



Needs assessment summary: One Stop Shop for Women Micro-entrepreneurs

Introduction

The 'One-Stop-Shop for Women Micro-entrepreneurs in Oaxaca' project is a collaboration between the Trafigura Foundation, the Cherie Blair Foundation for Women (CBFW) and Solidaridad Internacional Kanda A.C. (SiKanda). It aims to pilot a holistic enterprise development methodology to support 300 women entrepreneurs living close to the largest landfill in the Villa de Zaachila Municipality, Oaxaca, to become successful business women and have greater control over their own lives.

During July through to September 2018, the Foundation and SiKanda conducted a needs assessment in the eastern parts of the Municipality to understand the profile, needs, and challenges of women entrepreneurs in this area, and to identify opportunities to refine and strengthen the design of the project.

The needs assessment collected both quantitative and qualitative information through (1) face-to-face questionnaires with 81 women who have been running their businesses for at least two years; (2) in-depth interviews with 10 women to facilitate a deeper exploration of their lives and enterprises; and (3) focus group discussions with 11 women to provide a space for collective dialogue. In addition to these direct consultations with women entrepreneurs, we also conducted a community mapping exercise to identify support services currently available to women entrepreneurs in the area.

This document summarises the findings of the assessment, outlining the context in the Municipality of Villa de Zaachila, the profile of the women entrepreneurs and their businesses, as well as support services available to women entrepreneurs. It also outlines how these learnings have been taken into account in refining the approach of the One-Stop-Shop for Women Micro-entrepreneurs in Oaxaca' project.

Context

Villa de Zaachila is one of the 570 municipalities of the State of Oaxaca, in the South East of Mexico. It has a population of 43,279, out of which 22% live in extreme poverty, 52% are women, 20% have intermediate or higher education, 22% are without housing, and of those with housing only 20% have electricity, and only 60% have running water.

The eastern part of the Municipality is home to one of the largest landfills in the state, which since the 1980s has drawn a community of migrants to settle close to the landfill. The area is defined as a “highly marginalised zone”, according to the Secretariat of Social Development (SEDESOL), where some neighbourhoods are not even officially recognised, meaning there is no official data available. Social cohesion is limited within the community and there is a lack of trust between its members.

Furthermore, in the past two years, there has been heightened insecurity in the area. Conflict broke out between the established community and the socio-political organisation “Frente Popular 14 de Junio” (FP) who, according to community, invaded the area. The FP have now been expelled, and conflict has reduced. However, a lack of security, linked to this conflict, regularly surfaced when speaking with women entrepreneurs during the needs assessment.

There are few economic opportunities for community members to improve their livelihoods in the area. Options for paid employment for women are specifically limited, due to their role as primary caregivers in their households. Men work both within and outside the Municipality, and often take up jobs as bricklayers, taxi drivers, or other types of labourers. For women, entrepreneurship offers the best opportunity for them to improve their livelihoods.

Profile of women entrepreneurs in eastern Zaachila

The majority of women (68%) interviewed in the needs assessment are aged between 30 and 49. Levels of education are low. Only 42% have received schooling until the age of 15, and 22% have not completed any schooling. The majority of women (61%) are either married, or in a domestic partnership (who consider themselves to be in a married couple). The older women tend to have families of at least four children, while younger women have on average two children.

a) Socioeconomic status

The average family income per month varies from MXN \$3,000 to \$6,000, depending on the number of people contributing. For the majority of women (66%) surveyed, this means that family income is rarely enough to cover monthly expenses.

33% of the families depend solely on the women’s business incomes, while 26% of the women also have economic dependents outside the household (e.g. other family members who they support).

Generally, the women’s economic situation is unstable. They do not have enough disposable income to save, and what income they do receive is spent immediately. 52% receive support from Prospera, a government social assistance programme.

“As a child I wanted to become a teacher, but my mum would say ‘No, you are a girl, I cannot give you schooling, if you were a boy, yes, because he is worth it, but not you.”

- Woman entrepreneur, 40 years old, Zaachila

“As soon as it [money] arrives, it goes away. I don’t do the math.”

- Woman entrepreneur, 33 years old, Zaachila

Women's priorities, listed in order:

1. Children
2. Health
3. House/Household
4. Family
5. Education
6. Food
7. Economic stability
8. Personal growth
9. Business
10. Quality time

"Being healthy we can do many things, if we are not healthy, even if we have money, it's not possible."

