

RURAL DEVELOPMENT through DECENT WORK

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International
Labour
Office

Learning from Catalysts of Rural Transformation



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Catalysts of Rural Transformation

Loretta de Luca, Hélène Sahy, Saba Joshi, Mayra Cortés

International Labour Office

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PREFACE

Rural development, the creation of more and better jobs leading to higher living standards in rural areas, is a pressing need and high priority in many countries. This is a formidable challenge requiring the alignment of a number of enabling factors, as well as innovations in organizational and social arrangements to succeed. Indeed, across the globe, there are numerous innovative and dynamic individuals and organizations bringing together the efforts of individuals, enterprises, NGOs, unions, and others, and operating under supportive policies and institutions. They are transforming rural settings, seizing opportunities for growth and creating decent and productive work.

This publication reviews 8 such “Catalysts” of rural transformation from different countries. It extracts lessons from their accomplishments, and from how they address the challenges and take advantage of the opportunities encountered on their journey. It also points out to policy makers and development practitioners the type and timing of support that can amplify Catalysts’ work the most, and is thus the most effective.

This publication reminds us of the economic and development potential of rural areas and, most important, the central role of rural men and women, young people, indigenous populations and other groups to unleash that potential.

This publication does not intend to be a piece of advanced academic research. Rather, it privileges an approach that focuses on the individuals behind a particular story, to grasp the background, motivating forces and strategies of the “Catalysts”. It is meant to put the readers in direct contact with the protagonists of the stories, as in a conversation, and create a sense of immediacy and proximity. The key message is that the determination and creativity of people, with basic and well-focused external support, can overcome innumerable rural challenges and transform rural economies and societies.

The examples of the catalysts in this publication contain valuable lessons on success factors for rural transformations based on decent work creation.

We are grateful to ILO rural focal points at Headquarters and in field offices, who have helped select some cases and establish contacts with key informants. We also acknowledge the contribution of Tu Chi Nguyen to the development of the initial research design; and Léa Breton and Marian Fernando’s editing assistance. Thanks are also due to members of the Masters in Development Studies programme at the Graduate Institute of International and Development Studies, Geneva, who participated in this endeavour, in particular Professor Christophe Gironde and Karen Saez.



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List of acronyms

AED:	Academy for Educational Development
ADF:	African Development Foundation
ACP:	African, Caribbean and Pacific Group of States
BDS:	Business Development Services
BDMSA:	Banaskantha DWCRA Mahila SEWA Association
CONTAG:	Confederação Nacional de Trabalhadores na Agricultura (National Confederation of Labourers in Agriculture)
COOPERHAF:	Cooperativa de Habitação dos Agricultores Familiares (Housing Cooperative for Family Farmers)
CTA:	Technical Centre for Agricultural and Rural Cooperation EU-ACP
CUT:	Central Unica dos Trabalhores (Unified Workers Central)
DWCRA:	Development of Women and Children in Rural Areas
ECOWAS:	Economic Community of West African States
EHFN:	Eco-Health Farm Network
ELECTROGAZ:	National Electricity Company of Rwanda
EU:	European Union
FAF:	Federação da Agricultura Familiar (Federation of Family Farming)
FAO:	Food and Agriculture Organization
FETRAF-SUL:	Federação dos Trabalhadores e Trabalhadoras na Agricultura Familiar Na Região Sul (Federation of Men and Women Family Farming Workers of the Southern Region)
FETRAF- Brasil:	Federação Nacional dos Trabalhadores e Trabalhadoras na Agricultura Familiar (The National Federation of Men and Women Family Farming Workers)
FLO:	Fairtrade Labelling Organization
GDP:	Gross Domestic Product
GMO:	Genetically Modified Organism
ICT:	Information and Communication Technologies
ICS:	Internal Control System
IFAD:	International Fund for Agricultural Development
IFED:	Institut de Formation des Entrepreneurs en Développement (Training Institute for Development Entrepreneurs)
IFOAM:	International Federation of Organic Agriculture Movement
IMF:	International Monetary Fund
IMO:	Institute for Marketecology
KNACT:	Knowledge Network of Community Telecentres
LBLA:	Latvian Organic Agriculture Association
MDA:	Ministry of Agrarian Development
MINAGRI:	Rwandan Ministry of Agriculture and Animal Resources
MSF:	Médecins sans Frontières

MSME:	Micro, Small and Medium Enterprise
MST:	Movimento dos Trabalhadores Sem Terra (Landless Workers Movement)
MTC:	Community Multipurpose Telecentres
NICI:	National Information and Communication Infrastructure
NGO:	Non-Governmental Organization
oPt:	occupied Palestinian territories
PFTA:	Palestine Fair Trade Association
PGPAF:	Programa de Garantia de Preços para Agricultura Familiar (Programme of Price Guarantee to Family-Based Agriculture)
PhD:	Doctor of Philosophy
PNCF:	Programa Nacional de Crédito Fundiário (National Land Tenure Credit Programme)
PNHR:	Programa Nacional de Habitação Rural (National Programme for Rural Housing)
PRONERA:	Programa Nacional de Educação na Reforma Agrária (National Programme for Education and Agrarian Reform)
PRONAF:	Programa Nacional de Fortalecimento da Agricultura Familiar (National Programme for Strengthening Family Farming)
PROVAP:	Programa de Valorização da Pequena Produção Rural (Programme for the Enhancement of Small Rural Production)
RDB:	Rwanda Development Board
RTN:	Rwanda Telecentre Network
RUDI:	Rural Urban Distribution Initiative (Network and Multi-brand Company)
SEWA:	Self Employed Women's Association
SHGs:	Self-Help Groups
SGMH:	SEWA Gram Mahila Haat (Village Women's Market)
SMS:	SEWA Managers' School
SINTRAF:	Sindicatos dos Trabalhadores na Agricultura Familiar (Family Farming Workers' Unions)
STFC:	SEWA Trade Facilitation Centre
SWDC:	Stung Treng Development Centre
TLA:	Textile Labour Association
UNDP:	United Nations Development Programme
UNECA:	United Nations Economic Commission for Africa
UNESCO:	United Nations Educational, Scientific and Cultural Organization
UNICEF:	United Nations Children's Fund
UNIDO:	United Nations Industrial Development Organization
USAID:	U.S. Agency for International Development
USD:	United States Dollar
WFPR:	Work Force Participation Rate



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Chapter 1: Introduction

Chapter 1: Introduction

1.1 Objective of the review

Rural areas have considerable untapped potential. Their vast natural resources and human capital can be developed and used more effectively to boost rural growth and development, attract investment, and create productive and attractive jobs with high returns for individuals and their communities.

Worldwide, numerous dynamic individuals, enterprises, associations, institutions, and policies have transformed rural settings by achieving major qualitative changes that have stimulated economic and social advancement, and the creation of more and better employment, thus acting as decent work-based “Catalysts of rural transformation”.

The ILO has analysed a number of such Catalysts in-depth, to understand how they were created and have evolved; how they have been seizing opportunities and tackling challenges; and what types of support could increase their positive impact on rural transformation.

The key objectives of this analysis have been to:

- Identify Catalysts of rural transformation;
- Develop a methodology to analyse Catalysts;
- Understand their functioning, evolution, key elements of success, and challenges faced;
- Widely disseminate their examples, as good practice and lessons learned;
- Raise awareness about the existence of these dynamic rural actors, and about their potential and that of rural areas;
- Formulate key elements of a support framework for Catalysts that national decision-makers, the development community and other practitioners can use to guide their work.

This publication presents the key results and lessons learned from 8 particularly rich cases.

1.2 Key definitions

Box 1: Definitions

What is decent work-based rural transformation?

Major socio-economic changes in rural contexts towards more innovative, higher-return and better performing enterprises; greater and more qualified employment opportunities; better incomes, working conditions and social protection; stronger employers' and workers' organizations and social dialogue; and towards making these opportunities broadly accessible, especially to high-potential but disfavoured groups such as women, youth, minorities, and persons with disabilities.

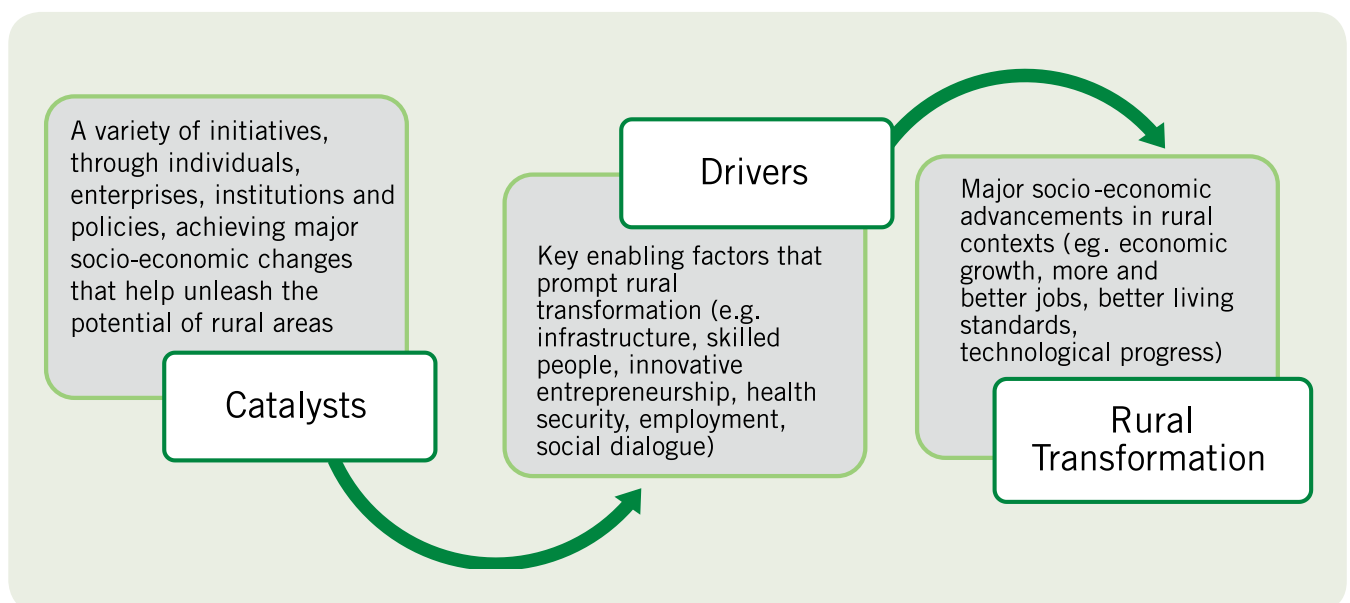
What are “Catalysts of rural transformation”?

A variety of initiatives, through individuals and enterprises (micro-level), associations and programmes (meso-level), institutions and policies (macro-level), achieving major socio-economic changes that help unleash the potential of the rural areas where they operate.

How do Catalysts stimulate rural transformation?

Catalysts are specific initiatives that contribute to one or more “drivers of rural transformation”. These drivers are key enabling factors that prompt rural changes, and include: economic growth; innovative entrepreneurship; infrastructure; finance; basic social and economic services; human and social capital; respect of workers' rights, adequate working conditions and social coverage; and effective local governance, dialogue and institutions.

Box 2: Linking Catalysts to Rural Transformation



1.3 Methodology

Case selection

The cases analysed have been selected based on the size and scope of their impact, and their capacity to bring about meaningful social, economic and political changes in the rural areas where they operate. Attention was also paid to provide a balanced coverage of geographical regions, types of actors, sectors and disadvantaged groups targeted by Catalysts.

Cases were selected by the ILO's Rural Employment and Decent Work Programme in Geneva, with the assistance of rural focal points in ILO field offices worldwide. The Catalysts retained in this initiative are “endogenous”, in the sense that they originate from the rural area or country where they operate, rather than stemming from external projects (e.g., from an international agency or NGO).

Review process

Each case was initially reviewed using a number of secondary sources, particularly websites, reports, publications, and information from contacts. Interviews with the representatives or founders and, wherever possible, with beneficiaries of the Catalysts, were then conducted to check facts and obtain complementary information.

Box 3: Geographic Location of the 8 Catalysts Reviewed



1.4 Structure and overview of the 8 cases

This report is composed of a detailed case-study for 8 Catalysts (Chapters 2-9) and a synthesis on the findings and general lessons from the cases analysed (Chapter 10).

The analysis and lessons learned cover key features of the catalysts' founders; the rural transformation achieved; opportunities seized and challenges tackled in creating, expanding, and ensuring long-term success; and finally, of how best to support catalysts.

- **The Eco-Health Farm Network (EHFN)**, in Latvia, is a Non-Governmental Organization (NGO) for small-scale organic farmers engaged in eco-tourism and the production and sale of healthy goods and services. It aims to improve the health and natural environment of local communities and international visitors. EHFN provides a number of products and services to farm visitors, and conducts seminars and practical trainings on various themes related to farming, health and nature, using its knowledge-sharing network. Founded in 2006, it has 70 members across the country, many of whose farms welcome over 1,000 guests a year.
- **The Federation of Men and Women Family Farming Workers (FETRAF)**, in Brazil, is a trade union for family farmers that works to improve their products and services, along with their living and working conditions, by setting up cooperatives, providing its members with technical support and social security services, and advocating policy change at the national level to support small farming. Set up in 2004, today it represents over 500,000 family farmers¹ across 18 states in Brazil and has significant influence on policy-making in the country.
- **La Chetina**, in Peru, established in 2007 by a woman belonging to the indigenous Quechua community, it began as a micro-enterprise of 6 people producing and selling agricultural-based products. Today it has 3 stores in the Chachapoyas province of Peru, generates employment for over 50 local farmers who provide agricultural input for its production process, and successfully promotes the consumption of local products that are also sold in other provinces.
- **The Nyamata Telecentre and Rwanda Telecentre Network (RTN)**, in Rwanda, are, respectively, an enterprise with 25 employees in one village, and an NGO with 140 members across the country.² They empower rural communities through Information and Communication Technologies (ICTs). The Nyamata Telecentre, launched in 2004, is a hub for information, products and services for the local population, businesses and government in the Nyamata area; while the Network, launched in 2006, creates and supports rural telecentres across Rwanda.
- **The Palestine Fair Trade Association (PFTA)**, in the occupied Palestinian territories (oPt), is a producers' union that empowers local farmers through training that enables them to be certified in fair trade and organic farming and handicrafts, and facilitates their access to international markets. Created in 2004, PFTA now represents 1,700 farmers organized in about 50 cooperatives, and is the largest fair trade producers' union in Palestine.

1 FETRAF-Brasil: *Who are we?*, brochure.

2 Paul Barera, interview, 20 August 2012.

- **The Self-Employed Women's Association (SEWA)**, in India, is a trade union and a movement that has organized 1.75 million self-employed women, 66 per cent of whom are from rural areas. It helps them achieve productive employment and self-reliance through collective action and cooperation, while providing them with key services, such as savings and credit, health care, child care, insurance, legal aid, capacity building and communication services. Launched in 1972, in Gujarat, SEWA has now spread to 12 other states in India.
- **Songhaï**, in Benin, is an NGO that started in 1985 with minimal resources. Today it encompasses training, production, and research centres specialized in integrated environmentally and economically sustainable agriculture and processing activities. Its 1500 employees train more than 700 people per year in 6 centres across Benin and 11 in Nigeria,³ to enable them and their communities to reach self-reliance by building their capacities to become innovative entrepreneurs.
- **Stung Treng Women's Development Centre (SWDC)**, in Cambodia, is an NGO established in 2002 that develops skills and decent livelihoods for disadvantaged women in the North East province of Stung Treng. It is the founder of a successful silk production and weaving enterprise called "Mekong Blue", whose products are marketed internationally, and currently employs 80 people, most of whom are women.



3 Songhaï: "Songhaï et ses réalisations", Presentation document, 2013.

1.5 Lessons for effective support

Concerning the most effective types of support, this analysis suggests that governments, the development community, and other stakeholders can best support catalysts by:

- Easing their access to economic infrastructure (e.g., electricity, roads, ICTs), at low cost;
- Ensuring their access to social infrastructure (e.g., healthcare, childcare, insurance) and to decent working conditions;
- Promoting and disseminating their products and services, to increase their returns, and those of their beneficiaries and clients;
- Promoting and disseminating their approach, to encourage their recognition at local, national and international levels, thus ensuring community-based, institutional, and broader support;
- Facilitating the creation of information- and knowledge-sharing networks for and with their beneficiaries, peers, partners and authorities;
- Enabling them to reach authorities, and to impact decision-making.



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Chapter 2: Eco-Health Farm Network (EHFN), Latvia

Executive Summary

Founded in the early 2000s, the Eco-Health Farm Network (EHFN) supports small-scale producers in rural Latvia to integrate organic farming practices, health services, environmental preservation, and educational tourism into their work. As a knowledge-sharing network, the EHFN aims to help its members become economically and environmentally sustainable through capacity-building activities enabling them to develop healthy and productive lifestyles. It also helps disseminate their approach and its benefits across local, national and international communities by selling high-quality healthy food, delivering a variety of health treatments, organizing educational sessions about farming, health and nature, and receiving tourists on their farms.

For Mara Bergmane, founder of the network, the concept of an “Eco-Health Farm” originated at the end of the 1980s, when she and her husband started to practice a type of agriculture that would enable them to live and work in healthier conditions, and realized it could be coupled with revitalizing ancient Latvian rural knowledge about farming, health and the environment, strengthening it with modern sciences, and sharing this knowledge with visitors. This approach would help tackle 3 major problems encountered by Latvians, particularly rural dwellers: poor health conditions due to, among others, overuse of substances and chemicals in medicine and in agriculture; the degradation of the natural environment largely linked to the industrial farming model of the Soviet occupation that favoured mono-culture and the overuse of chemicals; and the precarious economic situation of small-scale producers, who faced tough competition from larger and more subsidised industrial farms in Latvia and in other European countries.

Ms. Bergmane and her husband gradually gathered several other Latvian small farmers who were particularly interested in integrating health, tourism and ecological farming activities. Developing the EHFN was however a lengthy process as there was little funding to enable its founders to work less on their own farms and devote time to initiate and advertise the network's activities, and to find partnerships with agricultural, health or environmental experts. Financial resources remain an important issue for the network, but its devoted and increasingly numerous national and international members, as well as interested specialists, enable it to continue its successful capacity-building work.

Today, the EHFN includes 70 organic farms working on over 2,800 hectares, and actively sharing knowledge, experiences, best practice and seeds, at the network as well as at the individual levels, to support each other. The EHFN offers monthly training lectures and workshops, given by experts or specialized members on topics requested by farmers, from biodynamic farming and acupuncture to cosmetics, and annual learning field excursions to model farms in Latvia and Europe. Through articles, networking at national and international levels, and participation in various events and exhibitions, the network also promotes members' achievements and activities, thus widening their positive impact.

Section 1: Introduction and Context

1.1 Introduction

The Eco-Health Farm Network (EHFN) is a network of approximately 70 organic farms that works to improve the general health and economic conditions of Latvians and other Eastern Europeans while preserving their natural environment, through the integration of organic farming, traditional and modern medicines, educational and tourism activities. These farms certified by the EHFN, produce healthy and high-quality organic food, deliver specific health services, and receive as visitors, schools, local communities, as well as national and international tourists.

Created in the early 2000s, the EHFN's goal is to promote an approach that jointly addresses health, economic and environmental issues, and which supports small-scale organic farmers who have difficulties competing with cheaper products coming from large industrial farms or from European countries with high subsidies for farm products. The network's founder, Mara Bergmane, experienced herself these difficulties on her own organic family farm that she started with her husband Dainis Bergmanis, at the end of the 1980s, and they thus quickly started networking with other small farmers in Latvia as well as from other countries to share knowledge and difficulties, and to find solutions together. In 1994, they first created the Latvian Organic Agriculture Association (LBLA), and started organizing farmers who were particularly interested in the Bergmanes' approach stressing the importance of preserving Latvian traditions as well as their natural environment.

Since its formalization in 2006, the network has supported some 70 members through knowledge sharing, capacity building, and promotional activities. It has mobilized national and international experts in a variety of medical, agricultural and environmental disciplines, such as phyto-therapy, permaculture and biology, in order to revitalize traditional Latvian healing and farming practices, effectively merging them with modern sciences, as well training its members. All that has improved productivity, profitability and living conditions. Members can now sell higher value-added products and services to a larger market, while also improving their health and living conditions as well as those of local communities, and those of national and international visitors through health services and educational and tourism activities.

1.2 Context

The 2.2 million people living in Latvia¹ are spread over a territory of nearly 65,000 km squares.² More than 33 per cent are concentrated in the capital, Riga,³ while over 30 per cent live in rural areas⁴ where the population density is thus very low.⁵

In 2011, Latvia was ranked 43rd on the Human Development Index rank, with a life expectancy of 73 years, an adult literacy rate of 99.8 per cent, and close to no severe poverty.⁶ In 2007-2008, the unemployment rate was approximately 7 per cent, but with the economic crisis rose to over 16 per cent, over half of which is long-term unemployment.⁷

The country's GDP in 2011 was over USD 28 billion,⁸ and the following year, its growth reached 6.8 per cent, the highest in the European Union.⁹ The service sector dominates, representing 70 per cent of the GDP, followed by industry at 25 per cent, and agriculture at nine per cent. The share of the labour force employed in these sectors approximately corresponds to those figures.¹⁰ As forests constitute 45 per cent of the territory,¹¹ wood processing (timber for construction and paper)¹² is an important industry. Exports from this industry represent a major part of the GDP, as well as from food and wood products, metals, machinery, and textiles.¹³ Tourism is also well developed.¹⁴

Latvia has been independent since 1920, but was occupied by the Soviet Union from 1940 to 1941, by Germany from 1941 to 1945, and again by the Soviet Union until 1991.¹⁵ In 2004, it became a member of the European Union.

During the Soviet occupation, agricultural lands were nationalized;¹⁶ farmers no longer owned their lands and management was organized collectively. Over half of the lands were used to produce fodder for cattle that supplied the Soviet Union with dairy products; and many holdings were left unused and became forests. These large collective farms were not particularly productive, and the private holdings given to some privileged

- 1 Data, Latvia, World Bank, 2013, <http://data.worldbank.org/country/latvia> (accessed 18 December 2012).
- 2 Latvia, EU, 2013, http://europa.eu/about-eu/countries/member-countries/latvia/index_en.htm (accessed 18 December 2012).
- 3 Op. cit. Latvia, EU, 2013 (accessed 18 December 2012).
- 4 Latvia, UN data, 2013, <http://data.un.org/CountryProfile.aspx?crName=LATVIA> (accessed 19 December 2012).
- 5 Latvia - population density, Index Mundi, 2010, <http://www.indexmundi.com/facts/latvia/population-density> (accessed 28 January 2013).
- 6 UNDP: *Human Development Report 2011. Sustainability and Equity: A Better Future for All*, New York, 2011, pp.126, 127, 143,158.
- 7 World Bank Supports Latvia's Policy Efforts to Boost Employment, World Bank, 2012, <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/EUEINPEXTN/0,,contentMDK:23206322~menuPK:590772~pagePK:2865066~piPK:2865079~theSitePK:590766,00.html> (accessed 18 December 2012).
- 8 Data, Latvia, World Bank, 2013, <http://data.worldbank.org/country/latvia> (accessed 18 December 2012).
- 9 Latvia's successful recovery not easy to replicate, International Monetary Fund, 2012, <http://www.imf.org/external/pubs/ft/survey/so/2012/car061112a.htm> (accessed 19 December 2012).
- 10 The World Factbook - Latvia, CIA, 2012, <https://www.cia.gov/library/publications/download/download-2012/index.html> (accessed 12 May 2013).
- 11 Latvia, The Cabinet of Ministers of the Republic of Latvia, 2013, <http://www.mk.gov.lv/en/latvija/> (accessed 18 December 2012).
- 12 Op. cit., Latvia, EU, 2013 (accessed 18 December 2012).
- 13 Op. cit., The World Factbook, CIA, 2012 (accessed 12 May 2013).
- 14 Op. cit., Latvia, EU, 2013 (accessed 18 December 2012).
- 15 Latvia in Brief, The Latvian Institute, 2012, <http://www.latvia.eu/library/latvia-brief> (accessed 18 December 2012).
- 16 M. Bergmane: "History and vision of the Latvian eco-health farm network", in *Arch Noah Magazine* No.2/2012, April 2012, p. 1 (Translated from German by Aistraa G.A.).

Soviet authorities became very important to national agricultural production to feed the local population.¹⁷ Following Latvia's independence, ownership of land was returned to farmers.¹⁸ However, agricultural production decreased because farming equipment, which was not given back with the lands, became very expensive. There was also not enough fodder produced for Latvian cattle, and meat production was thus the sector that declined the most. Beetroot production doubled between 1994 and 1998, and forestry products also increased, as sugar, timber and paper were easily exportable, and the country was looking for hard currency.¹⁹

Conditions of rural areas in Latvia

The main challenge encountered, especially by small-scale Latvian farmers, is competition from large-scale industrial farms from other EU countries with highly subsidized agricultural programmes.²⁰ Between 2001 and 2010, the number of agricultural holdings decreased by 50 per cent, as many small and medium farms closed down. Only large agricultural holdings could survive, and today, 1.4 per cent of Latvian farmers work on over 36 per cent of the land. Since 2007, the number of people employed in agriculture has been decreasing by over 20 per cent every year. In 2010, Latvian agriculture had only 180,000 workers left (just over 8 per cent of the population), of which only 16.5 per cent were employed full-time. Increasing unemployment in the sector further diminished the population density in rural areas as people migrated to cities to find paid work.²¹

Latvia's agriculture is currently at risk as it concentrates on only two sectors: field crops and dairy, which account for nearly 70 per cent of the country's total agricultural production whose sales are highly dependent on the international market. From 2007 to 2011 the share of field crops grew from 33 to 45 per cent, and that of dairy products from 16 to 21 per cent.²²

This model does not favour small-scale farmers and labour-intensive techniques, and thus reduces the important employment potential of agriculture. Farmers and the larger population are also exposed to a higher number of chronic diseases linked to the overuse of herbicides and pesticides in agriculture.²³

Yet, agriculture and rural areas as a whole have important development potentials in sectors that already exist, but which are still not sufficiently valued and used. For instance, the health conditions of farmers and rural dwellers can be improved by traditional Latvian farming and healing practices that can be rediscovered, combined with modern knowledge, and developed to generate much needed and profitable products and services. Herbal saunas have become an important healing method in Latvia that is now being revived

17 *Latvia - Agriculture*, Encyclopaedia of the Nations, 2013, <http://www.nationsencyclopedia.com/economies/Europe/Latvia-AGRICULTURE.html> (accessed 19 December 2012).

18 Op. cit., M. Bergmane, 2012.

19 Op. cit., *Latvia - Agriculture*, Encyclopaedia of the Nations, 2013.

20 Mara Bergmane, Ashoka, Fellows, 2003, <https://www.ashoka.org/fellow/mara-bergmane> (accessed 18 December 2012).

21 Central Government of the Republic of Latvia: *Latvia Statistic, Annual Report 2011*, Riga, 2012, http://www.csb.gov.lv/sites/default/files/par_mums/_gada_parskats_2011_en.pdf (accessed 18 December 2012).

22 Ibid.

23 Op. cit., M. Bergmane, 2012.

across the country.²⁴ Organic agriculture, without the use of chemicals and respecting the environment (as well as living and working conditions in rural areas) can also be widely developed. In 2010, 8 per cent of Latvian farmers were already using organic techniques.²⁵

There is also considerable scope for improving the productive capacities and efficiency of smallholdings. In 2010, for instance, over 56 per cent of the farms concentrated on subsistence production and this production was not sold.²⁶



24 M. Bergmane, interview, 6 December 2012.

25 Op. cit., Central Government of the Republic of Latvia, 2012.

26 Ibid.

Section 2: Analysis of the Catalyst

2.1 Why was it created?

Purpose

The main goal of the EHFN is to enable its members to live healthily, in a natural environment, by eating healthy food, accessing and delivering health services, and continuously learning about health and ecosystems,²⁷ while being productive and profitable entrepreneurs. The EHFN also wants its members to disseminate their farming and healing practices in local, national and international communities. It also aims to revive a sense of solidarity among small-scale farmers,²⁸ to enable them to support one another.

To achieve these goals, the EHFN helps its members, as well as all interested organic farmers, develop alternative models to industrial agriculture and mass tourism, both individually and collectively at the network's level, to enable them to achieve “harmony between natural systems and human health”²⁹ on their farms. The network promotes farming and medical practices that integrate organic and environmentally sustainable agriculture, the health of the farmers, their visitors and the local communities, nature preservation, and rural tourism.³⁰

The approach adopted by the EHFN aims to revitalize the Latvian traditional knowledge about farming, health, and nature that producers, healers and rural dwellers had in the past, and to combine it with the modern knowledge in these fields that national and international scientists and doctors can provide.³¹ The network's members are thus continuously learning about these various disciplines to be able to adapt them and integrate them effectively into their farming, healing, educational and touristic activities, and to their ecosystems.

The EHFN also works on strengthening collaborations among its members so they can share experiences, exchange seeds, or conclude commercial partnerships. It also organizes a variety of monthly and annual capacity-building trainings and events to update and strengthen their knowledge.³² As EHFN members believe that all Latvians can benefit from improvements in their health, working conditions, and living environment, the network also advocates for its innovative farming and tourism model at the national and international levels. These awareness-raising activities are attracting the attention of increasing numbers of farmers and other interested stakeholders to the network and its

27 M. Bergmane, interview, 6 December 2012.

28 *Eco-health farms: Creating alternatives to mass tourism*, Ashoka, 2008, <http://www.changemakers.com/competition/geotourism2008/entries/eco-health-farms-creating-alternatives-mass-tourism> (accessed 5 December 2012).

29 Op. cit., *Eco-health farms*, Ashoka, 2008 (accessed 20 December 2012).

30 Ibid.

31 G. A. Aistara: “Weeds or Wisdom? Permaculture in the Eye of the Beholder on Latvian Eco-Health Farms”, in J. Lockyer, and J. Veteto (eds): *Environmental Anthropology Engaging Ecotopian Imaginaries: Bioregionalism, Permaculture, and Ecovillages for a Sustainable Future*, Berghahn Books, forthcoming.

32 M. Bergmane, interview, 6 December 2012.

members' goals and initiatives, which in turn boosts the network's human resources, its main asset.³³

Relevance

The EHFN's approach tackles 3 main difficulties in Latvian rural areas: worsening health, environmental degradation, and decreasing employment opportunities.³⁴

The health of the Latvian (and Eastern European) population is significantly poorer than in other EU countries. Among the main causes of this low level of physical well-being are: chronic illnesses; alcohol abuse; improper and excessive use of pharmaceutical medicines; and the presence of herbicides and pesticides in agriculture.

To address the issues of health and environmental degradation, the network stresses the need for farmers and their local communities to learn about illness preservation and environmental preservation, and the importance of using healthy organic products and health natural treatments. The EHFN enables its members to efficiently produce, process, and market healthy organic food using methods that respect their own health and natural environment, for instance by not using chemical fertilizers or herbicides and pesticides; and to deliver a variety of traditional and modern medical services to their local communities and to visitors. One unique feature of the network is its touristic dimension, which widens its impact, not only in rural areas but also in urban Latvia, as well as internationally as the farmers can disseminate their practices and ideas worldwide through their visitors. The exchanges at local, national and international levels also improve their farming and medical techniques, while the revenues from these educational and touristic activities increase farms' profitability.

The EHFN also addresses the issue of competition from goods produced by the large holdings. This competition often forces smallholders to lower their prices below production cost, thus pushing them to reduce the number of their employees, and often, to close down altogether.³⁵ The EHFN thus trains its members to become more productive, and helps them to specialise in high-quality agricultural and health products and services, which they can then profitably sell to the local population.³⁶ Local communities benefit from the revitalisation of villages resulting from the productive businesses EHFN members. Promoting small-scale farming is also relevant at the national level, as it is now recognised that Latvian small family producers are more productive than larger industrial farms.³⁷ Moreover, increasing the number of small-holders contributes to reduce the on-going rural to urban migration in Latvia as it increases the number of jobs in rural areas.

The network's model is also innovative because it revives the traditional ways of working and living in rural areas and adapts them to contemporary life. It is also locally relevant, as members can build on the valuable and effective traditional knowledge already possessed by some.³⁸

33 M. Bergmane, interview, 6 December 2012.

34 Op. cit., *Mara Bergmane*, Ashoka Fellows, 2003.

35 Ibid.

36 Op. cit., *Eco-health farms*, Ashoka, 2008 (accessed 20 December 2012).

37 Op. cit., M. Bergmane, 2012.

38 Op. cit., M. Bergmane, 2012, p.1.

2.2 How was it created?

The founder

Mara Bergmane had years of practice in producing food and health products and delivering health services on her own farm, and had already worked for the community before founding the EHFN.³⁹

Born in 1951 in Dundaga, a village in North West Latvia, she graduated from the University of Latvia in Riga, where she studied culture and library science. She first taught history, then became the director of the Renda Cultural Center; both jobs gave her the opportunity to learn about her country's history and tradition.⁴⁰ She also became politically involved to promote Latvia's independence and democracy, and directed the Renda Popular Front.⁴¹

In 1986, as she and her children developed serious health issues that were not resolved using classical medical treatments, Mara Bergmane started to search for and use alternative treatments, such as herbal healing and traditional saunas. These treatments, combined with the consumption of healthy and nutritious products, gradually improved their health, and led her to the idea of creating an “Eco-Health Farm”,⁴² where healthy food would be produced and sold, and health services delivered, to improve her family's living conditions as well as those of the community. The opportunity came when, following Latvia's independence from the Soviet Union, Mara Bergmane was able to reclaim her family farm in Renda Parish,⁴³ which had been nationalized in the 1940s.⁴⁴ With her husband, she started a 120-hectare farm called the “Upmali (“riverside” in Latvian) Eco-Health Farm”.⁴⁶

The beginnings were difficult as farming equipment and animals were not given back with the farm, and the couple had to start with only one cow and no financial resources.⁴⁷ However, they were keen to learn, and also received valuable technical support from German and American farmers that they contacted to learn about organic and biodynamic agriculture.⁴⁸ As these farming practices are based on the integration of the soils, plants and animals to achieve a holistic and productive harmony through their interactions, animal manure and other natural specific composts are used instead of chemical fertilizers, herbicides or pesticides. To practice locally-adapted agriculture, Mara Bergmane, her husband and their colleagues also started learning about traditional agriculture methods from local farmers.⁴⁹

To prepare for their work, they learned about traditional Latvian healing methods from

39 M. Bergmane, interview, 6 December 2012.

40 Op. cit., *Eco-health farms*, Ashoka, 2008 (accessed 20 December 2012).

41 Op. cit., *Mara Bergmane*, Ashoka Fellows, 2003 (accessed 6 February 2013).

42 Ibid.

43 Op. cit., M. Bergmane, 2012.

44 Op. cit., *Eco-health farms*, Ashoka, 2008 (accessed 5 December 2012).

45 *Par Mums*, Anna Bergmans, 2013, <http://anna-bergmans.eu/parmums.html> (accessed 7 February 2013).

46 Op. cit., M. Bergmane, 2012.

47 M. Bergmane, interview, 6 December 2012.

48 Op. cit., M. Bergmane, 2012.

49 Ibid.

Dainis Bergmanis' mother and several others, and received training from doctors specialized in anthroposophical medicine,⁵⁰ which stresses the linkages between the body, the mind and the spirit, and combines several types of prophylactic and alternative and traditional methods, such as homeopathy, naturopathy and energy therapies.

Mara Bergmane and her husband began producing medicinal herbs and food first for themselves, then progressively started selling healthy food, such as natural herbal teas with specific healing properties. They also started delivering health services, such as herbal healing saunas, and organizing educational trainings, such as camps about nature and health,⁵¹ turning their farm into a demonstration centre.⁵²

Since 1991, the Upmali products are certified “Demeter” (that is, from biodynamic agriculture), and organic since 1996, and are sold at a profitable price as they are recognised as having high nutritional value. Since 2002, the farm is registered as a herbal tea manufacture, which generates a significant income as the products are processed directly on the farm and sold with added value.⁵³



Creation – Initial opportunities, support, and challenges

Once their farm was launched, Mara Bergmane and her husband quickly started organizing organic farmers in the area to support each other's work. Together, they began organizing learning seminars about alternative agricultural and health practices, and on how to sell value-added products to be economically profitable.⁵⁴ In 1994, with other friends and farmers across the whole country, they officialised and widened their collaborations by creating the Latvian Organic Agriculture Association (LBLA),⁵⁵ to support organic farmers and increase their number across the country.

Within this association, they progressively decided to regroup LBLA members who also wanted to work on “the integration of environmental protection, health, and organic farming”,⁵⁶ to improve health and working and living conditions, through educational and sharing activities on their farms. In the early 2000s, this small group of farmers thus started to promote and organize activities linking health, organic farming, and tourism.⁵⁷ Safeguarding and revitalizing the useful knowledge and traditions of rural Latvia was also one of their goals.⁵⁸

50 Op. cit., *Eco-health farms*, Ashoka, 2008 (accessed 20 December 2012).

51 Ibid.

52 M. Bergmane, interview, 6 December 2012.

53 *Anna Bergmans šogad plāno apgūt Vācijas tirgu* (Anna Bergman plans to target the German market), FinanceNet, 2011, http://financenet.tvnet.lv/nozares/360558-anna_bergmans_sogad_plano_apgut_vacijas_tirgu (accessed 7 February 2013).

54 Op. cit., *Mara Bergmane*, Ashoka Fellows, 2003 (accessed 6 February 2013).

55 Op. cit., M. Bergmane, 2012.

56 M. Bergmane, interview, 6 December 2012.

57 Op. cit., *Eco-health farms*, Ashoka, 2008 (accessed 5 December 2012).

58 Op. cit., M. Bergmane, 2012.

The programme of activities developed by these LBLA members was the informal beginning of the Eco-Health Farm Network (EHFN), which was officially registered as an independent organization in 2006. The EHFN members are not only organic producers, but also have to produce and deliver healthy goods and health products and services, while ensuring the long-term preservation of their environment. Further, they have to share information about their practices within the EHFN network, as well as with the local communities and visitors to spread this valuable knowledge, continuously adapt it, and improve the health of the wider public.⁵⁹

The network started with 30 farms, and has grown to approximately 70 members.⁶⁰ They work on farms which vary in size from 20 to 120 hectares, and which represent a total surface of 2,800 hectares, over 20 per cent of organic certified surfaces in Latvia.⁶¹

Before formally creating the EHFN, Mara Bergmane, her husband and other interested farmers had already been working for over 6 years on agro-tourism and health programmes within the LBLA.⁶² Therefore they all had knowledge and practical experiences about integrating health and tourism with organic farming activities.

What enabled Mara Bergmane to officially found the EHFN was her appointment as an Ashoka Fellow in 2003 by the NGO Ashoka, which identifies innovative social entrepreneurs addressing current social issues worldwide, promotes their ideas, and supports them to realize their activities.⁶³ Ashoka recognized Mara Bergmane's model as highly innovative, and her project of creating a strong network of such farms as having the potential to widen the approach's positive impact by reaching more farmers, and thus a larger number of local communities and visitors.⁶⁴ It granted her USD 200 per month (roughly her income at that time)⁶⁵ for 2 years to help her set up the network. This enabled her to invest time to build the EHFN,⁶⁶ and to attend complementary training, for instance on how to organize a training centre.⁶⁷

Once launched, the EHFN searched for and received various small grants from national and international entities supporting grassroots movements aimed at preserving the natural environment⁶⁸, such as from the NGO Friends of the Earth Latvia.⁶⁹ A grant of 5,000 Lats (approximately USD 9,500), from a Latvian bank, enabled the network to develop and print its first presentation and advertising booklet, organize and pay for its first series of farmers' capacity building seminars, and publish a book from a Latvian

59 Op. cit., M. Bergmane, 2012.

60 M. Bergmane, interview, 6 December 2012.

61 *Vides veselības saimniecības* (Environmental Health Farm), Lauku Tikles, Zivsaimniecības Sadarbības tīkls, Latvijas Lauku Konsultāciju Un Izglītības Centrs, 2009, http://www.laukutikls.lv/biologiska_lauksaimnieciba/organizacijas/515-vides-veselibas_saimniecibas (accessed 6 February 2013).

62 M. Bergmane, interview, 6 December 2012.

63 *What is a Social Entrepreneur*, Ashoka, https://www.ashoka.org/social_entrepreneur (accessed 6 February 2013).

64 *Mara Bergmane of Latvia a finalist at Geotourism Challenge Summit*, Embassy of Latvia, <http://www.mfa.gov.lv/en/usa/news/mara-bergmane-of-latvia-a-finalist-at-geotourism-challenge-summit/> (accessed 5 February 2013).

65 M. Bergmane, interview, 6 December 2012.

66 Op. cit., *Eco-health farms*, Ashoka, 2008 (accessed 5 December 2012).

67 M. Bergmane, interview, 6 December 2012.

68 *Latvia*, Latvijas Zemes Draugi / Friends of the Earth Latvia, <http://www.foei.org/en/who-we-are/member-directory/groups-by-region/europe/latvia.html> (accessed 22 February 2013).

69 Op. cit., *Eco-health farms*, Ashoka, 2008.

pharmacologist presenting and teaching traditional recipes.⁷⁰

The most important initial challenge encountered by the founders was the limited amount of time they could invest in extra-farming activities. In the early 1990s, they had just started their own farms, and their time was thus dedicated to learn more about farming, and to launching their enterprises. They did take time to share experiences with one another and to organize capacity-building seminars and invite national and international specialists, but not as many as they would have liked.

Only once their businesses became sustainable at the end of the 1990s were the founders able to meet more often, and create the LBLA to support each other in a more organized and effective way. However, leaving their farm for one or several days to organize trainings or attend trainings remains complicated for farmers.⁷¹

2.3 How does it currently work?

Structure

The EHFN is registered in Latvia as an independent organization, which means that it is not formally linked with or financed by other entities. Mara Bergmane describes the network's decision-making structure as “informal, democratic governance”.⁷² The EHFN has an informally elected managing board that takes decisions, but none of its 7 members is remunerated. The decision-making process is also informal; members discuss and take decisions “like a group of friends”.⁷³ At the beginning of every year, they jointly decide the kind of knowledge they need or would like to acquire during the year, and organize capacity building trainings and excursions accordingly. For instance, Mara Bergmane is currently keen on acupuncture, hence the EHFN is organizing a series of training on this practice.⁷⁴

Responsibilities within the network are shared according to the interests and knowledge of each member. For instance, the EHFN's founder is no longer in charge of information exchanges as the network has a young member more interested and versed in this task. If one member is in contact with a doctor specialized in a field of interest to the network, he or she can then take charge of the trainings related to this speciality. Overall, each member is responsible for him or herself, as well as for strengthening and improving the network's activities by: sharing his or her needs and interests to help the network find appropriate responses; bringing information from their experiences on his or her farms, or from other sources; offering trainings; and selling or exchanging products. However, members can freely choose their degree of involvement in the network's activities.⁷⁵

70 M. Bergmane, interview, 21 February 2013.

71 M. Bergmane, interview, 6 December 2012.

72 Op. cit., M. Bergmane, 2012.

73 M. Bergmane, interview, 6 December 2012.

74 Ibid.

75 Ibid.



There are strict conditions for becoming an EHFN member and to be allowed to use the “Eco-Health Farm” brand, which is recognised today in Latvia and other European countries as a guarantee of healthy and high-quality products. Members have to be certified organic, have some officially recognised medical training, offer health products and services, spread their knowledge, and manage their house and surroundings ecologically, for instance by recycling wastes, composting, or building with eco-friendly materials.⁷⁶

Funding for the EHFN comes from its approximately 70 members located throughout Latvia. All members pay a fee, and self-sponsor the seminars, workshops, trainings, and excursions in Latvia and abroad that they attend. As the network’s funds are limited, EHFN has only one paid employee, a part-time accountant, and does not have any headquarters. However, it can always borrow spaces from the LBLA, with whom it works in close collaboration.⁷⁷

Activities

The common goal of EHFN’s farmers is to develop a harmony between humans and nature, to live and work in healthy conditions, and to enable others to discover, enjoy, and learn from their practices. They all produce and process organic food, including fruits, vegetables, dairy and herbal teas, and sell them in local and national markets and, increasingly, to other European countries.⁷⁸ They also deliver a variety of health services, from traditional treatments of herbal steam saunas and massages to nutrition counselling, which are sold to visitors, or simply provided as information to the local population, such as indicating where to find a specific medicine or professional referrals.⁷⁹

The uniqueness of this approach is linking different activities in an integrated way, and the dissemination of knowledge to improve the lives of the broader communities, including

⁷⁶ Op. cit., *Lauku Tikles, Zivsalmniecibas Sadarbibas tikle, Latvijas Lauku Konsultaciju Un Izglitiba Centres*, 2009 (accessed 6 February 2013).

⁷⁷ M. Bergmane, interview, 6 December 2012.

⁷⁸ Op. cit., *Eco-health farms*, Ashoka, 2008.

⁷⁹ Op. cit., M. Bergmane, 2012.



through tourism. For instance, one farmer on land with several endangered species of plants offers well-being sauna treatments with these plants, and also offers tours of her property, presenting the endangered Latvian ecosystem. Another farmer grows and sells over 100 varieties of fruits, and also explains to his guests the impact of eating fruits on health, and the differences between his ancient varieties and those consumers find in conventional markets.⁸⁰ Yet another breeds cows, grows fruits, serves traditional dishes, and she also treats visitors with saunas as well as a musical therapy based on local traditions. After buying their high-quality and healthy products, benefiting from their health services, and visiting their farms; tourists are also encouraged to consume organic products, preserve their own health, start food and medicinal herbal gardens, preserve their natural environment, and improve their working and living environment in general.⁸¹

As concerns the network, to support its members' work and enable them to produce and deliver high-quality products and services, as well as make their enterprises economically sustainable, the EHFN organizes capacity-building events. These include monthly lectures and workshops on a variety of themes, ranging from breeding specific and locally adapted plant and animal species, to using and developing traditional as well as modern environmentally sustainable agricultural techniques,⁸² to maintaining and enhancing one's health with food and traditional prophylactic and healing methods. These trainings sessions are organized by EHFN members, and are taught by the members themselves or external health and environment experts. For instance, a member offered training on the preparation of herbal facial creams;⁸³ doctors are available to deliver anatomy

80 Op. cit., M. Bergmane, 2012, p.1

81 Op. cit., *Eco-health farms*, Ashoka, 2008.

82 Op. cit., M. Bergmane, 2012.

83 Op. cit., *Lauku Tikles, Zivsalmniecibas Sadarbības tīkls, Latvijas Lauku Konsultāciju Un Izglītības Centrs*, 2009.

workshops;⁸⁴ and nutritionists offer classes on healthy cooking.⁸⁵ This collaboration also benefits external specialists offering trainings, as they discover the members' practices and their effects on the ground. These lectures, workshops and seminars are open to non-EHFN members, to help them benefit from the network's efforts and to invite them to join.⁸⁶

Capacity building activities include field excursions that allow EHFN members to learn by observing the practices of others. A trip is organized every summer to a network of members' farms in Latvia, and another is organized every spring or fall to another country to visit farmers providing health-care services and producing goods in an environmentally sustainable way.⁸⁷

Capacity-building meetings and excursions are also opportunities for EHFN farmers to discuss practices, trade seeds and seedlings, share knowledge and difficulties, and find solutions together.⁸⁸ The network also maintains an updated list of members and their specific activities to encourage them to directly contact each other and collaborate bilaterally, according to their locations and areas of interest, to mutually learn about farming and medical techniques, and also to establish partnerships to exchange or buy each other's products to strengthen their businesses. For instance, some farmers find inputs for their activities within the network, such as buying the sauna treatments.⁸⁹

Lastly, as the goal is not only to improve their own living and working conditions, but also those of the Latvian population and beyond, the network broadly advertises its activities. One important instrument is a yearly booklet explaining the network's goals and approach to health, farming, and nature. The booklet promotes the features offered by the individual farms to encourage people to visit them. At present about 30 farms are used for advertising purposes, acting as demonstration centres where members exchange with their visitors, and offer trainings and services in their specific fields.⁹⁰ Advertising for the farms is also crucial to ensure their economical profitability as visitors also purchase their products and services.

Publications in various newspapers about the network or its farmers and special events also help the EHFN gain recognition. For instance, at its participation in 2012 in a two-month exhibition at the Botanical Garden of the University of Latvia in Riga, the network demonstrated how it could help improve Latvian's health.⁹¹

External collaborations and support

At the farm level, the degree and types of external collaborations vary. Some farmers do not try to work with many other network members or professionals, while others actively seek to collaborate with local governments, schools and communities in order

84 M. Bergmane, interview, 6 December 2012.

85 Op. cit., *Lauku Tikles, Zivsalmniecibas Sadarbibas tikle, Latvijas Lauku Konsultaciju Un Izglitiba Centres*, 2009.

86 Op. cit., *Eco-health farms*, Ashoka, 2008.

87 Op. cit., M. Bergmane, 2012.

88 Ibid.

89 Ibid.

90 Op. cit., *Eco-health farms*, Ashoka, 2008.

91 Op. cit., M. Bergmane, 2012.

to disseminate good practices. For instance, local communities are invited to lectures, and local schools are provided with healthy food and learning sessions.⁹² Ms. Bergmane herself works with several municipalities to organize summer camps on her farm.⁹³ The EHFN and its individual members also collaborate with professionals and experts in the health and agricultural fields. Some not only participate in the network's capacity-building sessions, but also provide knowledge and services to improve farmers' individual practices, or teach them new skills.⁹⁴

The network is an active member of the Latvian Organic Agriculture Association, which has over 1220 members,⁹⁵ and it disseminates information about its activities through the Latvian Green Party. The EHFN and the LBLA are also constantly in contact, sharing information, raising awareness and advocating at the national level; for instance, the LBLA advertises EHFN's trainings so more farmers can attend.⁹⁶

The EHFN is currently involved in a learning partnership called "Our Agro Bio Diversity", whose aim is to develop a knowledge-sharing network to transmit information about agro-biodiversity, and stimulate existing and potential enterprises to generate biodiversity and use it to produce in an ecologically-sustainable way.⁹⁷ This partnership is coordinated by Arch Noah, a "Seed Savers Association in Central Europe", and regroups various European NGOs.⁹⁸ An important one is the Forum Synergies, which supports and develops environmentally-sustainable social and economic practices across Europe, particularly in rural areas.⁹⁹ In this context, the EHFN, which is recognized, and thus financially supported, by the Forum Synergies as an innovative actor and partner, has the task of collecting and preserving ancient and locally adapted seeds in Latvia. It also organized a three-day seminar including field excursions for its own members and partners of the project (such as the Austrian society Arche Noah, and the Swiss society of ProSpecieRara), to share knowledge about biodiversity, rural tourism and educational projects.¹⁰⁰ As the "Our Agro Bio Diversity" project and the Forum Synergies are knowledge-exchange platforms, collaborating with them is also an opportunity for the EHFN to meet and share with other professionals engaged in similar activities in other countries.¹⁰¹

92 Op. cit., *Eco-health farms*, Ashoka, 2008.

93 Op. cit., *Mara Bergmane*, Ashoka Fellows, 2003.

94 Op. cit., *Eco-health farms*, Ashoka, 2008.

95 *Par LBLA*, Latvian Organic Agriculture Association, <http://www.lbla.lv/LV/par> (accessed 6 February 2013).

96 M. Bergmane, interview, 6 December 2012.

97 Preserving the biodiversity of the environment is a crucial issue: in the 20th century, the diversity of agricultural products decreased by over 75 per cent, and today, humans mainly rely on 12 varieties of animals and 14 vegetal species to eat, which is neither healthy nor safe in case of important climate changes. In Europe, ancient breeds and varieties that had been selected over centuries for their adaptation to certain eco-systems, in terms of resilience as well as productivity, are disappearing. Source: *Vides un veselības saime dalās pieredzē ar Eiropas lauksaimniekiem Latgales pusē par bioloģiskās daudzveidības uzturēšanu lauku sētās* (Environmental health and family share their experience with the farmers), Saimnieks.lv, 2012, http://www.saimnieks.lv/Biologiska_saimniekosana/10242/ (accessed 7 February 2013).

98 *Our Agro Bio Diversity*, Arch Noah, <http://www.arche-noah.at/etomite/index.php?id=258> (accessed 7 February 2013).

99 *About Forum Synergies*, Forum Synergies, <http://www.forum-synergies.eu/rubrique2.html> (accessed 31 January 2013).

100 Op. cit., Saimnieks.lv, 2012 (accessed 7 February 2013).

101 M. Bergmane, interview, 6 December 2012.

Challenges

Lack of funds

Lack of funds has always been the major challenge of the EHFN. Mara Bergmane explains that external funds are scarce, and that much time is needed to find them, while the network's members, being all farmers, have little time to devote to fundraising activities. Yet trainings can be costly, and so is the printing of the promotional booklets. Some members, including Mara Bergmane, have to work on fundraising after their working day on the farm is finished.¹⁰²

Lack of funding also negatively impacts collaboration among EHFN members, as well as their knowledge dissemination events, as the network cannot provide funds for activities on individual farms. For instance, Mara Bergmane and her husband's work on disseminating the EHFN's approach at municipal and national levels had to be reduced because of their need to work hard on the farm to ensure their personal income. They also had to reduce their participation as members of the Latvian Green Party, and thus reduce opportunities to disseminate their approach through this important channel.¹⁰³

However, the EHFN can count on its numerous members and partners and its main activity, capacity building, can still function with little financial input. Most of the network's members manage to come 1 to 3 days every month to Riga to meet, discuss problems and opportunities, organize, and attend trainings. The members' own extensive theoretical and practical knowledge in a variety of fields allows them to teach one another, and their willingness to continuously learn and share experiences enables them to connect with specialised individuals and networks at the national and international levels.

Obstacles to members' active participation and membership

The network's members have to work particularly hard to produce high-quality goods in sufficient quantities and to sell them. The Eco-Health Farm model is more complex than that of classic farms and, as mentioned earlier, competition from cheaper, subsidised agricultural products from other European countries is stiff. Consequently, they have difficulties to find time and resources to attend EHFN's events. While these events can help them increase productivity, products' and services' quality, or market them better, it can take some members 2 days to reach and stay in Riga for a meeting or cost them 40 euros or more for transportation and accommodation.¹⁰⁴

Eco-Health Farms are small, do not have many workers, and are often run only by immediate family members. Today, EHFN products are becoming increasingly known, nationally as well as internationally, and some farms are overwhelmed by the demand for their recognised high-quality products. Mara Bergmane herself has had to refuse some orders, such as export requests for her natural toys and herbal pillows, which she cannot produce in large quantities as they are handmade. Hiring more workers is not necessarily profitable because of the additional wages they would require, as well as the additional

102 M. Bergmane, interview, 6 December 2012.

103 Ibid.

104 Ibid.

management and training work it would create, which she cannot afford at the moment given her involvement in the network's activities, which she has made a priority.¹⁰⁵



The heavy farm workload sometimes discourages young people and may make them reluctant to start their own agricultural enterprise. The Eco-Health Farm model is especially demanding as farmers need to implement a number of activities (farming, health services and educational events), and to be specialised and qualified in a medical discipline in order to become a EHFN member.¹⁰⁶ The network is however promoting its model as an attractive job for young people as it would guarantee them healthy living and working conditions, as well as good economic returns.

¹⁰⁵ *Producer: we risk fragmenting business by diversifying it*, Baltic News Network, 2011, <http://bnn-news.com/producer-risk-fragmenting-business-diversifying-13548> (accessed 7 February 2013).

¹⁰⁶ *Eco-Health Farm Network in Latvia*, Forum Synergies, 2010, http://forum-synergies.exemole.fr/fr/corpus_experience/fiche-experience-25.html (accessed 7 February 2013).

Section 3: Assessment of the Catalyst

3.1 Main achievements

Since the early 2000s, the EHFN and each of its members, have been creating an alternative to industrial agriculture in rural Latvia. Through practical examples of successful small-scale family farms practicing organic and other forms of ecological agriculture, they have demonstrated that this type of farming is productive and profitable. Moreover, this model, which promotes in-house production of the majority of inputs, as well as local selling, is more economically sustainable and stable for small farmers, as they do not need to buy expensive fertilizers, herbicides, pesticides or seeds from large companies, or to rely on large markets with volatile prices.

The EHFN model, which promotes organic and locally adapted traditional Latvian farming methods, also preserves the farmers' health and their natural environment. Local manure and carefully prepared composts are used to fertilize the lands, and sophisticated biological and natural techniques are employed to eliminate pests and weeds.

Specific ancient practices and locally-adapted plants and animal species are actively revived as they are often particularly effective and productive, having been selected or developed over decades by rural dwellers to maximize the returns of local eco-systems.

The EHFN's farming model thus also contributes to the revival of rural Latvia's cultural heritage. It not only enhances the identity of local farmers and their communities, but also fully contributes to the success of the network's members, as when these practices are integrated with modern scientific techniques and adapted by other farmers for their specific needs.

The EHFN and its members also manage to integrate ancient Latvian knowledge about health with modern medicinal science for their own well-being, and that of their local and international visitors. They have successfully developed a holistic approach, based on wholesome diets and healthy living environments, and prophylactic natural treatments. Through the production of food that is organic, nutritious, and diversified, and through the delivery of a variety of educational, preventative, and healing services on their farms, EHFN's members contribute to improving the health of Latvians, who are particularly affected by chronic diseases linked to the over-consumption of alcohol and pharmaceutical products, and the overuse of chemicals in agriculture.

As the network and its members seek to disseminate their approach and practices at the local, national and international levels to help more people improve their own well-being and preserve nature, they have also developed an alternative to mass tourism, enabling tourists visiting Latvian Eco-Health Farms (over 1,000 yearly)¹⁰⁷ to enjoy "healthy stays". Tourists can regenerate themselves with the various treatments offered and enjoy the relaxing and quiet farm environment, while learning about agriculture, health and nature to improve their own well-being at home.

¹⁰⁷ Op. cit., *Eco-health farms*, Ashoka, 2008.

Knowledge is also successfully disseminated to local communities, through educational activities such as summer camps. Many farms also actively collaborate with local municipalities and schools to promote their products and services, such as healthy produce for cafeteria meals.

To achieve their wider objectives, the EHFN has mobilized over 70 farmers spread across the country keen to practice and promote small-scale organic farming, health, environmental preservation, and ecological and healthy tourism. It has also developed a new sense of solidarity among farmers, encouraging them to share knowledge, practices, and challenges, to collaborate and jointly find solutions, and to link up with other farmers and professionals in Latvia and across the world.

The EHFN's regular training sessions enable members to continuously discover new farming and healing methods, and exchange inputs, thus stepping up their business performance. The network has also managed, despite its limited financial resources, to effectively market and raise awareness about its members' activities through articles in newspapers, participation in national and international exhibitions, and collaboration with the LBLA.

EHFN's achievements have attracted broad recognition. In 1996 the "Upmali Eco Health Farm" received the State Award of Good Practice Farm for its success in offering healthy products and services, and environmental and health education sensitizations and trainings.¹⁰⁸ In 2003, Mara Bergmane was elected to the Ashoka Fellowship for her innovative and integrated approach, and for her project of building a network of similar farms across Latvia.¹⁰⁹ Several other EHFN members have received awards by the Latvian government and different NGOs for their contributions to organic agriculture, environmental preservation, and revitalization of Latvian traditions. Their particularly innovative approach of integrating these different fields with tourism has also attracted attention.¹¹⁰

The EHFN was one of 15 finalists (from 350 participants) in the Geotourism competition organized by National Geographic and the Ashoka Foundation in 2008,¹¹¹ which selects actors that contribute to a "tourism that sustains or enhances the geographical character of a place - its environment, heritage, aesthetics, culture, and the well-being of its residents".¹¹² Following this competition, the National Geographic magazine published an article about the network, which resulted in considerable publicity for the EHFN as well as in requests for advice on how to reproduce the EHFN in other countries. Mara Bergmane has also been receiving visits from various doctors and other interested individuals, and has begun collaborating with Forum Synergies.¹¹³

108 Op. cit., *Mara Bergmane*, Ashoka Fellows, 2003.

109 Op. cit., *Mara Bergmane of Latvia a finalist at Geotourism Challenge Summit*, <http://www.mfa.gov.lv/en/usa/news/mara-bergmane-of-latvia-a-finalist-at-geotourism-challenge-summit/> (accessed 5 February 2013).

110 Op. cit., *Eco-health farms*, Ashoka, 2008.

111 Ibid.

112 *About Geotourism*, National Geographic, Center for Sustainable Destinations, <http://travel.nationalgeographic.com/travel/sustainable/pdf/about-geotourism.pdf>

113 M. Bergmane, interview, 6 December 2012.



3.2 Future

EHFN members have several plans, for their own farms but also for the network overall. Mara Bergmane would like to work more directly with people with health problems, for example through teaching sessions where she can demonstrate the production and preparation of healthy and nutritious food. Other farmers are starting to produce homemade cosmetics and ointments, and are organizing training sessions for small groups of interested network members, in partnership with the medical department of the University of Riga.¹¹⁴

At the moment, the EHFN intends to maintain its membership base, and focus on strengthening its support services to enable its members to continue perfecting their practices to work and live in a safe environment. EHFN's goal is not only that farmers acquire knowledge about farming, health and nature, but also to gain a deep understanding of how these fields are connected, and how beneficial it is to integrate them.¹¹⁵ The network is also developing the educational capacities of farms as demonstration centres and to teach visitors about the beneficial properties of local plants.¹¹⁶ Another project is the creation of an international network of organizations sharing the same types of objectives. The EHFN is already linked up and collaborating with groups of farmers in Poland, Lithuania and Germany.¹¹⁷

¹¹⁴ M. Bergmane, interview, 6 December 2012.

¹¹⁵ Op. cit., M. Bergmane, 2012.

¹¹⁶ M. Bergmane, interview, 6 December 2012.

¹¹⁷ Op. cit., *Eco-health farms*, Ashoka, 2008 (accessed 5 December 2012).

The network's main challenge for its future is its lack of funding, as well as the lack of time by members to fully devote themselves to EHFN's development. For the moment, it manages to overcome this difficulty thanks to the commitment of several members despite their own heavy workload on their individual farms.

3.3 Lessons learned

The EHFN and its approach provide a variety of ideas and lessons on triggering balanced and sustainable rural growth and well-being.

- **Adopt integrated approaches** – In farm-related activities, for example, link organic agriculture, health services, environmental preservation, and educational as well as touristic activities. Addressing different issues and diversifying the activities of each farm have several social, environmental and economic advantages.

First, farmers enjoy better working and living conditions, through their knowledge of health, and their practice of organic farming. EHFN members are sensitized to and learn how to preserve their health, and what kinds of medicine they should seek if needed. They are also not exposed to dangerous chemical fertilizers, herbicides and pesticides.

Second, farms are environmentally sustainable, through the use of natural types of treatments, and the application of ecological agricultural techniques, such as biodynamic farming or permaculture. As a result, natural resources are preserved and agro biodiversity increases.

Third, farmers strengthen their economic sustainability by producing as many inputs as possible themselves, and trading within the network. This decreases dependence on more expensive external suppliers. Touristic and educational activities are also profitable as members can directly sell products and services from their farms, and increase demand from them as these activities make them more widely known, bringing them more visitors and clients.



Fourth, tourism, health and environmental education also help disseminate broadly the Eco-Health farm approach and its multi-faceted positive impact. Visitors bring these ideas back home, which can inspire other farmers and people from rural and urban Latvia, as well as many other countries, to improve their health by eating nutritious organic products, access specific types of traditional as well as modern medical treatments, and learn about health prevention and environmental preservation;

- **Ensure commitment** – The EHFN was built over the years by highly motivated farmers who were concerned about their work, health, and natural environment, and aware of the benefits of cooperation and integration. Mara Bergmane in particular was strongly committed to the creation of the network and the development of its approach as she herself had suffered from a long-term illness that could only be cured through alternative and natural treatment. Her personal experience encouraged her to share the idea and knowledge of how to create an agricultural model that enables people to work and live in healthy conditions. Even though during the 1990s they could only meet a few times a year, and very informally, these farmers managed to establish the first Latvian Organic Agriculture Association to improve their network about organic farming, and then continued to work on the integration of farming, health, nature and tourism to finally be able to create, 10 years later, the EHFN;
- **Engage and provide training** – The EHFN's approach is based on continuous learning. Mara Bergmane herself followed different kinds of trainings, on a variety of subjects. She first studied culture and library science, and received further training on biodynamic agriculture, Latvian traditional healing, and in several different subjects linked to agriculture, health, and the environment;
- **Recuperate traditional rural knowledge** – EHFN's integration of ancient farming practices with the most modern techniques allows members to produce effectively and efficiently, while respecting local eco-systems. These traditional practices, and traditional vegetal and animal species, have been perfected over decades by farmers who selected the methods, plants and breeds that were the most effective and adapted to the local environment; for instance, those demanding few inputs and displaying strong resilience. Concerning traditional medicines, their use enables EHFN members to preserve their health in the long term by using locally-grown products, such as herbs for Latvian steam saunas and massages. Recuperating ancient rural knowledge is also valuable for rural communities as it acknowledges awareness and practice. Building on these traditions is also very efficient as many Latvian farmers already know them, and just need to reinforce them;
- **Focus on high-quality and value-added products** – Selling directly products of high quality and added value is an effective solution for small-scale farmers in order to compete with the low prices of agricultural products coming from big industrial farms or other countries. Producing high-quality goods, and goods that are, in addition, rare or unique, and thus in high demand, enables producers to sell at a fair price, while eliminating intermediaries; this allows them to reap the entire benefit from their sale. Further, producing profitable high-quality and healthy products at affordable prices demonstrates the relevance of the approach, as this production, processing, and marketing system is interesting for the farmers as well as their clients;

- **Network nationally and internationally** – Finding colleagues outside the network increases its knowledge base and human resources, and thus strengthens its activities. For instance, collaborating with the LBLA enables the EHFN to share information and experiences with many other organic farmers, and not only those interested in linking agriculture and health practices. Creating partnerships with similar organizations and practitioners at the international level also increases the network's possibilities to learn from each other. Members can for instance visit other farms in several different countries. Linking up with other types of specialists, such as doctors, biologists, environment specialists, also adds value to EHFN's capacity-building activities as they can focus on topics that farmers or healers might be less familiar with. Network partners also contribute to the disseminations of the network's approach, and advertise it and its activities more widely; this also gets more people interested and willing to collaborate with it;
- **Collaborate with local authorities and communities** – Establishing working partnerships with local municipalities or schools, for instance, ensures an access to the Eco-Health Farms to a wider public. Not only people who are already interested in this approach visit and get training in these farms, but also, encouraged by local authorities, schools or associations, people who did not know much about organic farming, health or the environment can discover Eco-Health Farms and access educational sessions. Local cooperation can also contribute to the revitalization of rural areas as partnerships can be established with canteens or bakers, or youth can be inspired by these successful micro-enterprises. Finally, collaborating with local communities is also rewarding for EHFN farmers in terms of recognition of the value of their work for the local area;
- **Provide an integrated set of enabling activities, including:**
 - **Networking** – The first benefit of grouping small-scale farmers is that it enables them to get in contact with one another, and share information, knowledge and experiences. They can thus improve their practices, discover new ones, and find solutions together to common challenges. Within the network, members can also exchange or buy products and services to obtain goods that they do not produce themselves, and that help them deliver their own services, such as acquiring dairies to be able to serve complete meals on their farms. They can also access new markets by entering into commercial partnerships with other EHFN members, for instance to sell honey across the country;
 - **Capacity building** – Offering trainings under a variety of forms enables small-scale farmers to ensure their self-reliance by strengthening their practices, productivity and profitability. The EHFN's approach also emphasizes building farmers' capacity to learn by themselves on various topics from a range of sources, and acquire a deeper understanding of their actions to be able to continuously adapt themselves to new situations in a rapidly evolving world;

- **Awareness raising** – Advertising and advocating is also crucial in making EHPN's approach and work more known and widespread. Not only does it enable them to be understood by the broader public, but it also secures their enterprises, as it brings more clients, and gets the attention of new, interested farmers and professionals, with whom small-scale farmers can further share knowledge and engage in business;
- **Democratic governance** – The informal and transparent decision-making structure of the EHPN leaves considerable space for members to express their needs and interests, and to organize the network's activities. All members are also made responsible for the functioning of the network, which in turn is better adapted to their demands, and thus effectively contributes to their development.





