



# The Business Case for Women's Participation in Agricultural Cooperatives:

A Case Study of the Manduvira  
Sugarcane Cooperative, Paraguay



November 2014

Claire Clugston  
*Leland International Hunger Fellow*  
with ACDI/VOCA



## Table of Contents

Introduction.....	1
Background .....	1
Overview of the Manduvira Cooperative .....	1
Findings from Manduvira.....	2
Women Succeed in Non-Traditional Cooperative Roles .....	2
Inclusion of Female Farmers in Cooperative Membership Increases Production .....	3
Female Farmers Are Early Adopters of New or Improved Farming Techniques.....	4
Gender Diversity in Membership and Leadership Strengthens the Cooperative .....	5
Recommendations for Cooperatives in Paraguay .....	5
References .....	7

## Acknowledgements

Thank you to Ariel Acosta, Patricia Montiel, Amelia Moro, Lindsey Jones, and Hayden Aaronson of ACDI/VOCA for their help with study design, data collection, transcription, translation, and editing. Thank you as well to Andrés González, general manager of Manduvira, and Ada Zárate, director of Manduvira's Production Department, for facilitating the fieldwork and organizing logistics. Many other cooperative leaders, staff members, producer members, and wives of producer members contributed their time and energy to the data collection process. Without them, this paper would not have been possible.

## Introduction

Historically, agricultural cooperatives in Paraguay have included very few women both as leaders and members. However, this trend has been changing in some agricultural cooperatives in recent years. One of these is Manduvira, located in Arroyos y Esteros in the Cordillera Department. This fair-trade sugar cooperative has seen an increase in the participation of women members and leaders. In spring 2014 ACDI/VOCA's Cooperative Development Program (CDP) conducted a series of interviews with Manduvira cooperative leaders, staff members, and producer members to assess female participation in the institution. Some key findings from this case study and secondary materials are presented in this paper.

To address the misconceptions that contribute to low levels of female participation, this paper has two objectives. The first is to use evidence from the Manduvira cooperative to demonstrate to cooperative members and leaders in Paraguay and other countries that women can and do succeed in positions that have historically been seen as more appropriate for men. The second is to show that women's participation and leadership in agricultural cooperatives can have advantages to their overall business performance. Cooperative development experts and gender equity specialists can use the findings presented in this paper to persuade cooperatives in Paraguay and elsewhere to be proactive in increasing the participation and leadership of women.

## Background

Although the reasons for low female participation in agricultural cooperatives in Paraguay and elsewhere are multifaceted, cultural norms and biases are important factors that contribute to women's marginalization in rural communities around the world. Anne-Brit Nippierd states, for example, that the primary constraint to women's active participation in cooperatives "is the traditional role of women in society and the prevalent misconception that women's reproductive and domestic responsibilities constitute their main role" (2002). Women who want to pursue leadership roles must contend with not only the "general perception in many agricultural communities that leadership roles are for men" but also obstacles such as limited time availability, lower educational levels, and limited comfort with public speaking (Aris 2013).

In its work in rural Paraguay, ACDI/VOCA has encountered two perceptions: women are not farmers, and women cannot be good cooperative leaders. A gender analysis conducted by ACDI/VOCA found, for example, that "most women in rural Paraguay perform the same agricultural activities as men, but they describe this work as 'helping' [their husbands], not as agricultural work" (Ochoa 2012). The vast majority of these women state they are housewives rather than producers when asked what they do. Additionally, women in Paraguay who do decide to actively participate in cooperatives have to "prove" to the male majority that they can succeed if they want to take on any leadership role. The president and founder of a small women's committee stated, for example, that she was mocked when she decided to form this agricultural organization. Other cooperative leaders "said that the co-op would fail because it would be made up of women who would just argue with each other" (ACDI/VOCA 2014).

Data collected by CDP show that among the 12 registered cooperatives that are program participants, women comprise only 17 percent of registered members. Paraguayan national statistics indicate that average female membership in agricultural cooperatives is slightly higher at 19 percent (OBSECOOPY 2014). Rates of leadership in Paraguayan cooperatives are generally even lower. Among CDP beneficiary cooperatives, women make up only 7 percent of elected leaders. A census of Paraguayan cooperatives carried out in 2012 revealed that of the 45 agricultural cooperatives surveyed, only one had a female president (OBSECOOPY 2014).

