

WOMEN ENTREPRENEURS IN THE VALUE ADDITION CHAIN



A Survey conducted by
Community Women's Enterprise Network

12/1/2019



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A Acknowledgements

This report captures the findings of a survey conducted during September-November 2019—that maps women entrepreneurs in the 5 districts of Kampala, Mukono, Kayunga, Wakiso and Buikwe. The aim of the survey was to understand women entrepreneurs involved in agricultural value addition—WHO they are, WHERE they are, WHAT they do and HOW they do it. The results were often surprising, but always interesting and valuable. What they showed was that women entrepreneurs form another distinct sector of Uganda's economy, alongside mainstream business, with an important role because of WHAT they do. The Community Women Enterprise Network (CWEN) wishes to acknowledge the support received from The Urgent Action Fund-Africa that enabled the undertaking of the survey in the 5 districts.

1 Background

Community Women's Enterprise Network (CWEN) is a registered not-for-profit community based Organization. **Our mission is to build the entrepreneurial capacity of lower income women to overcome economic and social barriers as well as help them attain self-sufficiency.** We provide access to business planning, technical and financing support. Through our holistic support programs, we work with organized women groups. Since inception, we have reached over 3,000 women operating in 5 districts in central Uganda.

There is global evidence to show that supporting women-led enterprises has a large payoff. Institutions such as the World Economic Forum (WEF) consistently show a strong correlation between gender equality and national competitiveness. Uganda is often cited as most **entrepreneurial country in the world** based on the number of individual enterprises set up in the country each year. Unfortunately, a large proportion of the enterprises set up do not make it to their fifth birthday in the country. This is primarily due to numerous constraints faced in establishing and operating an enterprise in the country. Although women account for more than 50% of the Ugandan population, they sadly make a small percentage of entrepreneurs in the country (UWEAL Annual report 2013). There are many underlying factors for limited female presence among entrepreneurs including limited access to finance, markets, training, information, mobilization, assets, networks and most importantly poor infrastructure. In addition, women have **limited access to policy spaces**. In particular, most women have limited access to policymakers or have any representation to policy making bodies. Furthermore, women tend not to belong to organized groups beyond the local vicinity compared to men.

Through the various activities, CWEN has proved that women create jobs for themselves and others and if given access to the mainstream economy, they can work to increase their economic self-sufficiency. Expanding women's economic

opportunities is thus more about addressing constraints faced by women and providing incentives to help them expand their businesses—especially by way of supporting them to engage in higher value added activities. As such, it is less about expanding overall female entrepreneurial activities.

Prior to providing any kind of support that would propel women to higher value addition activities, it is important to know who these women are and what kind of activities they are currently engaged in. Against the above background, CWEN undertook a survey focusing on female entrepreneurs engaged in agricultural value addition. The target group were low income high potential women entrepreneurs in food value addition chain in the 5 central districts Kayunga, Wakiso, Mukono Buikwe and greater Kampala areas. They are small holder farmers transitioning to value addition. These are already at the startup phase of value addition and product development. In particular, the survey was undertaken to establish the kinds of constraints faced in moving into higher value addition and establish what needs to be done to close the existing gaps.

Justification of the study.

Data: The importance of data in the current technology driven era cannot be ignored. By surveying as well as mapping women entrepreneurs in the value addition chain in the 5 districts using Geographic Information system (GIS) technologies, we created a location specific dataset that can be offer technical services to female entrepreneurs. It is hoped that such location specific information will greatly help CWEN in the future when planning the location of key infrastructure e.g. high volume tunnel dryers. In addition, the information collected will help CWEN understand the social challenges the women are currently facing. A total of 600 women were sampled to take part in the study from districts of Kampala, Wakiso, Mukono, Buikwe and Kayunga. The data collection covered all aspects in the life in a woman entrepreneur. The information captured ranged from access to health centers, schools, to childcare support services.

Objectives of the survey

CWEN intends in the future to set up centralized infrastructure that can be used by women entrepreneurs to engage in value addition. It is upon this objective that women entrepreneurs were mapped to establish their existence. With that background, the survey collected information on where such women are located and what kind of support they required.

