

**MEDA – INTERNAL REPORT
FROM BEHIND THE VEIL: IMPACT ANALYSIS
MAY 2007 (ALL STATS FROM PREVIOUS QUARTER)**

**SUSTAINABILITY OF HAND-EMBROIDERED GARMENT VALUE CHAINS IN PAKISTAN:
ASSESSING MULTI-LEVEL CAPACITY, ECONOMIC AND SOCIAL OUTCOMES**

Organizational Level:

MEDA

As a result of designing, implementing, coalescing learnings, and reporting on the Behind the Veil IGP project, MEDA developed its own organizational capacity as follows:

- Increased capacity for value chain analysis and programming
- Strengthened MEDA's position as a facilitator, and a leading INGO for value chain development in the MED industry
- Greater ability to discern and assess innovative market mechanisms for application in market development programs
- Developed expertise in creating and evaluating sustainable market systems (above and beyond enterprise sustainability)
- Experience in three provinces of Pakistan – Sindh, Punjab and Balochistan
- Better understanding of Pakistan – socio-cultural, economic, political
- Enhanced knowledge of women's roles in Muslim countries and appropriate economic programming
- Contribution to development of a large scale-up women's economic empowerment project for CIDA funding, and parallel consultancies in Pakistan for DACAAR and ADB

ECDI

ECDI expanded its operations and capacity as a result of the program and its partnership with MEDA:

- Increased capacity for value chain analysis and programming
- Strengthened ECDI's position as a facilitator, and a leading NGO for value chain development in Pakistan
- Greater ability to discern and assess innovative market mechanisms for application in market development programs
- Developed expertise in creating and evaluating sustainable market systems (above and beyond enterprise sustainability)
- Deepened experience in three provinces of Pakistan – Sindh, Punjab and Balochistan
- Developed a number of young promising staff, exposing them to the complexity and rigour of a value chain program and the demands of international donors
- Enhanced capacity to implement and report on a long-term international project with a key INGO partner
- Rural facilitators who are local staff have seen considerable empowerment in their communities and families, as well as increased capacity to operate as a business development provider and/or facilitator
- Rural facilitator families have also often become empowered, with a number of instances where a family member has invested in and operates a buying house.

- Contribution to development of a large scale-up women's economic empowerment project for CIDA funding

Enterprise Level:

The following comments relate to impact at the individual enterprise level. Further comments about the market system follow.

Rural Embroiderers (REs)

Total 9330 REs

Average active per month 6150 REs

Income Total Reported (from program sales agents) 23,021,445 Rs/- (\$397,000) per quarter

Average Income for all participants per quarter = \$42

Average Income for active participants per quarter = \$65

Average Income for active participants per month = \$22

Rural Embroiderers produce embroidered garments for sale through CSAs and LSAs. They are generally homebound, and work on order. At the enterprise level, REs achieved greater sustainability through better capacity to design or incorporate new designs, greater attention to quality control, an understanding of time management, costing and pricing skills, improved access to markets, increased income. At the beginning of the program, they earned approximately \$6 per month, so incomes have more than tripled during the life of the project. Also, the project goal was to reach 6000 embroiderers, and that number has been surpassed with official counts (and likely to be even greater when underreporting accounted for).

Urban Garment Makers (UGMs)

200 UGMs

Income Total Reported 467,364 Rs/- (\$8058) per quarter

Average Income for all UGMs per quarter = \$40

Average Income for all UGMs per month = \$13

Urban Garment Makers stitch clothing. The original intent of the program was that they would make clothes from the fabric of rural embroiderers for the ready made market. However, the quality of their stitching is not high, and they make clothing for local markets. This has turned out to be a very successful part of the program, providing considerable income for very poor women and girls, even though it has not occurred in the way that was originally planned.

Sales Agents (SAs)

Total SAs 213 (4 Male)

Average active in program 175

Total Sales Income Reported 33,438,944 Rs/- (\$579,000)

Average Income for active participants per quarter = \$3300

Average Income for active participants per month= \$1100

(This results in approximately \$200 profit per month per SA)

There are two different kinds of SA, reported below.

Community Sales Agents (CSAs)

118 CSAs active (from 175 SAs)

Community Sales Agents are rural lead embroiderers or urban garment makers who take on a market access role and represent groups of REs or UGs. CSAs

engage with the market via LSAs, buying houses or directly with buyers through exhibitions and direct connections. CSAs developed all of the abilities outlined for REs/UGs above, and also in their capacity to manage orders, to supervise groups of producers, to respond to market demand (time, quality, designs), to negotiate with buyers (LSAs and/or wholesalers), to participate appropriately in exhibitions in major Pakistani cities, and to access suitable input supplies (and in some cases to set up outlets). The income of CSAs is expected to rise dramatically in the final months of the project as their activity has taken off.

