



EMPOWERING WOMEN THROUGH ECONOMIC CLUSTERS DEVELOPMENT





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1. INTRODUCTION

Empowering women in rural areas remains a great challenge for Albania. In the recent years, Albania has placed significant efforts to address this challenge through national commitments to gender equality. Economic and social empowerment of women turns them into a great force for change in their community. Disparities existing between men and women make it difficult for women to fulfill their potential. Women's economic empowerment is an important tool to support them in their fight against abuse and discrimination within their families and communities where they live.

Women's role in economy and value chains in rural areas goes beyond production. Building their capacities to participate in all steps, such as processing, packaging, and marketing, brings long-term and sustainable benefits to the rural economy. Some of the main problems in the economies of the rural areas in Albania include the low level of agricultural technology, fragmentation of land in small household businesses with limited capacities towards collaborative initiatives in production, processing, and marketing. An individualist mindset hampering production and competitiveness is dominating. These problems of rural development directly affect the lack of experience of small and medium-sized businesses, access to finance, information and institutional support based on stereotypes and perceptions.

Economic empowerment enhances women's self-reliance, decision-making, and social freedoms leading to positive effects in the gender relationships at both family and community levels. Empowering women through economic cluster development constitutes a real opportunity for women, family enterprises, and small businesses in Albania. Members of a cluster operate in a business environment that provides advantages to women.



Organization of such gender-based forms enables women to own and control assets, thus increasing not only the productivity but also their self-esteem. A woman who has decision-making power on what and how much to cultivate or process is more productive in agriculture. This also creates a precondition to healthcare and better nutrition for children. Minimizing the gender gap in agriculture through clusters not only provides benefits to members but also to the sector in general, increases revenues for the families of these women and the product offer and impacts the reduction of prices and significant participation in the labor market. Women's clusters create options for aggregation of powers and multiplication of positive effects due to the right of use of generated revenues.

Through clustering, women entrepreneurs operate more productively since they can ensure access to inputs, such as suppliers, information, technology, and high education institutions. Small businesses ensure access to markets and technical information. Cluster members may also profit from joint efforts in marketing, participation in fairs, and protection of the brands of their products. In addition, members profit from transfer of know-how that creates a source of innovation. Lastly, clusters encourage creation of new business on consumer basis.

2. PROJECT OVERVIEW

In an effort to encourage support for women's empowering through economic cluster development, the Institute for Democracy and Mediation, in collaboration with the local or-

ganization Agritra Vision and with support from UN Women undertook the implementation of the Empowering Women through Economic Clusters Development Project during 21 October 2013 – 30 May 2014.

The initiative was focused in the promotion of economic empowerment and opportunities of employment for women through the development, diversification and promotion of economic clusters and small and medium-sized business in rural and suburban areas in Dibra.

With the support of this project, the initiative of the economic cluster founded by small woman entrepreneurs was piloted in the communes of Melan and Tomin of the Dibra region. Within a period of eight months, the project achieved:

- ⇒ The development and publication of a comprehensive guide on women's economic cluster development and operation in the area of agri-tourism;
- ⇒ The development of a pilot economic cluster seeking to empower women as well as to expand the cluster's economic activity and create an economic added value;
- ⇒ The increase of knowledge and skills of involved stakeholders to ensure sustainability;
- ⇒ The publication of main achievements and promotion of cluster at national scale as one of the options to other national policies and instruments on women's empowerment in rural and suburban areas.

The comprehensive approach of the initiative, the thorough analysis to identify opportunities and challenges, and the partnership established with relevant actors remain some of the key factors to the project success.

3. PROFILE OF THE ECONOMIC CLUSTER AND IDENTIFIED CHALLENGES

The beneficiary group of this project is composed of 20 women, who are residents of two villages, Staravec of the Commune of Tomin and Begjunec of the Commune of Melan in the town of Peshkopi in Dibra Region. Most members of this group are actually founders of the Association of Agricultural Cooperation, which is one of the results of this project.

Members of this group are self-employed and in most cases (70% of them) their labor in the agricultural sector constitutes the only source of revenues for their families. Almost all group members have completed the mandatory education and have previously been trained in areas such as fruit processing, collection and post-collection processing of aromatic and medicinal plants, etc.