## Overview of the Manduvira Cooperative

Manduvira is a multiservice cooperative with two types of operations: (1) organic, fair-trade sugar production and commercialization and (2) savings and credit. In 2013 Manduvira's total revenue was \$5,947,978—91 percent from sales and 5 percent from financial services. Manduvira provides a wide array of services and support for its members, including the following: banking; credit; technical assistance for sugarcane production; processing and marketing of members' sugar; organic and fair-

trade certification; and social services such as medical and dental clinics, computer education, and school supplies. Currently, Manduvira has 1,738 members, 53 percent of which are producers. The other members use Manduvira's savings and credit services. Of the sugar produced, 95 percent is exported and sold to 19 countries around the world, including the United States, Canada, Japan, Australia, and New Zealand, as well as others in Europe and Latin America. Recently, the cooperative inaugurated its own sugar processing plant. This is the first factory in Paraguay to be built by an organized group of small farmers. The processing plant will enable the cooperative to scale up its production and will increase the incomes of its members by reducing production costs.

Manduvira was selected for this case study because it has the highest rate of female participation among the cooperatives that participate in CDP, as measured by the percentage of female members and the percentage of female elected leaders. The cooperative divides its members into two groups that have access to different sets of services—the savings and credit members and the producer members. When both groups are taken into consideration, Manduvira has 29 percent female membership. When only producer members are included, 19 percent are women. These statistics follow national trends, which show that savings and credit cooperatives have higher rates of female participation than agricultural cooperatives.<sup>1</sup> For this reason, it is important to mention that most of the CDP participant cooperatives included in the table below do not have savings and credit operations. This is likely an important factor in explaining why Manduvira's rates of female participation are so high above the average.

Manduvira stands out among CDP participant cooperatives in its rates of female-elected leadership as well. While over half of the CDP participant cooperatives do not have a single female-elected leader, 24 percent of Manduvira's 17 elected leaders are women. The positions held by women are Treasurer for the Board of Directors, Alternate for the Board of Directors, President of the Electoral Committee, and member of the Electoral Committee. There are also women in the Solidarity Committee, Education Committee, Credit Committee, and various staff management positions.

**Table 1. Female Participation among Cooperatives**

Cooperative	Female Members		Female Leaders	
	Percent	Total	Percent	Total
<b>Manduvira</b>	29%	506	24%	4
<b>CDP Average*</b>	17%	106	7%	1

\*n=12 cooperatives, which have an average membership of 639

In both of its operations, Manduvira adheres strongly to the principle that men and women should be treated equally. In 1999 the cooperative began to certify its sugar as fair trade and continues to do so through Fairtrade International (FLO). In order to achieve the fair-trade certification, the cooperative has to comply with the standards set forth by FLO. As one male leader said, the principles of fair trade state very clearly that “there is no type of discrimination, whether political, whether religious, gender.” Several leaders described the cooperative as “open” to women or stated that there was “space” for women to participate as members and leaders.

## Findings from Manduvira

### Women Succeed in Non-Traditional Cooperative Roles

Manduvira is an example for other cooperatives of how women can succeed in leadership positions historically held by men in Paraguay. The director of the production department, for example, is a woman. Her employees and coworkers speak positively of her work and do not see any decrease in her capability or performance because of her gender. One of the managers of Manduvira's sugar factory expressed his satisfaction with her management, saying that she has delivered exactly what was asked of her. Another example is a female hoist operator who was hired to work in the new factory. This is so unusual that one of the factory managers said it was the first time he had seen a woman working a hoist

<sup>1</sup> According to the Observatorio del Sector Cooperativo Paraguayo (OBSECOOPY), Paraguayan savings and credit cooperatives have achieved gender parity in membership. These cooperatives also have a much higher percentage of female presidents. However, it is important to keep in mind that a large number of these cooperatives are located in the capital of Asuncion and provide services to professional men and women.

in Paraguay. According to one of the factory supervisors, this hoist operator “demonstrated that she can do it” during the factory test run. Regarding the many management positions occupied by women, another male leader in Manduvira commented, “it works perfectly.”