Local Sales Agents (LSAs)

57 LSAs active (from 175 SAs)

Local Sales Agents are town-based sales agents that usually work with heads of the REs groups. LSAs interact with the market through their own home based boutiques and retail outlets, buying houses, exhibitions and directly with wholesalers and exporters. LSAs have improved their ability to survive in the market through the development of design skills, access to others' designs, understanding of and access to packaging, order management including scheduling, supervision and quality control, negotiation with buyers and costing and pricing, the running of home boutiques and retail outlets including merchandising, staff management, bookkeeping and business planning, participation in exhibitions in Pakistan and abroad, and establishment of input supply outlets for CSAs and embroiderers. All LSAs have their own direct embroidery groups now. and deal with a head not an CSA.

Buying Houses (BHs)

Total 6 BHs

The income of BHs is reported under sales agent revenues.

Buying Houses consolidate the work of many groups of REs by working with CSAs. BHs sometimes sell directly to the public, but more importantly provide samples of merchandise to a range of buyers, and manage large orders by distributing them through the system. BHs are sustainable due to their enhanced capacity to manage a business (planning, financial management, staff supervision, merchandise display), manage large complex orders, distribute work and negotiate with CSAs, deal with sophisticated buyers, adhere to design and quality demands, and invest capital in production. LSAs do not participate in BH (although may own one) and some CSAs now also operate BHs: e.g., Shahida Bashir, in Hyderabad. Buying house translate to quantity. They are beneficial to REs since CSAs can get bigger orders because they don't give big margins and try to keep embroiderers busy.

Input Suppliers

Total: 5 new women friendly Shops in Market / 12 old women friendly Shops / 10 community Shops

Input Suppliers provide thread, ribbon, sequins, other notions and sometimes fabric to LSAs, CSAs and REs. ISs are responding to consumer and producer demand, and stocking appropriate quality materials for the production of embroidered garments. New IS shops that are women-friendly have been opened in rural areas and towns – in some cases, these are supported by CSAs, LSAs or buying houses, and are therefore closely integrated into the market system and responsive to demand. CSAs and LSAs are able to go to shops in the market so access to input supplies are not as much of an issue for them.

However, in some cases, the identification of shops, reputable dealers and the upgrading of appropriate inputs were needed to improve viability of the system.

Tracer Designers

40 TDs

Total Reported Income from Program 368,575 Rs/- (\$6354) per quarter

Average Income per quarter = \$159

Average Income per month = \$53

Tracer Designers print outlines of designs on fabric for women to embroiderer. The sustainability of TDs has been upgraded through improved capacity to design or to respond to consumer demand. This has been handled by trainings organized by the program. A limited number of women TDs have also been trained and offer access to REs who are unable to leave their community or meet directly with men. As a side note, Quetta and Thatta don't use traced patterns (either count threads or do designs freehand) but this is an important consideration in Hyderabad and Multan (which both have some trained women TDs now).

Enabling Environment:

Government

Government enabling environment does not play a strong role in this project. Many of the businesses are registered and pay taxes (with a national tax number). The benefit of being registered is that they are eligible for subsidies, and are able to travel abroad for business purposes. Shopkeepers need to be registered also in order to have a place in the market. Registration has not proved to be an issue in the project, and benefits are currently limited. As the program grows, particularly with the CIDA expansion, it is expected that greater pressure can be exerted on government agencies dealing with exports, handicrafts, women, and business.

Exhibitions – Inside Pakistan

The government subsidizes up to 85% for stalls at national and international shows in Pakistan (Lahore, Karachi and upcoming in Islamabad) and the program has taken full advantage of this as appropriate.

SMEDA

The Small and Medium Enterprise Development Agency has a "One village – one product" program. This has been assessed for applicability to the IGP program, and one group from our project in Awaran was selected to be part of SMEDA program – the main benefits of participation are market support and exhibitions.

Trade Fairs – Outside Pakistan

Subsidized trade fairs in India (Mumbai, Delhi, Hyderabad and Calcutta) have been made available to program participants. One Karachi sales agent was completely subsidized to go to India and participate.

Social Welfare

Project clients are not generally taking advantage of social welfare since this is not viewed as a sustainable resource. For example, Shahida Wali – general

secretary of AWESOME in Quetta did not want subsidized travel for exhibition participation but negotiated support for a three day exhibit.

Socio-Cultural

The project has contributed to significant socio-cultural changes in the lives of women participants.

Changes in Women's Roles at Home

Almost all women report increased contributions to household decision making, control over their income, greater respect from their husbands and in-laws, enhanced feelings of self-confidence, more hope for their future, and general empowerment. In a few instances, we have heard of unmarried women becoming more vocal about the kind of man they would like to marry, and have requested that their parents seek a partner who will support their desire to be an entrepreneur after marriage.

