



Women's Economic Resilience: A key pathway to recovery post Covid-19 in the Kenyan Flower Sector

MARCH 2021

Written by Lucille Aveva

**Building
Bridges** for
Women's Economic
Empowerment



Produdly empowered by





Kenya is home to the world's best flower producers and the Kenyan flower sector has grown to be a significant foreign exchange earner and contributor to the GDP and FDI in recent years. Kenya is also the third largest producer and exporter of cut flowers in the world after Ecuador and Colombia.

The floriculture sector currently ranks as one of the Kenyan economy's fastest growing sectors. Cut flowers are among the four leading foreign exchange earners in the country, while generating important forward and backward linkages with sectors such as manufacturing and agro-processing, inputs markets, labour and transportation services.

The main farms growing cut flowers in Kenya are found around Lake Naivasha with other farms, including small holders, found around Nyandarua, Mt.Kenya, Thika, Nakuru, Kiambu Nairobi, Athi River, Uasin Gishu, Kitale, Kericho, Trans Nzoia and Eastern Kenya.

Although the volume of cut flowers exported grew by 7.8 % in 2019, the value of exports reduced by 8% from KSh 113.2 billion (1.06 billion USD) in 2018 to KSh 104.1 billion (971 million USD) in 2019. This was attributable to lower prices offered in the international market despite the quality and variety of cut flowers constantly improving. The Covid-19 pandemic has further worsened Kenya's value of exports meaning that the floriculture sector is in need of more sustainable trade relationships.

Netherlands Kenya Trade Relationship

Nearly 50% of Kenya's cut flowers are exported to the Netherlands (49%). Other key markets by value exported, as of 2019, are the United Kingdom (18%), Germany (5%), Saudi Arabia (3%), and UAE (3%).

In 2019, the value of total exports to Netherlands from Kenya was \$470m representing only a 3% growth over 2015 exports and 8% of Kenya's total exports. In the same period the total value of imports by Netherlands was \$514bn.

With export earnings from cut flowers accounting for 72% of total earnings from the country's horticulture exports, the lasting impact of the COVID-19 crisis will prove devastating unless farms explore alternatives, including additional sources of income, to keep running and contributing to the economy. If the situation does not improve then the whole value chain, including the Dutch flower trade, will be negatively affected.

This highlights the need for developing the trade relations and partnership between Kenya and Netherlands. It will not only benefit the balance of trade, but also support the floriculture sector in recovering from the pandemic.

The Dutch floriculture sector working with the Kenyan flower farms will be a critical and beneficial partnership between the two countries. Working together to explore the diversification of produce and products, while also growing the export value of said products could be done through increasing levels of trade. Given the importance of the Flower Trade to the Netherlands, being home to the world's largest flower auction, this partnership is of strategic importance.

Impact of Covid-19 on the sector

The timing of the pandemic could not have been any worse. Globally, March is the period that precedes the seasons of Easter, Mother's Day, and spring and summer weddings. Therefore, in preparation for the peak season, farms hired seasonal staff and had begun working to get the flowers cut and packed.

Kenya reported its first case of Covid-19 in March 2020 and went on to implement several preventative measures. This included the restriction of international flights, prioritising cargo flights towards transportation of Covid-19 related shipment, a lockdown of Nairobi and Mombasa (the main gateways out of Kenya), social distancing, and a curfew amongst others. These measures while required and recommended, left many farms devastated and impacted by:

- Reduced demand for cut flowers locally, regionally and globally.
- Reduced price offered for available produce.
- Reduced cargo capacity against increased rates.
- Reduced cash flows straining operations.
- Inability to service loans or maintain staff against dropped revenues.
- Loss of export ready cut flowers as they had to be destroyed for lack of market.
- Increased costs of production inputs.

Although we are now seeing increase in activity, resumption to full operations and increasing export for the Kenyan floriculture sector is expected to take at least a year. Thus, it is imperative that interventions and solutions for alternative income generation and farm diversification are explored.

To build back better, it will be key to focus on the sustainable ways for farmers to have resilient businesses and for employees at the start of the flower supply chains to also earn a living wage.

Strengthening Women Economic Resilience as a recovery path for the Flower Sector examined against the McKinsey 5R model.