Cooperative development experts and gender equity specialists in Paraguay can use the case of Manduvira to show how individual capacities are more important than gender in determining whether a person will succeed in a cooperative role. In fact, not considering women for non-traditional jobs is detrimental to cooperatives as it narrows the talent pool and limits the institution's potential growth. According to one study, women in Latin America “are more likely to attend college than men” (Pellegrino, D'Amato, and Weisberg 2011). However, they are underrepresented in the work force because “leaders continue to overlook and underutilize women as a source of talent” (Pellegrino, D'Amato, and Weisberg 2011). Cooperatives, like other institutions, always want the best candidate for any job or leadership position. However, sometimes women are either implicitly or explicitly discouraged from applying for jobs or running for elected positions. When this happens, the cooperative could be passing up an opportunity to hire someone who would strengthen the organization. Manduvira can be a positive role model for other cooperative leaders—both female and male—to show how women can succeed in roles they have not traditionally occupied.

## **Inclusion of Female Farmers in Cooperative Membership Increases Production**

---

To be economically successful, agricultural cooperatives rely on members to dependably deliver produce that meets quality standards. Therefore, cooperatives as businesses need producer members who are faithful in selling to the cooperative, are efficient, and use good agricultural techniques. One implication of the perception that men work in agriculture and women are housewives is that the contributions these women could potentially make to cooperatives are underestimated.

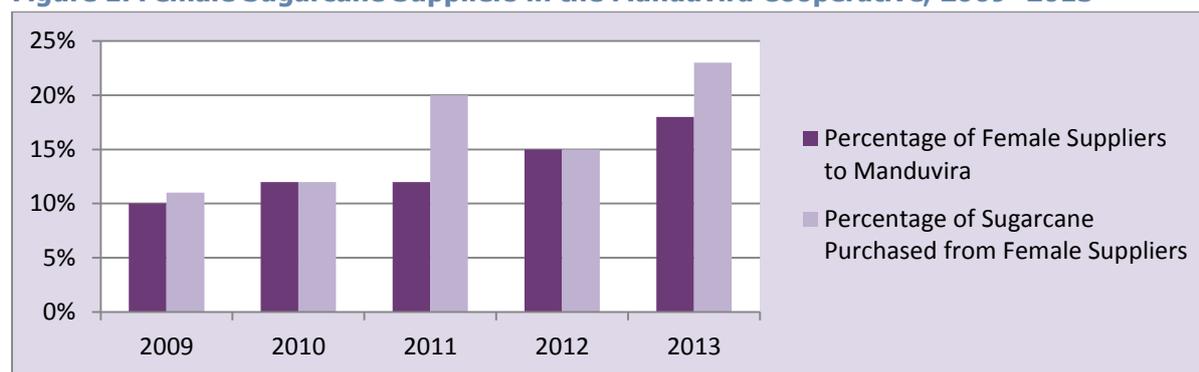
Some focus group participants in Manduvira perceived, for example, that sugarcane farming is better suited to men than women. Data from Manduvira suggest, however, that women are in fact successful as managers of sugarcane farms. As shown in Figure 1, women have been reliable suppliers of sugarcane over the past five years.<sup>2</sup> In fact, during three of these years, the percentage of sugarcane sold to the cooperative by women exceeded the percentage of female suppliers. This indicates that female members can have production levels on par with or even higher than male members. Some cooperative leaders pointed to the importance of evaluating producers as individuals instead of focusing on their gender, stating that: “there are very hardworking women who produce very well and there are also men” and “a lot of this does not depend much on gender.”

Figure 1 also shows that female members are playing an increasingly important role in providing the cooperative with raw material. The percentage of female suppliers to Manduvira increased from 12 percent in 2009 to 18 percent in 2013. Focus group participants listed a variety of reasons for the increase in female participation in Manduvira, including cultural changes in rural Paraguay, economic pressures, changes in the cooperative, and the fact that women are more likely to become members of the cooperative once they see that other women have joined.

---

<sup>2</sup> In agricultural cooperatives, data is not perfect because the person registered is not always the individual who in reality manages the farm. We asked the production staff how many of the registered female producer members are the farm managers, and they estimated it is around 80 percent.

**Figure 1. Female Sugarcane Suppliers in the Manduvira Cooperative, 2009–2013**



Studies have shown that the inclusion of women in value chains is important for “securing future supply” of raw material (Chan and Barrientos 2014). According to one study, the inclusion of female farmers can fill supply gaps caused by a variety of factors, such as a rise in demand for food, higher rates of migration, and decreasing interest in agriculture on the part of younger generations (Chan and Barrientos 2014). Cooperatives need to recognize the potential of female farmers to be reliable and successful suppliers of agricultural products. By recruiting these women, cooperatives can achieve the numbers they need to scale up.