In addition to women who are the key stakeholders of this project, other actors of the cluster include:

- ⇒ Local collectors and processors;
- ⇒ Regional Directorate of Agriculture and extension service;
- ⇒ National Authority of Food;
- ⇒ Communes of Melan and Tomin
- ⇒ Regional Council of Diber
- ⇒ Agritra Vision as a local organization

The group members use an area of 11.7 hectares, most of which is fertile and intended for fruit trees, vegetables, and other crops, such as corn and wheat. In addition, the group made use of an area of 300 hectares for the collection of forest products and benefits from

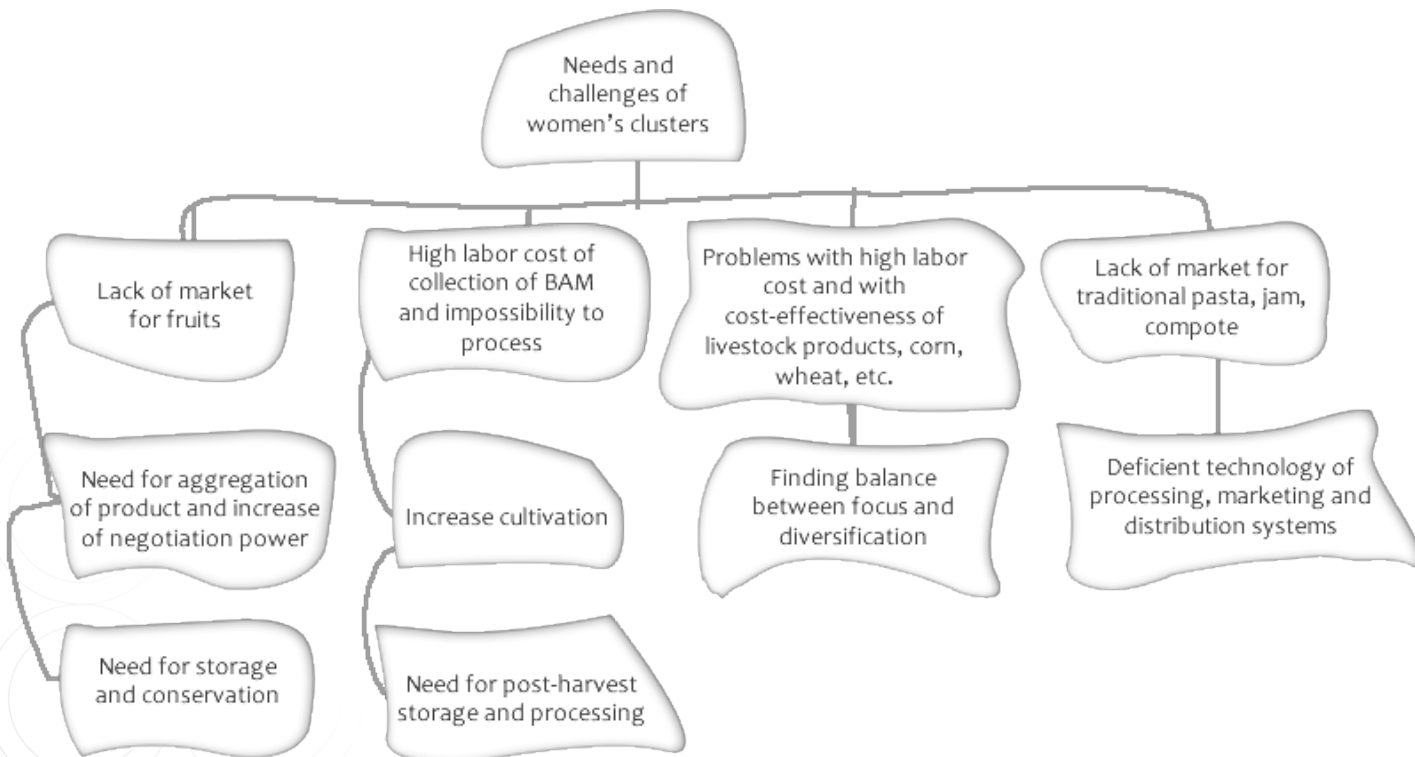


the utilization of forests and pastures in the surrounding area.

