

**J**OINT PROGRAMME ON GREEN PRODUCTION AND TRADE  
TO INCREASE INCOME AND EMPLOYMENT OPPORTUNITIES FOR THE RURAL POOR



## **Taking a Value Chain Approach towards Local Economic Development and Women's Economic Empowerment**

A Case Study from Hoa Tien Village, Viet Nam



# Table of Contents

Foreword .....	3
The Story .....	9
The Challenges .....	13
The Programme Response .....	17
The Achievements .....	31
Good Practices .....	39
Conclusion and Key Lessons .....	42



While efforts have been made to verify the information contained in this document, the United Nations cannot accept responsibility for any errors that it may contain. The views expressed in this report can in no way be taken to reflect the official opinion of the MDG Achievement Fund, the Viet Nam Trade Promotion Agency VIETRADE, the Viet Nam handicraft exporters association VIETCRAFT, and the United Nations. The usual disclaimers regarding responsibilities apply to this report.

# Foreword



Reducing poverty and improving livelihoods in rural areas and among ethnic minority communities has been a continual challenge in Viet Nam, despite its status as a Middle Income Country since 2010. The average poverty rate in Vietnam has been dramatically reduced from 58.1 percent in 1993 to 14.5 percent in 2008. However, there are significant differences between urban and rural areas as well as between different ethnic groups. The poverty rate for rural areas was 18.7 percent while the rate for urban areas was estimated at 3.3 percent in 2008. Moreover, the poverty rate for ethnic minority groups remains significantly high at 50.3 percent while the poverty rate for Vietnam's Kinh majority was 8.9 percent<sup>1</sup> in 2008.

There is overwhelming evidence that enhanced opportunities for women can contribute to economic and social empowerment of women. Since women are mainly responsible for ensuring the well-being of their family, women's empowerment can have a direct impact on the overall well-being and quality of life of their family, and can contribute to poverty reduction and accelerated economic growth. However, opportunities for women are still limited in many developing countries. Women face obstacles to obtain the knowledge and skills necessary for founding and

<sup>1</sup> Millennium Development Goals 2010 National Report, Viet Nam 2/3 of the Way Achieving the Millennium Development Goals and Towards 2015, Socialist Republic of Viet Nam, Ha Noi, August 2010





their skills and products, and to link these to more profitable markets. Within the handicrafts sector, value chains that are of particular importance and relevance to poor target groups were considered for upgrading, and Bamboo/Rattan, Sericulture, Sea Grass, Lacquer Ware, and Handmade Paper were selected as the target value chains of the programme. A total of 41 percent of the selected 4,800 direct rural household beneficiaries are considered as poor, in accordance with the official national poverty

expanding successful businesses due to their limited access to education and technical training. Vietnam is no exception. Although training programmes on starting or improving a business are available in Viet Nam, most programmes are made for those with a certain degree of formal education, and they are less suitable for low-income women who often have limited opportunities to benefit from training and education. Women face many constraints in accessing training or networking opportunities. They tend to work significant longer hours than men, being responsible for a variety of tasks, including agricultural work, managing small businesses and being the primary caretaker of the family household. This leaves little time for women to attend training to improve their knowledge and skills, or to seek support from networks and institutions to improve their business. As a result, many low-income women face a continuous struggle to increase their income from their business in order to improve their livelihoods.

In many rural areas of Viet Nam, agriculture remains the most important economic sector. However, the income generated from farming is often not sufficient for smallholder farmers to reach an income level above the national poverty line of VND 400,000 per capita/month (about USD 0.63 per day). The collection and processing of natural raw material from forest areas and the production of handicrafts, mostly undertaken at times when farm work slows down, constitute some of the most important sources of additional income for farmers. In fact, it is mostly the additional income generated from handicraft production that determines whether or not the smallholder farmer can lead a life below or above the national poverty line. Due to the nature of craft production, between 65-80 percent of the household craft producers are women. Craft production is predominantly practiced at home and women can therefore combine it easily with their other responsibilities such as farm work and taking care of the family.

Recognizing the need to increase income and to promote employment opportunities for the rural poor in Viet Nam, the Government of Viet Nam and the United Nations launched a Joint Programme on Green Production and Trade to Increase Income and Employment Opportunities for the Rural Poor in 2010. The programme supports the handicrafts sector, recognizing its importance as a major source of income for smallholder farmers and landless poor, and has a high potential for creating employment opportunities in rural areas by promoting entrepreneurship and sustainable production. The programme used the value chain approach to develop better integrated, pro-poor, and environmentally sustainable "green" value chains, enabling poor growers, collectors and producers to improve







line. In addition, more than 1,400 beneficiaries from disadvantaged ethnic minorities have been included in the list of beneficiaries, representing Thai, Muong and H'mong.

The programme is one of 128 Joint Programmes supported by the Millennium Development Goals Fund (MDG-F), which was created in December 2006 with a generous contribution of USD 528 million from the Government of Spain to the UN system with the aim to accelerate progress on the MDGs. The MDG-F recognized that progress on gender equality is critical to the achievement of all the MDGs, and the MDG-F Secretariat created guidance to encourage the development of gender responsive joint programming<sup>2</sup>. In order to capture, share, and encourage the scale up and replication of good practices in promoting gender equality in the MDG-F supported programmes, UN Women launched a call for proposals for documenting effective practices as a part of its MDG-F supported knowledge management programme on gender as a cross-cutting issue.

This documentation presents the experience of the programme in strengthening the Sericulture value chain in Quy Chau district of Nghe An province in Viet Nam, and shows how strengthening the Sericulture value chain contributed to economic empowerment of women and their negotiation power, increased income and employment opportunities in rural area, and preservation of the environment and local ethnic minority

<sup>2</sup> MDG-F Knowledge Sharing Initiative Call for Proposals

traditions. The documentation zooms in on the Hoa Tien Textile Cooperative, a group of women weavers that belong to the Thai ethnic minority, and illustrates how the women were supported by the programme to achieve improved management and organizational skills of the Cooperative leaders, quality and productivity enhancement through better working conditions, vocational skills training, and technology innovations, improved availability of raw materials, enhanced business and marketing skills, new product and market diversification, and better access to support services. This has contributed to enhanced confidence of women, better acknowledgement and support by male community members, and ultimately, increased income for the Cooperative's members and improved employment opportunities for female community members.

This case study is complemented by a documentary video which will be made available through the joint programme website. For further details on the present publication, or the programme, please contact the Programme Management Unit, at: [pmu@greentrade.org.vn](mailto:pmu@greentrade.org.vn) or visit us on the web at [www.greentrade.org.vn](http://www.greentrade.org.vn).

