Gender-sensitive analysis of the handicrafts sector in Al-Minya Governorate

October 2021
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Introduction
This report summarizes the main findings and overall insights from the first phase of the CROWN X UNIDO fieldwork in Minya. Details are recounted in the narrative, and for more information please find attached.

Fieldwork
CROWN Consulting conducted the first phase of the study’s fieldwork in Minya governorate, from 11 to 15 July 2021. The geographical coverage, in terms of cities or districts, was as follows:

- Al Minya governorate (City)
- Abo Qorqaas
- Bani Mazaar
- Mallawi
- Maghagha
- Matai
- Samalout

CROWN interviewed eight NGOs, despite initial plans to interview four. This was due to a lack of information on the handicraft sector in Minya, and CROWN determined that NGOs would be the best source to identify where value chains or clusters were operating. This was also because the role of NGOs in the visited areas seemed to be significant in terms of community outreach and support.

All interviews and their contact details are in Annex A (Excel File), attached to this report.

Overview on NGOs
Profile of NGOs and Support Institutions
The majority of NGOs were small, having no more than three or four staff. Many relied on ad-hoc recruitment of volunteers, based on the availability of resources and their work commitments. It is important to elaborate that most volunteers are paid a small fee for their support, which usually covers transportation and food costs during the workday.

All interviews conducted by CROWN were with NGO board members or top management.
In terms of services offered, some were cross cutting across all NGOs, and others were specific to a particular project or initiative. **Common services included:** educational grants or nurseries for children from underprivileged families. They had specific rooms for training or classes, although CROWN noted that not all such classes were active or sustained at the time of the fieldwork. All interviewed NGOs had at one time offered some vocational training classes for men and women from their communities. However, out of the eight total NGOs interviewed, only three had classes that were still active (vocational training), and even then, were operating at a low frequency and capacity. The classes were often in textiles, mainly in tailoring and crochet. The rest would recall active classes dating back as far as 2003 and 2005, where they were involved in government-led support programs and were offered grants or funds to conduct the training workshops.

The majority of NGOs therefore focus on the following service dimensions:

1. **Offering subsidized access to social services, especially concerning childhood and early childhood education for vulnerable families.**
2. **Implementing philanthropic interventions for the very poor in their communities.** These were in the form of simple direct support or other forms of assistance (ex: building roofs, connecting slums to water connections and access to clean water, or offering basic services to families located in informal settlement areas in rural locations, etc.).
3. **Providing some adult education services, especially concerning illiteracy eradication classes, some Quran recital classes, etc.**
4. **Offering social awareness sessions on topics concerning female genital mutilation, domestic violence or abuse, etc.**

In terms of other support institutions in the geographical areas covered by the study, funding often came to smaller NGOs from two main sources:

1. **The first source** was the government. There were grants offered by the Ministry of Social Solidarity (MSS) to NGOs a few years back, but none of these grant services were currently active. Another government institution that was mentioned as providing funding or support to local NGOs was the Micro Small and Medium Enterprise Development Agency (MSMEDA). No NGOs mentioned currently active projects or funding sources.
2. **The second source** of support or funding was from the international agencies, such as the United Nations or others. However, the small NGOs did not have direct access to these agencies. Instead, funding was first offered to larger NGOs located in Al Minya City, which in turn distributed support and funding over to the smaller NGOs located in districts and villages. Accordingly, it was quite challenging to have local NGOs identify what type of support programs were active in the local communities. One exception was Together Foundation, which was a medium NGO respective of the region. The NGO had more staff and
volunteers and worked directly with the United Nations (UN) and other international institutions. Another NGO that was an exception to the majority of those interviewed was the Businesswomen Association located in Al Minya City. The NGO has good access to government-led support projects and have good access to government subsidized market access initiatives. They dealt mainly in household textiles (bedsheets, pillowcases, etc.) and niche products such as patchwork.

Al Fath Foundation was a small NGO that offered additional services in terms of skills enhancement and technical training in the field of ready-made garments and carpentry with woodworking. Al Fath Foundation also seemed to be more active in pursuing means for continuing its training services. For the ready-made garments, Al Fath worked with local women to produce uniforms to supply local restaurants and businesses in the area. The NGO would select the best performing women trainees and offer them socially ensured contracts to work in their clothes workshop and produce uniforms.

As for their handcrafted carpentry or woodworking initiative, they only employed men. Their business model involves bringing in furniture from Damietta (Egypt’s main furniture cluster) and exhibiting it in their dedicated showroom. Another activity is the production of more simple furniture models and woodworking products at a small scale, where they also exhibit such products to local consumers. Their showroom is located at the NGO’s premises, in Al Minya city itself.

Another example of an NGO providing business support service or training / skill-enhancement support, was Abou Bakr Al Saddiq NGO in Matai, which owned a building where they offered various services (playground, orphanage, classrooms, and ready-made garment workshop spaces with four outdated sewing machines). In response to CROWN’s inquiries as to why the workshop was not active, the management responded with “The funding we received from the MSS was a one-time grant, and we have not received any additional funds to sustain this workshop for women.”

Although both Al Fath Foundation, and Abou Bakr Al Saddiq NGO, had received a 50,000 EGP grant from the MSS to begin their skills enhancement activities in the ready-made garment and tailoring sector, it is clear that while Al Fath developed a sustainable model for their project, Abou Bakr Al Saddiq NGO did not. Al Fath therefore was unique, since the majority of NGOs were similar to the case of Abou Bakr Al Saddiq NGO i.e. waiting for more funding to continue their activities and lacking a business plan. When CROWN inquired if NGOs engaged in any efforts to sell quality products or services, promote their products on social media or a website, or any marketing efforts, the response was usually negative. Al Shareya NGO from Saft Al Labn region and Al Tanmeya (Development) NGO in Bani Mahdi region mentioned that the reason for this was a lack of knowledge and skills on how to market their
products, or how to link their value chain training projects / activities to a feasible market.

