

Youth**Action**Net®

CASE STUDY SERIES

2da Mano:

Repurposing Clothes for Purpose

A partnership between:



GEORGETOWN UNIVERSITY

School of Foreign Service
Global Human Development Program



Introduction

This is one of a series of case studies produced by students enrolled in the Global Human Development Program at Georgetown University through its partnership with the International Youth Foundation. Students enrolled in a course exploring the role of social enterprises and social entrepreneurs were paired with young leaders of social ventures identified through the IYF's YouthActionNet® program. The students were given the assignment of analyzing the venture's assets, successful methodologies, and opportunities for investment to increase impact. Through this experiential learning process, the student consultants gained hands-on experience and exposure to the needs of social enterprises. The ventures, too, benefited from student insights into their strengths, areas for growth, and recommendations for enhancing their impact and sustainability. The Georgetown practicum is part of YouthActionNet's larger efforts to partner with institutions of higher learning around the globe to integrate social change into the academic experience and career interests of students.

International Youth Foundation

The International Youth Foundation (IYF) invests in the extraordinary potential of young people. Founded in 1990, IYF builds and maintains a worldwide community of businesses, governments, and civil society organizations committed to empowering youth to be healthy, productive, and engaged citizens. IYF programs are catalysts of change that help young people obtain a quality education, gain employability skills, make healthy choices, and improve their communities.

www.iyfnet.org

YouthActionNet®

Since 2001, YouthActionNet, a program of the International Youth Foundation, has provided founders of social ventures, ages 18 to 29, with the training, networking, coaching, funding, and advocacy opportunities they need to strengthen and scale their impact. These young social entrepreneurs have pioneered innovative solutions to critical local and global challenges, resulting in increased civic engagement, improved health, education reform, economic opportunity, environmental protection, and more inclusive societies. Our work is carried out through a network of 23 national and regional youth leadership institutes that collectively support over 1,350 young social entrepreneurs globally.

www.youthactionnet.org

Global Human Development Program at Georgetown University

The Global Human Development Program of Georgetown University is home to one of the world's premier master's degree programs in international development. An innovative, academically rigorous skills-based graduate program, the Master of Global Human Development degree prepares the next generation of development professionals to work with public sector agencies, private businesses, and non-profit organizations that advance development. Through coursework, extracurricular activity, and practical fieldwork experiences, our graduates develop the insights, skills, and experiences necessary to become leaders in development and make a difference in our global community.

<https://ghd.georgetown.edu>

INTRODUCTION

Meet David Hernandez & Deborah Chavarria, Founders of 2da Mano

When Deborah Chavarria and David Hernandez first met in their foreign affairs graduate program, they immediately connected over their shared passion of changing the status quo and eradicating poverty. Born and raised in San Jose, Costa Rica, Chavarria and Hernandez are bringing that passion to life as they work to develop solutions to social challenges faced by their country's vulnerable populations.



After a few years spent working in the fields of international diplomacy and development, Chavarria and Hernandez each quit their jobs to begin a new journey: working as volunteers in Saint Vincent and the Grenadines, providing capacity building support to poor farmers. By their own account, it was a life-changing experience that motivated them to return to Costa Rica and begin a social venture of their own. With a vision of empowering vulnerable women in their home country, the duo founded 2da Mano in 2014.

2da Mano means “secondhand” in Spanish, and refers not only to clothing, but also to a second opportunity for vulnerable women to improve and transform their lives.

2da Mano is Repurposing Clothes for Purpose: Empowering Women through Entrepreneurship

The Problem

In Costa Rica, women in lower socioeconomic classes are a particularly vulnerable population. Women face barriers that limit their access to educational and economic opportunities while also frequently needing to balance the responsibilities that accompany a household full of dependents. While 20.5% of the population lives below the poverty line, women spend over five times as many hours per day performing unpaid domestic work than men.¹ While the national average of educational achievement is equal for men and women, in 2017, only 3.8% of employers were women.² Further limiting their ability to begin a business or seek greater opportunities, women are significantly less likely to be approved for a loan—from either a formal or informal source—than men.³

¹ <http://databank.worldbank.org/data/reports.aspx?source=gender-statistics#> (2011)