Do Kim Lang  
National Programme Director  
Deputy Director General VIETRADE







# The Story

People in Chau Tien Village, Quy Chau district of Nghe An province, have been supporting their livelihoods by agriculture and animal husbandry. They also earn income from their traditional activity of producing sericulture and brocade products. Brocade production is an important source of income for the women and men in Hoa Tien Village where they combine multiple income generating activities to sustain their livelihood. The people in Quy Chau belong to the Thai ethnic minority, one of 54 ethnic minorities existing in Viet Nam. Thai women are famous for their skilful weaving techniques, a craft encapsulated by a verse that goes "hand down creating flowers, hand up creating flowers". An old story from Quy Chau recounts how a couple lived in the forest under very harsh conditions. They lacked clothing and used tree bark to protect their bodies from the cold. Eventually they invented a method of



Hoa Tien is approximately 200km from Vinh, the capital of Nghe An Province.





processing the cotton fibers and later silk yarn into fabric for clothing through weaving.

Brocade weaving, a traditional activity of most ethnic minority groups, gradually become more diversified and sophisticated patterns and embroidery techniques distinguished ethnic minorities groups from one another, with the name of the minority group such as red H'mong, white H'mong or flower H'mong being a reference to the clothing they wear. With traditional beliefs and customs, brocade production is handed down from mother to daughter through the generations, and it is almost exclusively done by women. Brocade production has been an important tradition as well as an income-generating activity that enabled women to work at home with flexible hours. In recent years, however, traditional brocade activity of ethnic groups has been endangered as increasingly young women are being attracted to income-generating opportunities in the larger cities or province capitals. The availability of cheaper industrial fabric is also affecting the production method and traditional customs of ethnic minority groups.

This above situation also applies to Chau Tien. There have been few young women from the commune joining the Cooperative in recent years. The eighty women members of the Hoa Tien Cooperative have on average

over 10 years of weaving experience. They use traditional looms to produce various kinds of beautiful patterns. They are also skilled in Ikat technique – a dyeing technique that uses a thread to tie certain areas of fabric together before being put in the dye bath; thereby creating certain patterns.

The average income derived from brocade production in Hoa Tien was estimated at VND 600,000 per capita per month (equivalent to

USD 29). This is above the national poverty line of VND 400,000 (or USD 19) per capita/month. However, the income was still rather low and just below the internationally set poverty line of USD 1 per day. In order to strengthen their brocade production, the women weavers of Hoa Tien Village formed an informal group in 1997, and then a cooperative in July 2010 with 80 members from the Thai ethnic group. However, the group faced many challenges in improving the brocade production and making it a viable business.







# The Challenges

## **Limited availability and unstable supply of raw materials**

Chau Tien has good conditions for growing mulberry, the leaves of which are used to feed silk worms. Despite a tradition of planting mulberry for silk production for weaving, the production of local mulberry in Hoa Tien went down in recent years. With the introduction of cheaper silk, cotton, and wool yarns from China and Laos, the locally produced silk prices had dropped, and many households had replaced mulberry trees by sugar cane.

Weavers have been purchasing most yarns at the local market or through traders. However, keeping stable supply of quality yarns has been challenging. The silk yarns are sometimes sold with mixed materials to lower the price for silk yarns. The price of yarns has been increasing in recent years at 10 percent per year on average and it is resulting in higher costs for producing the brocade products.

In order to ensure the quality of silk yarns and to keep a stable supply of silk yarns,

many households were eager to go back to mulberry production and silkworm rearing. However, they lacked capital to purchase seeds and the required knowledge and skills to choose a suitable variety of mulberry seedling to grow mulberry.

## **Low and inconsistent quality of natural dyeing**

Four members of the Cooperative have been operating a small handicraft dye-house using simple household equipments such as cooking pots. They use leaves, roots, bark, and flowers from locally available trees and plants, including mango, almond, guava, coffee, tea, jackfruit, and other locally available materials, to dye silk and cotton yarns before weaving. Productivity, however, was low due to the simple methods and tools used. An assessment by an expert from the Research Institute for Textile Chemistry and Textile Physics from Austria revealed that the group needed to adopt a more standardized process to improve the quality and consistency of dyeing. There was little understanding on how the temperature, time for heating and boiling, quality or



hardness of the water, rinsing, quantity of yarn dyed per batch, and the exact composition of water, dyestuff and ash (used to fix the dye to the fabric) affected the quality of the dyed textile fabric. In addition, the quality of the natural colorants is dependent on the harvesting conditions and the season which affect the shade and color depth of the dyed textile material. Color variations were observed between summer and winter if the dyes were not stored in a dry state. In order to reproduce natural dyes, certain rules must be observed when using natural colorants, e.g. which part of the plant or fruit is used. A lack of standardization resulted in inconsistencies in the evenness, color variations and color-fastness of the dyed fabric. Moreover, the colors were fading quickly when the fabric came in contact with water. In addition, the artisanal manner of dyeing meant that dyeing could only take place during dry weather. This made it very difficult for the cooperative to produce higher value-adding final products in sufficient quantity and with a consistently high quality.



### Limited product range and designs to appeal to new customers

The Cooperative's woven products have been traditionally produced and consumed within the neighboring villages for daily family use or to use as dowry. In recent years, however, the products are increasingly sold to customers outside of their traditional markets such as handicraft shops and international tourists, and gradually becoming a more important source of additional income. However, the women weavers were constrained in their market development and diversification due to lack of ability to modify and diversify its product range and designs to appeal to wider customers. Despite the sophisticated weaving and embroidery techniques and diversified and meaningful patterns of their products, the products could not attract increasing numbers of customers as product designs did not reflect current trends. They also had challenges in ensuring a coherent identity within their product range and the quality of products to meet the standard of customers beyond their traditional markets.

### Lack of knowledge to improve working conditions and productivity

Although the women in Hoa Tien were keen to produce more, limited awareness

and understanding on the optimal working conditions affected negatively the productivity of the women weavers. To illustrate:

- Materials and equipments used for dyeing or weaving were placed in households without order and in unorganized ways, and women wasted valuable time to look for necessary materials or equipments.
- Women lacked a good understanding on how the location of the loom affected productivity. The location of the loom should be cool in summer, warm in winter and have sufficient natural light. Brocade weaving does not allow the use of a fan in hot summer, as the wind from the fan could make the yards tangled.
- Weaving requires strong concentration and precision. The light must be appropriate to avoid tiring of the eyes and for weavers to see clearly the weaving lines, so that they can immediately fix any error. Some women were facing the road when weaving and were easily distracted by people passing by on the road.
- Sitting for extended periods in uncomfortable postures easily leads to injuries such as back or neck pains.
- The women also lacked a good understanding regarding the need to use protective equipment, such as gloves and masks when dyeing yarns.

