



**Sindh Union Council and Community Economic Strengthening
Support (SUCCESS) Programme**

Promoting Skill-based Craft through Business
Development Groups (BDGs)

28th May 2022

**PROMOTING SKILL-BASED CRAFT THROUGH BUSINESS DEVELOPMENT
GROUPS (BDGs)**

ENTERPRISE DEVELOPMENT (ED) COMPONENT

SUCCESS programme is a long-term initiative committed to the goal of household poverty reduction through women empowerment. In its pursuit to promote financial independence of women, SUCCESS programme launched its Enterprise Development (ED) component in 2021 to support the needy community members to create and run micro-enterprises. The aim of the Enterprise Development (ED) component is to promote local skills and craft through self-employment opportunities which will ultimately help in improving the financial situation of rural communities in Sindh, Pakistan. In order to run these micro-enterprises, Business Development Groups (BDGs), essentially containing female community members, are formed and supported based on their business plans. The eligible community members are supported with training in entrepreneurship, market information and capital access to strengthen the localised value chains for market products. Table 1 presents data on Business Development Groups (BDGs) organised in eight districts of SUCCESS programme.

Table 1: District wise list of Business Development Groups (BDGs) formed for each trade, as of Jan 2022

BDG TRADES	DADU	JAM	KSK	LKN	MTR	SUJ	TAY	TMK	TOTAL
Self-grooming	9	4	-	-	18	4	8	5	48
Mechanical Engineering	12	1	-	-	23	22	4	18	80
Hospitality Industry	1	1	-	-	-	-	-	-	2
Agriculture & Food	12	8	-	1	12	6	4	2	45
Construction	4	-	-	1	-	8	-	-	13
Electrical & Light Engineering	2	-	-	-	6	-	3	2	13
Textile & Garments	17	9	81	74	36	56	53	28	354
Livestock & Poultry	2	2	-	-	6	36	2	-	48
Other	4	5	-	1	4	3	-	-	17
TOTAL	63	30	81	77	105	135	74	55	620

The agenda behind this intervention is to provide income and employment for rural communities. The women participation in Business Development Groups (BDGs) will help them in improving their well-being through increase in income and slow reduction in gender related issues. Introduction of women in labour force will make them self-sufficient and decrease their dependency on male members of the community for everyday necessities and survival. Furthermore, micro-enterprises in rural areas will also contribute to revival of informal sector which produces goods and services for rapidly growing populations in the urban centres.

IMPLEMENTATION STRATEGY OF BUSINESS DEVELOPMENT GROUPS (BDGs):

1. Enterprise Development (ED) component provides support through Enterprise Development Fund (EDF) for the successful participants of TVST as well as individual artisans who aim to start their own business.
2. The eligibility criteria for receiving Enterprise Development Fund (EDF) include:
 - a. Be of age 18 years or above who have a valid National Identity Card
 - b. Households who are a member of Community Organisations (CO) fostered under the SUCCESS programme with a PSC between 0 and 23.
 - c. Have skill or experience in the proposed business
 - d. Willingness to manage and grow the proposed business through the capital grant received
3. The Enterprise Development identifies potential individuals or groups with a business idea. The team facilitates the group in preparation of business plan. The business plan is endorsed by the Local Support Organisation (LSO) and is submitted to Enterprise Development Committee for verification. After scrutinization and verification, terms and conditions are agreed and signed with individual and or Business Development Group (BDG) and implementing RSP. The funds are disbursed after the approval to Business Development Groups (BDGs) directly in their accounts, VO/LSO account or through appropriate banking channel.
4. The fund/grant size for individuals is up to PKR 250,000 and for the Business Development Groups (BDGs) is up to PKR 1,000,000.

