

# HANDOUT

## “FROM YOUNG, FEMALE AND MALE SUBSISTENCE FARMERS TO ENTREPRENEURS IN THE RURAL COMMUNITIES OF EL SALVADOR”

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## 1. CONDITIONS IN WHICH RURAL ENTREPRENEURSHIP DEVELOPS

**Political conditions:** \*limited access to land: almost 100% have 0,05 ha of land to live on and plant their vegetables. 20-35% own 0,15 - 0,8 ha of land for their crops. \* Absence of systematic government support, especially regarding credit and technical assistance. **Economic conditions:** \* lack of stable sources of income, especially for young people, women and their families. \* Overall increase in prices due to imposed dollarization, free trade agreements and high fuel prices. **Social conditions:** \* lack of opportunities to achieve successful integration of women and young people. \* Insignificance of women as an economic subject due to sexism. \* Low level of education, especially among women. \* Families consisting of between 7 to 10 members, most of them very young. **Cultural conditions:** \*conventional production culture speeds up environmental deterioration, \*individualism and distrust. **Environmental conditions:** \*lack of irrigation water for crops, despite an average of 2,000 mm of precipitation between June and October with a dry period lasting 15 days during August, also known as "dog days". \*Impact of natural disasters such as earthquakes, volcano eruptions and tropical storms which are aggravated due to climate change.

## 2. METHODOLOGY

FUNDESYRAM focuses on territorial development, based on the following four strategic pillars: 1. "Citizen organization and involvement with gender equality", focusing on social capital, allowing them to work and find their own integrated development and facilitate biodiversity. 2. "Sustainable local development stimulating organic agriculture", focusing on economic capital, first and foremost based on: -agroecology / organic agriculture, - a farmer to farmer system = community extension managed by a network of volunteer farmers called Community Extensionists (Extencionistas Comunitarios), they are the human capital which boosts itself significantly - food security and diversification of produced goods, particularly regarding to entrepreneurship of young people and women (the method on how to become an entrepreneur is shown in the figure below), agroindustry, - value chains and - collaborative merchandising. 3. "Handling of the environment and vulnerability", focusing on climate change or natural capital, based on: -environmental education, -appropriate technologies to alleviate climate change and - dealing with contingencies of disasters. 4. "Development of young people and women" in order to overcome historic deficits (figure 1). The entrepreneurship in rural communities program is implemented with these four pillars (figure 2). In order to better understand which process young people of both genders, housewives and farmers who take part in the entrepreneurship program and have reached the goal of becoming leading entrepreneurs in their communities have undergone, participatory workshops were made for each group, during which open questions were asked, especially about the process they themselves experienced. The results of the workshops were incorporated and some of them were summarized in this document in order to share the key elements that were found and that have been very useful to further improve FUNDESYRAM's work and we hope that they will be useful to other organisations which promote rural entrepreneurship.