This is in line with global trends that indicate if more female farmers in developing countries had the same access to productive resources as male farmers, they would be able to “increase yields on their farms by 20–30 percent” (FAO 2011). In order to respond to the growing demand for agricultural products, farming institutions need to be equally inclusive of both women and men farmers.

## Female Farmers Are Early Adopters of New or Improved Farming Techniques

According to several cooperative leaders and staff members in Manduvira, female members are in general more likely than male members to apply what they learn in trainings and adopt new farming techniques. One of the ways in which Manduvira stands out in relation to other cooperatives in Paraguay is that it captures niche markets and teaches innovative farming practices to its members. For example, the cooperative has begun a project in biodynamic certification. Biodynamic farming is an approach to sustainable and organic farming that requires the application of very specific “biodynamic preparations” as well as working in harmony with natural cycles. During one interview, a male staff member stated that women are expressing great interest in biodynamic fertilizers: “They are demonstrating that they [...] are bolder than the men in the way that they prepare, organize themselves, apply. I think this is something very good.” Similarly, during a focus group, another leader stated, “it is easier to work with them [women] in terms of being able to teach them new production techniques and new technologies.” He asserted that men sometimes do not take well to being told what to do and that women are more inclined to make changes.

In its work in India and Ghana as well as Paraguay, ACDI/VOCA has seen two general reasons for this difference in men and women’s behavior. The first is that women are socialized to be more submissive than men and therefore are more likely to follow instructions from someone in a position of authority, such as an extension agent or trainer. Gender norms encourage men to be in a position of authority, and they are less likely to respond to instructions from others. In Latin America, these uneven power dynamics are called *machismo*. The second reason is that the management of cash-crop farms such as sugarcane is sometimes relatively new for women. In contrast, men have grown up as farmers, learning production techniques from their ancestors. Women, therefore, are often more eager to receive guidance, while male farmers are more set in their ways. There is limited literature related to how men and women respond to agricultural trainings, but one study conducted with private sector organizations in Kenya yielded similar results. This study found that the private sector organizations perceived that “women follow directions better than men” and were preferable to work with for high-quality production (Spring 2000).

These findings suggest that efforts to get farmers to change their farming practices should strategically target women with new information—or information that farmers are not putting into practice—and encourage them to show the results to their husbands and neighbors. This could lead to broader scale adoption of new agricultural practices or technologies. However, this trend also reveals that women are more vulnerable to exploitation if they are encouraged to adopt practices that may ultimately be harmful or not in their personal best interest.

## Gender Diversity in Membership and Leadership Strengthens the Cooperative

Manduvira leaders reported that the participation of both men and women in the cooperative results in having a diversity of perspectives that strengthens the cooperative. One male leader stated that women's participation in the cooperative enables the institution to see things differently or have "another kind of vision" for the work that it does. This pertains to the business of the cooperative—sugarcane production—as well as the community work Manduvira carries out using the fair-trade premium.<sup>3</sup> According to another male leader, "men have one way of seeing things and women have another way of seeing things. So I think it [having them both represented as leaders] is a complement, like a marriage."

Global consulting firms have come to similar conclusions when researching the effect of diversity in leadership on institutions. Deloitte found, for example, that "it is becoming increasingly clear that diverse perspectives and experience are critical to solving complex problems and innovating in the midst of rapidly changing conditions" and that companies with both women and men working together better achieve this diversity (Pellegrino, D'Amato, and Weisberg 2011).

At a global level, quantitative studies have shown that companies with female board members or other leaders are stronger than those without women in leadership positions. Consultants found, for example, that the 89 European companies with the highest gender diversity in top management outperformed their industry average in terms of return on equity (10 percent higher), operating result (48 percent higher), and stock price growth (170 percent higher) (McKinsey & Company 2007). Another study analyzed 2,360 companies from around the world. It found that "companies with at least some female board representation outperformed those with no women on the board in terms of share price performance" (Credit Suisse 2012). These studies show, therefore, that promoting gender diversity makes business sense and leads to better company performance.

## Recommendations for Cooperatives in Paraguay

As this paper has shown, women can succeed in cooperatives as leaders and as producer members. Data from Manduvira and secondary sources have also indicated that cooperatives benefit from the participation of women. Therefore, it is in the interest of production cooperatives in Paraguay to encourage female membership and leadership. To increase women's participation, there are a variety of strategies that cooperatives can adopt.