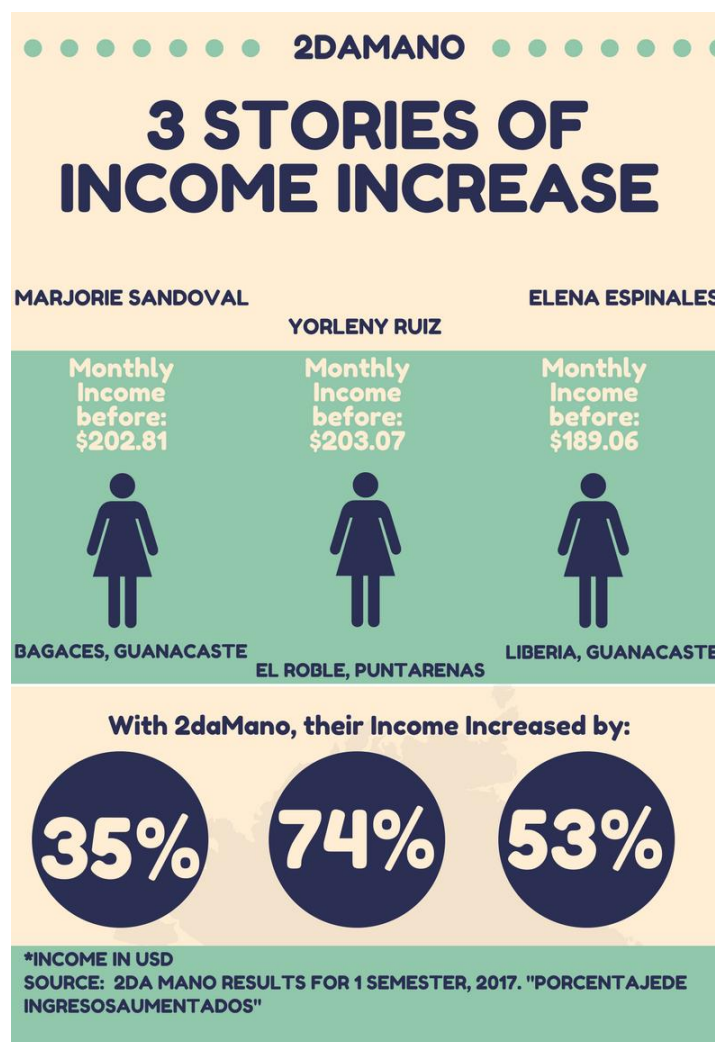
² <http://databank.worldbank.org/data/reports.aspx?source=gender-statistics#> (2017)

³ Borrowing from a private informal lender was a rate of 2.71% for women in 2014 and from an employer 1.94% in 2011 (compared to 7.03% and 4.57% respectively for males). <http://databank.worldbank.org/data/reports.aspx?source=gender-statistics#> (2014; 2011)

In Costa Rican society, in addition to children, a household's dependents frequently include parents, grandparents, and other relatives. For many families, the need to support many dependents is a permanent fact of life. Compounded by general life-insecurities, women in lower socioeconomic situations frequently report low levels of self-esteem and self-worth, and many have faced interpersonal violence.⁴ With little education, considerable debt, and many dependents, female heads of household with limited access to economic and educational opportunities face major barriers to exiting the cycle of poverty.

The perpetuation of inequitable systems can pull children, as well as vulnerable women, into cycles of dependency. 2da Mano's work goes beyond serving only women, its primary beneficiaries, to impacting other members of families and communities, as well. While 2da Mano's approach is unique, there are many programs run by both the government and non-governmental organizations that assist vulnerable women in Costa Rica. For example, the *Mixed Institute for Social Help* provides some financial assistance to Costa Rican female heads of household. There are also education projects and financial literacy programs, such as the *EMPRENDE* project, which operates through the *National Institute for Women*.

Over the past few decades, social enterprises have become more commonplace in Costa Rica. Though still relatively rare, those present are changing the dynamics of philanthropic assistance and paving the way for organizations like 2da Mano.⁵ One example is the social business *Nutrivida*, which hires single mothers to manufacture fortified food products and sell them at low cost.⁶ 2da Mano's mission of empowering women through opportunities and skill building is founded on the same concept of operating a business for social good—in this case by creating a double bottom line that can both sustain operations and impart business skills and economic opportunities to female entrepreneurs.



⁴ The national rate of violence against women and girls is 26% in 2013.

<http://databank.worldbank.org/data/reports.aspx?source=gender-statistics#> (2013)

⁵ <https://publications.iadb.org/bitstream/handle/11319/8032/Study-of-Social-Entrepreneurship-and-Innovation-Ecosystems-in-the-Latin-American-Pacific-Alliance-Countries-Country-Analysis-Costa-Rica.pdf?sequence=1>

⁶ <https://nutrivida.co.cr/>

The Solution

2da Mano's mission is to empower vulnerable women to build their own businesses by selling high quality used & new clothing, while simultaneously developing their business and interpersonal skills through workshops and mentorship that will expand their economic and social opportunities. The organization also seeks to diminish clothing waste and foster a circular economy in Costa Rica. Its vision is to create the first entrepreneurial platform to encourage economic activities among female heads of household in Costa Rica.