Why is agricultural value addition important?

Uganda remains an agricultural country with the sector employing about 70% of the adult population with more than 80% of women engaged in agriculture. Given the decreasing land size, increasing incomes from agriculture can be realized from value addition. Specifically Value addition is the process of changing or transforming a product from its original state to a more valuable state. Value addition also is simply the act of adding value to a product, regardless of whether you were involved in the initial production of the same. Some of the value addition strategies include;

- Changing the physical state of the product.
- Producing enhanced value products.
- Differentiating products
- Bundling products
- Producing more products that improve efficiency up the supply chain.

These value addition strategies could also be easily drawn from the production of tropical fruits, vegetables, livestock, grains and other commodities. In Uganda, the majority of agricultural commodities are still marketed in their raw forms, hence losing the opportunities for higher earnings and generating of employment along the value chain.

The main constraints faced by entrepreneurs engaged in agro processing industry include: the high operational costs mainly due to the high prices of imported fuel and spare parts, unavailability of appropriate processing machines and spare parts, and the limited knowledge in operation of the machines. However, despite such constraints, agro processing has the potential for increasing income through value addition, increasing the shelf life of agricultural products and as such ensuring food security.

2.0 Survey findings

2.1 Gender of respondents.

The survey targeted women entrepreneurs in value addition and 92% of participants were women. Only 8% were men. The men participated in the survey mainly as community leaders and in some cases as owners of production sites from where women operated as shown in the table below. We cannot rule out men while analyzing women based activities for they still play a big role in supporting women entrepreneurs. We also noted most women still lack the self-confidence to operate individually and even when in groups. In groups where men were involved, women usually recommended the men to serve as the key informants for the survey regarding the enterprises women were engaged in.

1: A table showing Gender participation in the survey

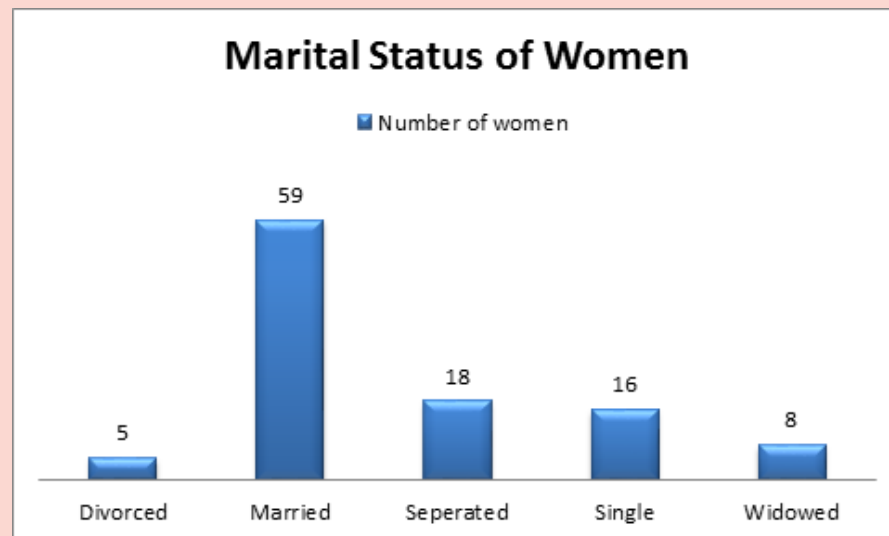
Gender	%
Female	92.5
Male	7.5
Total	100



The site is a drying site for fruits owned by a gentle man, he established a site on his land and he allows women to come and dry their fruits. Some of them are also his family members and others pay rent to use the site. Women at the site acknowledged him for being so helpful that if it wasn't for him probably their ideas would shrink to nothing.

