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The women who make rice shine

Propcom Mai-karfi
Making rural markets work for the poor

Empowering women in the rice parboiling business

- Parboiling is a key step for adding value to rice in Nigeria, and 87% of this service is performed by poor rural women.
- Women in rice parboiling groups are linked with traders and empowered to negotiate prices and develop their businesses by Propcom Mai-karfi.
- Facilitating market linkages for poor women has the greatest impact when accompanied by capacity building in leadership, negotiation and business management.
- The lessons of this successful intervention have guided Propcom's broader activities for women's economic empowerment within the approach of 'making markets work for the poor' (M4P).

In the mission to make markets work for the poor, facilitating market linkages often comes first. Yet for poor women in particular, other elements need to fall into place for these linkages to be sustainable and transformative. Even in businesses where poor women already produce much of the value, they must also have the capacity to lead, to negotiate confidently with men, and to develop their activities as businesses.

These have been the lessons of Propcom Mai-karfi's intervention with women involved in the home micro-enterprise of rice parboiling in northern Nigeria. From 2015 through 2017, Propcom and its partners worked with more than 4,000 poor rural women to help organise them into groups and form mutually beneficial linkages with rice traders.

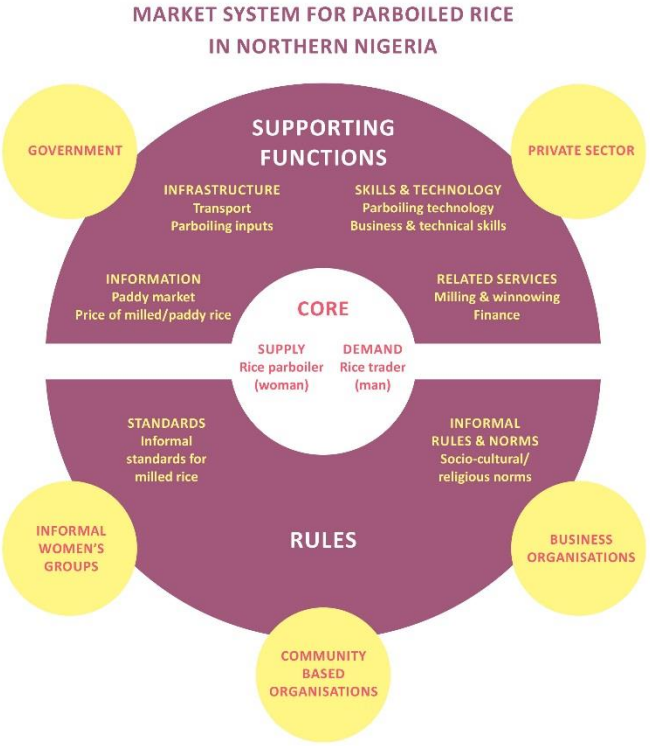
Going beyond facilitation, the partners empowered women with activities to strengthen their leadership, negotiation, business management and record-keeping skills. The results show what can happen when poor women have a chance to take an active lead in value addition.

Adding value at home

Parboiling refers to the partial boiling of paddy rice before milling, which makes milling more efficient and produces higher quality, more nutritious rice. Most of the rice that is bought and eaten by Nigeria's 87 million city-dwellers has been parboiled before reaching the market. This service is provided almost entirely by poor women living in rural areas, who process rice at the household level as a microenterprise.

While growing rice requires land and working capital, and trading rice demands finance, mobility and market access, parboiling is an easier business for poor women to enter. They either provide the service to others for a small fee, or if they have some capital, they can buy bags of paddy rice and sell the final product to traders for a small profit.

Rice parboiling is an important source of rural incomes, but a few factors keep women from achieving more with it. Traders, who are mostly male, highly mobile and well informed, have a higher capacity to negotiate than the women. The women parboilers lack financial resources and management knowledge to increase the size and quality of their production. And, as in many other areas of life, restrictions on women travelling away from home prevent them from accessing more profitable markets.



Lasting links

Propcom Mai-karfi's intervention grew out of interactive discussions with the rice parboiling stakeholders and a partnership with a local NGO, Isa Wali Empowerment Initiative. Across two northern states of Kano and Jigawa, Propcom identified 22 rice traders who were interested in linking up with semi-organised parboiling groups formed by women.

In the first year of intervention, these linkages facilitated by Propcom led to sales of thousands of tonnes of parboiled rice. The traders provided more tonnes of paddy rice to the women for them to parboil for a fee. More importantly, these links grew into partnerships through which the women continue to learn about market needs from traders who they deal with season after season.