SCOPE OF THE STUDY:

As the Enterprise Development (ED) component was launched during 2021, there has been no research and documentation on functioning and development of Business Development Groups (BDGs). This study aims to document the development of Business Development Groups (BDGs) in the light of their capacity building, business functions, market linkages, and impact on the community. First, the study will explore the motivation of female community members behind the formation of micro-enterprises. Second, the study will investigate the general value chain and formal organisational structures formed under these micro-enterprises. Third, the study will observe the strength and types of market linkages formed by the business groups and the potential benefits which may be reaped through these linkages. Fourth, it will look into the change in financial situation of the beneficiaries to assess the impact of Business Development Groups (BDGs). Lastly, it will study the overall impact on the community and changes in the lives of female members of the community. In addition, as these micro-enterprises have been formed recently, this study also aims to understand the underlying challenges in running a micro-enterprise in rural areas of Sindh.

METHODOLOGY:

This study uses a qualitative approach based on descriptive analysis to gain a thorough understanding on functioning of Business Development Groups (BDGs) and find the originating themes patterning the development of the business groups. For this purpose, 2 Business Development Groups (BDGs) from each of the eight programme districts were reviewed, resulting in the total sample size of 16 Business Development Groups (BDGs).

The data for this study has been collected through primary sources. The SUCCESS-RSPN team including Knowledge Management Officer, Monitoring & Evaluation Officer, and a Young Development Professional (YDP) conducted in-person Focus Group Discussions (FGDs) with the Business Development Groups (BDGs) from varying trades. The Focus Group Discussions (FGDs) allowed the group members to share insights about their micro-enterprises and their personal experiences of strengthened or weakened financial situation. While the themes were already identified, the discussions were organised as semi-structured to probe further for any relevant details which may allow a deeper understanding.

DEVELOPMENT & FUNCTIONING OF BUSINESS DEVELOPMENT GROUPS (BDGs):

1. Capacity Building and Formation of Business Development Groups (BDGs):

The Enterprise Development (ED) component of the SUCCESS programme has built the capacity of the community members by providing technical and vocational skill development trainings. The members of 16 Business Development Groups (BDGs) under observation for this study received training on variety of trades including hand embroidery, crochet work, *ralli* making, cooking, tailoring, rope making, carpet weaving, and automotive repair. These Technical and Vocational Skills Trainings (TVST) focuses on the imparting new skills as well as developing business acumen of the trainees to prepare them as future micro-entrepreneurs.

The motivation behind the formation of Business Development Groups (BDGs) has been attached to multiple reasons. First, the Technical and Vocational Skills Training (TVST) provides a learning opportunity for the community members with no costs attached to it. Therefore, the willingness of the community members to take on business projects after training in the form of groups and the access to capital for these new business ventures spur the idea of participation in training programs. More importantly, due to similar craft related skill in a community, there were multiple members competing against each other as one person got paid more than the other. The Business Development Groups (BDGs) are more inclusive and allow profit sharing for the benefit of the entire community. The earning from the business activities is expected to improve the income and therefore, living standards of the participating members. Second, since the female community members in the remote areas are not allowed to leave home, learning of new skills presents the opportunity to experience the financial independence while working from home. For this purpose, the trainings are organised at the nearby centres to facilitate the female members of the community. Third, the support from SUCCESS implementing partners in understanding the market and developing linkages with the suppliers and buyers paves the way for the smooth launch of micro-enterprises into the market. Furthermore, regular follow-ups from the SUCCESS team can prove to be helpful in keeping the businesses running.



Figure 1: Members of BDG Barkat, District Kambar Shahdadkot

The entrepreneurial culture introduced in eight SUCCESS programme districts is not by choice, rather, by necessitation. While educational attainment is important for entrepreneurs to gather resources and channel them in an innovative way for the benefit of their businesses, the SUCCESS programme districts observe low literacy rates due to chronic poverty. Most of the community members forming micro-enterprises as a part of Business Development Groups (BDGs) have not received any formal education. However, this study observed an exceptional case of bachelor's degree level education attained by Uzma, a member of BDG *Sughar*, district Larkana. She reached out to the SUCCESS implementing partner, Sindh Rural Support Organisation (SRSO), to provide advanced level applique/*ralli* making training to female in her village and offered herself as the trainer for the program. She developed the training content in Sindhi and Urdu and conducted the *ralli* making training in the village to strengthen the women network in the village. Currently, her Business Development Group, BDG *Sughar*, employs 25 female community members. With the support of SRSO, Uzma made use of her educational learning by optimising the opportunity to participate in digital marketing training organised by

Institute of Business Administration (IBA), Sukkur. Uzma's digital training has allowed her business group to use social media channels to expand their horizon and reap benefits of conducting business online. Therefore, the education of one community member has built the capacity for economic and social growth of the female members of the entire community.