FUNDESYRAM's	Food security and	Economic development and	Agroecology and	Ecocommunities and service
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focus	organisation, 2000-2003	involvement, 2004-2006	entrepreneurship 2007 - 2010	networks, from 2010 on
COMMUNITY ORGANISATION	Reinforce existing community organisation.	Diversify community organisation. Establish and legalize new organisational structures in the municipal area as producer's associations.	Consolidate community, municipal and diversified microregional organisation, establish women's and youth associations and collaborative businesses.	Guide and advise the organisations on their influence on and development of their areas. Introduce the concept of ecocommunities in order for them to become an educating community at regional level.
	Gain influence in integrated community management.	Promote integrated community management.	Reinforce integrated community and municipal management.	Guide and advise independent management of projects by community organisations.
LEADERSHIP	Train general Community Extension promoters.	Consolidate network of Community Extension.	Reinforce organic agriculture practices of Community Extensionists and their involvement in community development.	Community Extension, leaders specialized in various subject areas and organic agriculture working in networks.
	Introduce women and young people of both genders in local organisations.	Reinforce the role of female leaders and young people as community leaders.	Develop entrepreneurial and development leadership in women and young people.	Reinforce entrepreneurial and development leadership in women and young people.
CULTURE AND SOCIETY	Promote gender equality and social inclusion.	Incorporate women and young people in community leadership and continue promoting gender equality and inclusion.	Empower women and young people as key elements of gender equality and inclusion.	Guide and support local gender equality and inclusion organisations.
PRODUCTION AND PRODUCTIVITY	Promote food security and family agricultural production.	Consolidate food security and diversification applying ecological practices.	Restructuring of agriculture towards family and commercial organic agriculture; and Community Extensioners.	Specialize organic production and sovereign entrepreneurial agroecological production in the area.
		<b>Promote agribusiness focusing on ecological aspects and on the appropriate technologies used in production and at home.</b>	<b>Individual and collaborative production companies, transformation and services with agroecological focus, priority of women and young people.</b>	<b>Entrepreneurs and businesses are included in value chains and networks. Establish a solidary economy which is integrated with a competitive economy.</b>
COMMERCIALISATION	Collaborative commercialisation of input and products.	Reinforce collaborative or individual commercialisation.	Consolidate commercialisation of individual or collaborative production.	Integrate businesses in value chains and networks to improve commercialisation.
FINANCIAL SERVICES	Promote credit-in-kind sharing benefits.	Establish local credit systems.	Reinforce credit with associations and savings.	Consolidate community savings and follow up with credit systems.
ENVIRONMENT	Raise awareness of the importance of preserving soil and water.	Ecological campaigns and appropriate technologies used in production and at home.	Coordinate with municipalities and healthcare units to do environmental campaigns.	Establish and reinforce ecocommunities.
			Promote ecocommunities.	
	<b>Food security and organisation, 2000-2003</b>	<b>Economic development and involvement, 2004-2006</b>	<b>Agroecology and entrepreneurship 2007 - 2010</b>	<b>Eco-communities and service networks, from 2011 on</b>

Figure 1. FUNDESYRAM's strategy to facilitate sustainable development of the area and rural community entrepreneurship.

