The Context: Empowering women through social enterprise in Eastern Sub-Saharan Africa

Despite a “feminisation of the labour force” that has taken place in the last decades, women still face enormous obstacles in the job market as they experience higher unemployment rates than men in Sub-Saharan Africa (Chen, 2008). In fact, 16% of women are unemployed in the region. Moreover, women tend to be overrepresented in the informal economy and low-income jobs (African Development Bank, 2012). Yet, and although women generally earn less money than men, they make better use of the money they earn and often spend it in ways that help their families over time (Reiter, 2015).

Discriminatory social institutions play an important role in shaping women’s employment outcomes. Early marriage, which disproportionately affects young girls in some Sub-Saharan African countries, decreases the chances for girls to continue studying or engage in economic activities, as they usually became responsible for home tasks and the care of children (UNIFEC, 2005). Caring for family members can take up much of a woman’s time and often women end up combining these activities within a job in the informal sector as it is the best or the only way they can earn a living and combine this with their other responsibilities (Njenga, 2015). The failure to overcome the constraints which prevent women from entering the formal labour market can have lasting effects on poverty and social exclusion over the course of their lives (African Development Bank, 2012).

Although there remains no single agreed definition of ‘social enterprises’ (SEs), they have often been defined as organisations that apply commercial strategies to address a social and/or environmental problem (Calvo and Morales, 2015). In recent times, SEs have proliferated globally as a new way to address needs in ways that the market and the public sector do not (Fitzhugh and Stevenson, 2016). SEs are able to not only offer employment and training opportunities, but can also act as campaigners and advocates for employing people from outside the usual suspects (Ridley-Duff and Bull, 2016). This is when gender plays a substantial role within social enterprises, as it has been claimed that these initiatives can empower women and girls to achieve equality to create inclusive, open and prosperous societies (Fotheringham and Saunders, 2014; Datta and Gailey, 2012; Humbert, 2012). Within Eastern Sub-Saharan Africa, an example of an established women related SE is Azizi Life, an organisation that supports women handicraft cooperatives in rural areas with employment opportunities in Rwanda (Azizi Life, 2016).
Country case study: Tanzania

The nation of Tanzania, located on the east coast of Africa, came into existence in 1964 when mainland Tanganyika (administered as a German colony and a British protectorate) and the Indian Ocean Islands of Zanzibar (a British protectorate) claimed independence and formed the United Republic of Tanzania (Bromley et al., 2004; Thompson, 2011). The two countries, Zanzibar and Tanganyika, came together as Tanzania under the socialist presidency of Julius Nyerere. He promoted unity between the 120-plus ethnic groups represented in the Tanzanian population (including Chagga, Arab, Asian and Shirazi, among others) and urged his people to regard themselves first as Tanzanians. There has been relatively little ethnic conflict in the years since independence in comparison with neighbouring countries such as Kenya, Uganda and Rwanda (Thompson, 2011).

With a population of 49.2 million people, Tanzania has one of the most rapidly growing populations in Africa (World Bank, 2015). Tanzania has a gross domestic product per capita of $948, where the proportion of the national population living below the poverty line is 36% (World Bank, 2015). Subsequently, in recent years, Tanzania has placed special emphasis on education, and efforts have been made to reduce inequalities between girls and boys in access to education. Tanzania is currently one of the few low-income countries that are close to achieving universal primary education (UNAIDS, 2014). Progress has also occurred in the struggle against HIV/AIDS, malaria and several other diseases (UNAIDS, 2014; PMI, 2012).

There is a significant disparity between urban and rural poverty, as about 87% of the poor population live in rural areas (International Monetary Fund, 2013; National Strategy for Growth and Reduction of Poverty, 2005). Agriculture is a key pillar in the Tanzanian economy, accounting for about half of the national income, providing employment opportunities to about 80% of Tanzanians, with women constituting the main part of agricultural labour force. Yet, growth in the agricultural sector remains low, at around 4% per year, and primarily dominated by smallholder farmers (peasants) who face numerous challenges due to the use of low farm inputs, and dependence on rain-fed agriculture (Tiernan and Nelson, 2016). Moreover, the rate of unemployment is high, particularly among young people (14.9%) and women (12.6%), compared to men (10.7%) (International Labour Organisation, 2015). There are also significant decent work deficits in terms of the lack of social protection, weak enforcement of labour rights and standards, lack of occupational safety and health, and weak organisation of workers. It is estimated that almost 37% of people employed in Tanzania are still below the poverty line (International Labour Organisation, 2015).