2. Business Performance and Value Chain:

The value chain of micro-enterprises functioning in the form of Business Development Groups (BDGs) entails the full range of activities involved in creating a product or service. It is crucial to understand the value chain of a business in order to understand its functioning from sourcing raw materials to delivering a finished product. As the micro-enterprises formed under the SUCCESS programme have just stepped into the industry, they follow rather a simple value chain.



Figure 2: RSPN & TRDP Teams Visited the Manufacturing Site of BDG involved in Carpet Making, District Jamshoro

The value chain of these micro-enterprises begins with sourcing raw materials. As located in rural areas, most of the Business Development Groups (BDGs) travel to the nearby urban centres to source essential materials and ingredients for the production of their craft. In some cases, the raw materials are also provided by the buyers to facilitate the process, for example, if a customer requires a particular hand embroidery design on a specific cloth, they provide the cloth and thread and only pay for the labour input to the artisans. In other cases, a middleman or *seth* is the link between the buyer and the producer and sources raw materials on behalf of the customer. Therefore, in the latter case, the producer is not directly linked to the market and sells the finished product to the middleman.

Manufacturing lies at the core of the production process for any enterprise. After receiving the order, desired goods are produced through equal division of labour among the group members. For example, the manufacturing process for rally making is described by a Business Development Group (BDG) member,

“We trace the motif and then use big stitches to place the motif on the desired cloth. The tracing, cutting, pasting, and stitching are done on rotational basis depending on the availability of the group members. As the final stitching requires more effort, whoever does not have to take care of her kids or has free time on hand invest extra hours while others work on rotational basis. Each member is paid according to their time invested in the production process.”



Figure 3: Finished product, Ralli, produced by BDG, District Larkana

Once the finished product is ready, the business groups move their products to the customers or distribute them among the retailers in the nearby markets. For example, the Business Development Groups (BDGs) in district Larkana and Kambar Shahdadkot place their products at Sartayoon Sang, a crafts-based shop at Sindh Rural Support Organisation (SRSO). In addition, the local craft of artisans from these districts is also placed at a local female-led shop in district Larkana providing them access to the local market. However, in the case of a middleman, the business groups have little or no knowledge of the markets where their products are distributed, for example, a carpet weaving group in Jamshoro sell their products to a middleman in Karachi but have no knowledge of where around the world are their products sold and at what rates. Therefore, their distribution has no direct link to the market.

While promotion and marketing are essential value chain functions, it seems largely missing for the newly formed Business Development Groups (BDGs). In today's digitalised world, one of the many Business Development Groups (BDGs) reported social media marketing of their products, whereas other groups used creative marketing approaches due to lack of resources to advertise their crafts. A Business Development Group (BDG) in district Tando Muhammad Khan produces crochet purses and advertises their products by allowing young girls to carry these purses to schools to attract the attention of their teachers and fellows. Other Business Development Groups (BDGs) place their products at multiple exhibitions in the urban centres such as Karachi and Hyderabad to attract the attention of the customers.

In order to perform the set of activities in the value chain, most Business Development Groups (BDGs) observe informal business roles associated to the group members, for example, group supervisor, buyer or raw materials manager, weavers and artisans, sales representative etc., for the division of tasks among the group members. However, due to limited number of individuals, two or more roles are performed by a single group member depending on their specialty, skills, and education. Most of the Business Development Groups (BDGs) do not observe a clear hierarchy, they are led by at least one group leader. Interestingly, some of the groups have been observed to have a male group leader who may or may not be a part of the business group. In such cases, the male members, preferably a family member or close relative, join the micro-enterprise or willingly take a supportive role to assist the female community members in market transactions including traveling to the big cities for the sale of finished product.



