

Territorial markets for women's economic inclusion

Introduction

Smallholder farmers are responsible for most of the world's food production and most of the investments made in agriculture. In addition, the vast majority of food transactions occur local markets (FAO, 2017). Thus, local markets that are embedded in territorial food systems are crucial both for ensuring smallholders' access to markets and for providing employment opportunities to food retailers.

Despite their importance, territorial markets¹ are very often neglected in economic development plans — most probably due to information gaps, or to a lack of understanding of their potential and the role these markets play in the livelihood of retailers and smallholders.

In this regard, FAO has developed a methodology for the mapping of territorial markets. This methodology is used to for the mapping and analysis of markets in a number of countries, including Tanzania, Paraguay, Malawi, and others, and leading to the identification of entry points for improving economic inclusion.

So far, the collected data informed the analysis of specific dynamics of territorial markets and of food retailers operating there. In particular, it sought to find evidence on socio-economic characteristics of retailers, volume and diversity of their offer, existing gender gaps, business environment and length of the chain.

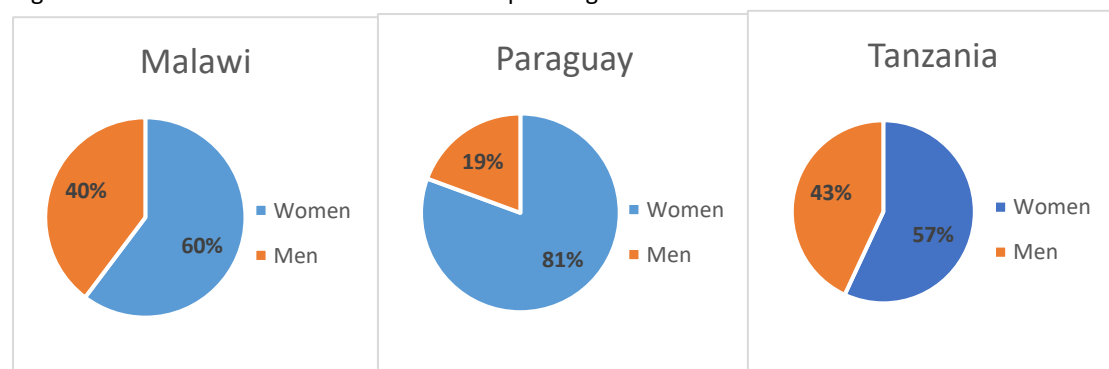
The analysis helped unveil the potential of territorial markets in providing opportunities for economic inclusion for those retailers (and producers), particularly women, who still struggle to fully benefit from their participation in food markets and value chains.

The role of women in Territorial Markets

A lack of data on women's market operations does not facilitate understanding of all the gender-based constraints² hindering women to fully benefit from their participation to markets (FAO, 2016). While there is a growing field of guidance for improving data collection and analysis of women's access to productive resources and markets, this is largely focused on female agricultural producer's access to markets to sell their products and few information are collected about women's participation to markets as traders, vendors, transporters, and wholesalers. Fresh produce markets, in general, are not presented in the national data on food market operations, thus there is no official national-level data on this particular sector that can be disaggregated by sex and other characteristics.

However, as shown in Figure 1, in Malawi, Paraguay, and Tanzania, women retailers represent the larger share of the retailers operating in the territorial markers mapped in these countries.

Figure 1: Share of women and men retailers operating in territorial markets



Source: Developed by authors, 2022

¹ Territorial markets are local food markets that are embedded into their territory and where the majority of products on sale is produced within the same territory.

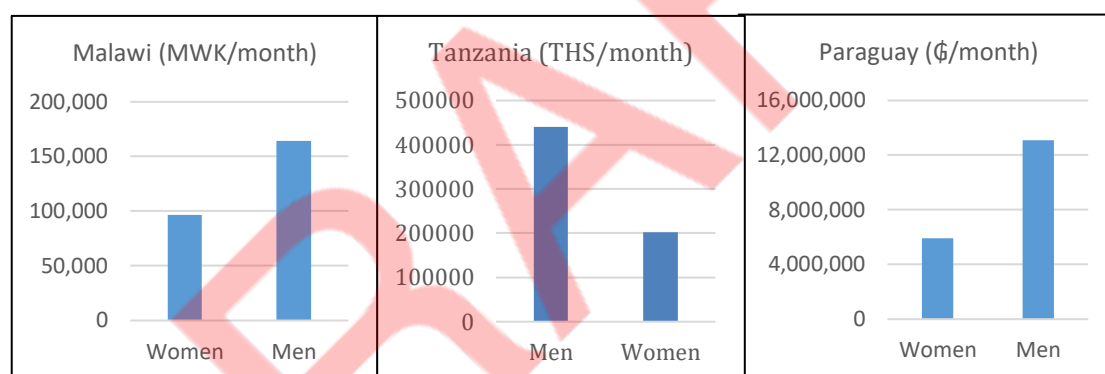
² Gender-based constraints (GBCs) can be defined as "restrictions on men's or women's access to resources or opportunities that are based on their gender roles or responsibilities (FAO, 2016. P. 26)

The numbers reach even more than 80% of total retailers in Paraguay and exceed 50 % in the other two. Despite their majority, clear divisions exist in the roles and responsibilities of men and women concerning both the food supply chain and the types of foods sold.

