

**Laca Ginger Tea Community Enterprise
Jagna Municipality, Bohol**

Community Economies Collective Kioloa Writing Group¹

“Why wait and see? Even as old as we are, we can start with what we have”

On the Southern Philippine Island of Bohol “wait and see” or “*tan-awon ta lang*” is a popular phrase. It advises people to proceed with caution, considering all angles, action and consequences. While this might be wise advice, it can also stymie action—there may be no end to the waiting. Combining English with the local Visayan language, the people of Bohol also say “wait and see *ra man na sila*” to describe a passive attitude of inactivity.

In the rural community of Jagna one group of women decided to stop waiting and take steps to generate income. In terms of mainstream employment, the women had passed their use-by date. Advertisements for government and private sector positions specify age limits that exclude older people. Ranging in age from 47 to 81 these women decided that, despite their age, they would take stock of the assets they already had in order to begin a productive enterprise.

Their goal was to achieve a regular income. This was not specified as a particular amount nor was the frequency of the income so crucial. What they were focused on was having a reliable source of income. This would allow the women to plan, access credit, repay debt and, most importantly, maintain or improve their health and the health of their families. To date, the women have used cash income generated from their ginger tea enterprise to purchase glasses and pay for health check ups. Three women have paid for their husbands to stay in hospital and receive treatment for hypertensive heart disease.

By acting and doing, rather than waiting and seeing, the women have attracted the attention of government and private investors. This in turn has inspired other women in their community to join in the production process, and both women and men are now growing ginger to supply the raw materials for the production of sweet ginger tea powder or what’s locally known as *salabat*.

Origins and Philosophy

The women of Laca were active members of the local municipality’s Jagna Council for Women (JCW) and had organized fund raising events to support their *barangay* or neighbourhood. When the Jagna Community Partnering Project (JCPP) began its action research in the municipality, this group of women was identified as a community ‘asset’ with potential for mobilization. One of the group volunteered to be a Community Researcher with the project and it was she who broached the idea with the others of starting to process the ginger that is grown in the cooler upland areas of the municipality.

An interested selection of members of the Laca JCW came forward to get involved in a feasibility study. Two of these women had received training in ginger tea making in the past and occasionally produced it for their families and friends. All of the women were interested in starting a community enterprise, although they had little knowledge of what this meant.

¹ The Kioloa Writing Group includes Maureen Balaba, Amanda Cahill, Michelle Carnegie, Jayne Curnow, Benilda Flores-Rom, Katherine Gibson, Ann Hill, Joy Miralles-Apag, Gerda Roelvink and May-an Villalba. The writing and reflection workshop that produced this story was held in December 2007 and was funded by a grant from the Australian Research Council’s Asia Pacific Futures Research Network (PA030703_Gibson).

As part of the JCPP the enterprise group was supported to go on a fact finding mission. They visited another group of ginger tea producers in Bohol and observed production. They researched the cost of the equipment they would need to purchase to get production going at a supermarket in the provincial capital. On their own they walked to town to speak to traders in the local market to see if they would agree to sell their *salabat* and at what price. After conducting their own research, they began trial production of ginger tea powder in their local community hall.

Guiding the women's approach to the development of their enterprise was the realization that they already possessed knowledge and experience which they considered valuable even if mainstream employers did not. While they might not have university degrees, they had a wealth of life experience.

Through group discussions and informal conversations, the women effected a philosophical shift, turning the "wait and see" mentality on its head. By overcoming the seemingly intractable barrier of age, they chose the more active philosophy of "even though we are old, we can start with what we have". They started the Laca Ginger Women's Group with a "nothing ventured, nothing gained" attitude rather than the more defeatist "why bother".

From the outset, the women have exemplified the "start with what you have" approach. In order to raise the capital to pay for the initial production run, the women pooled their bus fares provided by the JCPP and walked the 4.5 kilometers into town to conduct their market feasibility study instead of catching the bus.

From these beginnings the philosophy of the group is changing and growing along with their enterprise. Diversification is now key to their approach. In November 2004 the women identified a gap in the market—no ginger tea powder was available without sugar. With a high incidence of diabetes in the community there were many potential customers not buying ginger tea powder due to the sugar content. The women now struggle to keep up with the demand for sugarless ginger tea powder.

This successful foray into product diversification has seeded ideas for other ginger-based products including ginger cookies, ginger candy, and even ginger exfoliating scrub made from the by-product of the ginger tea making process. While these ideas are still in the formative stage they are all still true to the women's original philosophy of "start with what we have". For example, the women of Jagna are renowned for the delicious cookies that they bake. Diversifying into ginger cookie production would use local produce, and draw on local skills to serve a local market. But their vision does not stop there. They ask themselves, "Why not have Jagna be known nationally as the ginger processing district of the Philippines?"

