Creating a Rural Business Incubator for Salvadoran Women

El Salvador
Ana Rosa Selva

Manos Amigas Methodology
Organization type: nonprofit/ngo/citizen sector
Budget: $100,000 - $250,000
Website: http://www.manosamigas.com

- Adult education
- Community development
- Employment
- Income generation
- Rural development
- Mentorship
- Social enterprise

**Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.**

Manos Amigas is a “life changer” in two communities in rural El Salvador where economic opportunities for women as well as services in health
and housing are very limited. Manos Amigas changes lives, empowers women by raising their self-worth, and provides access to integral services. The success of the association’s workshop, Jicaros, will be replicated to develop and strengthen two new businesses owned by women.

Employment generation is the focus of the proposal, but the women also will receive other benefits which are part of the association’s methodology to improve lives. This integral development based on: decent employment, education, primary medical assistance/nutrition, housing, and potable water, benefiting the inhabitants of San Luis Talpa and San Pedro Masahuat.

**Problem: What problem is this project trying to address?**

San Luis Talpa and San Pedro Masahuat are located in the department of La Paz in El Salvador. The majority of the inhabitants of the two municipalities income is generated through agricultural activities, which is overwhelmingly can be characterized as subsistence agriculture, small commerce and industry, some hospitality, textile assembly, and fishing activities. Many people must commute to other areas to work in the textile assembly plants in San Salvador and its vicinity. Both municipal governments do not possess links to businesses which could result in employment generation or productive development initiatives in the municipalities. San Luis Talpa has approached the international airport (located within close proximity of the town). But there is a demand for high-qualified labour which the municipalities cannot supply. Average monthly family income is maximum $148 within the town center and in more rural areas this amount drops to $70 per month, this last amount way below the rural food basket cost of $130. Family remittances from relatives in the United States are very low and those that do receive remittances report that it is approximately $50 per month.

**Solution: What is the proposed solution? Please be specific!**

Although El Salvador has made political/social strides since the end of its civil war in 1995, a recent UN report indicates that there is immense gap between rural and urban areas in regards to services and quality of life. Rural inhabitants, particularly women, have limited access to basic services and employment. It becomes critical to develop local rural organizations, knowledgeable of the region where they work, possessing the credibility to work with municipal governments and provide a host of services to women quickly with long-lasting impact. Strengthening Manos Amigas by expanding its employment generation activities (Jicaros is self-sustaining and contributes to other activities) will result in it being a business incubator for women in 2 communities. Already Manos Amigas has formed a bakery enterprise, now comprised by 6 women, which can incorporate more women. Through these actions, Manos Amigas can foster new businesses and generate more jobs. The project is innovative since Manos Amigas’ employment model is based on training rural women with no skills and creating non-agricultural full-time, high-quality jobs for women in the region. The association’s approach is integral as it implements actions on several fronts - economic and social - and implements each area in conjunction with the others so that beneficiaries can experience dramatic changes and take control of their lives. While many NGOs focus on one component, Manos Amigas feels that this is not enough and any economic development activity must be partnered with human and social development.

**Impact: How does it work?**

Two business ventures will be implemented - a bakery (now comprised by 6 women but will absorb more) and a beauty salon benefiting a total of 50 women. The women selected will receive vocational training in bakery and cosmetology. Manos Amigas will also train the women on a variety of complementary topics; hygiene and occupational safety; human development courses which will focus on self-esteem, resolution conflict, teamwork, gender equity, and environmental issues; a critical third training module with a focus on entrepreneurship will also be implemented. Equipment will be sourced and the physical infrastructure will be provided within the Manos Amigas’ buildings. Business plans as well as a marketing and operational/financial plan for each venture will be developed for each separate venture. Manos Amigas will mentor the women while they form their respective cooperatives and accompany them as the legal entities are formed. Once the cooperatives are legally formed, Manos Amigas will provide mentoring once the cooperatives are formed so that the two business ventures receive additional accounting and financial services, market links are established, logos/brands are developed, and market promotion activities are executed.

**About You**

**Organization:**
Asociación Manos Amigas

**First Name**
Ana Rosa

**Last Name**
Selva

**Twitter**

**Facebook Profile**

**About Your Organization**

**Organization Name**
Asociación Manos Amigas

**Organization Country**

**Country where this project is creating social impact**

**How long has your organization been operating?**
More than 5 years

**Is the project that you are entering related to this organization?**
Yes
The information you provide here will be used to fill in any parts of your profile that have been left blank, such as interests, organization information, and website. No contact information will be made public. Please uncheck here if you do not want this to happen.

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**Innovation**

**What stage is your project in?**

Operating for more than 5 years

**Share the story of the founder and what inspired the founder to start this project**

The association was founded in the wake of the 2001 earthquakes in El Salvador to help the most vulnerable victims of the disaster by Carmen Elena Ruiz and others. Initial activities provided food and clothing to those areas that were most affected. Carmen Elena quickly realized that this aid was not enough, so she decided to create Manos Amigas.

The first projects were carried out in Panchimalco where a small handicraft workshop was created, training and employing 4 women; permanent housing were built, a medical clinic was opened, and medical visits were carried out with US Winthrop University Hospital.

In 2003, the association moved its operations to San Luis Talpa. Here the association built and developed: a gourd workshop which generates permanent employment to 18 women; a bakery, which employs 6 people, a health clinic offering primary care and nutrition to 2400 people a year; a potable well which supplies water to 200 families, and where there is ongoing construction of permanent housing (over 325 houses have been built) each with its own latrine.

