

Gendered Enterprise and Markets (GEM) Webinar Series

Q&A – Power in Markets

The questions in this document were asked by participants in the GEM webinar on Power in Markets, broadcasted in February 2012. A full recording of the webinar can be found here: <http://growellthrive.org/gemwebinarseries>

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1. Introduction – Market, Enterprise, Household and Climate Analysis

How can we integrate climate change and DRR in the market system?

Current adaptation strategies focus on creating adaptive capacity at community level, adjusting farming practices and selecting crops that are appropriate for new conditions. What we want to understand over the next couple of years is how we get actors in the market system, companies, producer organisations and Government to support adaptation and risk reduction. We reduce market and agricultural risk by supporting diversified farming and working across multiple market channels.

In the WEL approach, one step is to integrate household analysis with market analysis. How does this relate to the farming system and household analyses in the GEM tool kit?

Within the GEM approach, we aim to undertake household analysis for two reasons. Firstly to understand what are the intra-household issues around assets such as time, caring duties and credit that restrict women's abilities to be part of the economy that if addressed could allow women to become economically active and take leading positions. Secondly there are different households with differing assets that allow them to get into the economy, such as poor quality land, no tools or limited access to water or credit.

What is the difference between farming system analysis and market system analysis?

We ask different questions in the farming analysis to identify the right crop/crops to improve livelihoods sustainably in the face of climate change that it will support the natural resource base and work in a diversified farm system. In Market analysis we are trying to understand what is the right commercial opportunity that enables women and the poorest to enter the economy, increase the power between smallholders and larger businesses and between men and women.

Critically we have spent much time using gendered market mapping to identify how to take a systems approach to markets, which we also need to develop for farm interventions. We ask the qualitative questions around WEL and power in Markets, with our adaptation and risk questions to come. But critically we try to understand:

- Whose role is it to undertake the intervention such as improved credit;
- How can we get the identified actor such as a credit co-operative to take the financial solution to scale beyond the initial programme
- Lastly how can credit be provided in a way that increases the power of women and smallholder farms?

How we could balance power between small and big farm?

The basic difference between small and large farms is large farms have economies of scale which small farms can compete with through aggregation. Secondly large farms tend to be the target for investment, services and Government support, so we need to change the market system so that small farms gain these same benefits from the market system.

Power in market is very critical issues particularly in market development approach, Can you give an example that enable women to participate in market?

When we describe power in markets, this can either be smallholder farms competing with the power of larger farms or larger traders; alternatively this can be between men and

women. There are a whole range of examples from supporting women's economic empowerment either on the Grow, Sell, Thrive ning (<http://growsellthrive.ning.com/>) or listen to the recording of the women's economic leadership (<http://growsellthrive.org/gemwebinarseries>)

Why are inputs outside of market services?

You could put it on the services section too, it's just that many farmers obtain inputs (e.g. seeds) from their own farm (e.g. previous harvest), so they're not always externally provided.

What kind of partnership do we develop in a market system approach?

Partnerships can be formed with private e.g. local firms such as Ambrosia the honey processor in Ethiopia or public ministries/authorities e.g. Bogota municipal government in Colombia whilst retaining our core community partnership potentially with local NGO's. However partnerships is only one form of relationship, as our systems approach requires being a facilitator with multiple institutions or communities which may be a service provision relationship or either influencing an institution to begin to work serving women and small producers or how they serve these groups.

2. Enterprise Development and Facilitation to Services

Innovation and PO examples - did we look at the social changes/household changes (power relations) in these projects?

Many Oxfam programmes, including most involved in the Enterprise Development Programme (EDP) have indeed analysed gender relations in the household as part of their programme design, following the Gendered Enterprise and Markets (including WEL) methodology. As a result Oxfam's interventions have incorporated strategies to change such gender imbalances. For example, in addition to business development and market identification, we have carried out specific additional support to women's confidence, literacy, skills; as well as gender workshops with husbands and male leaders in the cooperatives about men's roles in supporting women and gender justice.

Have such interventions been successful? We can easily measure and have monitored changes in women's power in the enterprise and market. EDP monitors for example Key Performance Indicators around women's increased participation and leadership in the Enterprises (membership, staff, senior management), and market (sales coming from women). Last year's indicators are presented in EDP's Annual Review (<http://policy-practice.oxfam.org.uk/our-work/private-sector-markets/enterprise-development>). Also, Sally King has recently written an article on this which will soon feature on <http://www.genderanddevelopment.org/>.