- Woman entrepreneur, 65 years old, Zaachila

b) Priorities

For the women entrepreneurs interviewed, their two main concerns are the wellbeing of their children and their own health. Business, and even economic stability, are seen as means to an end of ensuring their children and the health and wellbeing of their family are secure.

When discussing success, the women mention tangible achievements based in their lived experience, such as "being healthy" and "having a house".

c) Business activities of women entrepreneurs in eastern Zaachila

The overwhelming motivation for women in eastern Zaachila to start a business is to contribute to the family income (68%), followed by the lack of job opportunities in the area (26%).

The vast majority of women's businesses in the area are informal, and the women do not generally think of them as a business or an enterprise that requires planning and management. Most business are either based out of their homes, while 31% work as peddlers (meaning they sell items from the street). The businesses are mainly in one of two sectors: 51% in food preparation (e.g. tortillas), while 35% are grocery stores or clothing or other shops. The vast majority (83%) only sell their products or services to people living nearby in eastern Villa de Zaachila.

60% of the women work by themselves in the business. In most other cases, there is a family member or acquaintance who supports them with some of the chores. Only 11% of business pay an employee.

On average, women work 11 hours a day, 5 to 6 days per week. 85% of the businesses generate less than MXN \$200 in profit per day. However, the needs assessment highlighted that estimating profits is a challenge, as the women do not have administration or accounting mechanisms that allow them to separate costs and revenues derived from the business from those of their household.

d) More advanced businesses

Alongside the general business profile outlined above, there are some women who run businesses that stand out in the following ways:

- The business was planned at inception, so there is an overriding strategy or business vision.
- The business represents the only source of income for the family, and so the whole family is involved in running and growing the business.

The women who run these businesses also show distinct characteristics:

- They are optimistic, determined, and actively problem-solve, and manage their time effectively in order to reach their goals.
- They show greater levels of confidence. They are seen as a role model by other women, and many of them support and advise other women, and accompany them in situations or conflict.

Although these women are more advanced, many of their learning needs are similar to those other women analysed in this assessment.

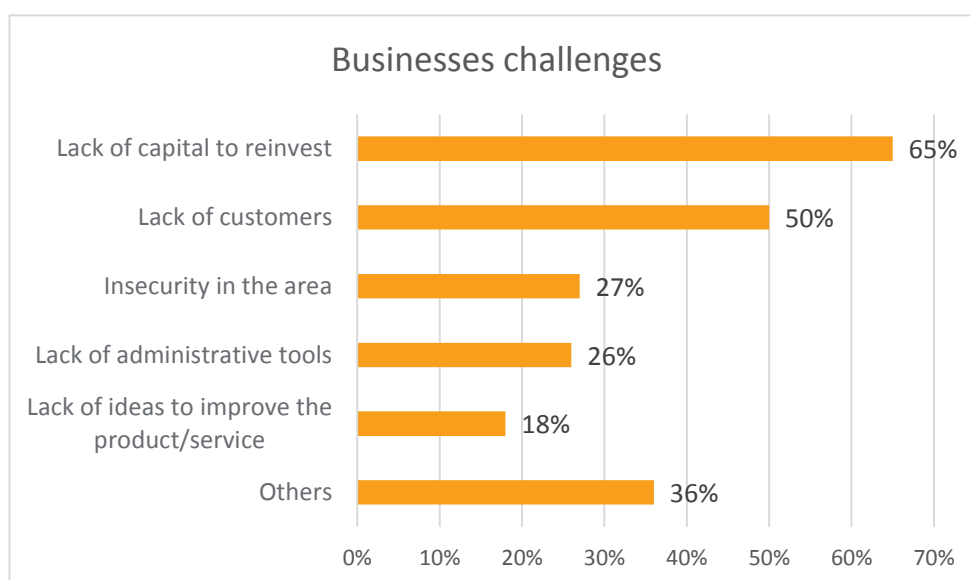
Enhancers of enterprise development

Based on the profile of the women interviewed, and particularly taking into account the success of the women who run more developed businesses, the needs assessment identified a number of traits or characteristics correlated with more successful businesses:

- **Proactivity and motivation:** Women anticipate difficult moments and problem solve to reduce their impact. They chose the type of business they run, so they feel ownership of it and are motivated to sustain and grow it.
- **Self-confidence:** They value what they do and achieve. They are confident that they have the skills and that they can get ahead.
- **Support from family:** They can rely on the support of their partners or families, either in the business or with household chores and caring for the family
- **Business knowledge:** Although they do not have management training, these women understand how a business functions and the work it requires.

b) Challenges faced by women entrepreneurs in eastern Zaachila

The women surveyed face a number of challenges in their businesses. The main challenges are outlined in the table below.



