24 Lessons Learned from Part Two

Marilyn Carr

Although the experiences described in the ten case studies in Part Two are at the micro level, there is a wealth of information that can be analysed to give some indication as to what works and what does not work in terms of linking women with export markets. This chapter seeks to draw out the lessons learned from the case studies in terms of:

1. Economic and non-economic benefits for women producers and workers;
2. The factors leading to success, including the policy environment and the pros and cons of the various strategies used by different agencies to assist low-income women producers and workers; and
3. The extent to which these individual cases are sustainable and the potential for their replication by other governments and stakeholders in the Commonwealth.

Benefits

The women (and men) in these case studies have undoubtedly benefited from the initiatives described. The nature and extent of the benefits tend to vary according to the degree of ownership and control that the women have over the enterprise concerned. Benefits are derived at country level, at the level of the enterprise owner(s) and at the level of the workers/contracted farmers. At all three levels there can be direct economic, indirect economic or non-economic benefits.

At country level, all the initiatives have made contributions in terms of output, employment and export earnings. In most cases, they have also tended to be environmentally neutral; some, such as marula oil in Swaziland and body products in Fiji Islands, have directly contributed to environmental and/or cultural conservation.

At the level of the enterprise, most of the export businesses have resulted in significant profits or dividends for their owners. In cases in which women producers have full membership and involvement in the enterprise – Kuapa Kokoo, Swazi Indigenous Products, Kitgum Women Beekeepers Association, Toehold Artisan Collaborative and SEWA Trade Facilitation Centre – the owners and rural women producers are one and the same, and share in the dividends. Some receive indirect economic benefits such as premiums from

fair trade sales (Kuapa Kokoo) and/or augmented earnings through organic certification (SIP). In the case of member-owned enterprises, women also experience significant non-economic benefits in terms of confidence building, self-reliance and economic independence – as well as increased stature within the community.

In cases where the enterprise is privately owned by individuals (cashews in Mozambique and India, Pure Fiji, and dry flowers in India), the entrepreneurs obviously benefit directly in the form of profits, but also have received widespread recognition and acclaim, including through prestigious business and export awards presented by government. The extent to which rural women and men benefit depends on the aims and orientation of the owners and whether they make the welfare of rural poor producers and workers a priority. In general, the greater the connection between the owner(s) of the company and the rural community, the greater the economic and non-economic benefits derived from the enterprise. For example, the links between owners and rural producers are very close in the case of Pure Fiji, with rural women helped to establish profitable businesses of their own to supply the parent company and assisted with education and infrastructure. In the case of Ramesh Flowers, the outsourcing system certainly provides rural producers with income, but there is no link between the parent firm and these producers, and so no further direct benefits can be assumed – although the parent company provides higher wages and much better working conditions for its factory workers than its less socially conscious competitors.

In general, rural women are more likely to benefit at all levels from export enterprises if they are the owners of the enterprise or linked to it through a very short supply chain. They are also more likely to benefit, especially in non-economic terms, if they are independent producers rather than workers. Ideally, there should be a 'win-win' situation in which the country, the enterprise and the producers/workers all benefit at all three levels so that export earnings can be expanded at the same time as rural livelihoods are improved and the environment is conserved. As several of the case studies show, this is entirely possible if the political will is there and the entrepreneurial spirit and rural skills exist to make it happen.

Factors in success

Policy and regulatory environment

As the case studies in Part One of this book showed, trade policy can sometimes present barriers to exports from developing countries in ways that affect women's livelihoods. However, as was seen in some of the case studies in Part Two, innovative thinking can often be used to turn these constraints

to advantage. For example, in Ghana, protection of dairy and sugar products in EU markets was a factor in cocoa producers moving directly into the production of chocolate in Europe in order to overcome the ban on exporting chocolate. Trade policies can also be used by governments in support of processed exports. For example, Mozambique was able to argue for the raising of export taxes on raw cashew nuts to support the growth of local processing industries.

In most of the case studies, regulations such as strict quality standards in export markets, as well as the logistical problems involved in exporting, have been more significant than trade policy per se. For example, in Uganda, export of honey was an impossibility until the Government upgraded the structure for monitoring standards and was able to obtain a certificate for Ugandan honey producers to export to Europe. In Jamaica, the main obstacle to exporting organic coffee is not a specific policy, but the sheer amount of red tape involved in having to go through the US mainland to reach final buyers elsewhere. In niche markets also, Fairtrade and organic certification are difficult and costly to obtain without assistance of some sort.

More important than all this is that trade policy (including regulations) is only one of a set of economic policies and programmes that governments have to put in place to promote the equal distribution of benefits arising from increased trade. In both Ghana and Mozambique, the Government has offered support in terms of guaranteeing loans or providing low interest loans to the private sector to increase processing and/or export capacity. In Ghana, where the Government has only partially liberalised the cocoa marketing board, there is still a strong market support system that provides export marketing and quality control services to cocoa farmers. By contrast, Mozambique has a very weak market infrastructure that impedes the marketing of cashew kernels. In India, the Government of Karnataka has provided the infrastructure at the base of the Toehold Artisans Collaborative and in Swaziland the Government has given rent-free factory space to SIP for a four-year period. In Uganda, the governmental agricultural assistance programme, NAADS, has played a major role in promoting women's involvement in beekeeping through large and small intermediary organisations such as BNP and KWBA. However, Ramesh Flowers in India has received no government support and has blossomed despite this.