Figure 4: Members of BDGs at Work (Left: Automotive Repair, Right: Waan Making)

3. Market Linkages:

In the SUCCESS programme districts, many community members had already been working together as informal groups prior to the introduction of the Enterprise Development (ED) component. However, due to lack of financial resources, market linkages for some of these groups remained restricted. In such cases, the value chain of the micro-enterprise relied on the 'middleman' or *seth* who provided the financial capital for the raw materials and employed group(s) as laborers to produce the desired product. Upon successful delivery of the product, the laborers were paid low cumulative wage which was then divided amongst the group members as per their job roles whereas the middleman earned generous profits by selling the finished product in the market. Therefore, these informal micro-enterprises only contributed to the manufacturing part of the value chain of the product and did not form a formal or informal link with the market.

The formation of Business Development Groups (BDGs) under the SUCCESS programme allows members to receive enough funding for securing raw materials, in-house manufacturing, and distribution of the products. Therefore, it has removed the middle party from the value chain and has formed a direct link between the small micro-enterprises and the buyers in the market. Previously, some of the group members lacked the market awareness and did not even know where to sell the product. In some cases, they were aware of the products being sold in big cities such as Karachi, and even exported to China but due to lack of resources, none of the group members had ever visited the market. The access to capital through SUCCESS has allowed the Business Development Groups (BDGs) to connect to buyers on their own and form long term business relationships.

The formation of market linkages will bring entrepreneurial and financial wisdom microentrepreneurs. Previously, the middleman asked the business groups to prepare the product designs with the highest demand in the market whereas, the group members (laborers) only focused on preparing the order. As the Business Development Groups (BDGs) explore the local market, it will provide them an understanding of raw materials cost, price quotations for the finished product, and the most demanded designs of the products. This will help them build their competitive edge such as low prices, high quality, or unique products against other competitors in the market.

While Business Development Groups (BDGs) may have been slow in forming market linkages, a growth in customer outreach has been observed through word-of-mouth. This has been particularly true for Business Development Groups (BDGs) involved in the craft of traditional hand embroidery and applique work. A female BDG member mentioned that their clients share the photos of their work among their friends and colleagues which brings more customers for the business group. She mentioned,

“Our work has reached Dubai and America. The foreigners do not even bargain and happily pay the price for the intricate work done by hand to produce these beautiful pieces.”

Since products for these crafts are made-to-order, the supply is driven by customer demand. However, the women are now allowed to use phone without the permission of male members of the household which results in lack of access to modern marketing solutions such as social media marketing. Such business environment requires unique strategies for attracting customers, for example, a Business Development Group (BDG) in Tando Muhammad Khan relies on Lady Health Workers (LHWs) to spread the word about their craft. As Lady health Workers (LHWs) visit every household in multiple villages to address health issues and vaccinations, they show photos of stitched clothes and embroidery to other women and connect them to the concerned Business Development Group (BDG).



Figure 5: Hand Embroidered Pillow Cushions, BDG Sughar, District Larkana

In efforts to form linkages, some Business Development Groups (BDGs) have also participated in local exhibitions to display their crafts. A Business Development Group (BDG) from district Jamshoro, participated in a 10-day long exhibition in a local hotel in Karachi to showcase their handmade their jewellery, traditional hair ties (*parandey*), and other hand embroidery items. The group was paid PKR 40 per hour to make the customised products as per clients’ instructions and demands. The exhibition display resulted in considerable profits as well as an exposure to the market and customers for the BDG members. The son of the Business Development Group (BDG) leader with intentional exposure said that,

“These women think earning good at the exhibition is great, but actually, they have a long way to go. At Doha airport, I have seen work similar to ours being highly rewarded whereas we don’t get enough even for our living. We have started small, but we must explore new avenues to make our way into the market.”