The Government has in the last years recognized the pivotal role of the agricultural sector both in terms of economic growth and poverty reduction (Tiernan and Nelson, 2016). Addressing unemployment is also a current national priority (for example, the Five Year Development Plan 2012-2015) and given the limitations of the formal sector to absorb the increasing number of labour market entrants, great emphasis is placed on enterprise development, including social enterprises (Calvo and Morales, 2015). Although the Tanzanian Government has since early 1930s supported social
enterprises, particularly cooperatives, it has been prominent in recent years with the establishment of the Ministry of Cooperatives and Marketing in 2001, the Co-operative Societies Act of 2003, the Cooperative Societies Rules in 2004 and the Co-operative Reform and Modernisation Program 2005–2015 (Bibby, 2006). Additionally, several initiatives by government departments have been set up to offer support in business development services, and this includes support from the Tanzania Chamber of Commerce Industries and Agriculture (TCCIA), the Confederation of Tanzania Industries (CTI), the Tanzania Bankers’ Association (TBA) and the Tanzania Association of Micro-Finance Institutions (TAMFI) among others. These bodies have supported business incubators (for example, TEMDO and SIDO) that offer cheap and affordable training (Calvo and Morales, 2015).

Although no accurate information is available concerning the current extent of the social enterprise sector in Tanzania, what is known is that it is comprised primarily of co-operatives, community based enterprises, non-governmental organisations with trading activities, social firms and micro-finance initiatives (Calvo and Morales, 2015). An example of a social enterprise in Tanzania is Apopo, founded in 1997, that researches, develops and disseminates rat detection technology for humanitarian purposes, and today, it is one of the icons of the SE sector in the country (Flament, 2012).

**Arusha Women Entrepreneur: Balancing Between Profits and Impact**

Arusha Women Entrepreneur (AWE) is a social enterprise profit making company, founded in 2009 and based in Arusha city. The founder, David Elias Mjuni, developed the idea of establishing AWE after participating at the Youth Employment Summit event in 2006 in Nairobi. At that event, it was highlighted that 70% of women involved in rural agriculture farming in Sub-Saharan countries do not have access to the markets for crops they produce and about 25% of young women aged between 20-25 have sustainable incomes. Before starting AWE, David Mjuni was the Development Manager at the Church of God in a project that focused on drought relief and rehabilitation, uprooted people, HIV and AIDS, orphans and vulnerable children. He then worked in Eco-Ventures International as the coordinator of environmental related projects such as renewal energy, savings and credits. At his job in Eco-Ventures International, David heard many complaints from retailers and customers about the low quality of existing peanut butter, and eventually decided to go into the manufacturing of natural peanut butter.

David attended an “Environmental Enterprise” training course, where he learned about the production process of peanut butter as well as gathering information on food safety management systems, food processing and training in agricultural technology. David’s idea was to set up a social enterprise peanut butter company to provide fair-wage and good employment opportunities for low-income women from disadvantaged communities in the peri-urban areas of Arusha, as well as to improve the livelihood of women smallholder farmers from Nzega Simbo. His main intention was to generate multiple income-earning opportunities, using an inclusive business model by creating a
value supply chain from the production to marketing of aflatoxin-free, natural peanut butter.

Locally produced peanut butter in Tanzania can contain high levels of aflatoxin. It has been claimed that aflatoxin is responsible for a high percentage of all liver cancer cases in Sub-Saharan Africa (Elzupir and Alamer, 2014). Aflaxotin is produced by a certain strain of fungi and is highly toxic, linked to cancer, liver disease, stunting, immune system suppression and death. David decided to produce natural peanut butter containing exceptionally low levels of aflatoxin under the brand Mr. Peanut Butter. AWE direct competitors that includes GFP, Vin Pack and Belwa, are small and medium enterprises based in Arusha. Nonetheless, none of them is a social enterprise, which makes the organisation unique in this locality. Because of the growing demand in ready-made food and the use of organic products, and also due to the reduction in the aflatoxin concentration, David aimed to increase sales and break even within a period of 5 years.