Organisation and production systems

One of the major lessons learned from the case studies is the vast number of organising structures and production systems that have been put in place in pursuit of the common aim of expanding export earnings (and profits), at

the same time as maintaining the livelihoods (and independence) of rural women producers.

In general, there is a tendency for the larger and less personalised forms of production to offer the greatest potential for expansion of exports because of the ability to use more sophisticated equipment, ensure better control quality and provide the quantities needed in export markets. More decentralised and smaller-scale operations provide more potential for increasing women's empowerment, for building assets and for women's control over their own livelihoods, but they face constraints in meeting the rigorous demands of export markets. Several of the case studies show how these two extremes can be brought closer together and how, with proper organisation and management, there need not be a trade-off between export earnings and women's empowerment.

In the case of some of the larger, individually-owned enterprises, such as Miranda Caju in Mozambique, Pure Fiji, Bee Natural Products in Uganda and Ramesh Flowers in India, various ways have been tried to increase the benefits realised by the rural poor producers/farmers. For example, Miranda Caju was the focus of an attempt pioneered by Technoserve and other donors to introduce a system of small, decentralised 'satellite' units that would supply the parent company with good quality inputs, while at the same time providing local ownership and employment opportunities. Unfortunately, this was not successful, but it could work in other countries, in other circumstances – as with the system of production clusters in Tamil Nadu. In the case of Pure Fiji, there has been a deliberate attempt to establish small rural enterprises run by local women who provide needed inputs for the main export business. In Uganda, Bee Natural Products has made every attempt to give equal training opportunities to women farmers, to deal with cultural constraints such as those involved in wearing protective beekeeping suits, and in involving women in non-traditional support industries such as making beehives. And Ramesh Flowers has organised a huge network of farmers to supply plants harvested from the wild or agricultural waste products. It also has a very supportive programme to improve the working conditions of the 95 per cent of its workforce at factory level who are poor women.

At the other extreme, Kitgum Women's Beekeeping Association is a small association that has shown it is possible to reach out to export markets through dynamic leadership. However, the prospects of supplying large amounts of exports from small groups like this are severely limited unless they are federated in some way. The Uganda case study suggests that forming a Network of Women's Beekeeping Associations might be one way of doing this.

In between are the community-owned businesses that are both more socially oriented than the privately owned businesses, and also larger than the small producer/marketing groups. These include SIP, Toehold and STFC. These have had remarkable success in exporting high quality products either from central processing centres or, as in the case of Toehold and STFC, from hundreds of small, decentralised units. As mentioned in the case study, Toehold has surprised critics with its rejection rate of only 2 per cent.

The global value chains through which producers and workers are linked with global markets are spelled out in more or less detail in the various case studies. Some of these are quite elaborate, involving many layers and many types of people at various levels. In general, women have traditionally tended to be at the bottom and lower-paid end of the chain, with little power to exert any influence in what are essentially buyer-driven chains. As has been seen in the case studies, most of the initiatives have attempted to increase both returns and power to these women.

Strategies have included the introduction of more appropriate technologies to enable greater value to be added at the grassroots level. For example, new cashew nut processing factories in Mozambique have turned to the use of semi-mechanised labour-intensive technology imported from India. This enables more people to be recruited in remote rural areas, but also results in fewer breakages and produces more whole nuts than larger-scale technology. And in Fiji Islands, the use of new small-scale oil expelling technology enables processing to be done in village level enterprises, while still producing at a sufficiently high quality to compete in export markets. Strategies also include those that give rural women greater control over the supply chain and greater access to more distant and lucrative markets.

Marketing strategies

Several different marketing strategies are illustrated in the case studies. One is fair trade. Kuapa Kokoo in Ghana markets a proportion of its cocoa as fair trade products in collaboration with its chocolate company, Divine, in the UK and USA. Although the market for fair trade goods is relatively small, it is growing and is influencing consumers in the North to think in terms of more fairly traded goods (which focus on returns to producers without necessarily having Fairtrade certification). In Jamaica, women coffee farmers are also trying to get Fairtrade certification, but they are finding it difficult because they are isolated and do not meet the qualification of belonging to a group or co-operative. In Swaziland, SIP has been marketing bulk oil to export markets through commercial channels, but is now considering arrangements with the Body Shop International plc, which already

imports 'community traded' marula oil from the PhytoTrade Africa affiliate in Namibia. Fairtrade certification brings with it the benefit of a premium of US$150 per tonne for cocoa that, in the case of Ghana, has been used to build schools and wells, buy grinding mills and set up women's rural enterprises such as soap making.

