

Business Development Services: Developing Business Model for Rural Microenterprises Comparative Case Study of Rural Microenterprises in Madagascar

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The organization I will be working with is PROSPERER, Support Programme for the Rural Microenterprise Poles and Regional Economies. An UN IFAD sponsored project, it focuses on increasing the incomes of poor rural people in five of the country's poorest and most densely populated regions, creating efficient business development services that respond to the needs of small and micro rural enterprises, and building the capacity of these enterprises to identify their individual requirements. The programme assists in structuring traditional clusters into modern value chains - by line of business, to enable long-term sustainability and market expansion - with linkages to regional growth poles. My role in the project will involve looking for new ways of marketing the products or creating a business model for the micro and small enterprises in order to incorporate them in the value chain.

Introduction and contextual information

The objectives of the Prosperer project are to lessen the vulnerability of poor populations in rural areas of the Madagascar highlands by promoting collective risk management mechanisms, increasing their incomes by diversifying their activity. PROSPERER was established in 2008 and will obtain additional funding and continue into at least 2022. It is active in 9 regions in Madagascar, and its activities are vast, including training for the young, help with access to credit, advice etc.

The country is large, being the 4th biggest island in the world, with 592,800 square kilometers, much of it dedicated to farming, and most of all - pasture. Madagascar is one of the poorest countries in the world. Agriculture employs over 80% of the families but accounts only for 21% of GDP. Poverty in rural areas stands at over 80% (UNDP), with around 50% of the population being food insecure (and female-led households seem most vulnerable, UNDP). Most of the enterprises are micro or small in scale. This atomization renders them often not profitable and most farmers live off their farms. High costs of transportation are preventing many from getting to the market to sell their produce; storage is also an issue. Poor infrastructure further hinders the possibilities of long distance trading, locking many farmers to their immediate neighborhoods.

One of PROSPERER's main objectives is developing a business model that will create cooperatives between multiple enterprises, thus enabling them to pool funds, to consolidate production and possibly come up with group strategies that will be more viable than an atomized market whereby the producer act independently. Aiming at maximizing farmers' profits and building capacity and resilience are other major PROSPERERS initiatives. We also aim at developing inclusive, gender-sensitive approaches. Women empowerment is a work in progress in Madagascar and more projects should be put in place to address the position of women in agriculture (and, more broadly, in society) and empower them in

leadership, ownership and decision-making capacity. Gender-equitable land tenure is not yet fully developed (FAO, 2013). Madagascar, like many other developing countries, has a disproportionately large concentration of women in low productivity areas, informal sector, and unemployment (Nordman, Valliant, 2013). This research will be gender-focused, seeking to include women empowerment in the proposed projects and improvements.

Data which will be analyzed (and possibly gathered primarily) will have a gender-specific approach. Climate change impact does not seem in the realm of the study, however, upon arrival, and depending on the data potentially gathered, we may find linkages to consequences of climate change. Carried out in Madagascar (UNDP) showed that women see a decline in harvests and general 'hardship' as consequences of climate change, which is important from the gender perspective - women will be among the most vulnerable to the pitfalls of climate change. Madagascar has little adaptation and mitigation capacities, hence there is a need to utilize as many resources to adjust as possible. Women constitute a substantial part of the workforce in agriculture, and their input will be crucial in addressing the risks in the near future. As the Intergovernmental Panel on Climate Change (IPCC) has underlined, "social and cultural limits to adaptation are not well researched.

It is possible that greater access to credit will empower the local women as well - such policies, in order to be fully functional, must be pursued along with cooperation on policy focused on gender equality. PROSPERER is working with another institution, PAFIM, CNFI and DAOMAR Minagri, and it is not determined if there will be any scope for research in this area.

Conceptual framework of your FP TBC upon arrival and induction. We will focus on Business Development Services in the agricultural setting, potential interventions, gendered approaches in agriculture, position of women in rural areas.