3



Chapter 3: The National Federation of Men and Women Family Farming Workers (FETRAF-Brasil), Brazil

Executive Summary

Founded in 2004, the Federação Nacional dos Trabalhadores e Trabalhadoras na Agricultura Familiar (The National Federation of Men and Women Family Farming Workers), FETRAF-Brasil, is a national federation of trade unions which aims to strengthen family farming in Brazil. It calls for and implements government policies supporting family farmers, lending technical support, and implements social protection projects driven by the needs of its members. Today, it represents over 500,000 family farmers in 18 states and 22 micro-regions across the country, and incorporates 15 state-level federations and 600 municipal-level unions.

FETRAF-Brasil's origins lie in the rural “new unionism” labour movement of the 1980s, which in the 1990s started championing the cause of family farmers, who represented 84 per cent of Brazilian agricultural units but were disempowered by the government's export-oriented agricultural model, mostly favouring large agri-businesses and transnational companies. In 2001, rural unionists from 3 southern states (Santa Catarina, Rio Grande do Sul, and Paraná) launched the first federation of family farmers' unions (FETRAF-SUL/CUT) to advance local, autonomous organizations for family farmers, advocate agrarian reform to end inequalities, and promote an “alternative development model” focused on the needs of family farmers and on agro-ecological practices. This framework of family farmer federations rapidly spread to other states; and in 2004 FETRAF-Brasil was created to unify and reinforce family farmer unions and federations throughout the country.

FETRAF-Brasil's expansion and present-day influence in soliciting and enacting policies addressing the needs of family farmers is closely linked to its successful implementation of a number of programmes and projects on education, housing, and technical assistance for agro-ecological production. It has been effective in mobilizing its members and ensuring the implementation of social security schemes for family farmers. The organization has also demonstrated the values of its sustainable development model by creating successful alternative economic structures such as cooperatives and producers' groups, and by developing and applying environmentally and financially sustainable solutions for major challenges such as rural housing for low-income households and the lack of technical training.

FETRAF-Brasil has proved capable of mobilizing its members for campaigning, influencing public policies, innovating, and implementing sustainable solutions to address the needs of family farmers. It has provided family farmers, the largest section of Brazilian rural workers, a much needed voice at the municipal, regional and national levels.

Section 1: Introduction and Context

1.1 Introduction

The Federação Nacional dos Trabalhadores e Trabalhadoras na Agricultura Familiar (National Federation of Men and Women Family Farming Workers), FETRAF-Brasil, is a federation of family farmers established in 2004 and active in 18 states out of the 26 states in Brazil. Its principal activities involve organizing its members at the municipal, regional and state levels to participate in collective actions and negotiations to obtain agrarian and social protection programmes for its members. FETRAF-Brasil also helps members improve their technical skills, access marketing and other services, and form cooperatives to increase their returns. With a membership of over 500,000 family farmers representing 84.4 per cent of the country's farming units, and producing 87 per cent of the principal foods consumed in the country, FETRAF-Brasil aims to strengthen the “hands that feed the nation”.¹

Rooted in the rural labour movement contesting the liberal, export-orientated agricultural model, FETRAF-Brasil is the product of the mounting interest in family farming among unions, policy-makers and social movements. Its creation also marks a shift in policy-making and union representation towards accounting for the specific needs and identities of the different marginalized rural communities. Following the creation of the first federation of family farmers in 3 southern states in 2001, the FETRAF model rapidly spread to other parts of the country based on the success of its innovative projects and its support for decentralized unionism devoid of state intervention.

FETRAF-Brasil develops and implements projects involving alternative economic structures, agro-ecological techniques, technical assistance at various phases of production, and connects members to social protection policies. Additionally, its advocacy and campaigns at the national level have resulted in the enactment of several important governmental programmes targeting rural workers, and family farmers in particular. FETRAF-Brasil has both helped develop these programmes and raised awareness about them among its membership. Its achievements include negotiations and subsequent partnerships with the government for accessible credit systems, better housing, rural extension programmes, and health and education services.

FETRAF-Brasil is a remarkable catalyst for rural transformation on 2 accounts: first, as a trade union, it advocates specifically the political and economic interests of smallholder farmers, a group whose needs have often not been acknowledged in agricultural policy-making in Brazil. Second, it encourages and supports a rural production model that economically empowers family farms by building their capacity to have greater control of, and intervene in, the entire agri-business value chain, from the production of raw materials to the marketing of finished goods to consumers.

¹ This is FETRAF-Brasil's official slogan which accompanies the organization's logo (in Portuguese: “mãos que alimentam a nação”).

1.2 Context

With a population of 196.7 million and a GDP close to USD 2.500 trillion, Brazil is the largest and most populated country in Latin America. In the last 2 decades, it succeeded in significantly reducing poverty through impressive economic growth and a focus on eliminating poverty.² In 2004-2007 its GDP grew at an annual average rate of 4.5 per cent, compared to 2.4 per cent in 2000-2003. The global financial crisis disrupted this upward trend, but in 2011 the country's GDP again grew by 2.7 per cent.³ Over the last decade, Brazilian policy-makers have introduced impressive poverty reduction policies that have lifted 28 million people out of extreme poverty, allowing 36 million Brazilians to enter the middle class.⁴ The current administration of President Dilma Rousseff recognizes that in Brazil, "It is necessary to change the political mind set to ensure our administration reaches out to the poor, and that it should not be up to a poor person to come and ask us for help."⁵ Consequently, the government is seeking strategies to reduce poverty through a multi-sectoral approach focusing on 4 areas: income assurance and social protection policies; the *Bolsa Família* (Family Grant) programme (a subsidy for families depending on their income level); the institutionalization of food and nutritional security; and the creation of the Ministry of Social Development, and the *Fome Zero* (Zero Hunger) programme, promoting multiple production, marketing and consumption initiatives.⁶

Despite these important programmes, poverty and income inequalities remain widespread. Even with a low unemployment rate of 6.2 per cent, 21 per cent of the population still lives below the poverty line.⁷ Brazil is also among the countries with the highest income inequality; the income share of the richest 20 per cent of the population being 33 times that of the poorest 20 per cent.⁸

Conditions of rural areas in Brazil

Poverty and socio-economic inequality are particularly acute in rural areas, where 19 per cent of the total population, around 36 million people, live. About 18 million of them are classified as poor, the largest number in the Western Hemisphere⁹; and an estimated 25 per cent of the rural population is classified as extremely poor, compared to about 5 per cent in urban areas.¹⁰

2 *Brazil at a glance*, World Bank, 2013, <http://www.worldbank.org/en/country/brazil> (accessed 15 October 2012).

3 *Data: GDP growth (annual %)*, World Bank, 2013, <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>

4 S. de Saint Croix: "Brazil Strives for Economic Equality", in *The Rio Times*, 2012, <http://riotimesonline.com/brazil-news/rio-business/brazil-strives-for-economic-equality/#> (accessed 21 October 2012).

5 Ibid.

6 FAO: "Cross-Sectoral Policy Dialogue on Food Price Increases and Volatility: Threats and Opportunities", *Sub-Regional Seminar: Southern Cone Report*, Santiago, Chile, June 2011, http://www.fao.org/fileadmin/user_upload/ISFP/Southern_Cone_FAO_Food_Prices_report_LAC_Souther_Cone.pdf (accessed 22 September 2012).

7 *The World Factbook - Brazil*, CIA, 2012, <https://www.cia.gov/library/publications/the-world-factbook/geos/br.html> (accessed 1 May 2012).

8 World Bank: *Inequality and Economic Development in Brazil: A country study*, Washington, D.C., 2004, http://www.worldbank.org/servlet/WDSContentServer?WDSPath=/IB/2004/10/05/000012009_20041005095126/Rendered/PDF/301140PAPER0Inequality0Brazil.pdf

9 *Brazil*, Rural Poverty Portal, IFAD, <http://www.ruralpovertyportal.org/country/home/tags/brazil> (accessed 15 October 2012).

10 Ibid.

Marginalized rural communities have been particularly affected by the unequal land distribution in the country, where 1.6 per cent of the population controls roughly half (46.8 per cent) of agricultural land and 3 per cent of the population owns two-thirds of all arable lands.¹¹ Conflicts over land have aggravated violence in rural areas, with 367 people reportedly having lost their lives as a result of such violence since the 1990s.¹²

The dominant model of smallholder farms in Brazil is family farming. According to the Brazilian government's definition, family farmers are those who:

- Own a single property not larger than 4 fiscal modules in size (measuring anywhere from 0.5 hectares in southern Brazil to 100 hectares in the Amazon region);
- Depend largely on the labour provided by his/her own family;
- Have a family income mainly derived from economic activities associated with that property.¹³

According to the 2006 Agricultural Census, family farmers represented 84.4 per cent of total farms in Brazil, contributing 38 per cent of the agricultural GNP, while occupying only 24.4 per cent of the total agricultural area.¹⁴ It was also found that family farms produce up to 87 per cent of the principal foods consumed in Brazil, including 58 per cent of milk, 70 per cent of beans, 42 per cent of corn, and 34 per cent of rice that is consumed domestically.¹⁵ Family farms are also a major source of rural employment. Typically, they employ 74.4 per cent of the agriculturalists in the country, with 15.3 persons employed per 100 hectares whereas non-family farms employ 1.7 persons for the same area.¹⁶

Meanwhile, agricultural policies have historically favoured large-scale farms by promoting export-oriented production. These farms occupy 76 per cent of the agricultural land in the country and contribute 62 per cent of the agricultural GNP.

11 *About Movimento dos Trabalhadores Sem Terra* (Landless Workers Movement - MST), 2013, <http://www.mstbrazil.org/?q=about> (accessed 1 May 2013).

12 D. F. Hidalgo and N. P. Richardson: "The Economy of Land Conflict in Brazil", in *Berkeley Review of Latin American Studies*, 2007, <http://clas.berkeley.edu/Publications/Review/Fall2007/pdf/BRLAS-Fall2007-HidalgoRichardson-standard.pdf>

13 FAO - Family Farming Observatory: *Family Farming in Brazil*, FAO, 2013, <http://www.rlc.fao.org/en/about-fao/regional-priorities/family-farming/baf/2012-09/ffo/>

14 Instituto Brasileiro de Geografia e Estatística (IBGE): *Censo Agropecuário 2006 : Agricultura Familiar Primeiros Resultados* (Agricultural Census 2006, Family Farming: Preliminary Results), http://www.ibge.gov.br/home/estatistica/economia/agropecuaria/censoagro/agri_familiar_2006/familia_censoagro2006.pdf

15 Op. cit., FAO - Family Farming Observatory: *Family Farming in Brazil*, 2013.

16 Ibid.

Section 2: Analysis of the Catalyst

2.1 Why was it created?

Purpose

FETRAF-Brasil aims to achieve social justice and equality for family farmers, who constitute one of the most disempowered and marginalized segments of the Brazilian rural economy. It also promotes democratic principles of freedom of expression and association, and engages citizens in participative politics and solidarity with workers, to achieve a more equitable Brazilian society.¹⁷

As a union of family farmers, FETRAF-Brasil defines its main objectives as:¹⁸

- Strengthening and expanding the representation of family farmers in Brazil;
- Unifying trade union action at municipal, state, regional and national levels;
- Building a sustainable development and agricultural production model, which prioritizes workers and the environment, while empowering Brazilian family farmers.



¹⁷ *Quem Somos* (About us), FETRAF Brasil, 2013, <http://www.fetra.org.br/conteudo/1/quem-somos> (accessed 4 May 2013).

¹⁸ *Ibid.*

Relevance

The goals, structure, and activities of FETRAF-Brasil are closely linked to the history of Brazil's rural labour movement, and the social and economic significance of family farming in the country.

A brief history of rural trade unionism in Brazil

Trade unions were officially introduced in Brazil through a series of labour laws passed between 1930 and 1943 that instituted a corporatist system.¹⁹ This implied state intervention in union practices such as strikes and representation, and permitted only one union per municipality, one federation per state, and one national confederation for each (state-defined) professional category.²⁰ These laws were extended to rural areas in 1963 through the Rural Labourer Statute, which led to the creation of the *Confederação Nacional de Trabalhadores na Agricultura* (National Confederation of Labourers in Agriculture), CONTAG. However, following a military coup in 1964, the organization and municipal-level rural unions were placed under strict state control, and army officers replaced local leaders.²¹

The late 1990s marked a revival of unionism in both urban and rural areas in Brazil. Known as *novo sindicalismo* or “new unionism”, it refocused attention on building workers alliances, prioritizing workers’ immediate demands, and countering state control over unions.²² Simultaneously, at the grassroots level, the rural labour movement actively opposed the military dictatorship, particularly in the southern states, through the activism of leftist leaders within the Catholic and Lutheran Churches.

The new unionism movement in rural areas was marked by struggles against both state control and the “conservative modernization” model of agriculture²³ implemented by the military government. This model promoted export-oriented agriculture, mechanization of agrarian production, increased use of pesticides and chemical fertilizers, and the expansion of agriculture into the Amazonia by appropriating land from indigenous peoples, while preserving the land concentration patterns benefitting wealthy agriculturalists.²⁴ These policies led to the displacement of nearly 30 million rural workers from the countryside to urban areas, in search of employment.²⁵ From 1960 to 1990, the Brazilian population

19 These laws were collectively known as *the Consolidação das Leis do Trabalho* (Consolidation of Labour Laws). Source: K. Lang and M.J. Gagnon: “Brazilian Trade Unions: In (In)Voluntary Confinement of the Corporatist Past”, in *Relations Industrielles*, Vol 64, No. 2, Spring 2009, p. 251.

20 R. Abramovay, R. Magalhães, and M. Schröder: “Social Movements Beyond the Iron Cage: Weak Ties in Territorial Development,” in *World Development*, Vol. 36, No. 12, 2008.

21 Op.cit., K. Lang and M.J. Gagnon: “Brazilian Trade Unions: In (In)Voluntary Confinement of the Corporatist Past”, 2009, p. 251.

22 Ibid.

23 J.G. da Silva: *A modernização dolorosa: estrutura agrária, fronteira agrícola e trabalhadores rurais no Brasil* (The difficult modernization: agrarian structure, agricultural frontiers and rural workers in Brazil), Zahar, 1982, as quoted in F. Anjos et al.: “Family Farming and Economic Cooperation: The Emergence and Decline of Agrarian Condomínios in Southern Brazil”, in *Journal of Rural Social Sciences*, Vol. 26, No.2, 2011, pp. 30–51.

24 Op.cit., F. Anjos et al.: “Family Farming And Economic Cooperation: The Emergence and Decline of Agrarian Condomínios in Southern Brazil”, 2011, p. 33.

25 G. Martine: “Exodo rural, concentraça urbana e fronteira agrícola” (Rural exodus, urban densification and the agricultural frontier) in G. Martine and R. Countinho Garcia (eds.): *Os impactos sociais da modernização agrícola* (Social impacts of agricultural modernization), Sao Paulo, 1987, pp. 59–79, as quoted in C. Welch: “Globalization and the Transformation of Work in Rural Brazil: Agribusiness, Rural Labor Unions, and Peasant Mobilization” in *International Labor and Working Class History*, No. 70, Fall 2006, pp. 35-60.

living in rural areas declined from 55 per cent to 25 per cent; and while 84.4 per cent of rural properties were owned by family farmers, they only occupied 17.9 per cent of agricultural land.²⁶ In response to these aggravated conditions, in the early 1980s rural unions in the southern states of Santa Catarina, Paraná, and Rio Grande do Sul jointly created a regional confederation for rural workers called *Articulação Sindical Sul*, and focussed their efforts on 6 main issues: land reform, wages for rural workers, increasing access to credit, education, social security, and healthcare for rural populations.²⁷

In 1983, both rural and urban unions belonging to the new union movement established a central union called *Central Unica dos Trabalhadores* (Unified Workers Central), CUT. The fall of the military dictatorship in 1985, and the enactment of the new Constitution in 1988, provided greater freedom to form unions and associations, which increased the rural CUT affiliated unions' activities in southern Brazil. There was also a strategic shift in union practices to dismantle the generic category of "rural workers" or "smallholders", and address the specific issues of diverse social groups that had been disempowered by the conservative agricultural modernization model.²⁸ Brazil's political democratization in the 1990s gave rise to a number of social movements such as the *Movimento dos Trabalhadores Sem Terra* (Landless Workers Movement), MST, reflecting the diversity of identities, interests and "voices" that were emerging in rural Brazil.²⁹

The political mobilizations of disempowered rural communities was a response to the "conservative-modernization" policies of the 1970s, which had left unchanged the unequal distribution of land and wealth, and to the wave of neoliberal reforms introduced by the democratically-elected governments in the late 1980s and 1990s. The Structural Adjustment Plans signed with the International Monetary Fund (IMF) in 1982 and 1988, leading to the reduction of state support for prices, subsidies, credit, and marketing services, debilitated small farmers. The government also reduced tariff and non-tariff protection for imports and, in 1994, Brazil entered into the Southern Common Market (MERCOSUR) Agreement with Argentina and Uruguay, both of which had competitive agricultural sectors. This caused the prices of Brazilian agricultural products to become 50-60 per cent lower in the period 1995-1998 than in the period 1982-1986, while some key products such as cocoa and wheat fell as much as 70-75 per cent.³⁰

As a direct result of these policies, in 1990-1994 an estimated 2 million agricultural jobs were lost, and 200,000 family farms disappeared.³¹ In the face of "market shocks" caused by volatility and decreasing prices of commodities, small-scale producers could no longer access credit and continue their businesses. The privatization of credit and the lowering of

26 Op.cit., C. Welch: "Globalization and the Transformation of Work in Rural Brazil: Agribusiness, Rural Labor Unions, and Peasant Mobilization", 2006, p. 40.

27 *Deser in the history of family farming organizations in the south region*, Department of Rural Socioeconomic Studies (DESER), http://www.deser.org.br/english_intro.asp (accessed 22 April 2013).

28 A. Cordeiro, C. Job Schmitt and D. Armani: "Organizações Sociais Rurais Diante Do Ajuste: O Caso Do Brasil" (Rural social organizations in face of the adjustment: the case of Brazil), 2003, http://www.deser.org.br/biblioteca_read.asp?id=17

29 Ibid.

30 S. Helfand: "The impact of agricultural policy reforms on the agricultural sector in Brazil in the 1990s: Implications of Pro-Poor Agricultural Policies", Paper prepared for discussion at the *OECD Global Forum On Agriculture: Designing And Implementing Pro-Poor Agricultural Policies*, Paris, 10-11 December 2003, <http://www.oecd.org/tad/25833145.pdf>, (accessed 6 May 2013).

31 Op. cit., C. Welch, 2006, p. 43.



state control and assistance allowed mostly large-scale, export-oriented farmers to benefit from the liberalization policies of the 1990s. In 1992, 56 per cent of rural households lived in poverty, while in urban zones poverty affected 39 per cent of households.³²

These dire conditions created the basis for debates on agrarian reform in the country and refocused policy and academic attention on small-scale farming, identifying “family farming” as a category of social, political and economic significance. A number of studies carried out in the late 1990s were influential in demonstrating the healthy performance of family farms despite their small size and lack of subsidies, and their potential for reducing inequalities, create jobs and improve food security in the country.³³ The 1995-1996 Agricultural Census found that family farms represented 85.2 per cent of the farming establishments in Brazil, while receiving only 25.3 per cent of the government financing aimed at agriculture.³⁴ This growing policy attention, alongside major protests led by the rural labour and social movements demanding policies for the empowerment of family farmers, resulted in the enactment of the *Programa Nacional de Fortalecimento da Agricultura Familiar* (National Programme for the Strengthening of Family Farming), PRONAF, in 1996 by Presidential Decree 1.946/1996. The programme focused strongly on credit for family farmers, and included measures to improve rural infrastructure, along with training for rural producers. PRONAF became the first government programme to recognize the significance of family farming, and its enactment opened a new level of dialogue between family farmers, rural unions, and the state.³⁵

32 Op. cit., S. Helfand, 2003, <http://www.oecd.org/tad/25833145.pdf> (accessed 6 May 2013).

33 FAO/ INCRA: “Novo Retrato da Agricultura Familiar: o Brasil Redescoberto” (New portrait of family agriculture: rediscovering Brazil), Brasília, 2000, www.territoriosdacidadania.gov.br/o/899430 (accessed 26 April 2013).

34 Op. cit., FAO/ INCRA, 2000, as quoted in J.P. Medaets, K. Pettan and M. Takagi: “Family Farming and Food Security in Brazil”, Paper prepared for the OECD *Global Forum On Agriculture: Designing And Implementing Pro-Poor Agricultural Policies*, Brasília, November 2003, <http://www.oecd.org/tad/25836756.pdf> (accessed 26 April 2013).

35 Op. cit., A. Cordeiro, C. Job Schmitt and D. Armani: “Organizações Sociais Rurais Diante Do Ajuste: O Caso Do Brasil”, 2003.

2.2 How was it created?

The founders

The initial founders of FETRAF-Brasil were rural union leaders aligned with the CUT and the “new unionism” movement. The organization’s mission and approach developed in the 1990s. Political changes, heightened policy interest in family farming, and a drive for decentralized union action set the stage for the creation of the first, independent federation of family farmers, *Federação dos Trabalhadores e Trabalhadoras na Agricultura Familiar Na Região Sul* (Federation of Men and Women Family Farming Workers of the Southern Region), FETRAF-SUL/CUT. Following the success of this initiative, other such federations and unions emerged in different parts of the country and were later unified under the national-level umbrella organization FETRAF Brasil.

CUT’s rural unions in the 1990s

As mentioned earlier, the 1990s witnessed a major shift in focus from “rural workers” to “family farmers” in the CUT-aligned rural movement, signifying the need to prioritize the interests of family farmers.³⁶ In terms of action, prioritizing the interests of family farmers implied broadening activities beyond large-scale mobilizations and strikes, and focussing more on the implementation of programmes for credit, housing, and education in rural areas, alongside national level lobbying to change national policies.³⁷ Structurally, these changes heralded a horizontal organizational structure for rural unionism, with municipal and state level organizations allowed to develop and function autonomously while remaining formal departments within CUT’s organizational structure.³⁸

In the early 1990s CUT’s rural state departments began discussing and planning a development model based on the expansion and strengthening of family farming and “the struggle for massive and extensive agrarian reform.”³⁹ This model envisioned emphasized social and ecological issues in agricultural production, promoting new standards for supply, production, processing, and marketing, and enabling specific agricultural national policy supporting small farmers.⁴⁰ This model was adopted at the national level when CONTAG accepted the *Projeto Alternativo de Desenvolvimento Rural Sustentável* (Alternative Project of Sustainable Rural Development), PADRS, at its 6th Congress in 1995.

36 Op. cit., *Deser in the history of family farming organizations in the south region*, DESER (accessed 22 April 2013).

37 A. Favareto: “Farmers, workers: Thirty years of new rural labour unionism in Brazil”, in *Revista Brasileira de Ciências Sociais*, Vol.3, 2007 (translated by A. Villalobos), http://dlc.dlib.indiana.edu/dlc/bitstream/handle/10535/5713/scs_a08.pdf?sequence=1 (accessed 6 May 2013).

38 In 1989, CUT had created the *Departamento Nacional dos Trabalhadores Rurais da CUT* (National Department of Rural Workers of CUT) and a similar state-level body called *Departamento Estaduais dos Trabalhadores Rurais da CUT* (State Department of Rural Workers of CUT). Under each rural state department were a number of unions at the micro-regional and municipal levels known as *Sindicatos Trabalhadores Rurais da CUT* (STR). Source: Op. cit., *Deser in the history of family farming organizations in the south region*, DESER, and Op. cit., A. Favareto, 2007.

39 E. Battisti: “Sindicalismo de Trabalhadores do Campo: Origens, Concepções de Organização e Lutas” (Unionism of rural workers: origins, organization concepts and struggles), Master’s Dissertation defended in 2003 at the Federal University of Fluminense, http://www.nre.seed.pr.gov.br/franciscobeltrao/arquivos/File/disciplinas/sociologia/sindicalismo_no_sudoeste_do_parana.pdf (accessed 22 April 2013).

40 Op. cit., A. Favareto, 2007.

In 1993, CUT's National Department for Rural Workers submitted a proposal to the federal government to invest in subsidies and credit for small farmers, highlighting the necessity for a national programme addressing the diverse interests and socio-economic needs of smaller farmers.⁴¹ This proposal was followed by a major national demonstration on May Day 1994 called *Grito da Terra* (Cry of the Earth), organized by CUT in partnership with CONTAG and MST, the social movement for landless workers. A major achievement of this demonstration was the launch of the



Programa de Valorização da Pequena Produção Rural (Programme for the Enhancement of Small Rural Production), PROVAP, by the federal government that same year. Though the effectiveness of this programme was limited, it was the predecessor of the PRONAF programme enacted by the government 2 years later, following the Second *Grito da Terra* movement in 1995.⁴²

The second half of the 1990s was marked by internal conflicts between the rural departments of CUT and CONTAG (which had allied with CUT in 1995). The rural unions, especially from the southern states of Brazil, were visibly distant from CONTAG, which still included corporatist features from the days of the military rule. Furthermore, the autonomous leadership that had developed within the CUT-aligned rural movement in southern states was incompatible with the CONTAG's "vertical hierarchy". The lack of progress on the agenda of strengthening family farming at the local level prompted discussions among CUT's rural unionists on the need for a separate union focussed on family farming, which led to the creation of FETRAF-SUL/CUT.⁴³

41 Op. cit., A. Cordeiro, C. Job Schmitt and D. Armani: "Organizações Sociais Rurais Diante Do Ajuste: O Caso Do Brasil", 2003 (accessed 28 April 2013).

42 In the PROVAPE, access to credit was restricted to family farmers (at an interest rate of 4 per cent per annum). Source: Op. cit., A. Cordeiro, C. Job Schmitt and D. Armani: "Organizações Sociais Rurais Diante Do Ajuste: O Caso Do Brasil", 2003.

43 Op. cit., *Deser in the history of family farming organizations in the south region*, DESER.

Creation – Initial opportunities, support and challenges

Founding of FETRAF-SUL/CUT

FETRAF-SUL/CUT's creation was based on a growing consensus among members in CUT's rural departments on the need to increase the visibility of family farms, and overcome the organizational fragmentation of family farmer associations in the southern region.⁴⁴ Events such as the Meeting of Southern Family Farmers in 1997, and the formation of the *Frente Sul da Agricultura Familiar* (Front of Southern Family Farming) in 1999, consolidated the will to create an independent organization for family farmers in the southern states of Santa Catarina, Rio Grande do Sul, and Paraná. These state-level unions sought autonomy to extend their presence at the municipal level, and to exclusively represent the interests of family farmers, not the generic category of “rural workers”, as was the case in CUT and CONTAG until then.

The organization was launched in 2001 at the “First Congress of Family Farming Unions” held in Chapeco, Santa Catarina, which was attended by 1212 union delegates and more than 2000 participants. In founding FETRAF-SUL/CUT, CUT's rural departments of Santa Catarina, Rio Grande do Sul, and Paraná, and 95 municipal-level family farmers' unions (known as SINTRAFs)⁴⁵ merged to form a single body. While remaining affiliated to CUT and the political ideology of “new unionism”, they ceased to be official organs of the CUT structure (and therefore CONTAG), and officially committed to solely represent family farmers.

The unification and strengthening of regional and municipal unions were among the organization's major priorities at the time of its creation.⁴⁶ Its political goal was “breaking away from the official corporatist structure of trade unions”, fighting neoliberalism's exclusionist policies, and establishing alternative development models with family farmers at its centre.⁴⁷ Its organizational structure reflected its objection to the vertical hierarchy in the official trade union system, and was therefore decentralized, with various levels of activities. This implied a collective framework, together with an independent management system at the municipal, micro-regional, regional and state levels.

FETRAF-SUL/CUT founders, i.e. the rural unions from Santa Catarina, Rio Grande do Sul and Paraná, had gained crucial experience in implementing programmes with family farmers in the years before the founding of their organization. Their first experience was with the educational project targeting young family farmers called *Terra Solidária*, which was funded by the Ministry of Labour's “Worker Support Fund” in 1999.

44 FETRAF/SUL: “Parabéns Fetrat-Sul/CUT!”, 2011, http://www.fetrafsul.org.br/2011/index.php?option=com_content&view=article&id=627:parabens-fetrat-sulcut&catid=3:destaques (accessed 6 May 2013).

45 SINTRAF stands for *Sindicatos dos Trabalhadores na Agricultura Familiar* (Family farming workers' unions). These are typically municipal-level organizations which are linked to Federations at the state level. Following the formation of FETRAF at the First Congress of Association of Family Farming in the South, the CUT affiliated rural workers unions (*Sindicatos dos Trabalhadores Rural*, STRs) were officially renamed SINTRAFs, which exclusively represented family farmers. Source: E.L. Picolotto: “As Mãos que Alimentam a Nação: agricultura familiar, sindicalismo e política” (The hands that feed the nation: family farming, unionism and politics), Doctoral thesis presented to the Universidade Federal Rural do Rio de Janeiro, Instituto De Ciências Humanas E Sociais Programa De Pós-Graduação De Ciências Sociais Em Desenvolvimento, Agricultura E Sociedade, June 2011, http://r1.ufrj.br/cpda/wp-content/uploads/2012/07/tese_evertton_picolotto_2011.pdf (accessed 6 May 2013).

46 Op. cit., E. Battisti: “Sindicalismo de Trabalhadores do Campo: Origens, Concepções de Organização e Lutas”, 2003.

47 Ibid.

Terra Solidária sought to stimulate the potential of family farming by building management capacity, agro-ecological technologies adapted to small farms, and training farmers in non-farm economic activities linked to family farms.⁴⁸ The project targeted young family farmers (above the age of 16) who had not received formal training, or even schooling. It therefore consisted of programmes on elementary education, development methodology, and management of sustainable enterprises. After 18 months of training, graduates were given certifications by federal technical universities. The project was implemented in 265 municipalities in the states of Santa Catarina, Rio Grande do Sul, and Paraná. By 2002, at the time of its completion, 2,500 young family farmers had been certified.⁴⁹

The implementation of the *Terra Solidária* project helped FETRAF-SUL to gain visibility and recognition from family farmers, and from other unions and workers' parties at the national level who supported this initiative. This experience also helped build coordination among the participating states, and implement independent, locally-relevant programmes.

Breaking away from CONTAG, the official union representing all rural workers, including family farmers, was a bold initiative for which FETRAF-SUL/CUT needed political legitimacy to be recognized as the major representative for family farmers in the country. Its leaders had to establish alliances with important political actors before being launched.

The "First Congress of Family Farmers' Associations", where the organization was officially launched, was attended by important political figures, such as the future President of Brazil, Luiz Inácio Lula da Silva, who at the time was a popular trade unionist and political leader.⁵⁰ FETRAF-SUL/CUT also received support from regional government leaders such as the Governor of Rio Grande do Sul, and the influential political party, the *Partido dos Trabalhadores* (Workers' Party). In addition, by remaining aligned to CUT after its creation, FETRAF retained its popularity among other unions and political groups within the "new unionism" movement, and continued to benefit from CUT's political and policy influence.

The credibility gained from its successful implementation of the *Terra Solidária* project and the strong political support provided FETRAF significant visibility, allowing it to expand to other states.

Growth – Main steps since creation

A number of innovative projects and campaigns lent further credibility to the organization's Alternative Rural Sustainable Development model and strengthened the movement of family farmer unions in the country. Among them was a cooperative rural housing project created in 2001 to address the housing needs of low-income family farmers, called *Cooperativa de Habitação dos Agricultores Familiares* (Housing Cooperative for Family Farmers), COOPERHAF. This project was led and managed by family farmer communities, and it

48 M.L. Beduschi: "O Projeto Terra Solidária - Desenvolvido Pela Escola Sul - Cut: Uma Experiência Sindical Em Educação Profissional" (The Project Solidary Land developed by the Sul-Cut school: a trade-union experience in professional education), 2003, Masters Thesis submitted to Universidade Federal Santa Catarina, http://www.portalanpedsul.com.br/admin/uploads/2004/Painel/Painel/12_06_55_O_PROJETO_TERRA_SOLIDARIA___DESENVOLVIDO_PELA_ESCOLA_SUL___C.pdf (accessed 30 April 2013).

49 Ibid.

50 Op. cit., E.L. Picolotto: "As Mãos que Alimentam a Nação: agricultura familiar, sindicalismo e política", 2011.

included the construction of houses, undertaken with assistance from COOPERHAF'S technical team. FETRAF-SUL/CUT's municipal and micro-regional unions coordinated COOPERHAF's work. Beneficiaries were also given assistance to access credit from government rural housing schemes to build their houses.⁵¹ While the initial goal was to build houses for 357 families, the cooperative expanded to 260 municipalities in Santa Catarina, Rio Grande do Sul, and Paraná, and then to other parts of the country.⁵²

Similarly, in 2002 family farmers in the state of São Paulo initiated a campaign to create awareness on sexually transmitted diseases such as HIV and AIDS. This initiative was noticed by the Ministry of Health, and this led to a partnership between government-run municipal health systems and FETRAF on a leadership training and development programme that trained 84 leaders in the state of São Paulo to prevent the spread of HIV and AIDS in rural communities.

Family farming associations affiliated to FETRAF-SUL were created in other states such as São Paulo, Mato Grosso do Sul, and in northern states such as Bahia, Rio Grande do Norte, and Ceará. By 2003, 15 family farmer federations had been created, which gave rise to the idea of a national level federation, to coordinate the activities of state-level family farmers' federations.

FETRAF-Brasil was thus officially launched in 2004, at the "First National Congress of Family Farmers' Associations" held in Brasília, which was attended by 2000 family farmers from 22 states. Its agenda had many similarities with that of FETRAF-SUL, which was the main driving force behind the new national federation. Its objectives were to consolidate a structure of national representation and management, to campaign for public policies empowering family farmers, and to advocate for agrarian reform.⁵³

Currently, the organization includes 18 state-level federations (FAF's or FETRAFs), 600 municipal level unions (SINTRAFs), and represents over 500,000 family farmers.⁵⁴

51 *Winners and Finalists: 'Caprichando a Morada': Living well is part of human dignity*, World Habitat Award website, 2009, <http://www.worldhabitatawards.org/winners-and-finalists/project-details.cfm?lang=00&theProjectID=18A31ABB-15C5-F4C0-9927E7D21E1D62B3>, (accessed 10 May 2013).

52 W. Paul: "Hands That Feed The Nation: Local Brazilian Housing Project, Interview with Adriana Paredes, COOPERHAF", 2009, <http://www.planetshifter.com/node/1386> (accessed 10 May 2013).

53 Op. cit., E.L. Picolotto: "As Mãos que Alimentam a Nação: agricultura familiar, sindicalismo e política", 2011.

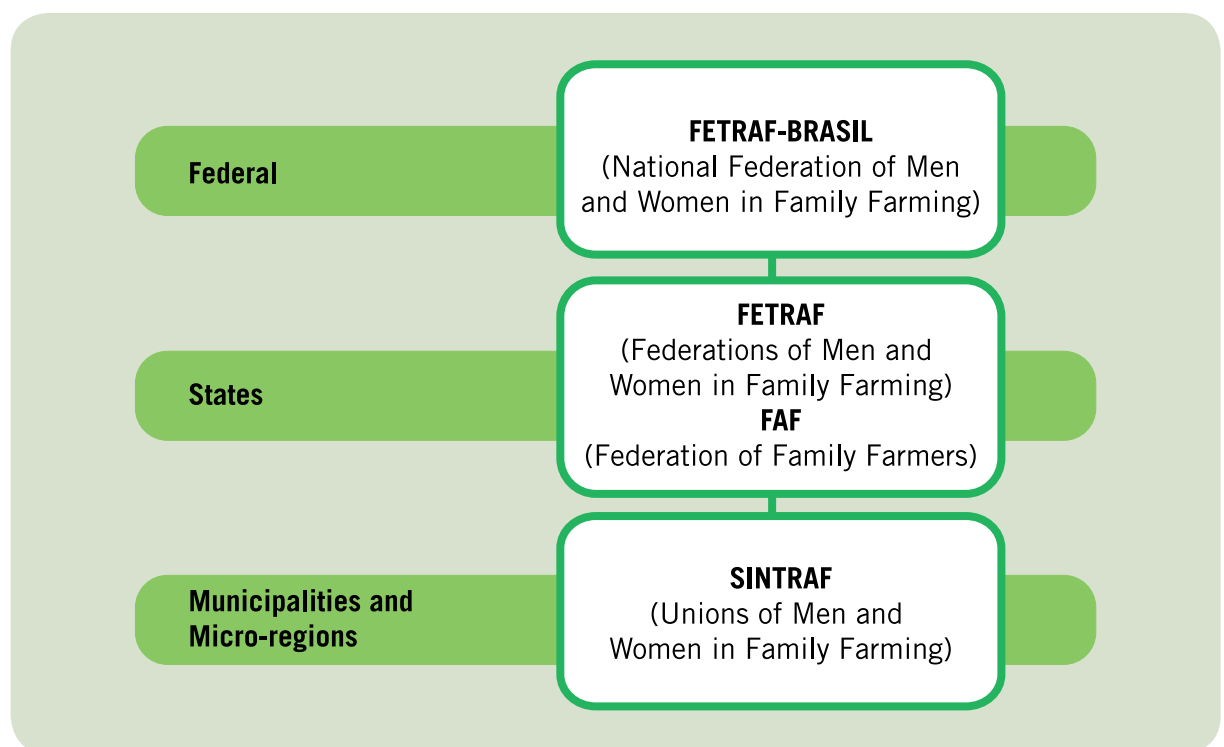
54 The current state-level federations that are members of FETRAF-Brasil are: FETRAF-SUL/CUT (Santa Catarina, Paraná, Rio Grande do Sul), FETRAF-BA/CUT (Bahia), FETRAF-MA (Maranhão), FETRAF-PI (Piauí), FETRAF-PE (Pernambuco), FETRAF-RN (Rio Grande do Norte), FETRAF-CE (Ceará), FETRAF-PB (Paraíba), FAF-SP (São Paulo), FETRAF-MG (Minas Gerais), FETRAF-GO (Goiás), FETRAF-DFE (Distrito Federal e Entorno), FAF-MS (Mato Grosso do Sul), FETRAF-PA (Pará), and FETRAF-TO (Tocantins).

2.3. How does it currently work?

Structure

Given the wide geographical presence of FETRAF-Brasil, and its objection to a hierarchical official trade union system, a key feature of its organizational structure is decentralization in terms of leadership and action (see figure below). The organization is composed of individual, independently managed state-level federations that administer state-specific projects for family farmers. Below these state level federations are the *Sindicatos dos Trabalhadores na Agricultura Familiar* (Family Farming Workers' Unions), SINTRAFs, which function at the municipal and “micro-regional” levels (i.e., covering multiple municipalities) in each state. SINTRAFs also have separate administrative structures and have considerable autonomy in terms of managing and initiating projects at the municipal level.

Organizational Structure of FETRAF-Brasil



These decentralized units are bound by a collective framework implying shared commitments and areas of strategic focus based on the national Resolutions adopted by FETRAF-Brasil at its annual Congresses. At present, all the state-level federations work on a set of key issues for which separate coordinators are elected: agrarian reform, women, social policies, agricultural policies, youth, housing, and environment.

Elections

All FETRAF bodies elect an Executive Board which includes a General Coordinator, a Secretary General, and a Management and Financial Coordinator.⁵⁵ The elections of the Executive Board and Coordinators of FETRAF-Brasil occur at its National Congress, held every 3 years at its headquarters in Brasília. These elections follow a two-tier system, wherein each municipal level SINTRAF and state-level FETRAF or FAF, elects delegates who vote at the national level. SINTRAFs and state-level FETRAFS are entitled to elect one delegate, and additionally one delegate per 500 due-paying members.⁵⁶

To ensure gender balance and youth participation, a quota of 30 per cent women and 20 per cent youth delegates is set at the Executive Board elections and the National Congress.

Activities

To achieve its objectives of building an alternative sustainable development model to improve the working and living conditions of family farmers, and strengthen their representation in public policies, FETRAF-Brasil engages in 3 main types of activities: raising awareness and highlighting the demands of family farmers through mobilizations and campaigns; implementing projects and programmes on priority areas based on the needs of its family farmer members; and advocating and lobbying for the implementation of policies on social security, agrarian reform, and economic empowerment of family farming. FETRAF also links these activities; for instance, it campaigns and lobbies for policies supporting family farmers, then raises awareness about those policies among its members, and facilitates their access to the government schemes and programmes enacting those policies.

FETRAF's programme of action is determined through a democratic system of representation. Elected delegates and coordinators adopt Resolutions that direct its activities. Its decentralization also emphasizes a participatory approach in the initiation as well as the implementation of activities. Additionally, FETRAF actively integrates other economic structures in its project implementation, such as cooperatives, many of which it has helped create.

FETRAF's activities are largely funded by membership fees and through collaboration with public agencies. In a number of projects, FETRAF has been supported by the Brazilian Ministry of Agricultural Development and the Ministry of Health, alongside state and municipal-level government agencies. For financial support, FETRAF also relies on CRESOL, a network of rural credit cooperatives that provides micro-credit to family farmers; for instance, it has partnered with CRESOL for housing and education initiatives.⁵⁷ For certain projects, such as the improvement of its internal management and institutional plan of action, FETRAF has sought support from international non-governmental organizations for developmental cooperation on agriculture (called “agri-

55 *Coordenação* (Coordination), FETRAF-Brasil website, 2013, <http://www.fetra.org.br/> (accessed 6 May 2013).

56 *Regulamento do III Congresso da Fetraf-Brasil 2013* (Regulations of the third Congress of FETRAF-Brasil 2013), FETRAF-Brasil, 2013.

57 *Cresol Humaitá comemora 10 anos* (Cersol Humaitá celebrates its 10th anniversary), FETRAF-SUL/CUT, 2013, http://www.fetrafsul.org.br/2011/index.php?option=com_content&view=article&id=284%3Aencontro-historico-fetrafsul-cooperhaf-e-cresol-reafirmam-parcerias&Itemid=162%20http://www.fetrafsul.org.br/2011/index.php?option=com_content&view=article&id=2480:cresol-humaita-comemora-10-anos&catid=1:ultimas-noticias&Itemid=104 (accessed 11 May 2013).

agencies”), such as AgriCord, AgriTerra, Solidaridad, and Kerkinactie.⁵⁸ The organization also regularly partners with a number of social movements, such as the MST and Via Campesina⁵⁹, particularly for advocacy and campaigning on issues such as land reform, social security, and credit for family farmers and other disempowered stakeholders in rural areas.⁶⁰ Additionally, the FETRAF-Brasil remains affiliated to CUT, and regularly participates in movements and demonstrations initiated within CUT.

FETRAF-Brasil’s main activities, along with some examples from state and municipal-level FETRAFs, are summarized below:

■ Campaigns and movements

As a trade union, FETRAF-Brasil has been at the helm of organizing mobilizations and campaigns to increase visibility and raise awareness on a number of issues that directly affect the lives of family farmers. Its founders have been active in several key movements, such as the *Grito da Terra*, which is now an annual event gathering thousands of family farmers to demonstrate against hunger and poverty in rural areas.⁶¹

Since its creation, FETRAF-Brasil has been active in the annual *Jornada Nacional de Luta da Agricultura Familiar e Reforma Agrária* (Day of Struggle for Family Farming and Agrarian Reform), highlighting a specific theme related to family farming each year.⁶²

■ Implementing programmes

Since one of the main objectives of FETRAF-Brasil is to promote an “alternative sustainable development model” empowering family farmers and adding value to their products and services, a significant part of its activities involves implementing programmes and projects in line with this model. The originality of these programmes and projects is that they demonstrate the value and returns of alternative economic structures, such as cooperatives, and agro-ecological techniques.⁶³ Altemir Tortelli, a General Coordinator of FETRAF-SUL/CUT, mentioned that, “When we are negotiating [with the government], we are proving our ideas with alternative economic systems [...] We are speaking about practice, and we are demonstrating that it is possible.”⁶⁴

58 *FETRAF-SUL Projects*, AgriCord, 2013, <http://www.agricord.org/farmersorganisations/organisation/15388/fetrafsul-federaco-dos-trabalhadores-na-agricultura-familiar-sul> (accessed 11 May 2013).

59 *MST e Fetraf realizam acampamento pedagógico no Ceará* (MST and FETRAF conduct a teaching camp in Ceará), MST, 2013, <http://www.mst.org.br/node/1131>

60 *Via Campesina e Fetraf apresentam propostas para Código* (Via Campesina and Fetraf present proposals for the Code), MST, 28 March 2011, <http://www.mst.org.br/Via-Campesina-e-Fetrafpresentam-propostas-para-COodigo>

61 “Cinco mil agricultores são esperados hoje no Grito da Terra” (Five thousand farmers are expected today in the Earth’s Cry), in *Diário de Pernambuco*, 30 April 2013, http://www.diariodepernambuco.com.br/app/noticia/vida-urbana/2013/04/30/interna_vidaurbana,436810/cinco-mil-agricultores-sao-esperados-hoje-no-grito-da-terra.shtml (accessed 11 May 2013).

62 *Direção Nacional aprova plano de ação para 2011* (National direction approves plan of action for 2011), FETRAF-Brasil, 2011, <http://www.fetrafsul.org.br/agencia-de-noticias/77/direcao-nacional-aprova-plano-de-acao-para-2011> (accessed 11 May 2013).

63 N. Paget-Clarke: “Interview with Altemir Tortelli, General Coordinator FETRAF-SUL/CUT: When Cooperative Structures are the Instrument and Autonomy,” in *In Motion Magazine*, 2005, http://www.inmotionmagazine.com/global/at_fetrafsul_int.html (accessed 11 May 2013).

64 Op. cit., Paget-Clarke, 2005.

FETRAF organizations have focussed on key issues affecting the working and living conditions of family farmers.

a. Capacity building and education

As mentioned earlier, FETRAF's first project initiated in 1999, *Terra Solidária*, affirmed the organization's commitment towards improving the education standards of family farmers, through training its members (particularly youth) in issues such as management, finances, and agro-ecology. The project used funding from the Ministry of Labour's *Fundo de Amparo ao Trabalhador* (Workers support Fund-FAT). It had 2500 participants at the time of its completion in 2002, and remains a model for future training and capacity-building projects. In 2013, FETRAF-SUL reinitiated the project (this time titled "*Juventude semeando Terra Solidária*", meaning "Youth sow the seeds for Solidary Land"), as part of a partnership between the Ministry of Agrarian Development (MDA) and the Federal University, *Universidade Federal da Fronteira Sul* (UFFS).⁶⁵

Other state-level FETRAF units have launched their own projects on training and education for family farmers, in partnership with regional technical schools and state government facilities. For instance, in 2010 FETRAF in the north-eastern state of Bahia initiated PROEJA Campo, in partnership with the state government, the Centre for Professional Training of Semi-Árido-São Domingo, and the Family Farmer Technical School of Avani de Lima Cunha Valente. This project targets both young and adult family farmers, and its course focuses on sustainable development and solidarity family farming. It combines theoretical and technical training modules, and is aimed at the "improvement and sustainability of family farming, living environment, reduction of social inequalities, inclusion of young people and women, and income generation."⁶⁶



65 *Juventude semeando Terra Solidária* (Youths sow the seeds for "Solidary Land"), FETRAF-SUL/CUT, 2013, http://www.fetrafsul.org.br/2011/index.php?option=com_content&view=article&id=2413:juventude-semeando-terra-solidaria&catid=1:ultimas-noticias&Itemid=104 (accessed 11 May 2013).

66 *Projeto de Educação* (Education project), FETRAF-BA/CUT, 2013, http://www.fetrafa.org.br/ler_conteudo.php?id=167 (accessed 11 May 2013).

In addition to such long-term projects, FETRAF members also organize capacity-building seminars and workshops on specific themes. For instance, in 2011 the northern state Pará organized several courses, including on animal husbandry, milk production, and apiculture.⁶⁷

The successful initiation and implementation of projects for rural education and capacity building has led to FETRAF being regarded as a key partner in guaranteeing the success of the Ministry of Agrarian Development's national programmes supporting rural education, and literacy such as the *Programa Brasil Alfabetizado* (Literate Brazil Programme), PBA.⁶⁸

b. Housing

One of the most innovative and successful projects initiated by FETRAF members is the cooperative rural housing initiative COOPERHAF, launched in 2001 in the southern states of Santa Catarina, Paraná, and Rio Grande do Sul. This initiative targets the acute problem of housing shortages in rural areas, affecting more than 1.7 million rural workers, in particular family farmers.⁶⁹ This problem is particularly significant because the lack of decent living conditions also impedes access to safe drinking water and adequate sanitary facilities, and among others, aggravates rural to urban migration, particularly among young people. The project was funded with support from state and national governmental programmes, such as the Rural Housing Subsidy Programme, the Government Severance Indemnity Fund for Employees and National Social Interest Housing Fund. The initiative also provided households access to credit for building houses from the CRESOL Bank, a rural micro-credit agency. Funding from the federal government's housing programme has allowed COOPERHAF to reduce its membership from USD 45, which was the fee until 2006, to USD 2.⁷⁰

The COOPERHAF project began with the mobilization and organization of family farmers into cooperative structures. It then focussed on giving them access to rural housing credit and technical assistance in housing construction, and lastly, it conducted a post-occupancy research on the living conditions of beneficiaries.

One of the most important aspects of this project was its integrated approach, through which it engaged participants in other areas of importance to their farming activities. Thus, apart from ensuring housing to over 30,000 families, the project promoted sustainable livelihood creation through capacity building and training for participants on themes such as diversifying farm activities to increasing income-generation, organizing cooperatives for production, ecological building technologies and materials, and marketing.⁷¹ As a community-led project, COOPERHAF was also able to incorporate local knowledge in the process of planning and housing development.

67 *FETRAF realiza curso de inseminação com agricultores* (FETRAF organizes training about insemination with rural producers), FETRAF-Para/CUT, 2011, <http://fetraf-para.blogspot.ch/>

68 *Movimentos sociais defendem educação no campovoltada para a realidade do jovem rural* (Social movements defend education in rural areas realized by rural youth), MDA, 2006, http://www.moc.org.br/download/MDA_170506_brasilalfabetizado.pdf (accessed 11 May 2013).

69 Op. cit., World Habitat Award, 2009 (accessed 10 May 2013).

70 Ibid.

71 Ibid.

COOPERHAF's success and its subsequent expansion to 12 states in Brazil earned it the World Habitat Award in 2009.⁷²

c. Access to credit

FETRAF's role in championing policies at the national level to ease access to credit continues at the state and municipal levels through the creation of credit cooperatives, which improve family farmers' access to credit from government schemes such as PRONAF.⁷³ In addition, FETRAF's cooperation with the CRESOL Bank, which concentrates on the specific credit needs of family farmers, has enabled a number of its members to expand their businesses, as well as satisfy their housing and education needs.

d. Technical assistance for family farmers

FETRAF-Brasil has also focussed on aiding its members build their technical capacities and seek technical assistance, through projects such as the *Projeto De Agentes Multiplicadores De Assistência Técnica E Extensão Rural* (Project of Multiple Agents of Technical Assistance and Rural Extension), AMA, developed and implemented by FETRAF-Bahia. This project, initiated using the methodology of the government's *Assistência Técnica E Extensão Rural* (National Programme Technical Assistance and Rural Extension), ATER, seeks to generate knowledge on agro-ecology, socio-technical training, and income-generation, among others with a particular focus on youth and women.⁷⁴ It has so far been active in 77 municipalities in the state of Bahia and has impacted 7,860 family farmer households.

■ Advocacy and partnering for policies supporting family farmers

FETRAF-Brasil has played an important role in advocating, negotiating and establishing partnerships for the implementation of a number of government programmes targeting family farmers. Some of its activities in policy advocacy and implementation of government programmes are described below:

a. Programa Nacional de Fortalecimento da Agricultura Familiar (National Programme for Strengthening Family Farming), PRONAF

One of the earliest mobilizations of the CUT-affiliated labour movement from which FETRAF originated was to increase access to credit for family farmers. Following the privatization of the credit systems and the reduction of subsidies for small farmers in the 1990s, family farmers faced difficulties in expanding their businesses and enhancing the profitability of their products. The demands and impressive mobilizations by rural unions led to the introduction of the credit scheme PRONAF in 1996; which became the first government programme targeting family farmers, marking an important milestone in the government's agricultural policies.

FETRAF's role in the enactment of PRONAF has not prevented it from calling for

72 Op. cit., World Habitat Award, 2009.

73 Op. cit., Paget-Clarke, 2005.

74 *Projetos- Assistência Técnica E Extensão Rural (ATER) - Projeto De Agentes Multiplicadores de Assistência Técnica e Extensão Rural (AMA)* (Projects – technical assistance and rural extension (ATER) – Project on multiplying agents for technical assistance), FETRAF-Bahia/CUT, 2013, http://www.fetrafa.org.br/ler_conteudo.php?id=167 (accessed 7 May 2013).

improvements of the programme. In recent years, FETRAF-Brasil has demanded fair minimum wages in the case of total loss of production, provisions for technical training for youth and awareness-raising mechanisms to inform farmers about available funding at the local level to strengthen PRONAF's impact in rural areas.⁷⁵

b. Programa Nacional de Crédito Fundiário (National Land Tenure Credit Programme), PNCF

The PNCF was set up in 2003 as a complement to land reform. It supports the purchase and extension of land holdings for family farmers. At the time of its establishment, existing FETRAF structures had proposed elements to address the problem of “red tape” associated with access to land and the effectiveness of agricultural reform.

FETRAF-Brasil is currently working towards the development of a project for promoting land tenure credit and encouraging membership in the PNCF. The goal is to enable farmers' access to credit so that, by acquiring their own land, they are able to improve the quality of their lives.⁷⁶

c. Programa Nacional de Educação na Reforma Agrária (National Programme for Education and Agrarian Reform), PRONERA

The PRONERA initiative of the National Institute of Agrarian Reform (INCRA), launched in 1998, seeks to improve educational levels and formal schooling among rural communities. It was initiated in partnership with a number of social movements, including FETRAF-Brasil,⁷⁷ and targets both youth and adult populations in rural areas. FETRAF-Brasil's experience in conducting education and training programmes for family farmers and its leaders, played an important role in the design and implementation of the programme, which is still on-going, and has benefitted over 400,000 rural workers.⁷⁸

d. Programa Nacional de Habitação Rural (National Programme for Rural Housing), PNHR

The successful implementation of the COOPERHAF initiative of FETRAF-SUL/CUT played an important role in demonstrating the best practices in rural housing assistance projects.⁷⁹ Inspired and convinced by the successes of this initiative, the government introduced the PNHR to assist rural populations seek credit and assistance in the house construction.

75 *Pronaf e Plano Safra são discutidas em reunião com MF e MDA* (Pronaf and Plano Safra are debated in meeting with MF and MDA), FETRAF-BRASIL/CUT, http://www.fetra.org.br/site/noticia.php?not=not_fora_home&id=1889 (accessed 18 December 2012).

76 E. Araújo, personal correspondence, 10 October 2012.

77 *Educação no Campo/Pronera* (Education in the Country-side/PRONERA), Instituto Nacional de Colonização e Reforma Agrária (INCRA), 2012, <http://www.incra.gov.br/index.php/reforma-agraria-2/projetos-e-programas-do-incra/educacao-no-campopronera> (accessed 12 May 2013).

78 C.A. dos Santos, M.C. Molina and S. M. dos Santos Azevedo de Jesus: *Memória e História do PRONERA Contribuições do Programa Nacional de Educação na Reforma Agrária para a Educação do Campo no Brasil* (Memory and history of PRONERA: contributions of the national program on education at land reform for rural education in Brazil), Brasília, MDA and Incra, 2010.

79 E. Araújo: “Small-scale farmers and rural transformation: the case of Brazil, Rural Transformation”, Presentation for *Brussels Development Briefings*, 2011, <http://brusselsbriefings.net/past-briefings/n24-rural-transformations/> (accessed 18 June 2012).

Challenges

Despite its impressive growth across the country, and its formidable influence on national policies, FETRAF-Brasil still faces significant challenges that impede it to reach its objectives and full success of its activities. Consolidating the existing decentralized structure of the organization continues to be a challenge, particularly in terms of improving communication and information among state-level federations and municipal-level SINTRAFs.⁸⁰

In terms of policy influence, FETRAF-Brasil's emphasis on ecological agriculture, particularly its demands for the banning of genetically modified organism (GMO) seeds in agricultural production have not yet been comprehensively addressed by the national government. Despite its innovative GMO-free soy production venture in 3 southern states,⁸¹ there have been no significant policy measures in favour of agro-ecology, or the reduction of GMO in agriculture in Brazil. Important obstacles in policy advocacy seem to persist on certain issues, particularly when the lobbies of big businesses may be stronger than those of FETRAF-Brasil and other social movements.



80 Op. cit., E. Araújo, personal correspondence, 10 October 2012.

81 FETRAF-SUL/CUT and Contrimaio: "Prospectus: Non-GM Soy From Brazilian Family Farms", October 2005, http://www.gmfreeireland.org/feed/documents/FETRAF_prospectus_GMfree_soy%5B1%5D.pdf

Section 3: Assessment of the Catalyst

3.1 Main achievements

- **Spread and expansion** – One of FETRAF-Brasil's key achievement has been its successful growth from 3 to 18 states, and its extension to 1,000 municipalities in the country, as well as its consolidation as a national federation. The bold initiative taken by the founders of the first FETRAF created in 3 southern states of Brazil, challenged the official union structure and sought to carve out its own niche in the rural labour movement. Through the successful implementation of a number of projects, and through partnerships with important social and workers' movements and governmental agencies, FETRAF was able to build a strong reputation and increase its membership. Today, its organizational structure includes 15 state-level federations and 600 municipal unions, which together represent 500,000 family farmers;
- **Far-reaching campaigns** – Over the past decade, FETRAF organizations led a number of campaigns at the state and national levels. The rural unionists that launched FETRAF-SUL/CUT were among the first campaigners for policies favouring family farming in the country, which resulted in the enactment of the government's first programme for family farmers, PRONAF, in 1996. Today, FETRAF-Brasil continues to campaign for important issues such as agrarian reform, demonstrating its collective strength through nation-wide mobilizations;
- **Policy influence** – To strengthen family farms, FETRAF-Brasil has engaged in negotiations with state and national governments to introduce and expand agrarian and social protection programmes targeting the needs of family farmers. It has been at the helm of negotiations for important programmes such as the National Programme for Education and Agrarian Reform (PRONERA), the National Programme for Rural Housing (PNHR), and the National School Meals Programme.

These policies mark a significant progress in Brazilian policy-making, which has historically favoured the interests of large-scale farms and wealthier sections of the rural population. FETRAF-Brasil's role in advocating policies favouring family farming has attempted to change the idea that rural areas require only policies on agricultural development, and has promoted other forms of programme support, such as technical assistance, education, and training to help populations raise their income levels;

- **Demonstration of its “alternative sustainable development model” through successful project implementation** – FETRAF-Brasil promotes an “alternative sustainable development model” that emphasises social cooperation and ecology. Its model aims to make family farmers autonomous in the system of agrarian production, and focuses principally on cooperative economic structures. Drawing from this model, it has been successful in setting up and assisting cooperative structures for rural producers, such as the milk producers' cooperatives in the south of the country

(*Cooperativa Rio Grandense de Laticínios e Correlatos*, CORLAC).⁸² It has also encouraged the creation of cooperative structures to address the problem of rural housing through its award-winning COOPERHAF project, which was able to address the housing needs of nearly 30,000 family farmer households.

These projects demonstrate to the government and other agencies, that it is possible to achieve better working and living standards through cooperative economic structures;

- **Successful coordination and partnerships with other actors** – FETRAF-Brasil has also been able to maintain long-standing partnerships and alliances with other rural labour organizations and social movements. In some cases, successful coordination with agencies like CRESOL helped it to meet the credit needs of its members, and complete a number of projects. In other cases, it has joined hands with other agencies to implement or initiate projects such as PRONERA.

3.2 Future

The organization intends to give significant priority to continuing projects and programmes at the municipal and regional levels; and to continue its pioneering initiatives to facilitate its members' access to research, technology, and technical support.

FETRAF-Brasil also plans to spread its organizational base to other states of the country; and particularly strengthen its programmes in the north-eastern region, which contains the highest levels of rural poverty, and expand into other under-developed states in the country, such as Amazonas and Amapá. Eventually, the organization envisages expanding its approach to other Latin American countries, to strengthen family farmers across borders.⁸³

The organization also strives to broaden its impact on national policies, especially on the issue of agrarian reform and agro-ecology, which it considers to be urgent priorities in helping to achieve poverty reduction and preserving the environment. In 2013, FETRAF-Brasil submitted to the Ministry of Agrarian Development a list of demands that included provisions for government support on maternity leave and improvement of land credit policies for women and youth, to mark the 9th National Day of Family Farming and Agrarian Reform.⁸⁴

To continue impacting public policies, FETRAF-Brasil aims to build a close working relationship with the government. In May 2011, at a meeting with FETRAF officials, President Dilma Rousseff reaffirmed her administration's commitment to working with FETRAF-Brasil, and pledged funding for several FETRAF programmes, such as the *Programa de Garantia de Preços para Agricultura Familiar* (Programme of Price Guarantee for Family-Based Agriculture), PGPAF, and the *Garantia de Preços Mínimos* (Minimum Price Guarantee), PGPM, as well as for rural infrastructure programmes.⁸⁵ FETRAF-Brasil

82 Op. cit., Paget-Clarke, 2005.

83 Op. cit., E. Araújo, personal correspondence, 10 October 2012.

84 *Pepe Vargas marca reunião para conversar sobre pauta de reivindicações da Fetraf* (Pepe Vargas meets to discuss the list of demands FETRAF), Ministry of Agrarian Development Portal, 30 April 2013, www.mda.gov.br/portal/noticias/item?item_id=12793231

85 "Dilma Rousseff recebe dirigentes da Fetraf" (Dilma Rousseff receives FETRAF coordinators), in *Jornal de Beltrão*, 25 June 2011, <http://www.jornalbeltrao.com.br/beltrao/dilma-rousseff-recebe-dirigentes-da-fetraf-64333/>

intends to take up these potential areas of collaboration with the government, to maintain the momentum of government partnerships it attained under the previous administration led by Luiz Inácio Lula da Silva.