Spotlight on Shahida Afzal Baloch, Quetta: Shahida Afzal Baloch is a Balochi girl from a conservative community. Although there was some family resistance, Shahida participated in the program and became a sales agent. She brought many Balochi women into the program (50 REs) who are now benefiting from increased income and market access. Shahida attended exhibitions in Karachi and received orders from wholesalers – in particular, her short shirts were very popular. While in Karachi, a man saw her and a marriage proposal was made to her family – the young man moved to Quetta in order to advance his cause. Shahida wanted to be sure that she could continue in her business before agreeing to the match, and this has been affirmed.

Changes in Women's Roles in Society

Community sales agents (who were originally REs), local sales agents and buying house operators have much greater mobility in their own communities and for traveling to urban centres to participate in exhibitions and to negotiate with buyers. These women have developed their capacity to travel across Pakistan, to run businesses, to engage with men in business, and to form support networks. Commonly, CSAs and LSAs have become women's advocates, community mobilizers and social entrepreneurs.

Spotlight on Saleem Bokhari, Multan: Saleem Bokhari was an extremely downtrodden woman in the conservative Nawabpur village 18km from Multan – known for honour killings, and orthodox social practices against women. Saleem herself was emotionally and verbally abused by her husband, and was completely covered in a black veil in any public venue. When she first attended program trainings, she did not remove her veil in the training venue and her husband would wait outside the room for her. The family was very poor, with two adobe rooms and a small courtyard. Saleem became a CSA in her neighborhood in Nawabpur and she currently represents 130 REs. She is known to be extremely fair and socially minded. As her prosperity has increased, she has provided more for her family and community. At home, she enlarged her house which now has two upper rooms. During the day, she has turned the main floor rooms into a children's school which community children now attend for a

small private school fee (a sorely needed service in many such communities) (70 Children registered – 50 boys/20 girls). Saleem's daughter is a teacher in this school. In her community, Saleem has also enabled other women to develop their businesses – not just REs, but she has also assisted women to become a tracer designer, input supplier, fabric shopkeeper. She says she also encourages women to stand up for their rights and to not allow themselves to be mistreated as she once was. As a result, Saleem is now respected both at home and in the community; she is no longer abused by her husband, but seen as a valuable contributor. Saleem travels to Karachi to participate in exhibitions, and on her own initiative has developed relationships with buyers and shopkeepers from whom she takes orders and distributes in the community. We don't think that Saleem's story will end here.

Women's Groups and Associations

As a result of participation in the program, women have much more freedom to meet in groups than previously. This includes – training sessions, work groups, exhibitions, buying and selling sessions, peer meetings etc. An association of sales agents has been formed – AWESOME (Association of Women Entrepreneurs in Small or Micro Enterprises) in Hyderabad, Quetta, Karachi and Multan. Women meet on a regular basis to plan events, share information, collaborate on orders, and plan for advancement of their businesses.

Spotlight on AWESOME, Quetta: LSAs and CSAs in Quetta have come together to form an association of about 30 members. In May 2007, modeling early project facilitation activities, the Quetta chapter of AWESOME organized an exhibition of their products which was promoted on television, with banners and in newspapers. During one evening, the chapter hosted a dinner in a restaurant, inviting project personnel. Not a single male family member was present which was unheard of prior to the MEDA-ECDI initiative.

Family Benefit

Through women's contributions, more children are attending school, household nutrition has improved, families experience increased facilities and comfort, and girls are being brought into the family business, and sons are growing up in households where mothers are respected contributors in thousands of families.

Spotlight on Zohra Pathan, Hyderabad: Zohra Pathan was married to a much older man who was infirm and suffering from a form of dementia. In order to support the family, she would go from door to door selling fabric for women's outfits. On joining the program, she set her goals higher, both in terms of the quality of the product and the price it would fetch, and in how she would engage in the market. Zohra has opened an upscale boutique in Hyderabad (her nephew-sister's son financed her). Her oldest daughter is currently registered in college, she helped her widowed sister who has since joined the Behind the Veil program, and she has a steady upper income client base. The entire family has benefited from Zohra's efforts.

Male Family Member Involvement

Men have become involved in the program in various ways – supporting their wives, mothers or sisters, accompanying their womenfolk to difficult areas, becoming partners in the business, picking up things at the market, making deliveries, and so on. In general, men seem proud of women’s accomplishments, and respect the value that they contribute to the household.