When CROWN attempted to identify wages paid by the NGOs to their workers / staff, or when inquiring into further detail on their recruitment policies, NGOs did not offer many insights. CROWN recommends that any institution working with these local communities should ensure that workers are paid fairly for their hours or days, and that proper protection and recruitment policies are in place for the workers.

In addition, in terms of mapping out services available, some one-off cases were identified by interviewed NGOs. First, two NGOs (Together Foundation and Al Barsha NGO¹) were also involved in more theatre-based and social events and community services. Al Barsha NGO supported one local woman to join as an actress in an Egyptian movie. However, such cultural and social activities were limited in the communities visited by CROWN. Second, Al Barsha also worked with the support of the Embassy of Poland and Cairo based NGO² conducted (through cultural activities) sessions with girls and women to educate them on their rights. This initiative took place in 2016 and was no longer active.

¹ جمعية مصر التنمية والتطوير الديمقراطي البرشا
² مركز الخير
Role of NGOs in textile-based value chains / clusters

The following diagram offers a summary of what are the main activities that take place concerning textile product value chains from the perspective of the interviewed NGOs (NGOs with direct activities or involvement in the value chain):

Both Together Foundation and the Businesswomen Association had a shared business model. The two NGOs would follow up with women trained in sewing and producing textile handicrafts by offering them tools and equipment to continue production at home. The NGOs send someone every interval of time to pick up finished products, for an agreed upon price per product. On average, a pillowcase would cost the NGO 15 EGP that were paid to the women.

One NGO indicated that women could be paid up to 1,800 EGP per month depending on the number of pieces and the quality of work produced. The NGOs did not indicate how much they sell the pieces for in the final market, nor did they offer clear market information for their products.
Deer Abo Hennes is a region in Minya where they have a good trade relation with Sharqia governorate and sell their textile products there. Most households located in this region own a sewing machine. The region is seen as a best practice in terms of producing and selling garments outside of the governorate. Therefore, several NGOs in the area have tried to emulate this practice, with varying degrees of success. For example, one of the interviewed NGOs, the Egyptian NGO for Democratic Development, is producing textile products through the recruitment of women.

The NGO attempted to purchase supplies from Cairo and produce market demanded textile products but failed to establish a sustainable market. The NGO however does have good practices in empowering women, offering women information on their rights and their cultural standing. The NGO also implements theatre activities or cultural activities, and often bring around 50 to 60 women every week to teach them life skills and raise their awareness. “This society belongs to men”, was said by the staff from that NGO’s interviewed staff member. “We need to push women to better understand their rights and also how they can seek support and protection. We should always include socially connecting to the women as part of our activities.” The staff also indicated that offering women grants or financial aid to start a business would “not be a great idea, as the women will just spend it on household needs and food or clothing for their children.”

Another important finding that was repeatedly indicated: Men are dominant in terms of business / personal / social decisions that affect the women.

It is important before any intervention takes place, for implementing institutions to plan for this, and ensure that they rely on reputable NGOs in the communities to help increase trust.
One NGO that stood out was called Baladi offered women marketing skills and information on how to access local markets with good products (baked goods and garments). They were located in Bani Mahdi.

The NGO is one of the few that shows no preference to Christians or Muslims and ensures that in each of its training workshop an equal representation of both is present to avoid any conflict or issues. The NGO has been funded by a large government affiliated NGO, Misr El Kheir, and have been implementing these activities as part of a recent two-year project.

The NGO wants to continue implementing and improving its intervention, especially in the hand-made clothing or textile items.

The Al Fath Foundation also tried to dabble in the production of Kilim and carpets but found little access to markets with sufficient demand and therefore stopped working in the sector.

However, they believe that with the proper guidance, they could target a niche market and offer unique and traditional but innovative and new designs.

The Businesswomen Association is also implementing a training program on “Khayameya” (Tent based fabric made into household textiles using patchwork and embroidery techniques). They received a fund and support by the MSS to implement this activity. (The grant is around 14000 EGP) They mentioned that the perks of working in Khayameya is that women can work at home, with minimal interference beyond the first training sessions, and that require simple supervision. The sector needs to be studied for potential according to the NGO. They wanted to work in candle making but do not have a
strategy or access to support for this. Some of the activities also include crochet classes, but at a very limited scale.

The Life Makers NGO (popular NGO based in Cairo) had a branch in Minya where they offer men and women with grants and support to buy sewing machines, and link (but not offer directly) them to training opportunities that were available in the local community regarding tailoring and sewing.

Another NGO, Abu Bakr Al Siddiq, was interviewed in Matay region in Mina. The NGO tailored garments that were seasonal (summer / winter collections). They also tried to offer women guidance on the standards of the market. They however needed more information on how to access more affordable clothing raw materials, and also how to learn better designing for clothes. The NGO indicated that they were working with several women, but that due to the sporadic and seasonal nature of the production process, some women did not continue their production of clothing and “fell out of the business” for periods of time.