The SUCCESS programme has been found to be a dual facilitator of Enterprise Development in some cases. The beneficiaries of SUCCESS financial intervention, such as Community Investment Fund (CIF), who started their own shops have displayed the crafts of relevant Business Development Groups (BDGs) to serve as their point-of-sale. Ms. Fareeda, a Community Investment Fund (CIF) beneficiary, runs a clothing store in district Larkana. Before COVID-19, she displayed the *ralli*, hand embroidered cushions and pillows, and clothing items prepared by Business Development Groups (BDGs) from districts Larkana and Kamba Shahdadt. She served as an important link between the producer and the consumers, however due to COVID lockdown, her shop suffered losses and she was forced to shut down.

4. Change in Financial Situation of Community Members:

The primary purpose of forming Business Development Groups (BDGs) is to provide support to the needy community members in improving their financial situation through micro-enterprises. Before the formation of Business Development Groups (BDGs), the male members had low incomes, whereas most of the female community members were not engaged in income generating activities. However, the introduction of micro-enterprises has provided employment to previously unemployed yet skilled community members resulting in change in their financial situation as the group members earn between PKR 2000-7000 per month, approximately. As the profit of a Business Development Group (BDG) depends on the sales of relevant goods and services, one of the group leaders mentioned,

“We want to get more work because we need more money. We want to make our lives better.”

The increased income provides better access to social services including education and healthcare and contributes to the poverty reduction. In addition, the purchasing power of people also increases with the increase in funds. However, since this study has not collected quantitative data on profits of Business Development Groups (BDGs), incomes of the group members, and changes in their Poverty Score (PSC), a precise comment on poverty reduction cannot be made.

The profit earned through the activities of Business Development Groups (BDGs) accounts for the expenses of the business and salaries of the group members. Many groups have now planned to invest their profits in expansion of their business which will bring financial prosperity for them in the longer run. However, most of the business groups are still struggling to make their ends meet. While the business may be performing well,

the profits are not considerable enough to provide handsome salaries to the employees and are most spent in purchase of raw materials. Therefore, many Business Development Groups (BDGs) require loans to kickstart and further expand their businesses. For this purpose, the groups are preparing their business plan which can convince the implementing partner for provision of Enterprise Development Grants; a capital grant to provide financial access to poor community members. It must be noted here that at the time of data collection for this report, the Business Development Groups (BDGs) had been formed and taken care by implementing partner organisations of SUCCESS. However, the funds had not been disbursed by the SUCCESS programme, yet, which is a crucial factor in deciding the financial standing of the micro-enterprises and their employees.

For many individuals, the Business Development Groups (BDGs) are not the only source income as they are involved in other income-generating activities as well to manage their household expenses. However, the individuals are hopeful to leave their side jobs once their businesses are successful.

5. Impact on Community:

The development of small enterprises through Business Development Groups (BDGs) has led a road to women empowerment in the rural communities. These business opportunities have promoted the financial independence and increased mobility of women, self-esteem and confidence boost, and skill transfer and employment generation.

Financial independence is one the crucial factors in order to achieve women empowerment in any society. However, despite being equal members of the society, women are often oblivious of financial plans and investments in the rural households. The Business Development Groups (BDGs) have paved the way for rural women by providing them business opportunities and resources to earn their means of livelihood. As one of the BDG members explained,

“We earn money and use it on ourselves, our children, and homes. Previously, we used to get lower rates but as a business group, our earnings have increased due to joint efforts. We are not dependent on anyone anymore.”

Prior to the formation of Business Development Groups (BDGs), women were dependent on their husbands or other family members to fulfil their needs. However, as they have started to earn on their own through their sheer hard work, they can now spend their money on anything of personal choice i.e., clothing, makeup, healthcare, children etc. Some of the beneficiaries reported a substantial contribution to their family incomes

which ultimately raised their status in the household. In addition, many women have shared the burdens of their families such as illness of a family member, wedding of a child, construction of their house etc through their earnings.