### Insufficient knowledge on managing a Cooperative

Although the women producers established the Hoa Tien Textile Cooperative to strengthen

their businesses in 2010, they had difficulties in managing the Cooperative effectively and growing their business. The leaders of the Cooperative are elected by the members of the Cooperative. An initial assessment conducted by the programme, however, indicated that the Cooperative Board members never received any formal or informal training on Cooperative management. As a result, they faced difficulties to manage the operations of the Cooperative. For example, they lacked knowledge on how to develop a business plan, how to provide strategic direction or longer-term vision to guide the future orientation of the Cooperative, how to make a production plan, and how to make a proper cost-benefit analysis for participation in trade fairs or exhibitions. As a result, on some occasions the Cooperative lost money when participating in a trade fair or festival as there was no appropriate plan prepared with a proper calculation of the estimated cost and projected sales.

### Lack of gender-responsive support services by the local support institutions

While Nghe An province had a policy for supporting handicraft production, and they encouraged the preservation and development of brocade in the province, their support was limited. They did not fully recognize the specific challenges faced by women producers in growing a business including low education, limited mobility, insufficient knowledge on managing a Cooperative and the need to balance time between business and household responsibilities.







# The Programme Response

Understanding the need to increase family income and to preserve the cultural tradition of Thai people in Hoa Tien, the Joint Programme used a value chain approach to improve the livelihoods of the people in Hoa Tien through the strengthening of the sericulture and brocade value chain. A detailed value chain analysis was conducted at the start of the programme. This documentation will not repeat the entire value chain analysis. The sericulture value chain analysis can be accessed through the programme's website<sup>3</sup>.

A "value chain" describes the full range of activities that are required to bring a product or service from conception, through the intermediary phases of production (involving a combination of physical transformation and input of various producer services), delivery to final consumers, and final disposal after use.<sup>4</sup>

## BOX 1: THE VALUE CHAIN

<sup>3</sup> The programme website: [www.greentrade.org.vn](http://www.greentrade.org.vn)

<sup>4</sup> Source: Value Chain Development for Decent Work: A guide for development practitioners, government, and private sector initiatives, ILO (2009)

Various challenges were identified at different stages of the sericulture and brocade value chain, and a comprehensive and integrated plan for support was developed. The plan included promotion of decent work practices, technical skills training, gender equality and entrepreneurship development, access to business support services and finance, and access to markets. This was combined with initiatives to enhance relevant institutions' capacity to promote women's empowerment and workers' rights, and to increase women's participation and leadership in the value chain.

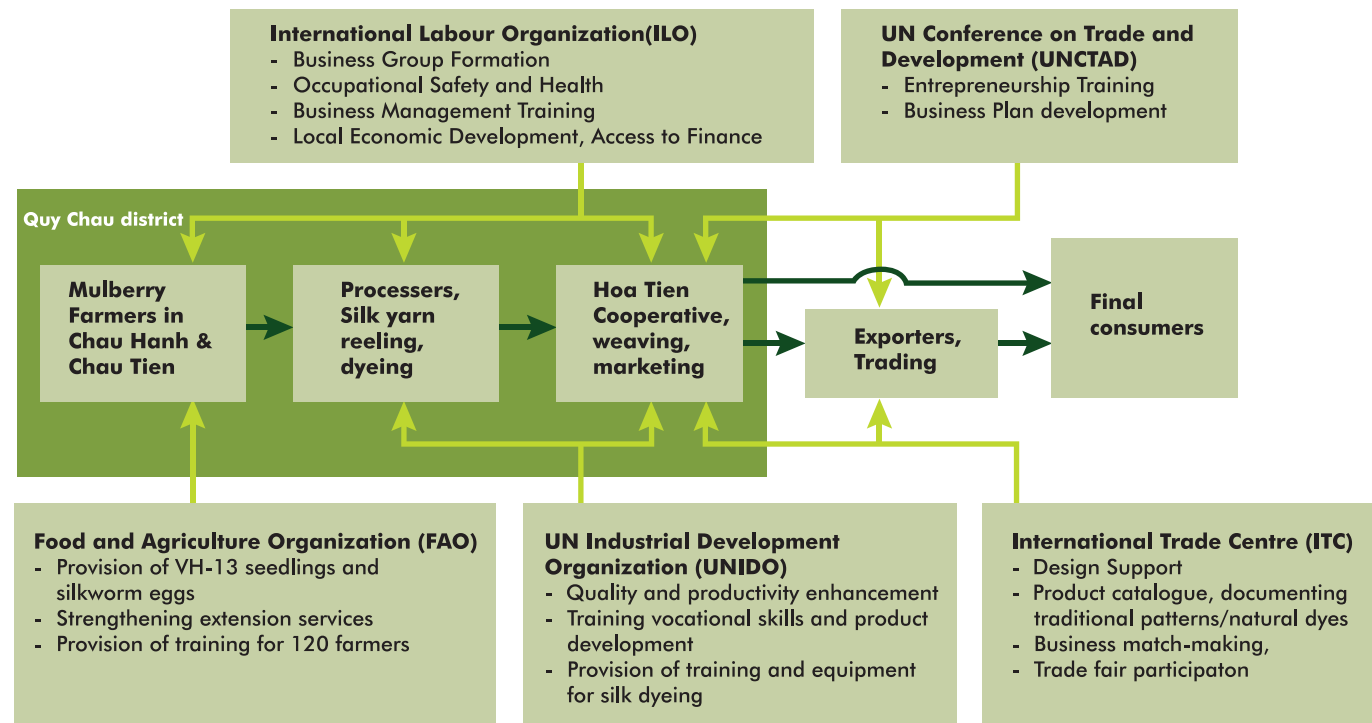
The approach combines the complementary and comparative expertise of five UN agencies, including the Food and Agriculture Organization (FAO), the International Labour Organization (ILO), the United Nations Industrial Development Organization (UNIDO), the United Nations Conference of Trade and Development (UNCTAD), and the International Trade Centre (ITC). The inputs of different UN agencies are structured along the value chain, which is visually illustrated below:





## Increasing availability and quality of raw materials

In order to revitalize the cultivation of mulberry trees in Hoa Tien and to increase the local availability of quality silk yarn for weaving in Hoa Tien and neighboring communes, the programme provided 160,000 mulberry seedlings of the high-yielding hybrid variety VH13 to some 75 households in Quy Chau district. More than 4 hectares of VH13 mulberry field has been created in neighboring Chau Hanh and Chau Tien communes of Quy Chau district. The new variety mulberry trees have grown well, with plants and leaves being significantly larger than the mulberry variety being used before (also called Thai Binh variety due to its origin).