From the analysis into the role of NGOs within the value chain, it is clear that the majority of small NGOs are only concerned with training women on basic skills to produce handicrafts. It is also noticeable that many of the NGOs were lacking in market knowledge or market access beyond those subsidized by the government. All NGOs did not rely on designers or specialist skills to produce high niche or high value products, choosing to opt for lower end products. The exception was the Businesswomen Association who produce niche patchwork or embroidered products that require higher skills and more production time.

**Insights from women in the sector**

As part of its quick appraisal of the situation, CROWN also interviewed three women working in the handicraft sector. Amal Haroon, a 54-year-old woman, Safaa Hasaneen, 33 years old and Zeinab Om Ali, a 63-year-old were interviewed on their perceptions of their work in the sector and their aspirations.

The three of them work in patchwork and khayameya however met with several challenges when they wanted to expand their activities and become self-sufficient:

1. The NGOs give them materials that are just enough for the product amount they demand. The women are barely able to meet the requirements of the NGO, let alone expand their production.
2. The NGOs do not share the pricing mechanisms, and the women often feel underpaid. They know that the products are sold at multiple the amounts they are paid for but lack the agency or negotiation skills or power to revisit their payment schemes. They are stuck working overtime hours to produce the pieces in demand by the NGO and are not offered training on design or business. The main training, they receive is related to how to produce the products, or small pieces that are later combined to bigger products.

3. Men dominate the decisions, even at the NGO it seems that whoever manages the final stages of sales and profit are men according to the women.

Most women make an average of 600 EGP in a month. There was a case of Helena, a 26-year-old, who took initiative and taught herself how to make recycled products out of plastic (handbags, etc.). However, she was met with many challenges, and her mother-in-law disapproves of the time she dedicates to working and away from her husband. Her cousin (male) has higher skills in producing recycled handicrafts but refuses to teach her, her own family stating that she should dedicate more time to being a housewife and should know her place.

**COVID-19 Impact and Strategies**

COVID-19 has severely impacted the performance of the NGOs and their projects. Taking the example of the more sustainable NGO, Al Fath Foundation, the management of the NGO rely on some of the charity offered to its orphanage to pay its workers in the clothes workshop and carpentry workshop as a temporary solution until product sales pick up again.

There was no plan or contingency formula for addressing the issues of COVID-19 at any of the interviewed NGOs. The concept of business risk mitigation and business continuity strategies were foreign to the NGOs, although some had received simple training on the topics by other NGOs (larger NGOs funded by UN programs) or by the MSS.
Value chain analysis – Business owners and entrepreneurs
CROWN Consulting conducted an analysis on the role and perceptions of business owners and entrepreneurs in the handi-craft sector. This was implemented in the form of a quantitative survey distributed to 72 business owners (47 of whom were from Minya, and 25 of whom were located in Fayoum).

All business owners interviewed or surveyed were women, seven of whom were differently abled. The seven differently abled women were from Minya governorate.

In total, CROWN’s team stayed in Minya from 21st of September till the 9th of October 2020 to conduct its fieldwork. Following this, CROWN visited Fayoum governorate from 6th of October till 20th of October 2020.

The following are the districts covered under the study in Minya: Mattay, Maghagha, Samalout, Mallawi, Deer Mawas, Abo Qurqas, and El Edwa districts.

The following are the districts covered under the study in Fayoum: Itsa, Al Alaam, Youssef Al Siddiq, Senouris Al Shawashna, and Al Fayoum districts.

Profile of respondents

The age range of interviewees in both governorates were from 18 till 60 years. The average age of the total women business owners interviewed was 35.19. The average age in Minya was 36.23, whilst that in Fayoum was 33.24. Most of the respondents generally were between ages 31 and 40 (representing a total of 25 respondents from the sample).

In terms of educational attainment: A total of 36% of respondents from Fayoum had only a literacy certificate and had no formal educational certificate. This may depict a significant school drop-out rate for their generation.

On the other hand, only 9% had the literacy certificate, and 42% had completed middle school as their highest educational attainment. Furthermore, the number of women graduating university from the sample was higher in Minya (seven in Fayoum and 11 in Minya), even if the number was insignificant in terms of sample size. As for the number of illiterate women, Fayoum had four and Minya reported eight.

In terms of marriage status, the majority were married (59% total, 71% Fayoum and 53% Minya). Out of the remainder, 35% (29% Fayoum and 38% Minya) of the total indicated they are single, and three women from Minya were widows and one woman from Minya was divorced.

We must note here however, that it seemed that of the single women some were engaged but did not share this information fearing it may affect their prospects (social or economic).
Handicraft sector indications

The following table depicts the value-chains within handicrafts that represented the larger numbers of business owners:

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<th>Value chain</th>
<th># of business owners in Fayoum</th>
<th># of business owners in Minya</th>
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<tr>
<td>Sewing and fashion-based products (Textiles)</td>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td>Accessories (Wood or beads based, metal based)</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Upholstery or related textile products</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Crochet (Textiles)</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Seashells and wicker products (Boxes or accessories)</td>
<td>8</td>
<td>5</td>
</tr>
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Other popular products included handmade leather products and accessories and tent-based textiles (Khayamiya). Khayamiya products in particular however were in need of further support, as the value chain was limited in its products and production capacity and could be expanded on.

As shown from the table, the stand-out sub-sector is textiles, specifically sewing and fashion products. In terms of products, fashion-based handicraft products stand out in terms of production capacity and potential.

However, due to the lack of facilities and good quality designs and products, the best way for the women to decide what is trendy is the internet. Brands like Zara or H&M are not in their culture, and hence there is a clear need in the local market for these affordable trendy clothes that mimic designs they find online.

