

USAID Transform WASH

Women as Business Leaders



Learning Note, September 2020



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USAID Transform WASH aims to improve water, sanitation and hygiene (WASH) outcomes in Ethiopia by increasing market access to and sustained use of a broader spectrum of affordable WASH products and services, with a substantial focus on sanitation.

Transform WASH achieves this by transforming the market for low-cost quality WASH products and services: stimulating demand at the community level, strengthening supply chains, and improving the enabling environment for a vibrant private market.

USAID Transform WASH is a USAID-funded activity implemented by PSI in collaboration with SNV, Plan International, and IRC WASH. The consortium is working closely with government agencies, including the Ministry of Health, the Ministry of Water, Irrigation and Electricity, the One WASH National Program, and regional and sub-regional governments.

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This learning note is intended to create a better understanding on the gender dynamics in business through documentation of key learnings from the USAID Transform WASH Activity which will in turn inform action points to enhance women's roles in the sector. The study employed comparative approaches to engaging both male and female entrepreneurs to explore the unique challenges encountered by women involved in businesses that offer WASH products and services.

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Abbreviations

ETB	Ethiopian Birr
MFI	Micro Finance Institute
PSI/E	Population Services International Ethiopia
SMEDA	Small and Micro Enterprises Development Agent
SNNPR	Southern Nations, Nationalities, and Peoples' Region
T/WASH	USAID Transform WASH
TVET	Technical and Vocational Education and Training
USAID	United States Agency for International Development



1. Introduction

Gender equality and women's empowerment are fundamental human rights and key to sustainable development.

Women's involvement in the water, sanitation and hygiene (WASH) sector has multiple effects, such as increasing equity by creating economic opportunity, bringing value chain efficiency, addressing diverse needs through increasing equal participation in decision making processes, and increasing product uptake.^{[11][12]} Nonetheless, women's involvement in businesses, particularly those related to WASH, remains low around the world.^[13] In Ethiopia, for instance, women-owned businesses make up fewer than 10 percent of the construction sector. These enterprises tend to be smaller and mainly in low-productivity, low-technology and low-growth sectors, which lead to lower productivity and profits.^[14]

USAID has a strong commitment and long history of supporting programming to increase gender equality. The policy of the Agency on Gender Equality and Female Empowerment (updated in 2012) aims to achieve three overarching outcomes across activities that USAID undertakes in multiple sectors and fields:^[15]

- Reduce gender disparities in access to, control over and benefit from resources, wealth, opportunities and services -- economic, social, political, and cultural;
- Reduce gender-based violence and mitigate its harmful effects on individuals and communities; and
- Increase capability of women and girls to realize their rights, determine their life outcomes, and influence decision-making in households, communities and societies.

Building on the Agency's progress to date, the USAID Transform WASH Activity (T/WASH) aims to strengthen Ethiopian businesses that offer consumers WASH products and services. This includes a focus on women-led enterprises with a commitment to increasing their representation to 25 percent of all project business partners. Despite deepening engagement with these partners, T/WASH has sought to understand more about how female entrepreneurs are performing and what unique challenges they face across the WASH business value chain.

2. Study Objective

2.1. General objective

This learning note is intended to help readers better understand the gender dynamics in WASH businesses in Ethiopia through the documentation of key learnings and action points designed to enhance the role of women in the sector.

2.2. Specific objectives

The study has the following two specific objectives:

- Explore challenges that women face as entrepreneurs, particularly across the WASH value chain (i.e. manufacturers, distributors, retailers, masons, and sales agents), through comparison with their male counterparts.
- Provide actionable recommendations on how to enhance roles and performance of women in WASH business.

3. Method

Qualitative data were collected from 15 women and 15 men in WASH businesses and 15 key informants in five regions in February 2020. The key informants were from woreda (district) health offices, woreda education offices, woreda job

creation and enterprise offices and development partner organizations.

An equal number of male and female entrepreneurs were screened to make the comparison across thematic areas easier using gender lenses. The sampling of the study participants was purposive and focused on USAID T/WASH business partners only. The same semi-structured interview guide was used for both male and female entrepreneurs.

Five female and five male experienced qualitative data collectors were screened by Population Services International/ Ethiopia's (PSI/E) pool of data collectors, and they were trained for one day prior to data collection.

The qualitative data were collected from five regions (Amhara, Oromia, SNNPR, Somali and Tigray) focusing on T/WASH intervention woredas (districts). Data collectors were matched by gender and language preferences of interviewees in each region.

Using English transcripts, the lead researcher coded the qualitative data from the field line by line using QDA Miner Lite (v2.0.7). The codes were categorized under thematic areas which were designed based on reviews of related literature.