Other challenges that were highlighted through the needs assessment include:

- **Machismo:** This issue permeates society and can be found in many aspects of the women's lives and businesses. For example, many male partners are not comfortable with their partners running a business, regardless of whether it brings income into the family.
- **Domestic responsibilities:** Women with several children, and with young children have to spend a lot of time caring for them and therefore have less time to spend on their business. The lack of childcare support exacerbates this issue, as does the machismo culture, which means the domestic work and chores are the sole responsibility of women.

"I can't wait here for clients to show up and buy something in the house, I'd better go to the streets and sell a little more."

- *Woman entrepreneur, 40 years old, Zaachila*

"I would tell other women that it is not easy to start, but if your husband supports you, it is possible."

- *Woman entrepreneur, 24 years old, Zaachila*

- **Low self-esteem:** Some women lack confidence, and so do not actively pursue the enhancement of their business. This could be due to a variety of reasons such as past traumatic experiences, or the lack of successful role models.
- **Lack of motivation:** Caused by a variety of reasons, such as being handed a business that they did not choose from their parents, or they simply had no other options to generate income. Some women have such low self-esteem, caused in some cases by previous traumatic experiences, that they do not show commitment or motivation to grow their business.

Services currently available to women entrepreneurs in eastern Zaachila

The needs assessment mapped the institutional and entrepreneurial ecosystem in Villa de Zaachila, as well as the capital Oaxaca, to understand the services available for women-led businesses and where the gaps are.

The mapping found 24 services available for women entrepreneurs, offered by a mix of non-governmental organisation, government institutions, universities and private companies. These services consists of business management training, support to access microcredit, savings accounts and financial programme providing seed-capital.

However, in terms of accessibility (cost of service, distance from target location suitability for target group), the assessment found the following:

- All 24 services are based in Oaxaca City. Although some could be delivered in eastern Zaachila, none could offer regular follow up and customised support throughout the programme, without the women travelling to Oaxaca.
- None of the government-led programmes focus specifically on women who come from low economic or educational background as the programmes depend on the use of computers to complete the course.
- Courses available that are tailored to women from a disadvantaged background are offered by private companies, meaning they are not free, and thus are not accessible for women from eastern Zaachila.

Following this analysis, the mapping found that not one of the services initially identified succeeded are accessible for women in Villa de Zaachila. There is thus a clear need for services that are free or affordable, accessible to women that are at a low academic level, available to women in their locality, and offer customised support.

How the findings from the needs assessment have been taken into account in the project design

The design of the project has been refined based on the findings in the needs assessment. Specifically, the following changes have been made:

- Inclusion of a defined criteria to participate in project. We have outlined a criteria for women entrepreneurs to be selected to participate in the project, guided by the findings in the assessment
- Updated approach for the business management and life-skills training. We will deliver a total of 45 hours of support in key business management and life-skills topics. In the previous design, we planned to deliver training first and then coaching. We have now revised the approach to deliver this support in parallel. The training, which will be delivered in larger groups, will focus on knowledge transfer and the coaching, delivered in smaller groups, on enhancing this knowledge and applying it in the context of their specific businesses. The needs assessment also highlighted that the women are in particular need in two key areas: 1) business management tools to help them run more efficient enterprises and 2) financial literacy skills. Both areas will be emphasised in the training.
- Adding structured counselling over six months after the formal training. We have added a minimum of 18 hours of counselling over six months to ensure that women receive structured advice and support, in addition to guidance from the One-Stop-Shop Officer, which is based on their own motivation to seek out support.

- Tailored support to increase market access. As 50% of the women surveyed identified a lack of customers as a major challenge to growing their business, we will facilitate the creation of sector groups, comprising of individual women entrepreneurs engaged in similar or complementary business activities. The project will provide support to enable these groups to purchase goods (in bulk) from outside of the municipality and also leverage larger business and market opportunities.
- Adding targeted support to develop savings groups. We will focus on supporting women entrepreneurs to start saving either individually or in groups. The needs assessment found that very few women save and, due to the lack of trust in the community, savings groups are not common. As women are currently excluded from accessing formal finance, and are also extremely averse to taking out loans due to the risk of defaulting, savings are particularly important and will provide them with a flexible asset which buffers them from risks and strengthens their financial stability.



"[Success is] being self-sufficient, not depending on many people...being self-sufficient in my business, that my business works well thanks to my work."

- *Woman entrepreneur, 36 years old, Zaachila*