Due to the increased engagement of female community member in business related activities in the form the groups, their mobility has also increased, for example, the production work for *Ralli* making, hand embroidery and other embellished products requires artisans to gather at one place and finish their work. Therefore, male members of the house have allowed them to leave home for work. Furthermore, due to access to money and permission to leave home, women have reported freedom of mobility such as paying a visit to child's school or nearby healthcare unit for medicines. As most women in the rural areas do not have access to mobile phones, their involvement in business activities has also led the men to allow them to purchase SIM cards and use them for contacting clients. However, despite the freedom, these extended benefits are only available to a handful of women and most women still remain restricted to visit the nearby business group members for work.



Figure 6: A BDG Member Making Crochet Purse, District Tando Mubammad Khan

In spite of their struggles, the rural have gained recognition through work. The members of various Business Development Groups (BDGs) reported that they feel strong and more respected in the society due to their work and financial independence.

“I was not very confident before but ever since I have started working on my own, I feel that I am as capable of doing things as any other person. I have become more motivated now. I will work harder and excel in the future.”

The formation of women-led small enterprises has motivated other women in the community to build their capacity through shared learning. As SUCCESS organised and provided a platform to many women who had the skill and talent, it has led by example for many others to work in groups and capitalise on the multiple skills possessed by different group members. Similarly, many girls in the community have learnt the art of *ralli* making or hand embroidery simply by assisting the business groups. Therefore, the Business Development Groups (BDGs) do not only serve as avenue for business and earning money, but also for learning and skill transfer to other community members.

6. Challenges faced by the Business Development Groups (BDGs):

As the Business development Groups (BDGs) have been formed with aim to provide support to community members in their business, these groups are facing multiple challenges on a daily basis. One of the major challenges faced by the Business Development Groups (BDGs) is the lack of resources for the purchase of raw materials. Sometimes, the group receives a large order for which it is hard to purchase the input within the limited budget and savings of the business group members. If the business has enough cash on hand, the raw materials can also be purchased in bulk to save costs. Therefore, the groups need consistent financing to keep the business running.

Another major challenge faced by the Business Development Groups (BDGs) is access to the urban areas and markets. As some of the rural areas are situated at a great distance from the city with poor access to transport facilities, it creates problems for female community members to pay a visit to market for purchase of raw materials or sale of finished goods. A Business Development Group (BDG) member explained,

“My village is 100 kms away from the city. In order to travel to city, there is only one rikshaw which passes by our village. If one misses it, she must travel by foot to another rikshaw stop which is far away from the first one. It’s too much hassle.”

However, female community members have come up with a solution for this problem in another village facing the same problem. Some local women have started to source the required raw materials for the craft from the city and opened a shop in the village to facilitate the local artisans and business groups.

The inconsistency in earnings presents another challenge for the Business Development Groups (BDGs). A member of a tailoring business group mentioned that they make good money during the festive season such as Eid, Holi, weddings etc but lack orders otherwise throughout the year. Therefore, their earnings are not consistent as they would be if they had a tailoring shop in a city resulting in very low income. However, in order to have a start-up in the city, they need funds to expand the business and buy more tailoring machines so that their supply can meet the customer demands and number of orders. As the group cannot afford an urban set-up at the moment, the lack of funds due to less orders and inconsistent earnings in business has caused them to decide upon shutting their business as their expenses such as electricity and cost of an electric stitching machine have not been met through their income.



Figure 7: BDG Members Stitching Clothes, District Tando AllahYar

The business environment promoted through some of the Business Development Groups (BDGs) also remain questionable as some of the community members are considered to be a part of formal group while they operate as individual artisans. The formality of the group remains fragile as the members only operate as a group if there is an order large enough to require the services of all group members. Therefore, the members remain the freelancers which may or may not contribute to the business activities of the group. This defies the formal structure of small enterprises and the standard value chain followed for the considered business to operate.

Among the most Business Development Groups (BDGs), advertising remains a foreign subject. Due to poor understanding on importance of marketing and lack of access to resources to implement it, the prospects of growth remain substantially low for many Business Development Groups (BDGs). As female community members are not allowed to have mobile phones in most rural households, they are lagging behind on digital marketing to promote their business and reach a large number of target audience.