Carmen believes that specializing in one area of development is enough; employment without a decent house nor health makes it difficult for people to live their lives with dignity. In spite of the difficulties of implementing actions on many fronts, Manos Amigas has been successful and is constantly aspiring to improve their activities. In 2010, the organization modified its housing design by adding additional square footage so that houses have more space to give families much needed additional living quarters.

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**Social Impact**

**Please describe how your project has been successful and how that success is measured**

**Economic Indicators**

Manos Amigas generates jobs for 24 women – 18 in the main workshop and airport shop and 6 in the bakery. Women earn a full-time wage. This income benefits 100 family members.

Manos Amigas’ Jicaro workshop, which produces gourd office and home products, has generated sales of US $78,000 per year and increased by 200% the income of the women it employs.

In 2010, a shop was opened at Comalapa International Airport

**Social Indicators**

325 houses have been built, benefiting over 1600 people

The primary care clinic attends 2400-3000 people per year.

200 families or approximately 1000 people have access to potable water.

108 school children in Canton Miraflores receive free bread weekly from the bakery

**How many people have been impacted by your project?**

1,001-10,000

**How many people could be impacted by your project in the next three years?**

101-1,000

**How will your project evolve over the next three years?**

Our objective is to launch 2 new business ventures per year for women. Each business cooperative will be comprised of approximately 25 women. These new ventures may require infrastructure and equipment and consequently, Manos Amigas has presented to COSOCIAL, a Spanish NGO, a project that details these needs. Manos Amigas will also expand its own self-sustaining sales activities at the Jicaro workshop so that this income can also be used to fund seed resources for these new ventures.

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**Sustainability**

**What barriers might hinder the success of your project and how do you plan to overcome them?**

One key challenge is providing women the tools to become business people. Being an entrepreneur is hard and it requires patience as the business goes through different cycles, and it is also necessary to take risks to grow your business. The cooperation and the attitude of the women themselves and their willingness to take control of their lives are very important. Manos Amigas screens very carefully the beneficiaries that it works with in order to determine if they have the “right stuff” and identifies those women who are “go-getters,” willing to go the extra mile. Selecting the wrong candidates who think that they are part of a charitable venture is not Manos Amiga’s intention. Business-minded women with strong values are sought who can keep up with orders from retail stores and international importers and with the demands of their families.

The women must also be trained and professionally mentored to work together as a group, and the process of forming a cooperative will be very strict and demanding and only those women who have the same entrepreneurial vision should form the membership of the cooperative. Naturally, there will be ups and downs, but Manos Amigas presence and long-term, mentorship will be critical as the SMEs evolve and grow.

**Tell us about your partnerships**

In terms of economic development activities, the association has implemented activities on its own. ASI has donated building materials for the workshops. But in fact, the sales from the workshop are used to build houses.

Housing activities have been carried out with COSOCIAL and health with Organización Navarra para Ayuda a los Pueblos y Pediatras para los Niños de América Central.
Explain your selections

Approximately 43% of Manos Amigas' budget comes from NGOs and donations and 57% comes from the Jicaro workshop's sales to retail outlets and now from the organization's shop at Comalapa airport.

How do you plan to strengthen your project in the next three years?

The organization plans to complement any new income generation activity with vocational training. Manos Amigas has partnered with FEPADE, an important Salvadoran NGO specializing in education, to create vocational training centers at three schools in the region. The plan is to train over 400 people, train teachers, develop a curriculum, and improve the school buildings. Obviously, many of these actions will benefit both children and adults.

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Challenges

Which barriers to employment does your innovation address?
Please select up to three in order of relevancy to your project.

PRIMARY
Lack of skills/training

SECONDARY
Underemployment

TERTIARY
Lack of access to information and networks

Please describe how your innovation specifically tackles the barriers listed above.

Rural women face many obstacles. They aspire to earn a decent income and a job that allows them to stay close to their family. Apart from knowledge in agriculture, most women lack the proper skills necessary to obtain a commercial or industrial job. No vocational schools are located in the region which inhibits women from learning a trade. Manos Amigas trains women who possess no prior skills and knowledge and trains them to elaborate high-quality products and services.

The UN reports that 44.3% of the labor force is sub-employed or unemployed (7.3%) and only 23% enjoys a decent job. This project will allow women to earn a decent income and have a job close to the communities they live in. This will improve community peace and prosperity, and decrease violence, especially gang violence.

Are you trying to scale your organization or initiative?
If yes, please check up to three potential pathways in order of relevancy to you.

PRIMARY
SECONDARY
TERTIARY

Please describe which of your growth activities are current or planned for the immediate future.

The organization’s methodology is at a stage where it can be used to benefit women in other communities in addition to San Luis Talpa. Manos Amigas provides several integral and key services from its base in La Paz. These activities can be scaled to provide these benefits to other neighboring municipalities in the department of La Paz as the organization grows in order to become an agent of change for women in this specific region of El Salvador.

Do you collaborate with any of the following: (Check all that apply)
For profit companies.

If yes, how have these collaborations helped your innovation to succeed?

The support of the municipal governments has been critical to the success and credibility of Manos Amigas in the area. There is close collaboration and information sharing as to the needs of the inhabitants of the area. Torogoz, a private metal company, has collaborated with Manos Amigas in providing metal components, which are used in the products of the Jicaro workshop. The Salvadoran Association of Industrialist (ASI) has provided resources for the construction of workshops and equipment for SMEs, such as the bakery. Other collaborations include local pharmaceutical firms which donate medicine for the clinic.

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