Spotlight on Noor Jehan Khatri, Sajawal (Thatta), Sindh: Interior Sindh is one of the most conservative areas of Pakistan. In 1999, 1000 honour killing reported in Sindh. The project facilitators have to be extremely careful about their behavior in terms of sitting in a car alone with a driver, getting down from the car in a public place, and engaging with men in the value chain. It is in this context that some husbands have decided to support their wives’ efforts. Noor Jehan Khatri’s husband traveled from place to place with his wife enabling her to conduct her business as a sales agent. He also accompanied her to participate in an exhibition in Karachi. Because of this support, other husbands have allowed their wives to travel to Karachi with Noor Jehan and her husband, to sell their products. The last trip to the Karachi buying house witnessed seven additional women traveling on the bus with the Khatries.

Market System Level:

Annual Numbers (April06 to March 07)

	Total Suits Sold*	Total Sales for SAs	Total Paid to REs	Total Paid to UGMs	Total Paid to Designers	Total Profit SAs
Quetta	1634050	17002760	8791140	-	0	4324430
Multan	73316	53367650	29885810	-	870580	11708765
Thatta	34965	24812090	22083975	-	293685	6950020
Karachi	29182	2587191	-	1627376	-	561932
Total	1771513	97769691	60760925	1627376	1164265	23545147

Underreporting Issue

We believe that project benefits are under reported. The major reason is that the facilitators do not have an eye to analyze and include everything. They only use the given format, fill it up and send it back to the monitor. We have only 1 monitor who visits all the areas and is left very little time with each center, so quite a few things are ignored. We are preparing new formats for the facilitators and some training for the coordinator to oversee day to day development in various areas.

LSAs are now underreporting. They have own groups of REs that aren’t officially in the program but have benefited from the LSAs training and market linkages. Also some CSAs have many REs that aren’t counted because they aren’t dealing with the target markets we have identified. Nevertheless, their incomes have been raised by increased market activity.

Facilitators have simple tools for reporting and not capturing all the results. We need to analyze further to capture full results. All the key players participating in the value chain are benefiting from the program, but social or economic benefits gained by each individual are not included in the reporting formats. Only participating SAs benefits are being reported, while others like families, neighbors, institutions (Government or NGOs,

Chambers), micro credit schemes, consumers, urban fashion boutiques, garment shops, technical trainers, instructors and staff are not. Also overall social entrepreneurship awareness in three regions is not being considered as a benefit.

Examples of Underreporting:

Kabirwala, Multan – not reported not reported since they didn’t participate in trainings or exhibits

Kabirwala is being reported in Multan region not separately because we have very few selected SAs from that region and they all agree to participate in training at Multan. However technical design training was conducted in Kabirwala recently. Buying house has been opened in Kabirwala which will be reported in the next quarter.

Shamim Akhtar not fully reported (security),

Shamim is actively participating in all programs which are arranged for Karachi SAs. Rozina the facilitator does not visit her center regularly because of clashes between different groups in the area.

Bahawalpur (traveling issue but sales agents involved)

We did not create a separate center for Bahawalpur but they come to participate in all events in Multan or Karachi.

Spotlight on Asia, Multan: Budding sales agent – CSA moving to LSA – now she doesn’t embroider and she is a leader.. Has a huge network of embroideres – working in three area. Her product is demanded in Karachi – where she used to live in part of Nawabpur. She had a group and Kosar came to know about – she put her embroideres to Asia and started another group for herself. Kosar has own group too – VERY high aalls. Not so poor but they are completely immobile . We don’t know how many are connected to Kosar m,aking rural dupattas Others like ttown hat working with Asia. Asia has moved to th e and also has groups in Banboosan. Not being reported.

Projections

Projections are based on the analysis of the two-year chart below. We note that the average income of participating REs and SAs have grown by 50% in two years, while the number of REs and SAs has increased more than four times. The comparable growth in incomes and numbers between REs and SAs demonstrates that the program has been consistent in maintaining non-monopolistic structures, and that the original business model (numbers of REs to SAs) remains constant. This means, however, for breadth of impact to increase (more REs) then more SAs will have to enter the market system without benefit of program training after the life of the project. We do observe this happening as family and community members become SAs and as REs graduate to the sales agent level. It is without a doubt that growth will slow without program support. Therefore the following projections are modestly fixed at somewhat less than 10% per year based on household and community influenced growth.

	Number of SAs With Orders	Number of Active REs	Number of active UGMs	Total Sales for SAs (Rps)	Total Paid to Producers (Rps)	Average Monthly Income REs (Rps)	Average Monthly Income UGMs (Rps)	Average Monthly Income SA (Rps)
Jun-05	35	1654	45	5,584,396	4,425,000	877	528	53,185
Dec-05	82	1838	117	13,584,481	5,969,981	1,029	838	55,221

Jun-06	159	4936	187	26,153,257	16,960,853	1,115	811	54,829
Dec-06	159	4936	187	26,153,257	16,960,853	1,117	811	54,829
Jun-07	174	6546	200	37,043,406	25,854,408	1,286	792	70,964
Jun-10	225	9700	260	49,000,000	33,000,000	1,600	1,000	92,000
Jun-15	330	9500	380	70,000,000	48,000,000	2,300	1,450	135,000

Market Demand

The project built on a gap in supply and demand in the market place, but also created consumer demand through the creation of boutiques and buying houses, promotion to buyers, advertising to consumers, and availability of products in stores that did not previously carry hand-embroidered garments.