3.3 Lessons learned

FETRAF-Brasil's experience in empowering its family farmer members across the country provides the following key lessons:

- **Recognize specific needs** – FETRAF-Brasil resulted from a bold decision to break away from the official rural workers' union, and create a separate organization for family farmers. This was an important strategic and practical move, which allowed this large segment of the Brazilian rural population to articulate its own needs, based on its specific characteristics and obstacles, and become visible to policy-makers at the local and national levels. Internally, the organization places special emphasis on youth and women's empowerment, acknowledging the special potential and challenges of these groups in family farming;
- **Encourage leadership at the grassroots** – One of the key features of FETRAF-Brasil is its encouragement of local, municipal-level leadership. The organization includes more than 600 municipal level unions within its structure, which possess significant management autonomy and initiate their own locally-relevant campaigns and projects. This is a particularly important feature for rural unions, which benefit greatly from a strong municipal presence to adequately address the needs of their members;
- **Develop a decentralized structure** – A probable explanation for the rapid spread of FETRAF organizations from 3 to 15 states in Brazil in just 5 years may be the horizontal administration system of the federation. Even after the creation of the national federation of FETRAF-Brasil, the state-level federations remained leaders in their specific domains, allowing for organizational development without hierarchies;
- **Integrating activities** – To achieve its objective of strengthening family farming in Brazil, FETRAF-Brasil has adopted an integrated approach in its activities. Its effectiveness is based on the array of activities it engages in, ranging from advocacy and campaigning at the national level to the organization of cooperatives at the village or municipal levels. For FETRAF-Brasil, the improvement of working and living standards of its members requires multiple complementary interventions;





- **Adopt a community-based approach** – In its promotion of cooperatives and other projects for its members, FETRAF-Brasil has consistently adopted a community-based approach, in which family farmer communities are given the responsibility to lead and manage their own projects. The benefit of this approach is the inclusion of relevant local knowledge in project implementation, alongside ensuring leadership training and capacity building of community members;
- **Focus on environmental sustainability** – FETRAF-Brasil has a comprehensive vision of an alternative rural development model, which focuses on environmental, economic and social sustainability. For these reasons, the organization promotes agro-ecological techniques that are rooted in the local traditions of family farmers, and gives priority to learning and training for its members to ensure their access to sustainable livelihoods;
- **Facilitate social dialogue** – FETRAF-Brasil's organization of family farmers at the state and national levels, and its policy-advocacy seeking improvements in the lives of these communities, have established an important and mutually beneficial channel of social dialogue. For family farmers, governmental inputs, in the form of schemes and programmes, are crucial for improving their working and living conditions. Meanwhile, the government benefits from supporting this segment of the rural population, given its significant role in increasing food security and generating employment in the country;

- **Building strategic partnerships** – FETRAF-Brasil owes its success to its ability to build strong partnerships. It has long-standing partnerships with other social movements for its advocacy efforts, while for project implementation it seeks alliances with governmental agencies. These partnerships have contributed to the success of FETRAF-Brasil's ventures and have also helped it gain reputation and visibility;
- **Raise awareness and link beneficiaries and programmes** – In rural areas, where a large proportion of the population is disadvantaged in terms of access to technology, and information, many family farmers are typically not aware of governmental programmes that may benefit them. By organizing family farmers and connecting them through federations across the country, FETRAF-Brasil has been able to raise awareness and thereby empower its members;
- **Ensure financial sustainability** – FETRAF-Brasil has ensured the financial sustainability of its organizational structure and its activities through partnerships and funding from its membership fees. The organization's capacity to spread from 3 to 15 states in a short span of time demonstrates its effective and efficient management of resources, and its careful planning, which has enabled the organization to grow without compromising on its goals.



4



Chapter 4: La Chetina, Peru

Executive Summary

“La Chetina” is a micro-enterprise manufacturing and selling dairy and other agricultural-based products in the remote area of Cheto, Chachapoyas, located in the Amazonas region of northern Peru. Created in 2007, La Chetina generates employment by using only local agricultural products, some of which are produced by the enterprise itself, promoting the consumption of traditional local products, and exporting these products to other regions across the country.

The enterprise employs mostly unmarried women, as part of its social commitment to improve the livelihoods of those with limited opportunities, and stimulates growth and development in the area of Cheto.

The founder, Doris Sánchez, is a woman from the indigenous Quechua community. Born into a poor farming family, she overcame various obstacles linked to her origin and to her gender to become a nurse. However, her passion and talent for raising livestock kept her in touch with the farming community, which in turn sensitized her to the plight of rural farmers in the Chachapoyas region. This in turn led her to launch a project whereby local farmers could process and sell agricultural products themselves, thus earning higher profits. With a few trainings by a local NGO to supplement her practical knowledge on dairy farming, she started La Chetina, which initially operated without any external financial input or other support.

Undaunted by several early setbacks, Doris Sánchez persisted. She offered training and support to local farmers so they could grow and process high-quality products, and sell them instead of bartering them. She also sensitised people in her community on the value of those local products and on how to include them in their diets, thus creating more local demand.

Today La Chetina successfully produces and sells top quality dairy products as well as marmalade, honey, brandy and chocolate. In only 5 years, it has diversified its products; expanded from 1 to 3 stores across the Chachapoyas province; facilitated access to healthcare services to its employees and other women in Cheto; and generated employment for more than 50 milk producers. La Chetina’s products are increasingly in demand in other districts across the Amazonas and have reached Lima. Doris Sánchez is now planning to open a larger factory to increase the volume of sales, allowing her to reach more farmers, generate further employment, increase profits, and contribute to improved living standards overall.

Section 1: Introduction and Context

1.1 Introduction

Located in the remote village of Cheto, in the Chachapoyas province of Peru, La Chetina is a micro-enterprise run by 6 people producing and selling agricultural products cultivated by single women belonging to the indigenous Quechua community. It started operating in 2007 after its founder, Doris Sánchez, and her husband started selling their own dairy products in their village. Today La Chetina has 3 stores in the Chachapoyas province of Peru, selling milk, cheese and yoghurt alongside a variety of products, such as honey, jam, brandy and chocolate. Its products are now available in districts around Chachapoyas and cities as far as Lima. The enterprise is generating local employment for more than 50 milk-suppliers and small producers, and has successfully promoted the consumption of local products in the Amazon region. Ms. Sánchez also views La Chetina as a “social commitment” to her community and employs those with limited economic opportunities, mainly students and single mothers, who also receive access to healthcare for their families.

La Chetina emerged from its founder’s motivation to create a business that addresses the pressing needs of local farmers to access markets for their products, and gain greater incomes to foster the development of her small village. Coming from a rural peasant family, Doris Sánchez spent her childhood raising cattle and poultry. Although she studied to become a nurse, she gained basic practical knowledge about dairy farming through specific trainings and workshops offered by an NGO. Her self-confidence, talent for raising cattle and poultry, and basic farming knowledge, encouraged her to start selling milk from her farm door-to-door around Cheto every weekend. This service was well received by families in her community and she soon required additional help to supply more clients.

With financial support from her husband and cousin, Ms. Sánchez started La Chetina as a small market stall selling dairy goods produced by her relatives and herself. To increase revenue, she diversified her products by creating new ones elaborated with local raw materials from the Amazonas such as fruits and other local produce like honey and chocolate. The small market stall has now become a small rural factory run by indigenous women, generating employment as well as health coverage for an increasing number of livestock farmers and small producers in the region.

1.2 Context

To understand the achievements of this small rural enterprise, it is important to recognize the social and economic realities of Peru and of Cheto. Peru is the 4th most populated country in Latin America, with 29.3 million inhabitants.¹ Classified as a middle-income country, it has weathered the global financial crisis, growing at 6.9 per cent in 2011, driven

¹ *Factsheet Peru*, World Bank, <http://www.worldbank.org/en/country/peru> (accessed 10 November, 2012).

by high global mineral prices and expanding natural resource outputs.² Its main economic activities include agriculture, mining, fishing, and manufacturing products such as textiles.³

Over the past few years, Peru has made strides in development. Achievements include high growth rates, low inflation, macroeconomic stability, reduction of external debt and poverty, and notable advances in social development indicators. In 2012 the country held the 77th position, with a score of 0.78 on the Human Development Index, higher than its neighbours Brazil and Colombia for instance.⁴



Despite this progress, self-sustained growth and a more egalitarian distribution of income have proven elusive, and poverty remains an important issue, especially in rural areas. In Peru, 24 per cent of all households are rural, representing 1.6 million families. About 4 out of 10 Peruvians are considered poor, but 6 out of 10 in rural areas, a proportion even higher amid indigenous groups.⁵

The country is geographically divided in 3 zones: Costa (the costal plane), Andes (sierra or high-lands), and the Amazon Basin (lowland forest, where Chachapoyas is located). The Amazon Basin is home to 6.7 per cent of the country's population and represents 60

2 *Country strategic opportunities programme : Republic of Peru*, IFAD, <http://www.ifad.org/gbdocs/eb/97/e/EB-2009-97-R-11.pdf> (accessed 10 November 2012).

3 *Peru Statistics*, Rural Poverty Portal, IFAD, <http://www.ruralpovertyportal.org/web/rural-poverty-portal/country/statistics/tags/peru> (accessed 26 August 2012).

4 *International Human Development Indicators: Peru*, UNDP, <http://hdrstats.undp.org/en/countries/profiles/per.html> (accessed 15 May 2013).

5 *Republic of Peru: Country Strategy Opportunities Programme*, IFAD, 2009, <http://www.ifad.org/gbdocs/eb/97/e/EB-2009-97-R-11.pdf> (accessed 26 September 2012).

per cent of the total area, contributing approximately 15 per cent of agricultural GDP.⁶ Poverty is most severe among people of indigenous origin living in the Amazon Basin and the Sierra, where income is derived from primary activities, such as fishing and agriculture. About 56.3 per cent of the population in the Amazon Basin lives below the poverty line and 23.6 per cent live in extreme poverty and lack basic services, infrastructure, and job opportunities.⁷

The La Chetina enterprise operates in Cheto, located in the Chachapoyas province, in the north of the Amazon Basin. It has a population of 606 inhabitants (2005) and the closest city, Chachapoyas city, also the capital of the Amazonas region, has 20,279 people. Cheto has only one secondary school and medical care is scarce. Many of its inhabitants travel to Chachapoyas city, which is 125 kilometres away, for schooling and health services. In this region, farming and husbandry are the main economic activities, although they have been losing importance due to a poor rural road network, limited communication infrastructure, lack of support for production activities, and poor access to markets.⁸

In 2008, the Peruvian government's strategy for poverty reduction included rural development as a priority, representing a substantial change to its previous approach which favoured urban consumers at the expense of rural producers. To this end, the Ministry of Agriculture created AGROURURAL, a rural development programme promoting productive agriculture, to reduce poverty and improve the quality of life through a combination which includes training and access to credit. However, lack of financial resources, difficulties in reaching remote areas, and lack of awareness about the programme among potential beneficiaries have limited its impact. The main challenge in rural Peru remains: how to help smallholders move from subsistence farming to rural entrepreneurship.



6 Op. cit., *Republic of Peru: Country Strategy Opportunities Programme*, IFAD, 2009.

7 Op. cit., *Peru Statistics*, Rural Poverty Portal, IFAD.

8 Op. cit., *Republic of Peru: Country Strategy Opportunities Programme*, IFAD, 2009.

Section 2: Analysis of the Catalyst

2.1 Why was it created?

Purpose

The goals of La Chetina are closely related to the aspirations and needs of Cheto's population. Its founder aimed first to increase her revenue and give a better education to her 3 children. Her becoming a rural entrepreneur was itself a major change and challenge given the prevailing gender bias in her indigenous community favouring men as entrepreneurs. Now her purpose is "[...] convincing other women that they can become successful rural entrepreneurs and bread winners."⁹

Overall, La Chetina aims to improve the livelihoods of those with limited opportunities in their community, such as unmarried, indigenous women. The small enterprise was created to address a number of limitations that farmers and small-scale producers face in Cheto, such as unemployment and under-employment, lack of support for production activities and lack of alternative job opportunities for women farmers. Doris Sánchez aims to help her village grow and develop through encouraging high-quality and high value-added products, creating more employment, ensuring better returns and health-care coverage. By doing so she also intends to increase people's interest in Cheto and its traditional products, leading to further growth and development.

Relevance

The relevance of La Chetina's efforts in rural Peru is striking, considering the social and economic conditions that prevail in Chachapoyas, and especially in Cheto. As mentioned earlier, it is generating employment for indigenous women, a particularly disadvantaged group; allowing small-scale farmers to gain higher returns and access to health coverage; training them in technical skills, accounting and marketing, to help them better manage and sell their products. Given La Chetina's success, Cheto is now well known in surrounding areas such as Chachapoyas and Pedro Ruiz, and the nearby districts of Luya and Bagua, for producing high quality rural products; and people also take these products to other cities as far as Lima, Chiclayo, Trujillo or Tarapoto.

2.2 How was it created?

The founder

La Chetina's founder was born in Cheto, where she grew up raising poultry and cattle alongside her siblings. Her father was a cattle keeper, and from childhood she learned how to work with milk and milk products, in a small village where processed agricultural goods

9 D. Sánchez, interview, 28 September 2012.

were scarce. As the third child and first daughter of 6 children, she performed household chores, raised her sisters and looked after the livestock, which she highlighted taught her responsibility and hard work.¹⁰ Ms. Sánchez affirms that the widespread poverty in Cheto also affected her household, and the gender biases within her family and friends actually built up her self-confidence, which later helped her take a step forward and launch the La Chetina enterprise.¹¹

Other personal experiences were equally crucial. The lack of education and health services in Cheto strongly influenced Doris Sánchez. First, she had to challenge her father to pursue a higher education, as he was opposed to the idea of women attending secondary school, especially away from home. She managed to leave Cheto for Lima at age 15, and lived with an aunt while pursuing secondary studies not available in her home village, and working as a house maid to pay for her studies. As she studied to become a nurse, she became even more aware of the lack of medical care in her village, and was keen to take her skills back to her community.

During her studies in Lima, she became involved in a project supporting agribusiness called “PROMATEC”, where trainings were offered for men and women interested in the dairy industry. However, after sustaining injuries from a car bomb, she returned to Cheto and decided that she wanted to remain closer to her home village. She moved to Chachapoyas city, and enrolled in trainings in agribusiness and marketing offered by an NGO.

In this city, she interacted with people involved in politics, who persuaded her to integrate a platform representing Cheto at the municipal elections. Despite opposition, including from many in Cheto who would never vote for a woman as a municipal officer, at the age of 26 Doris Sánchez became the first women municipal officer in Cheto, gaining recognition and respect in both Chachapoyas city and Cheto as an indigenous female activist.

In her position as a municipal officer, she became involved in social action work which sensitized her to the lack of employment opportunities available to villagers. She had a “light-bulb moment”, as she calls it, and realized the need for a solid and sustainable employment-generating project in Cheto.

Creation – Initial opportunities, support and challenges

With this vision in mind, Ms. Sánchez decided to start selling milk from her farm door-to-door around Cheto on the weekends. This service was well received by families in her community, and she soon began selling 200 litres every weekend, then 300 litres 3 days per week. As the demand for her product grew, she obtained financial support from her husband and cousin, and started La Chetina as a small market stall in her own house.

Lacking experience in marketing and business administration, Ms. Sánchez asked her cousin to join the project and help her with the sale orders and legal procedures. Legal procedures were expensive and complicated, given the small size of the enterprise and the remoteness of its location. As her micro-enterprise did not appear to meet all requirements in terms of sustainability, she also had to spend considerable time to prepare all the necessary documentation and to meet with authorities to prove that La Chetina was

10 D. Sánchez, interview, 28 September 2012.

11 Ibid.

indeed a sustainable, employment-creating project, worth legal registration. The location of the relevant administrative offices, far away from Cheto, entailed additional time and financial costs.

La Chetina started operating in March 2007 with 2 investing partners –the owner and her cousin– and 4 women working in a small rural factory. It had to face a number of challenges to gain recognition and sell its products. In the beginning, milk sold by La Chetina was not accepted because it did not comply with quality standards. Ms. Sánchez had to train her staff step by step, from milking the cows, to basic marketing strategies for better sales. Today, La Chetina produces top-quality milk and is recognized not only among local consumers in Cheto and Chachapoyas, but also among small-scale producers and other suppliers who aim at becoming La Chetina's suppliers. As Doris Sánchez points out: “In the beginning, peasants would not give us their produce, they would ask for something in return”.¹² But once customers started requesting our products, elaborated with their own produce, they asked us to save some yoghurt and milk for them in return.”

Given its local success and the great number of loyal clients and suppliers, La Chetina's owner decided to use other local raw materials, and started selling diverse products such as flavoured yoghurt, marmalade, honey, cocktails made with brandy, local fruits and chocolate. The revenues were used to open more stores in Chachapoyas, and thus increase business and generate more employment.

2.3 How does it currently work?

Structure

In 2007, the Amazon Ministry of Production for Industry legally recognized Doris Sánchez's project “La Chetina S & T S.R.L.” as a micro-entreprise. La Chetina's structure and functioning remain quite simple; but what started as a small home business has grown to 3 stores, 2 in Cheto and 1 in Chachapoyas, with 6 employees to process, pack, and sell products, and over 50 suppliers.

Given its success as a rural enterprise producing high-quality dairy products, La Chetina's clients are faithful and come from cities nearby Cheto and Chachapoyas city. Since Ms. Sánchez's own farm produce soon became insufficient to meet customers' demand, other milk producers in Cheto became involved. La Chetina now provides employment to more than 30 milk suppliers and around 20 small farmers producing raw materials for other products sold by La Chetina.

Activities

La Chetina's main goals are to boost local development in Cheto by stimulating employment, especially for those with limited opportunities, such as unmarried, indigenous women; and to ensure a steady income to its employees, as well as access to good healthcare for them and their families. As part of La Chetina's social commitment, Doris Sánchez also helps her employees' and suppliers' families acquire medical care.

¹² D. Sánchez, interview, 28 September 2012.

Due to the lack of education opportunities in Cheto, La Chetina also trains its own staff to develop their skills in producing high-quality products. For instance, when it started operating Doris Sánchez hired 2 women whom she trained for 2 years to become experts in yoghurt preparation. Later on, with the support of her father, who is also bee keeper, she trained 2 more women and some of her milk suppliers, honey producers, and small farmers. La Chetina received basic support from a local NGO for 3 years to provide training to local producers. Training activities focused on:

- Production – Raising and milking cattle properly, as well as simple tasks such as carrying the milk to avoid waste, adequately using pesticides for high-quality fruits, preserving fresh produce properly, etc.;
- Processing – Cooking the food, using the right amount of produce, properly packaging the final product, putting it into cans in a short period of time, etc.;
- Marketing – Selling processed products in rural areas such as Cheto and Chachapoyas city, as well as in other towns. La Chetina's staff also taught its customers how to make its products part of their diet, for example eating yoghurt at breakfast or mid-afternoon, as a dessert, or alongside the main meals.

Loyal customers of La Chetina have helped spread the word around Chachapoyas city, and today people from neighbouring districts and cities come to buy La Chetina's products and sell them nationally.

Given the increasing demand for its products, La Chetina is no longer able to provide direct training to local producers, but supports them with basic knowledge concerning good practices on farming techniques.

Challenges

La Chetina still faces a series of obstacles to remain successful, and to grow and expand. A major challenge is the lack of financial, social, and administrative support from local institutions. To remain legally recognized by the authorities, La Chetina needs to undertake



slow and complicated legal procedures to update its status as a rural micro-entreprise to make sure it fulfils all legal requirements. According to Doris Sánchez: “Traveling to Chachapoyas city takes at least 75 minutes on a road of hard and packed earth. I cannot send someone else because the authorities will not listen to them. It is really a waste of time.”¹³ Additionally, the micro-entreprise must submit a financial report every year, which needs to be prepared by Doris Sánchez herself: “I need to prepare it myself because my staff does not have the skills to elaborate this report. And today, I have no time to train them. This is the reason why I encourage these women [her staff] to send their children to school, no matter how far a school is.”¹⁴

Another challenge related to lack of financial support is obtaining a loan or credit from local banks and institutions. Procedures are slow and complicated, and requirements are quite specific. Doris Sánchez says, “I wish these institutions were a bit more flexible. I wish they could understand the situation we face as rural farmers. And instead of making things easier for us and the whole community, they make the whole process much more complicated.”¹⁵ Although she tried to obtain financial support in the beginning, she never received an answer from the local Ministry of Agriculture, so she prefers to look for financial support through local NGOs and friends.

A number of challenges are linked to the lack of basic services such as education, health and public transportation, and lack of infrastructure in general. Doris Sánchez explains that when a staff member gets ill, she herself needs to take him or her to the hospital in Cheto, which is often crowded. Traveling to Chachapoyas city takes her an entire work day. Similarly, supplying and supervising the store in Chachapoyas city has become a 3-day task. Ms. Sánchez needs to prepare and organize all the merchandise ahead of time to supply the store.

Changing weather conditions is another difficulty. If it rains it could take twice the amount of time it normally takes to reach Chachapoyas city: “Sometimes I use my husband’s car and take some staff members with me, but if it is not available or it is being used for emergencies, I have to ride my horse. If it rains, there is no other option, hence I cannot supply my clients with our products in Chachapoyas city, which is the store selling most of La Chetina’s products,” says Doris Sánchez.

In 2012, the floods in the Amazonas region adversely affected farmers’ production and La Chetina was not able to sell as much as it normally does. Doris Sánchez pointed out that farmers in Cheto lack the facilities, the equipment and the knowledge for storing their produce in such situations. As a result, an important volume of produce had to be thrown away or burned. This was a major challenge for La Chetina and everyone in Cheto. She believes that proper capacity building and training could provide local producers much needed basic knowledge on how to prepare for this type of event. However, this is also related to the biggest challenge of all, the lack of financial and social support from local institutions.

13 D. Sánchez, interview, 28 September 2012.

14 Ibid.

15 Ibid.

Section 3: Assessment of the Catalyst

3.1 Main achievements

The story behind La Chetina reveals 3 types of interesting achievements. First, the series of obstacles overcome by its owner to start the enterprise, largely linked to her being an indigenous woman, and living in a remote area. Having achieved her main goal, launching La Chetina, Doris Sánchez had to persuade local farmers to supply the business with local produce. She had to prove to them, and to customers, that her micro-enterprise could deliver high quality final products, and higher returns to them, and gain recognition.

Second, through a combination of social and economic commitments, La Chetina has helped improve the livelihoods of many inhabitants in Cheto. In only 5 years, it has diversified its products, has expanded from 1 to 3 stores across the Chachapoyas province, facilitated access to health-care services to employees and other local women in Cheto, and has generated employment for indigenous women and for over 50 local producers. At present it successfully produces and sells top quality dairy products and other items, such as marmalade, honey, brandy and chocolate. La Chetina's products are also well retailed in other districts across the Amazonas (i.e., Luya and Bagua) and have reached Peru's capital, Lima. Also worth noting is Doris Sánchez's capacity to convince her community to change its diet and consume healthier, more natural, and locally produced food.

Finally, La Chetina's accomplishments as a rural micro-enterprise are stimulating other rural entrepreneurs in her community. Young people come to Doris Sánchez for advice on how to become a successful rural entrepreneur and to gain knowledge on farming techniques.



3.2 Future

La Chetina's owner is now planning to open a larger factory to increase the volume of sales, allowing her to reach more farmers, generate further employment and good revenues, and broader health coverage, which would help Cheto grow and develop further. More people would also become aware of La Chetina's products, thereby increasing their demand.

Other plans include opening more stores, and further diversifying the products, for instance trying new fruits, such as *púrpur* or the local *tomatillo* (tomato). However, Doris Sánchez wants to be able to continue offering products without additives and only using simple packaging, to maintain the “local feel” of her products. She believes that La Chetina's products are successful because of their quality, but also because of their simple and basic look, and that this is how clients like them. A unique feature of La Chetina's approach is the fact that it does not seek creating luxurious or upmarket products, but focuses on producing simple but high-quality products.

Doris Sánchez would also like to provide more training to local producers, and is currently looking for support in Chachapoyas to bring professional skilled farmers to Cheto for that purpose.

3.3 Lessons learned

Despite an unfavourable context and many disadvantages, La Chetina's owner managed to become a successful entrepreneur, and to stimulate progress in her home village, through a small business that is economically and socially valuable. Important elements of successful entrepreneurship can be drawn from that experience:

- **Pursue self-improvement and personal development** – La Chetina's founder's determination led her first to attend secondary school outside her community, then to study to become a nurse. It also led her to seek basic knowledge about dairy farming through specific trainings offered by an NGO. It also allowed her to become an entrepreneur, despite the strong gender bias favouring men that prevailed in her indigenous community, and led her business La Chetina to success;
- **Display self-confidence and persistence** – In spite of an unfavourable context, Ms. Sánchez accomplished all her aims, one after the other. She never gave up any of her goals, trusting herself and her project, and taking action with the means available to overcome potential obstacles, such as providing basic training to overcome the lack of skills among local farmers that impeded their delivering high-quality produce;
- **Combine economic goals and social commitment** – Hiring only unmarried women and ensuring access to health care for them and their families demonstrates the possibility to combine a productive business with social commitments that improve the livelihoods of employees, their families, and others in the community;
- **Obtain community engagement** – Doris Sánchez gained support from local communities after she proved that the goods produced by La Chetina were of high quality. The success of her enterprise gained her support from small producers in the village, who provided her raw materials at a competitive price;



- **Modify local habits** – Doris thought that teaching people in her community how to make local products part of their diet was the best way to sell La Chetina's products; a strategy that paid off;
- **Sell high-quality products without intermediaries** – La Chetina sells its products directly to consumers. Despite the fact that it is difficult to access markets from such a remote area as Cheto, La Chetina has proven that its high-quality products can be sold without brokers;
- **Be creative and gradually diversify products** – La Chetina started producing dairy products that were well accepted by the local community. Once it managed to secure a steady clientele and thus secure revenues from dairy products, it started processing other local produce and mixing them with its dairy products, resulting in yoghurts with different flavours, that were also well-accepted by its clientele. It now also sells honey, jam, brandy and chocolate products. The profits from this variety of products have been utilized to open 2 more stores near the factory that generated more employment. Creativity and diversification have been useful not only to ensure profits, but also to gain recognition in the area and now nationally;
- **Expanding business geographically** – For La Chetina, expanding means growing nationally. Its founder is keen on opening a larger factory in the province to allow her enterprise to increase the volume of its sales and reach more clients, as La Chetina's products have already reached cities as far as Lima.



5



Chapter 5: The Nyamata Telecentre and the Rwanda Telecentre Network (RTN), Rwanda

Executive Summary

Founded in 2004, the Nyamata Telecentre is a private enterprise whose goal is to stimulate rural development by providing access to Information and Communication Technologies (ICTs) in the village of Nyamata, located near Rwanda's capital Kigali. Its founder, Paul Barera, became increasingly passionate about ICTs for development while working in the Bugesera district local government. Immediately after his Management and Development studies, he founded the Nyamata Telecentre to create a job for himself and others, and to prove that ICTs could be effective tools for rural development in Rwanda. Within 8 years, the Nyamata Telecentre became a successful business. It now has 25 employees, delivers a variety of ICT and non-ICT, public and private services, registers 100 visitors a day, and works in collaboration with national companies as well as the Rwandan government.

In 2006, to ensure the sustainability of his enterprise, Mr. Barera started linking up with other entrepreneurs of telecentres throughout the country. He wanted to share knowledge and challenges, to find solutions to difficulties he encountered, such as a lack of interest for ICTs in local communities, a lack of web-content in the national language, Kinyarwanda, a lack of content directly related to local issues, concerns and interests, lack of funding, and the high cost of internet connections. Together with 2 university colleagues, he founded the Rwanda Telecentre Network (RTN). This non-profit organization aims to strengthen and support telecentres in rural and semi-urban areas, and more globally envisions a society where all citizens, urban and rural, are empowered by digital skills. In just 6 years, the organization has grown to employ 25 people, has 140 mobilized and connected members, and works with national and international partners, such as the Rwandan government, the Telecentre.org foundation, the United Nations Economic Commission for Africa, and the Technical Centre for Agricultural and Rural Cooperation EU-ACP. Today, the RTN helps set up telecentres, strengthening and supporting them through a knowledge-sharing environment, and creates locally adapted and relevant ICT content, trainings, advocacy and awareness raising.

The experiences of the Nyamata Telecentre and the RTN provide crucial lessons about entrepreneurship, and the support and enabling environment that rural enterprises and organizations need. Driven by his passion, with hard work and a clear vision, Paul Barera took advantage of Rwanda's enabling environment for small businesses in the field of ICTs. His telecentre created jobs in Nyamata, empowered local communities through access to information and communication tools, and increased their employment opportunities by providing them with ICT skills. It also reinforced and helped the creation of local enterprises by being a delivery hub and providing Business Development Services (BDS). Since 2006, with the Rwanda Telecentre Network, these positive impacts are being spread across Rwanda by the creation and the support of small telecentres in numerous rural areas.

Section 1: Introduction and Context

1.1 Introduction

The Nyamata Telecentre is a private enterprise created in 2004 in the village of Nyamata, located 24 kilometres from Rwanda's capital Kigali.¹ Its founder, Paul Barera, wanted to create a telecentre in a rural area that would contribute to rural development by giving access to Information and Communication Technologies (ICTs) to local communities. To achieve this goal, his telecentre developed a variety of ICT and non-ICT, public and private services, for the population of Nyamata and of neighbouring villages. In only 8 years, the Nyamata Telecentre grew from a very small enterprise of one manager and one employee, fighting to sustain their ICT services and trainings, to successful business of 25 employees delivering a variety of services to 100 visitors a day, including Business Development Services (BDS), in partnership with the Rwandan government and other national businesses, such as banks and insurance companies.²

In 2006, the founder of Nyamata Telecentre felt the need to network with other entrepreneurs of rural telecentres in Rwanda to share experiences and find solution to challenges threatening the sustainability of his enterprise, such as recurring financial difficulties. With 2 friends from university, Paul Barera created the Rwanda Telecentre Network (RTN), a non-profit organization located in Kigali, whose goal is to reduce the digital divide between urban and rural areas in Rwanda, and to empower rural communities and businesses with ICT-based services, knowledge, and skills. To fulfil this vision, the RTN developed a variety of activities to strengthen and support Rwandan telecentres in rural and semi-urban areas in their delivery of a variety of ICT and non-ICT services. The RTN is today a successful network of 140 telecentres coordinated by 25 employees, solidly working in partnership with the Rwandan government.

The Nyamata Telecentre and the RTN were created in a very specific context, both challenging and conducive. Rwanda is a country marked by civil turmoil and the genocide of 1994, which severely affected its social and economy fabric. Rwanda is also the African country with the highest population density, where 70 per cent of the population are farmers,³ and 87 per cent live in rural areas.⁴ The country is landlocked, and the natural resources are meagre and overexploited. The Government intends to transform Rwanda into a middle income country and a knowledge-based economy by 2020; in 2000, it published a broad development programme, where ICTs are highlighted as one of the means to achieve this national goal.

1 P. Barera, interview, 9 August 2012.

2 P. Barera: "Rural transformation processes: can we learn from other experiences?", Presentation for Brussels Rural Development Briefing, *Major Drivers for rural transformation in Africa: Job creation for rural growth*, No. 24, 14 September 2011.

3 *US\$39.8 million from IFAD to boost agriculture in Rwanda*, IFAD, 2011, <http://www.ifad.org/media/press/2011/64.htm> (accessed 7 August 2012).

4 *Rural poverty in Rwanda*, Rural Poverty Portal IFAD, <http://www.ruralpovertyportal.org/web/rural-poverty-portal/country/home/tags/rwanda> (accessed 4 July 2012).

The founders of RTN and the Nyamata Telecentre took advantage of this enabling and stimulating environment. Decision-makers perceive ICTs as a major contributor to the country's development. The creation of small businesses, such as rural telecentres, is therefore encouraged through simplified registration and other administrative procedures, and increased accessibility to loans. Indeed, rural telecentres have a considerable potential to accelerate rural development: they can empower local communities by providing them access to information and means of communication; increase the employment opportunities of villagers by providing them ICT skills that are needed for an increasing number of jobs; support the creation and sustainability of rural enterprises by being a hub where products and services can be bought and sold, and by providing Business Development Services; and reduce rural to urban migration as more jobs are created in villages.



1.2 Context

Rwanda is a small country (26, 000 km²) of over 10 million inhabitants. With 407 people per square kilometre, in 2011 it was the African country with the highest population density.⁵ In 2006, an estimated 87 per cent of Rwandans lived in rural areas.⁶ On average, a mid-sized village in Rwanda has 5,000 inhabitants, most of whom are youth (65 per cent are under 35 years old), and subsistence farmers (89 per cent).⁷ Poverty is widespread and 62 per cent earn less than USD 2 per day.⁸ Only 1.3 per cent of villagers have access

5 *About Rwanda*, UNDP, <http://www.rw.undp.org/content/rwanda/en/home/countryinfo/> (accessed 10 January 2013).

6 *Op. cit.*, *Rural poverty in Rwanda*, Rural Poverty Portal IFAD.

7 *Op. cit.*, P. Barera: "Rural transformation processes: can we learn from other experiences?", 2011.

8 *Ibid.*

to electricity at home, and only 1.8 per cent are internet users; although 30 per cent use mobile phones.⁹

The country's recent history is marked by the 1994 genocide, which killed 1 million inhabitants, and caused over 2 million to flee.¹⁰ Since then, the government led by the Rwandan Patriotic Front (RPF) and the President, General Paul Kagame, are concentrating their efforts on national reconciliation and economic growth.

Today, the country is widely recognized for its successful post-conflict social and economic reconstruction. In 2011, Rwanda's growth rate reached 8.6 per cent and GDP per capita was USD 504¹¹ (up dramatically from USD 209 in 2000).¹² Industry has grown the most because of sharp increases in mining and construction, and the service sector is also booming. While agriculture is declining, it remains important; between 2006 and 2011 it contributed to 35 per cent of the GDP, 45 per cent of exports, and employed 73 per cent of the population.¹³ Another important achievement between 2006 and 2011 was a 12 per cent decrease in the poverty rate, which concerns now less than 50 per cent of the population.¹⁴ Rwanda is also among the countries that are close to achieving the goal of universal primary education,¹⁵ and its employment rate is high, with 73 per cent of the population between 15 and 24 years old and 93 per cent of those over 25 years old gainfully employed.¹⁶

Yet, some development indicators remain low, and in 2011 Rwanda was ranked 166th in the Human Development Index. In particular, life expectancy at birth was 55.4 years old and the adult literacy rate just over 70 per cent.¹⁷ Inequalities are high, as 50 per cent of the national wealth remains concentrated in the hands of the richest 10 per cent.¹⁸ Furthermore, the country still relies on international grants, which constitute 40 per cent of the national budget.¹⁹

Conditions of rural areas in Rwanda

Rapid population growth of 2.9 per cent per year and high population density stand out as the main challenges.²⁰ The pressure on land is high, and its meagre natural resources are overexploited.²¹ The typical Rwandan agricultural unit is a family farm producing mainly food crops on an average plot of one hectare.²² These features, combined with

9 Op. cit., P. Barera: "Rural transformation processes: can we learn from other experiences?", 2011.

10 Op. cit., *About Rwanda*, UNDP.

11 *Rwanda, Country at a glance*, The World Bank, 2013, <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/RWANDAEXTN/0,,menuPK:368714~pagePK:141132~piPK:141107~theSitePK:368651,00.html> (accessed 4 July 2012).

12 Republic of Rwanda, Ministry of Finance and Economic Planning: *Vision 2020*, Kigali, 2000, p.3

13 Op. cit., *Rwanda, Country at a glance*, The World Bank, 2013.

14 Op. cit., *About Rwanda*, UNDP.

15 UN: *The Millennium Development Goals Report 2011*, New York, 2011, pp.4, 41.

16 *Rwanda, Key Indicators of the Labour Market*, ILO, <http://kilm.ilo.org/kilmnet/> (accessed 31 August 2012).

17 UNDP: *Human Development Report 2011, Sustainability and Equity: A better Future for All*, New York, 2011, pp.129, 141, 160.

18 Op. cit., *About Rwanda*, UNDP.

19 Op. cit., *Rwanda, Country at a glance*, The World Bank, 2013.

20 Op. cit., UN, 2011, p.164.

21 Op. cit., Republic of Rwanda, Ministry of finance and economic planning, 2000, p.13.

22 Op. cit., *Rural poverty in Rwanda*, Rural Poverty Portal, IFAD.

deterioration of the natural capital and scarce land, have augmented food insecurity and poverty. Food insecurity affects 28 per cent of the rural population,²³ (versus 22 per cent of urban dwellers),²⁴ and poverty concerns 66 per cent of the rural population²⁵ (versus 12 to 19 per cent in urban areas).

Farmers, who make up 70 per cent of the national population,²⁶ and 89 per cent of the rural population,²⁷ also face specific challenges. The climate is erratic, modern agricultural technologies are lacking,²⁸ accessing markets and related information is difficult, and public infrastructure is under-developed.

In 2009, only 9 per cent of Rwanda's population and 1 per cent of its rural population had access to electricity.²⁹ The main source of energy production is wood, which has severe negative impacts on the environment.³⁰ This has led the government to start promoting, in 2006, alternative sources of energy production in rural areas, such as solar and wind power.³¹ While road density in Rwanda is among the highest in Africa, rural areas are not well connected and access to markets is still difficult for most of the population.³²

In 2000, the government's *Vision 2020* development programme stated that Rwanda was to become a middle-income country by 2020, with an income per capita of 900 USD per year,³³ and a knowledge-based economy. The main means to achieve these goals are: "(i) deepening reforms, including in the business environment; (ii) investing in major infrastructure (power, transport, and ICTs); (iii) increasing agricultural productivity; and (iv) investing in skills development for economic modernization".³⁴

ICTs thus have a central role in the *Vision 2020*, as key to achieving national development goals. In particular, the government intends to use ICTs to: develop e-governance; improve educational and capacity-building opportunities with distance and other new types of learning; and to facilitate business. ICTs are to be developed in every part of the country, and their access prices lowered to improve information dissemination and communication across the country, support the private sector, and attract foreign investors.³⁵

To stress the importance of ICTs and ensure their development, the Rwandan government established 4 National Information and Communication Infrastructure (NICI) plans (also called ICT plans) that specify the improvements to be made over 5-year periods. The first NICI (2000-2005) focused on the creation of an enabling environment for ICT

23 Op. cit., *Rural poverty in Rwanda*, Rural Poverty Portal, IFAD.

24 *Rwanda, Overview*, World Food Programme, <http://www.wfp.org/countries/Rwanda/Overview> (accessed 28 August 2012).

25 Op. cit., *About Rwanda*, UNDP.

26 *US\$39.8 million from IFAD to boost agriculture in Rwanda*, IFAD, 2011, <http://www.ifad.org/media/press/2011/64.htm> (accessed 7 August 2012).

27 Op. cit., P. Barera: "Rural transformation processes: can we learn from other experiences?", 2011.

28 Op. cit., *Rural poverty in Rwanda*, Rural Poverty Portal, IFAD.

29 *Increased access to electricity for the rural population*, Belgian Development Agency, <http://www.btcctb.org/en/casestudy/increased-access-electricity-rural-population> (accessed 26 July 2012).

30 Republic of Rwanda and European Community: *Country Strategy Paper and National Indicative Programme for the period 2008-2013*, Lisbon, 2007, pp.4, 10.

31 UN and ICC: *An investment Guide to Rwanda, Opportunities and conditions*, New York and Geneva, 2006, p. 16.

32 Ibid. p. 19.

33 Op. cit., Republic of Rwanda, Ministry of finance and economic planning, 2000, p.3.

34 Op. cit., *Rwanda, Country at a glance*, World Bank, 2013.

35 Op. cit., Republic of Rwanda and European Community, 2007, pp. 59, 62.



projects. The NICI II (2006-2010) was centred on the development of infrastructure, such as fibre optic cables. The 3rd and current NICI (2011-2015) concentrates on “the provision of technology-related service industries”.³⁶ This plan addresses 5 fields, managed by 5 different working groups, including ICT experts and stakeholders: ICT Skills Development, Private Sector Development, ICTs for Community Development, E-Government, and Cyber Security.³⁷ The field of ICTs for community development is “focused on awareness, availability and affordability of ICT services, especially in remote areas”,³⁸ and is linked with the field of Private Sector Development, as the government wants to work with private entrepreneurs to develop ICTs in rural areas. The RTN actively participates in the formulation and implementation of these governmental plans.

36 P. Barera: “Rwanda: A network of Telecentres for a new economy”, Blog post, 9 June 2011, http://community.telecentre.org/profiles/blogs/rwanda-a-network-of?xg_source=activity (accessed 30 July 2012).

37 C. T. Otieno: “The Rwanda ICT Strategy and Plan for 2010-2015 under development”, Blog post, 22 June 2012, <http://community.telecentre.org/profiles/blogs/the-rwanda-ict-strategy-and-plan-for-2010-2015-under-development> (accessed 23 August 2012).

38 Ibid.

Section 2: Analysis of the Catalyst

The personal relationship between the founders, and their common vision, link the Nyamata Telecentre and the RTN. Paul Barera created the RTN because he needed to connect with other entrepreneurs in ICTs to overcome challenges faced. The network allows telecentre entrepreneurs to share difficulties, solutions, and lessons learned to strengthen their micro enterprises, and to deliver more varied, and better adapted ICT and non-ICT services to rural populations, which in turn improve their living and working conditions, as well as their employment opportunities.

A) The Nyamata Telecentre

2.1 Why was it created?

Purpose

The goal of the Nyamata Telecentre is to reduce the digital gap between urban and rural areas and contribute to rural development through the creation of a specific type of rural telecentre. In general, telecentres are “public places where people can access computers to use the internet and other digital technologies, that enable them to gather information, learn, and communicate with others while they develop essential digital skills”.³⁹ However, Paul Barera wanted his telecentre to deliver more than just basic ICT services; he also wanted to improve the delivery of services and products between the government, businesses and local communities, as well as the information and communication flows between them.

Gradually, Mr. Barera made the Nyamata Telecentre a local hub where different actors can deliver and purchase products, services and information, so that the population of Nyamata and of surrounding villages spend less time and money traveling to obtain them. Further, with time, as local communities improve their capacities to communicate through ICTs, they will also have better opportunities to express their opinion and be heard by the central government.⁴⁰ Concretely, the Nyamata Telecentre is a place where people can access a variety of services - such as internet access and training, banking and insurance services.

Another important goal Paul Barera had when he founded the Nyamata Telecentre was to “create his own job as well as jobs for others”.⁴¹ This goal is of particular relevance in Rwanda, given its sizable rural to urban migration.

Relevance

Reducing the digital gap with urban areas by creating a rural telecentre does not simply mean providing internet access to villages, but also empowering rural communities and increasing their employment opportunities.

39 *Rwanda Telecentre Network*, RTN, 2012, http://rtnrwanda.org/index.php?option=com_content&view=article&id=72&Itemid=95&lang=en (accessed 25 June 2012).

40 Op. cit., P. Barera: “Rwanda: A network of Telecentres for a new economy”, 2011.

41 P. Barera, interview, 9 August 2012.

Villagers are empowered by the presence of a hub delivering ICT and non-ICT products and services on many grounds. First, they can obtain valuable information through the internet on local or national political issues or on work-related issues, such as agricultural prices. Second, villagers can communicate through access to new communication technologies. They can share news with families and friends, network and share with business partners, develop information and broadcast it on the web, and make their opinion heard at different levels on various online platforms and forums. Third, people from rural areas save money and time as products and services, such as administrative documents, are made available via their village telecentre, thus eliminating the need to travel to large towns to access them.

Telecentre services can also increase employment opportunities in rural areas: ICT skills enable the local population to apply to more types of jobs as skilled workers. These skills can also support villagers to open new enterprises, or strengthen the management capacities of existing ones. BDS provided in the Nyamata Telecentre contribute to the reinforcement and creation of local micro, small and medium enterprises (MSMEs). Finally, by providing an online and physical platform to buy and sell services and products, the telecentre increases the possibilities for businesses to sell and adapt themselves to local demands.

2.2 How was it created?

The founder

Paul Barera is a Rwandan who was born in Congo due to the conflicts in Rwanda from the 1970s to the 1990s, but returned to Rwanda as an adolescent. In 1998–2000, he worked for the local government of the Bugesera District, on local social and economic development, and acquired a practical knowledge about local development. He then studied management until 2004 at the Institute of Science, Technology and Management (KIST) of Kigali, where he developed a strong interest in ICTs. He realized that ICTs could be of major support to rural development, and decided to engage in this field: “I had this theory in mind and I wanted to prove it”, he explains.⁴² In 2012, he completed a 2-year Master in Development studies at the National University of Rwanda to increase his knowledge of local development theories and practices, and thus reinforce his current work with the Nyamata Telecentre and the RTN.

Creation – Initial opportunities, support and challenges

Paul Barera founded the Nyamata Telecentre in 2004. In the last year of his studies at the KIST, he started thinking of establishing his own business to create employment for himself and others. He thought of creating one in a rural area, as there were already considerable investments in cities, and competitors there were more numerous.

Just before graduating, Paul Barera responded to an advertisement from the Academy for Educational Development (AED), a non-profit organization based in the USA, working on health, education and economic development, which was offering support to people who wanted to establish ICT centres in rural areas. He applied, and was among the

42 P. Barera, interview, 9 August 2012.

selected entrepreneurs. The AED provided him with 6 computers, 6 chairs, 6 desks, a printer, satellite communication technology (Very Small Aperture Terminal, VSAT) and a backup power system to help him set up his telecentre in Nyamata.⁴³ The management agreement between Paul Barera and the AED stated that this equipment would become his property after a year if, based on an evaluation from the AED, the telecentre was economically sustainable and proved to have a positive impact on the local community. He also received training from the U.S. Agency for International Development (USAID) on how to manage telecentres.⁴⁴

As the initial support was not large and Paul Barera could not find further assistance, the Nyamata Telecentre started small. In the beginning, it was only staffed by him and one employee, and delivered only basic ICT services, such as internet access, ICT trainings and secretarial services.



Among the very first challenges encountered by Paul Barera was infrastructure. Electricity was available in the village, but not continuously due to frequent shortages in the country. Another important challenge was the unreliable and expensive internet connection. Fortunately electricity distribution eventually improved across Rwanda, and the price of internet connections decreased due to the increasing competition among providers, and the telecentre was able to benefit from these developments.

43 P. Barera: "Sharing my experience in running rural ICT enterprise/Telecentre", Blog post, 9 May 2011, http://www.share4dev.info/telecentres/index.php?option=com_content&view=article&id=400:sharing-my-experience-in-running-rural-ict-enterprisetelecentre&catid=114:on-sites-services&Itemid=391&lang=fr (accessed 25 June 2012).

44 Ibid.

The Nyamata Telecentre also faced difficulties related to the local context. Most people in the village and its surroundings had only little interest in ICTs. The majority were not familiar with ICTs and their advantages; some were convinced that the services were too expensive; and others thought that ICTs were reserved for elites. To raise awareness about the usefulness of ICTs for villagers, Paul Barera organized coffee meetings at the telecentre where people could just gather, drink coffee, and informally discuss a number of ICT-related issues. These meetings were also means to get people used to the presence of the centre and view it as accessible.

Another crucial challenge was a lack of sufficient funds. Apart from the initial support from the AED and the USAID, the Nyamata Telecentre did not receive any external funds. However, as the centre was the only one providing ICT trainings in the district, Paul Barera was able to make his enterprise profitable during its first year.⁴⁵ Then, as the Nyamata Telecentre started growing and was judged as promising, he became the owner of the equipment initially made available by the AED, and obtained several loans from local banks. ICT training was the main source of revenue for the Nyamata Telecentre, but people would come only a few times for these trainings, and would stop once they had acquired basic ICT skills. Also, during the second year, competitors providing similar trainings appeared.

To find other sources of income, Paul Barera diversified the offer of services. In particular, he:

- Made available a cafeteria, meeting rooms and a garden that he rented out for various events;
- Started delivering mobile ICT trainings as he realized that many people could not come to the Nyamata Telecentre because it was too far from their home. He installed a generator in a car, took 2 computers and went to different places, where he delivered trainings. The scale of this project was very small but it gave a chance to an increasing number of people to access ICTs;
- Started to represent some businesses by making their services available from his telecentre. He thus concluded a partnership with the National Electricity Company of Rwanda ELECTROGAZ: through mobile phones, the telecentre started to sell electricity on the account of ELECTROGAZ to villagers, who thus no longer needed to travel to the capital Kigali to purchase electricity.⁴⁶ The Nyamata Telecentre also concluded an important partnership with a national company named Business Communication Solutions (BCS), an ICT services provider.⁴⁷ The ELECTROGAZ and BCS partnerships were hard to obtain because at first, these big companies could not see the potential of investing in only one telecentre, located in one village, with few clients. Paul Barera convinced them that he would make his centre grow, attract more visitors, and thus more clients for ELECTROGAZ and BCS. In addition, he emphasized the crucial fact that delivering services through the Nyamata Telecentre would reduce their operational costs.

45 Op. cit., P. Barera: "Sharing my Experience in running rural ICT enterprise/Telecentre", 2011.

46 Ibid.

47 Home, Business Communication Solutions, 2013, <http://www.bcs.rw/> (accessed 21 August 2012).

Paul Barera's enterprise also faced challenges encountered by all telecentres in the country, and which are more complex to resolve for one entrepreneur alone. The low literacy levels was one of them, as a number of villagers could not easily read and write, and thus could not effectively use ICTs. The lack of local web-content on the internet was a barrier too, as people from rural areas could not find information related to their interests and needs. Also, most of ICT content is in English or French whereas local communities can often only read in Kinyarwanda.

2.3 How does it currently work?

Structure and activities

While creating and sustaining the Nyamata Telecentre, Paul Barera developed a plan for structuring telecentres in rural areas to be economically sustainable, and thus able to provide relevant services of good quality to villagers. This model, now promoted by the RTN and based on the successful example of the Nyamata Telecentre, considers that productive and useful telecentres:

- Are locally owned by an entrepreneur to ensure economic sustainability, as it is the responsibility of the entrepreneur to obtain financing and resolve challenges to sustain the company. Also, if a telecentre is privately owned, the manager cannot expect guaranteed government or donor support, as it is the case for public-owned telecentres;
- Not only deliver basic ICT services, such as ICT trainings, access to computers and to the internet, but also a variety of other public and private services, to ensure diversification of telecentre revenues.⁴⁸ One type may not bring enough income to the telecentre, but the addition of several other types of services could. This variety also attracts different types of clients to the telecentre; people who can then discover and become interested in other services offered by the telecentre. Additionally, if the local population begins demanding less of one service, the income generated from other services offers time to implement new services in order to compensate the loss of income;
- Start small. It calls for creating several small telecentres in several different places, including if possible remote telecentres. Among others, small and locally owned centres are better linked with the local communities and can deliver services that are more adapted to the local demand.

Today, the Nyamata Telecentre is still owned by its founder, but since 2009 it has been managed by another person so Paul Barera can invest himself full time into the development of the RTN.

Delivery hub

The general idea promoted and implemented by the Nyamata Telecentre is that an ICT centre can link the rural with the urban, and improve local rural linkages (virtual and physical) among rural producers and consumers, through better product and service delivery. For

48 Op. cit., P. Barera: "Rural transformation processes: can we learn from other experiences?", 2011.

instance, an individual can sell his or her products or services on the Nyamata Telecentre premises, or advertise them online. Or an enterprise that would like to reach the population of Nyamata and its surroundings, but is unable to establish a branch there, can partner with the telecentre, and have the telecentre deliver some of its services.

For instance, the Nyamata Telecentre currently works in partnership with a bank to allow people to deposit and withdraw money, or apply for loans directly from the telecentre without having to travel to Kigali. The telecentre also delivers postal and insurance services, and as mentioned earlier, sells electricity in partnership with ELECTROGAZ. It also offers business services supporting local enterprise creation and sustainability, business planning, marketing, finances, taxes and various declarations. Lastly, it now rents space for community meetings and gatherings.⁴⁹

Prices and users

According to Paul Barera, the prices of the Nyamata Telecentre's services are accessible for most villagers. For instance, using a computer for an hour costs 300 Rwandan Francs (roughly USD 0.50). Typically, users stay for 10-20 minutes and thus often pay less than 100 Rwandan Francs.⁵⁰

Nyamata Telecentre's users are mostly young people. According to Paul Barera, youth are those most interested in ICTs, and the most ready to spend money to learn about these technologies and browse the internet. Increasingly, older people and women are also coming to the Nyamata Telecentre for ICT trainings, to use social media or to look for a variety of information such as market prices.

B) The Rwanda Telecentre Network

2.1 Why was it created?

Purpose

The RTN promotes ICTs as tools for rural development. Its objective is to narrow the digital divide existing between urban and rural areas, as it envisions “a society in which all people are equitably empowered by ICT skills and usage”.⁵¹ To fulfil this vision, it wants to be “a focal link between local telecentres, government, rural ICT advocates and other initiatives that aim at promoting digital inclusion in Rwanda”.⁵² This role can ensure the coordination of all projects related to ICTs for development at national level, and also help the RTN achieve its several specific goals.

The RTN's first aim is to support and strengthen existing telecentres in rural and semi-urban areas. The idea, based on Paul Barera's experience with the Nyamata Telecentre, is that networking is a key element to ensure the sustainability of telecentres in Rwandan

49 P. Barera interview, 9 August 2012.

50 Ibid.

51 *Members*, RTN, 2006, <http://www.ugabytes.org/rtn/member.html> (accessed 30 July 2012).

52 *Mission*, RTN, 2006, <http://www.ugabytes.org/rtn/mission.html> (accessed 30 July 2012).

rural areas.⁵³ Mr. Barera realized that it was crucial for telecentre entrepreneurs to jointly find solution to common challenges, and to unite forces to advocate for their business and activities.

The RTN's second goal is to support the creation of new telecentres in rural areas, by replicating the model of the Nyamata Telecentre in other villages. The mission of each telecentre member of the RTN is "to strengthen the social, economic, educational, and cultural life of their communities through technology".⁵⁴

Relevance

As demonstrated by the Nyamata Telecentre's experience, strengthening and creating telecentres in numerous villages can indeed boost rural development. In particular, a telecentre provides an alternative source of income to agriculture to the local entrepreneur managing it; empowers local communities by providing them with an easy access to information, communication means, and various services and products; and constitutes for the government and a variety of organizations and enterprises a physical and virtual environment where they too can offer information, services and products, and find the same from the local community.⁵⁵ At the country level, supporting and creating rural telecentres also decreases rural to urban migration, as a single telecentre needs at least 3 full-time staff, and helps generate employment through ICT skill training and Business Development Services.⁵⁶



53 Op. cit., *Members*, RTN, 2006.

54 Op. cit., *Mission*, RTN, 2006.

55 Op. cit., P. Barera: "Rural transformation processes: can we learn from other experiences?", 2011.

56 Ibid.

The RTN's work is also very well anchored in the general development strategy of its country, aimed at moving from an agrarian to a knowledge-based economy.⁵⁷ Access to ICTs for people living in rural areas was adopted as an important step to reach this national goal in the NICI II, and telecentre creation was a means highlighted at the 1998 and 2006 National workshops on information and communication technologies policy and strategy.⁵⁸ Telecentres are thus perceived at the national political level as a major tool for the country's general economic growth, as well as for e-government and e-governance.⁵⁹

2.2 How was it created?

Founders

In 2006, 2 years after the creation of the Nyamata Telecentre, Paul Barera felt the need to share his experience with others exercising the same activity in Rwanda. He and 2 of his classmates from the Kigali Institute of Science and Technology, Falcon Ndirima and Charles Mugisha, founded the RTN to link all telecentre entrepreneurs in the country, and thus help each other to ensure the sustainability of their business by discussing challenges, solutions, and collaborating. In 2009, the RTN was officially registered as a Rwandan non-profit organization.

Creation - Initial opportunities, support and challenges

The Telecentre.org Foundation and The Technical Centre for Agricultural and Rural Cooperation EU-ACP (CTA) supported the creation of the RTN.

The Telecentre.org Foundation aims to empower actors working for or supporting telecentres around the world, such as managers, coordinators, governments, through capacity building, an online learning centre, networking, research, advocacy and the development of pro-poor services and skills trainings, to “amplify the voice of grassroots communities”.⁶⁰ Support from the Telecentre.org Foundation to start the RTN was not hard to obtain because setting up telecentre networks is a core part of its mandate. Paul Barera and his partners contacted the Telecentre.org with their project proposal and received financial aid as well as knowledge and technical capacity.

Support from the CTA was more difficult to obtain because its field of intervention is not directly related to ICTs. The CTA is an international institution led by the African, Caribbean and Pacific (ACP) Group of States and the European Union (EU), whose main goal is to “advance food and nutritional security, increase prosperity and encourage sound natural resource management in ACP countries [...]. [It provides] access to information and knowledge, facilitates policy dialogue and strengthens the capacity of agricultural and rural development institutions and communities”.⁶¹ Paul Barera and his partners initiated

57 Op. cit., Republic of Rwanda, Ministry of Finance and Economic Planning, 2000, p.9.

58 *About us*, RTN, 2006, <http://www.ugabytes.org/rtn/aboutus.html> (accessed 28 August 2012).

59 Ibid.

60 *Programme Pillars*, Telecentre.org Foundation, <http://www.telecentre.org/about-us/programme-pillars/> (accessed 25 June 2012).

61 *Who we are*, CTA, 2013, <http://www.cta.int/en/About-us/Who-we-are> (accessed 29 August 2012).

collaboration with the CTA at a forum held in Zambia, where they successfully convinced CTA members that telecentres could be valuable tools for agricultural and rural development.

In addition to this support, in 2006 the Rwandan Government stated that it wanted to create as many telecentres as possible in rural areas, but without draining the public funds. Paul Barera was aware of this national plan and its related difficulties, hence while setting up the RTN, he planned to establish a fruitful collaboration with the government to support its telecentres and create new ones across the country based on the successful model and experience of the Nyamata Telecentre. Today, the RTN works in solid partnership with the government on common goals related to ICTs for development, such as developing a knowledge society using ICTs, and increasing access to ICTs in rural areas.

2.3 How does it currently work?

Structure and activities

The RTN is based in Kigali. It has 25 employees, including Paul Barera, the Executive Director of the network, who is also a member of the Trustees Board tasked with guiding the network and making strategic decisions. As with other mid-level and large organizations, the network also has an Advisory Board consisting of external, independent advisors.⁶²

In 2010, the RTN conducted a study to identify all existing telecentres in Rwandan rural areas, and organized a national forum to invite all identified rural telecentre entrepreneurs. The network presented its activities and extended membership offers to these entrepreneurs to receive RTN's support and participate in its projects. Today, the network has over 140 members, of whom approximately 30 per cent are women, and 80 per cent are under 35-year-old.

To support and strengthen the capacities of rural telecentres across the country, the RTN currently offers a variety of services:⁶³

- Support to set up telecentres – For instance, the RTN supports local entrepreneurs in the process of setting up a small telecentre business, from technical advice about ICTs, financial services and administrative procedures, to services to offer. It also shares experience and advice, and links them with other telecentre entrepreneurs in the network;
- Knowledge sharing among telecentre entrepreneurs and the local communities – The network is an enabling environment where entrepreneurs and the population of rural areas can exchange information, experiences and challenges, and jointly find solutions;
- Continuous capacity building of telecentre entrepreneurs and staff – “By providing diverse technical and business trainings and resources”.⁶⁴ The RTN help its members to make their business sustainable and adapted to local demand. For instance, it recently worked with the Ministry of Agriculture and Animal Resources (MINAGRI)

62 P. Barera, interview, 9 August 2012.

63 *What we do*, RTN, 2013, <http://www.rtnrwanda.org/index.php/en/explore/2011-08-15-05-52-35> (accessed 19 February 2013).

64 Ibid. (accessed 25 July 2012).

and the CTA to organize a week of training on new online technologies, such as Web 2.0 Applications Social Media. This type of workshop also serves as a training of trainers as the RTN's members attending are then supposed to disseminate their new knowledge in their communities.⁶⁵ The RTN also trains telecentre staff to help local communities create websites and blogs to share knowledge and communicate with each other. Local staff also specifically help farmers access information related to their work, and use ICTs to communicate with other farmers in the country. The RTN now has a formal agreement with the MINAGRI to provide these training to farmers from numerous telecentres.

Trainings of telecentre managers and staff are conducted through emails and information available on the internet, but also physically, during an annual forum bringing together all the network members, and at specific trainings organized throughout the year. When such specific trainings are organized, the RTN posts an advertisement, so that telecentre entrepreneurs can apply, and makes a selection based on specific criteria.⁶⁶

At the moment, the RTN mainly trains telecentre entrepreneurs in the field of ICT services, such as how to enable villagers to use the internet, and how to use specific word processing or accounting software. These classical ICT services remain important because most telecentre users are “students researching academic topics and business people seeking to establish contact with other companies or promoting their products and services”, and need these basic ICT skills;⁶⁷

- Development of local content – The network tries to understand what type of local content is needed and requested in rural areas, then contributes to its creation, and packages it to make it available to telecentre entrepreneurs and users. For instance, it has developed a variety of information and articles on ICT for development in English and Kinyarwanda, which everyone can find on the internet;⁶⁸
- Advocacy – The RTN calls for an enabling economic and legal environment for telecentres, and raises awareness about ICTs at the local level. It regularly takes part in radio and television debates to explain ICTs' potential to improve employment opportunities as well as working and living conditions in rural areas.⁶⁹

As the RTN does not charge any membership fees, and thus does not have sufficient income to offer its services free of charges to all telecentres entrepreneurs and staff, telecentres receiving its support to deliver specific services to their local communities pay for that support.⁷⁰

65 *Web 2.0 learning workshop increases Rwanda presence online*, Karibu2, the RTN, 2011, <http://karibu2.wordpress.com/2011/11/28/web-2-0-learning-workshop-to-increase-rwandas-online-presence/> (accessed 19 February 2013).

66 Ibid.

67 Op. cit., P. Barera: “Rwanda: A network of Telecentres for a new economy”, 2011.

68 Ibid.

69 Ibid.

70 Ibid.

Projects

■ Knowledge Network of Community Telecentres (KNACT)

Since 2007, the RTN has been active in an initiative of the United Nations Economic Commission for Africa (UNECA) called the Knowledge Network of Community Telecentres, which aims to transform telecentres worldwide into knowledge hubs through which national institutions and local communities can communicate.⁷¹ To achieve this goal, the RTN is working on the promotion of knowledge sharing among ICT stakeholders, as well as on the creation and dissemination of content related to local and agricultural issues. Mr. Barera is the current Chairman of this initiative, which is funded by the United Nations Development Account and implemented by 5 regional UN Commissions. This collaboration was initiated by the UNECA, who invited the RTN to a workshop on this initiative after having heard about its activities in Rwanda.

■ 1,000 Telecentres

In 2010, as deployment of government telecentres was not advancing as fast as authorities had planned, Paul Barera and the network thought of supporting this national effort by deploying 1,000 telecentres in rural areas by 2015. The aims of this project reflect RTN's main goals of narrowing the digital gap between rural and urban areas and bringing social, governmental and business services to villages. This major initiative is also directly creating employment in rural areas and helping decrease rural to urban migration.⁷²

These new telecentres replicate the model of the one in Nyamata. Each of them thus delivers various “public and private services, such as agriculture, e-government, banking, insurance, health, e-learning, rural business process outsourcing”.⁷³ Each telecentre in the 1,000 Telecentres project is run by a local entrepreneur and has 5 to 25 computers, often alongside scanners, printers and other technical devices.⁷⁴ The already existing rural ICT access points are also to be developed into traditional and online services providers. For managers, the RTN remains a support, as the telecentres created are to be locally-owned so that entrepreneurs have a stake in making them profitable and sustainable; and small, so as to avoid under-utilization. These characteristics also ensure that the services delivered are adapted to the specific areas and communities.

Telecentre entrepreneurs included in this project have different backgrounds, but the RTN has only 2 criteria to support potential ones: they need to have a minimum level of education, and, more importantly, to have a passion for ICTs. Paul Barera stresses that “if you are passionate about ICTs, we [the RTN] go with you!”⁷⁵

As creating telecentres in villages across Rwanda is also a clear aim of the government, the RTN is collaborating on this initiative with the Minister of ICTs and the Rwanda Development Board (RDB), which is the national organization that brings “together all the government agencies responsible for the entire investor experience under

71 P. Barera, interview, 9 August 2012.

72 Ibid.

73 Op. cit., P. Barera: “Rural transformation processes: can we learn from other experiences?”, 2011.

74 Op. cit., P. Barera: “Rwanda: A network of Telecentres for a new economy”, 2011.

75 P. Barera, interview, 9 August 2012.

one roof”⁷⁶ and aims to develop an enabling environment for private investors and businesses in Rwanda. Their collaboration seeks to ensure that policy eases the creation and work of rural telecentre entrepreneurs. It has already ensured Paul Barera’s participation in the formulation of the NICI III,⁷⁷ which includes the 1,000 Telecentres project as one of its elements⁷⁸. The RTN works with the national team implementing this 3rd national ICT plan,⁷⁹ which stresses the empowering potential of ICT services for villagers in remote areas.

■ Telecentre Women: Digital Literacy Campaign

Since 2011, the RTN has been collaborating with the Telecentre.org Foundation on an international project called “Telecentre Women: Digital Literacy Campaign”. This initiative aims to empower women in rural as well as urban areas through technology and business skills to widen their economic and social opportunities, for instance by enabling them to create their own jobs. Globally, this campaign’s goal is to train women in over 25,000 telecentres.⁸⁰ In Rwanda, the telecentres where the trainings should take place have already been targeted and the first trainings started in 2012, although partners to fund some of the planned trainings are still being sought.⁸¹

■ BDS Centres

Since 2012, the RTN is also in charge of managing 5 government telecentres in 5 districts of the Northern Province of Rwanda. In particular, the network is to ensure that each centre provides the following services: “ICT related training, information services, entrepreneurship development services, business advice and counselling, facilitating access to finance, facilitating access to markets, export development services, facilitating business registration, training on business skills”.⁸² Following this contract with the government, the RTN has also MSMEs development to its own activities, and thus encourages and supports its members to provide these types of services in their telecentres.

This collaboration originated from the Rwandan Government’s decision to privatize some of its telecentres in rural areas in 2012. These Community Multipurpose Telecentres (MTC) were set up in 2006, and were transformed in 2010 into BDS centres providing “extended services that improve and sustain the performance of



76 *History*, RDB, 2013, <http://www.rdb.rw/about-rdb/history.html> (accessed 2 July 2012).

77 P. Barera, interview, 9 August 2012.

78 Op. cit., P. Barera: “Rural transformation processes: can we learn from other experiences?”, 2011.

79 Op. cit., P. Barera: “Rwanda: A network of Telecentres for a new economy”, 2011.

80 Op. cit., Rwanda Telecentre Network, RTN, 2012.

81 P. Barera, interview, 20 August 2012.

82 *Telecentres to boost SMEs development in Rwanda*, RTN, 2012, <http://www.rtnrwanda.org/index.php/en/news/98-rwanda-telecentre-network-rtn-to-manage-some-of-the-government-telecentres> (accessed 25 June 2012).

the enterprise, its access to information, markets and technologies and its ability to compete”,⁸³ to support MSMEs. As these public-owned telecentres did not prove to be economically sustainable, in 2012 the government, after publicly advertising the role, awarded management responsibilities to RTN.

