



Women Producers and the Benefits of Collective Forms of Enterprise

Summary of Report by
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WIEGO

The Project

- 2009 – 2011: Action research to examine experience of women producers in collective enterprises, linked to Fair Trade in 7 countries in Asia, Africa and Latin America with 16 collective enterprises involving 7,500 women
- Global Trade Programme WIEGO in partnership with Fair Trade organizations and networks supported local organizations of women producers
- Focus: documenting, analyzing and disseminating key success factors for women in Fair Trade collectives
- Key finding: participating in collectives and linking to Fair Trade markets can foster significant progress in meeting economic and social goals – no generalizations possible

Trading Our Way Up

Women Organizing for Fair Trade

- Provides summary of research findings
- Highlights benefits of collective enterprise
- Describes how obstacles and challenges are addressed
- Lessons from study have practical and policy implications for international development programmes looking to support creation of SMEs as a route to women's economic empowerment

Women in the Informal Economy

- Vast majority of poor women producers operate within the informal economy
- The informal economy includes all economic units that are not regulated by the state and all economically active persons who do not receive social protection through their work (ILO 2002)
- Includes different categories of workers: common factor low income below threshold for taxation and do not enjoy public goods and services

Women informal workers and trade

- Complex factors to do with poverty, gender inequality and poor implementation of legislation limit women's ability to benefit from trade
- Lack of resources and assets, limited skills and market knowledge plus gender-based attitudes and practices, vulnerability to exploitative trading practices and weak bargaining positions with buyers all contribute to this
- Women often occupy less profitable sectors of economy and least profitable nodes of value chains, leading to minimal economic return for their efforts (Carr and Chen 2001)
- Globalization plus neo-liberal economic policymaking have affected all producers and especially women. Many new opportunities are low-return and high risk for those with little power in trading relationship

Alternatives: collective enterprise and Fair Trade

- Collective enterprises have a special place in Fair Trade for two reasons: small producer standards within FLO system require producers to belong to democratic, membership based organizations, secondly – many FTO members are collective enterprises themselves
- Working cooperatively to produce and market goods and to access inputs, credit, services and information, offer economies of scale, knowledge sharing and increased bargaining power. Group membership also confers social benefits for women
- Collectives have potential to play political role in advocating interests of members, especially when linked together in networks and alliances
- The Fair Trade movement facilitates positive employment opportunities for working poor women producers

Action Research Approach

“A participatory, democratic process concerned with developing practical knowledge in pursuit of worthwhile human purposes....(seeking) to bring together action and reflection, theory and practice, in participation with others, in pursuit of practical solutions of pressing concern to people.” (Greenwood and Levin 1998:93)

As well as seeking to produce knowledge that can be practically applied, action research seeks to “empower people at a second and deeper level through the process of constructing and using their own knowledge...” (Reason 2001: 183). Crucially, not about extracting information for use by third parties, even though knowledge gained through the process may be useful to others.

Research Methods

- Designed to capture voice of women producers who shared how they came to be collective group members and impact of this on their lives.
- Individual and group written, photographic and video narratives were recorded giving visibility to women's work. Community-level focus groups and local, national and international workshops held. Each country produced a photo journal. Documentary films were made.
- FTOs and networks undertook analysis of broader context to better understand links between macro-economic environment and micro level to identify structural barriers to trade and women's economic empowerment. This helped in formulation of policy recommendations giving validity to women workers' claims.

Research findings: Benefits

- Improved income
- Greater ability to diversify
- Shared knowledge to improve products
- Expanded markets and marketing
- Stronger negotiating power
- Combined resources
- Financial services
- Access to external supports
- Training and extension services
- Expanded capacity
- Increased status
- Domestic stability
- Social protection and support
- Improved self-esteem
- Extended networks

Organizational success factors and challenges

- **Strong leadership key** -
- Need for **clear vision and mission** incorporating social goals as well as economic goals.
- Need to **support women** to develop capabilities and confidence to analyze, organize and mobilize for social change. Including socio-political objectives in guiding mission considered important.
- **Good governance** practices based on democratic principles for building trust, accountability and equity
- **Sense of ownership and belonging** resulting in improved quality and economic return.
- **Commitment and regular participation** by all member plus holding regular meetings, electing officers and keeping records resulting in improved production, quality control and market access.
- **Registration with relevant authorities**, although not *necessary*, seen to increase access to resources and services, and can help garner attention of policymakers.
- **Strong commitment to gender equality** and equity at central and community level critical in bringing about change for women.

Conclusions

- Many women continue to face significant economic, social and political challenges.
- Widespread gender discrimination and social, cultural and religious norms and practices negatively impact on them. These challenges are made worse by global economic downturn and environmental factors.
- FTO s report shrinking profit margins and small surpluses.
- The empowerment process is not linear. Forming collectives and selling to Fair Trade markets does not lead automatically to changes in women's status or in gender relations.
- When enabling organizational dynamics and functional effectiveness, strong market linkages, and the functions of marketing, access to resources and capital, and degree of external support converge, positive results can be achieved.
- These are important considerations for international development work focusing on market access programmes or enterprise development as routes to women's economic empowerment.

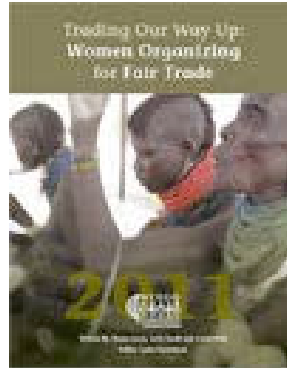
What producers said

- The image of the poor, downtrodden woman is disempowering. There is a need for a “paradigm shift” from a welfare approach to an empowering approach
- The concept of “producers” needs to be unpacked to understand the complexity of employment relations and different categories of workers within fair trade producer organisations
- “Producers” are informal workers with rights. Their work needs to be recognized and documented, their work must be valued and given prominence in policy formulation

An Agenda for Change

- Each country identified the changes that are needed to support women's economic empowerment through trade
- “Policy asks” directed at national, regional and local governments and the Fair Trade movement itself
- Agenda for Change: (towards FT movement) building national awareness of FT, stronger advocacy in favour of women and informal workers, pay more attention to gender and women's economic empowerment in Fair Trade

Access the Study



[Trading Our Way Up:
Women Organizing
for Fair Trade](#)

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