

Critical Constraints for WMSMEs in participating in value chains in regional markets

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Definition of value chain

- Value chain means the sequence of related business activities (functions) from the provision of specific inputs for a particular product to primary production, transformation, and marketing and up to final consumption.

Importance of Value chain:

- Value chain analysis is an important tool for strategic management and when competition is intense, companies must manage activities and costs strategically, or they will lose their competitive advantage. Value chain analysis can be used for determining at what point costs can be reduced or value added in the organization's value chain

Critical Constraints for WMSMEs in participating in value chains in regional markets

1. Lack of specialized skills and new technologies
2. Lack of finance
3. Lack of marketing such as:
 - market information on product demand
 - marketing techniques or methods, market outlets,
 - lack of linkages to large buyers,
4. Lack of infrastructure development such as: Poor road, electricity and basic amenities.

How do we promote women MSMEs in participating in value chain?

- **Build up on a supply chain mechanism:** This is one of the strongest medium for facilitating in the missing link for increasing the number of women into the market systems
- **Creating skilled women manpower:** Due to lack of skilled manpower women end up at the lower end of the job market.

Role of organizations/Women Groups in creating value chain

Nepal:**WEAN Multipurpose Cooperative**

- Established: 1992
- It has been supporting women home based enterprises through marketing
- Assist enterprise owned or run by women entrepreneurs in areas of marketing, productivity and quality improvement.

**Wean Cooperative: Contd.....**

- Successful brand: Navaras Pickle
- Beneficiary groups: Direct and Indirect member= around 1500



SEWA- Self Employed Women's Association of Ahmadabad, India

- SEWA-Registered as a Trade Union in 1972 for women who are poor, illiterate and economically weak
- SEWA's current membership is 1.75 Million
- SEWA has designed an innovative supply chain model involving the women and farmers to take ownership on their trade through their own investment.

RUDI Multi Trading Company

- RUDI- a social enterprise
- Promoted by the Self Employed Women's Association (SEWA), Rudi Multi Trading Company Limited was established in 2004 with the twin objectives of facilitating a linkage between poor rural farmers and rural consumers, and promoting internal generation of funds in villages.
- RUDI- to raise the economic status of women farmers within the SEWA network in a sustainable, scalable and systematic manner by nurturing livelihoods at all levels of the rural supply chain.

Rural Distribution Network- RUDI



IMPACT of Rural Distribution Network- RUDI

- The idea of setting up a Rural Distribution Network is to provide multi-user facilities and build-up an integrated value chain in order to enhance the efficiency of agricultural activities, to reduce the hardships by the producers, processors and to create multiple employment opportunities and an efficient supply of agro-products to rural members”
- RUDI provides direct market access for small rural agricultural product producers, make high quality daily goods more available and affordable for rural consumers, and provide multiple employment opportunities to the members of SEWA.

RUDI Outcome

- Strengthen the rural economy and help villages become self sustaining by creating a company that helps scarce rural resources circulate within the village

Shri Mahila Griha Udyog Lijjat Papad



- Established: 1959
- An Indian women's cooperative involved in manufacturing of various fast moving consumer goods.
- Objective: Empowerment of women by providing them employment opportunities.
- Seed capital of USD 1.5, Lijjat has an annual turnover of over 100 million USD in 2010, with 5206370 USD in exports.
- Employment to around 42,000 people.



BRAC- Aarong Outlet, Bangladesh

- Aarong, a fair trade organization was established in 1978,
- Bring about positive changes in the lives of disadvantaged artisans and underprivileged rural women by reviving and promoting their skills and crafts.
- Aarong, a marketing outlet plays the role of protector and promoter of traditional Bangladeshi handicrafts and textiles.
- Woman who works in Aarong-owned production facilities is also a beneficiary of BRAC's development programmes.
- Helped in creating avenues for marketing tie ups, joint venture collaborations, and technology facilitation.



BRAC- Aarong



Today, Aarong's reach has spread beyond Manikganj, Bangladesh to the rest of the country. It has grown into a thriving international enterprise showcasing ethnic wear to beautiful crafts from silks, handloom cotton, ending to terracotta, bamboo, jute and much more. From a single shop, Aarong has grown into one of Bangladesh's biggest retail chains, with eight stores spread across the major metropolitan areas of the country - in Dhaka, Chittagong, Khulna and Sylhet and one in London, UK.

Outcome of Success Stories

- Has enhanced in building grass root organizations taking them to sustainability.
- create awareness among women SMEs on the impact a social enterprise
- opportunities for Collaboration with other stakeholder
- Enhance business linkages, enhance new business transactions and investment, and facilitate joint learning of value chain stakeholders and process innovation, and capacity development and institution building.
- Higher income for craftsmen/ farmers, higher export earnings, more investment, more jobs, and environmental sustainability
- Connecting the rural economy with the urban economy

Such marketing mechanism has helped strengthen the competitiveness of women entrepreneurs by establishing backward linkage with value chain among entrepreneurs, producers, and forward linkage that includes promotional trade activities, boost production of quality products.