Following this agreement, some of the government employees with specific skills in Information Technologies (IT) or in business development became RTN employees. In addition, the Rwandan Development Board supports the network more broadly through indirect funding, such as by providing scholarships to RTN members as well as other owners of small businesses who cannot afford some of the network’s services.

■ The Pan African Network

In 2011, the Rwanda Telecentre Network was elected to be the host of the Pan African Network (NetAfrica), a continental umbrella network for all national telecentre networks in Africa.⁸⁴ Paul Barera is the current Chair of NetAfrica, which is being registered as an independent organization in Rwanda. Its goal is to support (mainly through knowledge sharing, fundraising and advocacy) national telecentre networks in different African countries so they can become true engines of development.⁸⁵

For the RTN, the NetAfrica initiative holds several advantages. In particular, as an international institution, it can raise funds and advocate internationally for ICTs for development, by reaching important development partners and organizations that smaller networks cannot approach. Further, it links the RTN with networks around the world, thus improving knowledge sharing and capacity building.

83 Op.cit., *Telecentres to boost SMEs development in Rwanda*, RTN, 2012.

84 *History*, NetAfrica, <http://www.net-africa.org/?q=node/9> (accessed 29 August 2012).

85 P. Barera, interview, 20 August 2012.

Section 3: Assessment of the Catalyst

3.1 Main achievements

The achievements of the Nyamata Telecentre and the RTN are closely linked. First, the manager and staff of the Nyamata Telecentre are supported by RTN services. Thus, they can use the network to link themselves with other telecentres across the country and share knowledge and experiences; they can follow a variety of trainings; they benefit from the general enabling legal and economic environment that the RTN contributes to build through its advocacy and awareness raising activities; and the Nyamata Telecentre users can access locally relevant web-content created and disseminated by the network. Further, the achievements of the Nyamata Telecentre with ICTs for rural development also apply to the other telecentres set up or supported by the RTN.

A) Nyamata Telecentre

- About 8 years after its creation, the Nyamata Telecentre is a successful and economically sustainable enterprise. It started with 4 employees and 6 computers, and is now supported by 25 employees, and registers on average 100 visitors a day.⁸⁶ It has directly created 25 jobs in one village, besides indirect employment opportunities created by the services it delivers;
- More and more jobs now require computer skills, and the ICT trainings and subsequent certificates delivered by the telecentres enable the rural population to access such positions. For instance, someone from Nyamata can now find a job as a skilled worker in the capital Kigali,⁸⁷ and various companies are becoming interested in establishing their offices in rural areas where they can now find workers trained in ICTs;
- The Nyamata Telecentre has contributed to ICTs awareness and knowledge in the village and its surroundings. While the local communities at first thought ICTs were too expensive and reserved for upper classes, they now know how to use computers, the internet and other ICT tools, and understand how these technologies can benefit them;⁸⁸
- The Nyamata and other rural telecentres have empowered local communities through access to information online. In Rwanda, much information is now available in the local language, and enables people from rural areas to be aware of what is happening in their region and country. Further, trainings on how to use social media for instance, are enabling local communities to create and disseminate information;⁸⁹
- By delivering ICT trainings and BDS, the Nyamata and other rural telecentres strengthen local businesses, and contribute to the creation of new enterprises. These services

⁸⁶ Op. cit., P. Barera: “Rural transformation processes: can we learn from other experiences?”, 2011.

⁸⁷ P. Barera, interview, 9 August 2012.

⁸⁸ Ibid.

⁸⁹ Ibid.

and trainings enable rural entrepreneurs to make their businesses more efficient and profitable, or to start new ones. For instance, after receiving training on how to use a word processor or accounting software, trainees can set up a business selling secretarial services;⁹⁰

- By being a delivery hub, the Nyamata Telecentre contributes to the success of a variety of small and bigger businesses working with it. Individuals and companies now have a reliable market place to sell, buy and exchange products, services and information. Not only can they physically use the telecentre to deliver their services, they can also advertise them on the internet as it is now more widely used in the area, which contributes to a better match between supply and demand.

B) The Rwanda Telecentre Network

- 6 years after its creation, the RTN is a successful and growing organization. It started with 3 friends who met at university, and now has 25 employees and 140 members across the whole country.⁹¹ It managed to identify, gather and mobilize these telecentre entrepreneurs to work together;
- The RTN created and sustained a useful knowledge network. Paul Barera explains that RTN members encounter the same challenges he faced at his beginnings, such as lack of support and lack of interest for ICTs among the local population. The RTN enables telecentre entrepreneurs from the start to share knowledge and experiences, find solutions to common challenges, and have a real say vis-à-vis decision-makers to advocate for a better legal and economic environment;⁹²
- The RTN participates in the formulation and implementation of government plans and projects on ICTs for development, and can thus help ensure that the political and economic environment is enabling for small entrepreneurs located in rural areas. As a member of the implementation team of the NICI III, it contributes to implementing this enabling environment for rural telecentres.⁹³ The RTN also managed to make its 1,000 Telecentres project part of the national ICT plan and ensure the economic sustainability of government telecentres by applying the successful model used in Nyamata;
- The RTN directly contributes to rural job creation and the decrease of rural-urban migration because each telecentre set up in the context of the 1,000 Telecentre project creates at least 3 jobs, and already by 2011, 150 new telecentres were running;⁹⁴
- The RTN also indirectly contributes to the improvement of living and working conditions in rural areas as telecentres empower local communities through access to means to get informed and communicate. It also strengthens and helps create small enterprises through ICT skills trainings and BDS.

90 P. Barera, interview, 9 August 2012.

91 P. Barera, interview, 20 August 2012.

92 Ibid.

93 Ibid.

94 Op. cit., P. Barera: "Rural transformation processes: can we learn from other experiences?", 2011.

3.2 Future

A) Nyamata Telecentre

- The Nyamata Telecentre intends to remain a community telecentre based in a village, to continue its current activities, particularly the ICT trainings, e-government, banking services, and insurances services, and to remain a reliable delivery hub;
- Some funding challenges remain to guarantee the delivery of these various and numerous services, and the telecentre is thus always looking for support. However the Nyamata Telecentre is by and large economically sustainable, and covers its operational costs and basic expenses, such as internet connection and salaries.⁹⁵

B) The Rwanda Telecentre Network

By contrast, the RTN intends to grow further. In particular:

- Increasing the number of telecentre entrepreneurs and employees reached by its trainings, as well as the number of trainings. To achieve these goals, the RTN is training a number of its members to enable them to train, in turn, other telecentre entrepreneurs and staff, and charge fees for it. The RTN would take a share of the benefits generated by these new trainings to sustain its current activities and implement new ones;⁹⁶
- Making government services accessible, such as the possibility to pay taxes or register businesses from all telecentres across the country. As infrastructure is already available in all telecentres (i.e., premises, computers, and internet access) the RTN will mainly need to train telecentre entrepreneurs and employees, and disseminate information, which will be done through forums, meetings and capacity building, physically or by emails.⁹⁷

The RTN also faces a number of challenges, namely:

- Finding partners and financial support for its numerous activities and services, such as deploying additional small telecentres across the country, guaranteeing capacity building to members, or ensuring they get the services they really need through local needs assessments, and the development of services and content accordingly. Paul Barera explains that the RTN has sufficient ideas, projects and technical capacities, but adequate funds are often lacking;⁹⁸
- Meeting, linking, communicating and sharing with other networks of telecentres around the world. This is part of the job description of the Telecentre.org Foundation but, according to Paul Barera, as the foundation works at a global level, it lacks time to help individual networks like the RTN, and cannot offer enough capacity building.⁹⁹

These 2 main challenges explain the hope the RTN has in NetAfrica, through which it wishes to access funding at the international level, and to learn and exchange with other such African networks.

95 P. Barera, interview, 9 August 2012.

96 P. Barera, interview, 20 August 2012.

97 Ibid.

98 Ibid.

99 Ibid.

3.3 Lessons learned

According to Paul Barera, to be successful, rural entrepreneurs should:

- **Have passion for their work** – Mr. Barera explains that the main reason for the Nyamata Telecentre's success is that he did not create it just to earn money, but because he believed and still believes in ICTs for development. As he says: “it is in my blood, it is my vision, it is my passion”.¹⁰⁰ He explains that it is the same for the RTN: the network is successful because it is led by people who are passionate about ICTs for development. “When you have the passion for your project, you can do it. You have the motivation to manage challenges”,¹⁰¹
- **Work hard** – Paul Barera invested all his time to create and sustain the Nyamata Telecentre and the RTN. According to him, too many young people in Africa want to enjoy life without making efforts and working hard;¹⁰²
- **Have a clear vision** – Telecentre managers and other entrepreneurs should be clear about what their goals are, what they want their business to become, and then commit to it;
- **Do not be afraid of difficulties** – Challenges are natural for all entrepreneurs around the world, and they should not despair when they encounter a problem, but actively look for a solution;
- **Network** – Networking is key to successfully managing an enterprise. It enables entrepreneurs to share difficulties and lessons learned, meet and brainstorm with others doing the same kind of work to find appropriated answers. Paul Barera discovered that local entrepreneurs actually had important “psychological barriers (lower self-esteem, fear of failure, depression, etc.)”;¹⁰³ networking and sharing is crucial to discover that the others are experiencing similar problems and that they can be overcome;
- **Make one's business known as a success, so partners will seek collaboration** – Paul Barera explains that, “If you are looking for them [important organizations, associations, foundations], you don't get them. They have to look for you”;¹⁰⁴
- **View ICTs, like other businesses, as “a tool and not an end in rural development”**¹⁰⁵ – The economic sustainability and positive impact of each telecentre on the local communities rely on the relevance of their services.¹⁰⁶ These should be needed and requested by the local population, and be linked to current issues. If access to ICTs is seen as a goal in itself, and the manager only offers classical and global ICT services, the telecentre risks failing;
- **Look for solutions to overcome challenges within the local population** – Local communities can help solve many problems because they know the ground realities, are

100 P. Barera, interview, 9 August 2012.

101 Ibid.

102 Ibid.

103 Op. cit., P. Barera: “Rural transformation processes: can we learn from other experiences?”, 2011.

104 P. Barera, interview, 20 August 2012.

105 Op. cit., P. Barera: “Rural transformation processes: can we learn from other experiences?”, 2011.

106 Ibid.



committed and physically present. Paul Barera realized that locals are best positioned to address development issues and can thus find innovative solutions to a variety of problems that they or local entrepreneurs encounter.¹⁰⁷

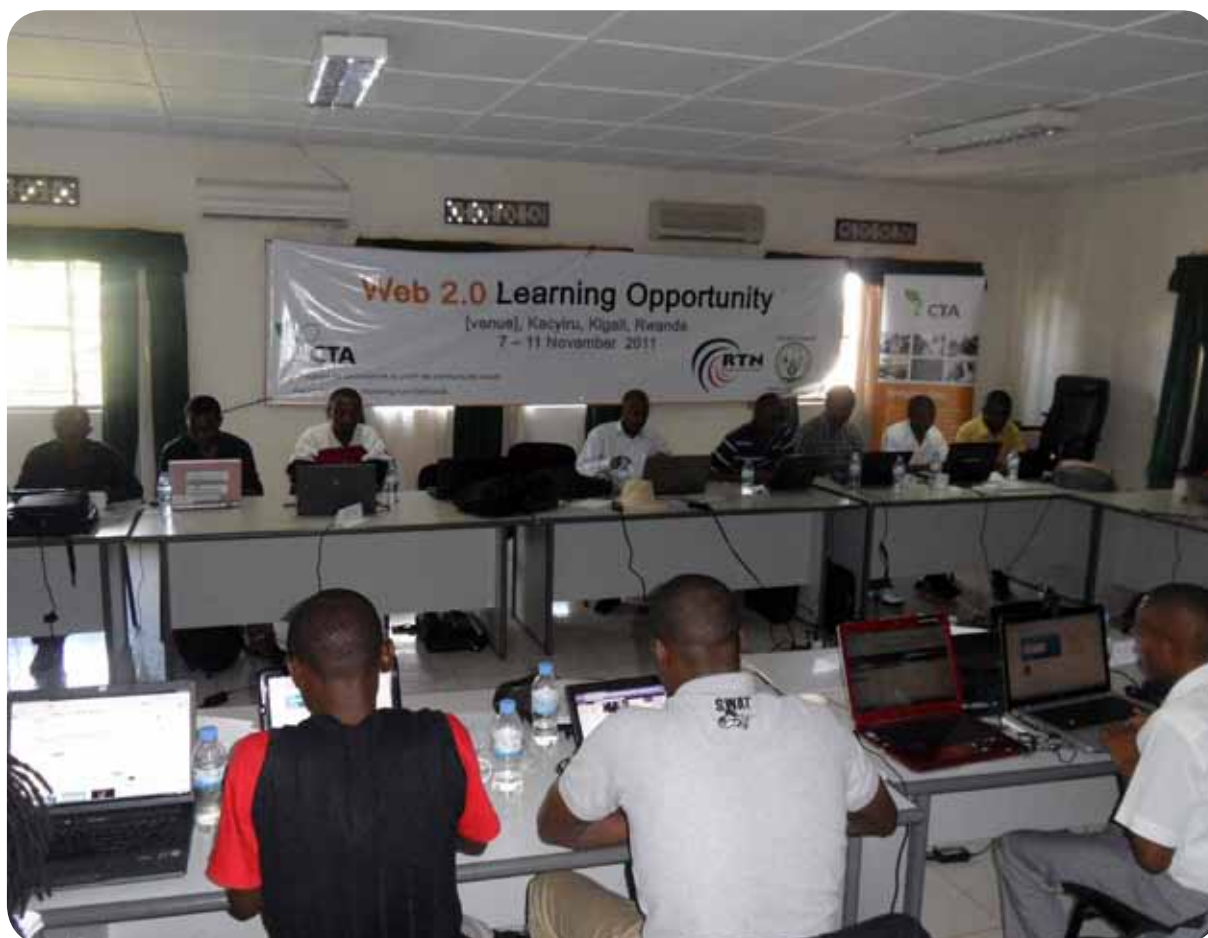
The RTN's experiences demonstrate that:

- **Even minimum support from government or donors can considerably help social enterprises** – Paul Barera noticed that stakeholders and local communities favour the better-funded government telecentres instead of private telecentres, which makes it difficult for private entrepreneurs to find resources to sustain their activities in rural areas and tackle specific challenges, such as the lack of stable internet connection and community interest in ICTs.¹⁰⁸ Thus, small specific grants, practical services or technical support can be critical for small social entrepreneurs, particularly in the early phases;
- **Public-private partnerships are mutually beneficial** – According to Paul Barera, the Government and private entrepreneurs should work together to complement each other to achieve the goals of the Rwandan *Vision 2020*.¹⁰⁹ A good example of successful public-private partnership is the one that started in 2012, when the RTN became responsible for the management of 5 government telecentres;

¹⁰⁷ P. Barera, interview, 9 August 2012.

¹⁰⁸ P. Barera: “The Neglected Role of Local Entrepreneurs in Bridging the Digital Divide”, Blog post, 20 May 2011, http://community.telecentre.org/profiles/blogs/the-neglected-role-of-local?xg_source=activity (accessed 30 July 2012).

¹⁰⁹ Ibid.



- **An enabling environment for businesses is a major facilitator** – In Rwanda, the Government has been developing important electricity infrastructure, and electricity is thus available in all districts, which greatly facilitates establishing telecentres in semi-urban and rural areas. Further, the legal and financial environment enables small entrepreneurs to easily start their own business; the administrative procedure to open a telecentre, or any other enterprise, roughly takes 2 days. Moreover, bank loans are accessible as the government pushes for MSMEs' development. Concerning ICTs for development, the policies are well thought out and political willingness to develop this field is high. Paul Barera explains that the government is committed to support ICT-related projects, and that for instance it is fairly easy to get an appointment at the Ministry of Youth and Information and Communication Technology, and be heard and understood. Also, the entrepreneurship environment is stimulating as many young people are willing to start their own businesses;¹¹⁰
- **Businesses should start small, then gradually grow and diversify** – Starting small enables small entrepreneurs to create their own enterprise, even without much financial resources and in remote areas. Gradually, rural telecentres should diversify their offer of services because diversification generates several sources of income, and makes more and different types of clients come to the centre;

110 P. Barera, interview, 20 August 2012.

- **Local businesses should be locally owned** – Locally owned telecentres are most often economically sustainable because their manager and staff are motivated to sustain the business if they want to keep their job. They are also generally better linked with the local communities, and can thus deliver more adapted, requested and needed services;
- **ICTs are businesses contributing to rural development** – Access to ICTs empowers local communities which then become able to find information that interest them, such as local or national social, economic or political issues, agricultural prices or job vacancies. They can also communicate better and share news with families and friends; network with others or advertise their business or products; disseminate information about local issues; or express their opinions and be heard at the national and international levels. As products and services delivery hubs, telecentres save time and money for the local communities, who no longer need to travel far to obtain the same services.

Also, telecentres in rural areas increase the employment opportunities of the local communities, strengthen, and even support the creation of local businesses. With ICT skills, people from rural areas can apply to more jobs as skilled workers, as more and more positions require ICT knowledge. ICTs skills, such as mastery of the use of word processing or accounting software, can also enable people to open new businesses, or strengthen the management of existing one. BDS delivered in telecentres also contribute to the creation or strengthening of MSMEs. Lastly, by being delivery hubs, telecentres create a virtual and physical environment where businesses can more easily sell and adapt their products and services to the local demand.



6



Chapter 6: The Palestine Fair Trade Association (PFTA), occupied Palestinian territory

Executive Summary

The Palestine Fair Trade Association (PFTA) is a union which economically and socially empowers Palestinians farmers, including women producers, through the promotion of fair trade and organic farming, capacity building, and certification. It aims to enable small and marginalized producers to overcome challenges generated by the on-going conflict with Israel, such as difficult access to land and markets, by giving them access to international markets, which individual Palestinian producers would otherwise not be able to access.

The Union was created in 2004 by Nasser Abufarha, a Palestinian from a farming family. While pursuing his PhD in cultural anthropology and international development in the United States, he was introduced to fair trade concepts and mechanisms. Upon his return to the occupied Palestinian territories (oPt) for doctoral research, he witnessed the worsening situation of farmers due to the fall of olive oil prices, and decided to set up a fair trade training and certification system to enable farmers to access new and more profitable and stable international markets.

The PFTA started with only 15 members, but in less than 10 years it became the largest fair trade union in the oPt, with over 1,700 small farmers organized into approximately 43 farmers village cooperatives producing olive oil from ancestral trees, and 6 women's village cooperatives producing other traditional goods, such as couscous and sun-dried tomatoes. In 2009, the union became the first entity in the world to be fair trade-certified for olive oil, and currently over 95 per cent of its products are certified organic. In 2011, it sold its products for USD 4.8 million, with USD 4.3 million from olive oil alone, through Canaan Fair Trade, its exclusive exporting partner established in 2004.

PFTA's fair trade and organic trainings and certifications aim to improve its members' productivity, working conditions, and the quality of their products, which in turn increases their value and allow them to access lucrative international fair trade and organic markets. By guaranteeing the sales of its members' products, the union also improves the employment opportunities and working conditions of the wider Palestinian community; producers can make long-term investments on their farms, and over 2,400 seasonal farm labourers receive work for 3 months during the olive harvest, with a PFTA-created minimum wage that is on average 60 per cent higher than the Palestinian one. The social premium (a benefit that the union, the cooperatives and the farmers receive on top of the selling-price), further contributes to the general development of the region as it is often reinvested in community projects, in health care, in education, etc.

The union's empowering work also includes a set of complementary programmes, such as sapling distributions to disadvantaged groups to help them launch production; micro loans to set up fair trade and organic-certified production; and an international olive harvest festival to allow producers and consumers to meet and exchange.

Section 1: Introduction and Context

1.1 Introduction

The Palestine Fair Trade Association (PFTA) is a union of fair trade producer cooperatives, processors and exporters based in Jenin, a Palestinian city in the northern West Bank. Created in 2004, it aims to economically and socially empower small and marginalized Palestinian producers by promoting fair trade and organic farming, creating and organizing producers' cooperatives, and providing them with capacity building and certifications. Adapting their practices to fair trade standards enables farmers to access profitable and stable markets and to sell at fair prices through international fair trade channels. Currently the largest fair trade producers' union in the occupied Palestinian territory (oPt), the PFTA has over 1,700 members, grouped in approximately 43 farmer cooperatives, whose main activity is the production of olive oil from ancestral trees, as well as sesame seed, wheat, and honey. It also consists of 6 women's cooperatives that produce a variety of traditional goods, such as sun-dried tomatoes, couscous, tapenade, and thyme.¹

Growing up in a family of producers in Al-Jalama, a small Palestinian village close to Jenin, PFTA's founder, Nasser Abufarha, constantly faced the challenges encountered by Palestinian producers; mainly competition on local markets with subsidised Israeli products, and the lack of access to international markets, given the difficulties of crossing the border, and the control of imports and exports by the Israeli authorities. These challenges often led to the production of goods that Palestinian farmers could not sufficiently sell on local markets as their production capacities were higher (and more expensive) than the demand.² As people turned to cheaper Israeli products, Palestinian producers saw a decrease in income and a waste of produce. In this context, when Mr. Abufarha was introduced to the concept of fair trade in the USA, where he was working on his PhD, he immediately saw it as a valuable solution for Palestinian farmers as this certification would make them competitive on the profitable international markets, and thus guarantee fair and stable prices.

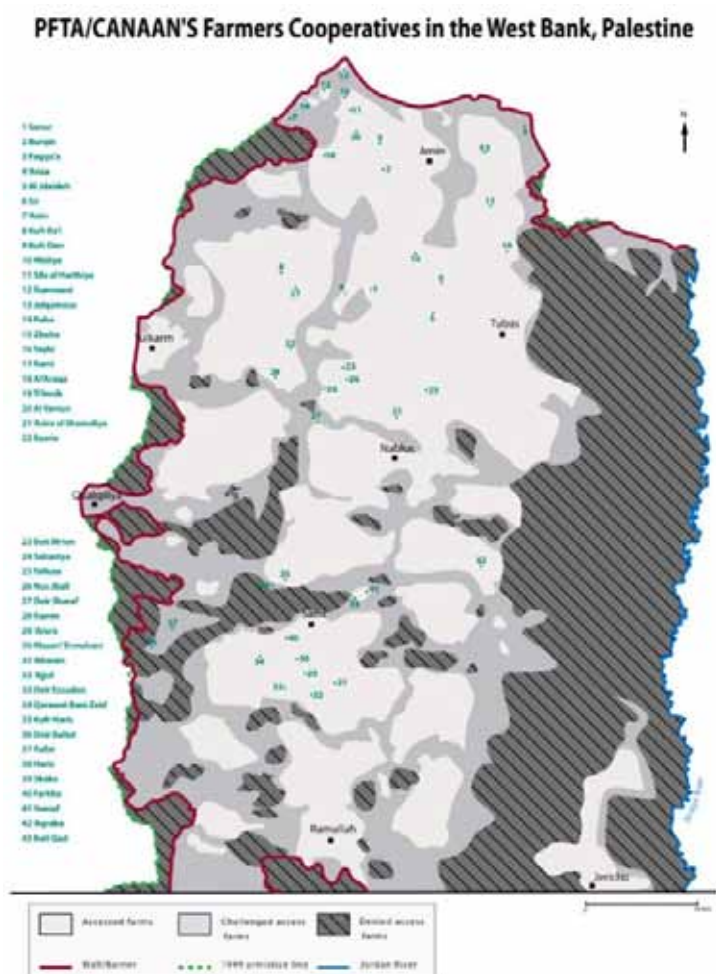
PFTA's main goal is to train and certify marginalized farmers in fair trade so their products can be sold through more profitable fair trade channels. Organic training and certification is also promoted as a sign of respect for the well-being of farmers as well as the environment. Organic certification is not compulsory, but most members try to obtain it as their traditional practices are similar to the organic-certified ones. The PFTA ensures access to international markets through close collaboration with its exporting partner, Canaan Fair Trade. Also created in 2004 by Nasser Abufarha, and principally owned by him, this private company buys all the olive oil and other products of the union cooperatives and sells them to international buyers, mainly in North America, Europe, and South-East Asia.³

1 *The Palestine Fair Trade Association*, <http://www.palestinefairtrade.org/> (accessed 16 January 2013).

2 N. Abufarha, interview, 4 October 2012.

3 C. Bruhn: *Canaan Fair Trade Impact Study: 2005-2011*, Canaan Fair Trade, December 2012, http://www.canaanfairtrade.com/images/Canaan_Fair_Trade_Impact_Study.2012_.pdf (accessed 15 January 2013).

Representing cooperatives across the entire oPt (see map below), the PFTA has succeeded in directly improving the living and working conditions of its members by increasing their productivity and enabling them to add value as well as quality to their products, and thus access profitable international markets. The union's work has also indirectly contributed to the wider development of the areas by ensuring the payment of a social premium to cooperatives and producers, which is generally reinvested in community projects, and by securing jobs for members. In turn, the members provide seasonal employment on their farms to other Palestinian workers.⁴



Source: <http://www.canaanfairtrade.com/map-of-farmer-cooperatives.php>

4 N. Abufarha, interview, 4 October 2012.

1.2 Context

The oPt, which is approximately 6,000 km², consists of the West Bank and Gaza, and is home to over 4 million people. The region has an average population density of over 700 people per square kilometre. In 2010, 74.1 per cent of its population lived in urban areas, while the rest lived mainly on small family farms.⁵

The economic and political situation of the oPt is particularly unstable due to its on-going occupation by Israel, and its lack of recognition as a sovereign state.⁶ Since 1967, it depends heavily on Israel for exports and imports. Today, Israel absorbs around 90 per cent of the Palestinian exports, much of it low value-added, and is the source or channel for about 80 per cent of its imports.⁷ In 2010, while the Palestinian economic growth was 9.3 per cent, 30 per cent of the population remained unemployed,⁸ 26 per cent lived under the poverty line,⁹ and 50 per cent of households were food insecure.¹⁰

Agriculture plays a significant role in the Palestinian economy, as 31 per cent of the territory is cultivable agricultural land. In 2011, agriculture accounted for 5.5 per cent of the GDP, and approximately 15 per cent of Palestinian exports, with olives, olive oil, vegetables and cut flowers being the primary exports. It also represented 12 per cent of total employment, although about 94 per cent of agricultural workers are unpaid family members.¹¹

Condition of rural areas in the oPt

The PFTA's main area of focus, the West Bank, is predominantly a rural area, where approximately 60 per cent of the population lives in 400 villages that mainly comprise family farms and are thus highly dependent on agriculture and livestock production.¹² Agriculture faces severe constraints as a result of the Israeli occupation, in particular restrained movements of people and goods, and the confiscation of Palestinian lands and natural resources for Israeli settlements. The situation has worsened since 2002 with the construction of the Separation Barrier, of which 85 per cent is built on the oPt, further dispossessing Palestinian of their lands and natural resources.¹³

Mobility restrictions have been particularly harmful to agriculture as they undermine farmers' ability to access their land, and to easily import or export their products.¹⁴ The perishability of agricultural products, and the numerous unloading and reloading at checkpoints, for instance, increase damage. Due to this situation, production and

5 *Occupied Palestinian Territory*, UN Data, 2010, <http://data.un.org/CountryProfile.aspx?crName=Occupied%20Palestinian%20Territory> (accessed 21 January 2013).

6 *West Bank & Gaza, Overview*, World Bank, 2012, <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/WESTBANKGAZAEXTN/0,,menuPK:294372~pagePK:141132~piPK:141121~theSitePK:294365,00.html> (accessed 21 January 2013).

7 UNCTAD: *Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the occupied Palestinian territory*, Geneva, 2011, http://unctad.org/en/Docs/tdb58d4_en.pdf (accessed 12 September 2012).

8 Ibid.

9 Ibid.

10 Ibid.

11 Ibid.

12 *Program of assistance to the Palestinian people, Agriculture*, UNDP, 2012, <http://www.undp.ps/en/focusareas/economicdev/agriculture.html> (accessed 15 January 2013).

13 Op. cit., UNCTAD, 2011.

14 Ibid.

transaction costs have greatly increased, making it difficult for farmers to compete with the subsidized goods from Israeli settlements, produced on similar lands as those of Palestinians.¹⁵

The decline of the agricultural production base caused by the uprooting of productive trees, land levelling, and denial of access to water by Israeli forces, have further hindered Palestinian agriculture. During the second *intifada* (2000-2006), Israel uprooted 1 million trees in Gaza and nearly 600,000 in the West Bank.¹⁶

Meanwhile, unemployment has been increasing, among other factors because many Palestinians who previously worked as day labourers in Israel now face greater difficulties in crossing the border.¹⁷

Yet, olive trees play a particularly key role in the Palestinian territory for their economic, social and historical value. Olive groves cover approximately 15 per cent of the oPt, and account for 15 per cent of the total agricultural income. Products from olive trees are varied, and have many different uses, from nutrition and medicine, to crafts and energy. Olive oil production also lessens the impact of unemployment by providing seasonal work every year, thereby offering an income to about 100,000 Palestinian families.¹⁸ Supporting producers, processors and exporters in agriculture, and particularly in the olive sector, thus has the potential to enable a considerable amount of actors to improve their socio-economic situation from their traditional crafts.



15 Op. cit., UNCTAD, 2011.

16 Ibid.

17 M. Al-Ruzzi, interview, 8 October 2012.

18 Op. cit., UNCTAD, 2011.

Section 2: Analysis of the Catalyst

2.1 Why was it created?

Purpose

PFTA's goal is to enable producers from marginalized communities to re-gain self-reliance through the use of their own lands and their traditional farming practices, combined with modern techniques. Nasser Abufarha, PFTA's founder, realized that some of the challenges faced by farmers, such as difficult access to international markets and high competition with subsidised Israeli products on local markets, could be overcome through a system of technical training and certification of Palestinian producers to fair trade and organic standards and practices. Enabling farmers to improve their productivity as well as their products' quality, and to respect and obtain fair trade and organic certifications would increase the value of their products, giving them a comparative advantage over Israeli goods, and enable them to access profitable markets in Western countries and to sell at guaranteed and fair prices.¹⁹

However, individual Palestinian farmers generally do not have the means to export their products to these international markets, to ensure buyers that their products are of high quality, and to market them effectively. Before PFTA's creation, most Palestinian producers had to sell their raw products and olive oil to Israeli traders, who, as they were the only important buyers, had control over the prices. Farmers prefer selling their products right after the olive harvest in order to be able to purchase seeds to start the next season when they grow food crops and vegetables. However, to lower the prices, traders usually try to hold off sales till late January, or even February, when producers, under pressure from suppliers seeking to collect on debts, are forced to sell quickly at very low prices.²⁰

To enable farmers to access international markets without the use of these traders, to sell at a time of the year permitting them to buy their inputs for their second farming season, and at prices ensuring the profitability of their olive farming activities, the union organizes and trains its members to obtain fair trade and organic certifications, and to produce high-quality products. It organizes them into producers' cooperatives, which enables the union to deliver collective technical trainings about fair trade and organic standards and practices, as well as production and processing processes guaranteeing products' quality. Organizing farmers also allows them to meet and support each other's work through knowledge and experience sharing. PFTA's exporting partner, the private company Canaan Fair Trade, buys all the union members' products, then markets and sells them to international buyers.

¹⁹ N. Abufarha, interview, 4 October 2012.

²⁰ N. Abufarha, interview, 28 January 2013.

Relevance

Fair trade and organic trainings and certifications enable farmers to produce profitably because these certifications allow them to reach international buyers, who buy their value-added and high-quality products at fair prices, as the demand in those markets is higher than the offer. Selling the union's products through a specialized business is key to ensuring their sales to these buyers as only professional marketing and selling services can attract them, and as they expect guarantees of the respect of certifications and of the quality of the products.²¹ Further, creating a specialized exporting company which has the same empowering goal as the union, and not just a commercial purpose, guarantees producers a stable and fair income.

The fair trade system also offers a number of social and economic benefits that positively affect Palestinian farming communities. One of its main ideas is that a commercial relationship should be a “partnership based on dialogue, transparency, and respect”,²² which should ensure decent working and living conditions to producers. In practice, this concept of equity in trade translates into a guarantee of a minimum and profitable price, which ensures a stable income, and thus reduces farmers' stress of working in a sector where prices are usually volatile; and a social premium, an additional payment included in the product's price, but which has to be invested by producers, their cooperatives and the union into projects ensuring the long-term economic and social development of the areas (such as education, healthcare, or farm improvements).²³ The economic and social benefits generated by the fair trade system thus not only improve the individual economic situation of producers, but also positively impact their wider community.

Also, while in the past many Palestinian farmers had to turn to unstable daily jobs outside agriculture because they could no longer make a living out of the olive oil business, they are now able not only to go back to be full time farmers, but also to have enough resources to invest in their own lands, expand production, and even hire local workers, in particular during the olive harvest, which usually lasts 3 months. Additional employment opportunities related to the PFTA have been created in the area, such as companies producing and supplying boxes and other materials to union members.²⁴ The assurance of a stable income creates a general situation of security, which has been shown to play an important role in poverty reduction and economic prosperity.²⁵

The organic certification, also proposed by the PFTA, gives further advantages to member products as it further increases their value. Moreover, organic practices help preserve farmers' health and environment. The implementation of organic standards has not been a difficult and costly process for most producers, as their traditional practices were already very close to organic standards, thus only a slight adaptation to modern organic practices was needed.²⁶

21 M. Al-Ruzzi, interview, 8 October 2012.

22 *Who we are*, PFTA, 2012, http://palestinefairtrade.org/index.php?option=com_content&view=article&id=47&Itemid=92 (accessed 16 January 2013).

23 Fairtrade International: *Challenge and opportunity: Annual report 2010-2011*, Bonn, 2011, <http://www.fairtradelabel.org.za/news/fairtrade-international-annual-report-2010-2011-published.78.html> (accessed 15 January 2013).

24 N. Abufarha, interview, 4 October 2012.

25 V. Nelson and B. Pound: *The last ten years: A comprehensive review of the literature on the impact of fair trade*, Natural Resources Institute, University of Greenwich, 2009, [http://www.maxhavelaar.nl/files/news/files/NRI%20Fairtrade%20Literature%20Review%202009%20\(2\).pdf](http://www.maxhavelaar.nl/files/news/files/NRI%20Fairtrade%20Literature%20Review%202009%20(2).pdf) (accessed 15 January 2013).

26 M. Al-Ruzzi, interview, 8 October 2012.

When the PFTA was created, a number of non-governmental organizations (NGOs) were already carrying out relief work in the oPt, namely buying olive oil from farmers and exporting it through solidarity networks. However, their work was mainly short-term aid, and could not promote long-term development in the region through a comprehensive production and export system.²⁷ Also, the union organized producers into cooperatives, enabling them to share knowledge, pool resources, and jointly discuss the long-term development of their villages.

2.2 How was it created?

The founder

PFTA's founder, Nasser Abufarha, comes from a Palestinian farming family and has experienced first-hand the challenges faced by small-scale producers in the oPt. While studying for his PhD in cultural anthropology and international development in the United States, he was introduced to the concept of fair trade in 1999 (through a cup of fair trade coffee), and immediately thought that applying it in the Palestinian territories could open new market opportunities to its farmers.²⁸

Upon his return to the oPt for his doctoral research in 2003, he witnessed the worsening situation of farmers who, although producing in villages not geographically far from cities, were denied access to them and their markets by Israel authorities. The olive oil prices were also plummeting far below profitable levels for Palestinian farmers after the first *intifada*, which was alarming as olive oil is the main product of the region, and is produced in particular by farmers from already marginalized communities.

Nasser Abufarha then decided to introduce the fair trade concept to increase the price of Palestinian olive oil with this certification of socially responsible production processes, and enable farmers to access international markets. In 2004, he founded the PFTA as a NGO which became operational the following year.²⁹



27 M. Al-Ruzzi, interview, 8 October 2012.

28 N. Abufarha, interview, 4 October 2012.

29 Ibid.

Creation - Initial opportunities, support and challenges

Mr. Abufarha's first step to create the PFTA was to approach the olive oil producers he knew from the area where he grew up who would be interested in becoming fair trade certified. A core group of farmers was formed with the task of presenting the idea of creating a union of producers' cooperatives to village councils in oPt, and asking them to invite producers to introductory meetings about the fair trade concept. In 2004, 6 workshops geared towards a cluster of different villages were organized to inform farmers about the rights and benefits they would gain by being part of the PFTA system, and the responsibilities they would agree to shoulder if they joined. Each meeting was well attended.³⁰

To help the core group of farmers establish locally-relevant fair trade and organic standards as well as create and organize effective certification programmes, producers attending the initial workshops were requested to fill out a form asking about their social and environmental farming practices, wages, size of farm, and product-handling methods, such as storage techniques. For instance, when the PFTA started, only 15 per cent of the olive oil produced was Extra Virgin (an oil that is not refined or chemically treated to change its taste and acid levels), while today 80 per cent of PFTA's production meets this high standard.³¹ This study was followed by 13 workshops to set up 13 farmers' cooperatives, organized by villages or local communities. These newly created cooperatives met in Jenin in January 2005 to found the PFTA.³²

Founding the union created a strong network of fair trade producers in the Palestinian territories. Nasser Abufarha knew that olive oil is a "very tricky commodity that needs a lot of meticulous attention to quality and a lot of industrialization to be able to compete on international markets",³³ and that gathering producers and certifying them was not sufficient to ensure the sales of their products. In 2004, he thus created Canaan Fair Trade, a professional commercial enterprise whose mission is to provide buyers with the guarantee that their demands in terms of quality and quantity of products are met, through certification processes, technical trainings and instructions covering the production and processing processes. Inspections by PFTA as well as Canaan's monitors control the product quality, namely during the harvest and before the olives are pressed;³⁴ as well as the respect of standards and practices of the fair trade and organic labels.³⁵ The PFTA's founder created it to ensure that the union would have a professional partner with the same goal of empowering Palestinian farmers through access to attractive markets, and thus guaranteeing PFTA members their fair share of the company's profits.

The first fair trade introductory workshops, as well as the first promotional pamphlets and brochures distributed to producers to get them interested in joining the PFTA, were financed by a grant of USD 25,000 that Abufarha and the first core group of farmers

30 N. Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", Presentation at the Equal Exchange Conference, Portland, 5 January 2011, <http://www.youtube.com/watch?v=ADSKJxuALuE&feature=endscreen> (accessed 15 January 2013).

31 Ibid.

32 N. Abufarha, interview, 4 October 2012.

33 Ibid.

34 N. Abufarha, email correspondence, 18 February 2013.

35 Op. cit., C. Bruhn, 2012.



received from the British consulate in the Palestinian territories. They submitted their project proposal for setting up a union of fair trade certified cooperatives to enable farmers to access more profitable markets. As Mr. Abufarha puts it, they were “lucky” as the Palestinian official representing the consulate was very interested, and at that specific time it had some spare resources it had to spend before the end of the year, so they were allocated to the PFTA.³⁶

The company Canaan Fair Trade also started with some capital received from the British grant, and considerable hard work. In 2008 and 2009, when the company needed to improve its infrastructure and facilities, it applied for various loans, which were granted by Shared Interest, from the United Kingdom, and the Bank of Palestine, as a result of the company’s successful and profitable partnership with the PFTA. The company also received export credits from the Dutch sustainable trust fund Triodos Bank. In total, Canaan Fair Trade invested USD 5 million in the business, its facilities and equipment, which include the latest technology for olive presses, storage tanks, and bottling and jarring automation. These play a crucial role in increasing the quality of products, and thus raising their added value. Canaan Fair Trade also recently invested USD 50,000 to purchase and renovate an old house in central Jenin, which became the PFTA office.³⁷

In its initial stages, the PFTA faced a number of challenges. To begin with, Abufarha noticed that although most Palestinian olive farms are family owned, where all family

³⁶ N. Abufarha, interview, 4 October 2012.

³⁷ Ibid.



members participate in the cultivation of the land, the PFTA cooperatives' associates were mostly men. As he wanted to increase women's participation in the union, but did not want to force their membership in a way that was at odds with local traditions, he identified products traditionally produced and manufactured by Palestinian women that had good potential to be sold on international fair trade markets, and included them in the PFTA. Thus, a number of women-led productions, including olive oil soap, capers, thyme, couscous, sun-dried tomatoes, dried olives and tapenade, were integrated into the PFTA's list of products.³⁸

The essential step to practically establish the PFTA and Canaan Fair Trade was to find a way to formally certify the farmers "fair trade". This proved to be the most important challenge encountered by the PFTA because the Fairtrade Labelling Organization (FLO) did not have standards or guidelines for olive oil. In addition, the FLO indicated to the PFTA and Canaan Fair Trade that they could develop one only if there was evidence of a sizable market demand for the product. However, it was very difficult to develop a market demand without first having the fair trade certification.³⁹ Therefore, Nasser Abufarha himself developed fair trade standards for olive oil⁴⁰ by adapting the General fair trade standards of the FLO.⁴¹ They included, among others, the commitments from producers to work within the structure of a cooperative, to pay a minimum wage to hired labour, and to use natural and traditional farming techniques. He also worked with farmers and local traders

38 Op. cit., N.Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", 2011.

39 Ibid.

40 PFTA: *Palestine Fair Trade Association Olive Oil Specific Guidelines and Standards*, 2011, <http://www.palestinefairtrade.org/pdf/PFTAOliveOilSpecificGuidelines.pdf>

41 *Standards*, Fairtrade Labelling Organization, 2011, <http://www.fairtrade.net/standards.html> (accessed 15 January 2013).

to establish a minimum price for olive oil, which was set at 15 shekels (USD 3.80) per litre, whereas its average price on local markets in 2004 was only 8 shekels (USD 2).⁴²

These guidelines were then translated and distributed to farmers. They were also posted on the PFTA's website to attract potential buyers and invite them to come to oPt to verify their implementation on the ground.⁴³ This strategy had the desired effects, as the union received several visits, such as from the American Friends Service Committee (AFSC), a Quaker organization promoting peace in various communities around the world. The most important actor that took interest in the PFTA, described by Nasser Abufarha as "life changing",⁴⁴ was Dr. Bronner's Magic Soaps, an American company manufacturing fair trade and organic certified classic liquid and bar soaps. In 2005, it informed the PFTA that the Swiss company Institute for Marketecology (IMO), a multi-national group of laboratories providing inspection and certification services, had the type of standard the union was looking for, called "Fair for Life". "Fair for Life" is a certification programme for social accountability and fair trade in agriculture, manufacturing and trading operations. Dr. Bronner's Magic Soaps hired the IMO to train and certify PFTA farmers in both fair trade and organic practices.⁴⁵

In 2006, the PFTA was thus certified Fair for Life. Furthermore, as the IMO accreditation is also recognized by the United States Department of Agriculture National Organic Program, the European department of agriculture, and the Japanese Agricultural Standards, it was able to certify the products of 375 PFTA olive farmers as organic that same year.⁴⁶

In 2007, the organic certification was expanded to include almonds, sesame seeds, wheat, and tomatoes. Each organic production follows strict standards, including the use of natural manure and non-harmful chemical fertilizers, organic pest control, and mechanical weed control.⁴⁷ In 2011, 95 per cent of PFTA products were certified organic, which includes the production of over 1,000 PFTA olive farmers, representing over 43,000 hectares of organic olive trees.⁴⁸ The union is now seeking a complete conversion of its producer base to certified organic production, principally to ensure healthy working conditions for its farmers; secure the long-term preservation and production capacity of the environment, such as the soils, trees, wild and bred animals; and to enhance economic returns as international buyers are ready to buy fair prices for healthy products.⁴⁹

In 2008, once PFTA products had become highly successful on the United Kingdom market, the FLO went to the oPt to audit the project and its standards, and could certify the 8 cooperatives presented at that time. It decided to develop official fair trade olive oil standards, and, in 2009, the PFTA as a whole became the first entity to be fair trade certified for olive oil. In 2012, 18 PFTA farmer cooperatives carried the FLO certification, in addition

42 N. Abufarha, interview, 28 January 2013.

43 Op. cit., PFTA: *Palestine Fair Trade Association Olive Oil Specific Guidelines and Standards*, 2011.

44 Op. cit., N. Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", 2011.

45 N. Abufarha, interview, 4 October 2012.

46 *PFTA Organic Program*, PFTA, 2012, http://www.palestinefairtrade.org/index.php?option=com_content&view=article&id=60&Itemid=89 (accessed 15 January 2013).

47 Op. cit., *PFTA Organic Program*, PFTA, 2012.

48 Op. cit., N. Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", 2011.

49 M. Al-Ruzzi, interview, 8 October 2012.

to the Fair for Life certification that all the 43 farmers and 6 women's cooperatives have.⁵⁰ As all cooperatives sell their products to Canaan Fair Trade at the same price and receive the same social premium of 2.5 shekel (USD 0.67) per kilo of organic oil, and 2 shekels (USD 0.54) per kilo of conventional oil, the main value-added of this new certification for these 18 cooperatives is the specific FLO market that it opens worldwide.⁵¹

2.3 How does it currently work?

Structure

The PFTA was chaired by its founder for the first 4 years, and is today fully owned and run by its members. The union has several levels of organization, all of which have democratic and participatory decision-making processes.

- The base of PFTA's membership is its producers' cooperatives, also called collectives.⁵² Farmers interested in joining the union first form a cooperative, with PFTA's help if necessary, and then apply to become members.⁵³ Each collective has a committee composed of a few members responsible for proper implementation of the fair trade and organic practices amongst all its producers. A new committee is elected every 2 years, along with a new collective coordinator. These elections are supervised by the PFTA and must be attended by more than 50 per cent of the cooperative's members.⁵⁴
- The union also includes in its structure all parties whose work is directly linked to the production process of PFTA members, and who respect the fair trade and organic standards. These include various processors - such as owners of olive mills, or of soap factories-, the PFTA's partner exporter Canaan Fair Trade, and a workers' union of the company. The processors and exporters' membership are renewed every year, depending on their performances related to fair trade practices. In addition to their annual membership fees, these members also have to return part of their profits to the cooperatives that supplied them, and another part to finance the union's functioning.⁵⁵
- The second organizational level of the union is the General Assembly. It meets every year to discuss the union's goals, and the challenges of PFTA members, such as how to increase productivity and yields, how to better manage the fair trade premium, and to agree on the prices. The General Assembly is composed of coordinators democratically elected by each farmer's cooperative, women's cooperative, workers' union, processors, and exporters. The representation for farmers cooperatives, women's cooperatives and the workers' union is proportionate to the group size; for each 25 members, 1 coordinator is elected to represent the group at the General Assembly.⁵⁶ Elections are

50 Op. cit., *PFTA Organic Program*, PFTA, 2012.

51 N. Abufarha, interview, 4 October 2012.

52 Ibid.

53 A.Haydariyeh, interview, 9 October 2012.

54 Ibid.

55 *PFTA Organizational Structure*, Palestinian Fair Trade Association, 2010, http://palestinefairtrade.org/index.php?option=com_content&view=article&id=54&Itemid=93 (accessed 22 January 2013).

56 N. Abufarha, interview, 4 October 2012.

held every year in each village.⁵⁷ Processors' organizations and Canaan Fair Trade only have 1 elected representative each.⁵⁸

- The 3rd organizational level (mandatory for all NGOs) of the PFTA is the Managing Board, which is the highest authority in the union. It oversees union employees: the office staff, who research and draft product guidelines or minimum prices for new productions, and project managers. The Board also ratifies or amends guidelines, while members of the General Assembly can lobby at this level for amendments to standards.⁵⁹ It is elected by the General Assembly every 2 years and has 9 members who, like the other representatives in the PFTA's structure, are volunteers.⁶⁰

Another key part of the union is its Internal Control System (ICS), which is co-directed by the PFTA and Canaan Fair Trade.⁶¹ It is a smallholder scheme developed by the International Federation of Organic Agriculture Movement (IFOAM), allowing smallholders to have an internal inspection system to ensure that they maintain the production standards of their certifications, and the quality of the products.⁶² It checks on the cooperatives' elections, and on the wages and working conditions of the labour force, for example. The ICS also has the task of organizing and delivering the introductory as well as the continuous training workshops to help producers obtain fair trade and organic certifications.⁶³

This internal inspection system is crucial to ensure the long-term certification of smallholders, as individually they could not afford to pay for the services of expensive external certification groups, often composed of inspectors coming from abroad due to the absence of local certification bodies. Certification is currently financed by a portion of the fair trade premium. To ensure that the ICS is correctly functioning, its team is itself inspected by the IMO on a regular basis.⁶⁴

Activities

Core tasks

■ Certification

The main activity of the PFTA is the fair trade and organic certification of Palestinian producers to enable them to access profitable international markets. When new farmers want to create a new cooperative, this certification process always begins with a series of introductory workshops organized and given by PFTA officers. These introductory trainings cover several themes, such as: the fair trade concept, movement and standards about the organization of labour, environment preservation, processing, pricing and

⁵⁷ A.Haydariyeh, interview, 9 October 2012.

⁵⁸ Op. cit., *PFTA Organizational Structure*, Palestinian Fair Trade Association, 2010.

⁵⁹ Ibid.

⁶⁰ M. Al-Ruzzi, interview, 8 October 2012.

⁶¹ N. Abufarha, interview, 4 October 2012.

⁶² International Federation of Organic Agriculture Movements: *Smallholder group certification - Compilation of results*, Tholey-Theley, 2003, http://www.ifoam.org/about_ifoam/standards/ics/Compiled_IFOAM_Smallholder_WS_Results.pdf

⁶³ N. Abufarha, interview, 4 October 2012.

⁶⁴ Ibid.

trading; the farmers' responsibilities and entitlements in fair trade; the membership procedures and the organizational structure within the union and cooperatives, including explanations on how farmers can participate in decision-making processes.⁶⁵

Regarding fair trade certification, the new cooperative and its members have to form a local committee, elect delegates to the General Assembly, and, based on their respect of the standards, be approved by the union's board to officially join the PFTA. When new farmers want to join an existing cooperative, this cooperative takes charge of their training, and one of its local committees assesses the practices of the new members to certify them.⁶⁶ Concerning the organic certification, a team of the ICS has to visit each farm, to present the rules to be certified organic, and to assess the current practices of each farmer to help him or her start converting to these standards. Once completely trained and converted, the PFTA members receive the "Fair for Life" certification from the IMO social accountability and fair trade programme, and also the organic certification if they decide to respect these organic standards as well on their farms.⁶⁷ The fair trade certification only takes 1 year to implement on a production process, but obtaining the organic one can take between 2 to 3 years, depending on whether the farmer has a history of using traditional farming methods, which often already respect most organic standards as, for instance, not using chemical substances on their land.⁶⁸

Helping farmers obtain these certifications is however only the beginning of the PFTA's work. The main goal of the union is to ensure the long-term sustainability of producers' respect of fair trade and organic standards, to guarantee their long-term access to these profitable international markets. This is why the ICS team also closely works with farmers who are already part of the PFTA by continuously training them, in at least one workshop a year. These are organized by the cooperative's representative, who invites all its members as well as PFTA experts or specialists (such as agronomists, or people with experience about the social premium). A variety of topics are covered, depending on the past experience a given collective has with the PFTA system, and can thus address issues such as administrative procedures; first aid and safety practices; best farming practices, including ploughing and olive picking technics; organic farming, including soil fertilization, moisture retention, and treatments of pest and fungus techniques; the products' quality, including processing and storage techniques.⁶⁹ These workshops build the producers' technical and managerial capacities not only by providing them with regular up-to-date information about fair trade and organic practices, but also by giving them the opportunity to ask any other questions related to their production. These workshops are also opportunities for farmers to meet and share knowledge and experiences. The PFTA also takes advantage of workshops to distribute written information, such as pamphlets and booklets, so those unable to attend are not left behind, as the cooperative's collective committee has the responsibility to pass on these training documents to them.⁷⁰

65 Op. cit., N. Abufarha, email correspondence, 18 February 2013.

66 Ibid.

67 N. Abufarha, interview, 4 October 2012.

68 Op. cit., C. Bruhn, 2012.

69 Op. cit., N. Abufarha, email correspondence, 18 February 2013.

70 A. Haydariyeh, interview, 9 October 2012.

■ Monitoring and inspection

The other crucial task of the PFTA is the inspection of its producers to guarantee to the buyers that they respect the fair trade and organic standards, and a high-quality. The ICS team thus also holds field inspections once a year in every farm to control the farmers' production practices, and their employees' working conditions. During each inspection, instructions about the correct practices are repeated, conformities to the standards checked, and producers have the opportunity to ask for advice about any particular issue. If the ICS team finds that some producers are not respecting fair trade or organic standards, their certifications are suspended. Further, to externally ensure these products' quality and standards' conformities, PFTA members also go through additional inspections from the IMO every year during the olive harvest, which is the peak of farms' activity.⁷¹



Additionally, although no minimum wage exists in the oPt, all PFTA members have to implement the one for hired labour developed by the union at its beginning, which is approximately USD 15.50 per worked day, whereas the Palestinian average is around USD 10.⁷² Further, all PFTA producing communities, as well as traders, importers and exporters, have to respect the fundamental standards of the International Labour Organization⁷³ regarding the ban of forced and child labour, non-discrimination of workers, and the rights of all workers to organize themselves.⁷⁴ It is also the ICS that is in charge of ensuring the respect of all these rules, and in particular the equal pay for men and women.⁷⁵

Inspections and capacity-building workshops are also an important way for the PFTA to remain close to its producers' base, and thus be able to adapt its work to their needs. Additionally, these meetings give the union the opportunity to gather information that can help its members improve their practices. For instance, the cooperative's coordinator, who always joins the ICS team during field inspections, is always kept

71 N. Abufarha, interview, 4 October 2012.

72 N. Abufarha, email correspondence, 22 November 2012.

73 PFTA: *Palestinian Fair Trade Association Guidelines*, <http://www.palestinefairtrade.org/pdf/PFTAGeneralGuidelines.pdf>

74 See: Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargain Convention, 1949 (No. 98).

75 N. Abufarha, interview, 4 October 2012.

informed about the activities of its cooperative's members and, he or she or the ICS team can try to find out what agricultural practices are leading to better yields, which is valuable information that the union can then disseminate to improve its members' productivity.⁷⁶

■ Managing the social premium

Another core task of the union and its cooperatives is to manage the social premium that comes with the fair trade system. As mentioned earlier, this is a sum of money that is included in the price of the fair trade product, but whose explicit goal is to contribute to the long-term socio-economic development of the producers' communities, and whose allocation has to be decided collectively.⁷⁷ This sum is split between the PFTA (receiving 25 per cent), farmers' and women's cooperatives (also receiving 25 per cent), and individual producers (receiving 50 per cent). The social premium guarantees: the long-term sustainability of the union, as it is used to finance its basic expenses, such as the ICS's costs or its employees' wages; the broader development of Palestinian communities, as PFTA cooperatives often invest it in projects for their villages, such as public bathrooms, computers for primary schools, or extra tools for all the village's farmers; and a better economic situation for PFTA producers, as they receive an extra sum of money they can invest in their farm or families, for example better tools or children's education.⁷⁸ Additionally, through the management of the social premium, producers are strongly encouraged to get involved in decision-making processes related to the development of their region. PFTA has also launched a number of programmes to empower economically and socially the wider Palestinian community, as indicated below.



⁷⁶ N. Abufarha, interview, 4 October 2012.

⁷⁷ Ibid.

⁷⁸ Op. cit., C. Bruhn, 2012.

Projects, external collaborations and support

■ Trees for Life

The Trees for Life project intends to enable farmers to regain livelihoods and lost pride after the destruction of many olive trees plantations following the Israeli occupation. A Trees for Life committee, elected by the PFTA General Assembly, distributes olive tree saplings to small and disadvantaged producers, with priority given to young families, new farmers, women farmers, and farmers whose trees have been destroyed. Although the majority of saplings are distributed to PFTA members, other Palestinian producers, particularly disadvantaged, also receive saplings as long as they still have the possibility to economically and environmentally sustain olive production to ensure the programme's effectiveness.⁷⁹ Every year, the union distributes more than 10,000 saplings.⁸⁰

Trees for Life is mainly funded by a network of solidarity organizations in Europe and North America, but it is also supported by an additional premium from a small percentage of olive oil sales, that specifies that USD 1 per bottle sold will go towards planting trees in the Palestinian territory.⁸¹ According to Abdelmuti Haydariyeh, the representative of the Al Rami cooperative, Trees for Life is not a relief programme, as it helps farmers to become self-reliant again once their olive production is re-launched.⁸²

■ Micro Loans

Another broader-reaching programme of the PFTA is the Micro Loans initiative, aiming to economically and socially empower small producers with few resources (primarily women) through micro loans to start their own business. This opening of economic opportunities to disadvantaged and marginalized groups also unlocks other social and political opportunities, such as greater civic participation for women who acquire a new social status by becoming breadwinners.⁸³

A PFTA micro loan committee grants 2-year interest-free loans to individuals who want to start producing fair trade Palestinian products. They first have to organize themselves into cooperatives, and each participant can then receive between USD 500 and USD 1,000 to buy inputs to begin producing according to fair trade principles.⁸⁴ Upon receiving the loan, the cooperatives become members, and both the PFTA and Canaan Fair Trade guarantee the success of micro loan-launched businesses by providing proper training for producers, and a market for their finished products.⁸⁵

■ Olive Harvest Festival

Taking place every year in Jenin since PFTA's creation, the Olive Harvest Festival is an opportunity for consumers and producers to gather and learn about each other. In November,

79 *Trees for Life*, PFTA, 2011, http://www.palestinefairtrade.org/index.php?option=com_content&view=article&id=65&Itemid=86 (accessed 21 January 2013).

80 N. Abufarha, interview, 4 October 2012.

81 Op. cit., *Trees for Life*, PFTA, 2011.

82 A. Haydariyeh, interview, 9 October 2012.

83 *Micro Loans*, PFTA, 2010, http://www.palestinefairtrade.org/index.php?option=com_content&view=article&id=66&Itemid=87 (accessed 21 January 2013).

84 Op. cit., N. Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", 2011.

85 Op. cit., *Micro Loans*, PFTA, 2010.

over 150 international participants come to the Palestinian territories to meet thousands of local farmers, and work with them on the olive plantations for 1 or 2 days.⁸⁶ Through work, shared meals, visits of facilities, and multiple other activities, communities from a diversity of backgrounds are brought together, united by shared principles and values.⁸⁷ This event helps break common general dichotomies such as “the West and the Rest”,⁸⁸ that hinder constructive international relations, and helps raise awareness about the PFTA and its activities.

Canaan Fair Trade

The PFTA has worked in close collaboration since the beginning with its sole exporting partner, Canaan Fair Trade. The company’s goal is the same as that of the unions’: empowering small Palestinian producers through fair trade and organic certification to give them access to profitable international markets, as it was created to support the PFTA’s work. Canaan Fair Trade carries fair trade and organic registration and certification, and also markets Palestinian (mainly PFTA) products. It buys, markets, and sells all PFTA products, mainly olive oil but also condiments and dried food, on fair trade and organic markets worldwide. Depending on the farmers’ practices or the cooperatives’ demands, the company can also process, package and brand their products, such as the Extra Virgin olive oil.⁸⁹ Canaan Fair Trade is located in the village of Burqin, in northern West Bank,⁹⁰ and is primarily owned by its founder, Nasser Abufarha.⁹¹

This partnership is particularly important to the PFTA, as:

- The company’s work complements those of the producers and of the union. On their land, farmers work professionally, meet certifications standards and produce high-quality products. Being specialized in branding, marketing and selling, the company ensures a profitable market for PFTA products because in such a competitive market as that of olive oil, these activities must be handled by professionals to be effective. Local farmers seldom have the time or specialization to analyze how to market to European and other international consumers for instance. International companies do business with Canaan Fair Trade because they know they are guaranteed professional services and high-quality products;⁹²
- Canaan Fair Trade is a private enterprise, but as it was created to support the union’s work by enabling its producers to sell, its goal is to be profitable, while allowing producers to be paid higher prices for their products.⁹³

Canaan Fair Trade primarily buys and exports PFTA products, but when the market allows it to export more than PFTA’s cooperatives have produced, it also buys from other FLO-certified Palestinian producers. These products are numerous because several NGOs in

86 Op. cit., N. Abufarha: “Insisting on Life. Organic Farming and Fair Trade in Palestine”, 2011.

87 *Olive Harvest Festival (Jarū’a)*, PFTA, 2010, http://www.palestinefairtrade.org/index.php?option=com_content&view=article&id=73&Itemid=84 (accessed 21 January 2013).

88 N. Abufarha, interview, 4 October 2012.

89 Op. cit., N. Abufarha, email correspondence, 18 February 2013.

90 Op. cit., C. Bruhn, 2012.

91 *About us*, Canaan Fair Trade, <http://www.canaanfairtrade.com/about-us.php> (accessed 21 January 2012).

92 N. Abufarha, interview, 4 October 2012.

93 Ibid.

the areas have created fair trade cooperatives or collectives of farmers, but often do not have the capacity to market, and profitably export, their products. Selling those non-PFTA products, approximately 5 per cent of its sales in 2011, respects the company's core goal as these other Palestinian producers are in a similar situation as that of union's members.⁹⁴

Other occasional collaborations

The PFTA also occasionally collaborates with local offices of the Palestinian Ministry of Agriculture. Typically, they ask for information about the farmers, their practices and productions to acquire a better knowledge of their current situation; and the union discusses specific agricultural issues with them, for instance concerning more effective production techniques, to support its members' work. Some of their officers are often invited to participate in the capacity building workshops at the cooperative level to disseminate their knowledge. They also sometimes directly train individual farmers or even members of the ICS team.⁹⁵

To increase awareness about its members' products at the international level, and thus potentially increase its buyers' base, the union has also been implicated in various external initiatives, such as Run Across Palestine (RAP), that it hosted in 2012. Initiated by the organization On the Ground which supports the local development of producing communities around the world, notably through the fair trade movement,⁹⁶ the RAP aimed at raising awareness about, and finding funds for, the fair trade olive Palestinian farmers by planting thousands of olive trees across the territory.⁹⁷

Challenges

Although the PFTA manages to support its numerous members, as well as other Palestinian producers, it still faces important challenges.

Its main current one concerns its ability to increase membership, while ensuring a sufficient market demand to allow absorbing the production of all PFTA farmers. Nasser Abufarha explains that without first expanding the market, the producer base of the union cannot be broadened, as it is committed to guarantee to all its producers the sales of all their products. Several strategies have been put in place to resolve this bottleneck: one of them is to increase international awareness about the PFTA through programmes such as the olive harvest festival.⁹⁸

The search for new markets remains a major area of work of Canaan Fair Trade. It is thus currently involved in a number of trade exhibitions around the world, where it showcases the PFTA's activities and products. For instance, the company is planning to participate in the Natural Health and Ingredients exhibition in Frankfurt in 2013, and Canaan Fair Trade has been invited to participate in exhibitions in Japan by the Japan External Trade Organization (JETRO), a government-related organization promoting mutual trade and investment between Japan and the rest of the world. As such networking efforts are

94 N. Abufarha, interview, 4 October 2012.

95 Ibid.

96 *About us*, On the Ground, <http://onthegroundglobal.org/about-us/> (accessed 12 February 2013).

97 *Project Palestine*, On the Ground, <http://onthegroundglobal.org/projects/run-across-palestine/> (accessed 12 February 2013).

98 N. Abufarha, interview, 4 October 2012.

not new, PFTA products are now, through Canaan Fair Trade's work, "in a very good position in the market, where buyers understand that there is a sound and scalable system in place that they can rely on".⁹⁹ This situation makes the union's founder confident that markets will continue growing, and will thus enable the PFTA to increase the number of its members, and thus to respond positively to the collectives who are asking to join.

Another issue the PFTA has been facing, which Nasser Abufarha considers to be the most challenging to overcome, is related to the confused expectations about projects being realized in the oPt. Due to the current political situation, many internationally funded NGOs have set up agricultural relief projects in the oPt. However, unlike the PFTA, which opens opportunities for farmers but expects a full work commitment from their part, these projects are mainly composed of hand-outs, which, although helpful for farmers in need of urgent support, do not promote a long-term culture of empowerment and self-reliance. Mr. Abufarha thus explains that it is much easier for the PFTA to work with farming villages that have not yet been influenced by these types of projects because they are ready to work hard in partnership with the union, and do not expect it to work for them.¹⁰⁰ An on-going impact evaluation study of Canaan Fair Trade observes that international NGO projects appear glamorous and, compared to the large influxes of money coming from them, the amount farmers receive from the fair trade social premium can seem disappointing. However, with the increasing success of the PFTA, its ethics and values have spread across the oPt, effectively countering the expectations of farmers and the culture of dependence.¹⁰¹

Another challenge for the PFTA also identified by the impact study of Canaan Fair Trade is related to marginalization within the communities it is working with. Even though its structure encourages the participation of all members of each community through elections at the multiple levels, no system in place currently ensures that all producers have an equal say in the decision-making processes at this level. One of the study's recommendations to the PFTA is to reach out to more members, and to continue emphasizing the benefits they can get from making their voices heard.¹⁰²

99 N. Abufarha, interview, 4 October 2012.

100 Ibid.

101 C. Bruhn, interview, 10 October 2012.

102 Ibid.

Section 3: Assessment of the Catalyst

3.1 Main achievements

- **Creating sustainable livelihoods** – Today, the company exports to 15 countries, mainly in North America, Europe and in particular the UK, and South-East Asia. Exports in 2011 totalled USD 4.8 million, with olive oil exports earning USD 4.3 million.¹⁰³ Through its partnership with Canaan Fair Trade, the union has been able to create a fair trade and organic producing and exporting system thus enabling its 1,700 members to gain self-reliance. Before joining the union, producers were struggling to make a living through traditional farming activities, and some even had to abandon farming as a result of competing Israeli subsidised products and control of Palestinian imports and exports, leaving Palestinian farmers little time and capacities to market their produce.

Farmers who sometimes had 2 or 3 jobs are now able to live well and sustain their families from their own land.¹⁰⁴ Guaranteeing the sale of their products through Canaan Fair Trade also enables farmers to invest in the future of their holdings, by planting new trees or buying new and better tools for instance, as they are guaranteed to be paid for their work in the long run. This insurance also improves their living conditions as it removes the stress they had before from not being sure to sell their products and thus provide for their families. Houses are also being renovated, and children sent to school and universities as producers now have a regular income;¹⁰⁵



¹⁰³ Op. cit., C. Bruhn, 2012.