In terms of sewn fashion products and clothing, CROWN noticed that, even with the affordable prices, no business owners seemed competitive if compared to markets in Cairo and Alexandria for instance.

In a nutshell, with the exception of business owners selling soiree and evening gowns, the majority of business owners lacked an understanding of their competition and relied on their traditional access to a limited customer base (often close to their own shops geographically as well).

Accessories is a simpler value chain. It can be easily taught, does not need as much investment in terms of time or money, and allows more women to learn the skill and develop and sell their own products.
However, as with the case of clothing businesses, the accessories designed and produced in both Minya and Fayoum were lacking in original design elements and in overall competitive quality and pricing.

What was observed by CROWN was that women producers or business owners often relied on simple products with amateur quality, and often were self-taught rather than trained on any particular skill sets. **Many amateur women producers were selling their products despite their poor quality; however, most had no vision to enhance their skills or adopt more expansion-oriented business models despite opportunities to do so.**

Of the surveyed pool of business owners, those that seemed to have a clear intent on expanding their business had the following characteristics or behaviors in common:

a) Invested money and time to learn the production skill compared to others (especially in woodworking and wood-based products, metal-based products and tent-making / khayameya)

b) Sought to increase innovation of their products (albeit in limited and often haphazard fashion) over the years

c) Placed emphasis on technique as well as skill, and put importance on developing a “quality” product for their markets, rather than quick homemade sellable items

d) Decided to go into non-conventional products and take risks (such as resin-based products, fabric art and embroidery, sculpting, etc)

Other random products identified under the handicraft sector in Minya were even easier and simpler to produce but not as commonly sold.

These included items such as paper crafts (origami or cards), handmade carpets, simple tricot products, embroidered garments (often embroidering pre-bought wholesale garments), and pharaonic/souvenir products (CROWN met one woman who made animals and camels out of textiles or leather and who sold them through her husband’s networks in Hurghada governorate).3

The sector also boasted clusters of women weaving carpets, the majority who were involved in a seemingly monopolized market, with the exception of kilim makers in Fayoum (two women in particular). Although the product itself was highly promising, CROWN had difficulty interviewing more women or investigating further due to some resistance from the exporters dealing with the women producers.

**Experience and roles of business owners in sector**

Another important finding was regarding how women entrepreneurs or business owners in the sector measure their success. Most women surveyed seemed to value

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3 This woman is of particular interest since she made good products that were sold in Hurghada to tourists. However, we could not take photos since she expressed fear that CROWN was after her taxes.
learning production and design techniques and skills as one of the most important concerns for succeeding in handicrafts.

According to the women, a major challenge was ensuring and maintaining the quality of their products. They perceived the lack of consistent designs and quality of their products were the main barriers to new or expanded market opportunities.

When asked what, in their opinion, did business owners consider the most important aspect of their roles, responses varied. The following figure shows which were the most important roles identified by business owners concerning the running and success of their business.

Other tasks, such as E-marketing, delivery and supply chain management, and general management were not high on the list in terms of important roles for a business owner.

**Profitability and competitiveness**

Respondents surveyed were asked to identify the average earnings per month that resulted from their handicrafts production and/or sales. The results revealed that almost half of women (49% of the total surveyed) earned 1000 EGP or more.

Many reported lower values of monthly earnings – 24% in Fayoum and 17% in Minya earned a monthly profit (net) of 200 to 500 EGP. However, many women earned higher monthly profits, ranging from 1000 to 1300 EGP (24% in Fayoum and 17% in Minya). Around 12% of women in Fayoum earned 3000 EGP average per month, compared with 6% in Minya.

When comparing responses by governorate, Fayoum reported higher numbers of women who earned more than 1000 EGP per month (60%) compared to Minya (49%).
It is worth noting that the range of prices per unit of product were often at the lower end. Over 48% of Fayoum products and 42% of Minya products were sold at a price ranging from 25 to 65 EGP. Around 24% of Fayoum products and 24% of Minya products were sold at prices that ranged from 100 to 300. Very few products were sold at prices over 450 EGP (8% in Fayoum and 4% in Minya).

The average price of a product, based on all inputs from respondents, was around 377 EGP per unit. In terms of production, the general average number of products per month (sold) were around 67 products.

In terms of sales volume, women were asked to indicate whether they were usually able to sell all of their production each month or not. The following figure shows the responses distributed by governorate.

To cover their expected production volumes each year, it seemed that around half of the women in Fayoum (48%) and some of the women in Minya (30%) relied on additional labor in the form of recruited workers from their communities or family members.

This was an important finding, revealing that there was a frequent need for women to hire or rely on labor to meet their production targets generally, and hence indicating potential for job opportunities in the various value chains. Generally, in terms of number of employees per business owner, many reported hiring one employee (38% in Fayoum and 15% in Minya).

Around 46% of business owners in Minya hired two employees, compared with 12% from Fayoum. In addition, 16% of business owners in Minya hired seven to eight workers to meet demand but none from Fayoum. The findings thus reveal potential job creation opportunities in both governorates, but especially in the case of Minya regarding number of jobs per business owner. When CROWN inquired further in terms of how much such labor cost women, many respondents chose not to answer –
therefore there are no clear indications to confirm if the business were offering fair wages.

As part of the survey, women were asked to identify what was the percentage of profit to cost for their product lines (average estimates). General findings revealed that the average profit from total earnings/revenue was rounded to be around 29%. When more analysis was conducted however, it seemed that most respondents were having difficult calculating their profits. They would often know how to explain how much an item was sold for, but were unable to compare it to the cost of production and distribution, etc. CROWN further inquired on whether women calculated their own fees (hourly rates / daily rates) as part of the overall cost. The majority did not, and those who attempted to do so did not keep any accurate records or logs.