Spotlight on Abdul Hamid, Retailer, Gulshan, Karachi: Abdul Hamid is a shopkeeper in Karachi that specializes in fabrics for women’s outfits. The business has existed for 10 years, selling conventional unembellished fabrics. The program introduced Abdul Hamid to the embroidered fabrics produced by clients, and connected him with a sales agents. Now he is ordering in bulk from sales agents and launching new items in the shop on a regular basis. Further, he has a flare for design, and provides his own patterns to the sales agents – based on the different motifs that are traditional in their areas – to create innovative and contemporary products for his customers.

Spotlight on Mohammed Tariq , Jinnah Road Quetta: Mohammed Tariq operated a low value wholesale shop in Quetta, sourcing inexpensive goods from producers and reselling them to other buyers for a low markup. When he saw the program products, and attended a seminar for buyers that presented the new business opportunity, he learned about the potential value of high end products that reach more well-to-do customers. Mohammed Tariq changed his business to a trendy retail shop, and now earns more money catering to high end consumers. He is also able to pay more for products so the entire value chain benefits from his new focus. During a recent exhibit in Quetta, he arrived before the doors opened to view new product offerings and to place orders.

Product Development

The program originally envisaged that professional designers would have to participate in order to achieve innovation at the level required to drive the high value markets. Designers were invited to seminars, and their trainings to sales agents increased awareness about contemporary embroidery (less dense, more tone on tone, new twists on old patterns, quality), but in general, their on-going design services have only been used by some while other ‘designers’ have filled the gap:

- Many sales agents themselves have proven to be excellent designers. They take tried and true patterns and adapt them to modern tastes. From their engagement with markets – both buyers and consumers – they are able to adapt designs on a regular basis, always providing something new that appeals to the Pakistani consumer. Sales agents also observe each others’ designs at exhibitions and seminars and adopt innovations from these venues.

- Buyers often provide their own designs – from retailers such as Abdul Hamid, to buying house owners such as Najma Rauf in Karachi – and they are proliferated through the system.
- Tracer-designers provided traced patterns in Multan and Hyderabad. These designers have been trained by the program and are able to offer more contemporary services to the sales agents. Sales agents are also more able to give feedback to the tracer-designers. So, for example, a portion of a tracing pattern will be used for a border, rather than an all over design.
- Some buyers such as Shamshad have introduced their own designs in Thatta region which have been popularized, and others purchase her designs fabrics and provide them to their selected CSAs.

Regional Cross-Trading

At exhibitions, sales agents are exposed to each others' products and realize the potential to sell embroidered fabrics from other parts of the country in their own regional shops and trade fairs. For example, Naila Noman from Bahawalpur trades with Shahida Bashir in Quetta – shipping orders to one another to sell to their local clients. This was an unexpected result of the project that happened independently as the market system evolved.

Upward Mobility

The project has witnessed considerable upward mobility in terms of the market system: rural embroiderers have evolved to become CSAs and community leaders, LSAs have opened boutiques, retail outlets, and buying houses – becoming wholesalers in their own right; homebound women have become active and mobile entrepreneurs; and women in general have become more sophisticated in terms of engagement with the market, buyers and consumers.

Spotlight on Mumtaz Begum, Multan district: Mumtaz Begum attended a training in 2003 during the market research phase of the project, almost a year prior to the launch of the Behind the Veil program. Mumtaz lived in a village in Multan, had only embroidered for her own and her daughter's clothing, and had never operated a business of any kind. Through involvement in the program, Mumtaz became an RE working with a group of embroiderers. Mumtaz attended the first exhibition in Karachi in 2005, and the positive response by buyers to her products motivated her to work hard and develop her business. Her commitment and natural abilities led her to become the leader of her local group and eventually a CSA. Now Mumtaz represents 90 rural embroiderers. She sells 75% of her products through Hina's buying house in Multan and the program has encourage her to work directly with buyers/wholesalers in selling the other 25%. Through program linkages and attendance at exhibitions, she is able to make these connections. Mumtaz has improved her life and the lives of REs in her village significantly – at home, she has built a proper latrine and a shower room, she has installed a washing machine, her family is well fed, her daughter continues to attend school, and she has established an input supply shop in her compound for other women.