### BOX 2: THE VALUE CHAIN APPROACH IN HOA TIEN VILLAGE

Each intervention is further explained in detail below.

In addition, the programme has trained approximately 100 farmers in proper planting, cultivation and harvest of mulberry trees. A demonstration site was prepared in the village to show best practices in the cultivation of mulberry trees and to encourage local people to grow mulberry. In cooperation with the local Division of Agriculture and Rural Development (DARD), the programme provided technical guidance on the use of fertilizer while minimizing the use of environmentally-damaging pesticides. Through demonstration sites, the local people were able to recognize the great potential to earn additional income through growing mulberry for silk worm raising.







Ten households have been supplied with silk worm eggs and were trained on silk worm raising. When silk worms grow larger, they are distributed to other households. Approximately 50 households were trained on how to raise silk worms by feeding them mulberry leaves until they spin a cocoon. Reeling of the cocoons will consequently produce the raw silk yarn.

Cleaner Production training reinforced some good practices on silk worm raising. For example, placing a bowl with water at the legs of the rack and adding protective nets effectively protect the worms against insects. In addition, regular spraying with water increases the growth of the silk worms. These simple improvements significantly enhance the silk worm raising practices to increase productivity for silk. This allowed the Thai women weavers to locally source a higher percentage of raw materials required for brocade weaving. An interesting type of barter trade also emerged. Those without mulberry trees trade their silk worms to receive the mulberry leaves necessary

for raising silk worms, while women with mulberry farms trade leaves for silk worms.

### **Increasing productivity through safety improvement in the work and home environment and production process**

Based on the findings of an assessment of the working condition of the sericulture and brocade production, the programme conducted training on occupational safety and health (OSH) in the sericulture and brocade supply chain. The programme first trained officials of the Department of Agriculture and Rural Development (DARD) to become qualified OSH trainers, and then supported these officials to train women weavers in Chau Tien and other communes. Twenty women from Hoa Tien Cooperative participated in training events to learn how to improve productivity by creating safe and more efficient working conditions.

Following the training, the cooperative implemented a number of improvements, such as placing all the tools needed for weaving within arm's reach, using a chair with a backrest when possible to avoid back pain (e.g. for sewing), use of a multi-layer rack for silkworms (instead of putting everything on the floor as was their previous practice), consistent use of protective equipment, such as gloves and masks during the dyeing process, adding a soft cushion to be more comfortable when weaving for extended periods.

"In order to save time, I always put the tools and materials needed for weaving close to my loom within arms-reach. Previously, because I did not care about this small issue, I wasted a lot of time to go to find this and that needed for weaving"  
Ms. Lang Thi Hoai

"Sitting for a long time on a wooden bench gives me pain. I, however, want to produce many products to generate more family income. Adding a soft padded cushion prevents me from having pains. I always try to create conditions that help me feel more comfortable while working"  
Ms. Sam Thi Khuyen







## Stabilizing and improving quality of natural dyeing

In order to ensure that dyeing of silk yarn will result in consistent and colorfast fabric, the programme provided the Cooperative with a professional dyeing machine. With a capacity to dye 3-5 kilograms of yarn in one batch, the machine significantly increased the productivity of the cooperative's dyeing-house. With the new equipment, they can dye 3-5 kilograms in 30 minutes whereas before they could only dye 0.5 kilograms in 30 minutes. The programme also provided training and coaching to transfer skills to the Cooperative members so that they can use the machine effectively and safely. The dyeing unit can be used effectively for

different types of material including silk yarn and cotton. Different types of material can be dyed at the same time and both chemical and natural dyeing can be applied. With regards to natural dyeing, 6 different natural dyes were tested, with intermediary results indicating that the quality remains stable and colorfast. This allows the group to produce higher quality and quantity of silk fabric more quickly, which significantly contributes to the competitiveness and ability of the Cooperative to produce higher value brocade weaving items effectively and efficiently.<sup>5</sup>

<sup>5</sup> See also related article on the programme website: [www.greentrade.org.vn](http://www.greentrade.org.vn)



programmes applied participatory methodologies to allow women with limited education to learn by using their real life experience, and the training strengthened the commitment of the women weavers towards the Cooperative. During the Gender and Entrepreneurship Together for Women in Enterprise (GET Ahead), the members of the Cooperative discussed gender roles

## Strengthening the capacity of the cooperative leaders and members

The Hoa Tien Cooperative leaders and members benefited from a wide range of capacity building support activities to strengthen their group and business management skills, which included Business group Formation, Gender and Entrepreneurship Together for Women in Enterprise (GET Ahead), Entrepreneurial Behavior through EMPRETEC, Requirements and Opportunities of Fair Trade, and effective Trade Fair participation. Through business groups, small scale producers and entrepreneurs are able to overcome problems that they cannot solve individually. They are able to access markets they otherwise cannot service given their small volume of production. They also help achieve economies of scale when it comes to purchasing raw materials and joint marketing of products, all of which lead to lower cost and greater savings. Furthermore, through a group, producers have more bargaining position and are in a better position to negotiate with clients and business partners. The training

and identified specific challenges they faced as women such as heavy workload combined with household responsibilities and income-earning responsibilities, and discussed how they could overcome these challenges to succeed in their business. They learned the basics on starting and managing business and managing business groups including proper book-keeping, working together as a group, and become a good leader of the group. Selected cooperative members also strengthened their awareness and understanding on the opportunities and requirements of 'Fair Trade'.<sup>6</sup> Fair Trade is a growing market segment which aims to offer better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world. Furthermore, the women received training on how to prepare for trade fairs including how to set up the booth, display sales products in an attractive way and approach customers professionally.

<sup>6</sup> See also related article on the programme website: [www.greentrade.org.vn](http://www.greentrade.org.vn)



In addition, Ms. Sam Thi Bich, leader of Hoa Tien Cooperative, participated in UNCTAD's EMPRETEC programme which helps business managers/owners to strengthen and awaken the key behavioral traits of a successful entrepreneur, such as persistence, commitment, goal setting, information seeking, taking calculated risks and seeking opportunities. Within the framework of the joint programme, the EMPRETEC programme has been customized to the Vietnamese context and translated into Vietnamese. Together with its local counterpart organization VIETRADE and a team of local trainers, the EMPRETEC programme has been made available to some 170 companies in Ha Noi and the four provinces targeted by the programme.