Our evidence of changes in the household is so far vast but anecdotal. We have documented human interest stories of women saying they can now access land and assets, are more respected and make more decisions; or how their husbands help with the cooking, or looking after the children. Unfortunately we also at least one story of a woman suffering increased gender-based violence as a result of their increased economic empowerment. In terms of hard evidence, we have designed quantitative surveys that explore household power dynamics in detail. They analyse intra-household food security; men and women's perceptions of women's economic roles; women's access and control over income and other

strategic assets; women's involvement in household decision-making and community and enterprise; women's self-efficacy. Write to Karl Hughes for detail on this tool. So far we have carried such detailed surveys in 7 countries and hope to carry out evaluations from 2013 onwards. So watch the space.

Our Gates-funded work on Women's Collective Action is also exploring the link between economic participation and wider empowerment. Follow the latest findings on <http://womenscollectiveaction.com>.

Some projects are providing direct services and some projects are facilitating the private and public sectors, so how can minimize these challenges?

Oxfam in the Livelihoods and Private sector strategies has purposefully stated the aim to increasing scale of impact, empowerment and sustainability of programmes. The answer depends on every context and gendered market analysis. In some places, an existing cooperative might be best placed to provide certain services that somewhere else the government or a private sector actor can provide. The key is to analyse the availability, quality of that service and whether and how it reaches and benefits poor farmers and women in particular. This means reducing the amount of direct project interventions that increase dependency on Oxfam, training being an obvious example. The only golden rule is that you try to avoid Oxfam being the one providing the service, or subsidising the service for too long a period. Sometimes a critical service won't occur without Oxfam 'stepping in' such as mentoring for business leaders or reducing the risks for financial providers of credit to our target groups, so Oxfam partly subsidises these so the gap is filled in the short-term. The paper on empowering the poor through markets explores when we work with others in the system and when we 'step-in', (see <http://www.oxfamblogs.org/fp2p/?p=9278>) for a blog discussion and the paper can be downloaded here - <http://policy-practice.oxfam.org.uk/publications/making-markets-empower-the-poor-programme-perspectives-on-using-markets-to-empo-188950>

Isn't providing mentors and training to increase business skills back to the 'doing' way of working?

Facilitating a link between a group of farmers or enterprise and a training institute or mentor is very much in line with Oxfam's approach to markets. This is not Oxfam training farmers, but a discreet intervention to ensure a commercially run and socially inclusive enterprise, as this is critical to rebalancing power in the market. However, it is true that such facilitation can sometimes involve Oxfam sharing some of the costs if poor people cannot afford or there's no other subsidy or free service available. If Oxfam decides to subsidise, it should be on the understanding that this is temporary. In the Enterprise Development Programme (EDP), we often only pay say 50% of a service in Year 1, 25% year 2, 0% year 3.

How to program exiting from providing a subsidy has always been a serious challenge?

This requires Oxfam to actually have a vision for when the project will be completed and plan towards that exit point. The vision should help clarify how producers, companies or Government continue to provide key or new services beyond the close of the project. For example, in many of our enterprise projects we facilitate the growth in turnover or activities of the co-operative or producer organisation as a key way to increase the power of the enterprise and to develop activities women can lead, which may require new management or

higher staffing levels. This means Oxfam may subsidise key staff on a reducing scale, having established that the enterprise can grow turnover capable of sustaining 100% of new employee's wages.

Not profitable after 3 years. Does this not indicate that members of the groups value other non economic factors above income gains?

It is important to differentiate between farm profitability and enterprise viability. 5,000 new farmers are supplying to EDP enterprises because it is profitable to them (1). Another question altogether is whether their producer organisation or enterprise is profitable. Many might be profitable if you include the extra revenues generated from the grants and keep staff as unpaid volunteers; but if you take out grants and hire specialised staff, the truth is that most enterprises are likely to need at least 3 years to become profitable. The basic issue tends to be that members or smallholder share-holders try to maximise their own income from trade understandably, which is a challenge to invest back into the enterprise operating as a specialised intermediary that they own. This is why ensuring effective governance and value for these intermediaries is critical. In fact, it's not until these enterprises reach a certain sales level (say \$200,000 –depending on the context–) that their margins allow to pay for specialised staff and (depreciation of) machinery.

As regard to business skills: how can this be resolved within the path to profitability of an organizations and how do you avoid dependence of one person?

I don't think we have an answer to this yet, just the experience of trying our hardest. First thing to say is that, in our experience, you always need a few key people leading or driving an initiative. This might be a farmer, a member of the Enterprise Board or even someone in the local NGO partner. But you then need to make sure that such leadership is complemented with acute business skills. You need enough of these skills inside the business, such as general management, basic marketing and accounting; though other skills the enterprise might be able to access through external providers and mentors. It is however difficult to find both qualified staff and services providers in markets and geographic areas where we work. Depending on the opportunities available we have tried both to build up the capacity of local people or recruit people from other parts of the country. Providing an attractive enough salary package is often key. Identifying good local mentors, too. And our partnership with Challenges Worldwide (www.challengeworldwide.org) has also allowed us to provide global business experts.