Vertical Linkages

Generally healthy vertical linkages have been developed in the program. Many of the women and men throughout the value chain have emerged as social entrepreneurs who value the double bottom line – financial and social. In the early days of the project, it was

necessary to work hard to enable value chain actors to see each other as collaborators (with a common goal) and not competitors, and this has continued to develop as benefits are realized throughout the market system.

REs /UGs to CSAs

REs and CSAs by definition belong to the same community. CSAs are embroiderers themselves, and often began as a member of an RE group and then emerged as a leader. As such, the relationship tends to have strong social capital and relative levels of trust.

REs /UGs to LSAs

Initially, REs were connected directly to LSAs. This turned out to not always be a positive relationship since LSAs were often outside the community and therefore not as vested in the welfare of the REs. Generally, REs connect to LSAs through a CSA. Where the original model has been maintained, REs have continued the relationship because it is beneficial to them and their group.

CSAs to LSAs

CSAs may be mobile or homebound. Homebound CSAs connect to the market through CSAs, mobile CSAs access markets on their own as well as buying houses and other buyers. LSAs are vested in the success of lead producers – in order to have a well-functioning group of producers, a lead producer needs to be competent, skilled and able to manage an RE group or groups. As such, there is respect and sharing of information between these two groups.

CSAs to Buying House

CSAs often market their groups' products through buying houses in Karachi, Multan, Quetta and Hyderabad. The buying houses offer orders, order management and quality control, as well as a showroom for interested buyers. For example, Shahida Bashir in Quetta runs a buying house in Quetta that supports CSAs, providing market access mainly to wholesalers. On a side note, Shahida Bashir's husband is otherwise unemployed, and he works with her to manage this market oriented business.

CSAs to Buyers

An unexpectedly high number of CSAs deal directly with buyers such as wholesalers and retailers. The interaction with wholesalers and exporters requires a level of sophistication, negotiating skill and the potential to deliver according to the buyers needs. Some CSAs have risen to this challenge and exceeded all expectations in terms of engagement with male buyers. Once she saw the opportunity, Salim Bohari (spotlighted above) from Multan district, found her own buyers in Karachi, without project support, and is now able to provide increased work to her network of homebound REs.

LSAs to Buyers

As town women, often educated, running their own boutique or retail outlet, LSAs are reasonably well equipped to deal with buyers. Large orders may come through them to CSAs or RE groups. LSAs are able to negotiate with buyers, understand the prices that goods fetch in the market, and know what orders are

reasonable. These relationships are sometimes subject to unfair practices, but LSAs are able to find alternate buyers (often with the project help).

Spotlight on Saba Mumtaz, Hyderabad: Saba Mumtaz in Hyderabad was introduced by another sales agent to the Behind the Veil program. Saba attended a meeting where she had only two kurtis to illustrate the potential of her business. Saba had investment capability that she could leverage to expand her business, and she now has more than 250 embroiderers in her network, achieving more than 50,000 Rs/- (ca \$1000) monthly profit. Saba is an excellent example of a women entrepreneur who started from nothing, now actively engages with wholesale markets, and has established income generation opportunities to previously unemployed women.

EXPORT MARKET

Although the project has not focused strongly on export markets, the improved products, increased availability and awareness of market potential has led to the entry of program products into export markets. Initially, some wholesalers who were linked to the project and were already established to export markets Iran and India began to place orders. More recently, our sales agents have begun to engage directly with export markets and they are exporting to India, UAE, Canada, Nairobi and South Africa.

Spotlight on Fakhra Hamid, Hyderabad: Fakhra Hamid has begun exporting to India – Bombay and Calcutta. She attended trade show in Karachi and found buyers from India. Then, she learned of exhibitions in India in Bombay, Hyderabad, Calcutta and Delhi– as a result, she established new buying relationships and is now exhibiting in India on a regular basis and her sales are reported from Rs. 300,000 to Rs. 800,000 with a profit margin of Rs. 100,000 each trip.

Spotlight on Anjum Anees, Karachi: Anjum Anees is an LSA based in Karachi. Through a range of contacts, she exports embroidered fabrics to Canada, Kenya, and South Africa. The project provided a link to a foreign buyer, and she is now the biggest exporter in the project. Monthly sales ranging from Rs.200,000 – Rs. 700,000.

Input Suppliers to REs and CSAs

Initially, some input suppliers took advantage of REs and CSAs and their need for embroidery supplies on credit. For example, they would be offered input supplies on credit through an arrangement with a buyer on whom they were dependent for an order. When the goods were completed and sold, payment for input supplies was withheld at a premium, considerably reducing the expected profit. With the opening of input supply shops in rural areas, the provision of inputs with large orders, and the stronger capacity of women to seek other suppliers, this relationship issue has evolved into a straightforward business transaction.