Ms. Nguyen Thi Thu, a self-made businesswoman from Hoa Binh province, and one of the joint programme beneficiaries was proud to be selected as one of the ten finalists of UNCTAD's global Empretec Women in Business Award. She travelled to Doha, Qatar, to take part in the award ceremony on 23 April 2012. The EMPRETEC Women in Business Award has been presented to women who have excelled in developing innovative business ideas, providing jobs and increasing income in their communities. For more information, access the article on the joint programme website.



**BOX 3: MS. THU FROM HOA BINH PROVINCE AT THE GLOBAL EMPRETEC WOMEN IN BUSINESS AWARD MEETING IN QATAR**

## Strengthening the capacity of local support institutions

The staff of provincial institutions including the Department of Agriculture and Rural Development, the Provincial Cooperative Alliance, the Department of Labour, Invalids and Social Affairs, and the provincial Women's Union were empowered to become trainers on key topics such as Strengthening Business Development Services (BDS), Business Group Formation (BGF), Occupational Safety and Health (OSH), and Gender and Entrepreneurship Development and Gender Equality. Gender was mainstreamed in all these topics so that the new trainers could provide business training to local producers by integrating gender issues in each topic. They also learned participatory training methods to increase effectiveness of the training for beneficiaries, especially those with limited formal education. Following the TOT workshop, the local institution organized training for the producers of the brocade products. The new trainers and the producers participating in the training identified gender specific constraints in business development, and explored ways to overcome these constraints to be successful in business.

## Product diversification

Support has been provided to expand and diversify Hoa Tien Cooperative's product range, which had thus far been limited to traditional designs. National and international



designers worked with the group to develop new products suitable for the international market. Through vocational skills training the group was consequently coached and trained in developing the new products concerned to help expand the product range from traditional scarves to other items such as table runners, pillowcases, and small furniture items. Two leaders of Hoa Tien Cooperative were invited to bring their looms to work together with French designers at the Ha Noi office of the Handicraft Research and Promotion Centre (HRPC), which is a strategic partner within the programme. In the process of developing a new product, due attention was paid to the amount of raw materials required to complete a product and to the process of making a product, and applied ideas to reduce the amount of raw materials and time needed to complete one product.



## Preserving cultural heritage

It is often a challenge to preserve cultural heritage when being exposed to global influences, and when aspiring to compete in the international marketplace with products that meet the taste and preferences of consumers in attractive markets such as Europe, Japan or the United States of America. All too often, the drive for enhanced productivity or product diversification comes at the expense of cultural values and traditions. The programme is conscious of this potential problem and prioritized the design of new products that celebrate the traditional patterns of the Thai ethnic minority groups, e.g. by depicting enlarged singular patterns on products concerned (see the butterfly cushion on the previous page).

Despite frequent production and sales of the brocade products by the Thai women in Chau Tien, the traditional meanings of different patterns depicted in the weavings were not always fully known or remembered by the producers. Recognizing the importance of documenting intangible cultural heritage for the Thai people themselves as well as for Viet Nam, and recognizing the value that the intangible cultural heritage can add to their traditional handicraft products in national and international markets, the programme documented the traditional patterns of the different beneficiary ethnic minority groups, including the Thai minority group from Quy Chau. The patterns were carefully redrawn and their meanings were documented contributing to the preservation of the rich ethnic minority cultural heritage of Viet Nam. The documentation entitled 'Thai Weaving



Patterns', available on the joint programme website<sup>7</sup>, presents the meanings of 26 Thai decorative patterns. Each pattern expresses a belief or portrays daily activities and harmonious relationship with nature. The weaving catalogue introduces the process of preparing the weaving materials from picking natural dye materials from forest to dyeing and drying. The catalogue also describes the natural materials used to produce certain colors.

1,300 buyers from Europe, and provided an opportunity for handicraft producers and shops to establish business relationships with potential buyers within and outside of Viet Nam.

Several joint programme beneficiary companies, including Hoa Tien Textile Cooperative participated in Lifestyle Viet Nam to display their products with the view to attract new customers. Prior to their participation, the cooperative

## Facilitating the market linkages beyond the traditional markets

In order to raise the profile and competitiveness of Viet Nam as a top exporter of high quality handicraft products, the programme supported the handicraft exporters association VIETCRAFT in the promotion of an international trade fair entitled 'Lifestyle Viet Nam'. The fair in 2012 attracted 1,700 visitors including over

<sup>7</sup> Thai Weaving Patterns, Joint Programme on Green Production and Trade