2.2 Other demographic characteristics

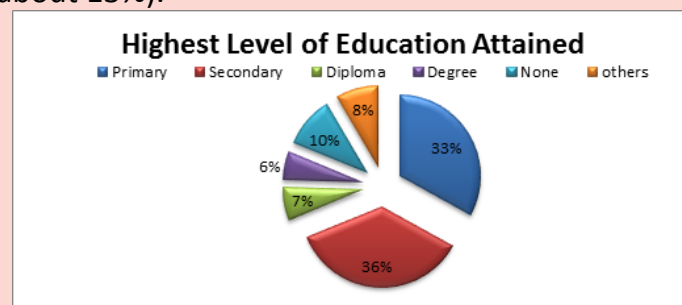
Most of the group members were married. Specifically, at least 55% of women reported being married and staying with their families. At least 21 % of the surveyed group members were either divorced or separated from their spouses. Another proportion (about 17%) reported being single. It is worth noting the double burden faced by female entrepreneurs. They have to operate in an imperfect business environment while at the same time they are expected to continue meeting the domestic responsibilities. Having children seemed to be one of the reasons many women entrepreneurs were in business as they hard to support their families and paying school fees was one of the most frequently cited reason for engaging in agricultural value addition.



2.3 Education attainment

Most of the women entrepreneurs were illiterate (about 75 percent). Only a few had attained up to lower secondary education. Some women have acquired formal jobs as a result of the education and they work alongside doing business. Most women mentioned that the reason they are doing their current business activities is because they have not acquired any education to enable them engage in alternative income generating activities. Furthermore, most of the women surveyed attributed lack of enough information about entrepreneurship activities to their generally low education attainment.

Nonetheless, there was some variation in education attainment by district location. More women in rural districts of Buikwe and Kayunga for example attained little or no education. On the other hand, in more urbanized Kampala and Wakiso districts, some female entrepreneurs attained some education—up to at least Diploma level. But even then, such kinds of women were still the minority (about 13%).



2.4 Characteristics of women engaged in agricultural value addition

Women were engaged producing a wide variety of value added products. The main business activities were identified as agricultural (48%) and manufacturing (41%). The manufactured products were such as porridge from soya, rice, yams, pumpkins, cassava, tea, jam, cheese, cocoa powder marmalade, wine, fruit concentrate, cosmetic products like avocado oil, castor oil, mushroom powder, mukene, dried fruits such as bananas, pineapples, jackfruit, paw paws, dairy products such as yoghurt, processing meat from rabbits and poultry. Other activities performed by the women groups included trading and offering alternative services such as tailoring and engaging in retail.

Most women entrepreneurs in value addition considered themselves as farmers. This was described as an occupation rather than the businesses they run. The fact that agriculture was the major source of raw materials used by women in their businesses, most women engaged in farming. The same farms/ gardens served as the main source of raw materials for items for processing. For example, women entrepreneurs in dried fruit processing own at least pineapple gardens (37%). Other women entrepreneurs source raw materials from wholesalers within the districts, and from local markets.

Most women entrepreneurs in value addition belong to groups and as such do not undertake individual operations. In terms of numbers, most groups are in the range of 10 to 50 women. The reason for operating through groups include knowledge sharing, risk sharing, resource sharing, loan participation and the opportunity to engage massive production.

