DO INCLUSIVE BUSINESS MODELS CLOSE THE GENDER GAP?

Reflections on GROW Liberia's commercial approach to foster more inclusive agricultural markets

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About GROW

This paper was commissioned by GROW Liberia. GROW Liberia is an agri-business and investment advisory program that partners with businesses, investors, associations, and government agencies to accelerate inclusive economic returns within high growth industries in Liberia. GROW Liberia is funded by Sida and implemented by Adam Smith International.

Learn more about our research, advisory, and support here.

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Introduction

Women play vital roles across agricultural value chains. In Liberia, they own large rubber and cocoa farms, lead cooperatives, work as agricultural labourers and contribute countless hours of unpaid labour on family farms. Too often, though, women are overlooked and undervalued. Doing so not only harms women and their families but the agribusinesses and sectors that would benefit from their enhanced participation. For example, the FAO (2011) estimates that closing the gender gap in agriculture could increase yields by up to 30 percent globally.

As a market systems development (MSD) program, GROW Liberia works to realign incentives and relationships to improve economic participation and increase income and employment for poor women and men at scale. GROW does not work with smallholder farmers directly but typically employs a facilitative approach, engaging with public and private partners who are motivated and capable of addressing the underlying causes of underperformance that limit farmers' participation and opportunity in its target cocoa and vegetables sectors.

This calls for an approach to gender and inclusion that puts market players at the forefront of the change (e.g. Jones 2016, SDC 2016, AWEF 2019, Markel 2014). GROW has employed business incentives and commercial arguments to motivate its partners to better serve and include female farmers. And, this has made a difference – resulting in agribusinesses that are growing through their use of inclusive practices as well as farmers and households that are financially benefiting as a result of their improved participation in supply and distribution chains and the workforce.

As we near the end of our program, we use our experience in Liberia to reflect on inclusive business models[1] to close the gender gap in agriculture, including the tactics we found effective at influencing partners' business strategies. We also consider the limits of a commercial approach to inclusion.

A Commercial Approach Works

A compelling business case motivates change in partner strategy.

At GROW, we've consistently employed business cases to create visibility for women's roles and responsibilities in agriculture and to increase the appreciation of their value as suppliers, customers, and workers amongst partners. We've found that this tool – and the clear commercial opportunities it articulates – motivates our partners to invest in new strategies for increasing female participation.

One example of this is GROW's work to increase access to affordable agro-inputs and advisory services for male and female farmers – against a backdrop of persistent gender gaps in agricultural inputs (e.g. Quisumbing et al 2014; UN Women 2022). Leveraging research that explained women's roles and potential purchasing power in vegetable production and trade against agro-dealer sales and customer data, the potential was clear. While almost 60% of Liberia's vegetable farmers are female, on average, women made up less than a third of the client base of Liberian agro-input dealers - suggesting a large untapped market. GROW delineated this missed commercial opportunity for its partners and ultimately motivated and supported 22 agro-dealers to trial alternative marketing and sales tactics that better reflected female farmers' preferences.

Many of these tactics worked. Between 2018 and 2019, participating agro-dealers increased annual sales by 77% and almost doubled their customer base to 17,000 farmers. Further, agro-dealers' female clients grew by 120%. At the end of 2019, female clients accounted for 33% of agro-dealers' total client base (up from 28% in the previous year). Agro-dealers increased customers and sales by expanding points of sale (for example, selling at weekly markets highly frequented by female farmers), recruiting male and female sales agents to strengthen rural outreach, launching new marketing initiatives, and offering agronomic training to farmers on inputs use (read the full case study here).

It pays to invest in partners' capacity to track and use data.

Evidence on the business case for gender equality and guidance on how to quantify commercial incentives within economic development programmes is increasing (e.g. AWEF 2019, IFC 2017, Feed the Future 2021). However, comparably less is documented about the tactics programmes use to garner the interest of private sector partners to employ inclusive business models.

1 See DCED 2021 for a summary of recent inclusive business discussion, including definitions.

At GROW, we put a lot of effort into building our partners’ capacity to track and use data. Recordkeeping was a key aspect of nearly all of GROW’s partnerships, from supplier traceability to monitoring cocoa moisture to tracking lead-to-customer conversion rates amongst trained farmers. Our effort here also reflected our thin market context and partner capacity, where information is typically scarce and recordkeeping capabilities often low.