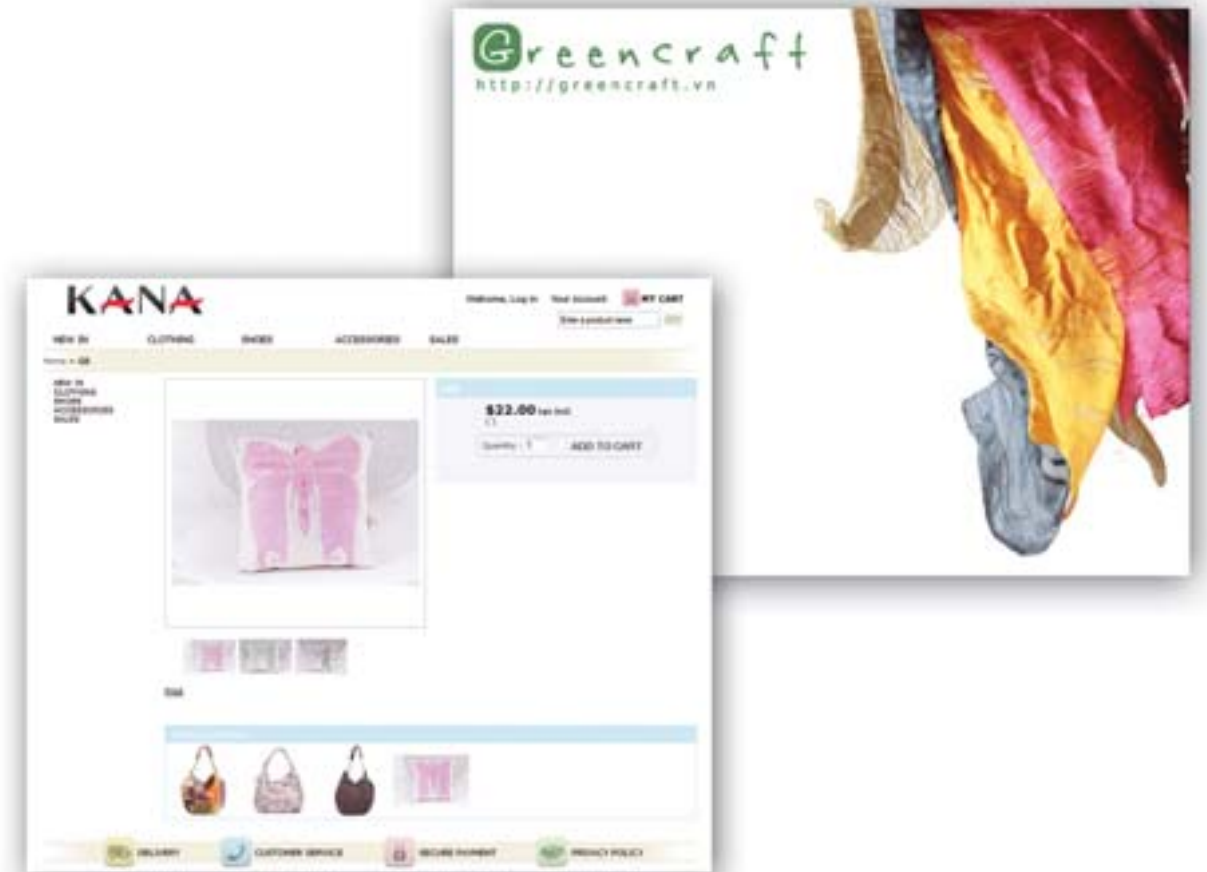
leaders and members received training on effective fair trade participation and how to display their products to prepare for their participation in trade fairs. Exporters such as Kana and Greencraft, that sell products from the Hoa Tien Textile Cooperative, also participated in the fair. The Craft & Design in Viet Nam Catalogue prepared in 2011 and 2012, available on the programme website ([www.greentrade.org.vn](http://www.greentrade.org.vn)), featured products from different companies and producer groups and each product was introduced with background information on materials and designs.

Hoa Tien Textile Cooperative has received support to participate in Lifestyle Viet Nam in 2011 and 2012. This has resulted in direct sales at the fair in the value of VND 71 million. (about USD 3,500) and a number of prospective orders from international buyers (Australia and Japan) as well as domestic clients from Vietnam (Ho Chi Minh City). They also participated in the Ha Noi Gift Show in 2011, which resulted in direct sales of approximately VND 16 million. (about USD 800), but, more importantly, in the creation of linkages with Ha Noi-based shops and exporters. This provided good prospects for future orders.



In order to diversify their customer-base, the programme facilitated linkages between Hoa Tien Textile Cooperative and exporting companies based in Ha Noi. Ultimately the creation of mutually beneficial business linkages offers the best prospects for sustainability beyond the programme duration. Linkages have been established with Greencraft ([www.greencraft.vn](http://www.greencraft.vn)), a fair-trade exporter, and Kana ([www.kana.com.vn](http://www.kana.com.vn)), a company managed by a female

entrepreneur, which has two shops in Ha Noi and which is increasingly expanding to export of home-textile products. Both companies are supported by the joint programme in terms of product and market development. The philosophy is simple. Increased sales by companies concerned will translate to employment and income opportunities for household craft producers, in this case the women weavers of Hoa Tien Textile Cooperative.







# The Achievements

## **Increased confidence and negotiation power**

The cooperative members, especially the board members, gained renewed confidence in working and communicating with people outside of Chau Tien commune as a result of their participation in various training and trade fairs. They are now better able to negotiate with customers with confidence. They travel to Ha Noi to deliver their products at least once a month and they also actively participate in festivals or trade fairs held locally or nationally to find new customers. Once they are at the trade fairs, they prepare their booth to display their products to attract new customers, whilst, at the same time, maintaining good long-term relations with their existing customers. In addition, with increased confidence and negotiation skills, the Cooperative members have gained new clients from Ha Noi, Hoi An, and Ho Chi Minh City in Viet Nam as well as from other countries such as Japan.

The women from Hoa Tien are also more active and playing increasingly important roles in their community. The board members of Hoa Tien Textile Cooperative are actively teaching weaving technique as well as basic business skills such as cost and price calculation to other women who could not join training organized by the programme. They also share new knowledge with their husbands so that they can provide support in the sericulture and brocade production.







"I highly appreciate the support to sericulture and brocade production in Hoa Tien. I can see that women are feeling more confident after training and they have more active participation in local affairs. With increased confidence, two members of the cooperative ran for the commune people's council election in 2011 for the first time and have been elected. Perhaps this may be one of the impacts of the programme support."

Mr. Lu Van Nhi, Vice Chairperson of Chau Tien Commune

#### BOX 4: INCREASED CONFIDENCE

### Increased capacity of local service providers and linkages established

The programme conducted Training of Trainers (TOT) workshops as an approach to strengthen the capacity of local institutions to provide support to local women and men and transferring key technical knowledge and skills to strengthen the local enterprises and promoting gender equality. The staff of provincial institutions, including the Department of Agriculture and Rural Development, the Cooperative Alliance, the Department of Labour, Invalids and Social Affairs, and the Women's Union, were empowered to become trainers on key topics. This contributed to the availability of good quality service provision. By using the Training of Trainer (TOT) methodology and having the officials train rural women entrepreneurs, a strong linkage between the local service

providers and Hoa Tien Textile Cooperative has been established. By strengthening the capacity of the provincial officials in promoting rural women's entrepreneurship and gender equality, the officials are able to continue to apply their new knowledge and experience in identifying and addressing gender-specific constraints and promoting gender equality in their work.

### Increased jobs in the local area through the increased sale of their products

With their participation in trade fairs, the cooperative members were able to connect and negotiate with national and international buyers to receive new orders. With an increased customer-base and demand for their products, women weavers obviously have to produce more brocade products. For

example, a woman in Chau Hanh, another village group supplying products to the Cooperative, has already produced 50 scarves for this year as of July 2012, while she only produced and sold 20 scarves in 2011. With the increased sales of their products, they are expanding the Cooperative membership. They are currently training three new women weavers to join the Cooperative in 2012 and are considering expanding with an additional 10 more members during the next 3 years.

