

**FROM BEHIND THE VEIL:
ACCESS TO MARKETS FOR
HOMEBOUND WOMEN
EMBROIDERERS IN
PAKISTAN
Semi-Annual Report**

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USAID IGP Semi-Annual Report

January 1 – June 31, 2005

EXECUTIVE SUMMARY

MEDA and ECDI's Behind the Veil Project is nearing completion of its first year of operation and has already demonstrated significant progress and strong, positive results. After ten months of project implementation, thirty-six female intermediaries are actively receiving and selling orders through their work with over 1600 Rural Embroiders and 80 Urban Garment Makers, already exceeding the targets set for Year One.

Project activities over the last quarter have focused on recruiting new project clients, ongoing training of Sales Agents, and marketing efforts to expand and strengthen relationships with additional retailers and wholesalers. The Program Manager visited the project in May to review the project's process and develop implementation plans for Year 2. The visit also coincided with the project's first major sales exhibition, which was attended by close to 2,500 visitors generating significant enthusiasm from potential buyers.

The Behind the Veil Project is also generating substantial interest within the microenterprise development industry. It has been included in development publications and profiled on industry websites, including as a "Note from the Field" on Microlinks. Staff involved with the project are regularly invited to conferences as well to share project experiences.

1.0 SUMMARY OF MAIN ACTIVITIES

Recent activities for the Behind The Veil project have focused on recruiting new project clients, training sessions to further build the capacity of the women-to-women sales network, and marketing efforts to reach new buyers and wholesalers.

1.1 Further Recruitment of Sales Agents

Under the original project model, it was envisioned that 60 Sales Agents would each work with 100 rural embroiderers, reaching a total of 6000 homebound women. After project launch, it became apparent that some SAs could not directly reach or communicate with homebound women in certain rural communities. The model was therefore adapted and two tiers of sales agents have been created:

- Local SAs (LSAs) based in urban areas with home boutiques
- Community SAs (CSAs) based in rural areas working directly with embroiderers.

The REs sell their product to the CSAs, who in turn sell either to the LSAs or direct to wholesalers and retailers. The number of REs working with each CSA varies according to location and community but typically ranges between 25 to 75 embroiderers. In Karachi, there is a third group called Urban Sales Agents (USAs) who work directly with Urban Garment Makers.

CSAs and REs are formed into groups, based on geographic location, and connected into a cluster. For example, Cluster I in Quetta covers four villages, including Killi Ismail. There are two groups in Killi Ismail, consisting of seven CSAs working with 400 REs. For the entire project, there are 18 clusters comprising 43 groups in the rural regions plus an additional five groups in Karachi.

Once model modifications had been reviewed and implemented, activities focused on expanding the reach of the project through additional recruitment of new SAs, REs, and UGMs.

1.2 Training and Capacity Building

A variety of training sessions took place over the past six months. SAs already with the program received additional training in marketing and market research while new SAs received basic training on designs and quality innovations. To date, close to 150 SAs and potential intermediaries have participated in training programs offered by the project. The following is a list of these modules:

Local and Community Sales Agents

- Design Needs Assessment
- Design Training
- Quality and Innovation
- Training in Group Formation, Mobilization and Group Dynamics.
- Market Survey and Research
- Training in Exhibition Techniques

Urban Sales Agents

- Cutting and Stitching
- Packaging
- Time Management

- Entrepreneurial Competencies
- Design Needs Assessment
- Design Training
- Training in Group Formation, Mobilization and Group Dynamics.
- Market Survey and Research
- Training in Exhibition Techniques

1.3 Marketing Activities

Marketing efforts have focused on strengthening relationships with existing buyers while identifying and working with additional retailers and wholesalers.

During the past quarter, the project hosted its first “Artisan’s Gala” which served as a three-day exhibit for twenty-five sales agents to display their products and make connections with potential buyers. The event was held at The Forum Shopping Mall in Clifton, an affluent suburb of Karachi and was a resounding success, attracting close to 2,500 visitors and generating significant interest from wholesalers.

The project also continued to expand its reach by identifying potential wholesalers. Buyers already participating in the program were surveyed to ensure customer satisfaction and to assess quality and design improvements. Design books have also been developed for each region to help in product promotion.

In order to facilitate relationships between SAs and buyers, the idea of a buying house had been debated. Discussions focused on models or strategies to ensure that the house would be a sustainable and commercially viable entity. This issue was resolved when two entrepreneurial SAs took over the premises to operate the buying house as an independent business.

