



Evaluation of Stories of Change: Cotton Textile Supply Chain Project in India

Executive Summary

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1.0 EXECUTIVE SUMMARY

Across the globe, Oxfam has a long tradition of creating sustainable impact in the communities it serves. However, time and resource constraints often mean that project results are not fully assessed, documented and shared with staff or the general public. Recognising the power of good data dissemination, Oxfam embarked on a new initiative in early 2009: called “Stories of Change”, this effort aims to combine quantitative results and ‘first-person’ narratives to develop strong communications materials that are backed up rigorous programme data. Overall, “Stories of Change” profile project achievements and challenges in four key country sites: Malawi, Haiti, India, and Sri Lanka. This particular document focuses on Oxfam’s work in India, and specifically on the Cotton Textile Supply Chain (CTSC) project initiated by Oxfam Great Britain and now implemented by Oxfam India staff and partners. The CTSC project aims to increase the income, bargaining power and control over markets for both male and female workers engaged in cotton farming, traditional handloom weaving, and factory-based garment manufacturing in the states of Andhra Pradesh and Karnataka. The project was designed in response to increased economic hardship and rising debt levels among cotton sector workers—which have, in recent years, been linked to the suicides of over 100,000 cotton farmers across India. Initially launched in 2002, the project now forms part of the larger India Agricultural Scale-Up programme and will be implemented through 2011.

In the area of support to cotton farmers—the first of three target demographics—Oxfam has focused mainly on supporting the training of local cotton producers to adopt more low-cost, high-value (and sustainable) organic farming practices. Working through local NGO partners in the Warangal district of Andhra Pradesh state, Oxfam aims to empower 8,000 smallholder cotton producers and their families by the end of the project through a simple implementation process. First, Oxfam and partners raise awareness about the benefits of organic farming in local communities, secure local buy-in, and identify beneficiaries. Criteria for participation in the project are few: beneficiaries must be cotton farmers. Then, Oxfam partners facilitate training on organic farming techniques, which include creation of natural pesticides (or “biocides”) from ingredients like chilli powder and neem leaf paste, and also the use of “vermicompost” (organic waste catalysed by worms into compost). Partners also provide selected inputs, like neem powder for organic pesticide preparation.

Next, partners help beneficiaries establish Organic Farming Groups (OFGs) which hold meetings where members share technical expertise and solve farming-related problems. The groups also work to obtain international organic certification for members’ cotton. In parallel, partners facilitate the training of beneficiaries on value addition and effective marketing. Techniques include “clean picking” (the use of hair nets to ensure picked cotton is free of hair) and improved packaging in cotton bags which protect against unwanted moisture and dust/dirt. Partners also organise market visits so farmers can gain a first-hand understanding of the cotton retail process. In addition, partners establish *mandal*-level marketing cooperatives—which serve groupings of village-level OFGs—and a larger umbrella trading company which oversees all coops, provides access to cotton storage and marketing/packaging materials, and negotiates bulk sales of organic cotton with commercial buyers on the farmers’ behalf—thus securing better terms of trade than the farmers would be able to obtain as individuals. Finally, partners and Oxfam consultants deliver periodic training on gender issues, in an effort to raise beneficiaries’ awareness on topics ranging from domestic violence to women’s leadership—and thereby promote local social change. Following this process, by the end of the project’s lifespan Oxfam and partners aim to achieve several key outcomes among farmer beneficiaries; this evaluation focused on three outcomes in particular: Reduced cotton cultivation costs for farmers (after training in new organic techniques that are

cheaper and more efficient than conventional methods), increased income from cotton sales (through enhanced market access and training), and an increased number of women active in farming activities and farming sector leadership, after project-supported gender trainings.