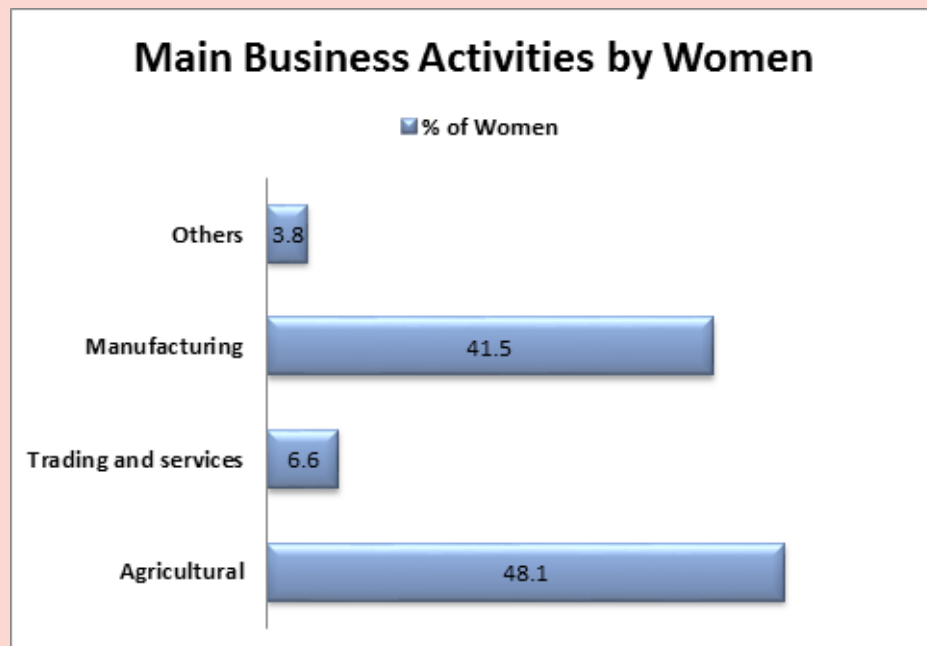
The female entrepreneurs also operate using very low capital. Most of the funds used to operate the businesses are acquired either from own savings or support from family and friends. During the survey, we found only a few cases of women groups or individuals accessed external funding. Nonetheless, we found instances where groups accessed external in-kind support e.g. through machinery offered to groups.

Beyond funding, female entrepreneurs hardly employ other persons beyond the individual group members as most work is done by the group members.

Indeed, as would be expected, most of enterprises operate informally relying more on support from family members like children. For the few cases of groups employing outsiders, the number of employees are in the range of about 2-5 employees but most of these employees are temporary/ casual workers.

Aside from failing to employ non-family members, most women entrepreneurs are not registered. As such, they are characterized by lack of business names, no licensing, no product certification and also lack established working premises. Most of them do lack information on what to do to engage in higher value addition while the few that have information consider the processes required to utilize the information to be very expensive. Furthermore, most women entrepreneur groups operate using rudimentarily approaches—some lacking any machinery to engage in value addition but instead relying on their bare hands and any surrounding objects like motors to process their products.

Other activities were manufacturing of products like yoghurt, fruit juice, and wine among others. Most businesses were standalone businesses without stake holders (92%) and a few had stakeholders (8%)



2.5 Business location

From the survey, most women entrepreneurs indicated that their homes served a double purpose of both residence as well as workplaces. A few work places are independent from home and a few work from home with no specific working space. A few operated on sites established by other fellow entrepreneurs. Yet others operate on workshops as a group and the site is the center for production.

Lack of established work premises was highlighted as a constraint in a way that it is really hard for them to grow since they lack space for expansion. More so they have not acquired enough information on expansion of their businesses through acquiring knowledge on current trends. They have existed operating as basic farmers and now as “basic entrepreneurs in value addition. They have thus received exploitation by those that could expand their ideas to make more money.