1.4 Input Supply Linkages

As mentioned in the previous report, one implementation issue was poor access to quality inputs for project clients in Thatta. The issue was partially resolved this quarter when one particularly entrepreneurial SA opened a small input shop in the same premises as the project office. Additionally, twenty SAs have joined together to form a cooperative for production; this step will also help address the input supply issue by allowing these SAs to buy in greater quantity.

2.0 PROGRESS ON PERFORMANCE TARGETS

The following table indicates the current level of participation according to each type of participant, broken down by region for the project to date (i.e. September 2004 to June 30, 2005).

	Multan	Quetta	Karachi	Thatta	Total	Project Goal FY1
Number of Sales Agents (Community and Local SAs) Participating in Training Sessions	55	51	17	26	149	N/A
Number of Sales Agents Actively Receiving and Selling Orders	12	10	7	6	36	30
Number of Embroiderers Working with Sales Agents	626	716	-	312	1654	1500
Number of Garment Makers Working with Sales Agents	-	-	82	-	82	45

2.1 Performance Indicators from Table One

The following performance indicators are taken from Table One. These figures are captured in the monthly sales agent reports that are completed by the Urban and Rural Facilitators and represent project activity for the past ten months.

Performance Indicator From Table One	Project-to-date (Sept 2004-June 2005)	Targeted Year 1
Number of Sales Agents participating in program	36	30
Number of Sales Agents using design services	36	30
Sales of Sales Agents	\$121,000	\$90,000
Profit of Sales Agents	\$32,361	
Number of embroiderers receiving embedded services from sales agents (monthly average)	1,654	1500
Revenues of embroiderers from program sales agents	\$72,500	\$90,000
Number of garment makers receiving embedded services from sales agents (monthly average)	82	45
Revenues of garment makers from program sales agents/wholesalers	\$1,188	\$67,500
Number of designers involved in program	4	3
Revenue of designers from program sales agents	\$90	\$4800

Overall, after ten months of operation, the project is on track to meet the targets set for Year 1. In some cases, these targets have already been met. The two major variances to report are the revenue of the UGMs and the designers. For a variety of reasons, it is believed that the UGMs are underreporting their income and that the actual number would be much closer to the project

goal. The sales alone from the Artisan's Gala indicate that this is likely the case. The project was having similar issues with Sales Agents who were worried that if they reported too much profit or income, their involvement in the project may be jeopardised. Encouraging honesty in income reporting involves work in attitudinal change; this strategy worked with rural SAs and will be tried with the UGMs to improve revenue reporting.

There are actually two layers of designers that are tracked through the information above: designer and tracer designer. The designer designs the patterns and styles of garments and fabrics. The Tracer Designers purchase designs from designers and trace the designs on tracing papers and fabrics for sale to CSAs. Originally, we did not plan on working with tracer designers and have therefore not tracked their revenue, though we will in future. The revenue of the designers is also low as during the early stages of project implementation, their services were either donated or financially supported by ECDI.

In addition to assessing progress based on quantitative data, qualitative interviews were conducted with various project participants. These interviews are conducted on a quarterly basis. The results from the most recent series of interviews are outlined in the chart below.

Twenty-three wholesalers/retailers are purchasing products produced through the project. Of those wholesalers interviewed, all reported that the design and quality of products had improved. However, as is discussed further on in this report, there are still quality control issues that need to be addressed. Sales agents also report a high level of satisfaction with the product produced by REs and UGMs. They are also satisfied with the design services they have received. The REs and UGMs are already reporting a higher monthly income as a result of their participation in the project with a small number beginning to report improved quality of life.

Indicator	Quetta	Multan	Karachi	Thatta	Total
Number of wholesalers / retailers interviewed who say quality and design of products have improved (Total of 15 interviewed)	100%	100%	100%	100%	100%
Percentage of sales agents who say quality and design of products have improved (Total of 53 interviewed)	100%	100%	100%	75%	96%
Number of sales agents who are satisfied with design services of Tracer/Designer (Total of 53 interviewed)	60%	60%	53%	63%	58%
Number of embroiderers/ garment makers who report higher monthly income as a result of program participation (Total of 115 interviewed)	87%	100%	93%	100%	96%
Number of embroiderers/ garment makers who say their quality of life has improved as a result of increased revenues related to the program (e.g., not working longer hours for more income, better food) (Total of 115 interviewed)	53%	88%	84%	80%	80%

Number of embroiderers/ garment makers who report that their status in the household has risen as a result of greater economic contribution (Total of 115 interviewed)	40%	70%	67%	33%	60%
Number of embroiderers/ garment makers who are more satisfied with embedded services received from mobile women sales agents (Total of 115 interviewed)	80%	90%	100%	67%	94%
Number of embroiderers/ garment makers who believe their products are superior than before (Total of 115 interviewed)	100%	100%	100%	100%	100%