More than 4,000 women are engaging regularly in this trade, and together they have demonstrated that the market linkages are mutually beneficial for parboilers and traders. Conducting business as a group, the women report that they are more coordinated and have greater control over their trade. The traders have seen an improvement in the quality of the parboiled rice, helped by training and cross-mentoring within the groups. This higher quality means better prices for the traders and, in turn, for the women in the parboiling groups.

From processors to leaders

Facilitating linkages was the first step towards making this market work for poor women. However, the next step proved to be just as important: developing the skills of these women in leadership, group formation and negotiation. This aimed to prepare them for developing their groups as businesses, and for speaking with one voice to confidently trade with their male counterparts.

Propcom's partner trained 90 group leaders in these skills using participatory group discussion, experience sharing and role play. Community-based organisations were also supported to provide step-down training on business and group management to more than 2,500 women.

An impact assessment of the trainings showed how women are taking charge in the rice value chain. Many of the women already considered themselves leaders within their communities or their households, and the training empowered them to extend this leadership to the parboiling business. Some groups had met with traders and successfully negotiated more suitable prices, while others started up new efforts, like gathering financial contributions to help their poorer members purchase supplies. Keeping records has helped them regulate and determine their profit margin, taking advantage of their improved control over prices in the male-dominated rice market.

Financing empowerment

As the women's parboiling groups have flourished, a critical constraint they continue to face is that of limited working capital. When this is available they can purchase more paddy rice and expand their processing activities. Fortunately, one benefit of operating as a group is access to microfinance – something that is rarely possible for individual women.

FROM DECEMBER 2015 TO NOVEMBER 2017

4,963
WOMEN SOLD

7,038
TONNES OF PROCESSED RICE FOR

₦1.54
BILLION (£3.4M)

+

PARBOILED

9,112
TONNES OF PADDY RICE AS A SERVICE TO TRADERS, EARNING FEES OF

₦27
MILLION (£61,000)

Propcom has sought to help bridge the financing gap by signing an agreement with a microfinance lender to bring more than ₦90 million (£200,000) in working capital to some 3,000 women.

Assessing a sample of loans that have been granted so far, Propcom recorded a re-payment rate of 100%, with nearly half of respondents having already completed repayment. The women felt confident that they could make payments as a result of their increased scale of processing, with 92% saying that they were able to process an additional 1–2 bags of paddy rice with the funds.

The busy groups have inevitably drawn a lot of attention from other women in their communities – which is a promising sign for the intervention's future. Since national cooperative guidelines limit the size of groups to 25 members, many cannot take new

members. Instead, some of the group leaders are mentoring women who would like to start up their own groups. These leaders will play an important role in spreading the model of rice parboiling groups and their market linkages more widely through northern Nigeria.

The lessons of leadership

Propcom Mai-karfi's focus on women's economic empowerment is not a stand-alone activity; it cuts across all interventions. Addressing the gender constraints in all rural markets in northern Nigeria will help women and girls advance economically and empower them to become competitive players within markets.

The rice parboilers have given Propcom insight into the importance of understanding how broader socio-economic and cultural constraints affect women's ability to access and benefit from markets. A common criticism of the M4P approach is that it is gender blind and often fails to recognise that women face numerous other gendered systemic constraints in the market system. Without understanding and addressing these constraints, the sustainability of the intervention is at risk, with the gains less likely to last since the normative issues constraining women's economic empowerment have not been addressed. For the rice parboilers, they faced additional constraints in terms of their capacity to organise themselves and negotiate prices with male traders. Addressing this required Propcom to absorb some short-term costs in the area of training the women, in order to realise long term benefits. Unfortunately, these costs are not easily incorporated into a commercial business model, another learning for Propcom. These lessons have been taken up in other activities, which include interventions in Shea nut processing and poultry farming.

There is, indeed, a message for all market facilitation programmes. Poor women face many obstacles in markets, and if they are to benefit from enhanced market access, they may need stronger capacity in leading, managing, and negotiating with better-advantaged men. Building this capacity often requires additional costs, and private sector partners may not be interested in paying them, but the benefits are clear. Empowering women is essential to making markets work for the poor.

Propcom Mai-karfi

Propcom Mai-karfi (which means 'stronger') is a programme supported by the UK Government to make rural markets work for the poor.

By engaging with private sector partners and governments, Propcom Mai-karfi has raised the incomes of over 500,000 people in northern Nigeria.

Through its partnership approach, the programme has stimulated £20 million in private and public investment into the rural economy.

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from the British people