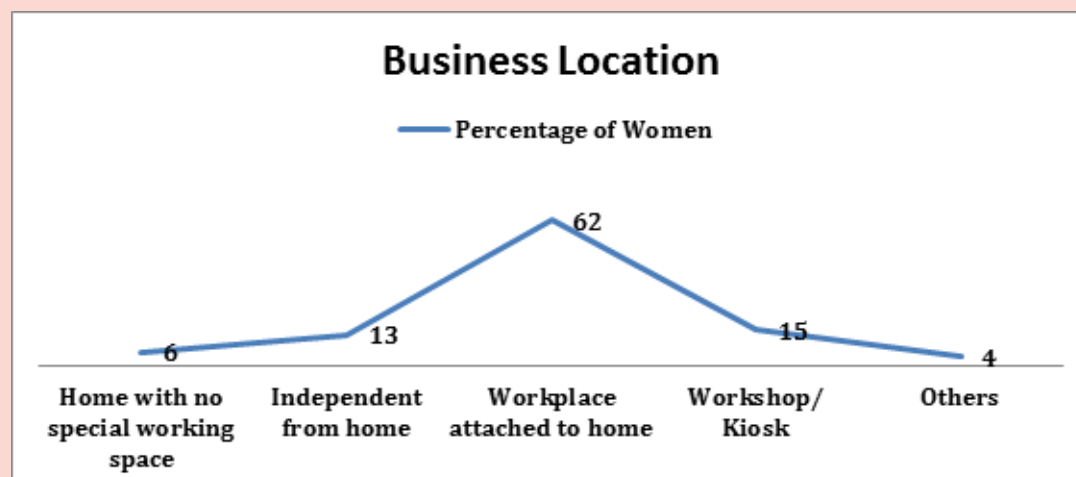


A Women entrepreneur working from home with no specific work place



A woman Entrepreneur with workplace attached to home

Hence, most premises where women operate from are fully owned by them (51%) others own premises as a group (8%) while others are just permitted to use the premises (20%) other entrepreneurs pay rent (19%) to operate on the premises where they work and very few (2%) operate on premises donated by local authorities and other donors.



Several reasons were cited why most women entrepreneurs work from home. First, the lack of enough land to establish separate premises was mentioned. Second, some of the business are still at the initial or start-up phase and really small so there is no urgent need for expansion. Third, some women were motivated by the layout of their current residences—e.g. Those with larger compounds can use them to dry materials like maize, yams, cassava. On the other hand, those with garages can use these specific facilities to pack and store their products. Fourth, some women cannot really operate away from their homes because of the other family responsibilities—working from home helps they monitor domestic activities in addition to engaging in business.

2.6 Capital and revenue base

The survey inquired from the respondents the reason for choosing the specific business enterprise, the major source of startup capital, problems faced at the start and along the journey, equipment especially machinery used in production and also about loan acquisition by women.

Most women stated that they chose a business depending on the required capital at the time and hence the low startup capital pushed many into the current business operations. Others were influenced by the demand for the products they produce e.g. soya producers. There were women driven by the availability of specific infrastructure. In particular, for women engaged in fruit value addition e.g. pineapples, were influenced by the availability of fruit dryer. Other women were inspired by family traditions for example those who

grew up while certain business were done at home and professionalism say those in baking businesses as shown in the table below.

Reason for Choosing the Business	%
Business Demand	15
My Profession	18
Existing Capital	19
Low startup Cost	24
Family Tradition	13
Others	11
Total	100

As earlier noted, most women acquired their capital from own savings/retained profits (63%) from private or public sector, others sold farm products such as poultry, goats and others from assets like property.

Most women face a problem of obtaining skills/ technical knowhow and finding clients/ markets for their newly produced items.

We should not forget that value added products are bi-products that are equally new to our local market much as we are used to the real raw materials.

“The idea of drying pineapples was from a white man with whom I attended a conference back in the day. He was served fresh pineapples and wondered why their pineapples never tested fresh like they did the time he was eating. My answer was that the pineapples they received were harvested prematurely so they could reach them ripe but not in a damaged state since they took time being shipped. He then insisted that something hard to be done and that is how the idea was born. There is no doubt that more of the dried pineapples are still exported than consumed here locally”

She added that the only market they had for the dried fruits is gradually fading and the local market has not picked up.

Another woman entrepreneur producing wine noted that as they started producing wine they never knew how best to preserve it, store and maintain the quality. One day when she went to check on her wine, she found empty jerry cans but untouched; only to realize that all the wine had “evaporated” due to poor storage

2.6 Lack of machines

Along the way, women entrepreneurs still face challenges such as lack of necessary equipment like machines to ease their work. Many still use the rudimentary methods for production which affects the quality of their products. About 50% of women entrepreneurs surveyed did not use any machines in their production. As earlier noted, some used their hands to pound and process the soya milk and yam powder processors in Buikwe district. Expense was mentioned as the main reason why machines were hardly used by this particular group.



Most Women Entrepreneurs still use rudimentally tools in their production processes.