We also heavily utilized these records ourselves, cross referencing them against those of multiple partners and at different points in supply chains. We employed intermittent assessments to qualify information and decipher trends, helping our partners tweak their approaches and realize meaningful gains (read our thoughts on ‘Gender Data’ here).

In our agro-dealer development programme, for example, recordkeeping was an essential innovation for agro-dealers, many of whom had never tracked sales, expenses, inventory, profitability or any information about the customers they served – let alone different customer segments, such as male and female farmers.

Training and mentorship over a long time was needed to introduce and support bookkeeping for these small and largely informal businesses. For the first time, agro-dealers saw how much seeds, fertiliser and equipment they sold, through which channels (from their main shops, their weekly market stalls or through sales agents) and if they sold products to male or female farmers.

Initial performance-based incentives – competitions in this case – proved valuable toward motivating continued record use. For example, prizes could be won for the largest increase in customers, sales or the largest proportion of female clients. This incentivised agro-dealers to keep tracking business data but also to reach out to more female farmers.

In time, it was the data itself that sustained change in behaviour and challenged long-held business assumptions. For example, most agrodealers underestimated how much they sold to female clients and the proportion of sales that were facilitated through sales agents. Data on business growth by customers and performance data for male and female sales agents supplied critical evidence of the commercial case for targeting female famers—both as customers and agents to boost agro input sales.

The data itself challenged longheld business assumptions and ultimately sustained change in partner behaviour.

Test, investigate, refine – and repeat. No business case nor inclusive tactic will ever be perfect.

Unfortunately, there is no blueprint for the business case for closing the gender gap. Learning from elsewhere (AWEF 2019), as well as our own experiences in Liberia, shows that the approach needs to be tailored to country and sector context, the constraints facing women and the specific interests of the target private sector partners. We would add that the business case – like any model – must be tested, investigated and refined, using solid and timely evidence.

For example, GROW's monitoring data showed that the proportion of female cocoa farmers trained by our partners – largely invisible family labour in male-owned farms – was at just 21 percent at the start of our activity. Typically, male farmers attended the trainings but rarely passed the knowledge onto other family members. Far more than a question of fairness and equal access, the underrepresentation of female farmers threatened to undermine the causal link between training, cocoa quality and access to premium cocoa markets. Women in farming families are the ones primarily responsible for cracking the pods and fermenting and drying the beans – time-intensive post-harvesting activities that are essential for bean quality.

Further, consistent with the low proportion of female trainees was the low number of female Village Coordinators (quasi-agents responsible for outreach and training) working with cooperatives and traders. In 2019, only one cooperative had selected a single female Village Coordinator, suggesting cooperatives had been recruiting from within their well-known and largely male networks. GROW research subsequently showed that female farmers preferred to be trained in all-female groups by female outreach workers. [2]A scaled training model with mainly male Village Coordinators would therefore likely lead to an increase in the exclusion of female farmers which in turn would undermine efforts to boost the quality of cocoa produced by farming families and demanded by more lucrative premium markets.

Armed with these insights, GROW worked with partners to adapt their training approach. Alterations such as place and time better suited to female farmers' needs and targeted communications achieved an increase of the proportion of female cocoa farmers trained from 21 to 36 percent between 2018 and 2019. A more hands-on role by GROW to support cooperatives to recruit female Village Coordinators equally brought results. Recruiting among women's groups, enlisting male community leaders' support and active communication of the key role female cocoa farmers play to boost cocoa quality among farming communities led to an exponential increase in the number of female Village Coordinators from one to 303 (the equivalent of 47 percent) within one farming season across the participating cooperatives. These efforts paid off: including women farmers in good agricultural practices training translated into 36% higher cocoa yields for farming families (read the full case study here).

But, is a Commercial Approach Enough?

Gendered roles and structural barriers limit the success of inclusive business models.

In our work in cocoa and vegetables in Liberia, inclusive business models have improved female economic participation and income benefits while growing revenue and profit for agribusinesses concurrently. However, in both sectors, larger normative barriers proved resistant to GROW's inclusive business approach and brought to light the limits of a merely commercial approach.