The proposal was checked by PSI's internal review board and exempted from human subject review by virtue of its program improvement undertaking. The execution of the study followed the ethical standard for social research. All respondents were above the age of 18 and orally provided informed consent as a prerequisite to participating in the study.

4. Findings

Based on a review of related literature on women in business, seven major thematic areas were identified to capture key findings on gender-specific challenges that women face. A total of 15 female and male entrepreneurs were compared on the following seven thematic areas:

- Entrepreneurs and their business profiles
- Motivation to run businesses
- Perceptions on WASH products and services
- Communities' gender norms
- Networking opportunities
- Employee management
- Enabling environment (support from government, MFIs and T/WASH)

4.1. Entrepreneurs and their business profiles

Under this theme, five key variables that might impact the business performance of both female and male WASH entrepreneurs were compared. Except for their business capital, no meaningful demographic differences were observed between female and male entrepreneurs.

- **Age:** The median age for females was 34 and 35 for males. The mean age for females was 31 and 35 for males.
- **Marital status and family size:** 13 men and 12 women were married. One female entrepreneur was divorced. The remaining were single (two from each). The average family size for female entrepreneurs was 5.5 and 4.9 for males.
- **Education:** The level of education was similar. Two thirds graduated from high school. Five female manufacturers graduated from TVETs compared to two males.
- **Age of business:** Except for a few outliers, both female and male

entrepreneurs had less than two years' experience. Two thirds of them had less than a year experience.

- **Business capital:** The average capital of male entrepreneurs was found to be more than 2.5 times more than that of their female counterparts (251,285 ETB versus 94,625 ETB). This converts to USD \$8,105 vs. \$3,052 based on the exchange rate at the time of the study (31ETB to 1USD, May 2020).
 - Retailers had relatively more capital than manufacturers. The average capital for female retailers was 233,750 ETB and 437,500 ETB for males. For manufacturers, the average capital was 43,500 ETB for females and 48,000 ETB for males.

4.2. Motivation to run businesses

The motivation for running a WASH-related business was observed to be similar for both female and male entrepreneurs. The desire to diversify sources of income or increase profit, low capital required to start a business that focuses on WASH and also motivation from T/WASH Business Advisors were reported as common sources of motivation to run this type of business.

Support from the T/WASH team, such as training, provision of molds, and follow-up, were a motivation to start or expand their current business in the WASH sector for both groups. Finally, some of the interviewed entrepreneurs, male and female, used to be unemployed youths who were supported by the Small and Micro Enterprise Development Agency (SMEDA) to start a WASH business.

The only difference, in terms of motivation, was that female entrepreneurs put more emphasis on the health benefits of WASH products than their male counterparts. Out of the 15 women, nine mentioned health benefits as part of their core

motivation to run the business compared to only four male entrepreneurs. This might be attributed to the fact that women as caregivers within their families are at times confronted by illness caused by poor hygiene and sanitation.

4.3. Perception on WASH products and services

Despite reporting multiple start-up challenges, female entrepreneurs, like their male counterparts, were overwhelmingly positive in the evaluation of their WASH-related businesses. Both groups believed that the demand for sanitation products was growing, mirroring communities' awareness and aspirations. Female entrepreneurs often attributed their current achievements to strong collaboration with other actors and intensive initial promotion.

The key initial challenges reported by female entrepreneurs included: i) high dropout rate among enterprise members, ii) low capital, iii) low community acceptance of sales agents/manufacturers' promotional activities, iv) fear of sexual assault while travelling, v) lack of working space, and, vi) receiving misguided instructions from woreda health offices to provide products on a credit basis, which often leads to bankruptcy.

"I believe this business is a blessing from God! God saw our suffering and helped us. Now I live a better life than my neighbors. I get more than 5,000 birr per month. I feed my children nutritious food. I built a new house. I also bought a cow to get milk for my children. My life has changed dramatically. People come to ask me to know how I started the business."

Female Slab Manufacturer, Aleta Wendo, SNNPR

4.4. Communities' gender norms

Gender norms are social norms defining acceptable, appropriate actions and roles for women and men in a society. Negative gender stereotypes were found to be among the key constraints for women to succeed as a WASH entrepreneur.

Overall, reports of negative gender norms for women in WASH-related businesses are common across the regions, though the magnitude varies. Although equal numbers of sampling were taken in each region (except Somali Regional State), statements on gender coded as "negative gender norms" were overwhelmingly higher in Amhara, followed by Oromia region.

Women are often considered unfit for activities that involve labor and travel. As a result, the key informants or enablers tend to prefer and screen male entrepreneurs for production, promotion and installation of sanitation products. WASH focal persons are sometimes gender blind or insensitive and do not make any extra effort to support or enhance the performance of businesses owned by women.