### Improved management of the cooperative and the cooperative finance

With support from the programme, Hoa Tien Textile Cooperative leaders are better able to manage the Cooperative. They are able to make a proper planning for future production and sales, and coordinate the Cooperative members to produce products according to the plan. They are also equipped with knowledge to manage the Cooperative finances better, calculate the cost of production and set prices allowing a decent income for the weavers and profit for the Cooperative. Furthermore, they are better able to prepare a proper plan when joining a trade fair or exhibition, carefully estimating the projected sales, and cost for products, booth rental, transportation and accommodation to ensure that their efforts indeed bring profits. Increased skills and opportunities renewed the commitment of the members for the Cooperative and strengthened the confidence of the Cooperative leadership.







“We are now better able to manage the Cooperative and the Cooperative finance to ensure whatever activities we do generate profit and do not cause loss for the cooperative. With the knowledge on book keeping, we develop and manage our budget to control cash flow by planning expenditures and revenues carefully. We also do better preparation for participation in trade fairs, such as the advance preparation of business cards, product catalogue and price list. We understand that trade fair participation does not serve merely for selling the products at the fair, but also to learn about the market trends and find new customers. We also learned how to approach the customers during the fair”

Ms. Sam Thi Bich, leader of Hoa Tien Textile Cooperative



BOX 5: BETTER PLANNING

### Increased income from brocade weaving among the cooperative members

The Cooperative members enjoy increased income by having gradually increased the number of orders from customers while at the same time reducing their material and production cost through increased availability of raw materials in their locality and improving the production process. The average income per Cooperative member per month in 2009 and 2010 was VND 600,000 and VND 800,000 respectively. In 2012, the monthly income increased by 125-167 percent to VND 1 million per member.

In addition, each household is managing their household finance better by monitoring the cash flow and regularly allocating some money for saving to prepare for emergencies or future expenditures. Interviewed men shared that they were able to allocate about VND 500,000 to VND 2 million for monthly saving.



### Increased income from mulberry cultivation

Increased income was also achieved by reducing the expenditures for raw materials. With the programme support, the availability of raw materials improved as the weavers were able to produce silk yarns using the mulberry leaves and silkworms grown locally. For households producing silk yarns, they can produce silk yarns up to three times for white silk yarns and up to 5 times for yellow silk yarns per year.

At present, raw silk yarn can be sold for VND 1,250,000 per kilogram for white silk and VND 650,000 per kilogram of yellow silk generated from cocoons during a cycle of 23 days. While the weavers are not yet able to secure sufficient silk for the whole production, the quality and quantity of silk available in the local community improved with techniques learned from the programme on mulberry cultivation and silkworm raising. At present, the increased sericulture activities in Quy Chau district allow the women weavers from Hoa Tien Textile Cooperative to source 40 percent of the required silk yarn locally, which they hope to increase to 50 percent in the future.







Mrs. Lang Thi Kieu is a widow from a poor household who lives with her two sons and daughter-in-law in Chau Hanh commune. Building on previous experience, and supported by the programme, Mrs. Kieu is growing mulberry trees in a small plot of land of 600 m<sup>2</sup> along the river bank. The trees produce sufficient leaves to feed one round of yellow silk worms, producing 11 kilograms of cocoons, which, in turn, generate about 1.1 kilograms of silk yarn worth about VND 715,000 (equivalent to USD 34).



#### BOX 6: MS. LANG THI KIEU IN CHAU HANH EARNING SOME MORE INCOME THROUGH RAISING SILK WORMS

### Increased support to women by men in brocade production and household responsibilities

While the Thai people traditionally respect principles of equality between women and men and share workload, decision-making, and income to support each other, men's involvement in the brocade production had been limited as it was traditionally considered to be the domain of women only. However, with the increased realization of the importance of the brocade production for income generation and improved livelihood, men are now more actively supporting their women in sericulture and brocade production and household responsibilities. They share household responsibilities, provide support in brocade production, and take responsibility for some heavy jobs such as making a fence around the mulberry farm to protect it from animals.



"Although the programme focused on women craft producers, the programme's support has been useful for me as well. My wife shares with me new knowledge and skills to improve our livelihood. For example, with new knowledge on household finance, we are managing our household finance better, and we are able to allocate VND 1 million per month for saving. Sericulture is an important source of income. When my wife is busy with the brocade production, I take care of preparing meals and cleaning. I even help with some of the finishing process of the brocade products. Building a bamboo fence around the mulberry farm is also usually done by men around here as part of support to the sericulture industry."

Mr. Lu Trung Huy, husband of the cooperative's accountant



#### BOX 7: SUPPORT BY THE WOMEN'S HUSBANDS





# Good Practices

## **Supporting a value chain that has cultural importance and potential for boosting rural employment**

Supporting traditional handicraft sector that has high cultural values is a good practice that can bring many benefits. The important cultural heritage and tradition, that may be endangered, can be revitalized, maintained, and strengthened. With strengthened handicraft tradition, producers, often mostly women, can have increased income. In addition, more jobs can be generated with increased sales of the traditional handicraft products. The handicraft sector and women's rural micro-enterprises are often overlooked by policy makers as they tend to give priority to the development of heavy industries and pay less attention to rural small-scale enterprises. However, supporting rural women's enterprises at different stages of the value chain is particularly meaningful and effective in empowering women and promoting local economic development, and it contributes to creating jobs in Viet Nam in rural areas that are lagging behind in terms of social and economic development.

Strengthening the sericulture and brocade production on Hoa Tien meant that many women were able to increase income by

improving the work that they have been doing for many years in or near their homes. With increased demand for their products, they have increased work and they, especially younger women, no longer had to travel far or move to cities to find a job to earn income.

Since the brocade production has been their tradition, the women producers were able to strengthen their business greatly without much difficulty after receiving support to strengthen their skills and to access new markets, which had not been available before. The sericulture and brocade production was respected by local women and men, and recognized by the local authority as a priority sector for local economic development. This also enhanced the mobilization of support towards strengthening of the sericulture and brocade sector by local men and officials.

## **Addressing the complex challenges in different stages of a value chain with a comprehensive approach**

The Joint Programme on Green Production and Trade carried out an assessment of brocade production in Hoa Tien Textile





Providing linkages to new markets, and building the capacity of the women producers to explore new markets themselves, instead of relying on middlemen, is also an important part of support to sustainable local economic development and women's empowerment.