¹⁰⁴ C. Bruhn, interview, 10 October 2012.

¹⁰⁵ N. Abufarha, interview, 4 October 2012.

- **Job creation and improved working conditions** – Providing a safe and reliable avenue for farmers to sell their products has also increased employment opportunities in the oPt because PFTA members are now able to employ over 2,400 farm workers for a period of 3 months every year. For example, Adbelmuti Haydariyeh, who works with his brother on 8 acres and 1,300 olive trees, can hire between 5 to 10 workers during the olive harvest and ploughing periods, depending on the olive tree yields.¹⁰⁶ Furthermore, these seasonal workers are guaranteed to receive the minimum wage created by the PFTA, which is on average 60 per cent higher than usual, as well as fair working conditions. The ICS also ensures that men and women workers are paid the same amount;

- **Socio-economic development** – Another key benefit to farmers from being part of the PFTA is the social premium attached to the fair trade system. In addition to providing an income to the union, the sales of fair trade products contribute to local socio-economic development as this premium is most often invested by producers as well as cooperatives into collective projects in their villages, such as buying a freezer for the local health centre.¹⁰⁷ The management and allocation of this extra money by the cooperatives also encourage producer participation in local decision-making processes.

Also, Palestinian producers who were suffering from a dire economic and social situation are now self-reliant again. They get involved in the union, and are motivated to build a strong economic system giving them hope for the future, dignity, and affirming their identity, as the PFTA promotes productions that the Palestinian people are historically and culturally attached to.¹⁰⁸ Further, the fair trade and organic networks are channels through which cultural and political exchanges are promoted. Buying these products often implies customers' interest in the producers, and activities such as the Olive Harvest Festival encourage their meeting and sharing.¹⁰⁹

- **Women's empowerment** – Through their own cooperatives, women producers have the opportunity to actively participate in production processes and in planning activities, from holding meetings at the collective level, to travelling to the annual General Assembly meetings as women cooperative's representatives, and even becoming part of the PFTA Managing Board. PFTA women members also get the opportunity to merge their traditional knowledge with that of a more professional and industrial level of production. "Women thus generate an income to do something that they traditionally did for their family, and the value of that contribution to the family has been elevated to the community and even to the global level".¹¹⁰ Not only do PFTA women members gain an economic advantage when they join the union, but they also acquire important social capital by becoming important bread-winners in their families, and socio-economic development actors in their village. Through their economic and social achievements, women members increase their self-esteem, to the benefit of all PFTA members.

106 A. Haydariyeh, interview, 9 October 2012.

107 Ibid.

108 C. Bruhn, interview, 10 October 2012.

109 N. Abufarha, interview, 4 October 2012.

110 C. Bruhn, interview, 10 October 2012.



3.2 Future

Considering the steady and far-reaching achievements of the PFTA, its main goals for the future are to expand its activities to new crops and villages, and to reach and empower as many Palestinians as possible:

- Already in 2010, almond production was included into PFTA's fair trade system at members' request. The union searched for market opportunities, organized interested farmers, and in 2012, approximately 40 to 50 tons of fair trade certified almonds were produced for the European market;¹¹¹
- Another area of great potential for the PFTA is the export of organic honey to Europe. Canaan Fair Trade already exports honey to the United States and Japan, but for Europe, it requires accreditation by the European Union (EU) of the Palestinian Ministry of Agriculture. As Europe is experiencing a shortage of honey, PFTA farmers are already positioning themselves to meet market demand once the EU grants accreditation.¹¹²

Further, the PFTA wants to expand its activities to new sectors in the Palestinian territory:

- The union would like to spread its "spirit" to the educational system. It would like to work with schools to make students understand the idea of self-reliance through local production; as well as the benefits of unionization, of the fair trade system, of organic farming, and of working towards the social and economic empowerment of individuals.¹¹³

111 N. Abufarha, interview, 4 October 2012.

112 Op. cit., C. Bruhn, 2012.

113 N. Abufarha, interview, 4 October 2012.



The PFTA is also working on the development of a variety of new projects:

- The union is currently setting up an organic research training programme, aimed at engaging Palestinian farmers in research on organic farming practices based on their own lands and on their natural environment. John Sabella, a researcher from North Carolina State University who visited PFTA productions, has conducted initial assessments and groundwork to create a research agenda with farmers. He will supervise the producers willing to participate to help them apply the existing bulk of organic knowledge to their specific needs. For instance, this applied research programme will seek to address Peacock Eye, a fungus that attacks the leaves of the olive trees causing them to fall, therefore reducing yields;¹¹⁴
- Another project being developed is the Green Track Palestine programme, aimed at converting some of the PFTA farmers' tractors to make them run on oil.¹¹⁵ The PFTA is in the process of raising funds to purchase oil conversion kits from a German company.¹¹⁶

Foreseen challenges

The PFTA still faces the important challenge of matching Palestinian offers with market demands. A number of producers would like to join the PFTA, but the union cannot include them if Canaan Fair Trade cannot secure sufficient market openings. Member farmers are becoming more productive, and thus willing to produce more, creating a surplus for which Canaan Fair Trade cannot however currently provide a market. Increasing international awareness about Canaan Fair Trade products to find new buyers as well as supporters for the PFTA's projects is therefore crucial if the union wants to meet its aspirations for growth.¹¹⁷

114 N. Abufarha, email correspondence, 22 November 2012.

115 Op. cit., N. Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", 2011.

116 N. Abufarha, email correspondence, 22 November 2012.

117 N. Abufarha, interview, 4 October 2012.

3.3 Lessons learned

The experience of the PFTA provides precious lessons on how to economically and socially empower producers and their broader communities.

- **Have vision and determination** – Although he had learned about the positive impact of fair trade certification on producers in Africa, Asia, and South America, Nasser Abufahra did not know that an international fair trade certification for olive oil did not exist. When he first decided to build a fair trade certification system in the Palestinian territories, he did not give up when the FLO informed him that they did not have the time and money to develop this standard. Olive oil was the main agricultural product of the West Bank, and Mr. Abufahra saw a potential market for it in Europe. Together with Palestinian farmers, he thus developed locally-relevant fair trade standards for olive oil respecting the general FLO guidelines, made PFTA producers familiar with these rules and practices. As the union marketed their production internationally, the FLO, seeing the considerable market for fair trade olive oil, ultimately developed official standards;¹¹⁸
- **Ensure local relevance and long-term sustainability** – PFTA's success and uniqueness stem from its ability to be more than an agricultural empowerment project; it is closely linked to the local culture, history, and traditions.¹¹⁹ Adding quality and value to the traditional production of olive oil through fair trade trainings and certification, and thus gaining access to international markets, has enabled the PFTA to appeal to many Palestinian farmers. Adding the organic certification has also been a means to reach many marginalized producers as their traditional practices were already close to the organic standards. Further, creating women's cooperatives to give market value to, and formalize, goods traditionally produced and processed by women has enabled the union to empower a social group to profitably sell its already high-quality production. These close links with local agricultural practices also ensure the union's long-term sustainability as the products it supports fall within the local history and culture. Also through the PFTA, Palestinians are enjoying an international appreciation for the results of their work, which helps them regain a sense of pride and willingness to work harder than many had lost since their means of self-reliance and entrepreneurship has been seriously limited;
- **Aim at long-term socio-economic development** – The benefits of the fair trade and organic certification system are economically and socially profitable for PFTA members, as well as for the wider Palestinian communities. Economically, union members can sell their products at a decent price on international markets, which enables them to hire additional workers during the harvest season, thus reducing the very high unemployment rates in the area. Also, the social premium that PFTA members and their cooperatives receive is often invested in community health or education projects that build the basis of development. Moreover, the organic practices promoted by the union ensure healthier working conditions for producers, as well as their production base for the future;

118 L. Oppenheim: "The TH Interview: Nasser Abufarha of Canaan Fair Trade and the Palestinian Fair Trade Association", in *Tree Hugger*, 7 May 2007, <http://www.treehugger.com/culture/the-th-interview-nasser-abufarha-of-canaan-fair-trade-and-the-palestinian-fair-trade-association.html> (accessed 12 February 2013).

119 C. Bruhn, interview, 10 October 2012.

- **Promote members' implication and local leadership** – While the union provides its members with the means to get organized through cooperatives, to become more productive through trainings, and to sell on international markets through its exporting partner, members are responsible for the high quality of their products. The PFTA is entirely owned and run by its members, who not only produce, but also actively participate in the decision-making processes of their cooperative and their union. This system is empowering, in particular for women, as it gives producers a voice and leadership skills to speak for themselves and for their communities. Such a participatory structure ensures that farmers are not taken advantage of by third parties or buyers (although inevitably some producers have more influence than others) so that their interests are taken into account in the local development;
- **Establish partnership** – A key to the PFTA's achievement is its close partnership with its exporting partner Canaan Fair Trade that is based on identical ethical values, and shares the same goals. This leads to high levels of transparency from the company, and significant trust from producers. Furthermore, the level of professionalism of Canaan Fair Trade offers a reliable and scalable base for buyers, usually only found at an industrial level that the union would not have been able to achieve;
- **Network** – A final crucial element of PFTA's success is its extensive networking. Canaan Fair Trade is working on increasing the number of international markets on which PFTA products are sold by raising international awareness about Palestinian olive farmers and other producers. To achieve this objective, Canaan Fair Trade and the union not only participate in several food exhibitions to make PFTA products more widely known, but also engage in a number of external awareness raising projects, such as the Run Across Palestine, and develop their own events such as the olive harvest festival.



7



Chapter 7: Self Employed Women's Association (SEWA), India

Executive Summary

The Self Employed Women's Association (SEWA) is a membership-based organization created in 1972 from a combination of the labour, women, and cooperative movements, to organize self-employed women in the informal economy and assist their collective struggle for social justice, equality, and fair treatment. This first union for self-employed women in India has expanded to include 130 cooperatives, 181 rural producer groups, and numerous social security organizations within its structure. Given the large network of institutions created and managed by its members, SEWA is now considered not just an organization, but a “movement” active in 50 districts of 12 states in India, with a membership of over 1.75 million.

Though SEWA began in urban areas, since the late 1980s it has been successfully spreading into rural India using innovative structures, such as crafts and producers' groups, self-help groups (SHGs), SEWA Village Resource Centres, and the Rural Distribution Network (RUDI) that processes, packages and markets the agricultural goods produced by SEWA's rural members. It has also created a number of technical and management schools in rural India, to upgrade the skills of its members, many of whom have never received formal education or training. Presently, 66 per cent of SEWA's membership is based in rural areas.

SEWA has overcome significant challenges to achieve its goals, starting from the idea to create a union for “self-employed” women that countered both patriarchal and traditional trade union norms, to convincing poor and disempowered women in the remotest areas of India that organizing, and cooperative structures and processes could improve their working and living conditions. Tackling these challenges and focusing on the specific needs of its members allowed SEWA to find its own niche and expand its activities and membership. SEWA has gone beyond trade union work, namely setting up cooperatives, and other social-protection types of organizations for banking, housing, insurance, education and childcare. Its pioneering projects, such as the SEWA Cooperative Bank granting poor women access to credit, or the SEWA Academy allowing members to acquire education and skills, have broadened and deepened its impact.

SEWA's development over the last 4 decades provides important lessons on the relevance and feasibility of organizing self-employed workers, including in rural areas, and on the importance of maintaining a flexible structure, as well as solid, consistent values, and effective leadership. Its pioneering efforts to ensure work and income security, food security, social security, self-reliance for self-employed women, and its mobilization and empowerment of nearly 900,000 self-employed rural women in India, make it a major agent of change in rural areas.

Section 1: Introduction and Context

1.1 Introduction

Established in 1972, the Self-Employed Women's Association (SEWA) is a “movement” of self-employed women in rural and urban India, and is the largest trade union of the country. It has pioneered the empowerment of self-employed women and of women employed in informal economy enterprises (i.e., small, unregistered enterprises) and informal economy jobs (i.e. jobs without secure contracts, worker benefits and social protection) where 93 per cent of India's female labour force is employed¹. SEWA not only provides a voice to the numerous yet unprotected women workers, but also seeks to ensure work and income security, food security and social security for all its members and to promote women's leadership at the micro, meso and macro levels.

Founded as a registered trade union in Gujarat, SEWA initially worked in urban areas. Since the 1980s it has been successfully spreading to rural areas and outside the state of Gujarat. Its membership has been rapidly growing since 2000, from 318,000 members to 1.75 million in 2012. Currently, a large majority of its members (66 per cent) originate from rural areas. SEWA now works in 12 states, 50 districts and 700 villages in the country. Members are organized into diverse structures, including a trade union (with rural and urban branches), 130 cooperatives, 181 producers groups, numerous service organizations, networks, alliances, federations and self-help groups (SHGs).

SEWA's key activities consist of organizing self-employed women to promote their collective strength, cooperation and leadership at the grassroots level through unions, cooperatives, producer groups and networks; facilitating their access to social security and social protection through social service organizations; advocating better social protection and labour standards for them at the macro-level; and building their capacity through formal education and professional training.

For 40 years, SEWA has been at the helm of several innovative institutions and initiatives, such as the SEWA Cooperative Bank, the first bank for poor self-employed women, founded in 1974. Its influential presence at the grassroots level has made it an important partner in developing and implementing India's macro-level rural development policies. It has also been a lead advocate for government policies such as the 2004 “National Policy for Urban Street Vendors”, and the “Unorganized Workers Social Security Act” adopted in 2008. SEWA has also founded StreetNet and HomeNet, 2 international networks for street-based workers' and home-based workers' organizations. Its sizable achievements and expansion across India illustrate the feasibility of organizing rural workers, even in the most marginalized communities, and the strength of collective action, cooperation and advocacy in changing their lives.

¹ National Commission for Enterprises in the Unorganised Sector: *The challenge of employment in India*, New Delhi, 2009.

1.2 Context

The number of persons below the poverty line in India according to government's statistics amounted to over 300 million in the years 2004-2005, representing 27 per cent of the country's population of 1.3 billion.² Despite an average annual GDP growth of 6 per cent since the 1990s, India still ranks 134th out of 187 countries in the Human Development Index.³ The country continues to struggle on key developmental issues such as literacy, health, and food security. India houses the world's largest number of illiterate people in the world, amounting to 304 million people,⁴ and has a gender gap in literacy of 16.6 per cent, with 82.1 per cent of literate men and 65.5 per cent of literate women in 2011.⁵ It also displays a high maternal mortality rate of 35 per cent in 2009⁶ and an infant mortality rate of 4.6 per cent in 2011⁷, which is higher than in most other Asian countries.

India's 487 million labour force is the second largest after China. Despite the above mentioned high GDP growth in the past decade, unemployment has increased in the country⁸ and continues to be higher among certain social groups, particularly Scheduled Castes (also known as *dalits*) and Scheduled Tribes, which had an unemployment rate of 10-12 per cent in 2011.⁹ These numbers are significantly higher than the average 6 per cent unemployment rate for the country. Similarly, on the issue of gender, the female work force participation rate (WFPR) remains low. The WFPR for females (age group 15 years and above) in rural India was 48.5 per cent, compared to 84.6 per cent for urban males; the WFPR for women was 22.7 per cent, compared to 76.3 per cent for men.¹⁰

India's labour market has grown to include more self-employed workers, mostly in the informal economy,¹¹ where wages are lower than the minimum wages in the formal economy. Some 85 per cent of casual workers in rural areas and 57 per cent in urban areas are paid wages below the minimum rates of Rs. 279 (USD 5), and women's wages are consistently lower than men's in both rural and urban India.

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- 2 Planning Commission of India: *Eleventh Five Year Plan 2007-2012, Volume I: Inclusive Growth*, New Delhi, Oxford University Press, 2007, http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11th_vol1.pdf (accessed 19 December 2012). NB: Poverty line estimates are subject to debate since it has been argued that the estimates of the government of India are based on a lower national poverty line. The World Bank's estimates, based on a revised benchmark of US \$1.25 per day, finds India's poverty rate to be 42 per cent in 2005, equivalent to 456 million people. See: World Bank: *New global poverty estimates: What it means for India*, 2008, <http://www.worldbank.org.in> (accessed 19 December 2012).
 - 3 UNDP: *Human Development Report: Explanatory note on 2011 HDR composite indices: India*, 2011, <http://hdrstats.undp.org/images/explanations/IND.pdf> (accessed 19 December 2012).
 - 4 Op. cit., Planning Commission of India, 2007.
 - 5 UNDP: *India Fact Sheet: Gender and Social Exclusion Indicators*, 2012, http://www.undp.org/content/dam/india/docs/india_factsheet_gender_n_social_exclusion_indicators.pdf (accessed 19 December 2012).
 - 6 Government of India (Office of Registrar General): *Maternal & Child Mortality and Total Fertility Rates Sample Registration System (SRS)*, 2011, http://censusindia.gov.in/vital_statistics/SRS_Bulletins/MMR_release_070711.pdf (accessed 19 December 2012).
 - 7 *The World Factbook - India*, CIA, 2012, <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>, (accessed 19 December 2012).
 - 8 ILO: "Labour Market Performance and the Challenges of Creating Employment in India", Paper presented at the Expert Group Meeting on *The Challenges of Building Employment for a Sustainable Recovery*, Geneva, July 2011, http://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_policy/documents/meetingdocument/wcms_162963.pdf (accessed 19 December 2012).
 - 9 Ibid.
 - 10 Ibid.
 - 11 Ibid.



Conditions of rural areas in India

A large majority of India's population (68.8 per cent in 2011)¹² resides in rural areas, where agriculture is the primary occupation. Poverty and underdevelopment are distinctly more severe in these areas. In 2004-2005, some 42 per cent of rural people and 26 per cent of urban people lived below the poverty line.¹³

Rural India lacks public infrastructure for health, education and employment, which in turn causes low literacy, unemployment and aggravated rural to urban migration, estimated to be 19-20 million persons in 2007-2012.¹⁴ In 2011, the literacy rate for rural women was 58 per cent; while it was 77.15 per cent for rural men and 79.11 per cent for urban women.¹⁵ Access to basic facilities, such as health care, finance and insurance in rural areas is also severely limited. In 2007, 62 per cent of India's rural population did not have bank accounts and 98 per cent had no health insurance.¹⁶

Unemployment is particularly serious in rural areas and seems to be increasing. Among agricultural households, for example, it has risen from 9.5 per cent in 1993-1994 to 15.3 per cent in 2004-2005. The overall unemployment rate in rural areas in 2009-2010 stood at 10 per cent, and displays a major gender gap, being above 14 per cent for women and 8 per cent for men.¹⁷

12 Government of India (Office of the Registrar General and Census Commissioner): *Census of India*, New Delhi, 2011.

13 IFAD: *Enabling poor rural people to overcome poverty in India*, Rome, 2011, <http://www.ifad.org/operations/projects/regions/Pi/factsheets/in.pdf> (accessed 15 December 2012).

14 Planning Commission of India: *Report of the Working Group on Labour Force & Employment Projections constituted for the Eleventh Five Year Plan (2007–2012)*, 2008, http://planningcommission.nic.in/aboutus/committee/wrkgrp11/wg11_lproj.pdf (accessed 19 December 2012).

15 Op. cit., Government of India: *Census of India*, 2011.

16 IIMS Data works and IIEF: *Invest India Incomes and Savings survey*, 2007; See also R. Jhabvala, D. Sapna and J. Dave: *Empowering Women in an Insecure World: Joining SEWA makes a difference*, Ahmedabad, SEWA Academy, 2010, p. 54.

17 Ministry of Labour and Employment: *Report on Employment and Unemployment Survey - Volume I*, Chandigarh, 2011, http://labourbureau.nic.in/Final_Report_Emp_Unemp_2009_10.pdf (accessed 19 December 2012).

Section 2: Analysis of the Catalyst

2.1 Why was it created?

Purpose

The SEWA movement is a confluence of 3 movements: the labour movement, the women's movement, and the cooperative movement. Its vision is therefore influenced by the 3 of them which seek to improve the lives of marginalized social groups. Its principles are also inspired by Gandhian ethics of truth and non-violence, collective strength and unity of workers of all communities, leadership by women workers, and work/employment for all.¹⁸

SEWA defines its 2 main goals as being ensuring “full employment” and “self-reliance” of its members. “Full employment” refers to employment through which women can gain work security, income security, food and social security (at least health care, child care and shelter), while “self-reliance” implies individual and collective autonomy in decision-making.¹⁹

These goals translate into a set of practical aims used for the day-to-day work of the organization, namely: organizing, asset building, and empowering self-employed women.²⁰ These aims are closely tied to the real needs and demands of its self-employed women members.

To evaluate the organization's performance in achieving its goals, SEWA members, group leaders, Executive Committee members and full-time organizers are guided by its “11 Questions”:

1. Employment: Have more members obtained more employment?
2. Income: Has their income increased?
3. Food Security and Nutrition: Have they obtained food and nutrition?
4. Health: Has their health been safeguarded?
5. Childcare: Have they obtained childcare?
6. Housing: Have they obtained or improved their housing?
7. Assets: Have their assets increased?
8. Organized strength: Have workers' organizational strength increased?
9. Leadership: Has workers' leadership increased?
10. Self-reliance: Have they become self-reliant, both collectively and individually?
11. Literacy: Have members become literate?²¹

18 SEWA: *Annual Report 2008*, 2008, http://www.sewa.org/Annual_Report_2008-English.pdf (accessed 11 September 2012).

19 *About Us-Goals*, SEWA, 2009, http://www.sewa.org/About_Us_Goals.asp (accessed 21 November 2012).

20 D. W. Crowell: *The SEWA Movement and Rural Development - The Banaskantha and Kutch Experience*, New Delhi, Sage Publications, 2003, p. 10.

21 Op. cit., *About Us-Goals*, SEWA, 2009.

Each year SEWA's members and organizers evaluate SEWA's progress in achieving each of these goals using data drawn from impact evaluation studies and membership feedback.²²

Relevance

A union for self-employed women workers was considered highly unusual, when SEWA was first launched in 1972. As unionization was considerable for workers in the formal economy, a majority of whom are men, in its early years SEWA struggled to demonstrate the relevance of its goals to other unions and counterparts. It made 2 important arguments:

First, informal economy workers represent 86 per cent of India's labour force and are from the most vulnerable section of the society due to their lack of access to income, work, food, and social security.²³ Self-employment represents nearly half of informal economy workers (48.6 per cent),²⁴ and by addressing the needs of the self-employed, SEWA addresses the needs of a large majority of India's labour force. Second, self-employed workers are also more prone to exploitation. SEWA's founder, Ela Bhatt, realized that self-employed women were in particularly precarious social and economic conditions because they were largely illiterate, unaware of their rights, and were often harassed and exploited by authorities and contractors.²⁵ Ms. Bhatt felt that self-employed women from diverse backgrounds needed to be organized "not *against* anyone", but "*for themselves*"; and to use their collective strength to attain social justice and improve their conditions of work and life.²⁶

After 15 years of working in Ahmedabad city, SEWA began expanding its work into rural areas. In those areas, 82 per cent agricultural and non-agricultural sector workers are employed in the informal economy;²⁷ and 49.7 per cent of the workers are self-employed, the majority of whom are women.²⁸ Women represent 63 per cent of all self-employed workers in rural areas. This led SEWA to recognize that rural women were at the core of self-employed and informal labour in India.²⁹ SEWA's first main project in rural India began in the drought-prone Banaskantha district of Gujarat, 200 kilometres from Ahmedabad, where SEWA was invited by the Indian government to assess the impact of a water-pipeline project jointly administered by the government of Gujarat and the Netherlands.

This experience was crucial for the development of new approaches and strategies as the problems of self-employed women in villages are significantly different from those of their urban counterparts, namely lack of productive income and rural to urban migration. SEWA's activities in rural areas have therefore placed equal weight on creating alternative

22 Op. cit., SEWA: *Annual Report 2008*, 2008.

23 K. Sankaran and R Mahadev: *Gender Equality and Social Dialogue in India*, Geneva, ILO, 2012, http://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms_150428.pdf, (accessed 21 November 2012).

24 Op.cit., Ministry of Labour and Employment, *Report on Employment and Unemployment Survey - Volume I*, 2011.

25 Op. cit., *About Us-Goals*, SEWA, 2009.

26 E. Bhatt: *We are poor but so many: the story of self-employed women in India*, Oxford, Oxford University Press, 2006, p. 9.

27 S. Chakrabarti: *Gender Dimensions of the Informal Sector and Informal Employment in India*, UN Stats, 2009, http://unstats.un.org/unsd/gender/Ghana_Jan2009/Doc41.pdf (accessed 22 November 2012).

28 N. Srivastva and R. Srivastava: "Women, work, and employment outcomes in rural India", Paper presented at the FAO-IFAD-ILO Workshop on *Gaps, trends and current research in gender dimensions of agricultural and rural employment: differentiated pathways out of poverty*, Rome, 31 March–2 April 2009, http://www.fao-ilo.org/fileadmin/user_upload/fao_ilo/pdf/Papers/17_March/Srivastava_Final.pdf (accessed 22 November 2012).

29 Op. cit., N. Srivastva and R. Srivastava: *Women, work, and employment outcomes in rural India*, 2009.

employment and sustainable livelihoods, and on organizing workers to struggle for their rights. By organizing into cooperatives and district-level federations, members develop collective bargaining power and create alternative sources of employment for themselves, and livelihood security for their families. Also, SEWA's approach in rural India is area-specific and demand-driven; communities design and implement all community-based activities, under its leadership.



2.2. How was it created?

SEWA originated in the Textile Labour Association (TLA), India's oldest and largest union of textile workers, founded in 1920. Ela Bhatt was heading the Women's Wing of the TLA in 1971 when she was approached by a group of migrant cart-pullers and head-loaders from the cloth market in Ahmedabad, who sought her help to find housing in the city. She met with the women and was told of the meagre wages and unfair conditions under which they were employed by labour contractors. Her efforts to help these women earn a fair income and housing led to the idea of forming an association for self-employed women. With the support of the TLA's president, Arvind Buch, SEWA was launched in 1972 as an association within the TLA.

The founder

Ela Bhatt's educational and early professional life played a decisive role. As previously mentioned, SEWA aligns itself with the tenets of the labour union movement, the cooperative movement and the women's movement, and is deeply inspired by Gandhian philosophy. These features are intimately connected to the education and experiences of

Ela Bhatt, who was influenced by these social movements in her career and education prior to creating SEWA.

After completing her Law studies in Ahmedabad, Gujarat, in 1955, she worked in the TLA's legal division, on small court cases involving lack of leave compensation for mill workers and under-employment in mill canteens. She also acquired experience in macro-level advocacy, in the preparation of the Gratuity Bill, presented to the Indian parliament in the early 1970s. As a student and a young lawyer, Bhatt was deeply inspired by the vision of Mahatma Gandhi, particularly his emphasis on simplicity, dignity of labour, humanity and non-violence, which later became central components of SEWA.³⁰ Having grown up in a family that had participated in the Gandhi's non-violent struggles against British colonialism, she considered SEWA's work an extension of Gandhi's struggle for freedom: "Our movement is a movement for the second freedom, in line with Gandhi's philosophy. He spoke of political freedom, but with individual freedom, upliftment, and self-reliance."³¹

Ms. Bhatt states that her early professional experience at the TLA made her aware of 2 important gaps in the existing trade union practices. Firstly, her experience allowed her to evaluate the differences in work, income and social security between formal and informal workers in India. "Ironically, I became aware of the informal sector while working in the formal sector. One was protected and the other unprotected, although both contributed to the national economy."³² Second, her work with mill workers in the late 1960s also made her aware of their wives and other women who often stepped in to support their families when their husbands' wages were insufficient. In a majority of cases, the wives of mill workers found jobs in the informal economy as cart-pullers, head-loaders, vegetable vendors, *biddi* (tobacco leaves) -rollers, and construction labourers. They had no contracts, no regular wages, no job security or recognition. The TLA itself did not regard these women as workers, but as "enterprising housewives" and provided them with little support or assistance. Ms. Bhatt realized that these women worked as hard in the informal economy as their husbands in formal jobs, but were much more vulnerable to manipulation, fatigue, disease, and exploitation. In 1968, her interest in women workers led her to be appointed the first convenor of the Women's Wing of the Indian National Trade Union Congress (INTUC), and she also began working on the issues facing women workers within the TLA.

The following year, she participated in a professional training course on "Labour and Cooperatives" at the Afro-Asian Institute of Labour Cooperatives in Tel Aviv, Israel, which left an indelible mark on her vision of organizing workers. Ms. Bhatt's experience of working in a desert kibbutz in Israel helped her learn how cooperatives could be engines of economic development. She mentions that "what interested me the most [in Israel] was the idea that unions and cooperatives could work so well together", an idea which inspired her to launch the SEWA movement, which routinely combines these 2 structures and approaches to improve the lives of self-employed women.

30 Op. cit., E. Bhatt, 2006, p. 8.

31 "Q & A: Ela Bhatt on SEWA, Harvard Award", in *Wall Street Journal India*, 17 May 2011, <http://blogs.wsj.com/indiarealtime/2011/03/17/qa-ela-bhatt-on-sewa-harvard-award/> (accessed 22 November 2012).

32 Op. cit., E. Bhatt, 2006, p. 9.

Creation – Initial opportunities, support and challenges

In 1971, when approached by a group of self-employed women working as cart-pullers and head-loaders, Ms. Bhatt put her ideas into practice. After observing the low wages, poor housing conditions and exploitation these women were facing, she wrote an article in a local newspaper describing their dire situation and problems, largely due to their unfair treatment by cloth merchants, their employers.³³ The article provoked a response from the cloth merchants, who denied the allegations against them in another article and insisted that they were paying the women fair wages. Ms. Bhatt and the self-employed women labourers used the cloth merchant's article as a bargaining tool. They printed and distributed it to the women in the form of cards where the "fair claims" of their employers were stated in written form, and used these cards to demand the stated wages and job security. Every time the merchants went back on their word on wages or work hours, the women produced these cards to remind them of their public claims. The news of this effective strategy spread to other women employed in other informal economy jobs, who began regularly meeting with Ms. Bhatt to share their woes. In a meeting attended by several women from the urban informal economy, the idea of a union for them was launched and led to the birth of SEWA.³⁴

SEWA's first years witnessed many small victories, which lent faith to Ms. Bhatt's belief that collective action and organization could indeed improve the lives of self-employed women. SEWA organized campaigns to protect vegetable vendors from harassment and the bribes demanded by local authorities and police. It also worked on campaigns to negotiate fair wages for cart-pullers and head-loaders.³⁵ However, its leaders realized that an important problem faced by several SEWA members was their dependence on money-lenders, who charged them exorbitant interest rates (between 10-20 per cent per day). At the same time, the government banks were hostile to lending money to poor, self-employed women, who had no credit rating or capital to provide as guarantee. Overcoming the problem of finance for self-employed women was SEWA's first major challenge in its early years.

Strategies to overcome challenges: the story of the SEWA Bank

SEWA struggled to help self-employed women acquire loans and financial support from the formal banking system for a few years, then realized they faced some fundamental constraints that prevented them from participating in the conventional system. In particular, most of them were illiterate and incapable of processing the complicated paper work required for opening an account or applying for a loan independently. In addition, some of the self-employed women were hawkers and vendors and needed only small amounts of money, which did not fit the loan sizes offered by conventional banks. Self-employed women also faced the problem of non-ownership of assets due to the traditional system where all family assets are owned and controlled by male family members. SEWA leaders realized that despite their hard work, entrepreneurship and capabilities, self-employed women in India were trapped in a vicious cycle of poverty and low productivity. In 1973,

33 *About Us-History*, SEWA, 2009, http://www.sewa.org/About_Us_Goals.asp (accessed 18 December 2012).

34 *Ibid.*

35 *Op. cit.*, Crowell, 2003, p. 9.

they discussed the idea of opening a special bank for self-employed women to assist them to overcome poverty, indebtedness and low income levels.

Opening the bank was not an easy task. First, it required close to Rs. 100,000 (around USD 20,000) share capital, an intimidating amount of money given that SEWA's members were among the poorest of the poor, with negligible incomes and no savings. However, one of SEWA Bank's founders, a self-employed woman at a recycled clothes market in Ahmedabad, Chandabhen, provided the organization its motto for this venture. In what are now historic words, she pointed out that "we may be poor, but we are so many", reminding her SEWA sisters that their collective and organized action could produce powerful results. Indeed, with 6,287 members and an individual share capital of Rs. 10 (roughly USD 0.20), SEWA members were able to raise enough capital, Rs. 71,320 (USD 14,000), to open their own cooperative bank.³⁶ The second challenge was administrative, namely convincing the Registrar Office that poor, illiterate women were capable of constituting a credible bank. After months of struggle and strategizing, SEWA succeeded in launching the Mahila SEWA Sahakari Bank in 1974, now widely considered as a pioneer institution in women's microfinance.

SEWA members decided on the following objectives for the Bank:

- "to provide facilities for savings and fixed deposits accounts;
- to provide credit to further the productive, economic and income generating activities of the poor and self-employed;
- to extend technical and management assistance in production, storage, processing, designing and sale of goods and services;
- to provide facilities to redeem jewellery from pawn brokers and money lenders;
- to adopt procedures and designs schemes suitable for self-employed women, like collecting daily savings from their place of business or home, or providing savings boxes and giving training in banking procedures."³⁷

The features and services of this bank were based on the specific needs of self-employed women. For instance, to overcome the problem of illiteracy, it has a system based on photo identity cards for opening accounts, accessing information, and withdrawals. It also provides a variety of business support services to shareholders by linking them to government subsidies which could benefit their businesses, helping them find better ways to use loan money and to negotiate prices with wholesalers.³⁸ The SEWA Bank began expanding its activities in rural Gujarat after receiving official permission from the Reserve Bank of India in 1993, and has since expanded to reach 38,691 rural self-employed women and Rs. 2.5 million (USD 464,000) worth of savings.³⁹ In rural areas, SEWA facilitated the formation of savings and credit self-help groups (SHGs) for women in villages.⁴⁰

36 Op. cit., E. Bhatt, 2006, p. 101.

37 Hari Srinivas: "SEWA: The Self-Employed Women's Association", The Global Development Research Center, <http://www.gdrc.org/icm/sewa-1.html> (accessed 4 December 2012).

38 Op. cit., Crowell, 2003, p. 9.

39 *Our very own bank- SEWA Bank*, SEWA, 2009, http://www.sewa.org/images/Annual_Report/PDF/Our%20Very%20Own%20Bank%20-%20SEWA%20Bank.pdf (accessed 4 December 2012).

40 *Activities- Rural Activities*, SEWA Bank, 2006, <http://www.sewabank.com/rural-activities.htm> (accessed 4 December 2012).

These village SHGs for savings and credits are entirely managed by rural self-employed women. Each group democratically elects leaders who apply for loans on behalf of the group, proportionate to the group's savings. SEWA also provides training services in accounting, finance management and administration to them. The expansion of the SEWA Bank in rural areas was also important for SEWA to increase membership and organize agricultural labourers.



Initial opportunities in rural areas

First experiences with rural self-employed women

In the 1970s, SEWA leaders became aware of the importance of organizing rural self-employed women through their interactions with agricultural labourers who migrated to cities in search of employment.⁴¹ By 1979, SEWA had started organizing self-employed women in villages in the district of Ahmedabad over the implementation of the minimum wage law for agricultural labourers, applying traditional trade union strategies.⁴² However, it was soon discovered that rural self-employed women had less power or capacity to bargain than their urban counterparts. In rural India, where unemployment and under-employment are major problems, these women were not in a position to demand higher wages since there were almost no other opportunities for earning a livelihood. SEWA's

41 R. Nanavaty, interview, 26 November 2012.

42 SEWA: "Our Rural Union - leading the struggle for Gram Swaraj or self-reliant, holistic village development" in Op. cit., SEWA: *Annual Report 2008*, 2008.

trade union-style strikes in villages in the Ahmedabad district resulted in women losing their jobs and livelihoods since their powerful employers (landowners and rich farmers) easily replaced them with other workers. These disappointing initial experiences led the organization to develop more suitable approaches for organizing and assisting its members in rural areas.

In 1986, SEWA started organizing landless agricultural workers in Gujarat's Mehsana district into a co-operative called the Vanlaxmi Women Tree Grower's Cooperative, after obtaining a 10-acre plot from the local village council on a 30 year lease. It took SEWA village members over 3 years (1986-1989) to clear the land, till it and make it arable. Today, the Vanlaxmi cooperative stands as a model for the entire district of how the landless rural poor can successfully practice collective agriculture. The success of this initiative has led SEWA to maintain a needs-based and demand-driven approach in rural areas, where livelihood activities are structured according to local needs and regional characteristics.

In 1987, SEWA was invited by the government of Gujarat to conduct a study on the conditions of women in the district of Banaskantha⁴³, and to organize them so they could benefit from a local water-pipeline project being jointly implemented by the Indian government and the government of the Netherlands.⁴⁴ This opportunity was unique for SEWA since it had limited experience in rural areas. Organizing women around water use was also novel for SEWA which had until then only worked on issues such as access to housing, income and employment in urban areas and had no experience with helping women access natural resources.

SEWA's research and action on the Indo-Dutch water-pipeline, in collaboration with the Foundation for Public Interest (FPI), revealed that the project had not improved living conditions for women in Banskantha, as many of them were still unable to access water. The project had not considered the practical problems facing these women, the most significant of which was the lack of opportunities for employment and for maintaining a decent livelihood. As a result, the inhabitants of Banaskantha were constantly migrating in search of jobs in other districts or cities, which has also made it difficult for SEWA to recruit members and encourage collective action to access water.⁴⁵ SEWA's approach thus targeted both the creation of productive and decent livelihoods for Banaskantha's women, and their access to water by strengthening grassroots organizations called *pani-panchayats* (village water councils).

In a survey, SEWA found that nearly 80 per cent of the women in Banaskantha district had embroidery skills. All the traditional rural castes and communities (the *Ahirs*, the *Jats*, the *Rabaris*, and the *Mochis*) had their unique style of embroidery, passed down from mothers to daughters. The complex and rich embroidery products were a family's pride, but most women had no idea of the market value of their handicrafts, and had little information on a fair price for their products, since they rarely travelled outside their villages. Lack of information and a desperate need for income often led them to sell their unique work

43 In 1997, some areas of the Banaskantha district were carved out to form a new district named "Patan". For the purpose of clarity, in this paper the district name "Banaskantha" refers to its pre-1997 constitution; i.e., including Radhanpur and Santalpur *tehsils* (towns).

44 R. Nanavaty, interview, 26 November 2012.

45 Op. cit., Crowell, 2003, p. 20.

for a pittance to visiting traders. SEWA began by making these women aware of the real value of their products, and by finding a market for them. Then it directly bought those products from the women and sold them in Ahmedabad, in order to establish credibility and explain to them that this was not an act of charity but reflected the real value of their handicrafts. The women were astonished to learn that they could earn Rs. 150 (USD 3), the equivalent of a male breadwinner's monthly income in the district, for each finished *kurta* (tunic). SEWA's organizers thus gained women's trust and organized them into small embroidery groups. Ela Bhatt writes that, when SEWA ventured into the embroidery business, it pledged 3 principles: no woman seeking embroidery work would be turned away; all payments for work would be made in cash within 10 days; and at least 60 per cent of the price of the product would go to the embroiderer.⁴⁶

Following this experience, SEWA decided to link its activities to a government scheme called the Development of Women and Children in Rural Areas (DWCRA), launched by the Ministry of Rural Development in 1982. Under the scheme, groups of 15-20 women are offered loans and subsidies to start income-generating activities to supplement their income, and to help them access health care, childcare, and nutrition. The DWCRA scheme originated from the Second Labour Commission of which Ela Bhatt was a member. Linking with the macro-level and using existing government schemes and projects in a particular region has since become a key feature of SEWA's work. Instead of launching new, overlapping projects in a given region, the organization attempts to strengthen and improve the quality of existing government programmes in this region.

The embroidery groups set up by SEWA were linked to the DWCRA project. This collective effort towards earning a sustainable livelihood and leadership was a major experience for the women, many of whom earned a new-found respect from their families and communities due to their entrepreneurial ventures. Other DWCRA groups were started in the Banaskantha district, for women salt farmers, gum collectors, forestry and agricultural workers, and marginal farmers. SEWA also formed savings and credit groups for women in Banaskantha to help them build capital for their business. Producers' groups significantly transformed the lives of these women and their communities, as they enabled women to use their traditional skills productively for themselves and their families. Today, 80 per cent of the families in the district that once migrated in search of work and income no longer do so.⁴⁷

In 1992, SEWA formed the Banaskantha DWCRA Mahila SEWA Association (BDMSA), a district-level association linking together all the producers' groups created under the DWCRA plan and honed with SEWA's efforts. At the time, there were 91 rural producer groups, totalling 40,000 women. SEWA managed the BDMSA till 1996, when it became a self-managed affiliate federation with a separate finance and governance structure.⁴⁸ As an independent federation, each DWCRA rural producer group elects leaders to the Executive Committee of the BDMSA, while SEWA provides training and capacity building in managerial skills, including accounting, finance, administrative management, marketing services, and liaisons between these groups and government departments whenever necessary.

46 Op. cit., E. Bhatt, 2006, p. 151.

47 *Movement- Federations: Gujarat*, SEWA, 2009, http://www.sewa.org/Movements_Federations_DWCRA.asp, (accessed 9 December 2012).

48 Ibid.

Initial challenges in rural areas

As mentioned earlier, SEWA realized that working with self-employed women in a rural context posed new challenges compared to working in urban settings. In Banaskantha for instance, communities targeted by SEWA faced:

- Lower levels of literacy and awareness – Banaskantha is among the 250 least developed districts in India,⁴⁹ including a large gender gaps in literacy and education. In 2001, men's literacy rate was 66.47 per cent, while women's was 34.5 per cent. With a low sex ratio of 931 females per 1000 males, the district of Banaskantha also displays severely discriminatory conditions for women and girls with regard to health and employment.⁵⁰ Given these conditions, SEWA's efforts to organize women in the district and promote their economic independence were not always supported by the community. For instance, team leaders of the embroidery groups created by SEWA needed to travel to nearby villages and towns for trainings or meetings to bargain for their group members, but were not always allowed by their family to travel and often had to face its wrath and that of the community to do so.⁵¹ Teaching illiterate women to manage the accounts and business of their producer's group required SEWA to provide them basic literacy and financial trainings at first;
- Lack of employment opportunities – When SEWA began its work in the rural district of Banaskantha, women's very first demand was sustainable jobs to support their families. Indeed, 90 per cent of its population relies on agriculture to earn a livelihood, while 52 per cent is below the poverty line.⁵² Arid conditions and lack of infrastructure made agriculture less productive, and only 41.9 per cent of land is under irrigation. SEWA's strategies to empower its self-employed women members have thus included seeking alternative livelihoods;
- Migration – In this district, unemployment and poverty cause significant out-migration. In a survey conducted in 2006 in 2 villages in Banaskantha districts, 86 per cent of respondents indicated that the primary reason for migration was lack of work opportunities in their villages, and 90 per cent mentioned their preference for working in the village rather than migrating.⁵³ Among these migrant communities, most households (56.3 per cent) move to other rural areas to work as farm labourers. SEWA had to adjust its strategy to these patterns of “distress migration”, especially since creating institutions and structures such as producers' groups and cooperatives is not an easy task when entire households leave the village. Creating productive and sustainable livelihoods in villages thus became imperative for SEWA's activities in Banaskantha;
- Higher vulnerability to natural disasters – The region of Banaskantha was struck by droughts and a severe earthquake in 2001, which destroyed a number of water-pipelines.⁵⁴ These precarious physical conditions have compounded the low levels of development which persist in this region;

49 Ministry of Panchayati Raj: “A Note on the Backward Regions Grant Fund Programme”, National Institute of Rural Development, 8 September 2009.

50 Government of Gujarat (Industries Commissionerate): “Banaskantha”, 2008, <http://www.vibrantgujarat.com/images/pdf/banas-kantha-district-profile.pdf> (accessed 12 December 2012).

51 Op. cit., E. Bhatt, 2006, pp. 151–153.

52 Op. cit., Government of India: *Census of India*, 2011.

53 I. Hirway: *Concurrent Monitoring of National Rural Employment Guarantee Act. Feed Back from the Field*, Centre for Development Alternative, Ahmedabad, 2006.

54 P.K. Mishra: *Kutch Earthquake 2001: Recollections, Lessons and Insights*, New Delhi, National Institute of Disaster Management, 2004, <http://nidm.gov.in/PDF/KUTCH%202001.pdf> (accessed 20 December 2012).

- Suspicion of outsiders – SEWA also had to adapt to rural societies, which are less open to and suspicious of “outsiders”. In the early years of their work in Banaskantha, SEWA organizers were recruited in urban areas and commuted from SEWA's headquarters in Ahmedabad city; they faced difficulties in gaining the trust of rural self-employed women and engaging them in collective action.⁵⁵ To avoid being treated as outsiders, some of them settled in Banaskantha villages for long periods of time to organize meetings and recruit local leaders among the rural women. Subsequently, SEWA hired “volunteer village leaders” to help organize SEWA's local activities and meetings. Soon after, SEWA set up an office in Radhanpur town to manage its activities in Banaskantha.

Growth – Main steps since creation

In the early 1980s, tensions developed between SEWA and its umbrella union, the TLA. Ms. Bhatt indicates she had realized that the TLA intended to remain a traditional trade union, “with very little room for new ideas and a dwindling capacity to face new challenges.”⁵⁶ These tensions in ideology and practice came to the fore in 1981, when violence broke out in Gujarat over the policy of caste-based reservation, which was supported by the Indian Constitution. When the state government increased the number of reservations for lower caste students at the state level, violent incidents occurred between upper castes and *dalits* in Gujarat. SEWA's leadership sided with the *dalits* whose homes were attacked, especially since a large proportion of SEWA's membership come from this community, while the TLA maintained a “neutral” stance over the issue. Following these incidents and differences in opinion, in May 1981 the TLA asked SEWA to shut down its operations within TLA's offices and withdraw its membership from the National Labour Organization (NLO) as well. Ms. Bhatt writes that she did not expect this radical decision and feared the future of SEWA, which at the time had just “4,900 members, a small cooperative bank, a rural centre, one vehicle and a few typewriters”.⁵⁷

SEWA used this opportunity to make a new beginning and move further away from traditional trade union norms, and included different organizational structures such as cooperatives, SHGs and membership-based organizations within its fold.

A number of central trade unions invited SEWA to join their organization, but it decided to remain independent. Its membership grew steadily in Gujarat, and within 5 years of its split from the TLA, SEWA had tripled in size.⁵⁸ Between 1981 and 1985, 11 new SEWA organizations were created in various states of India, based on SEWA's work in Gujarat. Each of these were locally rooted and based on the demands of self-employed women in each of the states. By the mid-1990s, 5 of the 11 new SEWAs were in a sufficiently strong, independent position to be registered as independent state-level unions.⁵⁹ To co-ordinate all its programmes and activities across the country, the SEWA movement set up the SEWA Bharat federation in 1984.

In 2012, the membership of SEWA was 1.75 million women, spread across 12 states in India. Its average annual rate of growth was 25 per cent in 1988-1992, 35 per cent in 1993-

55 Op. cit., Crowell, 2003, p. 10.

56 Op. cit., E. Bhatt, 2006, p. 14.

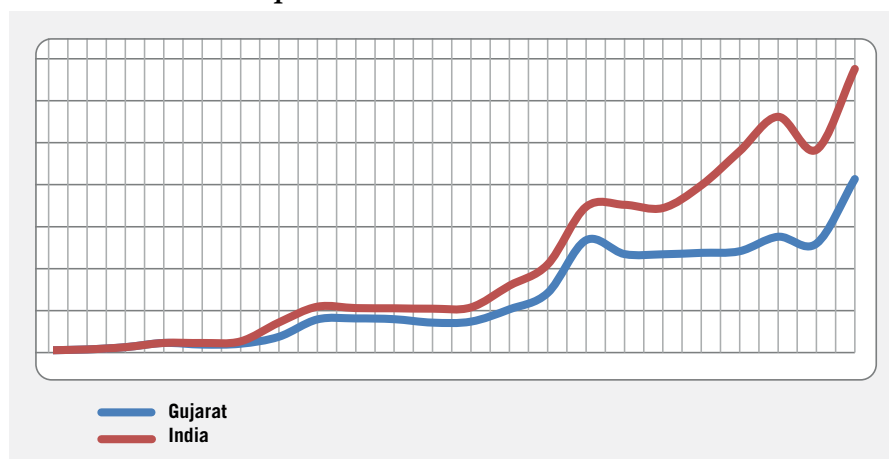
57 Ibid. p. 15.

58 See Figure 1 on the next page.

59 SEWA Bharat: *Annual Report 2009*, 2009, <http://www.sewabharat.org/annualreport.pdf> (accessed 18 December 2012).

1997, 27 per cent in 1998-2003⁶⁰, and as much as 40 per cent in 2003-2012 (see Figure 1). Its spread into rural areas has been particularly successful, with rural self-employed women now forming 66 per cent of SEWA's membership. In 2005, SEWA's petition to become a Central Trade Union was accepted.⁶¹ SEWA is currently the largest primary union in India and its success has encouraged the creation of self-employed women's unions and organizations in other countries such as South Africa, Yemen, Turkey, Afghanistan, Pakistan, and Nepal, affiliated to SEWA as sister unions.

Figure 1: SEWA Membership 1972–2011



SEWA has also vastly expanded its activities and currently includes numerous autonomous structures, such as cooperatives, producers' groups, societies, service organizations and federations. Its multitude of institutions and activities has made SEWA's structure "akin to a banyan tree".⁶² Deeply rooted in the needs and experiences of self-employed women all over India, SEWA's branches have grown in different directions (covering a range of activities), to become a sprawling forest within the same tree. Each new organization (or branch) is independent both financially and administratively but continues to draw strength from its roots within the SEWA movement.⁶³

Ela Bhatt retired from her post as General Secretary in 1996. Her work in SEWA earned her several prestigious awards both within and outside India, including the Ramon Magsaysay Award for Community Leadership (1977), the Right Livelihood Award (1984), the Padma Shri (1985), and the Padma Bhushan (1986). Alongside SEWA, she also served as the Chair Woman for the Women's World Banking, the first women's micro-finance organization, which she co-founded in 1979.

60 J. Blaxall: "India's Self-Employed Women's Association (SEWA) Empowerment through Mobilization of Poor Women on a Large Scale" in World Bank: *Reducing Poverty, Sustaining Growth What Works, What Doesn't, and Why A Global Exchange for Scaling Up Success*, Washington D.C, 2004.

61 Central Trade Unions are those with at least 500,000 members from 5 states. Source: SEWA Newsletter, 2005, <http://www.sewa.org/Newsletter2.asp> (accessed 17 December 2012).

62 Op. cit., E. Bhatt, 2006, p. 19.

63 Some of the key organizations created by SEWA are: SEWA Cooperative Bank (1974), First Milk Cooperative (1979), Anasuya Trust (Newsletter) (1982), SEWA National Association (1982), First Artisans Cooperative (1982), Video SEWA (1984), First Child Care Cooperative (1986), First Tree Growers Cooperative (1986), First Vegetable and Fruit Vendors Cooperative (1989), SEWA Academy (1990), First Health Care Cooperative (1990), First Salt Farmers Cooperative (1991), Vimo SEWA (Insurance) (1992), BDMSA- Banaskantha DWCRA Mahila SEWA Association (1992), SEWA Cooperative Federation (1993), Gujarat Mahila Housing Trust (1994), First Midwives Cooperative (1994), Kutch Craft Association (1995), SEWA Gram Mahila Haat (Rural marketing) (1999), SEWA Trade Facilitation Center (Not for profit crafts company) (2003), SEWA Managers School (2005), and SEWA RUDI (For-profit multi-brand company) (2006).

2.3 How does it currently work?

Structure

The SEWA movement has been spreading to various states in India.⁶⁴ Its state-level unions are affiliates of the national union SEWA, and are represented through the National Council.⁶⁵ At the national level, SEWA's membership is tied together in a federation of all SEWA organizations, called SEWA Bharat.

The governance of all SEWA organizations is based on democratic principles that seek to promote leadership and decision-making among its self-employed women members as a means to empower them.

SEWA union's membership, open to self-employed women all over India for a fee of Rs. 5 (USD 0.09) per year, is largely composed of 4 main categories:⁶⁶

- Manual labourers and service providers (69 per cent), like agricultural labourers, construction workers, contract labourers, handcart pullers, head-loaders, domestic workers and laundry workers;
- Home-based workers (14 per cent), like weavers, potters, *bidi* (tobacco) and *agarbatti* (incense) workers, ready-made garment workers, women who process agricultural products and artisans;
- Hawkers, vendors and small businesswomen (11 per cent), like vegetable, fruit, fish, egg and other vendors of food items, household goods and clothes;
- Rural producers and service providers (5 per cent), who invest their labour and capital to carry out their businesses, including agriculture, cattle rearers, salt workers, gum collectors, cooking and vending.

Within these broad categories, there are 125 specific trade groups (such as construction workers, gum processors, hawkers, salt workers, and weavers) and each SEWA member is assigned to a single group.⁶⁷ These trade groups form the foundation of SEWA's governance arrangement. Each is managed by a cadre of *aagewans*, or grassroots leaders, who are nominated by its group members (1 *aagewans* for every 20-30 members). These leaders meet multiple times a week to discuss members' issues and serve as a link between the trade group members and the upper levels of SEWA's corporate management.

SEWA's corporate management is handled by a small team of dedicated women. As only 20 per cent of its employees possess a professional background (and 80 per cent come from the working classes), SEWA invests heavily in education and training for its employees lacking professional or university degrees, to equip them with the necessary management skills.

As mentioned earlier, the organization is deeply rooted in Gandhian values and the

64 SEWA's state unions include Madhya Pradesh, Bihar, Kerala, Uttar Pradesh, Delhi, West Bengal, Rajasthan, Uttarakhand, Jammu & Kashmir, Assam, Meghalaya and Maharashtra.

65 Op. cit., SEWA: *Annual Report 2008*, 2008.

66 Ibid., p. 9.

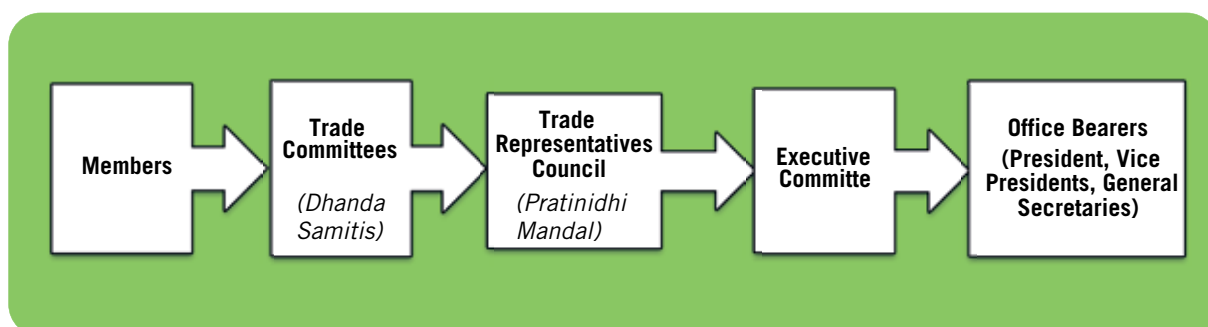
67 Ibid.

principle of communal harmony and tolerance. One third of its members come from Muslim communities, and large sections of SEWA members also belong to Scheduled Castes and Scheduled Tribes.

SEWA has a two-tier system of representation (see Figure 2). The first level is the *Dhandha Samitis* or Trade Committees, for each trade. Each Committee represents between 15 and 50 members and meets every month to discuss members' issues in their respective trades and seek possible solutions. The second level is in the *Pratinidhi Mandal*, or Trade Representatives Council, to which the members of each trade elect their representatives (1 representative per 100 members). Its members are also members of their respective Trade Committees. Every 3 years, SEWA members elect members into their Trade Committee and Trade Representatives Council together. In 2012, there were approximately 4,000 elected representatives, or *pratinidhis*, in this Council.

Following their election, Trade Representative Council members elect an Executive Committee of 25 members, who broadly represent the main trade categories of SEWA members. This Committee also includes 5 senior members from SEWA's management staff and a few invited Chairwomen who have played a key role in SEWA's past. It elects 7 of its members to the posts of President, Vice-Presidents (2), Secretaries (2) and General Secretary. Executive Committee members elected to these posts serve for a 3-year, non-renewable term. The President and Vice-Presidents are elected representatives of the largest trades, while the positions of Secretary and General Secretary are reserved for administrative and management officers, wherein at least 1 of the Secretaries must be a working class member.

Figure 2: Election Process of SEWA



Activities

SEWA's activities are divided in several components that reflect the needs and demands of its members, alongside the organization's goal to achieve "full employment" and "self-reliance". Its approach is largely to "involve rather than intervene", which helps foster a participatory, flexible and demand-driven model of development.

Most programmes use SEWA's own funds, constituted by its members' annual fees. SEWA's social security organizations for childcare, healthcare and insurance require additional fees from members using these services. SEWA has also created a number of enterprises and companies able to sustain themselves on their annual turnover. In 2012, the SEWA Bank's annual turnover was Rs. 167 million (USD 3.1 million); SEWA's agri-

business brand RUDI had a turnover of Rs. 25 million (USD 46,400); the SEWA Trade Facilitation Company (STFC)'s turnover was Rs. 6 million (USD 111,000), and SEWA's construction workers company Nirman's turnover was Rs. 250,000 (USD 40,000).⁶⁸

SEWA also partners with the state and national governments in implementing programmes such as DWCRA, and receives state government funding to start ventures such as the SEWA Gram Mahila Haat (SGMH), SEWA's marketing organization launched in 1999. At the international level, SEWA has partnered with some of the main global developmental agencies and organizations such as the ILO, UNDP, World Bank, Ford Foundation, German Technical Cooperation (GTZ), and FAO.⁶⁹ SEWA also has a number of private sector partners, like the Indian Tobacco Company (ITC), and corporate trusts such as the Tech Mahindra Foundation and the Sir Dorabji Tata Trust.⁷⁰

SEWA's main activities are summarized below

■ Organizing women for collective action and cooperative solutions

The principal activity carried out by SEWA leaders, managers and members all over India is to organize women to achieve collective strength, bargaining power and greater productivity. SEWA's strategy is that of "struggle and development", carried out through the joint action of its trade union and cooperatives. Over the past 40 years, SEWA has developed a number of successful enterprises and organizations at the village, district, state and national levels, alongside becoming the largest primary union in India. Its activities are carried out through the following main structures:

- a. Trade union – The SEWA union has members from 12 states across India and affiliated state-level unions in Madhya Pradesh, Bihar, Kerala, Uttar Pradesh, and Delhi. SEWA's main activities with its urban branches are the promotion of workers' rights and improvement of work conditions for self-employed women members. This includes campaigns such as the Street Vendors Campaign, the Waste Paper-Pickers Campaign for Livelihood, and the Manual Labourers' Livelihood Campaign.⁷¹ SEWA also provides legal support and training to its members on labour laws, worker's rights, and employers' duties. In 2008, 5200 urban self-employed women workers participated in 130 legal trainings organized by SEWA.⁷² In rural areas, the SEWA union organizes its members to achieve collective and individual economic empowerment and self-reliance, and has launched a number of significant worker-led campaigns such as the Water Campaign, the Agriculture Campaign and the "Feminise our Forests" Campaign.
- b. Cooperatives – Since its initiation, SEWA has worked to develop alternative economic systems through the creation of cooperatives. Today, its members are organized into more than 130 cooperatives, particularly artisans, land-based, livestock, trading, and service and credit cooperatives⁷³, the largest of which is the SEWA Bank, with

68 P. Balan and R. Vora: "Forty years of SEWA" in *Business Standard*, 3 July 2012, <http://business-standard.com/taketwo/news/forty-yearssewa/479197/> (accessed 20 December 2012).

69 R. Nanavaty, interview, 26 November 2012.

70 Op. cit., SEWA Bharat: *Annual Report 2009*, 2009.

71 Op. cit., SEWA: *Annual Report 2008*, 2008, pp. 21–26.

72 Ibid., p. 28.

73 Op. cit., SEWA: *Annual Report 2008*, 2008.

371,000 members. SEWA members are allowed to join more than one SEWA cooperative, and they provide share capital to each cooperative joined.

SEWA's cooperative creation includes 3 phases: upgrading skills through training; organizing an economic unit to earn incomes from skills; and forming the organizational structure of a cooperative to sustain productive activities.⁷⁴ While each cooperative is a self-managed, economically independent unit, SEWA lends support through federations such as the Gujarat State Women's SEWA Cooperative Federation (launched in 1993), which provides comprehensive training in cooperative education, marketing, management, leadership development and technical education.⁷⁵



c. Rural Producers' Groups and Associations – In its effort to organize rural areas, SEWA has linked a number of trade-based groups in the rural region of Banaskantha to the governmental scheme called DWCRA. Under this scheme, 15 to 20 women form producers' groups and receive seed capital of Rs. 25, 000 (USD 500) to develop their own local collective businesses. Since 1989, SEWA has helped create 181 rural producer groups linked to this scheme. In Banaskantha, each individual DWCRA group is linked to the BDMSA, a state-level association created in 1993. Similarly in the Kutch region of Gujarat, in 1995, 101 DWCRA producer groups trained by SEWA created a state-level association called the Kutchcraft Association. The main aim of these state-level associations is to link individual producer groups at the village level to markets throughout the state and the rest of the country, as well as to provide a number of capacity-building trainings and social security benefits to members at the village level. This also helps mainstream the work of self-employed women into larger economic structures and markets.

SEWA has created nearly 13,000 other producer groups all over India, including for artisans, forestry, dairy, land, and nursery.⁷⁶

d. Social Security Organizations – SEWA's definition of its organizational goal of “self-reliance” includes healthcare, childcare, housing, and insurance for all its members, accessible for a nominal fee. There are 7 different social service organizations included within the structure of SEWA:⁷⁷ the Lok Swasthya SEWA health cooperative (with 155

74 S. Saha: “Problems while organizing: drawn from the meetings with cooperative members”, Ahmedabad, SEWA Academy, 2003.

75 Ibid.

76 R. Nanavaty, interview, 26 November 2012.

77 Op. cit., *Movement- Federations: Gujarat*, SEWA, 2009.

members, reaching 74,695 self-employed members and their families); Shramshakti cooperative (with 50 members reaching 5,000 women and their families); Shramlakmi cooperative; Krishna Dayan cooperative (with 85 members, reaching 26,285 members and their families); Sangini childcare cooperative (with 825 members, reaching 3,639 members' children); Shaishav childcare cooperative (with 92 members, reaching 1,500 members' children) and VimoSEWA Insurance collective (with 32,000 members).

■ Capacity Building and Asset Building

A major focus of SEWA's work to empower its members is building their capacity and economic assets. SEWA has launched a number of research, capacity-building and educational organizations, including the SEWA Academy, SEWA Trade Facilitation Centre, and SEWA ICT.

SEWA has 2 main types of capacity-building institutions. The first type involves adult education initiatives to assist SEWA members in their particular trades. For instance, artisans will be trained to design and market their products. In rural areas, SEWA initiated a network of 40 Community Learning Centres (CLCs) to provide computer education to its members and their families, in partnership with Microsoft Corporation. The second type, the SEWA Academy and the SEWA Managers' School, are set up to equip SEWA members with managerial and leadership skills. The SEWA Academy was launched in 1991 as a school to train self-employed women in leadership skills in addition to literacy, communication, research and documentation.⁷⁸ In 2005, the SEWA Managers' School (SMS) was launched for "facilitating economic self-sustainability through building a cadre of grassroots managers." The SMS is the only institution in India providing management training for grassroots women.

These capacity-building centres and educational initiatives are closely linked to the governance of the alternative economic structures created by SEWA at the grassroots level, such as cooperatives and producers' groups. Since most of SEWA's members have limited formal education, training in key technical and managerial duties is vital. SEWA also firmly believes that increasing organizational capacity is directly linked to improved revenues, quality of products, and betterment of livelihoods. Its capacity building and training activities thus go hand-in-hand with its organizing activities.

Regarding asset-building, the most significant aspect of SEWA's work is women's access to micro-finance. The launch of the SEWA Bank in 1974 is widely believed to be a pioneering achievement. The Bank has now achieved a status equal to that of other national banks in India and has a loan recovery rate of 96 per cent.⁷⁹ Most of the loans taken by SEWA Bank members are taken to build their business assets and generate larger incomes.⁸⁰ The SEWA Bank provides loans at an interest rate of 2 per cent, thus much lower than those charged by money-lenders, often as high as 10 per cent. The Bank is SEWA's most popular facility and has grown by 11 per cent in 2012.⁸¹

78 *About Us*, SEWA Academy, 2012, <http://www.sewaacademy.org/history.html> (accessed 18 December 2012).

79 Op. cit., P. Balan and R. Vora, 2012.

80 R. Nanavaty: "Supporting poor rural women to improve livelihoods", Paper presented at the FAO-IFAD-ILO Workshops on *Gaps, trends and current research in gender dimensions of agricultural and rural employment: differentiated pathways out of poverty*, Rome 31 March–2 April 2009.

81 Op. cit., P. Balan and R. Vora, 2012.

■ Advocacy and alliances

SEWA has used its unique role as a trade union and representative of 1.75 million self-employed women in India to promote policies and advocate reforms in Indian labour laws related to the informal economy. Experiences such as the SEWA Bank, where the organization had to struggle considerably to be allowed to open a cooperative bank for illiterate women, demonstrated that a number of discriminatory laws and practices aggravate the poverty and hardships faced by these workers. SEWA's founder thus championed the cause of self-employed women and informal economy workers at the national and international levels. For her, workers are workers, "whether they are working in a factory, or at home or on the footpath."⁸²

During her term as General Secretary of SEWA, Ms. Bhatt was the first woman member of the Second Labour Commission of India. As the Assistant Commissioner of the Second Labour Commission, DC Baxi noted "The Second Commission on Labour was set up with 2 objectives. One was to rationalise existing labour laws and the other to provide social security to unorganized labour through umbrella legislation. SEWA was one of the driving forces behind the Commission."⁸³ One of the important results of the Commission was the Social Security Act, passed in 2009.