Spotlight on Aamee Khatri , Jar, Thatta, Sindh: Aamee Khatri is a village girl living in one of the poorest project sites, Jar. Jar is a crowded village, too poor for compound walls in many places, suspicions of child labour (beyond the normal at

home tasks and contributions), and few resources. Aamee's dream is to have an input supply shop in the village where she can support the development of the market system in Jar, and become a business woman in her own right. She showed us a little mud room where she would house the shop, in her extended families crowded and noisy compound. The program is currently examining ways to assist Aamee in a sustainable way, keeping in mind security issues and long-term viability.

Horizontal Linkages

The project has worked to develop horizontal linkages between women. Although not always easy and relaxed, positive linkages have been established. This is especially significant as women did not have the opportunity to connect with others outside their family. Now they frequently view each other as allies. Ethnic tensions in Balochistan make this somewhat more complex, but generally the horizontal linkages enhance women's participation in value chains.

RE / UGM Groups

Women in villages and urban slums have come together to work in groups, fulfill large orders, share resources (e.g. sewing machines), be trained, exhibit and participate however possible. For the most part, women report mutual support, sharing and a positive interaction with others. Frequently, this is the first time women have been involved in group activities outside of immediate family, and it has provided them with support, hope and energy to move forward.

Spotlight on North Karachi Sewing Centre: North Karachi is home to a large slum of domestic workers. As parents are absent from the home to work, children are left in the care of older siblings or to care for themselves. Girl children are admonished not to leave home, do not attend school, and have few prospects except to continue as poorly paid domestic workers. Prior to the Behind the Veil program, ECDI had set up a training centre for girls, but it had fallen into disuse, and equipment had been stolen. As part of the MEDA-ECDI initiative, the centre was revitalized and set up as a stitching centre. A trainer – Shabana Baig – was hired to work with the girls. Shabana not only provided skills training, but she also acted as a chaperone which gave parents confidence to allow their daughters to participate. In some cases, older women are also part of the group. There are fifty girls and women participating in the centre now. With a few sewing machines purchased, training on cutting and stitching, there is quite a lot of income generation activity. In fact, each of the 50 girls/women now owns a manual sewing machine and works at home. In some cases, they sell to neighbours, while others are selling to employers of domestic workers. The original urban facilitator, Najma Mobin, helped the group set up savings boxes – each week the 50 producers contribute 20 rupees each (about 35 cents), and a name is drawn whereby the winner receives the entire 1000 Rs/- (\$20+). With these funds, they buy a motor for their sewing machine so they can work more efficiently, and some additional equipment such as an iron, a cutting board, or sometimes personal items for the home. By the end of one year, every participant will have a motorized sewing machine and capacity to earn much more than they would in domestic labour.

LSAs / CSAs – AWESOME

144 total members

Association of Women Entrepreneurs in Small or Micro Enterprises

SAs are part of a network called AWESOME. They come together for training, exhibitions, mutual support, and so on. The groups are becoming more independent, and have started meeting regularly, advertising, planning exhibits, motivational support, social, and other activities for mutual benefit.

Hyderabad - 27

Multan - 36

Quetta - 27

Karachi – 20 UGMs & 34 Home Based Boutiques

Chambers of Commerce – Business Mainstream

Sales Agents of Awesome – 35+

A number of SAs have been invited to participate as members in their local Chambers of Commerce in Karachi, Multan and Quetta. This brings women in the embroidered garment subsector into the mainstream. Benefits of being in the Chambers are prestige, recognition, networking, participation in marketing events, and lobbying of local government.

Community Level Support Services

Services are being developed at the community level, providing previously unavailable support to homebound women. These included embedded services of CSAs such as market access, design, quality control, order management and input supplies (as part of orders). Concurrently, some standalone fee for service supports are also developing. These include: village level tracer designers, input supply and fabric shops. As the market system develops and women avail themselves of these services, it is anticipated that they will be further expanded and strengthened.

Culture of Social Entrepreneurship

An unwritten goal of the project has been to create a culture of social entrepreneurship within the embroidered garment value chains. Indeed, this supports the USAID approach of nurturing a balance amongst value chain actors in terms of power and benefit. Although other ‘commercial’ mechanisms have been put in place to redress imbalances – producer groups, lead producers from the community level, access to information, access to services – creating a culture of social entrepreneurship further supports this goal. One might question if this is truly private sector, but we would argue that as corporations have a business culture so value chains can develop a business culture – by appropriate leadership and selection of key players (see upcoming paper: Shaikh and Jones, 2007). ECDI has worked hard to select focal entrepreneurs (buyers, buying house operators, community sales agents, local sales agents) who are committed to a double bottomline and so promote the culture of social entrepreneurship throughout the system. In addition to such stories as Salim Bohari and Mumtaz Begum above, the following are additional examples of social entrepreneurs in this new market system.

