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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.