**Profit is on average 28.68% from the total earnings and does not include some of the cost calculations. It seems that women also are unclear (from qualitative interviews) on how to appropriately price and value their product based on its type and quality.**

In terms of what made a business unique and competitive, business owner responses were as follows:

![Graph showing what makes a business competitive and unique](image)

It is clear from the findings that the majority of women believe that a higher quality product with a competitive price was crucial to a business’s success and competitiveness in general. Women generally look to imitate the pricing of products in nearby markets (rather than price their products primarily on cost and profit) and were found to have different measures and standards for quality across all value chains covered under the study.

**Business set-up**

From those surveyed, very few sought to formalize their business. Only four out of 25 women from Fayoum and none of the women surveyed from Minya had formalized or applied to formalize their business.
That is only 16% and 0% respectively. When CROWN inquired on how many years their businesses had been formal (i.e. having full papers and registered), all four formal business owners indicated one year with the exception of one woman who had been in business (formally) for four. Three of the four women owned their businesses on paper, and one had established her business under her husband’s name.

The low interest in formalizing business was accordingly further investigated by our data collectors. Some (total 16) of the total 72 women surveyed were contacted following their survey to elaborate on their lack of formalized status. The following reasons were offered:

- Women lacked a clear vision on why they needed formalization. To them, accessing their easy to reach customer was their entire business model. To that effect, women did not see a clear value added in formalizing a business.

- Most women had very limited awareness on how to manage their businesses financially or legally. Three of the women highlighted their fear of taxes and other aspects of business management causing more harm than good to their income.

- The majority believed that the process of formalizing a business was costly, long and difficult. Many (11 out of the sampled 16) believed that they would need legal counsel that they would not be able to afford.

- Women who were open to formalizing their businesses in the future (5 out of the 16) did not have a time or specific plan to do so.

Regarding work modalities, women surveyed were asked to specify where they worked for the majority of their time. The following were responses from Fayoum and Minya respondents.
In terms of funding their businesses, women were surveyed on the source of their finances. The majority relied on their savings and personal finances, whether from their family members or themselves. Only two women in Fayoum reported relying on loans (both were formal business owners), and one woman in Minya relied on extend family to fund her business.

Employment and job creation

Through its study, CROWN identified that 36% of the total respondents surveyed in both governorates would rely on at least one other person to support in basic operations or production of goods.

Of particular interest was a finding that the majority of recruited workers or employees were often family members to the business owners.

Generally, the average number of family members paid by a business owner to support her business amounted to around 2.8. A high representation of women in family members recruited to support businesses was found (2.4 average in total).

When interviewed on what were the different roles of family members employed in supporting a business owner, the majority indicated that the focus was often to support in producing more volume of products to meet specific customer demands or a potential sales opportunity.

Upon further in-depth interviews with the women business owners, CROWN was also able to identify that employment of family members was often to meet a specific shortage in production or meet a tight deadline for demanded products. Hence, generally it was found that employment within the sector was often informal, interrupted and unstable.

Most business owners who did employ someone to support them would do so seasonally, where the average number of seasonal / part time employees working with a business owner was around 1.25 according to the findings.

Because of the informal nature of employment in the sector, the finding that all those employed by business owners did not have any social or private health insurance was not surprising.

Qualitative interviews with the business owners to better understand what stopped them from offering more formal contracts or arrangement in the sector revealed the following challenges:

a) The majority of business owners attributed the concept of establishing a formal business and formally recruiting labor to potential issues with taxes and less overall profit. It was clear that women business owners saw this as unnecessary vulnerable and exposure, when they could better operate within the informal sector.
b) A few of women business owners interviewed indicated that their spouses or fathers would often believe that their business growth would mean women would shed their family duties and responsibilities. The few women who indicated interest in formalizing a business mentioned this as one of their main challenges that faced them. They believed that relying on their spouses or fathers was necessary for their well-being and that they could not go against their wishes.

c) Business owners indicated that by offering a more formal recruitment setting, they would lose flexibility in adapting to an ever shifting and unstable market. Three women interviewed in Fayoum indicated that the sector often experienced major dips when any crises in tourism (or more recently the COVID-19 pandemic) occurred and impacted Egypt’s economy. Accordingly, they viewed informal hiring as a coping and continuity mechanism allowing them to cut business costs and reduce production when demand was low.

On the other hand, CROWN interviewed a number of workers in the various value chain to gain insights into how they perceived their job stability and prospects. A total of 45 individuals were surveyed to do so, 43 of whom were women. The ages of respondents varied, most within the range of 20 to 35 years. Despite attempts to be inclusive by CROWN, we were only able to find one respondent in Minya that was a person with disability. Since we attempted to ensure that our sample included more persons with disability, our difficulty in finding a bigger representation of this group could mean that they are not well integrated into the labor force. Workers interviewed were also asked about their educational attainment, and responses are summarized in the figure below:

![Education attainment levels of workers in handicraft sector](image)

In terms of marital status, all 45 respondents were one of two things: 58% were married, and 40% were single (not engaged).
As indicated with responses from business owners, worker responses further confirmed that employment and recruitment generally happened informally, and often women were offered opportunities rather than sought them out. Word of mouth (73%) was perhaps the most common way for women business owners to find labor and recruit workers. There was usually no formal or structured interview process, where only 7% were interviewed and 87% had only informal or casual discussions with business owners before being hired. Two women in Minya indicated that they visited the business owner for a friendly tea to discuss their potential employed and then were hired. In terms of years hired in the sector, most respondents who were employed were working for a year or less (38%), two years (20%) or three years (22%). Almost 11% also had been employed for four years, but those were usually for interrupted employment. In terms of whether jobs were full time or part-time, responses were divided, with 53% were full-time and 47% part-time. This was similar when asking workers about their job seasonality, with 40% being employed on a seasonal basis and 60% were not limited to seasons. 