Women also often receive derogatory and discouraging statements from their community while actively running their businesses. These mainly relate to manufacturing and promotion. Male manufacturers rarely report experiencing stigma in their work.

"[Some people ask] 'how can you work in the dirty toilet business while you have all this wealth?', considering me a greedy person. Some people also envy me, looking at the positive changes I have made related to my family."

Female Entrepreneur, Badawacho, SNNPR

"They say, why doesn't she simply get married, give birth and care for her children instead of doing a man's job in cutting iron bars and working with cement?"

Female Entrepreneur, Wukro, Tigray

A Woman Entrepreneur Who Gave Up on Her Vision Due to Negative Gender Norms

Nebiyu is a small construction business owner and T/WASH business partner who inherited the business from his wife after her role decreased due to negative perceptions of female business owners in her community and responsibilities at home.

Nebiyu's wife grew her business selling farming tools, such as hoes, in an open market space. She was initially bringing the items from Bahir Dar but gradually started producing these and other items by herself. She received support from the SMEDA and grew a large customer base, with people traveling from far to purchase from her. She was even interviewed on national television and was awarded a medal and certificate by the Amhara National Regional State.

Despite these accomplishments, negative attitudes towards women business owners were a factor in Nebiyu taking over the business. One example given by Nebiyu was when they enrolled their son in kindergarten, children of his age ostracized him on account of his mother's occupation as she was working as an artisan of farming tools. Saying artisanship is man's work, the boy asked his mom to give up the job.

According to Nebiyu, if not for such community norms, it would be easier for women to start their own businesses. He said women are more encouraged compared to the past and bring trustworthiness, reliability and commitment to business but still face traditional gender norms and responsibilities.

Communities' social norms also dictate clear roles for women and men outside the business. While male entrepreneurs often socialize and network during their leisure time, women entrepreneurs are expected to take care of their children and follow up on household chores. This means compromising their success and commitment to their business. Compared to their male counterparts, women tend to open their business later and close it earlier due to responsibilities at home.

There were also some positive gender norms related to women's involvement in business in general and in WASH-related business in particular. There are situations in which WASH focal persons are rethinking their approach to the sanitation business through revitalizing women's involvement in the sector after failed attempts with their 'male only approach.' There is also a growing consensus among the key informants that female entrepreneurs are trustworthy and committed partners. Below is a summary of descriptions provided throughout the transcripts on women in business (with frequencies of reporting in parenthesis):

- Committed and reliable to work with (6)
- WASH business fits well with women as an extension of their traditional role (4)
- Open minded and receptive of new ideas (4)
- Do not easily give up and accept defeat (4)
- Less likely to migrate or abandon their business (2)
- Value the health benefit of their business as equal to their profit (1)

Examples of Successful Women in Business

The case of two women entrepreneurs from SNNPR is a good demonstration of women's ability to run a successful WASH-related business.

Assefash and Belayinesh, with a 15,000 ETB loan they each received from Omo Microfinance, bought raw materials and were able to expand their toilet slab manufacturing business. When they started their business, people were not able to appreciate the benefit for the community and were making fun of them.

These two businesswomen, relying on their strong personal agency, creative promotional strategies and successfully tapping into the enabling environment created for them with the support from T/WASH and health bureaus, are now running successful businesses. Assefash, for instance, is producing 12 slabs every week. She believes the demand is even higher and is planning to expand her business to the neighboring kebeles. She has two employees and also pays a 50 ETB commission per sale through sales agents.

4.5. Networking opportunities

The role of networking is vital in a market like Ethiopia where there is little or no structured, formal platform or supply chain. But female entrepreneurs have limited opportunities to network due to a variety of factors.

First, it is difficult for women to travel far and stay overnight due to limiting gender norms and lack of willingness from their husbands.

Second, there is a high chance of being misunderstood if female entrepreneurs engage in networking with male entrepreneurs. For instance, most of the construction material retailers' customers

are masons and artisans. Male retailers often spend time with these masons and artisans socializing and having drinks together. For female entrepreneurs, doing so often equates with having an affair and, as a result, women often tend to function in isolation from artisans and masons despite their critical role in bringing in business.

Finally, female entrepreneurs often have household chores that compete with their business activities. As such, they do not have the same amount of leisure time to socialize and network with people in their sector as their male counterparts.

4.6. Employee management

Female entrepreneurs often face resistance and disrespect from their male employees and business partners. This challenging of their authority often compromises their level of efficiency and effectiveness in running a productive team and profitable business.

“When employees do not perform properly or do not show up at the workplace in time, and I minimize their payment, they violate my rights and underestimate me by virtue of my gender, totally ignoring their own problems. They deflect their own personal problems to a woman's lack of management skills.”