Challenges to Women’s inclusion in territorial markets

The data collected through the mapping of territorial markets shows that there is a huge gap between women and men retailers in terms of the net take-home income (see Figure 2): in Paraguay and Tanzania, men retailers in the mapped markets earn more than double compared to women, while in Malawi, the gap is slightly smaller but still significant. This indicates that businesses run by women have a lower turnover compared to those run by men, and that women systematically face more barriers in scaling up their businesses.

Figure 2: Retailers’ net take-home income, by gender

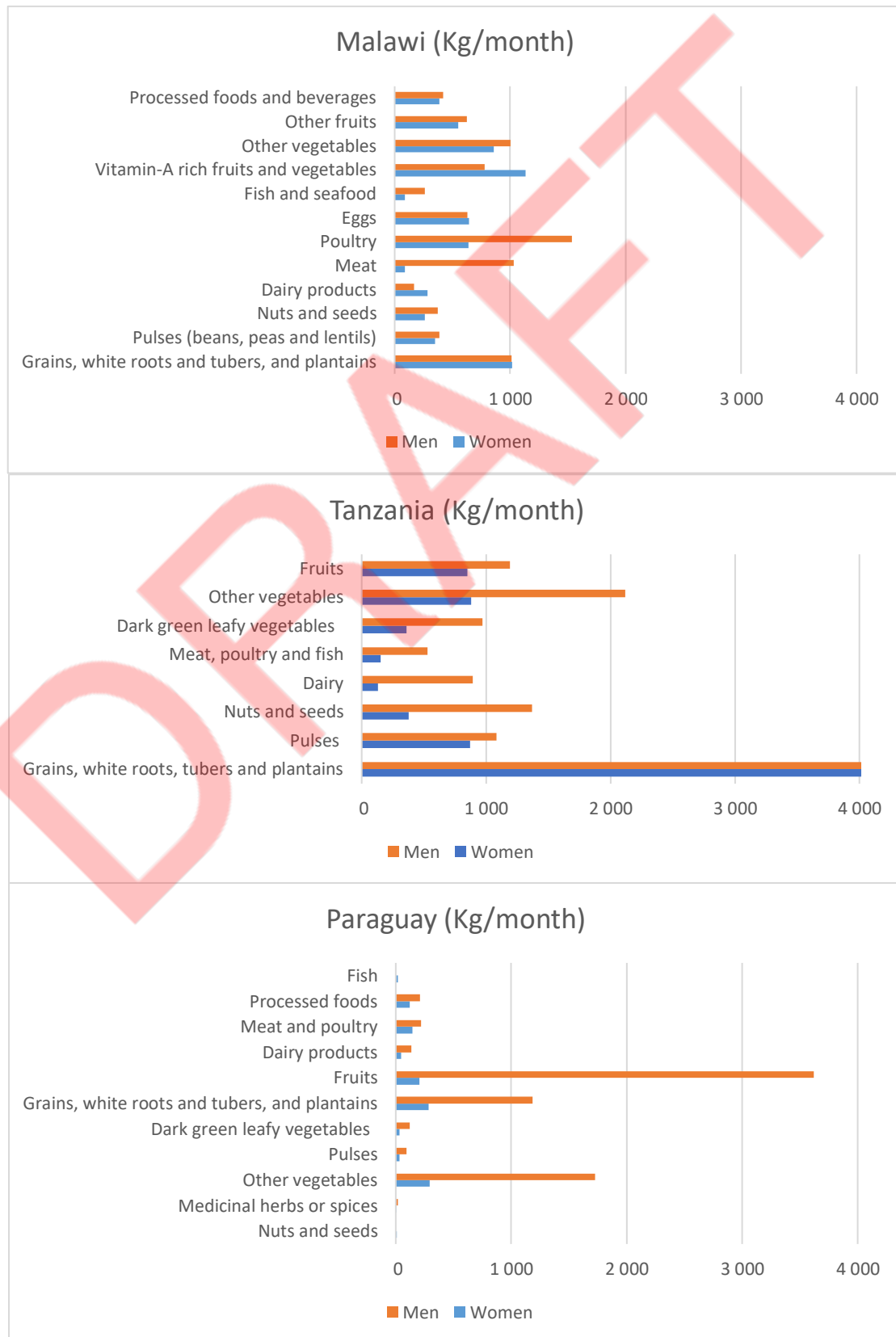


Source: Developed by authors, 2022

This gap in the net take-home income can be explained by the fact that women retailers face specific and additional barriers that prevent them to fully benefit from their participation in markets. This is also confirmed by Figure 3, in which the average monthly volume of products sold by men and women retailer is shown. Besides very few exceptions, on average men retailers sell higher volumes of products for all the considered food groups across the three countries.

