

*Aga Khan Rural Support
Programme's Experience of*

Shubinak Project

**Promoting
Women's
Livelihoods
In Northern
Pakistan**



Presentation Outline

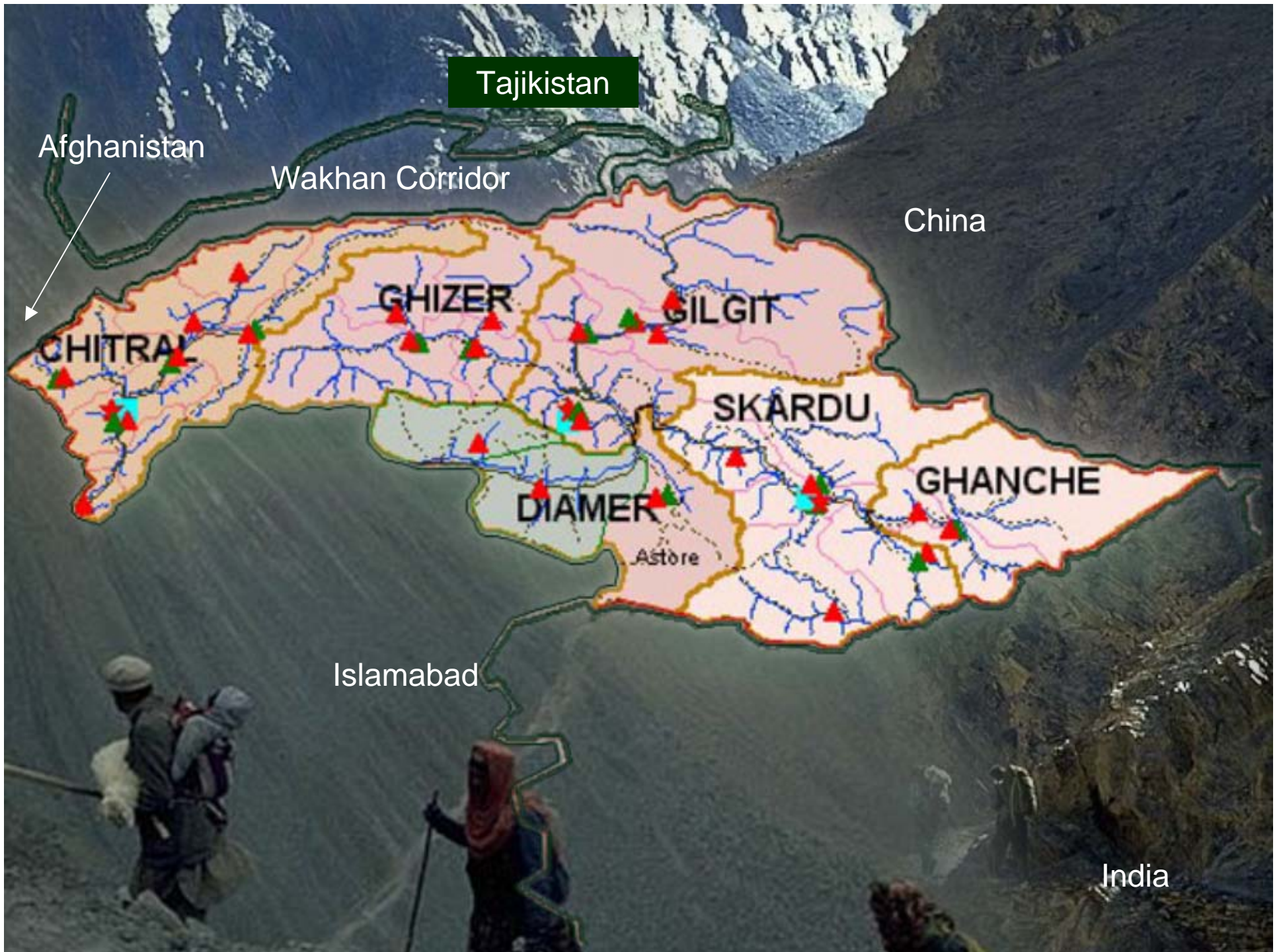
- Background
- Project rationale
- Intervention strategy
- Results – the Report Cards
- Insights from the project
- Present status

Aga Khan Rural Support Program (AKRSP)



- A non-communal integrated rural development program, established in 1982 by the Aga Khan Foundation.
- Work methodology:
Mobilizing communities into village organizations and building their self help capacities, with sectoral focus on Infrastructure, NRM, MF, income generation and gender equity
- Being replicated across Pakistan and several other countries.