All women and men hired under the sector who were interviewed had informal work arrangements and no contracts.

In terms of working days per week, the following figure shows the responses, which varied slightly between Minya and Fayoum.

With regard to the distribution of tasks and roles across the workers, the following were the responses as received from workers in Minya and Fayoum.
In addition, when prompting on what were the main skills that workers saw as most important to their employer, and when asking business owners on what they valued in a worker, some similar trends emerged in the responses. For instance, both parties valued timeliness and reliability highly, and significantly valued accuracy and quality in production. To a business owner, an accurate worker dedicated to detail often produced higher quality products at a consistent basis. These were usually the most valued in any value chain. Some business owners would then promote the best workers in terms of accuracy and reliability to become supervisors over other workers.

When asking workers how they learned their skills, and why they were skilled at what they do, many attributed their skills to an introductory training received (44%), followed by more in-depth training by NGOs (20%) and training in a dedicated workshop or factor (20%). Around 20% also indicated that they learned or inherited some of their skills from their parents or family.

With regard to payment systems, it seems that the majority were paid by month 51% and some were paid by piece (around 38%). This often depended on the value chain and type of arrangement, as well as how long the worker was employed by the business owner.

In terms of earnings per month, responses were again divided amongst workers. Generally, most workers were paid from 400 to 500 EGP (26%) and some were paid around 2000 EGP (18%) and around 1000 EGP (13%). When correlated with the number of average working days per week, and compared with average wages, it was clear that most of the fees were low.

### Supply chains

Business owners often need to interact with the following suppliers to produce their goods:
1. Raw material providers – including suppliers of fabrics (full fabrics and scrap fabrics depending on product) or other materials such as metal scraps or beads, etc. Some business owners procure their materials directly from one or two suppliers, while others will visit shops to purchase their items (especially in the case of beads or simple cloths).

2. Equipment and tool providers – a few business owners in specific value chains would also need to procure some equipment (albeit on a less regular basis). For example, simple metal wielding tools or saws, sewing kits and machines, were some of the equipment procured from suppliers.

3. Workshop spaces: Although not a specific supplier per se, workshops that granted access to a machine were sometimes relied on. This was however very rarely reported (only two women in Minya), and most women sought to rely on their own devices to produce their goods.

In terms of distributing the final product, findings showed that women business owners mainly sold to a direct end consumer.

A few relied on distributors or sellers. Distributors were often middlemen that took goods and linked them with potential bazaars or markets, while sellers were often with their own shops or retail outlets. The figure below shows the responses by governorate:

![Main channel to market chart]

**Marketing and product promotion**

As for women business owners who sold products directly to consumers, CROWN inquired further on whether they relied on e-marketing tools to promote their products to their customer base.
The majority did not have an established method or systemic approach towards e-marketing, however, most indicated that Facebook, followed by Instagram were the most important media platforms to do so.

Only a few in Minya also relied on WhatsApp to promote their products and prices.

None of the women interviewed were trained on the use of social media platforms or tools to market their products.

Generally, as per the qualitative discussions, it seemed that most support that was offered was in the form of introductory courses into product development and production, with limited and often lacking courses on things such as quality control, product design, product packaging, supply chain management, etc.

Findings from the survey showed that over 72% of all business owners had not participated in any exhibitions, bazaars or trade / product fairs. They believed that the financial cost would be often steep compared to expected sales from these events.

They also indicated that the paperwork and the commitments required to register to the majority of these functions were often complicated, and the business owners did not understand the expected customer base that they would have access to.

However, when asked to identify any particular exhibitions or trade fairs that they knew of and which they had decided not to participate to, most business owners had no responses. It seems that the majority did not know where to look, or what were available and appropriate bazaars or trade exhibitions for them to showcase their product lines.

**Environmental aspects**

It was clear that there is opportunity for more environmentally friendly products within the identified value chain. From khayameya products to simple clothing or accessory items, the majority of handicraft products made by the interviewed business owners could and had used scrap or recycled raw materials whether metal, wood or fabric.
There was also an element of identifying how to better design products that would appeal to customers, and which would rely on higher percentages of reused waste materials as raw materials.

CROWN identified several small examples of environmentally friendly initiatives, including the making of bags from reused fabrics, recycling jeans into other bags or accessories, and making simple accessories or bands from recycled fabrics. The drawback however was that many of these products lacked an element of design and were often of poor or amateur quality.

From the survey, it was determined that over 75% of the women use waste or recycled materials in their production processes.

However, it was difficult to determine what percentage of such recycled materials represented the entire products overall raw materials. Many women business owners did not keep such tabs or information on their production process.

COVID-19 Impact

It is very clear that COVID-19 had a negative impact on sales, especially during its first year (2020). Women business owners indicated that they were able to stay resilient and afloat because they had already established some good relations with local customers, but that during specific months there had been almost no sales.

Over 54% of the women surveyed indicated that there were no sales during the COVID-19 pandemic (especially during 2020), and 27% indicated a decrease in sales.

Only 5% mentioned that they were able to keep their business running normally, and that there was no particular drop in sales beyond the first two to three months of the pandemic reaching Egypt.