The product portfolio made available by these women is diverse being both an opportunity and a challenge to them. The main products include:

- ⇒ Fruits and vegetables that make up about 70% of their revenues and ensure a high profitability; A thorough analysis of the profile of women's group by economic experts of this project revealed that these products are cultivated by all members and are traded as fresh products, are associated with high labor costs, with time spent for sale in retail markets and with an opportune cost. The regional market of several fruits has potentials of expansion and presents a special interest, particularly during wintertime, when the product price is higher and refrigerator conservation may increase net margin by up to 100% (as in the case of apples)
- ⇒ Aromatic and medicinal plants, collected by about 65% of women, undergo a minimal treatment of cleaning and drying after collection to be then delivered by each member to a collector located in the area.
- ⇒ Other traditional products of the areas, such as jams and jufka are processed at home by cluster members; some 65% of the members sell their products at trade fairs. The small quantity of production exercises pressure over cost per unit limiting the opportunity of competitive prices in a market with powerful competitors in the area with consolidated position at national scale.
- ⇒ Some other products, such as potato, corn, and wheat, and livestock products, such as meat, milk, produced and sold by cluster members in their household farms.

Lack of a shared strategy or a true business model and deficient physical infrastructure for the storage of products has hampered the growth, negotiating power, and profitability of the group, which is still facing hardships of aggregation of product and access to market. The following graphic describes a logical flow of the needs of how they are perceived by cluster members from an analytical viewpoint and further from infrastructure needs or a strategic approach.



4. MAJOR ACHIEVEMENTS

The methodological approach of the project was built upon the profile and the identified needs of the economic cluster and in an effort to address them. IDM's implementing group, composed of senior economic experts, in collaboration with local partners and in close coordination with UN Women, has pursued a comprehensible business-oriented approach guided by market forces, demand for mixed products, and group's supply. In the meantime, the approach utilized in this project has also considered the connection of stakeholders with one another, the socio-economic challenges of women in rural areas as well as the economic conduct towards Dibra and national territory. The following achievements shape the framework of the project's intervention not only to attain results but also ensure their sustainability.

4.1 Paving the Way: Economic Cluster as a Means of Empowering Women in Diber

The first meetings with potential stakeholders of the cluster helped to pave the way to the implementation of the project and define the economic cluster as a form of women's economic empowering. The cluster is selected as a way to address challenges confronting group members today and is an effort to consolidation.



4.2 Guide on Development and Operation of Economic Clusters

The “Guide on Development and Operation of Economic Clusters” provides an overview on clusters and their types, benefits and challenges, the forms of development of a performance-oriented cluster and the methodology of an agribusiness cluster development. Written in a simple language, this guide is intended for a broad audience, mainly potential cluster members, who will easily understand the cluster concept, advantages, and the path to develop an economic cluster.



4.3 NETWORKING AND INSTITUTIONALIZATION

A Memorandum of Understanding has been signed at the initial phase of the project implementation among the Regional Council of Dibra, Commune of Melan, Commune of Tomin, Regional Directorate of Agriculture, Agritra Vision Association, and the Institute for Democracy and Mediation, which are committed to:

- ⇒ Exchange data and information related to women with economic activities in the communes of Melan and Tomin in the Dibra region;
- ⇒ Use the acquired knowhow and skills during the economic cluster development of women in the communes of Melan and Tomin on an ongoing basis;
- ⇒ Provide mutual support to stakeholders participating in the economic cluster and offer technical knowhow and innovation in each segment of the value chain;

- ⇒ Deliver to the Dibra Regional Council and the communes of Melan and Tomin several copies of the Guide on Development and Operation of Economic Clusters to be used in the development and functioning of women's economic cluster in other communes of the Dibra region;
- ⇒ Publish activities, documents, and collected and produced data on the websites of the regional council (<http://www.qarkudiber.gov.al>), Agritra Vizion (<http://agritra-vizion.org>), and IDM (<http://www.idmalbania.org>).