Since 2009, AWE has significantly empowered low-income women to improve their social status by securing them jobs and consequently, improving their economic independence, increasing their incomes as well as for their families. Today, AWE permanently employs 7 women in the factory, who have also received training in food safety, processing, management and marketing. Another important element of the AWE business model is the close contact with the women smallholder farmers. Besides the regular individual checkups which ensure that the output matches the expectations, technical training is provided. AWE, in partnership with World Vision, has provided technical and management skills training in food security, and good agricultural practices to 200 smallholder farmers from Nzega Simbo, promoting sustainable land use and teaching them how to adopt proper post-harvest handling measures. As suggested by Osuret et al. (2016), post-harvest machines, such as threshers, dryers and shellers, help to increase yield and reduce post-harvest processing and drying time, which is indeed often associated with decreased aflatoxin contamination in groundnuts. So far, the income that both peri-urban and rural women have received has been utilised to send their children to school and other related house expenses. Besides, some women have used their money to invest in their farms, build their houses and start up a new business such as one of the rural women who is currently commercializing with chicken rearing.

**Connecting the Business Strategy and Operations**

AWE produces high quality natural peanut butter which is timely delivery. The first step of the business model is with the women smallholder farmers that produce and collect organic peanuts from their farms. The second step is the transportation of the product to the factory where the women process and produce the natural peanut butter, which is slowly roasted/ground with no artificial sweeteners or preservatives. Jars are sold in 1kg, 900g, 400g sizes. Once the jars have been filled, AWE distributes its products to wholesalers. AWE supplies natural peanut butter products to over 50 retail shops, supermarkets and vendors in 5 regions in Tanzania: Imalaseko Supermarkets around Dar Es Salaam; Uchumi Supermarket and Nakumati Supermarket in Mwanza; Sita
Supermarket in Moshi; Nakumati Supermarket in Arusha; and Rushida Supermarket and Mtei Wholesale in Morogoro. AWE approaches retail shops and supermarkets not only by visiting and showing them their products, but also by explaining the benefits of collaborating with them. Anza Consultant has provided technical assistance to AWE staff on negotiating skills with the purpose of winning the deal with big supermarkets and wholesalers. AWE is currently targeting new potential partners in wholesale distributors and retailers including hotels, tourism companies and schools. As Table 1 shows, AWE currently has 45 distributors and 3 Board Directors who assist with the management decisions on daily operations, and the long-range planning necessary for sustaining and scaling up.

Table 1. AWE Staff Positions from 2008 to 2015

<table>
<thead>
<tr>
<th>Staff Category</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Directors</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Distributors</td>
<td>5</td>
<td>9</td>
<td>12</td>
<td>15</td>
<td>20</td>
<td>50</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td>Factory</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>7</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>14</td>
<td>18</td>
<td>23</td>
<td>27</td>
<td>60</td>
<td>65</td>
<td>56</td>
</tr>
</tbody>
</table>

AWE has received various seed funding and capacity building support from a wide range of national and international bodies and institutions (see Table 2 for more details). For example, in 2009, AWE entered into the TEMDO Business Incubator, a Government Programme, for small businesses. In 2014, AWE won the SEED Africa Award Winner, and the following year obtained the Food Procuring License from the Tanzanian Food Authority.

Table 2. Financial and technical assistance

External funding

- Seed capital from Tanzania Private Sector Foundation ($5,000)
- The Tanzanian Engineering and Manufacturing Design Organisation (TEMDO) (3 years: facilities and equipment) (Value: $5,000)
- Firelight Foundation Grant ($5,000)
- SEED Award Initiative (£5,000)
- A loan from the Tanzania Gatsby Trust ($2,000)