Female Manufacturer, Woliso, Oromia

“The daily laborers often insult me when I try to instruct them where to unload cement and other materials. They say ‘Be quiet! This is our task!’ but would say nothing when ordered about by a male employer.”

Female Retailer, North Mecha, Amhara

4.7. Enabling environment

Health bureaus, T/WASH, SMEDA and MFIs are the key actors in creating an enabling environment for WASH-related enterprises. It was found that micro finance institutions (MFIs) were not active in supporting the enterprises (both female and male) in the absence of revolving funds from development partners across the regions (with the exception of Dedebit MFI in Tigray).

Health bureaus and SMEDAs often provide training and working spaces but rarely extend financial support on initial purchase of raw materials. T/WASH is mainly responsible for training, on-site coaching on business development plans and promotional strategies.

This support is mainly generic in nature and not tailored to gender-related challenges. For instance, a female-owned enterprise in Badiwacho was provided with a working space by the town administrative office, but it was unsafe and inaccessible to her as it was on the outskirts of the city. As a result, she was forced to rent a piece of land for 8,000 ETB annually in the center of the town.

Generally, where there is a well-coordinated effort to create an enabling environment (e.g. promotion by health extension workers and sales agents, creating access to loans, tax relief), the female entrepreneurs reported remarkable achievements as demonstrated by women entrepreneurs in SNNPR.

Overall, female entrepreneurs reported less support from government compared to their male counterparts. While nine male entrepreneurs reported receiving support in one way or another from government offices, only four female entrepreneurs indicated the same. The key informants indicated that even though

the same package and level of support is provided for both female and male enterprises, it might be harder for female entrepreneurs to access that support, including training.

5. Conclusion

Overall, male and female entrepreneurs face common challenges, but it is harder for women to overcome these challenges. The key constraints for both male and female entrepreneurs in WASH-related businesses are low demand, lack of finance, transportation and suitable working space. These constraints put more stress on women. For instance, lack of networking often results in fewer customers, which in turn results in lower profits or capital, forcing women to rent their business space in inaccessible areas, which may result in deterioration in demand and being exposed to sexual assault. Women also have unique challenges to deal with. They suffer derogatory remarks and stereotypical attitudes that limit their authority, mobility and networking opportunities. It is harder for women to attend training in far flung areas due to lack of permission from their husbands, household chores and pregnancy.

Female entrepreneurs reported 2.5 times less capital on average compared to their male counterparts.

On the other hand, where there is a strong enabling environment, women entrepreneurs are excelling as they are progressively expanding their production capacities and business portfolios. T/WASH also rewards the activities of business partners, be it male or female, but that is solely based on sales performances and total number of installations.

6. Recommendations

Coach female entrepreneurs. To address challenges related to the limited mobility of women, interventions aimed at strengthening their role should prioritize onsite coaching and mentorship. The coaching should focus on building resiliency and a strong sense of self-efficacy to help overcome routine challenges they face related to their gender. Below are some examples on which coaching should focus:

- Creative networking opportunities: due to social norms, it is difficult for women to build and maintain their professional networks. Creative networking approaches could help in overcoming this challenge and might include telephone communication instead of in person meetings and engaging their husbands to support networking opportunities.
- Incentive based network building: in addition to creative networking, a commission for masons/artisans bringing new business may help expand the business network of women business owners.
- Employee management: empowering women to develop resilience and overcome negative gender norms through management skills, emotional intelligence and assertiveness.
- Product diversification: due to their limited mobility and capital, women have limited access to new information and products. As such, providing them with information, technological inputs and skills to expand their product portfolios (e.g. cooking stoves, super and sub structures for toilet construction) will help enhance their businesses.

Sensitize government staff. Ongoing training and closer collaboration with government officials to fight gender

blindness in the WASH sector and enhance their acumen to run market-based sanitation activities effectively.

Provide incentives for women. Instead of merit-based rewarding only by the T/WASH Activity, female entrepreneurs should be rewarded and incentivized on the basis of leadership in the face of multiple derogatory experiences and a restricted business environment. Smart subsidies like tax relief, discounted loan access and provision of working spaces should also be considered as part of the enabling environment to encourage women to lead WASH-related businesses. Possible incentives, as suggested by the women themselves, include:

- Business transport, such as bajaj, motorbike, or horse cart
- Bulk purchase of raw materials
- Cash incentives
- Access to credit with long payment period or lower interest rate (less than 8 percent)

Address gender norms. Partner with other organizations that are working on changing communities' negative gender norms in the T/WASH intervention worded. This might also require participation in or supporting a strong national public awareness advocacy campaign using both mainstream and social media. This also includes sensitizing government officials and stakeholders who are gender blind in their day-to-day activities.

Ensure female representation in field staff. T/WASH should ensure female staff representation at the field level as they can better understand challenges and guide female entrepreneurs.

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