The social norm of men leading the business groups in the market opposes the idea of women empowerment. While women produce their crafts at home, they are not permitted to go to market for the sale of their products. There are only a handful of women group leaders among the interviewed Business Development Groups

(BDGs) who take their products to market themselves. Language problem is another reason behind men to take lead in market dealings as most of the women only speak Sindhi and do not speak Urdu. Therefore, there are weak market linkages between the buyers and the actual producers/business owners which would cause hindrance in the developing the business acumen of these rural women.

Another challenge observed in the implementation of Business Development Groups (BDGs) is lack of follow-up to ensure sustainability. A Business Development Group (BDG) in district Sujawal received three-month cooking training and funds to start their own restaurant. However, due to lack of follow-up and consistent guidance from the local staff, the business suffered from losses in its fifth month of business due to extravagant expenses and poor savings.

RECOMMENDATIONS

Based on the aforementioned challenges, the study presents following recommendations:

- While the women make an essential part of the workforce in these business groups, they lack the confidence and knowledge for business dealings in the market. In order to promote the women leaders in business from the rural communities, the entrepreneurship training must be provided containing modules on market understanding and guidance on dealing and negotiating with customers in the urban markets.
- The entrepreneurship training modules are also recommended to contain the modules on contemporary marketing and promotion techniques for a digitalised world. An inclusive approach can be adopted by using social mobilisation tools to convince men to help the women of their households by promoting their products through digital media. This will not only remove the barrier of judgement in allowing the use of mobile phones but will also help men feel included as a part of the business. However, in order to apply this method, it is pertinent for business groups to understand their target audience and have enough funds to produce the desired goods for sale.
- Since the crafts and skills are commonly shared by many community members, the raw materials for multiple business groups can be sourced collectively from the urban centres. This also presents a business opportunity for the local men to start small shops or warehouses by sourcing raw materials from the cities and selling it to the business groups in the rural areas. Such opportunities can be identified and discussed with the community members of areas with concentration of business groups sharing the same craft and skills.
- While they started as informal groups, the Business Development Groups (BDGs) must adopt a soft yet formal structure for efficient functioning in the long run.

LIMITATIONS OF THE STUDY

The data for this report was collected in September 2021. At the point in time, the Business Development Groups (BDGs) had been identified and organised by the implementing partner organisations (RSPs), but the financial disbursement of funds had not been made yet. Therefore, the functionality of businesses, especially financial changes, presented in the report may not present an accurate picture as of today. In addition, the methods of organisation and management of Business Development Groups (BDGs) varies across the SUCCESS programme's implementing partners; NRSP, TRDP, and SRSO. Therefore, the author has based the analysis on the general observations recorded during the data collection that are closer to today's reality.

CONCLUSION

By providing the skill based and entrepreneurial learning trainings, the Enterprise Development (ED) component prepares the poor community members as future entrepreneurs through provision of financial support for micro start-ups. The Business Development Groups (BDGs) have been promoting the local craft and artisans and these business groups produce their products by channelling their way across a simple value chain through a set of informal hierarchy of roles among the group members.

As the Business Development Groups (BDGs) have initiated their work at a small scale, they have a long way to go in developing formal market linkages. In order for the business groups to be truly connected to the market, the groups require proper guidance from the enterprise specialists, at least in their initial years, to effectively utilise their funds, be profitable enough, and be able to remove the role of middleman to reach out to their customers directly and effectively.

In terms of their impact on community, the Business Development Groups (BDGs) have led to the employment and income generation opportunities for females helping them to be financially empowered. However, while it provides the financial independence, in some cases the Business Development Groups (BDGs) are represented by male members only as leaders to represent the business in the market. In order to see the true empowerment outcomes of these business ventures, it is pertinent to provide market understanding and business leadership training to the female community members to help them become not only good skilled laborers but also good business leaders who can lead from the front in the market.

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