1. RESOLVE: Determining the scale, pace and depth of action that is required.

WOMEN WORKERS

In a sector that is very labour intensive, employing over 150 thousand people directly and 2 million indirectly, the workers have also been greatly impacted by the loss of income. Namely through job losses, pay cuts, increased workload and working hours against reduced pay for those that have been retained. This has led to a rise in several other social problems, including Gender Based Violence (GBV) and the burden of unpaid care work.

Women form over three quarters of the workforce in the sector and the impact on them is even more devastating as entrenched gender inequalities leave women and men with different resources available to them to prepare for, cope with, and recover from the economic shocks caused by the pandemic.

Many of the women find themselves facing increased levels of GBV, compounded with increased unpaid care work as the children were home full time due to schools being closed. They also have had to take on the additional role of supervising remote schooling.

Finding themselves without work or savings, in order to survive the harsh economic situation, a number of women explored various ways of earning secondary income including trading, hairdressing, tailoring and in some cases engaging in sex work.

It will be key to ensure that the responses, both long and short-term, recognize and address gender differences in vulnerability and economic resilience to avoid reinforcing gender inequalities in the future.

Investing in women economic resilience initiatives not only benefits the flower trade and farms, but also the community at large given the key role women play in the economy and society as care givers and providing growth for communities.

2. RESILIENCE: What is required to support women's economic resilience and exploring alternative economic opportunities?

SUPPORT TO FARM WORKERS

The efforts to support workers and provide relief have been very commendable even as we look towards sustainable, long term responses.

Many farms, development partners, CSOs, NGOs, including Fairtrade and the Kenya Flower council, have provided different interventions ranging from rations to stipends and loans. Some organisations provided their staff with accommodation, PPE, psycho-social support, land to produce vegetables, and support to set up barber shops etc.

It is noteworthy that the flower sector did not have any reported cases of Covid-19 despite having large numbers of staff working on the farms.



3. RETURN – As the economy slowly returns to a 'new normal', what might the 'new normal' look like for Kenyan floriculture?

THE NEW NORMAL: THE FUTURE OF THE FLOWER SECTOR

As we look into the future and learn from the past, there is renewed energy and commitment towards the efforts of entrenching the Women's Economic Resilience (WER) agenda, motivated by the glaring burdens and injustices women workers face in the flower sector as observed during the crisis.

A critical shift will be looking at WER as a key strategy to ensure a holistic approach to tackling gender gaps and inequalities. This will encompass 3 key pillars: Women Economic Empowerment, Women Economic Rights and Women Economic Justice.

Some of the key learnings as shared by our partners from civil society, who have been working with the farms and farm workers to take forward include:

- Engaging male champions in the sector and farms to support in addressing inequality, sexual harassment at work, GBV & the burden of unpaid care work.
- Providing more support for single mothers by providing crèche services, lactation rooms, and opportunities for additional income or savings.
- Organisations' business strategy to include Business Continuity Measures (BCM) to protect against future shocks and Fairtrade certification.
- Updating HR policies and renegotiating CBA's to cover specific women worker needs.

4. REIMAGINATION – what opportunities are there to improve the 'performance' of businesses, women's rights and empowerment?

REIMAGINING THE FUTURE OF WORK TO DELIVER WOMEN ECONOMIC RESILIENCE

The interventions and support for women workers by various civil society organisations, development partners, workers and women rights organisations and key stakeholders should, and will, continue into the foreseeable future.

What are certain to change are the approaches and focus areas for delivering a lasting, sustainable impact. There is growing recognition and understanding that for more successful outcomes, a collaborative approach is needed to engage farm owners/management, worker representatives and workers in these initiatives.

This will ensure a buy-in to support initiatives leading to more on-farm engagement and participation by workers as well as implementation of recommendations.

Engaging key stakeholders in the sector will also ensure learnings and best practice from successful programs are implemented sector wide.

5. REFORM – what policies and regulations must change in order to avoid, mitigate and pre-empt a future crisis? How can Women workers, WOB/Smallholder farms be supported?

CALL TO ACTION

The successes made in advancing women workers' rights in the flower sector over the years must not be lost as farms struggle to regain business stability. It is important that all key stakeholders involved in the Kenyan flower sector ecosystem and across the global value chain work together and towards the same goal of advocating for and putting in place measures to support WER.