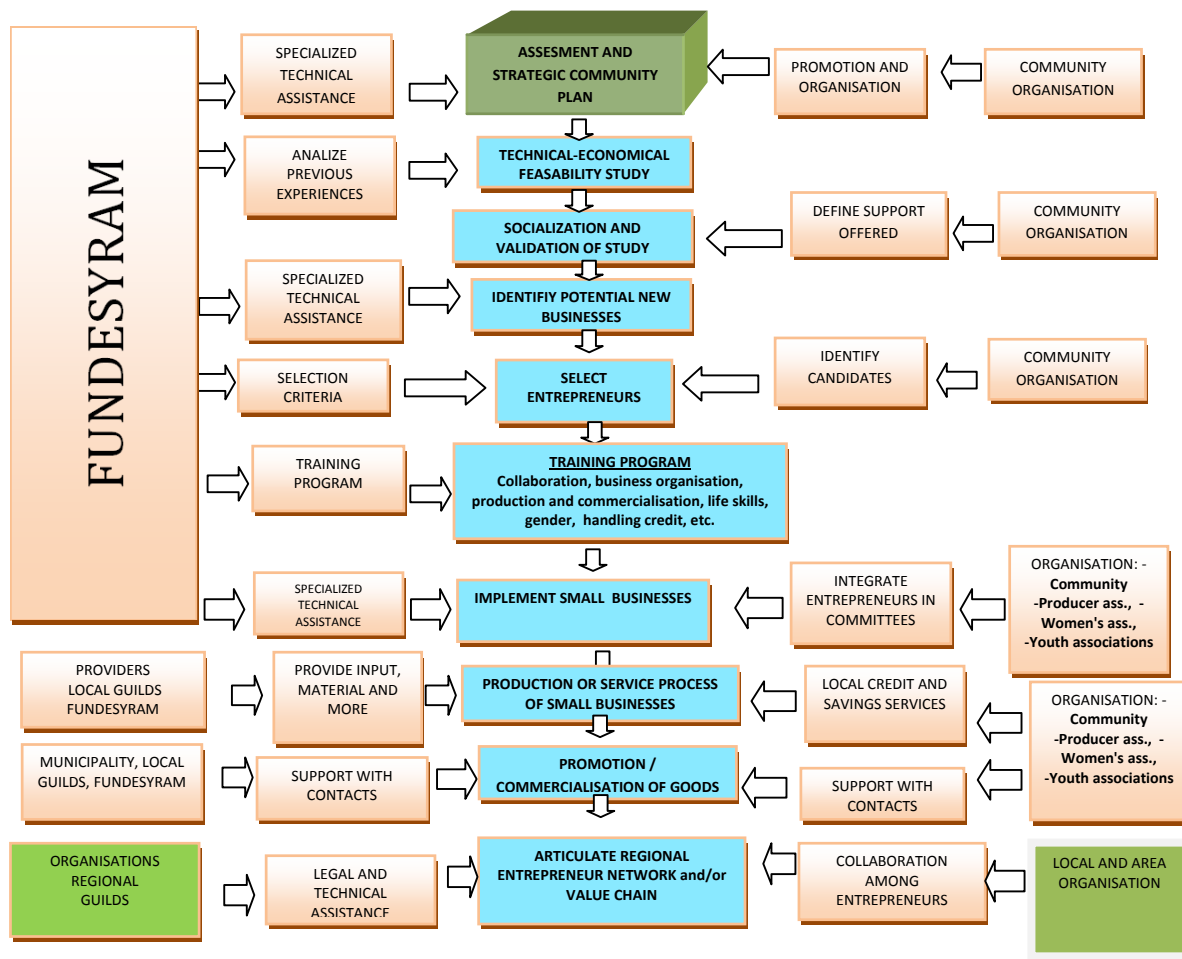


Figure 2. Intervention process of humanitarian aid organisations such as FUNDESRYAM in order to promote the process of rural community entrepreneurship

### 3. ENTREPRENEURSHIP AID BY FUNDESRYAM PROVIDED TO THE FOLLOWING POPULATION

**Youth:** 218 young entrepreneurs, 40% of them are female and run 116 small agricultural businesses and 49 run non-agricultural or service businesses. **Women,** 247 female entrepreneurs who run 180 agricultural businesses and 67 non-agricultural or service businesses. **Men,** 117 who run 117 agricultural businesses.

### 4. RESULTS

**4.1** Those who participate in entrepreneurship programs needed to overcome inner barriers and uncertainties. People in rural communities who have envisioned the possibility of being entrepreneurs have an inner conflict in which positive and negative thoughts of how to become an entrepreneur prevail. Some of the **positive thoughts** among young people of genders, men and women include the idea of facing a challenge: they deduce that if someone similar to them already is an entrepreneur, they can also become entrepreneurs. **Negative thoughts** among women and men were thoughts of helplessness because they did not have the possibilities to access economic resources needed to start a new business; young people often think that they might experience coercion or repression by older members of the community due to the competition they would represent when they decide to open a new business in the same community.

Once they have decided to enter the world of entrepreneurship, the first barriers beginning entrepreneurs need to overcome are criticism and mockery from family members, friends and neighbours. There are also natural fears of not knowing how to start and manage a new business.

Once they do not have to carry the burden of mockery, criticism and their fears, those who are interested in being entrepreneurs still have to deal with uncertainty and find answers to basic questions such as:

What kind of business should they set up? What kind of technical and financial support, such as the indispensable training and technical-methodological guidance, will they receive by facilitating organisations? Will they have access to the necessary resources to start a new business? Will they have access to a local credit system and what will their benefits and obligations as future entrepreneurs be?

#### **4.2 From the conception of an entrepreneurial idea to its execution.**

There is a long process from when the idea of setting up a new business is conceived to when it is actually implemented. Training, planning and negotiation are involved, but this process does not necessarily culminate in executing the initial idea of the new business. 45% of young entrepreneurs who had an idea for a new business changed their mind because they learned about or had a new vision of a business which had the potential of being more successful. In comparison, 25 to 30% of women and men changed their business idea due to the same reasons. This process of taking action, reflecting and learning is permanent, but has the advantage that it also means that the person, company and organisations promoting and facilitating entrepreneurship are in a continuing state of innovation.