By constraining women’s mobility, time, bargaining and decision-making power, the existing gender-based discrimination affect women retailers’ performance and capacity to scale-up their businesses.

Figure 3: average monthly volumes of products sold (Kg), by sex



Source: Developed by authors, 2022

What can be done?

The development and design of business development services³ and micro-finance interventions⁴ specifically targeting female retailers operating in territorial markets may reduce some of the existing gaps, by contributing to the scaling-up of their businesses and by supporting women to fully benefit from their participation in territorial markets.

A gender lens should be applied when designing business development services. Examples of strategies and entry points may include: building the capacity of service providers to target small-scale women entrepreneurs, ensuring that technical and management training programs also help build soft skills and life skills to enable women to compete in male-dominated sectors, facilitating networking opportunities among women entrepreneurs, promoting the use of ICTs to facilitate women retailers' access to price information and mobile money and supporting women retailers' financial literacy, often provided as part of micro-finance and micro-credit programmes (FAO, 2018).

Example 1- Empowering market vendors with UN WOMEN in the Pacific

UN Women in the Pacific initiated a Markets for Change (M4C) project to increase the economic activities of women operating in marketplaces in rural and outer island territories of the Pacific, and thereby pave the way for more empowering opportunities for women and their communities. The project builds on UN Women's strong working relationships with local governments across twenty market sites in Fiji, Solomon Islands and Vanuatu. Markets for Change focuses on four key areas:

- 1) Increased voice and participation for market vendors: by empowering women market vendors to organize and participate in marketplace governance and decision-making as a unified community.
- 2) Improved socio-economic security by partnering with the United Nations Development Programme (UNDP) to assess and respond to the rights, needs and interests of market vendors and to deliver appropriate services, training and interventions
- 3) Ensure Gender-responsive local government and market management by working with both sectors to build capacity and draft, adopt and implement bylaws, policies and budgets that ensure safe and secure market infrastructure, adequate amenities and services, and transparent revenue collection and expenditure.
- 4) Create accessible and gender-responsive marketplace infrastructure by working with the relevant stakeholders to improve marketplaces by making them safer, more sustainable, resilient to disaster risks and climate change, and more accessible. The intervention resulted in 649 market vendors (86% women) actively participating in "Getting Started" workshops held in all three countries, five new market vendors associations have been set up where women have been elected to between 50% and 80% of leadership positions and 278 market vendor association executive committee members (88% women) in the Solomon Islands and Fiji have taken part in a number of follow-up workshops aimed at strengthening their communications and leadership skills, as well as developing strategy and planning for their associations. Moreover, 1,465 market vendors (89% women) in Fiji were trained in financial literacy.

Source: UN Women-Asia and the Pacific. Markets for Change

<https://asiapacific.unwomen.org/en/digital-library/publications/2016/02/markets-for-change>

Example 2– Diamond Bank storms the market: a 'BETA' way to save in Nigeria

Diamond Bank and Women's World Banking, supported by Visa and Enhancing Financial Innovation & Access, created an innovative savings product that helps overcome the barriers preventing low-income Nigerians from accessing formal financial services. In March 2013, the 'BETA savings account' was rolled out in 21 Diamond Bank branches. Targeted at self-employed women and men who need to save on a daily or weekly basis, BETA ('good' in Pidgin English) accounts have several advantages:

³ Business development services are defined as the range of non-financial services provided by diverse institutions and suppliers to micro, small and medium-sized enterprises (MSMEs) to support and facilitate their market operations.

⁴ Microfinance has been defined as the provision of financial services (such as savings and credit) to low-income clients or solidarity lending groups including consumers and the self-employed, who traditionally lack access to banking and related services.

they can be opened in less than five minutes and have no minimum balance, fees, forms, ID or signature requirements. Agents, who are called 'BETA friends', visit customers directly at their business to open accounts and handle transactions, including deposits and withdrawals. All banking activity is carried out through a simple mobile phone application. During the first six months, more than 38 500 accounts were opened, exceeding the goal of 16 000 accounts initially set by the Bank. Forty percent of these accounts are owned by women. Surveys conducted after the pilot phase showed that BETA customers are using their accounts regularly: 74 percent of them use it more than once a month, saving an aggregated USD 1.5 million in the first six months alone.

Source: Women's World Banking: <https://www.womensworldbanking.org/news/blog/becoming-bank-everyone-starting-women/>

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