In the area of support to cotton weavers, Oxfam partners CHIP and Chethana Society have focused on delivering training and creating institutional support structures for handloom weavers in the Nalgonda district of Andhra Pradesh. By 2011, the project team aims to reach 1,000 local weaver families through a process similar to the farming intervention. First, Oxfam and partners raise awareness about the project among local weavers, and identify beneficiaries (enrolment criteria are minimal, but participation is limited to community members who are already handloom weavers). Then, partner Chethana Society trains beneficiaries on new weaving techniques, which include the use of organic dyes and leading-edge market designs. Chethana Society also helps beneficiaries self-organise into Handloom Production Groups (HPGs) which offer financial support (in the form of low-interest loans and emergency funds) as well as technical assistance; the groups also serve as a focal point for advocacy activities. In addition to production support, Chethana Society also gives beneficiaries training on value addition and effective marketing—through market visits and awareness raising about consumer preferences and design trends, among other activities.

In parallel, the project-established weavers' trading company, Chenetha Colour Weaves Private Limited Company (CCW) provides low-cost inputs, secures buyer orders, and purchases finished products from local weavers at above-market rates (for resale to commercial buyers). Finally, partner NGO CHIP provides training and resources relating to weavers' rights and advocacy—equipping beneficiaries to lobby the government for better working conditions, social benefits, and terms of trade. Chethana Society also delivers gender trainings in an effort to promote gender equality at the household and community levels. Here too, Oxfam and partners aim to achieve several key outcomes by the end of the project. This evaluation focused on four outcomes: Increased handloom textile production (through use of new weaving techniques, dyes, and designs), increased income from textile sales, (through enhanced market access and training), an increased number of women active in weaving activities and weaving sector leadership (following project-supported gender trainings) and an increased number of state government policy decisions that recognise/support weavers' rights, following project-backed advocacy efforts.

In June 2009, Oxfam staff and an external evaluator carried out an assessment of the farmers' and weavers' interventions described above (additional activities to support garment workers have not been described here as they were not evaluated, due to time constraints). For each of the first two project components, the team aimed to measure progress toward stated outcomes, ascertaining which (if any) of the interventions' accomplishments might be attributable to Oxfam support—and in the case of clear attribution, highlighting key “Stories of Change” that document and promote these linkages effectively. Given the project's presence in beneficiary communities since 2002-03, evaluators used the longer-term outcome goals described above as ‘yardsticks’ to measure progress to date toward longer-term project success. To carry out its evaluation, the Oxfam team targeted samples of each intervention's beneficiary population and compared these cohorts against non-beneficiary samples located in the same communities and with largely similar characteristics. The team used a mix of quantitative and qualitative methods, including—for the cotton farming intervention only—a quantitative household survey administered to 80 beneficiary households and 80 non-beneficiary households, and for both interventions qualitative focus group discussions. These methods are described in detail in the full-length report that follows.

While the evaluation team was, in general, able to carry out a meaningful assessment of the farmer and weaver support interventions, some limitations affected the quality and rigour of data collected. First, evaluation sites had varying characteristics: beneficiaries in some villages joined the project earlier than beneficiaries at other locations; implementation approaches also differed by partner NGO. These differences made it difficult for evaluators to draw conclusions that might be applicable at the beneficiary population level. Second, a lack of quantitative background data for the evaluation sites made *ex ante/ex post* comparative analysis difficult. For both project components, evaluators were forced to rely on Oxfam staff, partners and respondents' *ex post* recollections of their prior livelihood status—a somewhat unreliable process. Finally, given the short time-frame of the evaluation, evaluators' access to local communities was limited—allowing them to assess only a small sample of the overall project beneficiary population (and non-beneficiary population within the same communities).

Yet despite these challenges, evaluators found promising results which suggest that both projects are, in many respects, making good progress toward its stated aims. For the **farmers' interventions**, in the outcome area of **reduced cultivation costs through new organic practices**, evaluators found that Oxfam partners' introduction of organic farming practices among beneficiaries has likely helped these producers to reduce their annual cultivation costs by a mean 33% in communities surveyed. Project training on organic farming has also likely helped beneficiaries lower their outstanding debt levels and new loan burdens, as cost reductions from the switch-over to non-organic pesticides and other inputs have enabled farmers to spend less on production and save more household funds. This increased ability to save has enhanced farmers' longer-term income stability, by enabling them to contribute more to emergency loan funds set up by project-supported Organic Farmers Groups—such that a greater pool of low-interest loan funds is now available in times of need.