#### **4.3 Important aspects that need to be attended to for successful entrepreneurship.**

For entrepreneurs, the main economic bottleneck is management of their new business and commercialization of their products or services.

#### **4.4 Benefits and impacts of entrepreneurship.**

New businesses with ecological orientation contribute to mitigate the food and economic crisis in families and the communities because they produce fresh, nutritious and healthy foods and make them available, they generate stable self-employment and rural jobs, provide opportunities for social-economic development, especially for women and young people, and help reduce the domestic burdens of women who manage family businesses.

The benefits for entrepreneurs as individuals, families and communities motivate them to share their experience with others who would like to follow the path of entrepreneurship. The benefits are, among others: economic benefits, which are a form of confronting the financial crisis as a family and strengthens the family unit; entrepreneurs learn to be responsible and that they can achieve economic independence (this benefit applies particularly to women), allows for subsistent living and opens up doors for better, greater opportunities in life (especially for young people and women).

Women in rural communities with no further involvement are usually disregarded as active members of the community because they are automatically assigned the function of housewives only. However, by setting up a new business they said that they have improved their self-esteem by showing that they are able to be entrepreneurs and to have self-generated income. All of this has allowed them to experience a liberating process as they do not feel they are dependent on someone else and can show their community their true capacity and leadership skills. In the same manner, young people manifest that being entrepreneurs, they have been able to show their families and communities that they are responsible and capable, which is why today they are considered to be key players in community development.

## **5. SUMMARY AND RECOMMENDATIONS**

### **5.1 Summary**

By means of an area development strategy which adequately implements entrepreneurship in rural communities, young people of both genders, women and men can improve their self-esteem and leadership skills, overcome socioeconomic and environmental conditions they need to cope with and better handle social and economic crises as an individual, family and community.

### **5.2 Recommendations**

1. In order to promote entrepreneurship it is important and necessary to develop an exchange strategy for those who are interested in setting up a new business and their families (if they are young people) with entrepreneurs who have been successful in agro-ecological and socioeconomic conditions which are similar to those in the areas in which entrepreneurship is to be promoted. It is also important to work with a psychologically educating program for those involved and their families, focusing on personal motivation, self-esteem, gender equality, life skills and skills for living well in order to quickly overcome the phase of "it can't be done" or overcome being a victim of fear, mockery, envy and destructive criticism.
2. In order to be more efficient and have a greater impact on entrepreneurship in rural communities, involvement of family and community organisations and their support from the beginning is necessary.
3. Organisations which promote and facilitate entrepreneurship have to develop adequate methods for feasibility studies and for a more participative and reflexive conception of the business idea and plan during entrepreneurship in order to ensure that deviations from the original idea are minimal. Possibly, it is ideal to have a deviation of 10% from the initial idea to the actual implementation.
4. Development organisations which promote entrepreneurship programs, need to have a method which allows them assess with a certain degree of certainty which qualities and profile the entrepreneur should have for the region in which they are active in order to better identify the candidates and reinforce or monitor mentioned profile and qualities by means of training and technical methodological guidance.
5. Organisations which promote integrated sustainable development in poor rural communities with high exclusion levels, especially of young people of both genders, have to include entrepreneurship with an ecological orientation as a necessary instrument to give dynamic to the development of people, families, organisations and the area. Special attention needs to be given to the following: the kind of business to be established should have some reference to previous experiences in similar communities, management of the business, commercialization, ensure a systematic training program to a certain degree, ensure the availability of necessary resources to start a new business and facilitate a local credit system.
6. Promote collaboration among entrepreneurs using networks, value chains or organisations in order for them to be more competitive and have a larger influence on obtaining external support for themselves as entrepreneurs, for their communities and their areas.