The women as the core stakeholders in the cluster received support in formalizing their economic grouping as an Association of Agricultural Cooperation. In reliance of the Law No. 38, dated 05.04.2012, "On Associations of Agricultural Cooperation", Law No. 9723, dated 03.05.2007, "On National Registration Center", and Law No. 9901, dated 14.04.2008, "On Entrepreneurs and Companies", 20 women supported from this project founded the Association of Agricultural Cooperation, named "Staraveci Products".

The founding members of this association are:

- | | |
|-----------------------|----------------------|
| 1. Angjelina Dardeshi | 11. Shpresa Tomcini |
| 2. Zeqire Paci | 12. Emrie Lata |
| 3. Naime Dardeshi | 13. Nafie Kurti |
| 4. Esma Nuredini | 14. Sabiela Shehu |
| 5. Urime Nuredini | 15. Miranda Shehi |
| 6. Rozeta Dardeshi | 16. Nexhmije Tomcini |
| 7. Rudina Dardeshi | 17. Flora Ramku |
| 8. Sabrie Nuredini | 18. Tahire Ramku |
| 9. Redife Dardeshi | 19. Melita Trupja |
| 10. Shadije Nuredini | 20. Luiza Tomcini |

4.4 Strategic Plan of Economic Cluster

Upon an analysis of each group member and group profile, the inclusive process involved discussions on the strategic options in the framework of “constructing a sustainable living for women and their family through farm development, promotion of typical products, encouragement of sustainable links with local and national markets, by sharing together the goods of the land, the heritage of the region, and the values of cooperation and respect, as the vision of the group.

The mission of the cluster stated in the strategic plan in cooperation with local stakeholders is: Support and promote women in the Dibra region to increase production and develop the market, by encouraging the community’s support to and economic stability for women, farming families, craftsmanship, and small processors.

The objectives this cluster seeks to achieve include the following:

- ⇒ Improve living standards for farmers;
- ⇒ Develop sustainable agriculture;
- ⇒ Develop entrepreneurship and self-organization;
- ⇒ Promote commercial links with other actors of distribution chain and development of access to markets;
- ⇒ Promote a network of relations with local government organizations, government agencies and extension service.

Participating stakeholders have projected long-term objectives for the cluster, including the following:



- ⇒ **Secure access to finance:** Development of a business plan; networking with donor organizations, networking with various stakeholders to enhance the group's ability to access funding through grants or loans;
- ⇒ **Improve productivity and reduce costs:** Improvement of production techniques; diversification versus concentration in cultivation; joint storage; collective sale of products at higher standardization level;
- ⇒ **Create access to market:** Aggregation of production; joint processing, reduction of elements in the value chain;
- ⇒ **Food safety and typical products:** Production of typical but safe products; promotion of diversification in products of high added value focusing in advantages of the territory, such as cornel jam, jufka etc;
- ⇒ **Development of women and youth:** Promote social sensitivity to strengthen women's role; guiding youth to farm development;

Potential business models have been elaborated through an analysis of the product and proposed value, consumer segment, types of revenues, channels of distribution and sales, customer relations, major activities, resources, partners and structure of cost, preceded by a presentation of success stories from similar groups in the Albanian environment. The option of constructing a multifunctional warehouse, as compared to other alternatives, results to be the best choice for this group.

4.5 Business Plan

In continuation of the approach of choosing the strategic option, the business plan is the output of a long process of discussions, research and analysis conducted with the participation of group members. This plan is founded on the development of an entrepreneurship that improves competitiveness of group members' farms, reduces processing costs, and significantly improves access to market for the products. The investment plan focuses in the construction of a multifunctional warehouse that will address the members' needs for conservation and processing of some of their major products.

The warehouse is planned to be equipped with some simple devices for the processing of aromatic-medicinal plants and packaging of fruits. This facility is also planned to be equipped with a refrigerating room for the cold conservation of apples, cherries, and other fruits.

Some major activities, including the following, may be carried out in this multifunctional warehouse:

- (i) Cleansing, drying, selection, packaging, etc., for most crops;
- (ii) Cold conservation for vegetables, fruits, milk, and long-term conservation for some fruits, such as apples;
- (iii) Other activities related with transportation from farm to warehouse and elsewhere in some cases.