Led by Ms. Bhatt, SEWA also had significant policy influence internationally, particularly in shaping international conventions, such as the 1996 ILO Convention on Home Work, No.177. According to Ms. Bhatt, before that Convention, the ILO's definition of work was narrowly viewed as "employer-employee transactions" and did not adequately address the issues of informal, self-employed and home-based workers. From the 1980s onwards, SEWA allied with a number of international informal workers movements, and in the 1990s became one of the founders of HomeNet, the first international network of home-based workers. HomeNet mobilized unions and NGOs working with home-based workers from countries all over the world and displayed a sizable lobby, which led to the adoption of Convention No. 177. It then campaigned for its ratification in countries worldwide. Similarly, SEWA founded StreetNet, an international movement for street vendors based in Durban at the Self-Employed Women's Union (SEWU), SEWA's sister union in South Africa, as well as the "National Alliance of Street Vendors of India".

SEWA continues to advocate for self-employed women's rights and lobby for social security reforms for informal economy workers, both domestically and internationally, through its national level federation, SEWA Bharat. These efforts tie into its broader aim to counter the distinctions and discriminations that make self-employed women among the poorest workers in India. At present, SEWA Bharat represents the interests of home-based workers in national-level policy committees,⁸⁴ and continually campaigns for the rights of small farmers, street vendors, construction workers, waste-pickers and other self-employed workers at the national level.

82 S. Sengupta: "An Empire for Poor Working Women, Guided by a Gandhian Approach", in *New York Times*, 9 March, 2009, http://www.nytimes.com/2009/03/07/world/asia/07bhatt.html?pagewanted=all&_r=0 (accessed 19 December 2012).

83 OECD/ILO: *SEWA Joins Forces with the ILO to Help Informal Sector Workers Move Out of Poverty*, <http://www.oecd.org/dac/povertyreduction/48869455.pdf> (accessed 19 December 2012).

84 Op. cit., SEWA: *Annual Report 2008*, 2008.



Activities in rural areas

As mentioned earlier, since the late 1980s SEWA has been steadily expanding in rural areas, which now host a majority of its membership. Local demands, and local ownership and knowledge are central. Rural women are trained in the skills necessary to competently administer their own organizations and cooperatives in their villages or districts. “Spearhead teams”, comprised of local organizers, are formed to lead each cooperative and lead SEWA’s activities in each village.

Below are some of its activities:

- **Creating grassroots organizations** – As explained earlier, SEWA’s rural members are affiliated to its rural unions, cooperatives and DWCRA producers’ groups, and are linked to state-level associations that support their activities. Associations like the BDMSA, the Kutchcraft Association and Sabarkantha Women Farmer’s Association, play an important economic and political role in providing information and raising awareness in rural India. For instance, in the rural Water Campaign, the Sabarkantha Women Farmer’s Association conducted door-to-door visits and meetings with the *panchayats* (local governments) to organize collective action for water conservation.

SEWA has also created a network of Village Resource Centres to assist village-level producers’ groups to access market information and technical inputs. For instance, every Saturday, leaders of grassroots producers’ groups receive an SMS communicating the current prices of commodities in town markets, which puts producers’ groups

in a better bargaining position when buying inputs such as seeds or marketing their products.⁸⁵

SEWA has also pioneered grassroots self-employed women's groups, such as the SHGs, which are the foundation of SEWA's operations in districts and villages. SHGs meet monthly to share the problems faced by members in their work and domestic lives, and are governed by the women themselves.⁸⁶ They also actively link rural women members to SEWA's social security organizations and capacity-building/training facilities. SHGs leaders are trained by the SEWA Manager's School for grassroots leaders.

- **Fostering livelihood security** – SEWA's key focus in rural areas has been the creation and fostering of sustainable livelihoods for rural self-employed women. It has undertaken 4 major rural livelihood initiatives:⁸⁷

a. Artisans Support Programme – SEWA has played a major role in transforming the traditional skills of rural self-employed women into enterprises providing a sustainable incomes and livelihoods. Through its Artisans Support Programme, particularly active in Gujarat's Banaskantha, Patan and Kutch districts, it has successfully organized 250,000 artisans;

b. Weavers Support Programme – In Gujarat's districts of Anand and Kutch, SEWA has organized 3,000 weavers who now earn a sustainable income from their traditional weaving skills;

c. Salt Farming – SEWA first organized childcare and education facilities for the children of *agriya* women, self-employed salt farmers from the Surendranagar district,⁸⁸ who work under very harsh conditions in the arid salt pans for months at a time, incurring illness and disease, to earn meagre wages paid to them by local traders.⁸⁹ SEWA has organized 8,000 of them into grassroots groups and a district organization called the Surendranagar Women and Child Development Mandal, to improve their bargaining power over salt traders;⁹⁰

d. Agriculture – As the majority of SEWA's rural members are small farmers, SEWA has organized almost 3,100 farmers in Gujarat alone, and has been involved in an Agriculture Campaign since 1995 to provide seasonal and technical trainings to self-employed women farmers at the village level.⁹¹ This campaign assists small and marginalized farmers to access existing government developmental schemes, such as the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA).

- **Market Linkages** – SEWA plays an important function in rural areas by linking its rural members to the mainstream economy. It has built a network of meso-level

85 FAO: "Sewa's Model of Institution Building: Empowering Small-Scale Women Farmers" in *Good Practices in Building Innovative Rural Institutions to Increase Food Security*, FAO, 2010, <http://www.fao.org/docrep/016/ap209e/ap209e.pdf> (accessed 18 December 2012).

86 Ibid.

87 R. Nanavaty: "Economic Empowerment and Rural Organizing" (unpublished, 2011).

88 Op. cit., E. Bhatt, 2006, p. 170.

89 Ibid. p. 174.

90 Op. cit., SEWA: *Annual Report 2008*, 2008.

91 *SEWA's agricultural campaigns*, SEWA E-Newsletter, No. 44, October 2012, <http://www.ifwea.org/?x103997=365866> (accessed 20 December 2012).

associations, enterprises and networks that link grassroots-level producers and farmers to larger markets. This is particularly useful for rural self-employed women who do not have equal access to mainstream markets due to their rural isolation, and so are forced to depend on traders or other third parties. Below are 2 such initiatives:

a. Market linkage for artisans – The numerous artisans' groups created by SEWA at the grassroots level are linked to state-level associations and SEWA-owned retail outlets in bigger cities, like BDMSA, Banascraft and Kutchcraft. In May 2003, *Unnat Bazaar*, a SEWA company also known as SEWA Trade Facilitation Centre (STFC), was created by 150,000 self-employed women artisans in the textile sector. The STFC has an integrated supply chain that connects self-employed women artisans to its quality control, packaging and distribution centre in Ahmedabad.⁹² SEWA also has partnerships with other companies promoting Indian crafts, in India and abroad such as the Delhi-based crafts company, Dastakar;⁹³

b. Market-linkage for small farmers – In 1999, SEWA and the State Department of Rural Development in Gujarat founded the SEWA Gram Mahila Haat (SGMH), a state-level marketing organization aimed at reducing dependence on traders by providing direct technical, financial and marketing facilities to rural producers (from agriculture, to salt, forestry and handicrafts),⁹⁴ so that they can reach large corporate bulk buyers. In 2004, the SGMH initiated the Rural Urban Distribution Initiative (RUDI), which led to the birth of a multi-trading company and brand named “RUDI” in 2006. The initiative created farmers' organizations called District Associations (DAs), which bought the produce of small farmers and sent them to packaging and processing centres which then sold them under the brand RUDI. This initiative is presently active in 14 districts of Gujarat and has been an important source of employment for rural women.⁹⁵

Challenges

Despite its phenomenal growth and expansion over the past 40 years, SEWA continues to face some important challenges.

The first type of challenge is SEWA's relation with political actors. Since 2005, SEWA's work has been affected by a dispute with the Gujarat government resulting from charges that SEWA misappropriated funds from a project for earthquake rehabilitation; a case which SEWA won. However, this effectively ended SEWA's partnership in over 20 development projects in the state.⁹⁶ At the same time, the growth of SEWA's membership to 1.75 million women has made it an important political target for parties keen on using the organization as a “vote bank” for elections. While the organization has always been clear about its intention to avoid electoral politics, it needs to continuously ward off attempts by political actors to manipulate its members.

92 Facilities, SEWA Trade Facilitation Centre, 2011, <http://www.sewatfc.org/pages/facilities.html> (accessed 20 December 2012).

93 Op. cit., E. Bhatt, 2006, p. 156.

94 One World Foundation India: *RUDI-SEWA: Rural Distribution Network. Documentation of Best Practice*, 2010, http://indiagovernance.gov.in/files/Sewa_rudi_final.pdf (accessed 20 December 2012).

95 Op. cit., R. Nanavaty: “Supporting poor rural women to improve livelihoods”, 2009.

96 “SEWA slams the Modi government over funds”, in *Times of India*, 8 October 2005, http://articles.timesofindia.indiatimes.com/2005-10-08/india/27832339_1_sewa-modi-govt-narendra-modi-government (accessed 18 December 2012).

Another recurrent problem is changing the mind-sets of policy-makers and officials. As Ela Bhatt writes, “Some of our biggest battles have been over contesting pre-set ideas of officials, bureaucrats, experts, and academics.”⁹⁷ In particular, SEWA needs to defend the rights of the invisible informal economy and self-employed workers despite the “web of terminology”, which leads policy-makers to treat the concerns of these workers as the same as those in the formal economy.

Lastly, SEWA’s efforts to expand into new parts of India still face suspicion and resistance, especially from male members of the communities. SEWA needs to gain their trust and cooperation, and give self-employed women confidence to become leaders and decision-makers.



97 Op. cit., E. Bhatt, 2006, p. 17.

Section 3: Assessment of the Catalyst

3.1. Main Achievements

General Achievements

- Spreading of the SEWA movement – The clearest measure of SEWA's success is its impressive spread from Ahmedabad city in Gujarat to 50 districts and 12 states in India, and to 6 other countries, over a period of 40 years. From its modest beginnings in 1972 as an organization that struggled to be recognized by government officials and other unions, SEWA is now the largest primary union in India, with a membership of 1.75 million self-employed women. This growth has led to the creation of 5 state-level registered unions, affiliated to SEWA at the national level through the SEWA Bharat federation.
- Growth of organizations – SEWA has been considerably successful in achieving its primary goal of organizing self-employed women into numerous innovative structures and organizations, from the grassroots to the national level. Its movement has gone beyond the traditional tasks of trade unions, to comprehensively address the needs of its members, who often do not fall under conventional definitions of “workers”. It has combined its initial trade union functions with setting up economic structures, such as cooperatives and enterprises, to ensure “full-employment” and “self-reliance” to its members.

SEWA's members are organized into a union (with rural and urban branches), 130 cooperatives, 181 rural producer groups, 15 state-level federations/associations, 7 social service organizations (including health, housing, credit and childcare), 5 capacity development and research centres, and one national federation. As part of its rural livelihood security programmes, SEWA has organized 250,000 artisans; 3,000 weavers; 150,000 salt farmers; and 9,000 farmers into alternative economic structures. Its social security organization has 155 members, reaching 74,695 self-employed members and their families in its Health cooperative *Lok Swasthya*; SEWA Insurance collective, VIMO, has 32,000 members; and *Sangini* childcare cooperative has 825 members, reaching 3,639 members' children.⁹⁸

- Success of the SEWA Bank – The SEWA Bank was the first bank catering to the financial needs of illiterate, marginalized self-employed women in India. It is considered a pioneering model of women's micro-finance and banking and is being replicated in other countries. In 1996, it attained a status equal to that of other national banks in India.⁹⁹ Since its foundation, it has incurred loan recovery rates as high as 96 per cent. In 2012, its deposits were worth Rs. 111,000,000 (approximately USD 2 million USD) from 371,000 customers;¹⁰⁰ and its net profit was Rs. 944,400 (USD 20,000)

98 Op. cit., *Movement- Federations: Gujarat*, SEWA, 2009.

99 Op. cit., *Our very own bank- SEWA Bank*, SEWA, 2009.

100 Op. cit., P. Balan and R. Vora, 2012.

with an 11 per cent growth from the previous year.¹⁰¹ In addition, the SEWA Bank has introduced innovative services for its members, such as mobile-banking and training courses in financial planning.¹⁰²

- **Successful Policy Advocacy** – Under the leadership of Ela Bhatt, SEWA has been at the helm of policy advocacy and alliance building at the national and international level since the early 1980s. Ms. Bhatt’s achievement in the launching the SEWA movement earned her the Ramon Magsaysay Award for Community Leadership in 1977, which brought international attention to SEWA’s activities. Ms. Bhatt became the first woman member of the Second Labour Commission of the Government of India, which gave her a strategic opportunity to advocate for policies and schemes on behalf of self-employed women in India. One important result was the Unorganised Workers Social Security Act of 2009, where SEWA played an important role in designing programmes incorporated in the Act such as the *Rashtriya Swasthya Bima Yojna* (National Health Insurance Scheme).¹⁰³

SEWA has also been a key policy advocate for home-based workers and street vendors at the national and international levels, which led it to found international alliances and networks such as HomeNet and StreetNet and has campaigned for policies like the “National Policy for Urban Street Vendors” adopted in 2004.¹⁰⁴

Achievements in rural areas

- **Growth of rural membership** – SEWA’s activities in rural areas have met an enormous success, as the manifold increase of its rural membership testifies. Demand-driven programmes, successful campaigns and relentless efforts are behind this success. Today, SEWA works with rural self-employed women in a variety of industries ranging from agro-forestry, animal husbandry, and dairy, to embroidery, weaving and salt processing.
- **Successful grassroots organizing** – The aim of SEWA’s work in rural India has been to help rural self-employed women earn a decent income and access basic social security services, such as healthcare, childcare, savings and credit, housing, insurance, literacy and leadership training.¹⁰⁵ The foundations for these activities have been the creation of a “dense network” of successful member-owned organizations with a comprehensive approach,¹⁰⁶ and linking grassroots organizations to meso-level and macro-level structures such as associations, federations or government schemes. Since the 1990s SEWA has assisted in the creation of 181 DWCRA rural producer groups and nearly 13,000 Self-Help Groups at the village level.

Grassroots level organizations have substantially improved the livelihoods of SEWA’s rural members and their working and living conditions. For instance, in a recent survey conducted among 1,407 rural women in the Ahmedabad and Surendranagar district of

101 Op. cit., P. Balan and R. Vora, 2012.

102 Op. cit., J. Blaxall, 2004.

103 R. Jhabvala, D. Sapna and J. Dave: *Empowering Women in an Insecure World: Joining SEWA makes a difference*, Ahmedabad, SEWA Academy, 2010.

104 Op. cit., SEWA Bharat: *Annual Report 2009*, 2009.

105 Op. cit., SEWA: *Annual Report 2008*, 2008.

106 Op. cit., FAO: “Sewa’s Model of Institution Building: Empowering Small-Scale Women Farmers”, 2010.

Gujarat, it was found that 60 per cent of SEWA members used financial institutions; while only 38.6 per cent of non-SEWA members did the same.¹⁰⁷

- Creation of sustainable incomes and livelihoods – SEWA has helped create sustainable livelihoods in rural India by supporting women-managed economic structures, such as cooperatives and enterprises, mainly by linking them to state-level associations like BDMSA and Kutchcraft Association, and providing important inputs in management training and technical capacity building.

A major support mechanism is the SEWA Trade Facilitation Centre (STFC), which markets the products of SEWA enterprises and producers' groups at the village level. In 2008, 1,000 women embroiderers from Kutch earned Rs. 8.1 million (USD 150,000) from their embroidery work, marketed by the STFC.¹⁰⁸ Similarly in 2006, 10,215 women from the Patan district (from regions formerly part of Banaskantha) earned Rs. 32.65 million (USD 600,000) from their various livelihood activities like embroidery, gum collection, agriculture and watershed management.¹⁰⁹

- Successful Market Linkages – The RUDI Company, one of SEWA's most innovative endeavours, had a turnover of Rs. 25 million (USD 464,000) in 2012.¹¹⁰ The SEWA *Gram Mahila Haat* (Village Women Market), which also serves to improve the rural distribution network, works with more than 6,000 rural producers' groups and approximately 132,000 women.¹¹¹

3.2 Future

In the coming years, SEWA intends to strengthen its numerous programmes and organizations and increase its influence across the country. It has set the following 4 specific priorities:¹¹²

- Expanding membership to conflict affected areas – Though the SEWA movement has successfully spread to 12 states in India, it has been less successful in conflict-affected zones such as the northern state of Kashmir and the north-eastern states of India, due to higher levels of violence.¹¹³ SEWA intends to integrate self-employed women in conflict-affected zones into its movement. It is also working in post-conflict rehabilitation programmes in northern Sri Lanka, to improve the conditions of conflict-affected women;¹¹⁴
- Strengthening rural banking – SEWA seeks to expand its operations in rural areas by increasing the presence of the SEWA Bank since rural micro-finance and capital formation are key components to improve the lives of rural workers;
- Promoting “green” jobs and livelihoods – SEWA's focus is to be environmentally

107 Op. cit., R. Jhabvala, D. Sapna and J. Dave, 2010, p. 57.

108 Op. cit., SEWA: *Annual Report 2008*, 2008.

109 Ibid.

110 Op. cit., P. Balan and R. Vora, 2012.

111 Op. cit., R. Nanavaty: “Economic Empowerment and Rural Organizing”, 2011.

112 R. Nanavaty, interview, 26 November 2012.

113 Op. cit., SEWA Bharat: *Annual Report 2009*, 2009.

114 Op. cit., SEWA: *Annual Report 2008*, 2008.

sustainable or “green livelihoods-based” in rural areas. SEWA has taken a loan from the Indian ICICI Bank to launch its green livelihoods initiative called *Haryali*, which will equip 200,000 rural households with solar energy-powered lighting and cook stoves. Its aim is to ensure financial and energy inclusion as part of securing livelihoods and income to self-employed rural women and their families;



- Attaining a membership of 2.5 million self-employed women – India’s accelerated economic growth over the past decade has not led to a decline in self-employment and informal economy jobs.¹¹⁵ Both continue to be dominant in India and highly feminized. Therefore, the number of potential beneficiaries and members of SEWA continues to be very large, and the organization seeks to reach the target number of 2.5 million.

Foreseen challenges

The SEWA movement foresees 2 significant obstacles to its success. The first is SEWA’s transition to a new period of leadership and membership. According to Reema Nanavaty, Director of Economic and Rural Development at SEWA, adjusting to the needs of a more literate, educated, aware and ambitious generation of self-employed women members is the main challenge currently faced by the organization.¹¹⁶ For this younger generation, SEWA needs to “redesign and evolve its strategies according to their aspirations and needs”.¹¹⁷ SEWA’s leadership and management will need to innovate and plan differently

115 Op. cit., ILO: “Labour Market Performance and the Challenges of Creating Employment in India”, July 2011.

116 R. Nanavaty, interview, 26 November 2012.

117 Ibid.

from the past and seek new solutions, partnerships and opportunities to remain relevant. Second, the financial viability of SEWA's business ventures and cooperatives is a recurrent challenge. SEWA's goal of attaining "self-reliance" for its members is crucially linked to creating economically sustainable solutions for women and their communities. However, ensuring the financial sustainability of these ventures, particularly in a changing political and economic environment in India where privatization and liberalization have been increasing since the 1990s, is not guaranteed. For instance, recent laws on the introduction of FDI (Foreign Direct Investments) in sectors such as multi-brand retail are expected to have considerable impact on small farmers, vendors, and small business women who form an important component of SEWA's membership. Relying on donor funds for projects and programmes is not a long-term solution. Financial viability calls for strategic financial and economic plans adapted to the rapidly changing policy environment to ensure livelihood, income, and social security for SEWA members.

3.3 Lessons learned

SEWA's experience in mobilizing and empowering poor self-employed women delivers important lessons:

- **Empower through organizing** – SEWA's most striking aspect is its capacity to organize disadvantaged women to achieve economic, political and social empowerment, and to help them realize the importance of collective action and bargaining in improving their individual and collective well-being. This has been a particularly useful strategy in rural areas, where self-employed women are isolated and unaware of their rights and economic potentials. Innovative structures such as federations and networks have fostered women's leadership and self-reliance at various levels;
- **Encourage a demand-driven and need-based approach** – SEWA's impressive geographic spread and structural expansion is closely linked to its demand-driven approach, rooted in the realities of the lives of self-employed women. Its democratic structure of governance, from the grassroots to the national level, ensures that the needs of self-employed women are at the centre of its activities;
- **Aim for comprehensive goals** – SEWA does not believe that a single intervention (such as micro-finance or job creation) is sufficient to pull women out of poverty.¹¹⁸ Its goals include a broad definition of "full employment" whereby women obtain work and income security, food security and social security (healthcare, childcare, and shelter), through which multiple aspects of self-employed women's lives can be improved. These comprehensive goals guide all SEWA organizations and create the basis of holistic development;
- **Promote ownership** – SEWA's creation of organizations at the local, state and national levels also serves the important purpose of promoting women's leadership and decision-making. SEWA actively trains, educates and supports women leaders through innumerable capacity-building and management programmes and institutions;

¹¹⁸ Op. cit., R. Nanavaty: "Supporting poor rural women to improve livelihoods", 2009.

- **Ensure self-reliance and sustainability** – SEWA encourages the creation of economic structures providing sustainable livelihood security to self-employed women. Its cooperatives and producers' associations have stood the test of time and continue to expand productively to improve the living and working conditions of its members;
- **Maintain strong organizational values** – At the core of a large organization are strong values that help attract and retain highly motivated staff and members. As an organization based on Gandhian precepts, SEWA has emphasized equality, tolerance, non-violence, social inclusion and democracy throughout its work for 40 years. Even in difficult situations, its work was guided by these strong values, making it one of the most respected organizations in India and abroad;
- **Learn from experiences** – An important aspect of SEWA's success has been its ability to transform mistakes and new challenges into opportunities for innovation and development of new approaches. For instance, instead of continuing ineffective trade union style campaigns in villages, it focussed on improving the lives of its rural membership through livelihood creation, which became one of the driving forces of its success in rural areas;
- **Develop a flexible structure** – The decentralized structure of SEWA has allowed it to innovate, take risks, grow and experiment with different areas of work. Also, while SEWA has a specific Gandhian approach, its activities and ideology are not rigid and dogmatic.¹¹⁹

¹¹⁹ Op. cit., J. Blaxall, 2004.



8



Chapter 8: Songhaï, Benin

Executive Summary

Songhai is an NGO empowering rural African communities, particularly farmers, youth, and women, by building their capacities to become agricultural, agribusiness, and handcraft entrepreneurs. Founded in 1985 by a Nigerian priest, Father Godfrey Nzamujo, it involves organic and sustainable production, training and research centres, and the development of innovative techniques and thinking in agriculture and handicrafts, using local human and natural resources and a holistic approach.

The organization has grown from 1 to 6 centres across Benin and 11 in Nigeria. It is working with the Beninese government to open 7 additional centres, and with the UN to replicate its model in other African countries. At the beginning, Mr. Nzamujo received 1, and then 10 hectares of marshland from the Beninese government, and started his work with 6 young school dropouts. Today, Songhai works on over 550 hectares of land and 46 hectares of water, has approximately 1500 employees, 500 trainees and interns at any time of the year, 20,000 visitors per year, and has created a network of 250 farms delivering technical support and sharing experiences. Its main activities have achieved economic sustainability, and its numerous partnerships (such as with the ECOWAS, IFAD and UNDP) enable it to further disseminate its integrated, sustainable production system and its values of entrepreneurship and innovation; to initiate pioneering activities; develop research and experimentation; train local communities; and deliver services to farmers in remote areas across Benin and in other countries in Africa. Songhai amplifies its impacts by advocating at the national, regional and international levels for the promotion of locally-adapted agriculture to achieve growth, employment, food security and social peace.

Songhai's experience provides precious lessons about valuing and developing local human and natural resources; about sustainable and organic production, processing and marketing; as well as about entrepreneurship and leadership in rural development. It shows that an effective way to combat poverty is to build the capacities of the most disadvantaged populations to become economically sustainable entrepreneurs. It also stresses the importance of empowering local communities with the capacities to produce, but also to innovate and thus become protagonists of their own social and economic development. Its integrated agricultural system demonstrates that producing in an environmentally sustainable manner is not only a necessity, but it is also economically profitable and sustainable. All available local natural resources are used in a careful and mutually supportive manner; and a holistic value-chain approach ensures higher incomes for producers.

To create and sustain such an organization, Godfrey Nzamujo stresses the need for passion and strong commitment. He also explains that it is impossible to succeed alone, and that trust in others' capacities to react to challenges and be innovative is a key enabling factor, as well as communication, information and knowledge sharing, namely among managers, employees and farmers.

Section 1: Introduction and Context

1.1 Introduction

Songhai is a NGO founded in 1985 in Benin. Its founder, Father Godfrey Nzamujo, is a Dominican priest who wanted to contribute to African's development by empowering local communities to overcome poverty and become leaders of their own development. Songhai aims to build the capacities of all Africans, particularly youth, women, and farmers, in economically and environmentally sustainable agribusiness and cottage industries. It is named after a 14th-16th century west African Empire symbolizing the potential of the continent for autonomy and prosperity,¹ and its emblem, an eagle, represents its key qualities: foresight, courage and determination.²

Songhai is a holistic organization that engages in production, industrial, and service activities, alongside research and training. It produces, processes, and sells vegetables and fruits, and breeds several kinds of animals and fish in a highly innovative system that integrates the primary, secondary and services sectors in an economically and environmentally sustainable manner. To ensure competitiveness and adaptation to local human and natural resources, Songhai also continuously integrates national and international technologies and adapts them to the local context. To build the capacities of local communities and individuals, it offers long-term as well as specific trainings to youth, women and farmers from several African countries. And to reinforce these trainings and further disseminate its model, it provides a variety of services to former trainees and farmers at the local level while advocating and looking for partners at the national and international levels.

In 28 years, the organization grew from 1 to 6 centres in Benin, 11 in Nigeria, 1 in Congo Brazzaville, 1 in Liberia, and 1 in Sierra Leone. It has also opened 3 telecentres in rural areas, a restaurant, and a shop. Songhai works on more than 550 hectares of land and 46 hectares of water in Benin alone, employs over 1500 people, trains 500 trainees and individuals at any time of the year, and receives 20,000 visitors every year. It also links former trainees and local farmers in the Songhai farmers' network and develops numerous projects in Benin and other African countries with national and international partners.

The situation at the time of Songhai's creation was one of social, economic and political crisis. Benin had one of the lowest GDPs on the continent and the political context was tense under the Marxist-Leninist regime of President Mathieu Kérékou. Today, Benin enjoys greater democracy, but is still marred by important inequalities and a high poverty rate. Songhai has been taking these challenges as an opportunity to demonstrate the possibility of helping rural communities become self-reliant even in difficult situations. To do so, it applies the fundamental idea of its founder: "*La meilleure manière de combattre la pauvreté, c'est de rendre les pauvres producteurs*"³ (The best way to fight poverty it to enable the poor to become producers).

1 Green tech and internet in West Africa, BBtv WORLD series, 2008, <http://www.youtube.com/watch?v=O-MM1uLdjdC> (accessed 17 August 2012).

2 G. Nzamujo: *Songhai. Quand l'Afrique relève la tête*, Paris, Les Editions du Cerf, 2002, p. 60.

3 D. Bousquet: "Le Bénin, modèle du bio africain", in *Libération*, 5 January 2010, <http://www.liberation.fr/terre/0101611959-le-benin-modele-du-bio-africain> (accessed 22 August 2012).

1.2 Context

Benin, a country of approximately 110,000 km², has a population of above 9.6 million people,⁴ growing annually at about 2.7 per cent.⁵ The population is highly concentrated in cities of the south, but 56 per cent live in rural areas.⁶

In 2011, Benin ranked 167th on the Human Development Index, with a life expectancy of 56 years. About 47 per cent of the population was considered to be in severe poverty,⁷ and since 2006 the country has been registering important growth in income inequalities, particularly in rural areas.⁸ Youth employment and employability are currently major concerns, with unemployment and underemployment among youth at twice the rate of those for adults, and major skill mismatches.⁹

In 2011, agriculture represented 32 per cent of GDP and employed 70 per cent of the population.¹⁰ Beninese agriculture mainly consists of crops, and 60 per cent of the cultivated areas are devoted to food-production. Small family farms predominate. There are approximately 550,000 across the country, measuring an average of 1.7 hectares.¹¹

Despite the importance of agriculture, Benin faces an increasing trade deficit in food, particularly in rice, meat, fish and vegetables.¹²

Condition of rural areas in Benin

As in most developing countries, Benin's poverty rate is higher in rural than in urban areas. Incomes are generally lower, and access to basic social services more limited.¹³ Food insecurity, which affects 7.9 per cent of the urban population, also affects over 15 per cent of the rural population.¹⁴ Benin has one of the lowest road densities of West Africa, and rural roads are often badly maintained.

Across the country, agriculture faces many difficulties. In many places the soils are badly degraded, and forests are shrinking since wood provides 93 per cent of the energy source in rural areas,¹⁵ and fishing is in decline due to a deteriorating environment, as well as inappropriate fishing techniques. Increases in production are often due to increases in cultivated areas rather than in productivity.¹⁶ Workers involved in agriculture, forestry and

4 *Benin Overview, Context, Economic Overview and Performance*, World Bank, <http://www.worldbank.org/en/country/benin/overview> (accessed 12 September 2012).

5 UNDP: *Human Development Report 2011, Sustainability and Equity: A better Future for All*, New York, 2011, p. 164.

6 IFAD: *Republic of Benin. Country Strategic Opportunities Programme*, Rome, 2011, p. 1.

7 Op. cit., UNDP: *Human Development Report 2011, Sustainability and Equity: A better Future for All*, 2011, pp. 129, 144.

8 Op. cit., IFAD 2011, p. 1.

9 *Benin*, African Economic Outlook, 2012, <http://www.africaneconomicoutlook.org/en/countries/west-africa/benin/> (accessed 13 September 2012).

10 Op. cit., IFAD, 2011, p.2.

11 Ibid., p.2.

12 Ibid., pp. 1-2.

13 *La pauvreté rurale au Bénin*, Rural Poverty Portal, IFAD, <http://www.ruralpovertyportal.org/country/home/tags/benin> (accessed 13 November 2012).

14 PAM (VAM) : *République du Bénin. Analyse globale de la vulnérabilité, de la sécurité alimentaire et de la nutrition* (AGVSAN), Rome, 2009, p. 4.

15 Ibid., pp. 48, 50.

16 Op. cit., IFAD, 2011, pp. 2-4.

fishing suffer from a lack of proper training, support, and inputs that would allow them to better utilize and restore their damaged ecosystems.

Subsistence farming is widespread and marketing is not well developed. Food-processing activities are limited, and there is little value-added to the products for lack of knowledge about quality and preservation, lack of access to small-scale mechanization methods to process products, and an overall lack of appropriate knowledge and skills. In many areas market access is not constant and so they remain isolated, which further impede marketing possibilities.¹⁷

Professional Agricultural Organizations (PAOs) cannot effectively support and advocate for rural workers as many of them do not cover remote areas. Only 30 per cent of cash crop producers and 19 per cent of food-producers are enrolled in PAOs. Further, PAOs are not numerous, are mainly channels to deliver subsidies, often have management and governance difficulties, and lack political bargaining power. Existing national ones lack linkages with local farmers.¹⁸

The Beninese business environment is not very favourable, particularly for agriculture. There is an important mismatch between agriculture's financial needs, and existing financial institutions and services. While micro-finance is growing, its efficiency is slowed by the nature of the loans (which are mainly short term); land tenure systems that are difficult to match with micro-finance requirements; management problems of micro-finance institutions; and lack of insurances mechanisms adapted to a risky sector like agriculture. Finally, entrepreneurs in rural areas also lack access to information about available economic opportunities and services.¹⁹

When Songhai began, Benin's economy was controlled by a Marxist-Leninist government administration. Since 1991, Benin's political environment has been more democratic, and also particularly favourable to agriculture, which the government considers a priority, as indicated in its Strategic Plan for Agriculture Sector Recovery (PSRSA), and the National Plan for Investment in Agriculture (PNIA) for 2011-2015. The PNIA's first goal was to ensure national growth and food security by improving agricultural productivity and management. Its second goal was "to ensure competitiveness and market access for agricultural products by promoting agricultural subsectors".²⁰ The PSRSA intervention strategy "emphasizes the professionalization of family farms, agricultural entrepreneurship and the promotion of promising subsectors".²¹

17 Op. cit., IFAD, 2011, pp. 2-4.

18 Ibid., pp. 3-4.

19 Ibid., pp. 2-4.

20 Ibid., p. 4.

21 Ibid.

Section 2: Analysis of the Catalyst

2.1 Why was it created?

Purpose

Songhai aims to develop an innovative production model to build a new African society where communities and individuals are self-reliant and able to design locally-adapted and ecologically sustainable socio-economic development strategies.²² By its successful practical example, the organization wants to restore hope and confidence among communities and individuals, and show that Africans can become major players in the world economy.²³

Songhai's goals took shape when its founder, Godfrey Nzamujo, after travelling throughout Africa and discovering its extreme wealth and diversity in terms of cultures, history and natural resources,²⁴ asked himself why a continent so rich suffered so much poverty. He found that Africans seemed to be in a “logic of poverty”, instead of a logic of wealth generation.²⁵ He thus decided to create a new economic model adapted to Africa, based on its rich resources and on the development of its human and technical capacities.²⁶ He felt that “the only way to reverse poverty is to make Africans become successful producers, by increasing their production capacities through learning, researching and through opening their eyes to the opportunities around them. On one hand, helping them see what is possible to do with their natural resources, and on the other hand, helping them equip themselves with values and skills to embrace these possibilities to create goods and services that correspond to their needs and desires”.²⁷

To achieve these goals, Songhai has a development perspective that links the social and economic fields using the following organizations created and managed by it:²⁸

- Production and industrial centre – To test its development model and thus make its activities and discourses credible. It developed and is continuously refining an innovative system of production that is holistic, integrating primary, secondary and services sectors; and competitive and sustainable, building local human capacities and preserving natural resources.²⁹ The organization is structured as an enterprise meant to sell its products profitably;
- Research, development and experimentation centre – To study and adapt local, national,

22 *Vision*, Songhai, http://www.songhai.org/en/index.php?option=com_content&view=article&id=115&Itemid=105 (accessed 22 August 2012).

23 *La charte*, Songhai, http://www.songhai.org/index.php?option=com_content&view=category&layout=blog&id=42&Itemid=65 (accessed 17 August 2012).

24 Op. cit., G. Nzamujo, 2002, pp. 15-16.

25 G. Nzamujo, interview, 10 October 2012.

26 Op. cit., D. Bousquet: “Le Bénin, modèle du bio africain”, 5 January 2010.

27 G. Nzamujo, interview, 10 October 2012.

28 Op. cit., G. Nzamujo, 2002, p. 37.

29 *Historique*, Songhai, http://www.songhai.org/index.php?option=com_content&view=category&layout=blog&id=34&Itemid=54 (accessed 20 August 2012).

and international technologies to local contexts and ensure their affordability for local communities and individuals.³⁰ Innovation and creativity are promoted, to push people to find new, better-adapted and more productive ways to produce, process, and market;

- Training centre – To build communities and individual capacities to become self-reliant entrepreneurs and leaders of local development. It trains youth, women and farmers in particular, on its innovative production system and ways of thinking so they acquire the ability to observe, find or create technologies adapted to their own challenges and opportunities,³¹ and engage in knowledge exchanges;³²



- Service centre – To support former trainees and farmers at the local level through a variety of services that continuously develop their capacities.

Songhaï also collaborates with national and international partners to widen its impact. It works with the government on policies and programmes concerning rural and semi-urban development, and to create new centres in other African countries.

Relevance

Songhaï's development and production model contributes to the Beninese, and more broadly to the African rural development in several ways.

First, it builds the capacities of communities and individuals to overcome poverty through their own model of socio-economic development. Often, farmers do not have a real choice regarding what they produce because of their limited training, material and financial capital, and are often pushed by the state or international companies to grow crops to supply cities or international trade, which makes them dependent on national and international markets. To enable them to become self-reliant, and improve their own working and living conditions, Songhaï builds their social, technical and entrepreneurial capacities so they can choose what production, processing and marketing activities are most profitable to them, meet local needs and desires, and effectively use the local social and natural resources. Further, it empowers farmers as developments actors and leaders, by training and prompting them to design and participate in their own local and national socio-economic development. The organization supports this dynamic also by calling on the State to provide the necessary infrastructures and promote the most innovative and promising initiatives for the country with a long-term perspective.³³

30 Op. cit., G. Nzamujo, 2002, p. 81.

31 Ibid., p. 50.

32 Op. cit., *Historique*, Songhaï.

33 Op. cit., G. Nzamujo, 2002, pp. 131-134, 137.

Songhai's trainings also offer a real entrepreneurship opportunity to the young generation that is looking for profitable jobs, and is disappointed by the limited opportunities in rural areas and the overpopulated cities. The organization trains these youth to develop a clear vision of their goals in life, and to pursue them. It stimulates those youth to constantly develop their potential and that of their communities and countries.³⁴

Second, Songhai's development and production model is environmentally sustainable, nowadays a major concern. Godfrey Nzamujo explains that *"Dans la nature, il n'y a pas de perte, le végétal nourrit l'animal qui nourrit le végétal. C'est efficace. En Afrique, on est mieux placés pour reproduire ce cycle car la nature fonctionne 12 mois sur 12. Elle nous bombarde d'énergie."*³⁵ (In nature, plants feed animals, which feed plants. It is effective. In Africa, we are in the best position to reproduce this cycle because nature works 12 months out of 12. It bombards us with energy). Thus the organization promotes economically sustainable businesses, able to compete with international productions, while showing that this can be achieved by making the most of and preserving local natural resources. It develops productive and sustainable activities organized in networks that use natural energy flows. For instance, the wastes of one sector, such as animal husbandry, are the natural inputs for another like market gardening. This model is also more affordable for communities and individuals as they need fewer inputs to produce.³⁶



34 Op. cit., G. Nzamujo, 2002, pp. 7, 79.

35 Op. cit., D. Bousquet: "Le Bénin, modèle du bio africain", 5 Januray 2010.

36 Op. cit., G. Nzamujo, 2002, pp. 7, 93-94, 97.

2.2 How was it created?

The founder

Songhai's founder and director is Father Godfrey Nzamujo. His motivation is rooted in several African crises, his family values, and his technical expertise.

He was born and grew up in Nigeria in the 1950s-1960s, in a context that, as he explains, valued courage, sense of community and individual responsibility; values that he, in turn, fosters at Songhai. His culture and upbringing are crucial to understanding his character, drive and conviction as, for instance, they pushed him to constantly learn and build the capacities of others to enable them to never give up in difficult situations.³⁷

After some years in the Dominican novitiate in Nigeria, then in France, in the 1970s he pursued advanced studies in the USA in a wide array of fields, from chemistry and microbiology,³⁸ systems engineering, electrical engineering, computer services, mathematics, to theology, and economic philosophy. More recently, he completed a PhD in management science.³⁹

In the early 1980s, the famine in Ethiopia reinforced his will to improve the living conditions on the continent of his birth. He thus undertook a journey through Africa to understand the main challenges of the people he met.⁴⁰

Creation – Initial opportunities, support, and challenges

In 1985, Godfrey Nzamujo created Songhai in Benin, a country undergoing severe economic and political hardship, where communities and individuals were looking for alternatives. He explains that “it was a very appropriate time for me to come and be part of this soul searching”.⁴¹

After his insistent requests, he obtained from Benin's Ministry of Agriculture one hectare of marshland in the suburbs of Porto Novo. As he explains, they expected “to get me off their back because they thought I would not be able to do anything of it with my hands as I was an intellectual. So they gave it to me to get me tired.”⁴² He started to work on this poor land with 6 young school dropouts.⁴³ He actively sought individuals who were looking for a job, such as school and university dropouts, or students who had been to prison because of their political opinions. He explains that “they joined me because they had nothing to do, not because they believed in me. But then, I was able to mobilize and teach them more and more so they became my disciples.”⁴⁴ He believes he was also lucky because these young men were intelligent, brave, determined, believed in themselves, understood the techniques and Songhai's principles, and could thus progressively become technicians and even his mentors. He also realized that it was possible to teach entrepreneurship. As he says: “you are not born with it, these guys were not born with it, and I was not born

37 Op. cit., G. Nzamujo, 2002, pp. 26-28.

38 Ibid., p. 27.

39 *Natural Solution Foundation*, 2008, <http://www.healthfreedomusa.org/?p=518> (accessed 22 August 2012).

40 Op. cit., G. Nzamujo, 2002, pp. 27-28.

41 G. Nzamujo, interview, 10 October 2012.

42 Ibid.

43 Op. cit., G. Nzamujo, 2002, p. 71.

44 G. Nzamujo, interview, 10 October 2012.

with it: I was a scientist, an engineer!”⁴⁵

Godfrey Nzamujo received valuable support from family members, friends and colleagues from universities and parishes across the United States. None were rich, but they all contributed and “collected a few dollars here and there.”⁴⁶ Combined with hard work, he and the youth were able to build 6 ponds for fish farming, purchase 32 quails, 12 ducks, 100 chickens, 10 sows, 20 heads of sheep and goats to start Songhai. They also designed their own irrigation system and thus succeeded in producing during the dry season.⁴⁷

In 1986, the Minister of Agriculture visited Songhai and, seeing that the land was green, whereas the surrounding areas were dry and brown, he increased Songhai’s land to 10 hectares.⁴⁸ That same year, the African Development Foundation (ADF) also visited Songhai, assessed its progresses and potential, and signed an agreement giving the organization important funding with which it could widen its activities, which it did by building 84 additional ponds and a pigsty.⁴⁹

Growth – Main steps since creation

During its first years, Songhai steadily grew and progressively developed new activities. In 1987, it built offices, additional hen houses and duck parks. That same year, Songhai had a successful bean harvest and started looking for markets, which made it initiate door-to-door selling and then a home delivery service system.⁵⁰

In 1987, Songhai also started its first training course with 28 students. Thereafter, every 6 months, 15 new trainees were admitted for 12 or 18 months courses supported by a credit system funded by the ADF.⁵¹ By 1989, the Porto-Novo Centre could launch a long-term training of 30 months.⁵² To support the trainings, research and experimentation activities also steadily increased. Gradually, other partners came to work with Songhai, attracted by its innovative and effective processes.⁵³

In 1991, Songhai opened a shop of “healthy food” in Cotonou to sell the products of the Porto Novo centre and to create social links between producers and urban clients. This was also a way to prevent the products sold on the premises of Porto Novo from being informally resold in the city at higher prices. The next year, Songhai started food processing activities. It opened meat (with the support of a French butcher), fruit juice, jam, and flour facilities. In 1993, it opened a restaurant in Porto Novo serving the products of the Porto Novo centre. Furthermore, 12 trainees started following a hosteleries and catering course supported by the international hotel operator Accor, and the same year witnessed the creation of a mechanic workshop.⁵⁴

45 G. Nzamujo, interview, 10 October 2012.

46 Ibid.

47 Op. cit., G. Nzamujo, 2002, p. 71.

48 G. Nzamujo, interview, 10 October 2012.

49 Op. cit., G. Nzamujo, 2002, p. 71.

50 Ibid., p. 73.

51 Ibid.

52 *History*, Songhai, http://www.songhai.org/en/index.php?option=com_content&view=article&id=77&Itemid=96 (accessed 22 August 2012).

53 Op. cit., G. Nzamujo, 2002, p. 73.

54 Ibid., pp. 74, 120.

Songhaï also gradually expanded its geographical reach by opening new farms and centres as well as increasing its international connections.

In 1989, as local communities, government officials, researchers, and others started discovering Songhaï and realizing that its approach was working, the organization held its first national conference in the Porto Novo centre on its concept and organizational principles. This conference enabled farmers, practitioners, and theorists to meet, and also made the Songhaï model known internationally.⁵⁵ In 1993, the *Songhaï-France* association was founded in Lyon.⁵⁶ In 1995, a *Songhaï farmers'* network was launched to promote its values and ideas across the country by supporting local farmers through a variety of services, such as vocational training.⁵⁷

In 1993, Songhaï created the Tchi-Ahomadégbé centre in another part of the country, which it left with a counselling team that remained till 1996. In 1999, it opened a farm with 6 trainees in the rural community of Lokossa/Kinwédji, and 2 big production and training centres in Parakou/Atagara, in the Borgou department, and in Salvalou/Kpakpassa, in the Collines department. That same year it began working with the UNHCR refugee centre in Kpomassè, in the Atlantique department, helping refugees to work so they could later find jobs more easily.⁵⁸ In 2002 Songhaï opened its first centre in Nigeria in Amukpè, in the Delta State.⁵⁹ To ensure the continuous vocational training of its former trainees, in 1997 the organization created the *Institut de Formation des Entrepreneurs en Développement*, IFED (Training Institute for Development Entrepreneurs). Since 1999, with USAID support, Songhaï also gives access to information and communications technologies to farmers with its 3 telecentres across Benin.⁶⁰

Even though Songhaï has developed numerous activities since its creation, challenges abounded in the beginning.

The very first resources that Godfrey Nzamujo managed to gather (a container shipped with working materials and personal items) got lost. It was found many months later in Hamburg where the contents were being auctioned and Nzamujo and his friends had to collect money again to buy it back.⁶¹

Songhaï also faced internal and external conflicts, ranging from being harassed by members of various political organizations, to encounters with individuals who tried to prevent the success of the organization. Godfrey Nzamujo explains that some did not like the idea of, “a man coming from nowhere but succeeding and making a difference. So they resisted it. And up till now, it has never really stopped”.⁶² This opposition manifested itself in the form of public mockery as Songhaï's founder underwent training; the blocking of work by administrative officials; the imprisonment of colleagues on the false claim that Godfrey Nzamujo was an American spy; negative evaluations from other organizations

55 Op. cit., G. Nzamujo, 2002, p. 73.

56 Op. cit., *History*, Songhaï.

57 Op. cit., G. Nzamujo, 2002, pp. 74, 120.

58 Ibid., pp. 74-75.

59 Op. cit., *History*, Songhaï.

60 Op. cit., G. Nzamujo, 2002, pp. 74-75.

61 G. Nzamujo, interview, 10 October 2012.

62 Ibid.

so Songhaï would not get external support; luring trained and qualified employees to defect; the theft of animals, crops, machines or money, and production of fake-bills. The organization's beginnings were also marked by protests from trainees who wanted to be paid like trained workers.⁶³

These difficulties were overcome by will power and hard work, and by what Godfrey Nzamujo calls a “culture of success: do it right, create success, and then people will join you and your ideas. Even those who doubt, you’ll be able to convince them. Not by giving lectures or talking, but by doing and having practical results.”⁶⁴ Thus when people visited Songhaï, they were pleasantly surprised to see modern techniques used in simple ways, crops and vegetable growing during the dry season, and they took the organization and its founder more seriously. At the end of the 1980s, Benin’s president Mathieu Kérékou invited the national media to visit Songhaï and tell the Beninese people about the success of the organization.⁶⁵



63 G. Nzamujo, interview, 10 October 2012.

64 Ibid.

65 Ibid.

Another main challenge faced by Songhai at the start was what Godfrey Nzamujo describes as a widespread “hand out mentality”. He explains that when people hear the word “project”, they generally thought that Europeans or Americans would send large sums of money to support it, thereby not requiring project participants to work hard. Mr. Nzamujo initially regretted calling Songhai a project because many joined expecting money instead of having to work hard to create and sustain the organization. It was difficult to sell Songhai’s core idea that people should get out of a “mentality of poverty” and stop asking for external help. In the 1980s, he was inspired by the slogan disseminated by the government, “Comptez d’abord sur vos propres forces” (Rely first on your own strengths), which he used to advocate Songhai’s approach and to prompt people to become self-reliant. He explains that it was especially important that he himself, who had 3 doctoral degrees from renowned universities, combined his “brain with hard work with his hands.”⁶⁶

2.3 How does it currently work?

Structure

All Songhai centres have the same goals and essentially the same means to achieve them; all the sites aim to develop rural areas and enable local communities and individuals to become productive entrepreneurs as well as leaders of their own local development. To achieve these aims, all the centres:

- Produce, process and market agricultural products and other related goods according to Songhai’s innovative production model adapted to the local human resources and agro-ecological characteristics of their area;
- Research, develop and experiment technologies to improve the productivity and efficiency of production activities;
- Train Songhai’s trainees as well as local communities’ members to use these technologies and develop new ones themselves;
- Offer services and support to former trainees as well as local entrepreneurs;
- Advocate a positive image of agricultural activities and sensitize decision-makers to the potential of agriculture for national wealth, employment generation, and civil tranquillity.⁶⁷

The main centre is that of Porto Novo, in south-east Benin. It is the headquarters of the Songhai model and the head office of the organization: strategic national and international decisions are taken there. It is also the main innovation, experimentation and training centre, and it leads the Songhai farmers’ network.⁶⁸ It also backstops activities of satellite centres, for instance by providing trainings to the trainers of satellite centres, or support for management tasks. The Porto Novo centre undertakes more research, training and advocacy activities than other centres, which focus on production and training. It currently works on 21 hectares, has over 200 employees, 350 trainees and individuals enrolled in

⁶⁶ G. Nzamujo, interview, 10 October 2012.

⁶⁷ *Siège/centre régional Porto-Novo, Vocation*, Songhai, http://www.songhai.org/index.php?option=com_content&view=article&id=69&Itemid=75 (accessed 20 August 2012).

⁶⁸ Ibid.

specific workshops at any time, and registers over 20,000 visitors every year, including government officials, farmers and researchers.

The Parakou/Atagara satellite centre, located in north Benin, works on 300 hectares of land and 45 hectares of water, has over 40 employees, and 150 trainees at a given time. The Savalou/Kpakpassa satellite centre, located in the centre of the country, works on 200 hectares, has over 30 employees, and approximately 140 trainees. The Lokossa/Kinwédji satellite centre, located in the south-west, has over 25 hectares.⁶⁹

Songhaï's decision-making and organizational structure presents the classical characteristics of NGOs, but also that of an enterprise. It has a board with members from universities and industries, farmers and community leaders. The head of the current board is the former US ambassador to Nigeria, Robin Sanders. Songhaï also has a director general, currently Godfrey Nzamujo, managing all its departments, such as the Training, Aquaculture, and Animal departments. All of them function as fairly autonomous enterprises: each has its own director's office, senior technicians, technicians, animators, and interns. The most important departments are sub-divided in specific activities, such as in the Animal Department that includes the branches of: Chicken Production, Eggs Production, and Other Poultry.⁷⁰

Concerning Songhaï workers, 4 elements are particularly original:

- Each "employee" is considered an entrepreneur. As Songhaï promotes entrepreneurship and aims to lead by example, it created a remuneration system pushing its workers to continuously look for more efficient and innovative ways to work, and rewarding these efforts. Salary thus has 3 components: one is the "social" part, which is a basic wage; another is the "production" part, which varies according to the amount of output the worker produces; and the last is the "innovation" part, which varies according to what the worker was able to develop, improve, invent or discover. The more the workers invest themselves in their work, the more they earn. Also, the organization cannot afford to pay workers who are not contributing. As its founder puts it, "we don't share poverty at Songhaï: we share wealth";⁷¹
- Each employee, whatever the title, is a mentor and a mentee at the same time. As Songhaï believes in vocational training and knowledge sharing, everybody is expected to teach and learn continuously;⁷²
- Following this logic of exchange between trainers and trainees, even when they are not formally employed, Songhaï's former trainees are considered part of the organization. As they know its values and techniques, they are encouraged to pass them on to others in their local communities to actively support local development. They can also relay back to Songhaï what they learn from their communities;⁷³
- Finally, approximately 80 per cent of Songhaï's workers are former trainees. Since the

69 Op. cit., *Siège/centre regional Porto-Novo, Vocation*, Songhaï (accessed 20 August 2012); L. Sessou, email correspondence, 10 October 2012.

70 G. Nzamujo, interview, 10 October 2012.

71 Ibid.

72 Ibid.

73 Ibid.

values of creativity, entrepreneurship, development and respect of the local human and natural resources are core to its work, the organization prefers to recruit people who already know how it functions and have an entrepreneurial state of mind.⁷⁴

Activities

Songhai's activities are grounded on the idea refined through years of experience that developing rural areas by building the capacities of local communities and individuals requires investments in 5 types of capital: human, environmental, social, technical, and financial. Workers and trainees, as well as local communities and individuals, receive the necessary trainings to develop their:

- Human capital – Including values, know-how, managerial and organizational skills, to become innovative entrepreneurs;
- Environmental capital – To recognize the value and potential of their natural environment, the sun, climate, rivers, seeds, insects, etc., and organize them to produce, process and market effectively and efficiently, and thus create wealth;
- Social/cultural/interpersonal capital – To network and create connections for sharing knowledge, experiences, difficulties or opportunities, but also to negotiate, discuss, and work jointly;
- Technical capital – To discover, develop, and incorporate innovative technologies, e.g. new tools, machines and production techniques to improve productivity;
- Financial capital – To better manage their finances and start their own sustainable projects. But Songhai grants or lends money only if the 4 other capitals have been developed, to ensure that the beneficiaries are impregnated by its logic of productive production.⁷⁵

All these capitals have to be developed together as they reinforce one another. For instance, organizational and technical skills allow people to use natural resources effectively, efficiently, and in a economically- and environmentally-sustainable manner. Songhai thus works to integrate these capitals to create synergies, make the most of all local human and natural resources, and build local communities and the individual capacity to do the same.⁷⁶

Production, processing and commercialization centres

As mentioned earlier, all Songhai centres are productive enterprises running a variety of activities in the primary, secondary and services sectors. By producing, Songhai leads by its successful example and shows that its methods are economically profitable and environmentally sustainable. It gains credibility by paying its salaries and bills the revenues from its own production, rather than from international donations. It also promotes the value of entrepreneurship. Godfrey Nzamujo explains that “*Songhai doit prendre le risque de l’entrepreneuriat. Avant d’être un centre de formation, Songhai est un centre de production parce que nous ne pouvons pas donner ce que nous n’avons pas. Nous sommes en mesure de guider les gens parce qu’on*

74 G. Nzamujo, interview, 10 October 2012.

75 Ibid.

76 Op. cit., G. Nzamujo, 2002, pp. 106-107.

*danse notre danse.*⁷⁷ (Songhaï has to take the entrepreneurial risk. Prior to being a training centre, Songhaï is a production centre because we cannot give something that we do not have. We are able to guide people because we dance our own dance).

Songhaï centres breed fish and other animals, such as poultry for meat and eggs, cows, sheep, goats, pigs or bees. They produce crops, such as rice, manioc or soy, as well as vegetables and fruits. They grow trees and flowers.⁷⁸ The organization also undertakes processing and marketing from the beginning of the production process. It puts a strong emphasis on transformation as it adds considerable value to production.⁷⁹ Songhaï centres also process food and produce, for instance, fruit juices, dried fruits, oil, meat, bread and pastries. To further diversify activities, they include cottage industries, such as soap and pottery, and they also design, create and maintain machines and tools, and recycle metal.⁸⁰

Songhaï works on the integration of activities.⁸¹ It follows the principle that in nature everything is transformed, so the waste of one field can be a valuable input for another one.⁸² Its integrated production system thus combines energy consumption and production in a holistic approach, which not only gives value to by-products, but also greatly diminishes the need for expensive inputs. For instance, Songhaï does not buy fertilizer, using instead, what it produces.⁸³ This systemic approach has 2 main principles:

- First, activities are organized to *recycle* a maximum of by-products. The main example is composting: elements that have been consumed by humans or animals, and have thus lost part of their energy, are still useful to grow plants. For instance, the water in which fish are bred, that needs to be regularly changed as it gets polluted by fish waste, is used to water plants that need ammoniac and carbonic gas (such as manioc and soy), which are in turn used as part of the fish diet.⁸⁴ Another example is recycling for energy production. The poultry is bred on stilts, so that its wastes can be gathered and transformed into compost. Additionally, wastewater is purified by being passed through pools with water hyacinths. Once used, these hyacinths are cut and mixed with animal waste and are fermented to create biogas,⁸⁵ which is then transformed into electricity and used on the farm for lighting, cooking, in telecentres, etc.⁸⁶
- Second, activities are organized to maximize *synergies*. The idea is to combine biological systems so that one's waste is directly used by another. For instance, Songhaï breeds fish and 20 per cent of the fish eggs rot in the water. By rotting, the eggs free chemical

77 G. Nzamujo, interview, 10 October 2012.

78 Op. cit., *Siège/centre regional Porto-Novo, Vocation*, Songhaï; *Centre Satellite Savalou, Vocation*, Songhaï, http://www.songhai.org/index.php?option=com_content&view=article&id=66&Itemid=76; and *Centre Satellite Kinwédji, Vocation*, Songhaï, http://www.songhai.org/index.php?option=com_content&view=article&id=68&Itemid=78 (accessed 20 August 2012).

79 Op. cit., G. Nzamujo, 2002, p. 117

80 Op. cit., *Siège/centre regional Porto-Novo, Vocation*, Songhaï; Op. cit., *Centre Satellite Savalou, Vocation*, Songhaï and Op. cit., *Centre Satellite Kinwédji, Vocation*, Songhaï (accessed 20 August 2012).

81 *Activités*, Songhaï, http://www.songhai.org/index.php?option=com_content&view=category&layout=blog&id=35&Itemid=55 (accessed 22 August 2012).

82 Op. cit., D. Bousquet: "Le Bénin, modèle du bio africain", 5 January 2010. .

83 Op. cit., G. Nzamujo, 2002, p. 54.

84 Ibid., pp. 52, 54.

85 Op.cit., D. Bousquet: "Le Bénin, modèle du bio africain", 5 January 2010.

86 Op. cit., G. Nzamujo, 2002, p. 54.

particles that pollute running water and kill the fish larva that hatch. Songhai turned this difficulty into an opportunity: on the first day, as the eggs begin to rot, egg-eating bacteria are introduced in the water; on the second day, water flies are introduced to eat the rotting bacteria and seaweeds; and on the third, the hatchling fish which, by that time, have eaten all the nutrients they had in their eggs, start eating the water flies.⁸⁷



Research, development and experimentation centres

To produce and process throughout the year, including in the dry season, and in an economically- and environmentally-sustainable manner, Songhai's centres continuously develop a variety of innovative technologies, following specific principles.

First, the organization undertakes applied research, starting with local needs. Songhai seeks to overcome current and foreseen future barriers to productivity. It learns about traditional and modern, local, national and international technologies, combining and adapting them to local human, economic and natural resources. Research at Songhai is often small-scale. For instance, it seeks to improve market gardening tools, or finding simple processing techniques to preserve or transform mangos.

Also, its *Institut de Formation des Entrepreneurs en Développement* (IFED) links the people who conceive and develop technologies with those using them. It allows national and international researchers and practitioners to meet and discuss, and the Songhai farm's network helps develop and experiment their ideas.⁸⁸

⁸⁷ Op. cit., G. Nzamujo, 2002, p. 53.

⁸⁸ G. Nzamujo, interview, 10 October 2012.

Second, local communities and individuals must be able to use and afford the technologies developed.⁸⁹ The idea is that every trainee, once working in his own farm, should be able to access capitals goods, which is possible if the technology is simple but well thought out, affordable and made locally with directly available materials.⁹⁰ For instance, Songhai develops rice-beating machines that work with pedals instead of electricity or oil.⁹¹ Also, most of the tools and machines used in Songhai's centres are produced there, with scrap materials melted down to create the needed pieces.

Third, the organization promotes creativity and innovation to boost local development. It believes that anyone, if properly trained, can research and innovate.⁹² Songhai's founder himself designed the majority of the tools and machines used in the organization's centres.⁹³

Songhai centres thus research, develop and experiment, in particular, large- and small-scale irrigation systems; large- and small-scale mechanization and animal traction; soils regeneration and techniques fighting erosion; agroforestry and combined cropping; and composting and recycling systems. They also test and multiply locally-adapted seeds; and test and reproduce locally-adapted animal and vegetal breeds.⁹⁴

Songhai currently focuses on energy production. As the national electricity grid will not reach all villages in Benin in the near future, it is developing modular, decentralized and renewable sources of energy production to provide access to energy in rural areas for domestic and industrial uses. It has advanced considerably on biogas production, and is also developing and using solar energy technologies.⁹⁵

Today, Songhai is also working on new materials to show it is possible to build affordable houses of good quality and comfort in rural areas. As the organization always links activities, it is also equipping these new houses so they can get electricity and pump water through solar energy.⁹⁶

Industrial areas clustering production, processing and recycling activities are also being set up to improve Songhai's productivity and competitiveness, and to develop new products responding to local demand. For instance, new seeds are being developed for rice and tomatoes as their consumption is increasing; and plastics are being collected, cleaned and recycled into different products.⁹⁷

Training centres

As Songhai's primary goal is to enable African communities and individuals to become self-reliant and leaders in development, producing and developing innovative technologies are means to accomplish this goal, and training is fundamental.

89 G. Nzamujo, interview, 10 October 2012.

90 Op.cit., D. Bousquet: "Le Bénin, modèle du bio africain", 5 January 2010.

91 Op. cit., G. Nzamujo, 2002, p. 99.

92 Ibid, pp. 97-98.

93 Op.cit., D. Bousquet: "Le Bénin, modèle du bio africain", 5 January 2010.

94 Op. cit., *Siège/centre regional Porto-Novo, Vocation*, Songhai (accessed 20 August 2012).

95 G. Nzamujo, interview, 10 October 2012.

96 Ibid.

97 Ibid.

Songhai offers many types of trainings: specific workshops and internships on several subjects, from crop production, animal husbandry, food processing, to machinery design or renewable energy production, specifically aimed at women or at farmers.⁹⁸ It also offers long-term training for youth coming from Benin, as well as from west, east and central Africa.⁹⁹ The goal of this training is to enable youth, including school dropouts, to run their own businesses in one or more fields of activities developed at Songhai. These trainings also stress the values of creativity, innovation and leadership, so youth may also become development leaders.

The strength of the long-term trainings is that youth are immersed in the production process and are thus operational once training is completed. Potential trainees first come to the centre for 3 days, to evaluate their reflection capacities and willingness to learn. The selected trainees stay at Songhai for 2 months, and if their work is satisfactory, the organization opens a savings account for them where they start depositing sums from family members and friends who are encouraged to support them. After the initial period, they start a training of 18 months, at the end of which they receive a certificate. These long-term trainings follow a holistic approach combining theoretical and practical courses on multiple subjects, such as production and processing techniques, marketing and commercialization, business creation and management, and the socio-economic context. Trainees also visit numerous farms, share and work with elders, and elaborate a business plan. Their families take part in the business creation process by getting involved in building infrastructure, such as wells and houses, on their own properties.¹⁰⁰

At the end of the 18 months, trainees take part in an internship programme, often at a Songhai centre, during which they start their own business. Songhai provides them with infrastructures, such as fish farming ponds, fields with irrigation systems or henhouses, as well as a loan, up to 3 times the amount they saved during their 18 months training. During the internship programme, the organization also matches students with one another to make them work together and combine their strengths.

Songhai also insists on collaboration with local villagers. When trainees start their internship, the organization first discusses placement options with the local village authorities. If Songhai obtains 100 hectares of land, the “mother farm”, which is a mini Songhai centre, uses one third; another third is allocated for the trainees; and the last third is given to villagers. The advantages of this approach are multiple: Songhai and trainees can learn from villagers and in turn teach them new techniques; trainees and villagers can ask Songhai’s farm for advice, new technologies, etc.; and trainees and villagers benefit from the infrastructure build by Songhai, such as wells and irrigation systems, and processing equipment. Thus, dry lands have become productive, to the benefit of the organization, its trainees and local farmers. This is also a way to widen the impact of Songhai’s training, as youth can pass on their knowledge where they start working.¹⁰¹

To receive their diploma and become “Songhai socio-economic entrepreneurs”, trainees are evaluated at the end of their internship on their productivity, but also on their

98 Op. cit., G. Nzamujo, 2002, pp. 66-67, 82-83.

99 G. Nzamujo, interview, 10 October 2012.

100 Op. cit., G. Nzamujo, 2002, pp. 83-85.

101 G. Nzamujo, interview, 10 October 2012.

negotiation capacities with suppliers and social relations with villagers. They can then go to work wherever they want, with another loan from Songhaï to start their new business.¹⁰²

Services centres

To strengthen and widen the impact of its activities and approach to local development, Songhaï centres provide services to former trainees, to ensure the sustainability of their enterprises, but also to local farmers. The department organizing these services is currently the biggest in Songhaï's structure.



Loans are one form of support. They are needed because many agricultural credit institutions are not always competent, but also because it is hard to get credit when the only form of capital trainees have is land. As training at Songhaï builds trainees' human, environmental, social, technical, managerial and financial skills, enabling them to effectively use the loan and start production quickly once on their farm, the recovery rate of the loans is over 90 per cent.¹⁰³ This support tightly links beneficiaries to the broad Songhaï "community". It leads them, for instance, to become responsible for local trainings, multiplying seeds, or popularizing innovative agricultural techniques.¹⁰⁴

¹⁰² G. Nzamujo, interview, 10 October 2012.

¹⁰³ Ibid.

¹⁰⁴ Op. cit., G. Nzamujo, 2002, pp. 88-91.

Another form of support are the visits youth receive from the animator of the Songhai farmer's network 4 to 12 times a year. The animator gives them technical, organizational or marketing advice, as well as moral support.¹⁰⁵ Ensuring the long-term success of new farms also enables Songhai to build its credibility across Benin and neighbouring countries.