### **Collaborating with various agencies with different expertise to upgrade the whole value chain**

Strengthening a value chain requires various technical expertise specific to the type of businesses as well as to different steps of the value chain. In the case of the Hoa Tien Textile Cooperative, interventions touched upon a wide range of areas including agriculture, work safety, gender equality and entrepreneurship development, cooperative management, product

Cooperative at the beginning of the programme to review the situation and to identify areas for improvement throughout different stages of the value chain. By carefully analyzing the sericulture value chain and Hoa Tien Textile Cooperative, a comprehensive strategy to strengthen the value chain was developed and implemented with the programme's support. The provision of support that increased the local availability of raw materials and enabled better access to new markets was particularly important for Hoa Tien Cooperative which is located far away from the nearest city (200km) and not easily accessible. Increasing availability of high quality raw materials in local areas can stabilize the cost for production as the local brocade producers are less dependent on low quality silk sold at markets with volatile prices.



design, market linkages, and fair trade. Different United Nations agencies, including FAO, ILO, ITC, UNIDO and UNCTAD joined together, and with their national implementing partners, provided technical support according to each agency's strengths and expertise. Since it is impossible for one agency to provide technical support in all these areas, it is imperative to mobilize support by collaborating and coordinating with different institutions.

### **Strengthening the capacity of Hoa Tien Textile Cooperative and other producer groups**

Organizing women producers to work as a group and strengthening the capacity of Hoa Tien Textile Cooperative was particularly important in Chau Tien commune. Since Chau Tien is located far away from the provincial city and other major cities, it is difficult for individual producers to have access to opportunities to improve their business. This was exacerbated by the limited or lack of education and insufficient knowledge on business management. Some of them also had difficulties in communicating with potential customers in Vietnamese, as their mother tongue was Thai. In this context, strengthening the Hoa Tien Cooperative in managing the cooperative while at the same time providing support to strengthen various aspects of the value chain was an effective way to improve their business.

By organizing female producers to form a group and strengthening this group, the women managed to improve their business by lowering their production cost by collectively purchasing

raw materials and reducing transportation cost by organizing collectively a trip to sell products at trade fairs and markets. In the case of Hoa Tien Textile Cooperative, the key members of the Cooperative contributed to creating jobs locally, and they actively transferred new knowledge on business and weaving skills to women in other villages as well as fellow villagers interested in joining the Cooperative. Transfer of new knowledge and skills to women in rural areas by women from within their community is particularly useful in ethnic minority villages as they speak the same language and can communicate smoothly. This is particularly important as access to training opportunities and capacity building interventions is limited in remote rural and ethnic minority areas.

### **Cooperation with the local authorities to facilitate the provision of support services**

The Provincial Cooperative Alliance as well as the Department of Agriculture and Rural Development of Nghe An province actively participated in the programme activities. They became aware of the important role that Hoa Tien Textile Cooperative plays in promoting local economic development and women's empowerment through their involvement. With the linkage established through the programme, the Cooperative Alliance regularly supports the Cooperative by sharing information on trade fairs and subsidizing the fee for trade fair participation. The group also has a better access to receive support from the local government as the group is formally recognized.



# Conclusion and Key Lessons

Comprehensive support provided to strengthen the Sericulture value chain in Chau Tien brought many positive changes in the lives of women and men in the village including the increased income, improved working conditions, improved local income earning opportunities, and enhanced confidence among women. With their improved knowledge, skills, and networks obtained from the programme, it is hopeful that Hoa Tien Textile Cooperative will continue to improve their business activities while maintaining an important tradition. The model of strengthening value chains that have women as predominant actors can be an effective approach in empowerment of women and improving their livelihoods when conducted in collaboration with various agencies bringing their respective expertise to bear.

In order to promote replication, the experience from the Joint Programme on Green Production and Trade in Hoa Tien should be made available to policy makers and development practitioners working on value chain upgrading, local economic development, and gender equality and women's economic empowerment.

For those interested in replicating this approach, it is strongly recommended to carry out a gender analysis at the beginning of the

programme which was not carried out in the joint programme. Lack of information on gender analysis at the beginning did not cause much difficulty in the case of the Hoa Tien Textile Cooperative, as it turned out that Chau Tien is relatively more advanced than the average Vietnamese community in terms of gender equality due to the tradition of the Thai ethnic group. The Thai people have a strong tradition of respecting women and men equally and helping each other by sharing responsibilities and decision-making. Men and women involved in the programme shared workload, income, and decision-making to help each other and to improve their livelihoods. However, this situation could not be taken for granted. When gender equality is not enjoyed, there are increased risks that women are unable to fully benefit from support interventions. Men may restrict women's participation in training or marketing activities, or women may be faced with increased workload and may not be able to exercise control over the additional income generated from their business.

In order to ensure that value chain upgrading activities contribute to gender equality and women's empowerment, gender analysis should be conducted at the beginning of a programme. Findings from the gender analysis

need to be fully considered when developing and implementing a strategy to strengthen a value chain so that inequalities in terms of opportunities, decision-making, workload, and income can be addressed in the process of strengthening a value chain.

While the extent and the method to involve men in efforts to strengthen a value chain needs to be determined based on findings of the gender analysis, it is important to ensure men's involvement in promoting gender equality and strengthening a value chain. In Chau Tien, all programme capacity building interventions targeted women. The programme's focus in Chau Tien can be justified given the fact that handicraft production is pre-dominantly undertaken by women and the Hoa Tien Textile Cooperative is exclusively managed by women. However, it is suggested that future interventions target both women and men, and gender awareness training should be considered in order to promote gender equality and women's empowerment.

A value chain approach to women's economic empowerment can be an effective strategy to empower women and to promote local economic development. Those interested in using the value chain approach to women's empowerment should always start with gender analysis and assessment of the value chain to develop a gender-sensitive comprehensive strategy to upgrade the value chain so that interventions address existing inequalities in the process of strengthening the value chain.

Although running a business is never without challenges, and the women from Hoa Tien will continue to face new challenges in the future, they are now equipped with new skills and knowledge, as well as networks and business linkages established through their participation in the Joint Programme. With renewed confidence, they are ready and able to manage Hoa Tien Textile Cooperative successfully and continuously improve the income and livelihoods of the Cooperative members and their families.





© Joint Programme Green Production and Trade to Increase  
Income and Employment Opportunities for the Rural Poor

All photos in this report are original material taken by joint  
programme staff and consultants.

Prepared by Aya Matsuura and edited by Koen Oosterom

Designed by Golden Sky, Vietnam  
[www.goldenskyvn.com](http://www.goldenskyvn.com)

Printed in October 2012



E-mail: [pmu@greentrade.org.vn](mailto:pmu@greentrade.org.vn)

Internet: [www.greentrade.org.vn](http://www.greentrade.org.vn)