At the heart of this, as voiced by the women workers, is ensuring that women earn a living wage that enables them to have the means necessary to take care of herself and her family and allows her to set aside savings in the event they lose their source of income.

RECOMMENDATIONS TO THE GOVERNMENT, REGULATORS AND PRIVATE SECTOR PLAYERS

The implementation of the recommendations and strategy as laid out in Kenya's Export development strategy (NEPDS 2018-2022) as Kenya seeks to grow its exports by 15%.

This involves:

- Providing export incentives to the floriculture sector and activating the Covid-19 recovery stimulus allocated to the sector which includes implementing pending policies.
- Structured support for small holder farms, mainly owned by women investors, and support with Certification, access to funding & markets, organisation and networking opportunities for business matching.
- Promoting sustainable purchasing practices and making sure gender indicators are added to purchasing reward system.
- Ensuring audit areas clearly include WER initiatives as key areas to measure in this sector are heavily reliant on women labour.
- Strengthening foreign markets representation and supply value chains in target markets to support the promotion of Kenya's flowers and to negotiate better rates.

RECOMMENDATIONS TO THE GLOBAL BUYERS & DEVELOPMENT PARTNERS

- Support farms in crop and flower product diversification to expand markets to sustain their business and protect jobs, and adopt gender-responsive procurement practices in doing so.
- Encourage purchases from women-owned farms to support growth and gender mainstreaming.
- Increase the level of imports of cut flowers from Kenya as well as actively sourcing other produce (Foliage, Live Plants, Bulbs) from the country.
 - The Netherland's global imports of cut flowers in 2019 was valued at \$991m with \$286m from Kenya.
 - There is a huge opportunity to explore imports of Foliage and Live plants from Kenya. In 2019, Netherlands imported \$320m from the world and \$98k from Kenya.
 - Similarly, a huge opportunity in exports of \$1.02bn for Live Plants with only \$301m from Kenya.

RECOMMENDATIONS TO CIVIL SOCIETY

- Raise awareness about gender sensitive due diligence practices and educate/activate businesses to take gender seriously in their sustainability effort.
- Enhance lobbying and advocacy on policy and practice reforms to ensure governments remain accountable to their commitments and deliverables in safeguarding human and labour rights.
- Explore setting up a joint steering committee with other CSO's, WRO's and NGO's to coordinate efforts across various aspects and working directly with farm owners/management as well as regulators and key stakeholders in the floriculture sector.

RECOMMENDATIONS TO THE FLOWER FARM INVESTORS AND MANAGEMENT

- Incorporate SDG's into company strategy and commit to SDG 5.
- Implement gender responsive policies and practices at the workplace and conduct periodic gender audits to measure compliance.
- Strengthen the capacity of various worker representation committees, elevate Gender Committees to report directly to the CEOs as patrons/sponsors.
- Explore and support alternative Income Generation activities of farm workers that is win-win towards company objectives.
- Embed and support the implementation of sexual harassment policies and create a safe environment for women workers to report and speak up on harassment.
- Support career progression for women and promote equal opportunity.
- Provide on-site childcare or improve the existing childcare service.

Conclusion

While the flower sector is recovering, there are still many challenges to overcome. These include available freight capacity and cost of shipping, cost of inputs and meeting demands following a disruption of the production cycle.

The flower sector's opportunity presented by the export potential assessment is huge. The focus however, needs to be towards supporting the farms to overcome the many challenges that have led some to close down businesses or focus on other sectors altogether.

The women workers are and will continue to be the back bone of the sector. Thus, a concerted effort by all parties to ensure women's economic resilience remains an important and key focus area in order to drive and embed gender mainstreaming in the flower sector.

Reference List

- <https://www.floraldaily.com/article/9247044/kenya-magana-flowers-shuts-down/>
- https://www.trade.go.ke/sites/default/files/NEDPS_Integrated_Strategy_1.pdf
- <http://exportpotential.intracen.org/en/products/tree-map?fromMarker=i&exporter=404&toMarker=j&market=528&whatMarker=k>
- <https://www.fairtradenederland.nl/nieuws/build-back-better/>
- <https://womenatworkcampaign.org/publications/>
- <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/beyond-coronavirus-the-path-to-the-next-normal>