After a description of the sector, the group, and of the market survey for the major products, an analysis of the financial projections concerning the project helps to draw the main conclusion that the investment is very gainful and brings a significant increase of profits for cluster group members. In addition, a multifunctional warehouse has a sufficiently quick time of return of investment, in a period of 6.46 years.

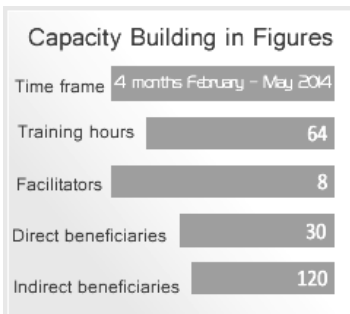


4.6 Building Capacities and Cluster Strengthening

Capacity building is an important component in the framework of preparing the cluster members to develop and manage a sustainable economic cluster. To attain high effectiveness, the program of capacity building is implemented by following a combination of presentation methods, workshops, simulations, case studies, etc. In addition, the methods and materials used in these events have been tailored for the audience. Topics have been constructed after having conducted a training needs assessment.

Economic cluster members have benefited from the plan of capacity building, in which the following topics were covered:

- ⇒ The power of many - benefits and challenges of working together
- ⇒ The role of various stakeholders in the development of a cluster;
- ⇒ Starting with the end in mind – create a development plan and realistic performance indicators
- ⇒ Aggregation and improvement of product – value added and best product portfolio;
- ⇒ Building a “winning” organizational structure and defining roles and responsibilities;
- ⇒ Registration of an association of agricultural cooperation and its rights and obligations;
- ⇒ Creation of a functional accounting system;
- ⇒ Marketing, the techniques for setting the price, promotion and sales.



**“The Power of Many - Benefits and Challenges of Working Together”
and**

**“Association of Agricultural Cooperation: An Option to Increase Opportunities
of Small Producers in Market”**

Peshkopi, 27-28 March 2014

The goal of these activities was to inform and raise the awareness among women and other local stakeholders with regard to the importance of working as a group for the producers in general and women farmers in particular in Dibra region. The activities were attended by 30 participants, representing local women entrepreneurs as members of the economic clusters, representatives from the communes of Melan and Tomin, Regional Directorate of Agriculture, National Food Authority and staff of Agritra Vizion Center.



**“Designing a Realistic Strategic Plan” and “Determining the Organizational
Structure, Defining Roles and Responsibilities”**

Peshkopi, 3-4 April 2014

These activities sought to choose an optimal strategic alternative for the economic cluster and work together among participants for dividing the roles and responsibilities to ensure a sustainable functioning of their cluster.

“Marketing – The techniques for Setting Prices, Promotion and Sales” and

“Establishment of a Functional Accounting System”

Peshkopi, 2-3 May 2014

Building case studies for marketing decisions and keeping simple accounting books aimed to increase the group’s skills in these functional areas of a business. Simulation of sales and purchases, storage, delivery, billing, payment, etc., was conducted by using forms approved by the tax administration. It was aimed to familiarize the group members with the procedures of the required documentation when processing financial legal obligations and with the use of this financial information for the internal management of the enterprise with several partners.



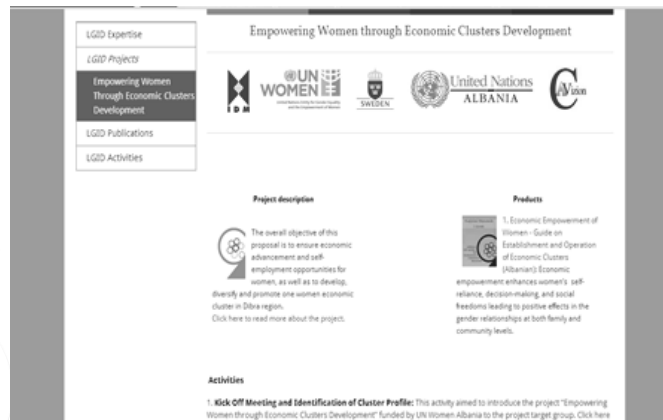
4.7 Product Labelling and Packaging

Economic cluster members are supported by ensuring labelling and packaging of their products that would increase the added value in the market and would facilitate their participation in joint activities, such as fairs, trade shows, etc.