To begin with, it is important that cooperatives be aware that even policies that are not overtly discriminatory can discourage women from participating. Such barriers to female participation can include bylaws requiring land ownership for cooperative inclusion or allowing only one member of the family to register (Nippierd 2002). In many cases, land titles are in men's names and men are seen as household heads, most likely to be chosen if only one member of the family is allowed to be a cooperative member. Cooperatives should look for implicit discrimination in their bylaws and evaluate if and how they can be amended to be more inclusive of women.

Additionally, cooperatives in countries across the world have created policies, programs, and campaigns specifically directed at women producers. Such strategies can help women overcome the social, economic, or educational barriers they face as females entering a historically male-dominated

---

<sup>3</sup> Traditionally, the Manduvira distributes 50 percent of the fair-trade premium back to producer members and invests 50 percent in projects for cooperative members, their families, and their communities. The members vote every March on how to spend the fair-trade premium.

field. Gender policies outline a cooperative's commitment to addressing gender equity as well as specific procedures the organization will follow to ensure there is equality between men and women in terms of access and responsibility. These procedures can range from mandatory gender trainings to specific quotas for women in management positions. Cooperatives can also develop gender equity committees that work specifically with female members and wives of members. Such committees would be responsible for recruiting female members, conducting education and capacity building projects, and carrying out activities aimed at female producers. Even without a gender equity committee, cooperatives can develop programs such as leadership trainings for women or campaigns to educate female farmers on the benefits of being a cooperative member.

In order to assess the performance of men and women in the cooperative, it is important to keep gender-disaggregated records of membership, elected leadership, production, and usage of services. This can be as simple as putting a column for gender into meeting attendance sheets and Excel spreadsheets. Disaggregating data by gender enables cooperatives to notice patterns related to production or usage of services that were invisible before. This will allow them to change policies or repackage services to ensure both women and men are maximizing the benefits they receive and the contributions they make to the cooperative.

## References

- ACDI/VOCA. "Cooperative Development Program in Paraguay: Helping Women become Agricultural Leaders," last modified December 12, 2013, <http://www.acdivoca.org/site/ID/success-Cooperative-Development-Program-Paraguay-Women-Become-Agricultural-Leaders>
- Aris, Giselle. 2013. "Challenging Barriers to Women's Leadership in Cooperatives." Land O' Lakes International Development, <http://agrilinks.org/sites/default/files/resource/files/Challenging%20Barriers%20to%20Women's%20Leadership%20in%20Cooperatives%20-%20FINAL.pdf>.
- Chan, man-Kwan, and Stephanie Barrientos. 2014. *Improving Opportunities for Women in Smallholder-Based Supply Chains: Business Case and Practical Guidance For International Food Companies*. Seattle, WA: Bill & Melinda Gates Foundation.
- Credit Suisse. 2012. *Gender Diversity and Corporate Performance*. Zurich: Credit Suisse Ag Research Institute.
- FAO (Food and Agriculture Organization of the United Nations). 2011. *The State of Food and Agriculture*. Rome: Food and Agriculture Organization of the United Nations.
- McKinsey & Company. 2007. *Women Matter: Gender Diversity, a Corporate Performance Driver*. New York: McKinsey & Company.
- Nippierd, A. 2002. *Gender Issues in Cooperatives*. Geneva: International Labour Organization.
- OBSECOOPY (Observatorio del Sector Cooperativo Paraguayo). 2014. *Analysis of Data from 2012 Census*. Asunción, Paraguay: OBSECOOPY.
- . 2014. "Boletín Informativo Mensual: Primeros Resultados Obtenidos del CNC 2012." 2(3).
- Ochoa, Natalia. 2012. *ACDI/VOCA Paraguay Gender Assessment: Cooperative Development Program*. Asunción, Paraguay: ACDI/VOCA.
- Pellegrino, Greg, Sally D'Amato, & Anne Weisberg. 2011. *The Gender Dividend: Making the Business Case for Investing in Women*. New York: Deloitte Touche Tohmatsu Limited.
- Spring, Anita. 2000. "Agricultural Commercialization and Women Farmers in Kenya." In *Women Farmers and Commercial Ventures: Increasing Food Supply in Developing Countries*, 334. Boulder: Lynne Rienner Publishers.