Songhai also works with local farmers to enable them to use the new tools and technologies developed at Songhai, and adapt them to their local context. This is done through trainings, workshops, briefs, or by using ICTs, for instance through three telecentres in Porto-Novo, Savalou, and Parakou.¹⁰⁶ The centres also offer continuous services, such as equipment rental, counselling, access to inputs, transformation and marketing support.¹⁰⁷

To strengthen vertical links, a Songhai farmers' network was created in the 1990s to enable farmers to share knowledge, experience and difficulties, find solutions together, and also sell their products under the Songhai farmers' brand. Network members currently work in agriculture, animal husbandry, food processing and cottage industries in many different countries, including Benin, Burkina Faso, Togo, and Nigeria. Local joint committees organize and support common vocational training, projects, input acquisition, commercialization coordination, and cooperative credit unions. They are supported by Songhai which, for instance, sends animators to visit a farm 3 to 12 times a year or to organize decentralized workshops. This network thus widens the impact of Songhai's trainings as farmers support each other across several countries, and enlarges the visibility of the organization as the products are also sold in these different countries. Songhai farmers' network also has national committees where Songhai's workers and farmers analyse their common activities and impact, then share with government and international organizations the methods for creating a more enabling environment for agricultural entrepreneurs.¹⁰⁸

Projects, external collaborations and support

Regional Songhai Project for the development of agricultural entrepreneurship

In 2008, Songhai launched an important international project with the support of several UN agencies that visited the organization and were convinced by its approach.¹⁰⁹ The *Regional Songhai Project for the development of agricultural entrepreneurship* aims to replicate the organization's production, research, training and service model through new Songhai centres in 11 other African countries. These centres would generate an enabling environment for the creation of micro-, small and medium enterprises (MSMEs) in agriculture by, among others, building the capacities of agricultural entrepreneurs, and linking them with various credit structures.¹¹⁰

105 Op. cit., G. Nzamujo, 2002, pp. 83-85.

106 Ibid., p.99.

107 Op. cit., *Centre Satellite Savalou, Vocation*, Songhai (accessed 20 August 2012).

108 Op. cit., G. Nzamujo, 2002, pp. 86-88.

109 Op. cit., *History*, Songhai.

110 *Perspectives*, Songhai, http://www.songhai.org/index.php?option=com_content&view=category&layout=blog&id=49&Itemid=68 (accessed 11 September 2012).

In 2011, the Beninese government signed a financial agreement worth 51 million with UNDP to implement the National Songhai Project,¹¹¹ which promotes entrepreneurship as a means to transform rural areas into “green rural cities” where agriculture, but also industries and services, are developed.¹¹² This project has the following objectives:

- Reducing youth un- and underemployment by training them in Songhai’s production, processing and commercialization system; building their entrepreneurial skills, and their human and natural resources management capacities; improving their access to inputs, such as land, seeds, water, and innovative technologies; and building infrastructures. It aims to train 1,500 young people in 5 years;¹¹³
- Widening Songhai’s activities and impact by: maximizing the comparative advantages of the different agro-ecological areas where existing centres and farms are working; developing value-chains across the country; and opening new centres in Benin as well as an entrepreneurship platform enabling farmers to share knowledge and information, and access markets, technologies and inputs.¹¹⁴



Significant collaboration between Songhai and the Beninese government started around 2009, when President Yayi Boni heard about the organization and visited the centre of Porto Novo. He found Songhai’s approach to rural development inspiring and made its founder one of his advisors. Since then, the President brings Heads of states visiting Benin to the centre,¹¹⁵ and he seeks advice from Godfrey Nzamujo in the formulation of policy on socio-economic entrepreneurship, integrated programmes

linking the agriculture, industry and services sectors, and in the development of green villages and towns where people from rural areas would stay instead of migrating to urban areas.¹¹⁶ In September 2012, the first in this series of new Songhai centres was inaugurated in Kétou, Benin.¹¹⁷ This centre, of 107 hectares, is separated in 3 different areas: an entrepreneurial zone where young agricultural entrepreneurs trained at Songhai can start their own agribusiness projects; a production, research, training and services zone where Songhai can popularize its production models, techniques and values, and support local farmers to process and market their products; and accommodation facilities, a restaurant, and a farmers’ market including storage and conservation facilities.¹¹⁸

111 UNDP : “Songhai, faire reculer les frontières de la pauvreté”, in *Tandem*, No. 13-14, July-December 2011, http://www.bj.undp.org/docs/bulletin/Tandem_13-14.pdf (accessed 10 January 2013).

112 G. Nzamujo, interview, 10 October 2012.

113 Op. cit., UNDP, 2011.

114 Op. cit., *Perspectives*, Songhai (accessed 11 September 2012).

115 G. Nzamujo, interview, 10 October 2012.

116 Op. cit., *La charte*, Songhai (accessed 17 August 2012).

117 Op. cit., L. Sessou, email correspondence, 12 October 2012.

118 *Le Centre national Songhai de Kétou, un joyau de développement intégré*, International Planned Parenthood Federation, panapress, 2012, <http://www.panapress.com/Le-Centre-national-Songhai-de-Ketou,-un-joyau-de-developpement-integre--13-842637-0-lang3-index.html> (accessed 23 November 2012).

Collaboration with the government supports the organization financially, as the President actively raises money to develop Songhai's centres in the country, including via the African Development Bank (ADB). It also helps the organization disseminate its model, as a number of heads of states that visited the centre expressed the intention to implement such facilities in their own countries. Also, the Beninese Minister of education recently announced that all students studying agronomy at university would have to do an internship at Songhai's centres, an announcement that further recognises the effectiveness of the organization's activities.¹¹⁹

External collaboration and support

From the beginning, Songhai found important partners linked to various international donor agencies from the US, European Union, and Denmark, who supported the centre's evolution through funds and technical support. It also experienced, and still does, very effective partnerships with small entities and individuals. For instance, American friends, and brothers and sisters from the Dominican Order lent considerable support for the organization's growth, and professionals, such as butchers, mechanics, and journalists, from all over the world have been coming with technical support. In exchange, Songhai regularly keeps them informed about its activities, visits them, and host them in its centres.¹²⁰

Since 2010, the organization's regular budget has been covered by its own profits, so its main production, research, trainings and service activities are run independently from external financial support.¹²¹ To widen its scope and impact, besides its collaboration with the Beninese government and the UNDP, Songhai also works with a variety of national and international partners, including Africa Rice, Ahern Seeds, Biochar Engineering, Bio Organics, East West Seeds, the Economic Community of West African States, Gonzaga University, and other top universities worldwide, ICRISAT, IFAD, ILO, Koppert Biological systems, MASHAV, Research Institute for Aquaculture N°1, SNV Netherland Development Organization, South South Global Assests and Technology Exchange (SS Gate), UNESCO, UNICEF, UNIDO, Underhill International Corporation, USAID, Vietnam National Agency for Science and Technology Information Coordinated Institutions, the West and Central African Council for Agricultural Research and Development.¹²²

Challenges

The first challenge still faced by Songhai comes from the people who doubt and criticize its goals and means, or do not appreciate its success. Godfrey Nzamujo explains that some authorities do not want the Beninese President to invest excessive resources on creating new Songhai centres in all provinces; others try to appropriate money; and still others openly criticise the organization. He also admitted that he has sometimes also faced racial stereotypes, as external specialists, collaborators or visitors tend to think

119 G. Nzamujo, interview, 10 October 2012.

120 Op. cit., G. Nzamujo, 2002, pp. 110-111.

121 Op.cit., D. Bousquet: "Le Bénin, modèle du bio africain", 5 January 2010.

122 *Our partner*, Songhai, <http://www.songhai.org/en/> (accessed 22 November 2012); and Op. cit., L. Sessou, email correspondence, 27 February 2013.

that Songhai's director is actually a "white man."¹²³ Over the years Songhai's strategy has always been to continue working so people visiting its centres would realize how Songhai really functions. Currently, as the organization has grown and achieved positive results, and as Benin's president supports it, these kinds of attacks have not been as damaging as they were earlier.¹²⁴

Another set of challenges is linked to Songhai's numerous partnerships and collaborations:

- Obtaining and working with external funds requires time, as partners naturally expect to communicate regularly and receive information about financial management as well as progress reports;¹²⁵
- External partners might set specific conditions. Once, Songhai had to refund partners who were asking it to change certain activities.¹²⁶ Another time, some European partners disagreed with the dismissal of a European researcher;¹²⁷
- External partners sometimes change their priorities. For instance, the organization could not implement the Regional Songhai Project because the successor of the Director of the UNDP's Regional Bureau for Africa who pushed the collaboration with Songhai in 2008 was replaced, and the new one was less interested in this project;¹²⁸
- International experts might also come with very precise ideas of how Songhai should work, and may not want to adapt to the local socio-economic context. For instance, a European mechanic who wanted to have a workshop as clean and organized as it was in his country, left as Songhai improved its workshop but not to the point he expected. International experts might also simply not have the time to understand and adapt themselves and their work to the local context. Songhai continues to work with international experts though because, as he indicates, experiences have generally been quite positive, and because it is the best way to share existing knowledge of technologies as well as gain new knowledge.¹²⁹

To avoid these types of difficulties with external partners, Songhai's founder explains that it is necessary to look for people and organizations with similar goals and values.¹³⁰

Several international institutions have criticized the imposing size of Songhai's administration and its efficiency. To ensure the efficiency of such a big organization, Godfrey Nzamujo explains that the managers have to make sure that workers take their responsibilities by rewarding or sanctioning them. Songhai's founder estimates that a large administrative structure is needed to support the organization's current important production and training activities.¹³¹

123 Op. cit., G. Nzamujo, 2002, p. 31.

124 G. Nzamujo, interview, 10 October 2012.

125 Op. cit., G. Nzamujo, 2002, p. 111.

126 Ibid., p. 109.

127 A European veterinarian was dismissed by Songhai because he was letting poultry die for months in order to be able to study the illness and later write an academic paper on it. He actually never found the cause of the illness, whereas one of Songhai's trainers with some trainees stopped it in a few days. Source: Op. cit., G. Nzamujo, 2002, p. 97.

128 G. Nzamujo, interview, 10 October 2012.

129 Op. cit., G. Nzamujo, 2002, p. 101.

130 Ibid.

131 G. Nzamujo, interview, 10 October 2012.

Selling products in rural areas is another important challenge that Songhaï and rural producers face. As the population is scarce in certain rural areas, even though their products are of high quality, there is often not sufficient demand.¹³² This is why Songhaï is trying to create “green rural cities” in rural areas so primary, secondary, and services sectors can develop, encouraging rural dwellers to stay and even attracting people from urban areas.

Another difficulty related to sales is the fact that Songhaï, being a non-profit organization, is not allowed to advertise its products. One solution has been to organize an annual fair, where Songhaï and its farmers present their activities and sell their products. This event has proven successful, both to increase incomes through the sales themselves, and also to make Songhaï known to consumers, and to disseminate their ideas and technologies.¹³³

A final challenge is to find sufficient funds to train more, and to support trainees once they have finished their training. The organization cannot train all the young people who apply to its programme, and thus continues to seek external funds to address this increasing demand and to give loans to more former trainees when they start their own business.¹³⁴

132 Op. cit., G. Nzamujo, 2002, p. 119.

133 Ibid., pp. 120-121.

134 G. Nzamujo, interview, 10 October 2012.

Section 3: Assessment of the Catalyst

3.1 Main achievements

In 25 years, Songhaï has grown remarkably and widened its activities. What started on 1 hectare of marshland in Porto Novo's suburbs with Godfrey Nzamujo and 6 school dropouts, is now an organization with over 550 hectares of land and 46 hectares of water across the country, employing over 1500 workers. It has opened 6 production, research, training and services centres in Benin, 11 in Nigeria, 1 in Congo Brazzaville, 1 in Liberia, and 1 in Sierra Leone; it is building 7 new ones in Benin in partnership with the Beninese government, and is planning others across Africa with UN agencies.¹³⁵

Songhaï started with a few fishponds, heads of poultry, cattle and sheep for breeding, and some crops, vegetables and fruits to grow. Progressively, it developed an innovative holistic organic production system integrating a diversified and sustainable agriculture, productive fish farming and animal breeding, processing and cottage industries, renewable energy production, with an entrepreneurial state of mind and values of local community and individual respect and development. Today, Songhaï has become an economic leader in environmentally sustainable production, processing and marketing of several different breeds and species of animals and vegetables specifically adapted to their agro-ecologic areas.

The Porto Novo centre grew from producing 500 kg of *clarias* (a fish) in 2006 to over 14,000 tons in 2010. That same year, it also produced 26,000 tons of chicken and over 1.6 million eggs. The Savalou centre, more specialized in crops, produced in 2010 over 32 tons of maize (yield of 2.34 tons per hectare), over 630 tons of manioc (yield of 49 tons per hectare), and 3.9 tons of soy (yield of 1.3 tons per hectare). It also produced 18.7 tons of rice with a yield of 3.4 tons per hectare,¹³⁶ compared to only 1 ton of rice per hectare at its beginnings.¹³⁷ The shop opened in Cotonou and the restaurant in Porto Novo, now famous for its cuisine, have enabled the organization to sell and advertise the high quality of its products. Demonstrating to rural communities and individuals that it is possible to succeed by using local human and natural resources is one of Songhaï's main goals, and the organization works hard to disseminate this approach. Songhaï's success is attested by the over 20,000 visitors it receives every year, and by its partnerships with the Beninese government as well as with UN agencies to replicate its model across Benin and throughout the rest of Africa.

Concerning research and experimentation, Songhaï has developed numerous innovative technologies that are affordable to rural communities, and use local human and natural comparative advantages. The Porto Novo centre for instance now exports agricultural machines across Africa. Songhaï also has important applied research partnerships with several research centres, universities and producers.¹³⁸

¹³⁵ Songhaï: "Songhaï et ses réalisations", Presentation document, 2013.

¹³⁶ Ibid.

¹³⁷ Op.cit., D. Bousquet: "Le Bénin, modèle du bio africain", 5 January 2010. .

¹³⁸ Op. cit., *Siège/centre regional Porto-Novo, Vocation*, Songhaï (accessed 11 September 2012).

The trainings offered by Songhai to youth, women and farmers also considerably developed over the years. Today, in Benin alone, over 500 persons are being introduced to, and becoming masters in, integrated production, processing and research system. Since 1987, over 1,700 individuals among those who have been trained by Songhai have created their own business.¹³⁹

Since Songhai's goal is to boost long-lasting rural development, it has also developed a variety of services to enable its former trainees as well as local farmers to create economically-productive and environmentally-sustainable enterprises. Former trainees can receive important loans, and technical and managerial support as well as inputs and new technologies that are available through Songhai's satellite centres. A network of Songhai farmers has also been set up to enable agricultural entrepreneurs to meet, communicate and share experience, challenges and solutions. 3 telecentres in Porto Novo, Savalou and Parakou have been created to improve these horizontal links and give rural communities access to ICTs.

Songhai has thus contributed to transform social and economic aspects of agricultural activities. It has managed to give a strong impulse to the sector and to restore its image by developing a production model that is innovative, productive, sustainable, and adapted to local human and natural resources and affordable to local communities and individuals; by building and supporting local capacities to use and develop this model and reach self-reliance; and by promoting this professionalized agricultural entrepreneurship approach integrating social and economic sectors and activities at the national and international levels as the base of rural development.¹⁴⁰

Songhai is also recognized worldwide and has received several prices and distinctions. As early as 1993, its founder, Godfrey Nzamujo, received the "7th Leadership Africa 93 Award" from the Hunger Project in Tokyo, which honours outstanding contributors to sustainably ending hunger.¹⁴¹ Further, Songhai received in 2000 the "Excellence Award" by the Benin National lottery for its leading role in the development of agriculture and animal husbandry across the country. That same year, it was awarded the prize for the "Best local initiative on setting up profitable agricultural systems" at the Hanover World Exposition 2000 in Germany. In 2008, it received the "Award on special achievements in Agricultural Entrepreneurship" by the United Nations Industrial Development Organisation (UNIDO), the "Special and steady achievements for South-South cooperation Award" by the South-South Cooperation Unit of the UN in New York, and the Porto Novo Centre was promoted as a "Centre of Excellence for Africa" by the UN. In 2009, the Economic Community for West African States promoted Songhai as a "Regional Centre of Excellence;"¹⁴² and in 2010, UN Secretary General Ban-Ki Moon sent it a "Letter of appreciation" after his 3-day visit to the centre.¹⁴³

139 Op. cit., L. Sessou, email correspondence, 12 October 2012.

140 *Songhai spirit*, Songhai, http://www.songhai.org/en/index.php?option=com_content&view=article&id=78&Itemid=97 (accessed 11 September 2012).

141 *Honoring Africa's Leadership*, The Hunger Project, http://www.thp.org/what_we_do/key_initiatives/honoring_africa_leadership/overview (accessed 22 August 2012).

142 *Award*, Songhai, http://www.songhai.org/en/index.php?option=com_content&view=article&id=119&Itemid=108 (accessed 22 August 2012).

143 *Ban Ki-moon's letter of appreciation*, Songhai, 2010, http://www.songhai.org/en/index.php?option=com_content&view=article&id=129:ban-ki-moons-letter-of-appreciation-&catid=50:remarks&Itemid=144 (accessed 22 August 2012).

3.2 Future

Songhai intends to continue its current activities, but as entrepreneurship and innovation are its core values, strengthening current activities also means constantly improving them and developing new ones. To remain a leader and a model of productive and sustainable rural development, all Songhai's centres will continue to:

- Produce, transform and market agricultural products and other related goods in demand among local communities and individuals;
- Research, develop and experiment with new technologies adapted to the local socio-economic and agro-ecologic context. For instance, Songhai intends to further diversify sources of energy in rural areas, and further improve the productivity of fish farming and of post-harvest activities;¹⁴⁴
- Train youth, women and farmers. Among others, Songhai plans to intensify trainings, capitalization and dissemination of knowledge, know-hows and technologies more broadly;¹⁴⁵
- Provide a wide array of services, such as technical and managerial counselling, machinery and other inputs, to former trainees and local farmers;
- Improve the socio-economic dynamics at the local, national and international levels, both horizontal links between farmers, and vertical links with authorities.¹⁴⁶

To strengthen and widen its activities and impact, Songhai is implementing the National Songhai Project to open new centres in Benin; and is pushing to revitalize the Regional Songhai Project in collaboration with UN agencies to replicate its model in other African countries.¹⁴⁷

Foreseen challenges

Songhai's main challenge for the future is related to the support it brings to its former trainees and to rural communities at the local level. The organization can train an important number of young people in its different centres, but its current resources do not allow supporting all of them once they receive their diplomas. The services offered to rural communities, such as access to technologies, to productive seeds or processing facilities could also be up-scaled. External investments are thus needed to support and increase these support services.¹⁴⁸

Additionally, attracting young entrepreneurs to remain in rural areas and revitalize agricultural, industrial and services, calls for important infrastructure, such as roads or irrigation systems. Songhai's founder stresses that investments in Songhai and infrastructure are not donations, but real investments for the future, as they are major empowering elements for young people and local communities to allow them to be innovative and productive engines of rural development.¹⁴⁹

144 Op.cit., *Perspectives*, Songhai (accessed 11 September 2012).

145 Ibid.

146 Ibid.

147 Op. cit., L. Sessou, email correspondence, 12 October 2012.

148 G. Nzamujo, interview, 10 October 2012.

149 Ibid.

3.3 Lessons learned

Songhai's experience and achievements provide immediate lessons. Concerning the creation and sustainability of such an organization and the taking of entrepreneurial risks, they suggest that founders should:

- **Have a real interest in the projects promoted and the people targeted** – According to Godfrey Nzamujo, passion is indispensable to create an effective development project because it creates the will to work for oneself and others, and stimulates ideas. He founded Songhai because he believed in the potential of Africa and wanted to counter the general pessimism about its development;¹⁵⁰
- **Commit to goals** – Every development organization encounters important challenges, such as the lack of finances, internal or external criticism, but, according to Nzamujo, if one takes the resolution to accomplish a goal, he or she can overcome these difficulties. Naturally, it is also crucial to adapt visions to changes as well as challenges;¹⁵¹
- **Believe in the commitment and capacities of others** – Engaging in development needs belief in oneself, but also in others, and in their abilities to react to challenges and overcome them by investing all their energy to find innovative solutions. Nzamujo explains that he could never have built Songhai alone;¹⁵²
- **Take responsibility for one's actions and make others do the same** – Adopting an entrepreneurial approach means that all workers have to take responsibility. To ensure that colleagues remain committed, productive and innovative, Songhai's founder thinks that managers have to react to their actions, both positive (through commendations or promotions) and negative (warnings or dismissals);¹⁵³
- **Promote projects by providing practical, successful examples** – To attract external support and partners, organizations have to prove they can accomplish their goals. Thus Godfrey Nzamujo thinks that a practical project needs to exist before an organization starts looking for important funds.¹⁵⁴ In 1985, he started with 1 hectare, but received more from the government once he demonstrated that his organization could grow crops, vegetables, and fruits even during the dry season;
- **Gradually diversify and extend activities** – To ensure the sustainability of each activity, an organization should initiate them one after the other. Once the activity is productive and successful, it is possible to start and invest funds and energy in a new one. If all activities are initiated at the same time, they may exhaust all the finances of the organization;
- **Finance the organization's activities through its own products and services** – Activities supported by financial resources generated by the organization itself are more sustainable than those depending on external funding. In Songhai's case, profitably producing is also essential to demonstrate that its organic and integrated production model is economically sustainable;

150 Op. cit., G. Nzamujo, 2002, pp. 33, 35.

151 Ibid., pp. 32-35.

152 Ibid.

153 Ibid.

154 Ibid., p. 107.

- **Promote excellence** – Producing products of better quality than the competitors at affordable prices demonstrates the validity of an approach. For Songhai, the excellence of its products shows that its production model is a viable and needed approach to produce healthy food, while ensuring decent income and working conditions for farmers, and without degrading natural resources;



- **Find diversified funding partners** – When funds are needed, Nzamujo explains that partners have to be diversified to ensure independence, and to avoid being associated with one country or one type of development partner;¹⁵⁵
- **Find partners who share the organization's vision** – To achieve an effective partnership, both sides need to share a vision for the future and certain fundamental ideas on how to achieve it.¹⁵⁶

Songhai's experience also demonstrates that to ensure long-lasting rural development, individual or institutional actors should:

- **Address local needs and interests** – When the activities offered match local needs, local communities and individuals are likely to adopt them. Songhai is successful because it enables farmers to improve their productivity while regenerating and preserving natural resources. It also offers a dignified professional activity for young people by giving them the means to become innovative entrepreneurs;

¹⁵⁵ Op. cit., G. Nzamujo, 2002, p. 111.

¹⁵⁶ Ibid., p. 109.

- **Build the capacities of rural stakeholders** – Training rural communities and individuals to become agricultural entrepreneurs empowers them to become economically self-reliant. Further, Songhai shows that teaching innovation and creativity enables people to become leaders of their own development;
- **Develop local human and natural comparative advantages** – Each rural area has its natural, economic, and social specificities, and Songhai's approach demonstrates that these differences are strengths. Local knowledge is precious as it has been adapted to the context in the course of time, and it is thus imperative to account for them in the approach proposed. The value of local natural resources is also boosted by production systems creating synergies among its activities and engaging in recycling;
- **Establish knowledge, information and best-practice network** – Knowledge and information sharing enable individuals, communities, and organizations, to overcome challenges and improve their productivity and effectiveness. Songhai uses ICTs so its employees and local farmers can constantly share experiences about their work, discuss difficulties, find innovative solutions, and coordinate their action. ICTs also allow Songhai to connect with others throughout the world, to share ideas, technologies and lessons learned;
- **Link with the macro-level** – Organizations can considerably strengthen and widen their impact through collaboration with national and international institutions. These can provide financial as well as technical support, but they can also disseminate and promote their approach across a country and abroad. In Songhai's case, partnering with the Beninese government was crucial to start, grow, receive support and recognition, and grow further.



9



Chapter 9: The Stung Treng Women's Development Centre (SWDC), Cambodia

Executive Summary

The Stung Treng Women's Development Centre (SWDC) empowers young women in one of the poorest provinces of north-east Cambodia, by transferring skills and creating sustainable livelihoods. The SWDC pursues its goal of “breaking the cycle for poverty and illiteracy” for socially and economically vulnerable young women in the Stung Treng province by providing them with basic education and vocational training, and engaging them in sustainable, skilled employment. It has trained and educated an average of 50 young women per year through its literacy, health, and vocational training programmes. It has also created a successful social enterprise, “Mekong Blue”, which sells high-quality silk handicrafts that are 100 per cent locally-produced and hand-woven by young women trained in SWDC's vocational training programmes.

The success of the Mekong Blue social enterprise and other ventures has enabled the SWDC to significantly expand its activities. Launched with 2 looms and 6 employees in 2002, it now owns 31 looms, 7 sewing machines, a dyeing centre, a sericulture production centre, and also provides stable employment and sustainable income to 70 women and 9 men, making it the largest private employer in the Stung Treng province. The high quality of the items produced at Mekong Blue has earned it the UNESCO's award of excellence in 2004 and 2005. These products are sold worldwide through its retail outlets, online stores, and international craft fairs.

Over the past decade, the SWDC has overcome several challenges to manage and sustain the Mekong Blue enterprise and its social developmental projects, like child care centres, on-site kindergartens, a free lunch programme for employees, and school sponsorships. Being largely dependent on tourism for its sales, the global economic crisis of 2008 has considerably affected the revenues of Mekong Blue. The SWDC has sought to overcome this challenge through expanding its online sales and marketing. It continues to maintain its unique balance between social commitment and high-quality production, ensuring Mekong Blue's position as one of Cambodia's top handicraft producers.

SWDC's efforts to generate employment while simultaneously promoting literacy, vocational and health training to women facing severe disadvantages, linked among other factors to gender biases, have transformed a number of previously illiterate and poor women into trained, educated, and empowered agents of change, who have then become the primary bread-winners and decision-makers in their families. SWDC's rise and expansion in Stung Treng provide valuable lessons on how even a small-scale business launched with meagre financial support, but with strong social commitment to create change, may achieve international success and transform its rural context.

Section 1: Introduction and Context

1.1 Introduction

Located in one of the poorest rural provinces of Cambodia, the Stung Treng Women's Development Centre (SWDC) was founded in 2002 as a humanitarian non-governmental organization to help vulnerable women exit the cycle of poverty and illiteracy through the creation of sustainable livelihoods. In 10 years, it has founded a successful social business enterprise, "Mekong Blue", which has directly impacted the lives of 500 women, 685 children, 50 men, and a total of 566 families from 5 different districts in the Stung Treng province. Mekong Blue not only produces some of the finest traditional silk handicrafts of Cambodia, but also provides a stable livelihood, sustainable incomes, decent working conditions, education and skills training to its beneficiaries. These handicrafts are sold across the world, and have received the UNESCO award of excellence in 2004 and 2005. The SWDC uses the profits of its successful silk enterprise to fund numerous social developmental projects initiatives in the Stung Treng province.

In 2002, a Cambodian couple, Chantha Nguon and her husband Kim Dara Chan, were inspired to create the SWDC with a small grant of USD 3,000 from a private donor. The business started in a house in the town of Stung Treng with only 2 weaving looms and 6 young trainees. By 2012, it had expanded to include a weaving centre with 31 looms, a silk dyeing centre, a vocational training centre, a sericulture centre, a number of retail shops, and a kindergarten school for the children of employees and trainees as well as village children. The organization, totalling 100 persons, is now located in the Sre Po village, outside the Stung Treng town, in a compound that includes the silk production centres where local men and women are employed, an on-site kindergarten for the employees' children, a training centre for young men and women, a guest house, a café, and a gallery. The expansion of its activities over the last 10 years has made it the largest private employer in the province of Stung Treng.

SWDC's main beneficiaries are women between the ages of 16-35 years from the Stung Treng province. The organization targets illiterate women considered too old to be enrolled in the state schooling system and provides them literacy and vocational training to give them a chance to become financially independent, and offers them a career alternative to family farming. As employees of Mekong Blue, these young women earn a salary of USD 85-150 per month, which is twice the average income in Cambodia. They also gain access to the child care and nutrition programmes made available by the SWDC to its employees. While the organization's focus remains women's development, in 2007 it also started conducting vocational training in construction and building for young men, and provides them employment opportunities in its enterprises.

Even after gaining commercial success, the SWDC has not lost sight of the needs of the most vulnerable in the Cambodian society and continues empowering women and children with skills to create a productive and fulfilling future for themselves. The organization's comprehensive approach, combining productive job creation, social protection for its employees, women's and children's rights, and the revival of Cambodian heritage in silk cultivation and weaving, is a major element of rural transformation.



1.2 Context

To understand the efforts and achievements of the SWDC, it is important to recognize the social and economic realities of contemporary Cambodia and its remote Stung Treng province. About 80 per cent of Cambodians reside in rural areas, where the primary source of livelihood is agriculture.¹ These areas, that host 90 per cent of the country's poor, crucially lack basic services, such as health-care facilities, clean water and education.² Given the high poverty rates, socio-economic inequalities, and limited health and educational infrastructure, in 2012 Cambodia was ranked 138 out of 187 countries on the United Nations Human Development Index.³

Between the 1960s and early 1990s, Cambodia witnessed severe turmoil, particularly the repressive Khmer Rouge regime, the Vietnamese occupation, and a civil war. In 1993, it entered a period of political stability following UN peace-keeping efforts, which helped establish a freely-elected, democratic government. This set the stage for a robust economic recovery and rehabilitation. The country's economy boomed from 1993 to 2007, achieving a yearly GDP growth of 6-11 per cent, primarily due to expanding trade, garment exports, tourism, and construction industries;⁴ but due to its dependence on global markets, the global economic crisis that began in 2007-2008 has since reduced the upward trend.

1 *Country Profile Cambodia*, FAO, 2011, <http://www.fao.org/countryprofiles> (accessed 10 August 2012).

2 World Bank: *Cambodia: Halving Poverty by 2015? Poverty Assessment 2006*, Phnom Penh, 2006, http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2006/02/22/000012009_20060222102151/Rendered/PDF/352130REV0pdf.pdf (accessed 10 August 2012).

3 *Cambodia Country Profile: Human Development Indicators*, UNDP International Human Development Indicators, 2012, <http://hdrstats.undp.org/en/indicators/103106.html> (accessed 10 August 2012).

4 *Country Information*, United Nations in Cambodia, 2012, http://www.un.org.kh/index.php?option=com_content&view=article&id=47&Itemid=66 (accessed 12 August 2012).

Economic growth considerably reduced national poverty levels from 47 per cent in 1993 to 30 per cent in 2007,⁵ but benefited mostly urban areas as it was largely based on urban activities. Thus, while the incidence of poverty is low in the capital Phnom Penh (1 per cent) and in other urban areas (22 per cent), the rural rate of poverty is 35 per cent.⁶

Regions with a majority of rural populations have seen little change in terms of poverty reduction and infrastructure creation. Given its location at the border of Laos, the rural Stung Treng province also suffered considerably during the civil war and Vietnamese occupation. About 95,500 out of its 112,000 inhabitants live in rural areas,⁷ and the vast majority of them work in rain-fed agriculture, particularly wet-rice production since irrigation and farm infrastructure is limited.

In 2004, 47 per cent of Stung Treng's population lived below the poverty line, well above the national average of 37 per cent.⁸ Between 2004 and 2010, the province maintained a yearly poverty reduction rate of only 0.8 per cent and remains one of the poorest provinces in Cambodia. Due to the lack of educational infrastructure, almost one third of the adult population in the province is illiterate.⁹ The lack of education and other infrastructure has made Stung Treng's population particularly socially and economically vulnerable.

Women occupy a particularly disadvantaged position in social and economic terms given their limited access to primary education, livelihood opportunities, and health care. Maternal mortality rates and malnutrition among women in Stung Treng is strikingly higher than the national average, while the literacy rate for females in the province is 47 per cent, which is significantly lower than the national average of 60 per cent. Nationally, the gender gap in education is more pronounced with higher levels of education. While an equal number of boys and girls obtain preschool and primary level education, in lower secondary school there are only 63 girls to 100 boys and this ratio drops to 50 girls to 100 boys at high school and university levels.¹⁰ Thus, larger proportions of women are unskilled, and become informal economy workers. While women comprise the majority of the workforce in rural Cambodia (53 per cent), they are more likely to be employed in the informal economy and are commonly paid less than their male counterparts for the same work.¹¹

5 Op. cit., *Country Information*, United Nations in Cambodia, 2012.

6 Government of Cambodia Ministry of Planning: *Achieving Cambodia's Millennium Development Goals*, Phnom Penh, 2010.

7 National Institute of Statistics: *Stung Treng Data Book*, Phnom Penh, Ministry of Planning- Cambodia, 2009.

8 *Provincial Profile: Stung Treng*, World Food Programme, <http://www.foodsecurityatlas.org/khm/country/provincial-profile/Stung-Treng> (accessed 12 August 2012).

9 Ibid.

10 UNIFEM, World Bank, ADB, UNDP and DFID/UK: *A Fair Share for Women: Cambodia Gender Assessment*, Phnom Penh, 2004, p. 72, <http://www.adb.org/sites/default/files/pub/2004/cga-cam.pdf> (accessed 12 December 2012).

11 Ibid.

Section 2: Analysis of the Catalyst

2.1. Why was it created?

The organization aims to equip women with skills, education, healthcare, and childcare services. This allows them to earn good and sustainable incomes, become economically independent, and pull themselves and their families out of poverty sustainably.

Purpose

To achieve this goal, it created a social business enterprise called Mekong Blue, named after the Mekong River which flows through the province, and the traditional indigo dye used in Cambodia's silk handicrafts. Since its foundation, the SWDC is committed to:

- “Improve standards of living and increase opportunities through education programmes in health and literacy;
- Break the cycle of poverty through vocational training in skills that increase employment opportunities and income generation;
- Provide employment opportunities that pay a livable wage, encourage personal development and valuable on the job training;
- Encourage professional competence, ethical practice and quality results through ongoing training and support activities;
- Continuously develop appropriate and sustainable programs that improve lives, increase skills and benefit the community;
- Provide assistance without reference to religious, ethnic or political background.”¹²

Relevance

SWDC's work is highly relevant in light of the dire social and economic conditions prevalent in rural Cambodia, particularly for women in the Stung Treng province.

- Overcoming poverty and isolation of the Stung Treng province – Stung Treng is one of the poorest and most under-developed provinces of Cambodia where access to education, employment and healthcare are severe problems. Its rate of poverty as mentioned earlier is about 47 per cent,¹³ while 65 per cent of its households fall into the “poorest of the poor” category vis-à-vis national consumption rates.¹⁴ While the national poverty rate has been declining in the past decade, the rural province of Stung Treng has not benefited from national GDP growth, and the rural-urban divide remains deeply rooted in the country.¹⁵ Its work is all the more relevant as it is one of only 2 NGOs working exclusively in the isolated province;

12 Home: *Our Commitment*, SWDC, 2011, <http://www.mekongblue.com/> (accessed 27 August 2012).

13 Op. cit., World Bank, 2006.

14 Op. cit., *Provincial Profile: Stung Treng*, World Food Programme.

15 A. Engvall, Ö. Sjöberg and F. Sjöholm: *Poverty in Rural Cambodia: The Differentiated Impact of Linkages, Inputs and Access to Land*, IFN Working Paper No. 706, 2007, <http://www.ifn.se/Wfiles/wp/wp706.pdf> (accessed 12 December 2012).



- Filling gaps in education and vocational training – One of the most persistent gender disparities in Cambodia is in levels of educational and vocational training. Only 47 per cent of girls under the age of 15 years are literate, falling far below the national literacy rate for this age group, which is 60 per cent.¹⁶ The literacy rate is even lower among older women.¹⁷ Many women possess no skills allowing them to seek employment outside farming or the informal economy, and vocational training for women has not yet received adequate policy attention.¹⁸

The literacy, health education and vocational training provided by the SWDC are crucial for young women in Stung Treng to empower them in both their professional and personal lives. Training in sewing, weaving and dyeing, for instance, allows them to be employed in handicrafts, in the province or elsewhere;

- Creating more and better jobs – SWDC's creation and success, particularly through its social enterprise Mekong Blue, have had a number of positive impacts on its employees and on communities in Stung Treng. In a province where 85 per cent of families are engaged in agriculture as their primary occupation,¹⁹ the vocational training and employment opportunities provided by the SWDC are both rare and valuable. Mekong Blue is one of the largest private employers in the province. It also provides the highest salary for weavers in the country, as well as a number of social security benefits such as child care and nutrition programmes for its employees;

16 Op. cit., *Province Profile: Stung Treng*, World Food Programme.

17 Op. cit., UNIFEM, World Bank, ADB, UNDP and DFID/UK, 2004.

18 Ibid.

19 Op. cit., National Institute of Statistics, *Stung Treng Data Book*, 2009.

- Empowering women – The SWDC is significantly advancing women's position in the province through productive and decent work. Gender bias and lack of access to adequate healthcare, education, and livelihood opportunities make women in rural areas of Cambodia particularly socially and economically vulnerable. The vulnerability of women and the discrimination they face in a rural province like Stung Treng was the primary motivation for the creation of the SWDC in 2001. The founder, Chantha Nguon, intended to create alternatives for young women who were becoming victims of prostitution and illegal sex trafficking. Today, a majority of Mekong Blue employees are women, and many of them are the primary bread-winners for their families;²⁰
- Stimulating local production and reviving tradition – The SWDC makes an important contribution to the preservation of the rural cultural heritage in Cambodia. In traditional Cambodian villages, silk production and weaving was an important cottage industry, as well as a primary occupation for women. Most homes would produce their own silk from mulberry bushes grown in their gardens, then weave the silk cloth at home to make silk scarves and other handicrafts that they would sell to nobles and rulers in the local community. This craft was completely uprooted by the communist Khmer Rouge regime, which banned silk production as it was seen as a symbol of the upper classes, and rural women lost one of their primary sources of income and employment. Thus, reintroducing silk weaving and production both gives women an opportunity to earn an income, and revives a Cambodian tradition. All Mekong Blue products are made from 100 per cent locally produced silk, a rare commodity in Cambodia since the majority of its silk handicrafts are made of silk imported from Vietnam.

2.2. How was it created?

The founders

The creation of the SWDC by Chantha Nguon is linked to her own experience as a social worker and nurse in the Stung Treng province in the late 1990s. Born in Battambang, Cambodia, Ms. Nguon and her family fled to Vietnam and Thailand during the Khmer Rouge regime and subsequent civil war. She met her husband Kim Dara Chan, with whom she created SWDC, while they were both employed with the NGO Médecins Sans Frontières (MSF), in their refugee camp in Thailand. Following the establishment of a democratic regime, they repatriated to Cambodia in 1993, continuing their careers with MSF, which led them to the Stung Treng province. Ms. Nguon became immediately attached to this remote province for its serenity and natural beauty, but also for its people and the challenges they faced.

Ms. Nguon's mission with MSF led her to nurse sex workers, many of whom were terminally ill HIV and AIDS patients. This made her aware of the acute poverty and health problems facing the population in this region. The lack of public infrastructure, including facilities for healthcare, education, and lack of public and private employment opportunities, alongside the debilitating impact of the conflict and instability in this region, had left a large percentage of the population with very little means to gain a sufficient, stable

20 C. Nguon, interview, 24 August 2012.

income to support themselves and their families. The problem was particularly severe for young women, who often faced the risk of being forced into prostitution or fell victim to the human trafficking across bordering Laos. Ms. Nguon initially created a hospice for terminally ill HIV and AIDS and tuberculosis patients in the town of Stung Treng, called “Centre for Destination”. To launch her initiative, she sought assistance from her MSF employers who provided her contacts with potential donors and management training. In 2001 she started the Centre for Destination with a small grant from a private donor. The hospice provided “dignity to die” to 75 patients, many of whom were young women sex workers who had been infected with HIV and AIDS.

Within a year, Ms. Nguon realized that the principal means of transforming the lives of the socially and economically vulnerable people would have to be through offering them sustainable livelihoods to prevent them from resorting to precarious and dangerous careers. The Centre for Destination initiative also convinced her that Stung Treng’s women suffered higher levels of poverty and were more vulnerable to social, economic and health problems due to severe gender discrimination in the Cambodian society.

One year after setting up the hospice, the founders decided “to shift from caring for AIDS patients in their last stages of life to preventing AIDS in healthy young people, particularly vulnerable women, in the Stung Treng region.” This laid the foundation for the SWDC that was launched in January 2002 in a small house in Stung Treng town.

Creation – Initial opportunities, support and challenges

To create sustainable livelihoods for young women in the Stung Treng province, the SWDC decided to teach skills on silk cultivation, silk weaving and sewing. The choice of this craft is linked to the fact that textile handicrafts, particularly silk products, are highly valued in Cambodia and, as mentioned earlier, form a major part of the country’s



tradition. Further, given the highly patriarchal rural Cambodian society where women are not encouraged to seek training and gainful employment, SWDC chose to empower them through their traditional roles related to the production of silk textiles. Finally, coming from a family of silk weavers, Ms. Nguon had been trained in the dyeing of Cambodian silk.

The organization was started with USD 3,000 from private donors in Seattle, USA, who had heard about Chantha Nguon and the Centre for Destination initiative. The grant was used to purchase 2 weaving looms and raw silk, and aimed to train 6 women in weaving and sewing as well as give them literacy classes. Initially, Ms. Nguon herself trained the women in silk dyeing and hired “master weavers” from other provinces for a period of 6 months.

For SWDC's founders, the lack of experience in running an independent organization was a major challenge. The organization also failed to obtain financial support from major international funding agencies operating in Cambodia at the time. Given the limited management expertise and access to financial resources and markets, Mekong Blue's initial products were not immediately profitable. However, the SWDC subsequently received important technical and business inputs from the original donors, who fortuitously also had experience in textile production and design.

At the same time, the organization benefited from expanding relations with foreigners working in or visiting the Stung Treng province. They became the first to buy Mekong Blue's products, and also publicised them in fund-raising events in their respective countries. For instance, an early supporter from Japan bought the first batch of scarves produced by Mekong Blue (worth USD 2,500), and sold them at a fund-raising event.



This buyer, who is now a member of the Advisory Board of Mekong Blue, had met Chantha Nguon during her travels in Cambodia. Ms. Nguon soon received another grant of USD 3,000 from donors, as well as crucial advice on how to improve the quality of products and design patterns, so as to meet the tastes of foreign buyers.

The additional grant, technical input, and patronage from individual donors, tourists, and supporters allowed a steady improvement in the quality and the sales of the products. At the start, between 2002 and 2004, the founders and employees of Mekong Blue worked very hard, for very little pay. Ms. Nguon and her husband received no salary from their work at SWDC, and she had to support her family by taking on another job. Their hard work and perseverance finally paid off through expanding sales, technical inputs and recognition from local handicraft associations like the Artisans Association of Cambodia (AAC), a leading free-trade association for socially and economically vulnerable Cambodian handicraft producers, particularly women, disabled persons and land mine victims. In 2004, AAC's Executive Director sent the excellent silk scarves produced by Mekong Blue to the United Nations Educational, Scientific and Cultural Organization (UNESCO), and Mekong Blue won the UNESCO award of excellence both in 2004 and 2005. Ms. Nguon recalls being elated and surprised by this award: "We were only a few years into starting the Mekong Blue at this time. I was not expecting such an honoured international recognition for our work." This early recognition proved crucial in gaining a reputation for Mekong Blue, and in stimulating its sales and boosting its employees' morale.

Growth – Main steps since creation

Following these successes and the expanding sales, the SWDC began introducing a number of social development projects for rural communities in the Stung Treng province. Among them was the creation in 2003 of an on-site childcare centre for the children of the Mekong Blue's women weavers, and a kindergarten for the village. Ms. Nguon had noticed that though many of her employees had become the primary bread-winners of their families, their maternal responsibilities were often difficult to balance with their work life.

To recruit more young women employees into the budding enterprise, the SWDC instituted 2 cycles of training and selection. The first offered free literacy and health training for a period of 1 year on a part-time basis. The young women selected to take part in these trainings were given a modest stipend of USD 10 a month as well as 10-15 kilos of rice, cooking oil, and canned fish to encourage their participation in the programme. The SWDC selected young women between 16 and 35 years who had either never been to school or had received very little education and were from particularly impoverished areas of Stung Treng. After the successful completion of the first training cycle, the most talented and reliable students were given the opportunity to join the second cycle for vocational training in traditional weaving and sewing lasting 6 months (full-time) or 1 year (part-time). This training too was free of charge and trainees were given an allowance of USD 25 per month as well as a bicycle to help them commute.

Following an evaluation at the end of these training cycles, 80 per cent of trainees were given employment at Mekong Blue. This employment provides them an income of USD 85-150 per month, making them the highest paid weavers in Cambodia today. They are also given free lunch and access to a childcare centre where they may leave

their children during working hours. Many of the other women who completed the literacy and vocational training programmes started seeking employment in enterprises and organizations outside Stung Treng. In 2009-2010, the literacy, health, and vocational training programme included 110 women. The high wages, social benefits and training provided by the SWDC have made it a popular organization among local young women. While the SWDC has launched several public campaigns and issued announcements informing young women about joining their classes, a number of them joined their classes by hearing about the organization via word of mouth. The positive reviews and feedback from trainees and employees have made the literacy, health, and vocational trainings the most popular adult education programme in the province.

2.3. How does it currently work?

Structure and partners

The SWDC is headed by its 2 founders. Today, Chantha Nguon mostly manages donor relations, communications, as well as the retail and distribution side of Mekong Blue, from Phnom Penh. Ms. Nguon does not receive a salary from the SWDC directly and works a second full-time job at SOS International. Kim Dara Chan is based in the Stung Treng centre of the SWDC, where he manages the daily implementation of the SWDC projects in addition to heading a vocational training class in construction and building for local men. Mekong Blue is now almost entirely managed by its employees. The first batch of weavers trained by the SWDC have become “group leaders” in Mekong Blue and manage production quality and the training of newer weavers for the enterprise. SWDC's highest decision-making body, the Advisory Board, consists of long-term donors and supporters of the SWDC who have assisted the organization from the beginning. Presently, the main supporters are the Allen Foundation in the United States, Care and Relief for the Young (CRY) in the United Kingdom, and several individual supporters. The SWDC is also a member of the AAC.

Activities

The SWDC has been carrying out 2 main types of activities since 2004: initiatives to expand the sales of Mekong Blue and thereby increase revenues and funds for the SWDC; and social development projects in Stung Treng to improve the standard of living in its rural communities.

A large share of Mekong Blue's revenues is used to cover salaries and benefits to its employees. They also cover 75 per cent of SWDC's other social development programmes, such as the literacy and health classes, vocational training, school sponsorships, and community kindergartens. The SWDC has attempted to steadily increase the number of families and individuals that may benefit from its social development programmes. Since its launch, 500 women, 685 children, 50 men, and a total of 566 families from 5 different districts in the province have benefited from them.

With regard to the sale and marketing of the products, Ms. Nguon and her team at SWDC realized that to cover the high costs of production (which include production and dyeing

of the silk, the wages of USD 85-100 per month, and benefits such as childcare and nutrition programmes), the main items such as scarves, bags and ties, have to be priced at a minimum of USD 100 each. They are thus only affordable to customers from richer countries, and therefore the SWDC specifically targets foreigners, tourists, and expatriates in Cambodia. To increase revenues and sales to a high-end clientele, in 2007 the SWDC opened a café and gallery on its premises in the Sre Po village, to attract visitors and potential buyers. In 2007, with the help of their donors at the Allen Foundation, it opened its own retail shop in Phnom Penh. These investments boost the sales and publicity for Mekong Blue products, thereby creating more job opportunities in Stung Treng. Donors, supporters and tourists who visited the SWDC have also provided exposure to Mekong Blue products abroad through fund-raising events and media reports. In 2011, the SWDC launched its first online store with the help of the Allen Foundation. By building up a network with foreign supporters, Ms. Nguon has been able to travel to several international trade festivals and events that have helped further expand Mekong Blue.

Mekong Blue's products have also considerably improved. All are hand-woven and carefully controlled by the enterprise's senior weavers and group leaders. Furthermore, the silk used is entirely produced by the SWDC in Stung Treng. In Sre Po village, SWDC has developed a sericulture farming centre where they develop skills and provide employment to local farmers. While Khmer silk is in major demand in the international market, only 2 per cent of Cambodia's silk products use locally produced silk;²¹ therefore, the use of 100 per cent locally produced Khmer silk farmed and dyed in Cambodia is one of the factors that make these handicrafts rare and of extremely high quality.

Challenges

The global economic crisis that began in 2008 proved to be a significant stumbling block for SWDC's expansion, and its effects are still felt today. It significantly impacted key Cambodian industries, such as tourism and exports, and has caused SWDC to decrease the size of some of its social development programmes because of decreasing revenues from Mekong Blue. In addition, many SWDC donors - individuals as well as foundations - have reduced their financial support following the crisis. As a result, the literacy and health training cycle has been temporarily suspended, while the vocational training cycles, which had up to 100 women a year, has been drastically been reduced to 35 women in 2012. To counter the drop in tourism, the SWDC is attempting to expand sales to a wider market through an online store based in the US, and managed by donors and supporters. Ms. Nguon considers these steps as necessary not only to overcome the problems posed by the economic slump, but also to ensure SWDC's financial independence instead of being donor driven.

21 *Sericulture Farming*, SWDC, 2011, <http://www.mekongblue.com/sericulture.html> (accessed 31 August 2012).

Section 3: Assessment of the Catalyst

3.1. Main achievements

The SWDC has overcome several odds to reach its current status, and has played a major role in the Stung Treng province.

The organization is one of the few NGOs to concentrate its efforts in this remote and acutely under-developed area of Cambodia. Its work in women's literacy and healthcare through training cycles, alongside its commitment to create sustainable and well-paid employment for women, fills a wide gap in the development of the province. It is also unique in providing women with skills and employment in this impoverished region, where several unemployed or underpaid young women often turn to prostitution and other dangerous occupations for an income.

The SWDC has capitalized on several opportunities from its existing network to build and expand its capacities. From the launch of a well-designed and easy-to-access online store, to exhibitions in international handicraft fairs, the SWDC has successfully marketed the products of the weavers of Mekong Blue with very little external technical and professional input. The organization has strategically aligned the marketing and sales of Mekong Blue products to other initiatives, such as eco-tourism and hospitality. At the same time, its commitment to creating a profitable enterprise through meticulous improvements in the quality of its products and designs has resulted in long-lasting partnerships with its donors and supporters. The 2 founders have also sustained the organization through significant personal sacrifices, overcoming difficulties without compromising the goals and mission of the organization: to improve the lives of women and their families in the Stung Treng region.

The impact of SWDC's efforts in employment creation, social protection, and also on the lives of local women in Stung Treng has proved to be both meaningful and sustainable. In the sparsely populated villages of Stung Treng where the main occupation is rice farming, the SWDC has not only revived the ancient tradition of silk handicrafts but has also trained and employed 70 women to be the highest paid silk weavers in Cambodia. This has not only been beneficial to the women themselves but also to their families, as they are now often the primary bread-winners. Ms. Nguon mentioned that the impact of the literacy and health trainings in Stung Treng has led many of the young women to seek financial independence and employment instead of marrying at a young age.²² Despite the social pressures for women to be home-makers and dependent on their husbands, the young women trained and employed at the SWDC have transformed their social and financial status in their households. In the case of 30-year-old Sambai who joined the SWDC 10 years ago, she is now a group leader at Mekong Blue, and uses much of her earnings to support her family's business. Before joining Mekong Blue, she was paid only USD 1 per day as a vegetable vendor, and now she earns 3 times as much as a weaver for

22 C. Nguon, interview, 24 August 2012.

Mekong Blue. She mentions that her financial independence and improved standard of living have been impressive and she is now encouraging her sisters and friends to join the vocational training cycles and achieve a similar independence and self-reliance.²³

The growth of SWDC in only a decade has been remarkable, as indicated earlier. The success of Mekong Blue in ensuring training and good, sustainable livelihoods for women and men in the Stung Treng province, while consistently producing innovative high-quality, rare silk products, demonstrates the value of the organization's balanced approach combining social development and competitive business, and its role as a catalyst of rural transformation.



3.2 Future

SWDC's main goals in the coming years are to achieve financial independence as an organization and make Mekong Blue a more profitable enterprise. Once Mekong Blue becomes financially stable, Chantha Nguon wants to re-start social development projects, such as the trainings on literacy and health for young women. At present, most of SWDC's donors believe that vocational training has been more beneficial for the organization and thus the literacy and health cycles have been suspended. Ms. Nguon is also considering the possibility of introducing more initiatives on women's health in the near future. One of her ideas is to partner with other NGOs in Phnom Penh to help address women's health problems, such as breast cancer, in Stung Treng.²⁴

²³ Sambaim, interview, 31 August 2012.

²⁴ C. Nguon, interview, 31 August 2012.

The 10-year experience of running the SWDC has made its founders aware of the prospects and problems that threaten the organization's sustainability. For instance, the SWDC currently faces an acute shortage of human resources to manage and maintain the organization. While the SWDC could benefit from the help of full-time educated assistants, managers or even volunteers, currently Ms. Nguon and her husband are the only full time regular employees. Given that the founders receive no salary from the SWDC, it is difficult to find competent and committed assistants willing to work for the SWDC for little or no pay.

Mekong Blue also requires technical support in product design and marketing in the coming years, so as to be able to expand its business overseas. While the SWDC has used *ad hoc* support provided by donors and supporters to improve its products and designs, Ms. Nguon feels that such support is needed on a more consistent and continuous basis. The online store and international exposure through trade fairs and festivals may prove to be important opportunities through which Mekong Blue products can reach a larger global market. In addition, increasing the variety of colours, patterns and product types may help the business diversify its clientele. However, these sales and technical improvements require inputs and support from other organizations.

For Ms. Nguon, SWDC's priority is providing sustainable incomes, decent work conditions (particularly social protection) and a good standard of living to its employees. She is not interested in increasing the scope of Mekong Blue and the SWDC if she is not able to provide them with appropriate social protection, sustainable training, and wages. These goals require support and inputs from individuals and entities that appreciate the principles and mission of the organization.

3.3 Lessons learned

The SWDC provides a number of important lessons for organizations seeking to promote rural entrepreneurship and development through innovative practices and empowering individuals:

- **Find local solutions** – The SWDC has succeeded in establishing an enterprise in a very remote, rural area of Cambodia where more than 90 per cent of the population depends on agriculture as a primary occupation. It has provided an alternative source of livelihood for young women through the revival of a traditional practice, while preserving the heritage of Cambodian handicrafts. SWDC's founders established an enterprise that combined the best of local and global elements by linking the practice of silk weaving, a traditional task for rural Cambodian women, to modern technology and tools that connect Mekong Blue's products to the international market;
- **Provide relevant training** – The key empowering element of SWDC's approach is providing technical training in silk production, weaving, dyeing, and sewing, alongside literacy and health training for women that had not received any formal education hitherto. This training not only allows women to seek gainful employment but also improves the broader living conditions of the rural community in Stung Treng. Ms. Nguon has thereby created a comprehensive social business model that is both profitable and has had a real impact on women's lives;



- **Inspire through leadership** – Ms. Nguon’s strong leadership and commitment to the organization is one of the key drivers of SWDC’s success. Her own example as an empowered, working woman has been important to convince women weavers and SWDC beneficiaries that they too can escape the cycle of discrimination and vulnerability forced upon them by traditional gender roles. Chantha Nguon often described her own experiences to the young women at SWDC to demonstrate that it was possible to improve one’s life, even when beginning from difficult circumstances;
- **Cultivate perseverance** – An important element of SWDC’s success has been its ability to keep track of its goals and commitments to beneficiaries. Despite its financial problems resulting from the global economic crisis and decreased sales, the SWDC has not compromised on its principles of social protection and decent work conditions for its employees. Such commitment and consistency makes it an important anchor for the rural community in Stung Treng. Ms. Nguon’s own philosophy is to keep working even if rewards are not immediately evident, but with the belief that one can create change. As she says, “Without commitment, you cannot do anything. [When I work] all I take with me is the belief that I am doing the right thing. I believe when you are doing the right thing, you get a lot of support and we have got a lot of support around us;”²⁵

25 C. Nguon, interview, 24 August 2012.



- **Seek support** – SWDC's success has also been a product of finding the right supporters and donors at the correct time. The support provided by long-term donors such as the Allen Foundation, providing financial, technical, product design and marketing support has been key to SWDC's development;
- **Ensure high quality** – The organization has worked hard towards improving its products and designs so as to able to target the high-end, luxury markets in foreign countries. The excellent quality of its products, which received international recognition from UNESCO in 2004 and 2005, has helped build its brand name and allowed it to gain global exposure that contributes to expanding sales;
- **Envision expansion** – The SWDC's alignment of investments such as the café, gallery and retail outlets have all served the goal to expand the business of Mekong Blue. These ventures are means to increasing the financial returns which will allow the organization to continue its social projects such as literacy, health and technical training classes.





10

Chapter 10: Synthesis and Lessons from the 8 Catalysts

Chapter 10: Synthesis and Lessons from the 8 Catalysts

This chapter presents a set of valuable findings and lessons from the 8 cases analyzed.

Section 1 sketches the contexts in which the Catalysts were created, to grasp their initial structural hurdles. Section 2 examines outstanding features of the Catalysts' founders, that help understand why and how the Catalysts were created. Section 3 indicates how the Catalysts have transformed rural areas, and addressed specific local needs and institutional gaps. Section 4 reviews challenges to the Catalysts' sustainability. Section 5 points to winning strategies that allow Catalysts to remain successful over time. Section 6 sketches the Catalysts' plans for the future, including financial independence, coverage of new fields and geographical expansion. Section 7 explains how, on the basis of the above, local, national and international actors can best support such Catalysts. Finally in Section 8, a synthetic table captures the main lessons learned from these 8 cases.

1. Challenging rural contexts

The 8 cases reviewed differ widely in terms of geographic location, scope and organization type; but all 8 operate in challenging rural contexts, with a number of specific hurdles.

Lack of basic services

Rural areas are marked by limited infrastructure and limited access to basic services, such as healthcare, education, energy, roads, transportation and communication technologies, creating major disadvantages for local communities.

In Peru, for instance, only 36 per cent of the rural population has access to sanitation facilities and less than one third has access to the internet.¹ The remote Peruvian village Cheto, where the La Chetina enterprise is based, has only one secondary school and one health centre. Similarly, while a majority of India's population (68.8 per cent in 2011)² lives in rural areas, there is an acute shortage of health care, education and financial infrastructure. According to a 2007 survey, 62 per cent of India's rural population did not have bank accounts and 98 per cent had no health insurance.³

1 *Peru Statistics*, Rural Poverty Portal, IFAD, <http://www.ruralpovertyportal.org/web/rural-poverty-portal/country/statistics/tags/peru> (accessed 26 August 2012).

2 Government of India (The Registrar General and Census Commissioner): *Census of India*, New Delhi, 2011.

3 See IIMS Data works and IIEF: *Invest India Incomes and Savings survey* (2007); see also R. Jhabvala, D. Sapna and J. Dave: *Empowering Women in an Insecure World: Joining SEWA makes a difference*, Ahmedabad, SEWA Academy, 2010, p. 54.

Development gaps and degraded environment

High levels of food, work, and income insecurity, illiteracy, and dependence on low-income small-scale agriculture in rural areas point to several gaps in rural development policies. Meanwhile, natural resources on which the majority of the rural labour force relies are deteriorating or being depleted, worsening food, work, and income insecurity.

In Rwanda for instance, in 2009 only 1 per cent of the rural population had access to electricity, which among other factors aggravates the “digital divide” between rural and urban areas, problems which the Nyamata Telecentre and RTN seek to address. Even developed countries can face major rural challenges. In the case of Latvia, the effects of industrialization and large-scale agriculture have not always been positive. Its rural population’s health, natural resources, and environment have deteriorated due to industrial farming and the overuse of chemical fertilizers, herbicides and pesticides promoted during the Soviet Union’s occupation and still practiced today, which the EHFN is countering.⁴

Concentration of poverty

Rural areas host more widespread and deeper poverty than urban areas, as well as a number of groups such as indigenous populations, that are socially and economically disadvantaged.

In the Stung Treng province of Cambodia, where the SWDC is based, nearly 35 per cent of the population lives below the poverty line, while the average poverty rate is 22 per cent in urban areas.⁵ In Peru, 4 out of 10 people are considered poor, while in rural areas, 6 out of 10 are poor, a proportion even higher among indigenous groups in the Peruvian Sierra.⁶ Similarly, in 2004-2005, 42 per cent of India’s rural population, as opposed to 26 per cent of people in urban areas, lived below the poverty line.⁷

Isolation

Insufficient and disjointed national social and economic infrastructures physically isolate rural areas, and distance them from suppliers, markets and mainstream developmental agendas.

In the oPt, imposed restrictions on Palestinian goods and workers have been particularly harmful for agriculture. Farmers struggle to access their lands daily, and are unable to export their products since they cannot physically reach markets in the cities.⁸ In rural

4 Mara Bergmane, Ashoka Fellows, 2003, <https://www.ashoka.org/fellow/mara-bergmane> (accessed 18 December 2012).

5 UNDP: *Cambodia Millennium Development Goals Report*, 2010, <http://www.un.org.kh/undp/media/files/CMDG%20Report%202010.pdf> (accessed 18 December 2012).

6 IFAD: *Republic of Peru: Country Strategy Opportunities Programme*, 2009, <http://www.ifad.org/gbdocs/eb/97/e/EB-2009-97-R-11.pdf> (accessed 26 September 2012).

7 IFAD: *Enabling poor rural people to overcome poverty in India*, 2011, <http://www.ifad.org/operations/projects/regions/Pi/factsheets/in.pdf> (accessed 26 September 2012).

8 UNCTAD: *Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the occupied Palestinian territory*, Geneva, 2011, http://unctad.org/en/Docs/tdb58d4_en.pdf (accessed 12 September 2012).

India, insufficient school coverage leads to a majority of rural self-employed women with low levels of education, training and awareness, that make them vulnerable to exploitative middlemen when selling their products or trying to access credit for their businesses.⁹ In Brazil, the lack of economic and social security policies targeting family farmers, who represent 84.4 per cent of all farms in the country, has severely marginalized them socio-economically.

2. Key features of Catalysts' founders

Catalysts' founders share common features, such as relevant education and training, strong social commitment, and incisive personal experiences, which have played a significant role in the creation and development of their initiatives.

Relevant education and training

Advanced educational, vocational, and professional training, have equipped most Catalysts' founders with the technical and leadership skills required for their specific initiatives, and enriched their conception of rural development.

Songhai's founder, Godfrey Nzamujo, has an eclectic educational background in diverse fields, such as philosophy, theology, mathematics, economics, management, electrical engineering, computer services and biology.¹⁰ This has directly influenced the goals and functioning of Songhai, making it an organization that is not specialized in a single field but promotes an innovative, integrated production model for agriculture by linking agricultural, industrial and service sectors. Similarly, the law degree held by SEWA's founder, Ela Bhatt, led her to work in the legal division of the Indian Textile Labour Association (TLA), where SEWA was initially launched. She complemented it with a diploma on Labour and Cooperatives at the University of Tel Aviv, Israel, and worked in an Israeli kibbutz, where she discovered how unions and cooperatives could work well together, leading her to apply this approach in SEWA.¹¹ Education and work experience have been major assets for entrepreneurs like Paul Barera, who obtained a Bachelor's degree in Management before launching the Nyamata Telecentre and the RTN. This allowed him to create a solid business model for his own enterprise and other telecentres in Rwanda's rural areas. Later, he completed a Master's degree in Development Studies, which enabled him to comprehensively address the issue of ICTs for rural development.¹²

The story of La Chetina's founder, Doris Sánchez, is somewhat different. Though she studied nursing, she gathered practical knowledge about dairy farming through trainings

9 D. W. Crowell: *The SEWA Movement and Rural Development - The Banaskantha and Kutch Experience*, New Delhi, Sage Publications, 2003, p. 9.

10 *Father Godfrey Nzamujo*, The Hunger Project, http://www.thp.org/what_we_do/key_initiatives/honoring_africa_leadership/laureate_list/father_godfrey (accessed 22 August 2012).

11 E. Bhatt: *We are poor but so many: the story of self-employed women in India*, Oxford, Oxford University Press, 2006, p. 9.

12 P. Barera, email correspondence, 7 October 2012.

offered by an NGO.¹³ She combined the trainings with her childhood interest in animal husbandry, to successfully create and lead La Chetina. EHFN's founder, Mara Bergmane, also learned organic farming and herbal medicine through diverse workshops and seminars on biodynamic agriculture, permaculture and traditional Latvian, anthroposophist and contemporary medicine.¹⁴ Concerning SWDC's founder, Chantha Nguon, she learned weaving and dyeing from her grandmother, which helped her revive the traditional practice of silk weaving in the Stung Treng Province of Cambodia through her enterprise Mekong Blue.

Strong social commitment

Catalysts' founders possess an important sense of social commitment, along with respect for rural communities' values and knowledge. Creating jobs, while ensuring these jobs are sustainable, offering good working conditions and livelihoods to employees, are among their key priorities.

For grassroots movements, serving the interests of local communities is central. Thus, FETRAF-Brasil is committed to improving the living standards and working conditions of smallholder family farmers. It does so by influencing policy-making at the national level and by providing direct support to small family farms, in education, housing, land tenure credit, and other diverse sectors ranging from marketing to ecological gardening.¹⁵ Likewise, SEWA's social commitment to improve the work, income, social, and food security of self-employed women has allowed it to reach 1.3 million members from diverse castes and religious backgrounds. SEWA was the first union in south Asia to address the concerns of informal economy workers that represent 86 per cent of India's labour force.¹⁶ Its internal cohesion is enriched by Gandhian values of *satya* (truth), *ahimsa* (non-violence), *sarvadharmā* (integrating all faiths, all people) and *khadi* (propagation of local employment and self-reliance).¹⁷

The agri-business La Chetina is committed to uplifting marginalized communities in Chachapoyas, Peru, and employs single women from the indigenous Quechua community, who have limited prospects for earning a decent, sustainable income in the province. As for EHFN, its main aim is to improve the health conditions in Latvia by linking local, national and international communities to better and healthier food, traditional health services, and awareness-raising and capacity building on health and environment preservation.