4.8 Promotion of Cluster

To increase project visibility and introduce economic clusters as a means to women's economic empowering in rural areas in particular, the websites of IDM and Agritra Vision created special front page sections to provide information on project activities and outputs. Social media (IDM facebook page with more than 1000



<http://idmalbania.org/lgid-projects/empowering-women-through-economic-clusters-development>




<http://agritra-vizion.org/empowering-women-through-economic-clusters-development/>

5. SUSTAINABILITY OF ECONOMIC CLUSTERS

All activities conducted to date aimed at a participatory and collaborative approach by putting beneficiaries to the core of the process. Project experts' inputs were based on detailed analysis of primary data and profile of this grouping. Project experience suggests that addressing the following elements helped the process of economic cluster development and laid the foundations for its sustainability.

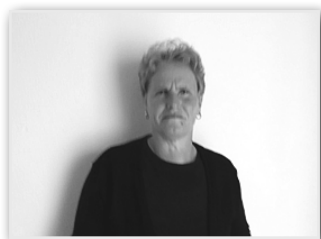
- ⇒ Application of a participatory approach in the selection of a business model that has worked in similar situations in the Albanian environment;
- ⇒ Preparation of a business plan that may ensure access to finance for the group and a roadmap to manage a business;
- ⇒ Selection of a business model that does not require abandonment of the current way of doing business but rather a natural adaptation in order to enhance efficiency and access to market for a currently functional group by also promoting products of a certain value for the area;
- ⇒ Legal registration of the Association of Agricultural Collaboration at the Office of the National Registration Center;
- ⇒ Involvement of stakeholders, representatives of the communes of Melan and Tomin, Dibra Regional Council, Regional Directorate of Agriculture, Dibra office of Agricultural Authority of Food, specialists of the extension service, and local organizations of civil society, in the economic cluster;
- ⇒ Building capacities of cluster members through methods and materials adapted for them;
- ⇒ Establishment of a help desk in the area, at the local partner Agritra Vision, to address issues that may come up during cluster's operation.



The Project's intervention enabled solid basis for the development and strengthening of this economic cluster in the Dibra region. To ensure consolidation of sustainability and impact, it is necessary to implement the business plan of this economic grouping that would enable the development of products, would improve their quality, and would decrease costs relative to packaging and selection of products as well as costs of transport of the products to the market. Additional investments to establish a multifunctional warehouse and involvement of local stakeholders to support cluster development would help to consolidate and further replicate this experience. The expansion of initiatives of economic clusters in other rural areas with similar problems in Albania will contribute to women's economic empowering and improvement of quality of life of their families and local communities. The incorporation of this need in sectoral and cross-cutting policies as well as in potential mechanisms is considered to be an option to address the challenges of women's socio-economic empowering and the development priorities in rural areas across the country.

6. TESTIMONIALS OF BENEFICIARIES

Here are some of the testimonies from direct beneficiaries of this project:



Redife Dardeshi,
Cluster Member

“We, women of this village, have been practicing farming for years to provide revenues for our families. We produce fruits and vegetables, collect medicinal plants, etc. All women work on their own, but local trade fairs are the places where we come together. We face many challenges, including aggregation of product and market access, on daily basis.

We were trained by the IDM project on advantages of cooperation, on marketing, increase of value of product, and on diversification of our products. We see the creation of the Association of Agricultural Cooperation as a good opportunity to enhance the values of our products and to better compete in the agricultural market. This is a new experience, but we hope it will help us to generate more revenues on an ongoing basis.”



TAULANT DATJA
Specialist
Regional Directorate of Na-
tional Food Authority, Dibra

“Projects like this that promote economic development are very essential to Dibra, because the region has limited opportunities of employment and low economic level. The IDM project has promoted the idea of economic clusters. I am also pleased that the project aimed to instil the spirit of cooperation leading to the economic development. I think this kind of attitude will have a powerful impact in the development of Dibra region. All IDM trainings and workshops under this project were delivered in a simple language and the knowledge and skills acquired from its activities have been based on sound and logical data and adapted to our region. The methods used to convey the knowledge were very efficient. “