For example, engaging sales agents to grow agro-dealer distribution proved highly effective in generating new customers and growing sales overall. Moreover, female sales agents proved as effective as their male counterparts – and more so at growing agro-dealers' female customer base. However, despite objective performance indicators to the contrary, female sales agents were portrayed as "weak" by some agro-dealers and "running away" as they were perceived as unable to deal with stress. In other words, existing bias against women in business roles proved stronger than the evidence on their effectiveness as agents. Though this decreased over the lifetime of GROW's activity and through positive influence from other agro-dealers, bias remains.

2 Research, using qualitative and quantitative methods, on a larger sample interestingly showed that male and female Liberian farmers have a preference for female extension workers (Witinok-Huber et al 2021).

For another example of the limitations of a commercial approach, high dropout rates among female Village Coordinators were assumed when they did not submit records of their activity. Several months after female Village Coordinate recruitment, over 40 percent failed to record farmer outreach and training activity. Conversely, only 4 percent of male Village Coordinators failed to record outreach and training. However, in a rapid assessment of 96 assumed inactive female Village Coordinators, 90 percent reported that they had in fact trained farmers despite an absence of records. In rural Liberia, only 33 percent of adult women are literate compared to over 60 percent of adult men, according to the 2019-20 Demographic and Health Survey. These women reported providing the names of the farmers they had trained to their male counterparts, some of whom appear to have recorded them under their own names and were consequently rewarded by their cooperative for high performance.

This example highlights how underlying structural inequalities— expressed in this instance by a large gender gap in literacy—manifest themselves during programming and challenge activity designed to be gender-responsive and inclusive. It also serves to highlight how power imbalances between men and women are not easily shifted through relatively short-term interventions. Cooperatives managed to successfully recruit and retain female Village Coordinators and put out a clear message that they are not the males' deputies. However, the apparent tendency of some men to claim farmer engagement numbers under their name and to their benefit, highlights how gender inequality is underpinned by powerful social norms that are difficult to change.

Our Take

A call for more “non-economic” in economic development

We believe that inclusive business models are well suited for economic growth programmes that are serious about achieving results for women. GROW recorded success using this approach in two sectors, supported by significant support to build partner capacity and a commitment to data and continued learning and adaptation.

However, challenges remain. Existing prejudice against professionalising female roles in agriculture is not easily eliminated through evidence in the form of a business case. Numbers matter but insufficiently 5 change personal attitudes within a normative framework that is stacked against women. Women are left to navigate multiple and overlapping barriers, as well as unequal power relations in order to respond to business innovations (Kabeer 2017).

As a programme, we’ve seen Liberian women face difficult trade-offs between looking after their small children and earning a living as agricultural labourers and learned about their struggles to access health care in remote areas. We have also witnessed female managers navigate male reports who attempted to undermine them as leaders and managers by obstructing access to key business equipment. Limited literacy and numeracy proved a recurrent theme that prevented female agro dealers to independently run their businesses, stood in the way of women becoming managers, and undermined women’s ability to demonstrate their effectiveness as sales agents or Village Coordinators.

The complexity of these constraints challenge market systems programmes that typically bring about change through collaboration with private and public sector partners. It is also striking that most of these constraints or barriers are “noneconomic” in nature and/or go to the heart of unequal power relations between men and women. A change of power is needed to enable women to take on more lucrative roles in agriculture on an equal footing with men. Therefore, closing gender gaps in agriculture requires economic development programmes to acknowledge, understand and set out to tackle the “noneconomic” barriers to economic participation and empowerment.

This may require more time, resources and different types of partnerships to address structural barriers such as female literacy, access to technology, or the availability of birth control. Integrating more research regarding the influence of social norms on economic interaction in markets (Markel et al 2016) that, in turn, informs activities to create new norms to replace harmful ones (Heise & Manji 2016 or UNFPA 2021) would be important. A valuable first step is for market systems development practitioners and their funders to acknowledge that the “non-economic” dimensions of change are integral to more inclusive economic outcomes.

Inclusive economic development requires that programmes address the “noneconomic”

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