The workshops build a basic foundation in business-skills education, as well as develop the women's soft skills. Furthermore, mentorship is provided largely through technological interfacing, which makes participation simple and flexible for the women as they balance their many responsibilities. As a result, women have the opportunity to build their own companies and earn additional income that will enable them to be financially independent and achieve higher standards of living both for themselves and their families. In addition, women improve their self-esteem and status in society, which enables them to further expand their opportunities.

In Costa Rica, big-name clothing brands and used clothing stores both tend to be centrally located in the capital and other large cities. As a result, the demand for high quality clothing from people living in rural and peri-urban Costa Rican communities is underserved. 2da Mano uses the entrepreneurs' personal networks as the principal distribution channels to expand access to customers in rural communities seeking high quality used and new clothes at accessible prices.

“Since joining 2da Mano I have become more independent, learning that I can manage my own business and get ahead in life as a businesswoman myself! The staff are helpful, motivating us to all put in the effort and work. It's leading to a better life for me and my family.”

Karen Gonzalez, 2da Mano Entrepreneur

OPERATIONAL MODEL

2da Mano is a registered nonprofit organization that operates as a social business. Based in San Jose, Costa Rica, and led by Deborah Chavarria and David Hernandez, the team consists of one part-time staff member responsible for the operations management of the warehouse and three long-term volunteers responsible for social media and graphic design. The two co-founders are the decision makers and also fill a number of other roles in the organization, such as: developing the strategy, identifying new partnerships, managing operations, and providing mentorship to female entrepreneurs. There is a board of directors, comprised of five members who serve as advisors in the strategy and operations of the organization. They contribute technical support and expertise on inventory management, finance, gender, entrepreneurship, and social innovation.

2da Mano's strategy involves the following set of processes. First, it identifies beneficiaries by working with community leaders in rural villages, with government programs serving families living

in extreme poverty, and with nongovernmental organizations. The selection criteria is based not only on the women's vulnerability (level of income, level of education, number of dependents, and if they are heads of households) but also takes into account the alignment of their values with the organization's values. For 2da Mano, it is essential that women participating in the program share the values of solidarity, transparency, honesty, and respect. Two interviews (one by phone and one in person) are conducted to gain a deeper understanding of the women's realities and to meet the women's families and visit their local environments. Once selected, the entrepreneurs analyze their client's needs and send a list of desired items to 2da Mano's headquarters. 2da Mano has developed partnerships with several retail clothing stores to donate their unsold inventory. As a result, 2da Mano receives around 30,000 items of donated clothing (around 10% of that figure is new clothes and 90% is used clothes), which the organization distributes to meet entrepreneurs' demand.

Second, 2da Mano performs a rigorous quality control of all donated clothing. Any clothing that doesn't pass the quality control phase is donated to charities in Costa Rica. Clothes are then packaged and distributed to the female entrepreneurs. For every piece of clothing sold, the entrepreneurs give USD \$0.85 to 2da Mano. On average, the women earn USD \$290 in revenue per month and the average price of clothing sold is USD \$5 (which represent an average margin of \$4.15 per sale for their business). As of March 2018, 2da Mano is not generating profit, however, the embedded revenue stream is used to cover operational costs.

Third, the focus of 2daMano extends beyond promoting entrepreneurship and an additional source of income to vulnerable women—the deeper goal is to empower each woman to expand her ability to pursue new opportunities. The personal culture of the organization also creates community between the staff and entrepreneurs. 2da Mano provides continual support and individual mentorship by phone and visits entrepreneurs every three months. Moreover, it creates a support network within the organization by convening workshops and networking events where the women can share their experiences and further develop their skills. Through a collaborative network of partners, experts in different areas serve as volunteers and provide capacity building in areas such as finance management, marketing, and navigating gender norms, guidance on how to change gender stereotypes, and overthrow “machismo” culture.

“I am proud to belong to 2da Mano, most of all because of the unity of working in a group as women with the privilege of getting ahead [in life] because of our own effort.”

Karen Gonzalez, 2da Mano Entrepreneur



IMPACT

Reached a total of **51** women in **13** different districts of Costa Rica over 4 years
 Women have achieved economic independence, pursued new opportunities, and supported their family's education
 Engaged **10** partner institutions

KEY ASSETS & SUCCESSFUL METHODOLOGIES

2da Mano's strength lies in its passion for women's empowerment and development. However, passion alone did not lead to 2da Mano's current successes. The organization's essential methodologies to enable vulnerable women to expand their opportunities are based in: the realization of the untapped rural market; the potential of strong partnerships; the personalized mentorship between staff and entrepreneurs; and the training in soft and hard skills. Underlying all of the organization's practices is 2da Mano's aspiration to become an environmentally sustainable organization.