Out of the percentage that used machines still, only 34% owned the machines and the 66% just borrowed the machinery or rented from the original owners to use. Other women did not actually have information about possible machinery that they could use while others knew the type of machinery needed but not where they could acquire them from.

I started producing banana wine because I had a lot of bananas and no market for them. The process of wine processing is hectic and the market is not good. I am currently selling only to the local market it's just not enough. I realized I could introduce a new product called banana juice; it is very marketable but I have failed to find the right machinery to help me produce the juice. If you find any information please let me know I will look for the money.

For the groups using machines, at least 70% of the machines used were acquired locally here in Uganda. Machines that were mentioned were sun and electric driers especially for drying fruits, grinders and squeezers for those that processed powder and porridge, mixers, bowl cutters among others.

The differences in the type of machinery directly impacted on women productivity in a way that some machines do not allow the production to continue depending on the season. This was evidenced between those that used solar dryers in their work and those that used electric machines. The survey was carried out during rainy season and in places like Kayunga district where substantial dried fruit processing is currently performed. During the rainy season, women were not producing because they typically use solar dryers and they could not function under such weather conditions. A few women entrepreneurs in Kampala district had electric machines and were thus not affected by the season.

The type of machinery still impacted on the quality of products they produced. For example, the nature of solar dryers, the type of plastic used to cover the fruits i.e. local or imported say from Kenya, the type of plate on which the fruits are placed, the body of the dryer i.e. metallic or wood, the make for example the dryers from German allowed more fruits inside the tray and dried faster as compared to the locally made dryers but was very expensive for most sites to acquire.

The photo below shows different dryers that women entrepreneurs use in the process of drying fruits, meats, yams, cassava among other products.



A Hybrid Panel Drier

An Electric Dryer

An Electric Dryer

2.7 Loan Participation by the women

From the survey, loan acquisition by women was very low. At least 74% of the women surveyed had never ever applied for a loan in the past one year. Only 26% had applied for a loan and it is worth noting that nine out of every ten of the loan applications were successful. Several reasons were cited as to why the different women groups did not apply for loans. These ranged from: fear for risks (31%) to high interest rates (17%), long procedures involved (11%) and the lack of required guarantors. Nonetheless, at least 38% of women who never applied for loan indicated that they did not actually need such kind of financing.

Collateral requirements were another item surveyed and 27% of the loan applicants indicated that they did not require collateral on loans because they belong to groups. Another substantial proportion of loan applicants (about 43%) indicated using their property e.g. livestock as well as businesses to secure and acquire loans.

About women entrepreneurs belonging to groups, the ideas are broader. Women belong to groups for a number of reasons including knowledge acquisition, savings, risk sharing among others. Group like Mukama Muggaga village savings association is one that involves women in fruit drying and the women save part of the money got from selling the products. They can borrow from the group at a very low interest and do not need collateral. The loan amount approved depends on the amount of savings owned by member.



This was a photo taken at group site that is being affected by season. At the time the only activity that was sustaining the group was the saving and lending activities done by women. They were waiting for the season to resume so they could repair their dryers and get back to work.

2.8 Market Access

Almost all products produced by women are locally consumed here in Uganda (98%). Other products exported, are not directly exported by women but through companies such as fruits of the Nile in Jinja that buys all dried fruits produced in kayunga through value addition. Most women produce for the immediate local market like neighboring villages and communities like the soya milk producers in Buikwe district.

More women stated that lack of market is their major challenge after production but also admitted that they could not produce up to a certain volume of products if the demand arose.

“One day I attended a festival where I took my fresh mushrooms to show my business. They were only few packs that I carried and all of them were bought at once. The biggest opportunity I got was a client from the Sheraton Kampala hotel who wanted me to supply 100 kgs of fresh mushrooms per week. I was so excited about the opportunity until I realized I couldn’t afford the quantity he needed and up to now I haven’t talked to him again”

There are more women like Mrs. Magezi in the quotation above. They “think” they have a product but have no market but in actual sense the market is there only they cannot satisfy it.

Women stated a number of reasons why their products are not exported to the East African community, or even the world market and mainly sighted no certification.