From the Philippines context there is also the potential to go international. Bea Ayala, a Filipino entrepreneur, has identified the potential to sell ginger tea powder overseas and has financed the packaging of 100 kilograms of powder in up-market foil packs with a printed sticker. The foil packs (rather than the usual plastic bags with a paper tag) are being used to promote and market the product in Spain.

Critical Success Factors

Openness, determination and responsibility: In the Jagna community, many negative stories circulate of small enterprises that fail or are not sustainable. This has made people apprehensive about new enterprise initiatives in their community. The "wait-and-see" mentality lives on

because people see substantial financial capital as necessary to begin an enterprise and they have very limited (if any) surplus cash. But these women were open to discover assets other than money and build on this to develop a new enterprise. Their openness, determination and willingness to take on responsibilities has encouraged others in their community that they can begin with what they have. They have embraced the autonomy and independence of investing in their own development.

Proximity: The women who developed the ginger tea enterprise are from one location. They knew each other long before getting into the ginger processing activity as part of the JCW that was involved in credit services and environmental programs in the community.

A supportive environment: They did not have to struggle to win approval of the council members in their community. In the initial stages, the women were given approval to use the local hall as a venue for meetings and, subsequently, ginger processing. During their scheduled group activities, they have permission to use the *barangay* property exclusively without criticism from the other residents.

All members involved every step of the way: All the women participated in the business feasibility study of their enterprise idea. They discovered by themselves the potential of the enterprise they planned to develop in terms of demand for the product in the market; availability of raw materials locally; potential of the industry in the coming years; socio-economic benefits; and also possible environmental effects. This made them realize the potential of the ginger tea enterprise and gave them sole ownership of their endeavour.

Building on local economic practices: Production practices draw on local work traditions that are understood and respected. If one worker cannot attend the production day because of ill health or other commitments another household or kin member will attend in her place, following the rules of *bungus* or reciprocal labour exchange practiced in local agriculture. Again, following local custom, all workers are fed lunch and snacks on the production days. Participants bring a cup of rice each to share and enterprise funds are set aside to buy toppings and snacks. The group are putting aside 10% of their earnings from sale of *salabat* to pay for supplies and marketing costs and have set up a small credit facility that incorporates principles of *repa repa*, the local revolving credit practice.

Market consideration: The group began by drawing on the longstanding *suki* system whereby the seller and buyer develop a relationship that ensures the customer purchases exclusively from the one seller. They also targeted the local market rather than aiming directly for the bigger national and international markets.

Knowing their product: Before they commenced ginger processing, the women studied ginger and the products they could produce with ginger. They equipped themselves with information about promotion and marketing, the process of producing ginger powder, and regularly consume their own product.

Close mentoring and guidance: The women recognized the important role that community organizers and leaders would make to their success. They have had practical guidance on production and received assistance with the analysis of different business options.

Challenges

There is increasing recognition of the group's potential to generate a sustainable income. The demand for the product has already gone far beyond the local *suki* system of preferred patronage. At the same time the expanding membership, ideas for diversification and continued research and experimentation pose challenges to the strength and sustainability of the enterprise. To expand, the women must scale-up production which means moving out of the *barangay* hall to a purpose built processing centre which would also serve as a site for meetings, experimentation, storage and product display. The women must also purchase processing equipment such as a presser and continuous bond sealer to increase production and respond to the demand for their product. All this requires raising substantial funds.

There is a need to diversify markets and not become too dependent on single buyers. The group has experienced how fickle the market can be. For about 12 months they were producing for a large and regular order from an eco-tourism resort on Panglao Island. But suddenly the resort owner, herself a social entrepreneur employing many local people, started producing her own *salabat* and ceased ordering it from the Laca group. They have found replacement customers without difficulty, but this was a valuable lesson.

The group understands the responsibilities of working together and the continued effort and resources required to allow their enterprise to grow. They are keen to draw continued support from the partners that were instrumental to their organization as a ginger processing group.

Details of Enterprise

Year established: December, 2004

Processing: 2-3 times per week, each production round lasts one day

Numbers involved: 6 women regularly active, up to 10 involved

Raw materials: locally grown ginger, bought sugar, local water and wood fuel

Growers: receive 25 pesos/kilo of ginger (previously no regular market)

Women producers: receive 90 pesos/production plus meals and snacks on production days

Market: local consumers, provincial consumers, some international consumers.