Spotlight on Gulhasina Hashmat, Multan – Gulhasina Hashmat is a widow living in Multan. She was very dejected by her condition when joining the program. Today she is a vibrant business woman who pays fair rates, engages her group on a weekly basis – feeding them a cooked lunch when they come to drop off and pick up orders – and is concerned for their welfare.

Spotlight on Seema Shahbaz, LSA, Karachi – Seema Shahabaz is an LSA in Karachi who has taken it upon herself to provide training to others as well as motivation and guidance to encourage their participation in the market.

Crowding-In and Replication

As sales agents have become aware of the opportunity, more women have either asked to join the program or have set themselves up in parallel with the program. Some participate in a few trainings, and continue to develop their own networks, others enter the program in order to access new market opportunities, others operate independently observing the program success. The system has become self-replicating. MEDA and ECDI have worked with LSAs and CSAs to establish a sales network. What we have observed happening is that LSAs and CSAs are creating their own networks, that often go layers deep, fanning out to reach more and more producers. As such, new CSAs are created, and some sales agents report in excess of 500 embroiderers in their own networks.

Spotlight on Liyari , Karachi: Liyari is a notorious slum in Karachi, with reported drug activity and other violence. MEDA-ECDI set up training program for women cutters and stitchers, and the first women’s tailoring shop was opened. The lead tailor and shop proprietor, Shamim 30, has continued to train other women. She finds that there is a lot of attrition – as soon as she trains a batch, a significant number set up shop for themselves and are no longer available to her on a piecework basis. Given the environment, it is very difficult for us to report accurate numbers, but Shamim’s shop is thriving, her tailors are busy, she continues to train, she has built new rooms on her house, and she has set up a children’s after school tutoring centre.

Spotlight on Kousar Kiyani, Nawabpur, Multan: Kousar Kiyani is an RE and part of Asia’s group. She has her own subgroup of 50 REs and would like to become an official CSA with the program, receive training, participate in exhibits and become a business woman in her own right.

Innovation

The program continues to find innovative solutions and encourages innovation amongst its clients. This includes innovation in product design, selling and marketing, access to services, reaching remote embroiderers and so on.

Spotlight on Najma Rauf, Karachi – Najma Rauf operates the buying house in Karachi. She was deserted by her husband, and returned to her mother/brother’s house in Karachi with her small daughter. She was motivated to earn her own living, and with support of her family, invested in the buying house. She was not satisfied with domestic orders, and began promoting products to family in the Diaspora in the USA. Other LSAs and CSAs have also begun to market products abroad through family members in the Middle East, Europe and North America, recognizing the appeal of the products to Pakistani women overseas, as well as adaptations for export markets.

Entrepreneurship

The program has supported and encouraged women to become entrepreneurial. In particular, training offered by ECDI to sales agents focuses on entrepreneurship development.

Spotlight on Shamshad Ansari, Karachi – Shamshad Ansari began with two knitting machines and a home based boutique. She progressed to becoming a program LSA, the proprietor of the buying house and now she has combined her LSA business with being an exhibition organizer. Shamshad finds out about exhibitions, buys group stalls at discounts, resells to other LSAs for less than market rate, and subsidizes the cost of her own booth. This turns out to be a win-win for all concerned. In one instance, for example, she rented a group of stalls for network members, negotiating a reduction in price from 10,000 Rs/- to 4000 Rs/- and then rented out taking a markup of 1500 Rs/- so each sales agent paid 5500 Rs/-.

Program Gaps:

Key program gaps are as follows;

M&E

Monitoring and evaluation tends to underreport. It would be valuable to understand the full impact of the program on clients and others around them. See previous section on underreporting for more details.

Microfinance

A number of women at the sales agent and buying house level have indicated that they could respond to more orders, participate in more exhibitions, and increase sales if they were able to access loans for equipment, input supplies, travel etc.

Funding Limitations

The program had an extremely small budget - \$600,000 over three years. This has meant that junior staff have been used where more seasoned professionals would have been appropriate, that exhibitions were occasional rather than regular venues and that full potential of REs and others have not been realized. Opportunity still exceeds program activities.

Urban Garment Makers

The original intent of involving UGMs in the program was to utilize embroidered fabrics and to make outfits for the readymade market. Due to low capacity of stitchers in urban slums, and the time it has taken to improve their skills, this has not been realized. However, UGMs have been very successful in their own right as noted above in the case let on North Karachi.

Recommendations / Next Steps:

- Count of program participants, and others impacted, both quantitative and qualitative impacts
- Better definition / understanding of market system sustainability such as copycats, crowding in, relationships, linkages
- Preparation of selected case studies
- Planning for extension and/or involvement in new program to crystallize results