Social aspects and considerations

It is clear from the surveys that women rely on their husbands and fathers / father figures to support their decision to own a business.

All women business owners who were married or living with their father or uncle indicated that the men played key roles in their professional aspirations and often personal ones.

When asking business owners who they felt supported them the most in establishing and running their businesses, the following were the responses:
General family members were seen as the most supportive (61%), but women also identified that they themselves were their own biggest supporter (60%). Only 35% mentioned that their husbands were supporting their business and less indicated that there was support from in-laws (18%). Friends from the community were also important, where 24% believed that their friends were supporting their decision to run their business. Only 1% were supported by an NGO, and 4% had no support.

In terms of spending their profits / earnings from their businesses, CROWN was able to identify some common reasons from its initial focus group discussions.

These responses on how women would spend their earnings were incorporated into the survey design, where CROWN asked women to rank what were the most important and significant expenditures, they usually covered from their business earnings. The following figure depicts the overall responses from the women:

An interesting finding was that women business owners did not spend much of their earnings on their own development or self-care needs. Only 11.5% of women spent their earnings on themselves according to the survey.

Based on further prompting, women indicated that even when they did spend their money on themselves, it was due to a need or a necessary situation, rather than a self-care or self-development issue.

Only 19% saved their earnings or part of their earnings, and many who saved did not have a clear strategy or goal for this. They only saved what was “left over” after their
expenditures, and none had actual plans on reinvesting parts of the savings in their business.

**Recommended value chains**

**Recommended sector: Textiles**

**Value-chain: “Khayameya”**

Justification: Clear potential market for growing this value chain – especially in the production of non-traditional, well designed items and products. There is a versatile nature to the value chain whereby women business owners can produce anything from homewares to fashion items.

Patchwork production that relies on the use of recycled materials makes this value-chain very environmentally friendly.

There is a notably low waste that is generated from the production process, and losses of fabric or materials are quite limited. Furthermore, the training on khayameya tent making skills can be taught within shorter of periods of time, and more woman can join the production of quality products.

The type of production processes also means that women will be encouraged to form or grow productive clusters within the areas that may be targeted by UNIDO.

Vision: Common brand that brings together several women, who are led by a creative team that is trained on design and quality. Quality control should be at the core of this business model.

**Value-chain: Tailored or embroidered fashion**

Justification: Well established production lines within Minya and Fayoum were identified, and simple straight forward training programs are available locally.

Women joining this value-chain for the first time will need to be trained on design and style, since many rely on online searches to identify what type of products they should tailor for their customers.

The value-chain also has potential for more urban designs and styles that may capture some of Egyptian or Upper Egypt cultural aspects to give it a unique twist. This was based on some of the interviews conducted with business owners, where they identified that there was a need to better understand consumer tastes and adapt their business and products to meet those.

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4 *Khayameya* is a tent making practice where producers often weave scraps of fabric onto a sturdy cloth canvas. The products can range from actual tents to home decor items and even bags and dresses.
There is also a good price per product that was indicated by the survey, where sold products often generated profits that were marginally higher than other types of products and value chains.

Vision: Common brand that brings together several women, who are led by a creative team that is trained on design and quality. Great and innovative design and quality control should be at the core of this business model.

**Recommendations (General)**

From the analysis conducted by CROWN, a few common challenges facing women business owners in particular were identified. The following are a set of recommended actions for UNIDO to consider when addressing such concerns and challenges as part of its program:

a) Quality assurance is as important as production skills.

Quality of product is a major challenge and issue limiting the growth and competitiveness of the majority of value-chains. Products are made with amateur skill sets by the business owners and possibly also their workers / family members supporting them.

Quality is found to be inconsistent, and many items lack any innovative or original designs. When developing a product design, most women go to the internet to search for things they can copy. The result are uninspired products that have a limited market potential and small customer base.

In addition to training any business owners on production techniques or skill sets, an emphasis must be made to ensure they have good grasps on quality control concepts.

Women business owners must learn this through identifying how more sophisticated markets have different standards and needs, and how they should incorporate such standards into the design of their products.

**Therefore, if potential support programs will focus on enhancing business owners’ skills, quality management, product quality and quality control need to be on the top of training topics.**

b) Pricing of products needs to be based on cost and profit analysis.

Women are unsure and unaware on how to calculate their prices. Often, a product would be rendered unprofitable or even more costly than its sales price and yet will continue to be produced and sold by the business owner solely due to an existing demand.

Business owners did not keep clear logs of their costs, labor hours, transportation, raw material and procurement, etc. Their lack of know-how on
how to conduct and monitor their business finances has a direct impact on how they can grow their business altogether.

**Training should be offered to help women understand what defines profit, how to measure profit, and generally, how to conduct their business finances.**

c) Formalization or business strategy development is not the target; business growth and continuity are.

It is clear that women business owners are able to maintain their incomes from their businesses by staying flexible and adapting to the dips in market demand. They do not have a clear setting to work on, and often did not have any evidence or studies or information on their customer base or markets.

Instead, they rely on their own perceptions and intuition to make business decisions, and hence are quite risk averse in their behaviors.

Any intervention pushing forward a formalization agenda for business owners will lose their trust unless there is a clear line from production to market that justifies and requires a formal business structure.

To ask women to formalize their business, UNIDO should first expand their market potential for their products and ensure a (somewhat) stable customer base and demand.

Should new markets require registration and formalization of a business, it would then be based on the business owner’s goals to formalize their business structure or not.