Capacity Building Support

- Anza Entrepreneur Ltd: their role has been to provide BDs Financial Management, and to develop a pitch.
- World Vision Simbo ADP: their role has been to organise farmers, support with capacity building and training to the farmers particularly on financial literacy, group management, and groundnut production management.
- SEED Award Initiative: capacity building and financial support as well as to feature AWE activities and make it visible at an international level.
- Living in Minca: it has provided capacity building in business plan development.
- Darsh Industries: it has supported AWE with product distribution and it provides training on production management.
- Enablis East Africa Chapter: it has provides capacity Building in marketing and finance.
- Nelson Mandela Africa Science and Technology: it has provided training support on product development.
- India Institute of science and Technology: it has provided training on the technology of processing therapeutically food.
- The University of Georgia– College of agricultural and Environmental Science: Their role has been to provide the technical assistance on R & D groundnut productivity and mycotoxin.
- Eco Ventures International: it has provided training in the production process, food safety, management systems, food processing and peanut butter technology.
As Table 3 illustrates, the financial figures of AWE from 2008 until 2015 indicate the significant growth that has occurred in the last years.

Table 3. AWE Economic Growth History

<table>
<thead>
<tr>
<th>Year</th>
<th>Income (US$)</th>
<th>Expenditure (US$)</th>
<th>Profit Gross (US$)</th>
<th>Growth/Prior Year (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2,000</td>
<td>1,200</td>
<td>800</td>
<td>0</td>
</tr>
<tr>
<td>2009</td>
<td>3,500</td>
<td>1,900</td>
<td>1,600</td>
<td>1.00</td>
</tr>
<tr>
<td>2010</td>
<td>8,000</td>
<td>3,800</td>
<td>4,200</td>
<td>1.63</td>
</tr>
<tr>
<td>2011</td>
<td>9,000</td>
<td>4,500</td>
<td>4,500</td>
<td>0.07</td>
</tr>
<tr>
<td>2012</td>
<td>12,000</td>
<td>7,500</td>
<td>4,500</td>
<td>0.00</td>
</tr>
<tr>
<td>2013</td>
<td>40,000</td>
<td>3,100</td>
<td>36,900</td>
<td>7.20</td>
</tr>
<tr>
<td>2014</td>
<td>45,000</td>
<td>35,000</td>
<td>10,000</td>
<td>-0.73</td>
</tr>
<tr>
<td>2015</td>
<td>30,000</td>
<td>22,000</td>
<td>8,000</td>
<td>-0.20</td>
</tr>
<tr>
<td>TOTALS</td>
<td>149,500</td>
<td>79,000</td>
<td>70,500</td>
<td>9</td>
</tr>
</tbody>
</table>

**What Next?**

While the success has made David proud of what his company has achieved, important decisions remain to be made in how AWE can grow in the near future. The following points have been highlighted by David as relevant for consideration:

1) To secure capital (around $100,000) for technology to process natural peanut butter (peanut milling, roasting table, packing machine, cooling trolley, cooling table and splitter blancher); for the purchase of agricultural devices (tillage equipment, planters, irrigation equipment); and for harvest machines from Frank Design Peanut Butter machines (cole planters, peanut dryer, peanut shelter, rotary tillers and vibrating feeder).

2) To obtain organic certification for the organically grown peanuts.

3) To develop an export market plan for expansion to East African country markets, building on existing orders out of Kenya.

4) To diversify the product portfolio with by-products such as animal feed and briquettes made from shells and residues, and new products such as therapeutic foods for children with chronic malnutrition and edible oils.
5) To build partnerships with local non-profit organisations to help build farmer capacity and productivity. Over three years, approximately 3,000 farmers are expected to be involved in the supply chain.

References


International Labour Organisation (ILO) (2015). Tanzania, Decent Work Country Programme. Available at:


Website Links:

https://www.seed.uno/awards/all/2014/1361-arusha-women-entrepreneur.html#tabs1-gallery

https://vc4a.com/ventures/arusha-women-entrepreneur/

Key terms:

SIDO (Small Industry Development Organisation) – A business support body set up in Tanzania in 1981 that provides support to micro enterprises. In addition, it has created several technology incubators since it was established.

Social firm – A social enterprise where the social mission is to create employment, work experience, and training and volunteering opportunities for disadvantaged communities.

Supply Chain – The chain of suppliers that support a particular productive activity. The supply chain extends to all the people and organisations who extract and add value to materials in the course of producing a particular good or service.

The Tanzanian Engineering and Manufacturing Design Organisation (TEMDO) – An institution established through Parliament Act No 23, which became operational in July 1982; it provides engineering and other technological support services for small and medium enterprises development and growth.