collective purchasing cooperatives enabling direct wholesale access

Skills Development

- Integrated training programs accommodating time constraints and literacy levels
- Mentorship networks connecting successful entrepreneurs with newer traders
- Peer learning groups building on existing social networks

Policy Advocacy

- Gender-responsive procurement reserving government contracts for women-owned businesses
- Property rights advocacy enabling

- women to own collateral assets
- Regulatory reform addressing harassment and gender-based violence by law enforcement

Areas for Further Research

- Longitudinal studies tracking intervention impacts on business performance over time
- Digital technology investigating mobile money and social media for market access
- Comparative analyses across different markets and informal sectors
- Value chain research identifying leverage points for improving women's position
- Men's roles studying conditions for male engagement in gender transformation
- Intervention effectiveness evaluating different program models

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