Many mentioned that they did not know about certification, those who were aware lamented that the process was very expensive, others stated that they had no operational license while others had no packaged products.

3.0 What does the future hold?

CWEN has a vision of building and setting up centralized infrastructure for women entrepreneurs i.e. a certified production, processing, packaging and food lab under one roof offering expert solutions to women in the value addition chain. The mapping and survey exercise affirms our belief that centralized and subsidized infrastructure is crucial in the growth of women entrepreneurs in the value addition chain in Uganda especially when it comes to quality and standardization.



The photo shows Krystal Ice Limited; a business owned by one of leading women entrepreneurs in Uganda. An example of a quality operating environment that's CWEN envisions to build for women

This among the following recommendations from stakeholders will be a great success to most businesses if put in place.

- Women entrepreneurs should look out for more virgin ideas i.e. engaging more in new products than joining products where markets are already filled. Products like frozen chips, dried meats and chicken, smoking and preserving chicken are some of the ideas women can engage in and earn money.
- Women entrepreneurs should get more involved in ICT programmes, learn to search for information on how best they can operate and sell their products.

Women should learn to make research before getting into business so that they know what and who to produce for.

- Women entrepreneurs should also learn to work more in groups and support each other for there is strength in groups. Most women cannot sustain their businesses and this is simply because they are working alone and all the burdens of lack of knowledge, risks, and other challenges are felt individually. When women produce in groups, they can also satisfy the demand
- The community women's enterprise network was urged to make research on behalf on women entrepreneurs. For example source information on good quality seeds for specific raw materials like mushrooms and also do marketing for women and their businesses like creating online markets. The network could also set up strategic market that could be weekly only to sell women products. For example women could engage in the weekly farmers markets that exist every Saturday by the Kampala District Farmers Association.
- Today there is a lot of copy and paste in businesses. Most women do not take time to research about the products but just start doing similar products. Women were advised to enterprise their ideas, train other women for money and this would reduce those who only wait to copy others

Conclusions

The mapping exercise was a timely activity that will act as a basis of re-inventing and evaluating our ideas when it comes to strategies laid out to create support systems for women entrepreneurs thus leading to economic development.

4.0 Appendix

Research methodology and design

Research Design

The research study was tailored to answering questions such as who are the women entrepreneurs in value addition, where they are and what are they doing, what they are using to do it and how. These questions were the guiding pattern for the study.

Population and sample size

The population in the study is defined as all women entrepreneurs who were engaging in agricultural value addition. All women were to be interviewed as individuals. For all those that were found in groups, one woman was interviewed on behalf of the group especially the group head. A few men were considered part of the population for as long as they were directly involved in women activities and hence could provide information.

A total of 600 women were sampled to take part in the study from districts of Kampala, Wakiso, Mukono, Buikwe and Kayunga. The distribution of women entrepreneurs was uneven because it varied with the districts

Survey instrument and data collection

The data collection exercise was done by a private consultant Mr. Samson Ngumanawe who led his team to the field. A survey questionnaire was developed based on the literature, comprising 48 closed-ended questions and open-ended questions. The questionnaire was field-tested by the research team and adaptations made to survey questions where appropriate. Interviewer training materials were prepared by the research team and fieldworkers trained

accordingly. Careful management of the field-force during data collection ensured quality and consistency in data collection.

Respondents were contacted telephonically and an appointment made for the interview. The interviews lasted around 25 minutes, and were conducted face-to-face using the ODK data collection tool installed on interviewer's telephone. All interviews were conducted with the founders of the women enterprises that were visited.

The software enabled taking of pictures of enterprises where needed and also enabled recording of the GPS to establish the exact location of the women entrepreneurs.

Data Analysis

All the data was saved in the phones per questionnaire completed. The data was then transferred to the computers by the Consultant and his team who compiled it as a CSV file in excel format. The software extracted a CSV file of all the collected data and media aside. This is the point where we analyzed the data per section in the questionnaire instrument

Ethical considerations

As part of the questionnaire, the study purpose and how the information would be used were explained to the participants. The principle of voluntary participation based on informed consent was applied in the case of each questionnaire completed. No incentives were offered for participation in the survey. The participation was voluntary and all responses were to be kept confidential. This was made clear to every respondent before the interviews started.