Dependence on one person is a risk, indeed – but lack of leadership from one person also is. The key is to support processes of transparency and management accountability; and to have a serious conversation with a leader when it is clear that his/her skills are not enough and there's a need to recruit new staff.

3. Corporate policy, influencing enabling environment

How about price volatility? How to understand better price behaviour over time is a big challenge? How are global price fluctuations affecting the ability to have fairer contracting and "price fixing" for products?

Price volatility is a real issue for poor, remote smallholders with limited options. That is why the 'market linkages' and 'fair and transparent governance principles' are so key for new

business models. That is why our recommended programme policy practically interprets these as:

- Ensure producers invest in crops and have the capacity to have a diversified set of market channels e.g. contract farming, plus local markets plus high value urban markets. Tends to work well high value non-traditional crops not commodities or as a minimum inter-crop commodities.
- Have the capacity to move between markets as they rise and fall so invest in specialised intermediaries who can seek and negotiate new or different market channels, together with improved access to market information e.g. pricing shared by mobile phones.
- Volatility should be a key consideration when reviewing communities existing crop selection or potential options, so understanding historic price variations as part of the initial market analysis. Information can be found on the internet, from buyers, local markets and government agencies.
- Ensure both transparent pricing mechanisms and dispute mechanisms, which range from the new African commodity exchanges, to fair trade to fairer contracting. Research is emerging to show that whilst fair trade is effective, having simpler price incentives such as 10% extra for 'clean' cotton in our South India cotton programme gained the same pricing benefits with none of the certification or compliance costs of Fair Trade. New research on the coffee producers in Latin America is showing those who have actually had the greatest livelihood benefits are those that have not joined certification schemes either Fair Trade or organic as they have diversified, spent more time on farm than in meetings and move between markets. The ideal is obviously Fair Trade in commodities whilst diversifying and moving between markets.
- On-going monitoring is important. Prices change year after year but also between seasons will occur which may change which crops should be promoted, so Oxfam should always keep monitoring price and price forecasts. In Ethiopia, for example, the price of our main competitor (imported palm oil) changed dramatically when the government introduced a cap on import prices, which meant we have had to change our business strategy.

Any lesson to share from global campaigning on trade to its impact on national advocacy and vice-versa?

There was a whole review of the Make Trade campaign that gave some answers to this question. I'll try to find a link, but a few points that came out clearly –

- Links were often weak
- Building the capacity of national political representative organisations representing producers and women's interests at national level were key.
- Oxfam interpreting global policy calls to the national context was a critical organisational role to play.
- Oxfam sometimes was not the right convenor, sometimes they were for national debates

How can we know if the intervention we implemented on a specific value chain did lead to a systemic change?

That is why I have found working with teams through the theory of change for market system interventions very helpful. Taking each one at a time, you can intervene in a way that only deals with the value chain or intervene to actually create systemic change

- Supported innovation to services –
Through support to smallholders or producers organisation such as La Central in Honduras, we offer guarantees to enable access to loans for hundred's or thousand's of its members. We have done this to great effect in the EDP programme. However this is not systemic change. However we are working with Micro-ensure to develop a new insurance service in several countries. In West and Southern Africa we have worked on land rights for women that is the fundamental driver to stop women being able to develop their economic future or have collateral to access many services. In Ethiopia we have changed regional policy on land owners (nearly always men) being recognised as co-operative members, which are critical suppliers of services such as marketing, in agriculture. This is systemic change.
- Market linkages through new business models –
We may work with a processor or manufacturer in country to out-source from smallholders such as Katani in Tanzania. But if we work with them to influence multiple companies across their sector or nationally on how to source from smallholders or women particularly, then we get systemic change. If we work with local Government or the management of the wholesale market to increase access for smaller producers to wholesale markets or a lead firm that is a global brand such as Unilever or Sysco they can link to hundreds of thousands of smallholders through their multiple suppliers.
- Effective and transparent governance –
We may work with a multi-stakeholder group who in effect are the programme management group, but if we work through a sectoral forum such as the Sisal board in Tanzania to act as an arbitrator for contracts or to develop sector support from Government, this can drive the focus or type of pre-commercial investments.
- Public and private investment in pre-commercial assets – see above point.
- Facilitating enterprise development – We frequently offer a guarantee for enterprise finance to specific enterprises or gain mentors. In Ethiopia we are working with Co-operative ministries to offer this support or we facilitate companies to offer pre-finance create formal contracts that can be offered as collateral, this can be systemic change.
- Facilitating productive and resilient agriculture – We often work with communities to create adaptive capacity critical for resilient agriculture. If we can work with companies or Governments to drive this change through national policy or local extension workers practice, we can deliver systemic change.