Songhai's social commitment is also very strong. It is centred on building the capacities of local farmers to ensure the sustainable socio-economic development of rural areas.¹⁸ Its integrated production system enables farmers to efficiently utilize their resources, so that

13 D. Sánchez, interview, 28 September 2012.

14 *Eco-health farms: Creating alternatives to mass tourism*, Ashoka, 2008, <http://www.changemakers.com/competition/geotourism2008/entries/eco-health-farms-creating-alternatives-mass-tourism> (accessed 20 December 2012).

15 E. Araújo: "Small-scale farmers and rural transformation: the case of Brazil", Presentation for the *Brussels Development Briefings on Rural Transportation*, 2011, <http://brusselsbriefings.net/past-briefings/n24-rural-transformations/> (accessed 18 June 2012).

16 K. Sankaran and R. Mahadev: *Gender Equality and Social Dialogue in India*, Geneva, ILO, 2011.

17 SEWA: *Annual Report 2008*, 2008, http://www.sewa.org/Annual_Report_2008-English.pdf (accessed 11 September 2012).

18 G. Nzamudjo: *Songhai. Quand l'Afrique relève la tête*, Paris, Les Editions du Cerf, 2002, pp. 133–134, 137.

for instance the wastes of one sector constitute inputs for other sectors, and production is locally adapted. This also makes farmers independent from larger companies for expensive inputs. Both Songhai and FETRAF-Brasil promote a value-chain approach that allows farmers to control their selling prices, process their production, and thus reap higher incomes. In the same vein, the PFTA aims at enabling Palestinian farmers to access international markets and improve their working and living conditions. Organic farming allows producers to avoid working with toxic chemicals, for instance, and the fair trade concept ensures profitable incomes, social benefits, and the establishment of a commercial partnership based on dialogue, transparency and respect.

Incisive personal experiences

Founders' resolve to "make a difference" in rural areas often relates to some distinct personal experiences, that inspired or motivated them to create their Catalyst.

Born in Rwanda, Paul Barera grew up in Congo while the civil war ravaged Rwanda in the 1990s. On returning to his home country, he was keen to rebuild Rwanda's social and economic fabric by developing its rural areas. The founder of SWDC in Cambodia, Chantha Nguon, spent her childhood in refugee camps in Thailand and Vietnam, and returned to Cambodia to help those who had been affected by the 30-year-long conflict that had torn apart her country. Her interest in Stung Treng (a province particularly badly affected by the conflict) and in the revival of silk weaving (a banned craft under the Khmer Rouge regime), was based on her vision to rebuild Cambodia.

Having grown up in a farming family, PFTA's founder Nasser Abufarha was well-aware of the struggles of farmers in oPt, and this led him seek the betterment of his community by founding a producers' union. Mara Bergmane, the EHFN's founder, also personally suffered from the difficulties encountered by rural Latvians. Her family lost their land in the late 1940s due to Soviet land reforms, and recovered it 4 decades later, but without its cattle and farming equipment. Ms. Bergmane and her children were also seriously ill for several years, and were cured through traditional healing treatments and by eating healthier, organic food.¹⁹ This motivated her and her husband to create EHFN, a knowledge-sharing and capacity building network to support the work and health of small farmers, as well as the health of Latvian rural communities at large.

19 Op. cit., *Eco-health farms: Creating alternatives to mass tourism*, Ashoka, 2008.

3. Rural transformation achievements

Catalysts use effective and innovative strategies to address core challenges in their rural contexts, and positively transform these contexts in a number of key developmental areas through productive and decent work.

Addressing specific local needs and institutional gaps

Catalysts have grasped specific local needs, identified institutional gaps, and designed demand-driven products and services for their rural contexts. They have all addressed issues that were either not envisaged by other local, national or international actors, or issues that were officially recognized and targeted, but not appropriately addressed in practice.

In Cambodia, Chantha Nguon realized that health services, schools, income and food security were crucially missing in the Stung Treng province. Her work as a nurse dealing with HIV-positive sex workers led her to discover its problems of unemployment, poverty and lack of education, which were particularly severe for women, and not adequately addressed by governmental policies and programmes.²⁰ FETRAF-Brasil focuses on a population segment previously ignored by the Brazilian government that promoted a model of export-oriented agriculture favouring large-scale farming units. FETRAF's approach aids further rural transformation by honing the potential of family farms through providing them with a series of business services, access to credit, capacity-building activities, and ensuring their access to social security and infrastructure such as housing, healthcare, and education.²¹

Songhai endorses a model of agriculture different from that promoted by the Beninese government 25 years ago. Instead of focusing on commercial products that the country could export, such as cotton, the organization has developed a production model that favours small agricultural entrepreneurs and their environment. Tailored to local stakeholders' needs, Songhai's trainings are in high demand because they build participants' capacities to establish their own sustainable agricultural or handicraft business in their rural contexts. The holistic use of local resources, synergies between sectors, recycling, and the use of a value-chain approach,²² enable farmers to be independent of external sellers and buyers as they learn to produce most of the inputs they need - or to find cheap and accessible ones within the Songhai's Farmers' network - and directly profit from the value-added on their products from processing.

In the case of the EHFN, its founders realized that while Latvian organic farmers face tough competition from large-scale agriculture and the highly subsidised food imports from other European Union countries, their environmentally sustainable, safer, and healthier products possess several other advantages. They therefore created a network to enable small organic producers to competitively produce healthy food and deliver health

20 C. Nguon, interview, 31 August 2012.

21 *Quem somos* (About us), FETRAF-BRASIL, http://www.fetrafr.org.br/site/quem_somos.php (accessed 19 July 2012).

22 *Mission*, Songhai, http://www.songhai.org/en/index.php?option=com_content&view=article&id=116&Itemid=104 (accessed 11 September 2012).

services for their local community, and the tourists who visit their farms. Similarly, the Israeli occupation has led to daily challenges for Palestinian farmers to access their land, as well as local and international markets to sell their products. By tapping the niche market of fair trade, PFTA has overcome these constraints, added value to Palestinian agricultural products, and provided decent working and living conditions for 1,700 smallholder farmers.

Lastly, while Paul Barera's initiatives, the Nyamata Telecentre and RTN, are closely aligned with the Rwandan government's developmental agenda, he was also able to recognize the important "digital divide" between urban and rural areas. With the Nyamata Telecentre, he promoted a model to bring ICTs to rural areas, a unique effort in Rwanda at the time. Its success led him to strengthen rural telecentres across the country, and to create RTN, Rwanda's first rural telecentre network.²³

Generating employment

All 8 Catalysts reviewed have directly created productive and decent jobs, and improved employability through skills development.

SWDC's social enterprise Mekong Blue is the largest private employer in the remote Stung Treng village in north-east Cambodia. Its founder aimed to empower young women through decent and productive work, since young, uneducated women in the region have limited job opportunities, and many become victims of sex trafficking as a result of household poverty. SWDC's business model includes training for its employees in sewing, weaving, and dyeing, alongside imparting health and literacy classes. This allows them to gain employment in Mekong Blue, as well as to seek skilled employment elsewhere. Similarly, in Peru, Doris Sánchez has successfully created jobs for young, single indigenous women in the remote rural village of Cheto to improve their living standards. La Chetina also strives to build up local producers' capacities by transmitting good practices and farming techniques. The Nyamata Telecentre and the telecentres in the RTN in Rwanda have created jobs in their own telecentres, and have also increased employment opportunities in rural areas through ICT training and BDS.²⁴

In Benin, Songhai generates and supports employment by training farmers to become productive autonomous agricultural entrepreneurs. Its production, experimentation and research activities, help small farmers achieve more effective and efficient, socially responsible and environmentally sustainable production, processing and marketing. Its other services, namely grants, credits, material loans, counselling, input access, transformation, commercialization and organizational support, contribute to their reinforcement.²⁵ By linking Palestinian producers to international fair trade markets, the PFTA has created a stable source of income for 1,700 producers, including 200 women, allowing many farmers who had previously abandoned their lands to regain their traditional occupation.

23 *Rwanda: A network of Telecentres for a new economy*, Telecentre.org Online Community 2011, http://community.telecentre.org/profiles/blogs/rwanda-a-network-of?xg_source=activity (accessed 30 July 2012).

24 P. Barera, interview, 9 August 2012.

25 *Centre Satellite Savalou*, Songhai, http://www.songhai.org/index.php?option=com_content&view=article&id=66&Itemid=76 (accessed 20 August 2012).

In some cases, particularly during harvest seasons, more than 2,400 seasonal workers are also hired with a PFTA-assured minimum wage.

By strengthening cooperatives and producers' full involvement in value chains, FETRAF-Brasil's training and capacity building activities, such as the First Family Farming Technical School created in 2004, which is now attended by 100 students annually, have improved employment prospects in productive agri-businesses and family farms. Similarly, SEWA has established rural cooperatives and networks that are entirely managed by self-employed women at the village level, providing them with good employment and livelihood opportunities. Building self-employed women's capacities is one of its key priorities and they include the SEWA Academy and SEWA Managers' School (SMS). Both provide basic education, technical training, and strengthen the capacities of managers in SEWA associations and cooperatives; and the SMS is also the only institution in India providing management training for rural self-employed women.

Enhancing social protection

Some Catalysts have prioritized social protection for their employees, beneficiaries and members by providing safe, secure and decent working conditions and increasing their access to social security schemes.

As an organization which seeks to achieve “full employment” and work, income, food, and social security, as well as “self-reliance” for India's self-employed women, SEWA has launched several initiatives to organize savings and credit, health care, childcare, insurance, legal aid, capacity building, and communication services. Its members pay an affordable fee to access these services, which ensures the financial sustainability of initiatives like SEWA's legal services, childcare or capacity-building programmes. Other initiatives, such as the SEWA Bank or childcare and healthcare services, have been organized into cooperatives or local associations managed by SEWA members themselves. These social protection schemes also serve as a source of employment and income for its members.

The PFTA in the oPt is based on international fair trade principles and practices, wherein farmers receive an extra sum called the “social premium” for every product sold, which producers' cooperatives democratically decide how to use. This premium is generally invested in education, healthcare, or farm improvements, which further increase producers' income and living conditions.²⁶ The PFTA has also established a minimum wage that is 60 per cent higher than the average wage for Palestinian agricultural workers.

In Cambodia, the SWDC has launched childcare centres and kindergartens for employees' children, and also provides free lunch meals to them to ensure good nutritional and health standards. In Peru, La Chetina promotes health coverage. For FETRAF-Brasil, the improvement of family farmers' working and living conditions is a fundamental priority. Its negotiations with the national government have prompted changes in national policies, and promoted new initiatives such as the introduction of Brazil's “Specific Health Inspection Law covering Small-Scale Farming Agricultural Industry”.

26 Fairtrade International: *Challenge and opportunity: Annual report 2010-2011*, Bonn, 2011, <http://www.fairtradelabel.org.za/news/fairtrade-international-annual-report-2010-2011-published.78.html> (accessed 15 January 2013).

Songhai's integrated agricultural production model ensures that trained farmers do not use dangerous pesticides, herbicides and fertilizers as it has to be fully organic in order to optimize synergies and recycling. The EHFN pursues a similar approach of training small-scale organic producers in health and environmentally friendly farming methods.

Advancing social dialogue and labour standards

Some Catalysts have also stimulated social dialogue on labour standards and policies to support them in their efforts to improve livelihoods in rural communities. Some have set up organizations and groups to give a voice to rural stakeholders, including in their respective national policy-making processes and international platforms.

Social dialogue, alongside raising consciousness (*conscientização* in Portuguese) is central to FETRAF-Brasil's approach. In workshops and meetings, FETRAF-Brasil members and local government officials exchange ideas to improve living and working conditions for farmers. At the national level, it participates in discussions in councils and public forums to gain official support for increasing housing, education, and financial services in rural areas, which have led to over 10 programmes related to social protection and labour standards for family farmers, implemented in partnership with the government and civil society actors.

In the oPt, the PFTA works towards advancing social dialogue at the local level through its democratic organizational structure, where a board composed of representatives of farmer and women cooperatives, processors, exporters and workers oversees the activities of the union. It also explicitly emphasizes International Labour Convention No. 111, in order to end discrimination towards workers based on race, colour, sex, religion, political opinion or national origin; Convention No. 29, on the use of forced labour; as well as Conventions No. 38 and No. 82, to combat child labour, particularly in hazardous occupations.

SEWA's history as a trade union displays several achievements in ensuring better labour standards for self-employed women workers. SEWA's campaigns are often based on demands to increase the salaries of women in the informal economy, through peaceful but effective strategies that use a mix of confrontational and collaborative elements. SEWA has also directly participated in legislative work, notably through its founder Ela Bhatt's participation in the second Indian National Commission on Labour that led to the creation of the 2009 Social Security Act, and active support to the development of International Labour Convention No. 177 on home work.

4. Challenges tackled

In creating and developing their enterprises, organizations or unions, Catalysts have encountered a number of similar challenges and have formulated strategies to tackle them, linked to their specific contexts.

Ensuring community engagement

Support and participation of local communities are powerful levers for the establishment and development of Catalysts, and securing such participation usually requires special efforts.

To launch his enterprise, Paul Barrera needed to convince local communities in rural Rwanda that ICTs were not reserved for the upper classes and that everyone could benefit from them. He had to demonstrate their practical uses to villagers to attract them to the Nyamata Telecentre. In Peru, Doris Sánchez gained support from local communities only after she proved that the goods produced by La Chetina were of high quality and could provide higher returns for them. The success of her enterprise helped her gain allies, such as small producers in the village that provided raw materials to her at competitive prices. For SWDC, a major challenge was overcoming family opposition towards allowing women to work. However, the profitability of its enterprise, Mekong Blue, has transformed several women weavers into breadwinners for their families, increasing their decision-making role in household affairs.²⁷

SEWA also had to adapt to rural societies which are less open to and suspicious of “outsiders”. Initially, in the Banaskantha district of Gujarat, SEWA rural organizers commuted from their city-based headquarters to villages, and faced difficulties in gaining the trust of rural women and engaging them in collective action.²⁸ To avoid being treated as outsiders, and gain the trust of the villagers, some SEWA’s urban organizers settled in Banaskantha villages for long periods of time, and subsequently hired some village women as Volunteer Village Leaders and SEWA managers.

Receiving recognition

Gaining recognition and acceptance from colleagues and counterparts has not always been an easy process for the Catalysts.

When it was first launched, SEWA challenged the traditional trade union norms and patriarchal biases, and faced opposition from other powerful actors. Unionizing was reserved for workers engaged in the formal economy, and thus excluded informal or self-employed workers. Also, forming a union was perceived as unfit for women. The Indian Ministry of Labour initially rejected SEWA founder’s request to form a union for

²⁷ C. Nguon, interview, 31 August 2012.

²⁸ Op. cit., Crowell, 2003, p. 10.

self-employed women workers,²⁹ but she argued convincingly that self-employed women workers' unionization was not *against* anyone but *for* unity and cooperation. Today, with 1.75 million members, SEWA is among the largest trade unions in India.

Similarly, FETRAF-Brasil was not politically recognized until it proved that its agricultural model could add value to family farming products and activities.³⁰ Once it proved in practice that smallholder farmers could be successful agro-industrial entrepreneurs, they were allowed to play a role in shaping Brazil's public policy related to agriculture. Songhai too had to face critics, particularly from a number of authorities and other organizations who found its model "too different" from mainstream ones. Its founder was also denigrated because he was neither an agronomist nor a farmer by qualification, and even encountered racism.³¹ Recognition came with time, when Songhai's entrepreneurial system proved effective, delivered products of good quality, and when its former trainees began opening their own successful businesses.

PFTA struggled at first to be recognized by the international Fairtrade Labelling Organization (FLO) as they did not have fair trade standards for olive oil, the main product of Palestinian farmers, and indicated that it would develop such standards only when there would be evidence of a sizable market for this product. As creating a market without certification was not possible, PFTA developed its own standards based on FLO's norms. It subsequently tried to secure certification from the Swiss company Institute for Marketecology (IMO), and was certified "Fair for Life" by an IMO third party certification programme for social accountability and fair trade in agriculture, manufacturing and trading operations. Based on PFTA's success, the FLO developed fair trade olive oil standards, and PFTA became the first organization to be fair trade certified for olive oil.

Securing external financial and technical support

Financial, material and technical support are important for most Catalysts, in order to launch their first products and services, and to develop their skills and those of their employees, particularly when support has been limited. Initial activities thus often started on a small-scale; and in the growth phase, they were sometimes suspended to focus on the core ones.

La Chetina's founder had received some initial basic training, but her enterprise was managed without external support, relying on the income generated from its own revenues. For SWDC in Cambodia, which was founded in a small house, with only 2 looms and 6 employees, initial financial support came through small donations from individuals and foundations. It was difficult to convince larger funding agencies to provide support since its work was perceived as too limited in geographical scope to interest donors. Songhai's founder also started with only small funds from a group of friends, and 10 hectares of

29 *About us- History*, SEWA, 2009, http://www.sewa.org/About_Us_History.asp (accessed 4 September 2012).

30 N. Paget-Clarke: "When Cooperative Structures are the Instrument and Autonomy," in *In Motion Magazine*, 24 April 2005, http://www.inmotionmagazine.com/global/at_fetra_fint.html (accessed 25 June 2012).

31 Op. cit., G. Nzamudjo, 2002, p. 31.

land donated by the Beninese government.³² As for Paul Barera, he founded the Nyamata Telecentre with 6 chairs, desks, and computers, a printer, and a telecentre entrepreneurship training, given to him by an international institution on the condition that he would make his business economically sustainable within a year.³³

Mara Bergmane and her husband envisaged the concept of Eco-Health Farms in the 1990s but initially could not finance it. In 2000, with a group of colleagues who shared a common interest, they began developing the idea within the Latvian Organic Agriculture Association. In 2003, when Ms. Bergmane became an Ashoka Fellow, EHFN was launched as an NGO with funding from Ashoka; later on the Latvian State Bank also financially supported it and external experts became involved in the network's trainings.

Support at the foundation stage has proved essential in the case of SEWA, which was housed within the Textile Labour Association (TLA) of India, a major trade union. SEWA initially received the appropriate technical and capital inputs to launch some of its landmark ventures such as the SEWA Cooperative Bank. In 1981, its financial independence and security was under threat when it broke away from the TLA, but steady membership growth in the years that followed allowed it to surmount those challenges.

To avoid dependence on external donors, the PFTA's founder decided to create a professional commercial enterprise at the same time as the union. The Canaan Fair Trade was launched as the exporting company for PFTA, buying the olive oil and other products from the union's cooperatives and selling them to international buyers worldwide.

5. Ensuring long-term success

Promoting excellence

To gain credibility, Catalysts put considerable emphasis on delivering products or services of a higher standard than those of their competitors. Excellence is an end in itself, but also a means to achieve recognition and grow.

PFTA's commercial success is closely linked to the maintenance of stringent standards in the production of organic, fair-trade olive oil and other items in oPt, which allows Palestinian producers to access the fair trade market despite the isolation of their territory. The union trains, certifies, and routinely audits members to ensure that their products are of the highest quality and meet international fair trade standards. Similarly, the excellent quality of the EHFN's members' products is the distinguishing feature of the organization. As the network was created to improve health and nutrition in Latvia, its members take utmost care in producing food items without the use of harmful pesticides and herbicides, which gives them a qualitative edge over subsidised agricultural products from the EU and large-scale farms in the national market.

32 Op. cit., G. Nzamudjo, 2002, p. 71.

33 *Sharing my Experience in running rural ICT enterprise/Telecentre*, P. Barera, 2011, http://www.share4dev.info/telecentres/index.php?view=article&id=400&option=com_content&format=pdf&lang=en (accessed 25 June 2012).

SWDC also guarantees the excellence of its handicrafts. Improvements in design and quality of the silk scarves, bags and other items produced by Mekong Blue have led it to win the UNESCO award of excellence in 2004 and 2005, which increased its sales and gave it international repute.

The high quality of the Catalysts' products and services also establishes the worthiness of the model they promote as it proves, by practical examples, the possibility to excel even in particularly challenging contexts, and in an economically, socially and environmentally sustainable manner. For instance, Songhai explicitly aims to show that its organic and integrated production system is a viable and needed approach to produce healthy food, while ensuring decent income and working conditions for farmers, and without degrading natural resources.

Training managers and employees

Several Catalysts retain their initial members and employees by training and promoting them to management or leadership positions. Diffusing organizational values and approaches to committed and capable employees and managers, contributes to the progress, expansion, and replication of their business, organization or union.

La Chetina strives to train its employees in all its core activities, such as learning to generate, process, and market high-quality products.³⁴ The SWDC has instituted a management system using “group leaders” in its Mekong Blue enterprise, in which the senior weavers – those who have been employed for 5 or more years – can train new weavers and maintain quality control over the enterprise's products. This creates group cohesion and strengthens effectiveness among the weavers trained by the organization, while maintaining the high quality of its production.

One of Songhai's core values is that of “exchange”; the idea that at any time anyone can share his/her knowledge, and also learn from others.³⁵ Thus, about 80 per cent of the people working at Songhai are former trainees who are invited to help develop new technologies, and train others.³⁶ This strengthens Songhai as the former trainees are already familiar with the organization's work ethic and values. Also, all trainees that receive financial support from Songhai are required to provide technical support to other farmers in their area.³⁷ This enables the organization to indirectly train farmers across Benin and neighbouring countries.

The governance of all SEWA organizations is based on democratic principles, which promote leadership and decision-making among its members as a means to empower them. As only 20 per cent of its employees possess a professional background (with 80 per cent coming from working classes), SEWA invests heavily in the education and training of its employees lacking professional or university degrees, in order to equip them with the necessary technical and managerial skills.

34 D. Sánchez, interview, 28 September 2012.

35 Op. cit., Nzamudjo, 2002, p.101.

36 G. Nzamujo, interview, 10 October 2012.

37 Op. cit., Nzamudjo, 2002, pp. 88–91.

Given its very limited funds, the EHFN does not have managers or employees, and board members are also unpaid; the decision-making process among network members is democratic and participative: at the beginning of each year, farmers propose topics that they would like to learn about, and the most knowledgeable members are put in charge of the related trainings, or to find experts who can implement them.³⁸

Gaining local support

An important characteristic of Catalysts is their ability to garner local support, notably through innovative activities and structures, and leadership in decision-making from within the local community.

For trade unions, finding local affiliates has been central to their success. FETRAF started as a grassroots movement in the south of Brazil, then spread to 18 states and today represents 500,000 family farmers across the country. Despite its spread, it maintains a decentralized organizational structure that encompasses over 600 state and municipal levels unions, which cater to the local needs and struggles of family farmers. In India, SEWA put considerable emphasis on adapting to the needs of rural women, and thus the types of structures and organizations it created in rural areas were different from those in cities. Its rural self-help groups are led by local members, or *Aagewans*, who help rural self-employed women identify their common problems and cooperate towards achieving shared goals.

Songhai seeks to make its trainees, farmers and crafts persons, leaders of their own community development by building their entrepreneurship and innovation capacities. Thus, on return to their respective villages, former trainees do not simply replicate exactly what they have learnt at the Songhai's centres, but experiment and develop ways to produce and process food and handicrafts that are better adapted to the local human and natural resources.³⁹

The EHFN is extensively involved with the local communities and municipalities in public workshops and seminars, particularly since such cooperation helps raise awareness about their organic agricultural products and members' services.⁴⁰ As for the PFTA, the "social premium" levied by its cooperatives for instance, is most often reinvested to improve village healthcare centres or schools,⁴¹ and its "Trees for Life" programme distributes olive trees to member and non-member farmers alike.

Diversifying products and services

Catalysts have managed to multiply their impact through a holistic approach. Incorporating diverse but inter-linked activities, has enabled them to reach more types of beneficiaries; find more sources of revenues; and, most importantly, strengthen their impact by integrating mutually reinforcing products and activities.

38 M. Bergmane, interview, 6 December 2012.

39 Op. cit., Nzamudjo, 2002, p. 81.

40 *Eco-health farm workers in Latvia*, Forum Synergies, 2010, http://www.forum-synergies.eu/bdf_fiche-experience-25_en.html (accessed 19 December 2012).

41 A. Haydariyeh, interview, 9 October 2012.

SEWA, which began as a trade union in urban areas but is now more akin to a “movement”, demonstrates how diversification and a flexible structure can increase the influence of an organization over time. This includes the creation of new social security organizations, federations and capacity-building centres to serve the specific needs of rural women; and new institutions in rural areas such as SHGs, cooperatives and producer networks, to serve the needs of rural self-employed women which are different from those in urban areas.

The enterprise model of the Nyamata Telecentre is also based on diversification. The telecentre does not only provide basic ICT services, such as access to the internet, but also banking, insurance, e-governance and BDS, all of which are much needed in rural Rwanda. For the enterprise, this diversity of services ensures greater revenues from different sources. The EHFN also enables its farmers to diversify their products in order to increase their revenue. As a knowledge-sharing network, farmers are able to learn about new techniques, through trainings and workshops. Similarly, Songhai is actively involved in producing, experimenting and researching new agricultural processing and marketing techniques to ensure that trainings are locally adapted, relevant, and innovative.

La Chetina started with dairy products that were well received by the local community; once it assured consumption and revenues at the village level, it started processing other local produce, introducing honey, jam, brandy and chocolate to the town market. The good sales obtained were utilized to open 2 more stores near the factory, and have led to exporting La Chetina's products to cities, including Lima.⁴² Diversification has proven useful not only to increase profits but also to grow and gain recognition locally and nationally.

PFTA members mainly produce olive oil, which is the speciality of the region. However, for Palestinian women farmers whose traditional produce also includes sun-dried tomatoes and couscous, PFTA created separate cooperatives, which helped them add value to their products, empowered them and also diversified sales. In 2011, PFTA began working on almonds, based on members' requests.

Expanding slowly but steadily

Catalysts have expanded progressively. This has often been a strategic decision based on finding the right partners, financial sustainability, and demand for their goods and services.

When launched, the Nyamata Telecentre only delivered ICT services. Soon after, it developed a partnership with the National Electricity Company of Rwanda, ELECTROGAZ, to sell electricity.⁴³ Presently, it delivers a variety of private and public services, which were all developed progressively, depending on the partners it could find. SEWA too gradually expanded its membership, which today includes rural and urban branches of the trade union, cooperatives and federations. The success of each venture, such as the SEWA Bank, provided the stepping-stone for taking up a new activity.

⁴² D. Sánchez, interview, 28 September 2012.

⁴³ Op. cit., *Sharing my experience in running rural ICT enterprise*, P. Barera, 2011.

Songhaï started as a small agricultural production, experimentation and training centre. It has since progressively built new infrastructures, such as larger fish ponds, food processing facilities, a shop, a restaurant, a bio-gas production unit, other centres, and the farmers' network, depending on available opportunities.⁴⁴ In 10 years, the SWDC in Cambodia grew from a small room with 2 looms, to an enterprise with 31 looms. Its founder, Chantha Nguon has used ventures such as the gift shops, café and gallery, to attract tourists to the SWDC weaving centre, thereby increasing the sale of Mekong Blue products.

Linking with the macro-level

Several Catalysts have linked their activities and projects to national and international policy-making and schemes. This has helped them publicize and advocate for their activities among influential actors, but also partnering with them to expand into new areas.

In Rwanda, the RTN works in close collaboration with the government, and now manages 30 of its telecentres in 5 districts. Its founder also contributed to the formulation of the third national ICT plan, leading to the RTN playing an important role in the national team implementing this plan, and to the official incorporation of one of RTN's main projects, the *1,000 Telecentres* into that plan. These links with the government have enabled it to shape and implement policies that ICT entrepreneurs need to support their work, such as an enabling environment for small and medium enterprises and the promotion of ICTs as an essential element of national development. Evolving from a grassroots movement into an important advocate of family farmers today, FETRAF-Brasil has been collaborating with authorities and other social actors at the national level in the formulation of new policies and programmes for smallholder family farmers, such as the PRONAF (National Program for Family Agriculture), which provides agricultural credit and institutional support, and the National School Meals Programme, which requires authorities to purchase 30 per cent of family farmers' produce for school meals.

SEWA too has achieved significant returns from partnering with state and national governments, for instance on projects such as the Development of Women and Children in Rural Areas (DCRWA), which led to the creation of 181 rural producer groups for 3,000 women entrepreneurs.⁴⁵ As an advocate for self-employed workers, it has influenced government regulations and laws on informal economy jobs, such as the "National Policy for Urban Street Vendors". It has also had significant international policy influence, namely in shaping the ILO's Home Work Convention, 1996 (No. 177).⁴⁶

As for Songhaï, it works today in close collaboration with the Beninese government on the "*Projet Songhai National: Promotion de l'Entreprenariat pour la Transformation Socio-économique des Zones Rurales au Bénin*" (National Songhaï Project: Entrepreneurship promotion for the socio-economic transformation of rural areas in Benin) to disseminate and strengthen

44 Op. cit., Nzamudjo, 2002, p. 71.

45 Movement- DWCRWA, SEWA, 2009, http://www.sewa.org/Movements_Gujarat.asp#DWCRWA (accessed 21 March 2013).

46 Op. cit., E. Bhatt, 2005, p 213.

its activities in Benin. It also works with different international partners, launching for instance in 2008 the “Songhai Regional Project for Agricultural Entrepreneurship Promotion”, to reproduce its model in 11 other countries in Africa, with support from UN Agencies.⁴⁷

Creating networks

Support networks and institutions have proved to be a key element of success for Catalysts of rural transformation; both in allowing stronger ties and cooperation, and in increasing the quality of products and services, thus widening their delivery and outreach.

Paul Barera created the RTN in Rwanda following the success of the Nyamata Telecentre, to increase cooperation and jointly solve problems experienced by all rural telecentres.⁴⁸ Sharing knowledge and experience across the country is a way to improve the quality of services and to increase the presence of ICT. Similarly, the EHFN aims to strengthen the capacity of its members through knowledge and experience sharing. It puts farmers in contact with each other so they can collaborate at their level, and also organizes trainings delivered by experts or specialist members in the capital to increase their knowledge and reinforce and vary their activities. In Benin, Songhai launched a network of former trainees, which enables them to share experiences and difficulties, as well as technically support each other. By participating in the network, entrepreneurs can use the Songhai label, which associates them with recognized standards of socially, eco-friendly and high-quality products. Songhai also benefits from maintaining close ties with its former trainees, as they help disseminate its values, and strengthen its production model.

SEWA too has realized the potential of creating retail networks for small and marginal producers in rural areas. This led it to launch the Rural Distribution Network (RUDI) in 2004 at the village level to link high quality goods produced by small farmers to district and state markets. In 2006, its members launched the RUDI Multi-trading Company, a marketing company for the RUDI network, which procures products directly from the farmers, and processes, packages and markets them. Women's self-help groups at the village level manage both the network and the company.

Similarly, FETRAF-Brasil relies on an intricate network of cooperatives formed by small groups of family farmers. At the municipal or regional level, together with other family cooperatives, they form a larger system, such as the Union for the Cooperatives of Family Agriculture (UCAF) in the state of Santa Catarina.

47 *Ban Ki-moon's letter of appreciation*, Songhai, 2010, http://www.songhai.org/en/index.php?option=com_content&view=article&id=129:ban-ki-moons-letter-of-appreciation-&catid=50:remarks&Itemid=144 (accessed 22 August 2012).

48 P. Barera, interview, 9 August 2012.

6. What does the future hold?

Ensuring financial independence

Some Catalysts reviewed continue relying on external sources of financial, material or technical support, while others have reached financial autonomy. A common concern among all of them is maintaining their financial independence.

Today, the revenue generated by the Nyamata Telecentre sustains its costs. However its founder continues to look for funds to deliver more services to its clients, such as specialized trainings for farmers or women. It is also continuously looking for new partners, such as insurance companies, to ensure the diversification of activities.⁴⁹ Other Catalysts, like Songhai, have achieved financial independence. The organization provides for the management of its 6 centres in Benin, including the salaries of its employees, its trainings, production, processing, marketing, and research activities.⁵⁰ However, it is still looking for funds and partners to widen the scope of its activities, such as the Songhai's Farmers' network.

On the other hand, SWDC still depends on donors for its social development projects. While the Mekong Blue has been commercially successful, the financial and economic crisis that started in 2008 has badly affected its sales. Its founder hopes to expand sales in the coming years to gain financial independence, and also seeks technical support in design and enterprise management to strengthen her business. The EHFN too is restrained by lack of financial resources. Presently, its only employee is a part-time accountant, while board members and farmers work voluntarily.⁵¹ Additional funds are also needed to help organize more trainings, and help EHFN members to, for instance, defray travel costs related to attending training sessions.⁵²

By engaging in technical and leadership trainings, FETRAF-Brasil is working to improve its in-house financial management. It also seeks to ameliorate the organization's communication strategies, with a focus on social media, to strengthen coordination among its members throughout the country, and to better inform its members about related policies and other issues.⁵³

SEWA ensures the financial viability of its social security programmes such as housing, childcare, savings, credit and education by charging an affordable fee for each service from its members.⁵⁴ For other projects such as healthcare under the *Lok Swasthya* programme, or its new green energy project *Haryali*, it partners with the national government, international agencies, and the private sector.⁵⁵

49 P. Barera, interview, 9 August 2012.

50 P. Brachet, A. Rossignol, H. Giummelly: *Ferme modèle au Bénin*, Arte Geie, 2010, <http://www.arte.tv/fr/ferme-modele-au-benin/6576534,CmC=6576558.html> (accessed 9 October 2012).

51 Op. cit., *Eco-health farms*, Ashoka, 2008.

52 M. Bergmane, interview, 6 December 2012.

53 E. Araújo, email correspondence, 10 October 2012.

54 *SEWA Services*, SEWA, 2009, http://www.sewa.org/Sewa_Services.asp (accessed 4 September 2012).

55 R. Nanavaty, interview, 26 November 2012.

Addressing new domains and problems

While all analysed Catalysts concentrate on securing their primary products, services, and activities, they all have ideas for new initiatives, for expanding their current activities, covering new fields, and addressing other problems faced by their beneficiaries and members.

SWDC, which has focussed primarily on generating productive and decent employment for young women in the Stung Treng province, now seeks to expand its work on improving healthcare facilities and awareness in other rural areas of the province. Chantha Nguon hopes to find partners in Phnom Penh and other cities in Cambodia to set up a network of organizations that can increase poor women's access to healthcare services. Paul Barera seeks to widen the RTN knowledge-sharing concept beyond individual exchanges and isolated initiatives. He envisions developing the delivery of government services in all rural telecentres, such as the possibility to pay taxes or register businesses.

Songhai intends to develop new technologies to recycle local resources in innovative and effective ways. Its aim is also to increase the productivity of activities, such as fish farming, and to intensify trainings.⁵⁶ FETRAF-Brasil plans to strengthen access to research, technology and technical support for family farmers –especially rural youth– to produce healthy and high-quality food, and to create more employment.⁵⁷ Further, as its members are sensitive to environmental concerns, it intends to enhance agro-ecological production alternatives and lobby against the use of genetically modified crops. Within EHFN, each member has different objectives, but most of them want to engage in new activities in the future. For instance, Mara Bergmane who mainly specializes in tea, herbs and healing saunas, would like to start teaching the local population about producing organic food and healthy cooking. Other network members have recently started producing homemade cosmetics and ointments.⁵⁸

PFTA intends to develop fair trade ethics and standards in oPt through research. It now also invests in research related to improving organic farming productivity, and is recycling oil into fuel tractors to reduce some production costs.

Expanding in other parts of the country and globally

Most Catalysts aim to expand beyond their particular regions and countries, to reach more beneficiaries and clients, and to disseminate their model.

SEWA's approach has been exported to countries such as South Africa, Yemen, Turkey, Afghanistan, Pakistan, and Nepal, to help self-employed women develop unions and other structures that increase their collective strength. At the same time, SEWA still has the potential to grow in India and expand beyond the 10 states where it is currently active.

56 *Perspectives*, Songhai, http://www.songhai.org/index.php?option=com_content&view=category&layout=blog&id=49&Itemid=68 (accessed 11 September 2012).

57 Op. cit., E. Araújo, email correspondence, 10 October 2012.

58 M. Bergmane, interview, 6 December 2012.

On the other hand, FETRAF does not intend to expand outside Brazil, but aims to spread its ideology and message globally; that is, to convince family farmers in other countries that the “battle” of smallholders has to be carried across the world.⁵⁹

For enterprises such as the RTN, which is launching an umbrella network for all telecentres’ networks in Africa, called NetAfrica, the aim is to increase knowledge-sharing and problem-solving with other networks in the continent and to advocate for ICT’s a key role in Africa’s development. Such a continental network would also serve the needs of rural telecentres in terms of finding resources and support from international institutions through a collective channel. As for Songhaï, its “Songhaï Regional Project for Agricultural Entrepreneurship Promotion” aims at reproducing the organization’s model in 11 other African countries.

For micro-enterprises such as La Chetina, expanding implies growing nationally. Its founder is keen on opening a larger factory in the province to increase the volume of sales, reach more farmers, and thus also create more jobs.

7. How best to support Catalysts?

As different as they are, Catalysts’ stories indicate an array of ways of supporting their significant work of transforming rural areas that involve local, national and international communities, peers, authorities and institutions.

Help address financial, material and technical needs

All 8 Catalysts reviewed have been continuously looking for various types of external support, to strengthen current activities, or develop and implement new ones.

The analysis shows that communities, peers, authorities and institutions can not only provide funds, but also practical goods and services (e.g., computers, looms, facilities, website design, social media) or skills training (e.g., in weaving, marketing, management). Partnerships between Catalysts and other relevant actors are mutually beneficial and an important means for expansion. They can not only strengthen Catalysts, but also accelerate the process of rural transformation. For instance, a private or public partner entity can train Catalysts’ staff to deliver products and services using Catalyst’s facilities; or a government can provide a Catalyst with an official mandate to help it implement its policies in a specific rural area.

Technical support services in research and technology adaptation are also increasingly needed, as farmers and other rural entrepreneurs are exposed to global competition, rapidly evolving technology, and continuous shifts in regulatory frameworks. These services though must take into account local knowledge and specificities and promote partnerships among technicians, researchers and local practitioners to ensure appropriate rural transformation.

⁵⁹ Op. cit., Paget-Clarke, 2005.

Facilitating access to finance and economic and social infrastructure

The work of rural Catalysts is more effective in an enabling economic and social environment.

Availability, at low cost, of economic infrastructure (e.g., roads, electricity, ICTs) simplifies the creation and development of the Catalysts by connecting them physically and virtually to local, national and international markets, and to communities, peers, authorities and institutions, with which they can share information and knowledge to improve their work, broaden their activities, or request support. Equally important is the availability and low cost of social infrastructure (e.g., healthcare and childcare, insurance mechanisms), which contribute both to improving the performance of Catalysts' employees and members, and to increasing the willingness of the Catalysts' employees, members, beneficiaries, clients and partners to work in rural areas.

Access to finance is also crucial. Catalysts can ensure their current activities and develop new ones when they can easily obtain loans and do not lose time with complicated procedures to receive them.

Accessible and rapid administrative procedures to officially launch and register their business, organization or union, ease the Catalysts' creation. For instance, avoiding travels to the capital to prepare necessary paperwork, can save Catalysts considerable time and money.

Promoting and helping disseminate products, services and ideas

Supporting Catalysts to disseminate their products, services and ideas has a considerable impact on their sustainability and growth. Support can take the form of trainings (e.g., in marketing, and ICTs), or can involve the direct use of the Catalysts' products and services, or advocacy for their interests at local, national and international levels. This also helps Catalysts ensure community and institutional support.

Further, such support can enlarge the scope of their activities and allow them to gain wider support.

Facilitating information- and knowledge-sharing networks

Establishing knowledge-sharing and communication networks have proved to be a powerful means to ensure Catalysts' sustainability.

This review shows that external support can help Catalysts identify, develop, and use potential networking hubs in their activities. Support in terms of developing technical skills (e.g., in setting up cooperatives, ICT facilities) to build networks is also a key factor. External support can directly build, or provide capacity to build, formal and informal, horizontal and vertical networks among the Catalysts and the targeted beneficiaries, clients, peers and authorities.

Allowing political impact

The impact of the 8 Catalysts on long-term rural transformation has also proved to be considerably stronger and wider if national authorities take notice of their work. Catalysts' involvement in policy-making helps create a more enabling environment for them, their beneficiaries and clients, which in turn facilitates the implementation of their initiatives and models, thus prompting their progress.

This analysis points out that it is key to help Catalysts link up with local, national and international policy-makers. This allows them to share their ideas and challenges, propose models, discuss and formulate potential solutions, and develop public-private partnerships. A broadly participatory environment and influential facilitators are significant as they foster better communication between Catalysts, their beneficiaries and clients, and local, national, and international authorities.

8. Lessons learned

The following table synthesizes the lessons learned from the review of the 8 Catalysts of rural transformation. They are grouped by the core issues that help understand how they were created and sustained, how they have impacted rural areas, and how they can be best supported.

Key features of Catalysts' founders
<ul style="list-style-type: none"> ■ Educational backgrounds, that shape their vision for rural transformation, and facilitate implementing the initiatives; ■ Educational and vocational qualifications, helping ensure the quality of Catalysts' products and services; ■ A sense of social responsibility, for improving the working and living conditions of rural communities; ■ Core values such as peace, democracy and non-discrimination, that lend credibility to their leadership; ■ Personal and professional life-changing experiences, that create a drive to promote development and support disadvantaged groups; ■ Charisma, which attracts attention, helps mobilize human and financial resources, and ensures leadership; ■ Perseverance and passion, to help overcome challenges and sustain long-term goals.

Rural transformation achieved

- Building capacities of rural communities to become socially and economically self-reliant;
- Increasing access to basic services and economic opportunities;
- Addressing specific local needs, not met by other local, national, and regional institutions;
- Encouraging social protection for rural workers, including proper income, healthcare, and food security;
- Raising awareness about the need to improve rural living and working conditions;
- Impacting public policy;
- Increasing and broadening employment opportunities, through skills development, promotion of alternatives to agriculture or innovative agricultural models.

Challenges tackled

- Ensuring community engagement and support, particularly at the early stages;
- Receiving recognition, through persuasion and by proving the effectiveness of the models used;
- Addressing a set of economic, social, institutional, and policy gaps (e.g., urban bias in development policies);
- Securing external financial and technical support, particularly at the early stages, but also to undertake new activities later.

Ensuring long-term success

- Promoting excellence in products and services, to gain reputation and credibility;
- Training employees technically to become future managers;
- Gaining local support and promoting local leadership;
- Diversifying products and services, and reaching diverse social groups and markets;
- Gradually diversifying and expanding;
- Establishing networks to connect and organize rural communities and stakeholders vertically and horizontally;
- Linking and collaborating with macro levels, including local, national and international policy-makers, to strengthen and disseminate initiatives and models, and impact policies.

How best to support Catalysts?

- Providing direct financial, material and technical support at crucial times, namely launching and expansion phases (e.g., funds, facilities, capacity building);
- Facilitating access to finance (e.g., loans, micro-finance);
- Granting easy access to economic infrastructure (e.g., electricity, roads, ICTs), at low cost;
- Ensuring access to social infrastructure (e.g., healthcare, childcare, insurance) and decent working conditions;
- Promoting and helping disseminate their products and services, to increase visibility, beneficiaries and clients;
- Promoting and disseminating their ideas, to encourage recognition at local, national and international levels, thus ensuring community-based, institutional, and other support;
- Assisting the creation of information and knowledge sharing networks for and with their beneficiaries, peers, partners, and authorities;
- Enabling them to reach authorities, and impact decision-making.

APPENDIX 1: Structure of the Case-Studies

Executive Summary

Summary of the case study with emphasis on achievements and on why the case is a Catalyst of rural transformation.

Section 1: Introduction and Context

1.1 Introduction

Key facts to acquaint the reader with the specific case, such as the type and size of the Catalyst, its main goals, key beneficiaries or members, geographic scope and highlights of its impact.

1.2 Context

Facts and figures on the country and local setting of the Catalyst; in particular: socio-economic conditions, geographic and historical characteristics. This includes information on the advantages and challenges of the local context, natural, physical, human resources, policy framework, etc.

Section 2: Analysis of the Catalyst

2.1 Why was it created?

Indication of the Catalyst's purposes (stated mission and goals); and of its special relevance, such as the problem(s) the Catalyst attempted to address, and the broader relevance of its work in rural transformation.

2.2 How was it created?

Details about the Catalyst's founder; its creation, including initial opportunities, initial challenges and strategies used to overcome those challenges; and the main steps taken to grow since its creation.

2.3 How does it currently work?

Presentation of the Catalyst's current structure (leadership, membership, staff, sections and components); partners (important donors or supporters); current activities and programmes; internal and external challenges and strategies used to overcome them.

Section 3: Assessment of the Catalyst

3.1 Achievements

Review of the Catalyst's key successes (in terms of growth, outputs and services, etc.) related to decent work pillars and contributions to the process of transformation that the Catalyst has made through its activities and success.

3.2 Future

Catalyst's major objectives and plans for the coming years; opportunities for growth; the local, national, and international changes that can improve the scope and performance of the Catalyst; foreseen (internal and external) challenges; threats to sustainability or further growth; support the Catalyst may need to seize opportunities and overcome challenges.

3.3 Lessons learned

Key elements of success: internal strengths of Catalyst, and external opportunities that proved essential; key challenges (internal and external) at various stages of growth, and type of support most needed and most effective at various stages of the Catalyst's growth.

APPENDIX 2: Summary Tables of the 8 cases

Summary Table 1:
Eco Health Farm Network (EHFN), Latvia

Name of Catalyst	Eco Health Farm Network (EHFN)
Country	Latvia
Level	Meso
Sector	Agriculture, Environment, Health, Tourism
Decent Work Pillars	Employment, Social Protection
Organization Type	Non-Governmental Organization
Starting Year	Early 2000s, formalization as an NGO in 2006
Description	The EHFN regroups individual organic farms to support their innovative work that promotes the integration of healthy working and living conditions, preserves the environment, and safeguards the cultural heritage of rural Latvia. Through various types of capacity building methods, from lectures with invited experts, to excursions on members' farms, the network enables small-scale producers to strengthen and improve their farming, health, and environment preservation, as well as tourism practices, products, and services, and to widen their range of activities. These activities ensure economic sustainability, while disseminating to local, national and international communities their holistic approach linking human well-being, economic relations, health and nature.
Purpose	Supporting small-scale producers to fulfil a harmonious integration of their farming practices, health, and natural environment protection, to enable them and their visitors to improve their lives through wholesome food, appropriate healing treatments, and preservation of their living and working environments. The EHFN's approach includes, at the network and at farm levels, the revitalization of rural Latvian traditions, their integration with modern practices, and the dissemination and exchange of knowledge and practices not only among members, but also with local, national, and international specialists, and rural and urban communities.
Beneficiaries	Latvian small-scale farmers; local, national, and international communities; tourists.

Activities	<ul style="list-style-type: none"> ■ Developing of an alternative model to industrial agriculture through the promotion of organic and small-scale production, processing, and marketing; ■ Developing of an alternative model to mass tourism through the promotion of healthy and educational visits and stays at organic family farms; ■ Leading a national knowledge-sharing network about organic and small-scale farming, processing and marketing, health preservation and treatment, environment preservation and tourism; ■ Organizing monthly capacity-building lectures and workshops on a variety of topics related to the EHFN's approach, requested by members and delivered by them or by national and international experts; ■ Organizing of annual learning excursions in model farms in Latvia as well as in other European countries; ■ Actively collaborating with the Latvian Organic Agriculture Association (LBLA).
Achievements	<ul style="list-style-type: none"> ■ Grew from 0 to 70 members, working on over 2,800 hectares; ■ Has strengthened the economic and environmental sustainability of its members' enterprises; ■ Has developed a variety of collaborations with national and international agricultural, health and environmental specialists and networks to deliver state-of-the-art information and trainings to its members; ■ Many EHFN members now receive over 1,000 visitors per year; ■ A number of EHFN members have developed multiple collaborations with municipal governments and local schools to spread EHFN's approach to improve the local population's living conditions.

Summary Table 2:
The Federation of Men and Women Family Farming Workers (FETRAF), Brazil

Name of Case/ Catalyst	<i>Federação Nacional dos Trabalhadores e Trabalhadoras na Agricultura Familiar</i> - FETRAF-Brasil (National Federation of Men and Women Family Farming Workers)
Country	Brazil
Level	Meso
Sector	Agriculture, Social security
Decent Work Pillar(s)	Social Protection, Social Dialogue, Labour Rights
Organization Type	Federation of trade unions
Starting Year	2004
Description	FETRAF-Brasil is a national federation of state and municipal trade unions, representing over 500,000 family farmers in 18 states across Brazil. It seeks to expand and strengthen national agricultural and social security policies aimed at family farming; and to increase the productivity and profitability of family farms products and services through the creation of cooperatives, and the implementation programmes that provide credit, technical support, and social security to its members.
Purpose	Strengthening and expanding the representation of family farmers in Brazil; unifying state and municipal trade unions for family farmers; and ensuring better living standards and working conditions for its members through an “alternative sustainable development model” that empowers family farmers.
Beneficiaries/ Members	Family farmers

Activities	<ul style="list-style-type: none"> ■ Advocating and negotiating for state and national policies to improve family farmers' access to housing, education, health, land, and credit; ■ Facilitating members' access to existing government schemes targeting family farmers by raising awareness, and simplifying administrative processes for members; ■ Implementing projects; to improve family famers' access to credit, housing, food security; ■ Organizing small cooperatives to improve the productivity of members' farms, and improving community management of resources; ■ Capacity building, particularly for women and youth, through educational programmes and training on management, marketing, agro-ecological gardening, etc.; ■ Developing and promoting agro-ecological techniques; ■ Partnering with other rural labour movements, such as the Landless Workers' Movement and <i>Via Campesina</i>, to campaign and mobilize for agrarian reform and sustainable development.
Achievements	<ul style="list-style-type: none"> ■ Spread from 3 to 18 states in Brazil within 10 years; ■ Includes 15 state-level federations and 600 municipal unions, active in 1,000 cities and 22 micro-regions in the country; ■ Broadened its activities from mobilizations and campaigns, to include implementation of community-led projects on access to credit, housing, education, training, etc.; ■ Successfully incorporated cooperative structures within its organizational structure. For example, COOPERHAF, a cooperative rural housing project, successfully spread to 12 states in the country, addressing the housing needs of over 30,000 family farmer households, and received the World Habitat Award; ■ Played a key role in advocating and negotiating agricultural and social security policies for family farmers, such as the PRONAF (rural credit), PRONERA (education), and PNHR (rural housing) programmes.

Summary Table 3:
La Chetina, Peru

Name of Catalyst	La Chetina
Country	Peru
Level	Micro
Sector	Agribusiness
Decent Work Pillar(s)	Employment, Social Protection
Organization Type	Micro-enterprise
Starting Year	2007
Description	La Chetina is a micro-enterprise located in the remote village of Cheto, in Peru's Chachapoyas province. It produces and sells goods prepared with local agricultural inputs produced by single women, who in turn earn a steady income, as well as access to healthcare for themselves and their families. Like most of her employees, La Chetina's founder belongs to the indigenous Quechua community. Today La Chetina has 3 stores, 6 employees, and generates further employment for over 50 agricultural producers.
Purpose	Providing employment for women and their families in Cheto and its surrounding areas, and promoting growth and development.

Beneficiaries	Local farmers, particularly women
Activities	<ul style="list-style-type: none"> ■ Cultivating quality agricultural goods; ■ Producing and marketing yoghurt, cheese, butter, honey, marmalade, chocolate and other traditional products from locally-cultivated agricultural goods; ■ Training local farmers to cultivate, process, and market their products; ■ Promoting local product consumption in communities; ■ Facilitating access to healthcare services to its employees, and more broadly in the community.
Achievements	<ul style="list-style-type: none"> ■ Expanded from 1 to 3 stores (1 in Cheto and 2 in the provincial capital Chachapoyas); ■ Generated employment for students and over 50 milk-producers; ■ Consumers come from outside Chachapoyas to buy La Chetina products and sell them nationally (in Lima, Chiclayo, Trujillo and Tarapoto); ■ Production expanded from dairy products to honey, marmalade, brandy and chocolate, all prepared with local goods; ■ Products are now also sold in nearby districts and other provinces.

Summary Table 4:

The Nyamata Telecentre and the Rwanda Telecentre Network (RTN), Rwanda

Name of Catalyst	The Nyamata Telecentre	The Rwanda Telecentre Network (RTN)
Country	Rwanda	Rwanda
Level	Micro	Meso
Sector	Information and Communication Technologies (ICTs)	Information and Communication Technologies (ICTs)
Decent Work Pillar(s)	Employment	Employment
Organization Type	Private enterprise	Non-profit organization
Starting Year	2004	2006
Description	A telecentre located in the village of Nyamata, 24 kilometres from Rwanda's capital Kigali. Its founder worked in the local government, studied management and development, and decided to become a telecentre entrepreneur to prove that ICTs could be effective tools for rural development. This telecentre is now an information, services and products delivery hub.	A network of rural telecentres, located in Kigali, launched by the founder of Nyamata Telecentre and 2 of his university colleagues, who wanted to enable Rwandan telecentre entrepreneurs to share knowledge, experiences and challenges, and collectively find solutions. It also supports government's efforts to reduce the urban-rural digital gap by taking part in national policy formulation and implementation, and creating new telecentres in rural areas.
Purpose	<ul style="list-style-type: none"> ■ Reducing the digital gap between urban and rural areas by providing access to ICT services in villages; ■ Improving communication and services delivery between the Rwandan government, the local communities, and businesses. 	<ul style="list-style-type: none"> ■ Promoting and developing ICTs for rural development in Rwanda by strengthening and supporting existing telecentres in rural and semi-urban areas, and by helping or initiating new telecentres; ■ Improving the legal and economic environment for small entrepreneurs in ICTs for rural development.

Beneficiaries	Inhabitants of Nyamata and surrounding villages.	Telecentre entrepreneurs in Rwandan rural areas, their staff, and the local communities.
Activities	<ul style="list-style-type: none"> ■ Providing ICT training and services; ■ Providing different kinds of services: BDS, e-governance, e-learning, banking, agriculture and health-related services. 	<ul style="list-style-type: none"> ■ Establishing new rural telecentres; ■ Implementing knowledge-sharing and capacity-building activities; ■ Creating and disseminating local content; ■ Advocating and raising awareness about ICTs.
Achievements	<ul style="list-style-type: none"> ■ Growth from 2 to 25 employees; ■ 100 visitors a day; ■ Delivering a variety of ICT and non-ICT private and public services; ■ Numerous partnerships, including with banks, insurance companies, and the National Electricity Company of Rwanda (ELECTROGAZ); ■ Serves as a model for the creation of other telecentres in rural areas. 	<ul style="list-style-type: none"> ■ Growth from 3 to 25 employees; ■ 140 members; ■ 150 new telecentres created in rural and semi-urban areas; ■ Variety of trainings in ICT and non-ICT services delivered; ■ Management of 5 telecentres established by the government located in 5 districts of the northern province of Rwanda; ■ Numerous projects, including the <i>Knowledge Network of Community Telecentres</i>, <i>1,000 Telecentres</i>, <i>Telecentre Women: Digital Literacy Campaign</i>, and hosting of the <i>Pan African Network</i>.

Summary Table 5:

Palestine Fair Trade Association (PFTA), Occupied Palestinian territories

Name of Catalyst	Palestine Fair Trade Association (PFTA)
Country	Occupied Palestinian territories (oPt)
Level	Meso
Sector	Agriculture and related processing industries, Handicrafts
Decent Work Pillars	Employment, Labour Rights, Social Protection, Social Dialogue
Organization Type	National union of producers' cooperatives, processors and exporters (status: NGO)
Starting Year	2004
Description	The PFTA is the largest union of fair trade producers' cooperatives, processors and exporters in the Palestinian territories, with over 1,700 members. With its exclusive exporting partner, the company Canaan Fair Trade –also created to support it– PFTA economically and socially empowers Palestinian farmers, including women, through fair trade and organic certifications. It builds its members' capacities to profitably produce and sell, by organizing them in cooperatives and training them in fair trade and organic practices, in order to enable them to obtain the certifications which give access to profitable international markets. Working conditions are also improved by the implementation on each farm of labour standards, and by the social dialogue and facilitated business of the union's participative structure.
Purpose	Enabling marginalized Palestinian producers to become self-reliant in their traditional agribusiness and handicrafts, which are currently negatively affected by the conflict with Israel, in particular regarding their access to land and to local as well as international markets.
Beneficiaries	Palestinian farmers, producing principally olive oil, and women, producing and processing a variety of locally traditional agricultural products, such as sun-dried tomatoes, herbs, or soap from olive oil.

Activities	<ul style="list-style-type: none"> ■ Setting up of locally-relevant fair trade standards, respecting international guidelines; ■ Promoting of fair trade and organic practices and standards, and providing of fair trade and organic certifications through creating and organizing producers' cooperatives and training workshops; ■ Following up of fair trade and organic certifications, through capacity-building workshops and field inspections; ■ Opening new international markets for Palestinian fair trade and organic certified producers, through its exporter Canaan Fair Trade; ■ Promoting PFTA's products, activities and producers at the national and international level, through PFTA's or Canaan Fair Trade's participation in national and international events, such as fairs, exhibitions or festivals; ■ Development of an environment where producers, processors and exporters can share ideas on common matters of interest, through a participatory and democratic union structure; ■ Promoting better working conditions and solidarity in the wider Palestinian community, through various projects, such as a micro-loans programme to start small fair trade agricultural businesses.
Achievements	<ul style="list-style-type: none"> ■ Grew from 15 to 1,700 members - including 200 women - organized in approximately 50 village cooperatives; ■ 95 per cent of PFTA products are organic-certified; ■ Increased its members' productivity and their products' quality and value-added; ■ Opened new international markets and secured recognition for its members' products and practices; ■ Sold PFTA products for USD 4.8 million in 2011 - including USD 4.3 million from olive oil, its primary product; ■ Members employ over 2,400 seasonal workers for 3 months every year during the olive harvest; ■ Created a minimum wage for its members' workers, approximately 60 per cent higher than the Palestinian norm; ■ Became the first fair trade-certified association for olive oil worldwide; ■ Expanded from fair trade and organic certifications for olive oil, to other products such as almonds.

Summary Table 6:
Self-Employed Women's Association (SEWA), India

Name of Case/Catalyst	Self Employed Women's Association (SEWA)
Country	India
Level	Meso
Sector	Diverse
Decent Work Pillar (s)	Social Protection, Employment, Social Dialogue, Labour Rights
Organization Type	Trade Union; Cooperative; Movement
Starting Year	1972 (1980s for rural areas)
Description	Established as a trade union, SEWA aims to organize poor, self-employed women in the informal economy, with membership from 12 states in India, across rural and urban areas. Its members are also organized into 130 cooperatives and 181 rural producer groups, that are independently managed but receive support in terms of capacity building, marketing, social security services and training, from SEWA federations, social security, and sister organizations.
Purpose	Ensuring that women achieve work security, income security, food and social security (healthcare, childcare and housing), as well as individual and collective autonomy, particularly in terms of decision making ability.
Beneficiaries	Self-employed women (particularly women with micro- or small businesses or employed in the informal economy)
Activities	<p>Activities are organized into the following components:</p> <ul style="list-style-type: none"> ■ Union – Supporting self-employed women workers to collectively struggle for equal rights, social justice and access to services; ■ Cooperatives – Helping women pool their assets and collectively share their revenues; ■ Rural Producer Groups – Helping women start their own businesses as part of India's "Development of Women and Children in Rural Areas" (DWCRA) programme; ■ Social Security Organizations and Federations – This includes savings and credit groups, capacity-building centres etc. Providing services to SEWA members in healthcare, childcare, insurance, and housing; ■ SEWA Sister Organizations – This includes research, capacity building and educational organizations- Supporting SEWA members, such as the SEWA Academy, SEWA Trade Facilitation Centre, and SEWA ICT.

Achievements	<ul style="list-style-type: none"> ■ Spread to 50 districts in 12 states of India. SEWA also has affiliated sister unions in South Africa, Yemen, Turkey, Afghanistan, Pakistan, and Nepal; ■ Membership grew from 1040 in 1972 to over 1.75 million in 2012, 66 per cent of which is from rural areas; ■ Established several innovative institutions such as self-help groups and cooperatives; ■ Launched as a trade union, SEWA now encompasses a network of structures such as cooperatives, rural producer groups, social security services organizations, training and educational centres; ■ The SEWA Bank, for the financial needs of women in poverty, is the first women's banking institution in India. The cooperative bank, which started with 4,000 depositors, now has over 276,000 women share-holders and is widely considered a pioneer in women's micro-credit; ■ Key national policy advocate for street vendors, home-based workers and key founder of Streetnet and Homenet, international street-based workers' and home-based workers' organizations; ■ SEWA's founder received several prestigious awards and civilian honours for her creation and leadership of SEWA, including the Ramon Magsaysay Award for Community Leadership (1977), the Right Livelihood Award (1984), the Padma Shri (1985) and the Padma Bhushan (1986).
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Summary Table 7:
Songhai, Benin

Name of Catalyst	Songhai
Country	Benin
Level	Meso
Sector	Agriculture, Agri-business, Handicrafts
Decent Work Pillar (s)	Employment
Organization Type	NGO
Starting Year	1985
Description	An organization with a number of training, production, research and development centres specialized in organic, integrated, environmentally- and economically-sustainable agriculture. It builds and uses local capacities and resources to develop innovative techniques in agriculture that enable local communities to reach self-reliance. Entrepreneurship and creativity are promoted in a holistic development approach integrating agricultural, industrial and service activities. The organization has 6 centres across Benin, 11 in Nigeria, 1 in Sierra Leone and 1 in Congo Brazzaville; and is planning to open new centres in Benin as well as in 11 other African countries.
Purpose	Building the capacities of African local communities in agriculture and handicrafts to enable them to overcome poverty and become innovative actors of development, by producing, processing and marketing their own production; as well as to link, exchange experiences and technically support each another.
Beneficiaries	Youth, women and farmers in particular, but also all stakeholders working in agricultural value-chains (production of food crops, fruits, vegetables, fish farming, animal husbandry, food processing, marketing, mechanics, and energy production), and in handicrafts.

Activities	<ul style="list-style-type: none"> ■ Producing, processing and marketing of organic products adapted to the local human resources and knowledge, and to the local agro-ecological system; ■ Researching, testing and developing of an integrated agricultural production system covering the primary, secondary and service sectors, and using locally-adapted techniques as well as plant and animal varieties; ■ Building capacities of, and training, youth, women and farmers, on sustainable agriculture and handicraft, entrepreneurship, and emphasizing practice and creativity; ■ Providing services to local farmers and former trainees, including grants, credits, material renting, counselling, input access, transformation, commercialization and organizational support; ■ Advocating at the national and international levels to promote a positive image of agriculture, and sensitize decision-makers to its potential for national growth, employment and social peace.
Achievements	<ul style="list-style-type: none"> ■ Grew from 1 to 6 centres in Benin (from 10 to 550 acres of land and from virtually 0 to 46 acres of water) and 11 centre in Nigeria, opened 3 telecentres in rural areas, 1 shop and 1 restaurant in Cotonou; ■ Grew from 6 to 1500 employees; ■ Builds the capacities of 200 trainees and interns at any time of the year in the 6 main centres; ■ Links 250 farms in a network; ■ Receives 20,000 visitors per year; ■ Has developed numerous projects, including the Regional Songhai Project for the development of agricultural entrepreneurship, supported by 5 UN agencies, to replicate its model in 11 other countries; ■ Developed numerous partnerships with national and international institutions, including the Beninese government, CEDEAO/ECOWAS, IFAD, UNDP, SNV, UNESCO, UNICAF, UNIDO, USAID; ■ Received numerous national and international distinctions, including the <i>Special and steady achievements for South-South cooperation Award</i>, by the UN South-South Cooperation Unit.

Summary Table 8:
Stung Treng Women's Development Centre (SWDC), Cambodia

Name of Case/ Catalyst	Stung Treng Women's Development Centre (SWDC)
Country	Cambodia
Level	Micro
Sector	Handicrafts (silk production and weaving), health, literacy and vocational training
Decent Work Pillar(s)	Employment, Social Protection, Labour Standards
Organization Type	NGO/Social Enterprise
Starting Year	2002
Description	SWDC focuses on developing skills and livelihoods for vulnerable people, especially women in the north eastern province of Stung Treng, Cambodia. It has created a successful and sustainable social business enterprise, "Mekong Blue", which raises silk worms, dyes, weaves and crafts traditional silk products, considered among the finest handicrafts of Cambodia. This production provides sustainable incomes and livelihoods to women in the remote rural province, and sponsors several social development projects such as childcare centres, literacy and health classes for village communities.
Purpose	Equip young rural women with life skills and sustainable livelihoods to break the cycle of poverty and illiteracy in the Stung Treng province of north-east Cambodia.
Beneficiaries	Women
Activities	<ul style="list-style-type: none"> ■ Producing, weaving, sewing, marketing and exporting of high quality silk products; ■ Providing literacy training and health education; ■ Organizing trainings in sericulture, traditional weaving and sewing, carpentry and building; ■ Offering child care and kindergartens for employees' children; ■ Sponsoring school education for young women in the province.

Achievements	<ul style="list-style-type: none"> ■ One of the largest enterprises in the Stung Treng province, employing full-time 70 women and 9 men; ■ Expanded from covering 1 village to 5 districts of the Stung Treng province; ■ Grew from owning 2 weaving looms, to owning 31 looms, 7 sewing machines, a dyeing centre and a sericulture production centre; ■ SWDC's enterprise Mekong Blue Silk makes 100 per cent locally produced, hand-woven materials, of high quality and unique design, and won the UNESCO award of excellence in 2004 and 2005; ■ Offers the highest income for weavers in Cambodia, USD 85-150, which is twice the salary of government school teachers; ■ Offers important side-benefits for its employees, such as free lunch, a kindergarten for their children, and school sponsorship for young women from grade 1 to 9; ■ Beneficiaries of SWDC's social development projects, training centres and enterprises include 496 women, 685 children, 50 men and a total of 566 families.
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