The numbers in these charts don't capture all of the success stories that the project has witnessed over the past six months. Some of the SAs have taken great initiative in developing their businesses demonstrating a strong entrepreneurial spirit. For example:

- In June, three SAs from Multan travelled independently (without project support) to Karachi to sell their products to wholesalers.
- The wife of a local input supplier initially joined the program as a SA. As a result of her participation in the Karachi exhibition, she was able to convince her husband of the potential success for her business and is now planning to open a shop in Dubai. She will travel there shortly to investigate the feasibility of this venture.
- Another major event over the past quarter was the opening of a Tailoring Shop in Karachi. An USA recognized the market gap of a tailoring service in the city. With support from the project, she was able to open a shop in a corner of her apartment using her own investment. She has hired an UGM to take measurements and contracts out the stitching work to homebound women in her community.
- Interregional linkages are already been seen with examples of SAs in one region selling to SAs in another.
- The project has already started to enter the Islamabad market, with one SA from Multan selling products there. Some SAs have also received interest from connections in Dubai and London.

3.0 IMPLEMENTATION ISSUES

While the project has been meeting progress targets, there are a few implementation issues to mention.

1. *Timely Completion of Quality Work:* As was highlighted in the last report, failure to meet the deadlines of wholesalers and buyers will have a negative impact on future orders and, if the situation continues, marketing links that have been developed by the sales agents will be weakened. The project is beginning to see SAs delivering product after the agreed upon date. SAs were provided with the requisite training in time management in order to prevent this problem. More of these training sessions will be offered in the next quarter.
2. *Rate of Program Growth:* As reported last quarter, the ability to manage growth continues to be an implementation issue. Most of the training sessions during the last quarter focussed on developing awareness concerning innovative designs and quality controls. Yet 15-20% of the produced items continue to be returned as they are below the standards required by the wholesalers and retailers. CSAs are still unable to communicate appropriately with some of the REs on quality specifications. Over the next quarter, the project will focus on improving the capacity of existing producers and increasing quality. Despite these issues and rejection level, it is important to note that wholesalers and retailers still see an improvement in design and quality since project launch.
3. *Delivery Mechanisms:* Due to the infancy of the program and lack of established relationships between the producers and buyers, both groups call on ECDI to handle shipping and payment matters. This high level of involvement consumes a significant amount of ECDI's staff resources. However, it is expected that over time as the project grows, links between buyers and the sales agents will become more established allowing ECDI to exit from this role.

4.0 PROGRESS ON LEARNING AGENDA

The program aims to contribute to industry learning themes, specifically strategies for inclusion of the poor in mainstream markets, development of BDS markets inclusive of embedded services, and methods for reaching down market.

Given the infancy of the project, there is not a significant amount to report at this time. However, the following “lessons learned” will be addressed in future reports:

- how to incorporate isolated women into poverty reduction programs;
- further understanding on household dynamics;
- merits and comparison of direct fee for service versus embedded service product design; and
- development and usage of non-traditional poverty indicators such as levels of home confinement and methods of measuring returns on labor.

The project is experiencing varying rates of growth in different geographic areas, in large part due to the level of isolation of women and conservatism in these regions. For example, the difficulty in accessing and reaching women in Thatta, a very conservative area, has meant lower levels of engagement than experienced in other regions. As a result, the project is highlighting some of the challenges incorporating isolated women into our project. One of the current strategies we have adopted is to work with the men in the community to make them aware of the project, the commitment that it entails from their female family members, and the benefits to the family that will be received through their participation. The strategies that we develop over time to address this issue will be extremely valuable for other poverty reduction programs.

The services provided by the SAs through the project have all been on an embedded basis whereby the REs and UGMs are learning about contemporary designs and product improvement through their contracts with the SAs. Given the innovativeness of the project and women-to-women sales network to the Pakistani context, the embedded model has probably been a significant contributing factor to the project’s ability to recruit clients.

As the program expands and new strategies are developed, we will have applicable lessons learned for other value chain projects working with homebound women.

6.0 ATTACHMENTS

Abbreviations

CSAs	Community Sales Agents
LSAs	Local Sales Agents
M&EO	Monitoring & Evaluation Officer
MC	Marketing Coordinator
NAPM	North American Project Manager
PC	Project Coordinator
PPM	Pakistan Project Manager
REs	Rural Embroiderers
RF	Rural Facilitator
SAs	Sales Agents
UF	Urban Facilitator
USA	Urban Sales Agent