Limitations to the study

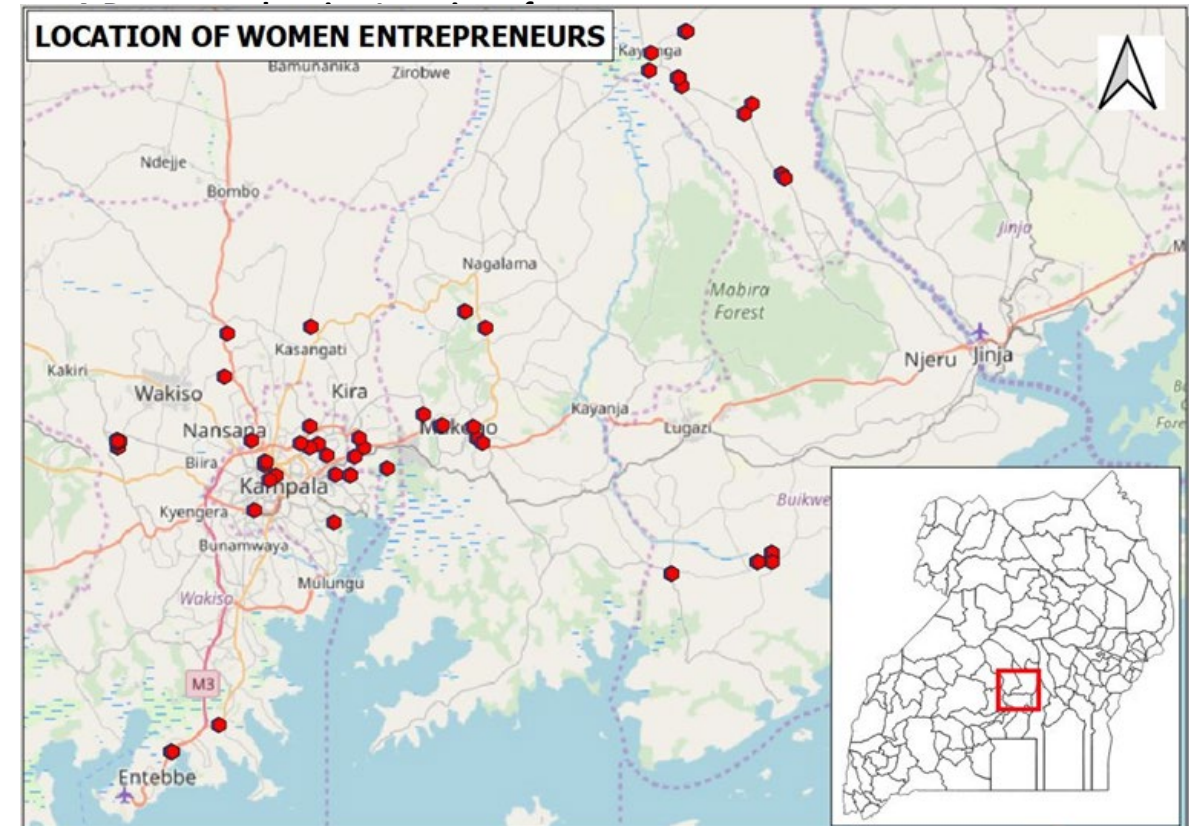
Lack of enough funding limited the scope of the study. The field activities became more expensive considering the location of the women. Initially we set out to reach 2000 women but reached out to 600 in total and also added on one more district.

The anticipation that women entrepreneurs were operating individually also hindered the sample because more women were found to be operating in groups meaning; it did not make sense to interview say 30 women doing exactly the same thing.

The bureaucracies with the local authorities affected the time for completing the study. Many took time to approve the introduction letters to the communities where the data collection was going to be carried out and yet this was a requirement.

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