Another popular strategy has been to target the market for organic products/goods or other niche markets for natural-product based goods. Examples of this are coffee in Jamaica, marula-oil based products in Swaziland and natural body-care products in Fiji Islands. A problem with supplying the organic market is that it is very complicated and expensive to gain organic certification. However, the benefits to producers are well worth it in terms of increased prices. In Swaziland, for example, where SIP has obtained certification with the assistance of PhytoTrade Africa, suppliers obtain approximately E128 per litre for organic marula oil versus E114 for conventional marula oil. There is, however, the middle way of marketing a 'natural' product (as opposed to one which is organically certified) and still appealing to special markets in the North.

Finally, there are the mainstream markets that enterprises described in the case studies are trying to reach either through specific export promotion strategies implemented by governments (e.g. the Apiculture Export Promotion Strategy in Uganda) or on their own through their own contacts and initiatives. For example, SIP has developed a network of commercial distributors for Swazi Secret products through visitors who used these products while staying in hotels in Swaziland. Ramesh Flowers has built a network of well-known retail outlets through contacts with the consulates of various countries. And Toehold has extended its markets through visiting international trade fairs, its website and exposure in the media. Toehold has stayed away from the fair trade markets and deliberately focused on the highly competitive and discerning high-end international market.

In most of these enterprises, a brand name has been very important in maintaining international buyers. These include 'Divine' for Kuapa Kokoo's chocolate; 'Swazi Secrets' for SIP's marula-based products; 'Pure Fiji'; 'Toehold' for ASCENT; and 'Hansiba' for STFC.

Another important aspect of marketing has been the use of the internet. The case study on the Cameroon focuses on the many ways in which women who run small ready-made garments businesses have used the internet to break into export markets. However, the enterprises in many of the other case studies – especially Divine chocolate, Pure Fiji, Ramesh Flowers, Toehold Artisans Collaborative and STFC – have also built up their export businesses partly through their websites.

Reliability and sustainability

So what of the future? Can the individual models outlined in the case studies be replicated or scaled up, and are they and the markets they are linked with sustainable?

Replicability

There is every indication that replication is already underway in a number of the initiatives. Community-based enterprises similar to SIP have been successfully established through PhytoTrade Africa in other southern African countries, and there is no reason why it could not be replicated throughout the region with marula oil and with other natural products. The technology on which Pure Fiji's cold-pressed oils is based – direct micro expulsion – has already been transferred to other countries in the Pacific, where it has been used by rural women to process oils for use in beauty products that are then exported.[59] In Uganda, private companies, community-based enterprises and women's associations are all successfully expanding their numbers or helping to replicate themselves through the government programme, NAADS. In India, STFC has obtained funds from the World Bank and the Indian Government to help women's organisations in other countries to replicate its model with necessary adaptations.

The one case study in which replication has not taken place successfully – even though replication was built into the original project – is that of 'satellite' cashew nut processing units in Mozambique. This seems mainly to have been because of lack of financial viability, combined with inadequate managerial skills.

Sustainability

Replicability is one thing, but are these initiatives sustainable in the long term, both economically and environmentally, given all the changes taking place in world markets and in the global environment?

In the case of economic sustainability, there is the important question of maintaining competitiveness. Most enterprises described in the case studies have adopted various measures to keep their hold on the market. These include upgrading technology (as with honey producers in Uganda); diversifying into new products (Pure Fiji); and establishing better infrastructure for use by rural producers (Common Facility Centre and Raw Materials Bank at Toehold, and common production centres at STFC). Many of the enterprises also use various methods, including the internet and international trade fairs, to keep abreast of market developments. It appears that nothing succeeds

like success – and most of the enterprises in the case studies have experienced significant growth over the years. Even in Mozambique, where the 'satellite' units have not proved to be financially viable, the parent company Miranda Caju and the other 17 similarly sized private firms operating in the country are all doing very well and look likely to continue to do so.

Questions do need to be raised as to the effect of the world economic recession on the markets for some of these products. Both Pure Fiji and Ramesh Flowers specifically mention this as a new challenge, but most of the enterprises featured in the case studies will experience some effects. The impact is likely to vary according to which type of market is being supplied. Surveys indicate that products supplying both fair trade and organic markets are more likely to hold their own during the recession than are those supplying conventional retail markets. Many people are unwilling to put aside their concerns with poverty and the environment even during a downturn, so that although sales to fair trade and organic markets are likely to slow down significantly, there will still be some growth (Demont, 2009; Scott-Thomas, 2009).

Environmental sustainability has particular relevance in the case of natural product/non-timber forest products. In Swaziland, SIP has had a very positive environmental affect by increasing the value of the marula tree economically and preventing the trees from being cleared for agricultural production. In Fiji Islands, the traditional uses of many trees and plants are being revived, again with better care given to them by rural populations. In India, dry flowers are more environmentally friendly than fresh cut flowers because they use plants harvested from the wild or agricultural waste rather than agricultural land that is diverted from food crops. And even the shoe and garments case studies in India are environmentally friendly through their use of organic cotton, natural dyes and manual equipment.

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