Rural Markets' Demand for Used & Overstocked Clothes

Costa Rica has a large market for high quality used clothing. While many used-clothing markets exist in larger cities, 2da Mano realized not every market was being supplied. 2da Mano works to meet the demand in rural, last-mile markets by utilizing 2da Mano's female entrepreneurs' personal networks.

Partnerships for Resources & Skills Acquisition

2da Mano has created strong partnerships with companies (La Esquina, Yamuni and Selina Hostel), universities (Lead and Kennesaw University), and other organizations (The US Embassy in Costa

Rica, Boston Scientific, and Global Shapers, among others) from Costa Rica and the United States to support its operations. The organization maintains alliances with several retail clothing stores who donate high-quality gently-used clothes and new clothing (from unsold stock). Partnering with several academic and international institutions, 2da Mano engages volunteers to contribute both to its business operations and seminar content. Additionally, 2da Mano is supported with resources and physical space for its workshops.

Personalized Mentorship

The personal investment that 2da Mano makes in its entrepreneurs is best seen in the mentorship that each woman receives. The focus on mentorship and skill development through workshops was a founding principal for Chavarria and Hernandez. Realizing that anyone making a new start in their lives—whether personal or professional—needs support, they established the mentorship program, in which each woman receives personalized guidance from a staff member in addition to skills building through seminars and workshops. Providing guidance in both hard and soft skills, mentors focus specifically on the entrepreneurs’ interpersonal development as it relates to their personal and professional lives. Emphasizing human-centered design, the founders have continued to foster self-esteem and self-worth through workshops and partnerships with each entrepreneur. Volunteers at these workshops include both 2da Mano staff as well as members of local businesses, national and international organizations, and universities.

Fostering a Circular Economy

2da Mano aspires to minimize waste from clothing-sales. As one of the most bio-diverse countries on earth, environmental preservation and sustainability is a national priority in Costa Rica. The Costa Rican government passed a law in 2010 (Ley 8839) to improve waste management,⁷ but the nation still struggles to control its waste. Examining the quantity of resources required to manufacture clothing—700 gallons of water to make a cotton shirt, for instance—and how long it takes clothing (up to 40 years) and shoes (up to 1,000 years) to decompose in landfills, 2da Mano aims to decrease excess clothing in circulation.⁸ 2da Mano capitalizes upon two facts in its environmental practices: that 95% of textiles can be reused, and 70% of the world wears secondhand clothing.⁹ The founders’ vision is to be the first zero-waste clothing facility in Costa Rica. Through its operational model, 2da Mano avoids flooding communities with excess clothing, and any clothing donated to 2da Mano that is not sold is donated to shelters and charities in the community.

CONCLUSION

2da Mano supports the holistic empowerment of vulnerable women in Costa Rica by connecting them with professional opportunities and personal investments. The organization invests in these women by providing personalized mentorships, seminars, and workshops to develop their hard and soft skills. 2da Mano has reached 51 women in 13 different districts of Costa Rica since 2014. The spillover effects from its work are high, benefitting the entrepreneurs’ families and communities. In addition, people living in rural, isolated villages benefit from unprecedented access to high-quality used and new clothing at an accessible price.

⁷ <https://thecostaricanews.com/costa-rica-has-a-dirty-little-secret/>

⁸ <http://www.planetaid.org/blog/8-little-known-facts-about-our-clothing-habits>

⁹ <http://www.planetaid.org/blog/8-little-known-facts-about-our-clothing-habits>

2da Mano is planning to expand its model with a new service called Banco de Ropa. These complementary facilities will be warehouses where clothes are stored, packed, and processed. In addition to expanding its business operations, 2da Mano plans to continue scaling its mentorship and skills-building programs by holding workshops at the Banco de Ropa facilities. The founders hope to offer women different types of courses, in order to develop their skills to match those most demanded by the job market. Through key partnerships and collaboration across the public, private, and academic spheres, 2da Mano believes it can truly improve both the job opportunities and standards of living for vulnerable women and their families in Costa Rica.

FURTHER INFORMATION ABOUT 2DA MANO

- [2da Mano Facebook Page](#)
- [2da Mano Instagram Account](#)
- [YouthActionNet Fellow Profile of David Hernandez Sandoval](#)
- Video: [Focus on Impact Over Scale](#) with Fellow David Hernandez Sandoval
- Video: [Madrid Talk](#) by David Hernandez Sandoval



AUTHORS

Diana Duran

MA Candidate in Global Human Development Program
ded58@georgetown.edu

Allison Pfozter

BSFS in Women's Human Rights in conflict Situations in the Middle East & Latin America
asp71@georgetown.edu

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