Tajikistan

Afghanistan

Wakhan Corridor

China

CHITRAL

GHIZER

GILGIT

SKARDU

DIAMER

GHANCHE

Astore

Islamabad

India

Chitral

- Population 300,000
- Per capita income less than US \$200
- Below poverty line 50%
- Female literacy rate 26%
- Population/sq.km 21



Project Rationale

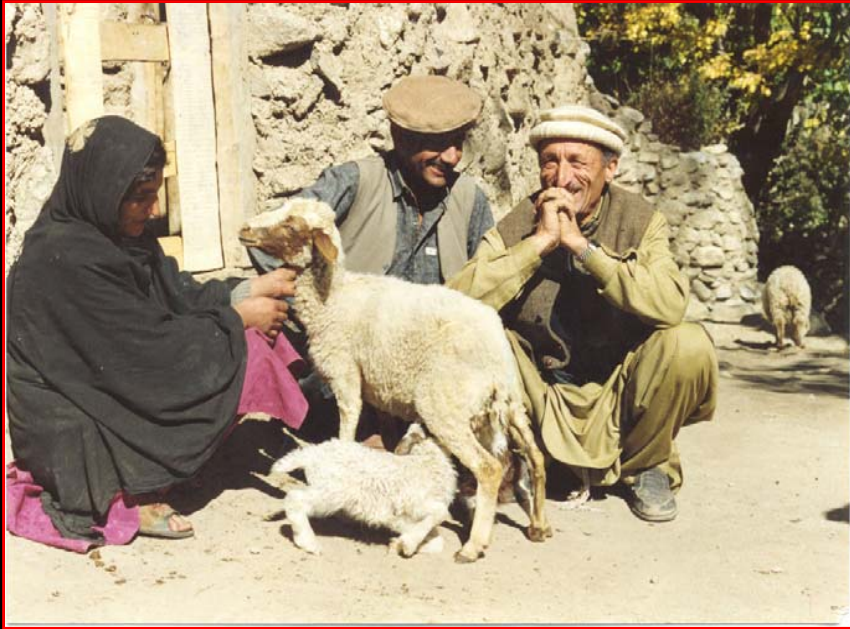
Need to diversify and expand income earning opportunities

- Subsistence farming
- Male seasonal migration to south for work
- Few off farm income earning opportunities
- Even fewer opportunities for women

What lured AKRSP to Shu



- Unique opportunity for income generation and empowerment of women
- Women dominate the shu production chain
 - Spin wool, contract weavers and sell within village*
- Shu making – a centuries old tradition
- Dying – threatened by cheaper machine made shu



Intervention Strategy

- Based on research focusing on production processes and raw materials
- Production lead strategy
Improve quality and sell to high end consumers who value quality and will pay for it!

Shubinak Project

Goal: Increase women's incomes

Development Section

- Social mobilization
- Capacity building
- Improved technology
- Improved access to quality raw materials

Several
Market based traders, wholesalers,
retailers

Design/Marketing Section – Shubinak Shop

- Diversifying Shu usage
- Designing and stitching quality shu garments
- Become a profitable business – finance the DS

Retailing and wholesaling at
selective shops

Premium price paid for
“A” grade shu

Development Section

Report

Card



- Improved Technologies

 - Drum and brush carders

 - Improved looms, shearing apparatus and spinning wheels

- Wool market developed – purchase point established
- Over 3,000 women beneficiaries and about 2,000 men
- Business management skills introduced
- Cadre of women leaders & trainers developed
- Price of “A” grade shu more than doubled to US\$ 2/yard
- Women’s income and negotiating leverage increased
- Improved confidence and self-esteem
- Demand for interventions high

Design/Marketing Section – The Shubinak Shop **Report Cards**

Local Chitral Market



- Shu made-ups diversified
- New designs introduced
- 25 new shu shops in Chitral
- Over 70% of all sales from the Shubinak retail shop in Chitral

National Market



- Complaints about high prices
- Product differentiation difficult
- Short and mild winter
- Competition!

International Market

Disaster!!

- High resources no returns
- limited made-ups possibilities

Expectations based on romantic appeal of shu not real numbers!

Shop finally shut down

Total project cost over US \$650,000

Total sales about US \$100,000

High indirect costs i.e. inputs from AKRSP

Tapping the Upscale Markets....



Some not so obvious, obvious lessons...

- Market research is indispensable!
- Find unmet consumer needs, don't try to “*create*” a market
- Watch the market and exit at the right time
- Business is the domain of the private sector not the NGO – a successful NGO may not be a successful business manager
- Businesses housed within NGO's suffer the consequences of conflicting interests – social development vs. profits

What finally happened....

- In 2003 the shop was shut down
- Subsequently donor support for development section culminated
- Private business women capitalize on business opportunities in Chitral
- Government announces support for development grant of over US \$600,000 to benefit about 9,000 women

Thank you!