In the outcome area of **increased income through better market access**, the team found that CTSC project efforts to create marketing cooperatives and deliver value-addition training are likely linked to the higher cotton profit growth rates reported by beneficiaries after switching from conventional to organic cotton farming. Since the start of the project, beneficiaries' mean net profits from cotton sales have risen by a robust 112%, with new earnings used to pay for children's education and household asset purchases like new livestock—among other items. (In contrast, non-beneficiary cotton sale earnings have only grown by 13 percent). Market support initiatives may also underlie the dramatic reductions in beneficiary marketing costs—from over Rs. 100 per quintal before the project to only Rs. 40 per quintal—and the claim by 93% of beneficiaries that their ability to sell cotton in markets has improved since they joined the project.

Gender is addressed as a cross cutting issue in all of the CTSC project components. However, for the purposes of this evaluation and to ensure that the work being done to address gender inequality and increase women's empowerment was evaluated, it was looked at as a separate outcome in both the farming and weaving project components. In the outcome area of **increased women's empowerment**, evaluators noted that 94% of male and female project beneficiaries have taken part in Oxfam-supported gender trainings (compared with only 16% of non-beneficiaries reporting participation in similar trainings from other organizations). More importantly, these trainings are likely linked to concrete improvements in the status of women within beneficiary communities: 93% of beneficiaries reported that the number of women holding leadership positions in farmers' groups has increased since the project's start; 96% felt that women's participation in general community decision-making has also increased during the same time period.

Beneficiaries also reported that more female beneficiaries are taking part in cotton farming and marketing activities—with many earning their own income and savings for the first time—following

Oxfam-supported trainings. Finally, male and female project farmers also reported a general decrease in incidences of violence against women since the start of project-backed gender initiatives.

Oxfam-backed interventions to support **handloom weavers** have also likely created key “Stories of Change” in the lives of beneficiaries. In the outcome area of **increased handloom production** evaluators found that weaver beneficiaries’ mean monthly cotton output has grown by close to 20%, and silk output has risen by close to 15%, since the start of project-backed trainings on new weaving techniques. Most project-linked producers can now produce close to 10 additional meters of woven cotton per month; in contrast, non-beneficiary output of cotton and silk has remained unchanged over time. Training on methods that enable faster, more efficient weaving was cited by beneficiaries as a key advantage of project support: now that beneficiaries can weave high-quality textiles more quickly, they’re able to produce more finished goods per month.

Results were similarly promising in the outcome area of **increased income through better market access**. Here, 89% of beneficiaries reported that their ability to sell woven cotton at market has increased since they joined the project—while almost all non-beneficiaries felt their market access has declined over time. Evaluators observed that project-founded trading company CCW has helped beneficiaries secure reliable sales contracts, avoid market commission (by building direct ties with buyers), obtain free inputs, and receive premiums of up to Rs. 200 per woven item. Evaluators also noted that 77% of beneficiaries cited an increase in their net profits from cotton weaving since joining the project, with some reporting profit increases of 17% to a mean Rs. 3,500 per month (in contrast, most non-beneficiaries reported lower net profits of Rs. 2,000 – Rs. 3,000). Beneficiaries have used new additional earnings to pay for their children’s education and food, boost their household savings and pay down outstanding debts.

In the outcome area of **increased women’s empowerment**, the team found that close to 100% of beneficiaries reported improvements in the status of local women since the start of the project—while less than half of non-beneficiaries felt the same. In some beneficiary communities, 50% of leadership roles in local weavers groups have come to be filled by women, more female beneficiaries are managing household affairs outside the home, and more women are making more joint decisions with their husbands. In contrast, most non-beneficiaries reported that men still dominate household decision-making processes and exercise sole control over family finances. Finally, where the outcome of **increased support for weavers’ rights** is concerned, evaluators found that since the start of the project, state officials in Andhra Pradesh have introduced pension packages for weavers, enshrined weavers’ rights in party election manifestoes, and helped protect handloom products from imitators through better labelling—achievements which MPs and state officials attested were linked, in part, to Oxfam-backed advocacy. At the grassroots level, beneficiaries reported that project Handloom Production Groups (HPGs), whose role includes advocacy and mobilisation, have become increasingly effective in their work since the start of the project—and that for many beneficiaries, HPG advocacy represents the first time an organised group has ever defended their rights as weavers at the state level.