**Instead of working to introduce business strategic planning and promote formalization, it is best to understand the risks and rewards of different business models first. This would vary from one value-chain to the next and would have a great impact on which path a business owner should take to expand their business.**

d) Employment may remain informal, but simple protection systems can be put in place.

Formal recruitment will not happen anytime soon, and this may be an issue in terms of ensuring that workers or employees in the value chains receive fair compensation and are treated ethically. However, for businesses to offer contracts, they must be formalized and undergo a long process of registration before issuing contracts.

Business owners interviewed did not have the vision for expansion that warranted such measures and could benefit from more guidance on how to develop an overall business vision and mission that they would adhere to,
eventually leading to sufficient growth that would warrant formal and ethical recruitment and employment of workers.

In the meantime, and to protect the rights of any future or existing employees or workers hired by business owners, UNIDO could facilitate their integration into fair trade networks. Egypt's Fair-Trade Network would offer guidance to business owners on how to ensure ethical employment and treatment of recruited labor, while also offering opportunities for business expansion.

e) Training on skills should be developed into a two- or three-tiered approach

Very important was the finding that workers who had more “accuracy” in their skill were often valued more by their employers. Since both business owners and workers are often involved in production, any training on production skills should include a more advanced stage of training that includes accuracy of technique and quality.

f) Inclusion is an issue, and the role of NGOs is important

NGOs can be a driving force in the handicraft sector when linking business owners to qualified and trained persons with disability to be recruited. The NGOs at local levels will often be able to identify candidates to be matched with business owners, and this matchmaking service can be further improved to include women with disabilities.

Way forward and implementation considerations
From the field, a number of issues that should be considered when implementing a program or set of interventions to bring women to the forefront of the business environment. There is a clear set of issues that need to be tackled as a matter of priority to set a stage for future development activities.

First, the issue of empowerment will not be tackled before women are equipped with the right knowledge on the sector and its potential. To start with explaining how a business would operate, from start to finish, as well as all the requirements of such operations, is of great importance. Women interviewed (even those who have operated for years within the sector) lacked very important and basic knowledge on how to “think” business. Some of the topics we found were lacking included:

- No awareness on how to financially manage a business. Women were unable to properly estimate their cost structures or differentiate between different types of costs and how it impacted their profit calculations. Indeed, combined with the fact that women did not include their own working hours at times in their calculations, some may be even operating at a lost without knowing.
  - Solution: UNIDO must consider financial literacy and business financial management as part of their interventions for women. Awareness on such topics is crucial for their success as business owners. Not only this, but women would also need to understand how to expand their businesses through gaining investments, or through marketing, or simply
through applying for financial services or loans. Understanding the different types of financing accessible, their pros and cons, and legal implications, are all very important for business.

- There is no clear understanding on how a business owner can expand her production or try to ensure a consistent and high quality of product. Generally, findings were clearly indicating that women working in the sector are amateurs who have not yet honed a skill or talent to product stand out products. There is another issue that women often look for online designs based on their estimations or guesses on what “works” for their customer base. This is combined with the women revealing a limited customer base to begin with, and a tunnel vision to market only to a few customers instead of work to grow their market. The result of all this is fatal for developing a successful business. On one hand, women business owners don’t have a vision or mission that is growth-oriented. On the other hand, women business owners target limited customer bases with limited tastes, and therefore their designs and quality of production never improves because – in their perspective – they don’t need to improve. As indicated by one of the interviewees: “I don’t know. I think quality is shown if my product is sold or not. My friends and some of my customers buy my stuff. It is cheap to make and cheap to sell so that is nice. If I waste too much more time on this product, I'll make less money from it.”
  o Solution: UNIDO should approach women with the intention of showing how focusing on growth and quality will provide financial gains. Any training should be based on the potential of the sector and how growth will translate into more livelihood for the women. To ensure that women have an incentive to move forward, UNIDO can guarantee more success in initiating a starting business model or working to improve the way women do business in general when it comes to handicrafts. Diversification and specialization do not come without a specific plan forward, and we believe that this is the role of UNIDO i.e. to facilitate a more concrete means for women to put in writing what they wish for in terms of their business, and plan accordingly.

- Socially, there are many barriers. It seems that women are still not always autonomous in their decisions and handling of money, even the money they themselves make. Men still dominate decisions, and may have a direct influence on the decision of a woman to open a business or expand her operation.
  o Solution: CROWN foresees that there is an important opportunity here to engage the local communities and NGOs. The NGOs may have important insights on how to approach these social and cultural issues that may not be too obvious to “outsiders”. NGOs however are not seen to be highly active by women in the communities we approached. So selecting the right representatives and people is very important. We also recommended seeking out leading figures in the community, often women who have “made it” to a certain extent. However, in the case of choosing a lead figure to motivate women, we recommend refraining from selecting someone who is too unconventional in their thinking. They should clearly appeal to women you are targeting in Minya and Fayoum.

- The government has many diverse social support programs available, but they remain a mystery to many of the women in the value chain. There is not enough marketing of these services to the right target audience of women business
owners. Also from what we can see, women business owners do not seek to learn more about what services are available.

- There is a need to develop a one-stop shop system, perhaps under that owned and affiliated to MSMEDA, and to market it to the right woman who wants to open a business in handicrafts. Informational guidance is as important as training, and we believe that by cooperating with MSMEDA, local NGOs, and financial and technical institutions in Minya / Fayoum, UNIDO can have an informal one-stop shop for information and knowledge. Counselling women on the right path and helping them understand what type of business model would suit them is also important to consider during the training.