However, despite these positive achievements both the farmers’ and weavers’ interventions also face certain implementation challenges. Where market access and income growth is concerned, it is clear that weaver beneficiaries (and potentially farmers as well) have not been immune to the wider economic crisis affecting most global sectors of economic activity. As a result, exogenous factors like rising input and daily living costs (such as food prices) risk reversing the wage and market access gains that the project has likely created. In the area of cotton farming, the team also noted that income gains and cost

reductions are often slow to materialise—with several cultivation cycles often needed before organic crops produce marketable cotton—and that the prospect of poor initial yields (plus the high initial costs of the switch-over from conventional crops) may deter farmers from adopting organic practices. In the area of gender training, the team found that Oxfam initiatives for farmers and weavers “compete” with a host of other NGOs’ efforts for the attention of local farmer and weaver beneficiaries—with mandates occasionally overlapping and coordination of efforts unclear. This reality may have led to duplication of project activities and inefficient resource use.

Where advocacy is concerned, despite the affirmations of state officials and lobbyists that Oxfam-backed efforts have contributed to real policy change, many weaver beneficiaries reported a lack of tangible improvement in their socio-economic status. Evaluators noted that these contrasting views may point to gaps in information-sharing about the positive results of advocacy campaigning—and that resources devoted to informing local communities about policy achievements from project lobbying may not be sufficient. Finally, the sustainability of project marketing mechanisms (like the farmers’ marketing cooperatives and the farmers’/weavers’ trading companies) is unclear. Currently, both the farmers’ cooperatives and the weavers’ trading company rely on project funds—rather than self-generated revenue—in order to provide the marketing subsidies and purchase premiums they offer to beneficiaries. The farmers’ trading company is still at a nascent stage, with little current activity in the marketing sphere. With the current project cycle slated to end in two years’ time and the self-sufficiency of both companies unproven, beneficiaries’ increasing wage and price expectations may be unsustainable in the future if these companies are not strengthened to a point where they become fully self-sufficient in the project’s timeframe.

To help project staff and partners reflect on and address these challenges—while building further on the project’s strengths—evaluators have made several **recommendations**. Overall, Oxfam and partner staff may wish to carry out more regular project monitoring and evaluation (M&E), particularly in the area of advocacy. Stronger M&E will help staff demonstrate clearer linkages between Oxfam’s work and positive ground-level outcomes. **For the farming intervention**, the team recommended that a private-sector advisory board, marketing mentors, and community marketing managers could help the project’s Farmers Trading Company OORVI to build a larger buyer base for local cotton—strengthening its ability to operate sustainably once project funding ends. Creation of gender working groups and knowledge-sharing workshops could help project staff coordinate activities more effectively with other NGOs that deliver gender training in project communities—thereby avoiding duplication.

For the weaving intervention, evaluators suggested that more efforts to share advocacy information with beneficiaries could boost their awareness of project lobbying successes—and address current concerns that advocacy has yet to create local impact. Travelling theatre productions and mobile phone content delivery are two strategies (among many) that project staff could use to spread information widely at low cost. To mitigate beneficiary-reported input price increases and perceived risks of declining profits, the team suggested that fast-tracking planned linkages between project farmers and weavers could facilitate the sale of price-controlled raw cotton to weavers. Other strategies could include commission incentives for local purchasing agents to find good pricing deals, increased policy advocacy, and diversified skill-building training that teaches handloom weavers to operate power looms or work in other livelihood fields. If some or all of these suggestions are implemented in order to address key challenges, and if future project efforts build on both interventions’ current successes, then the farmers’ and weavers’ initiatives have strong prospects for sustainability and growth.

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