

A JOBS Primer: JOBS Project Brings Increased Sales and Business Success to Bangladesh

- A. Imran Shauket

This special edition of The JOBS Newsletter addresses the numerous queries we've received from private sector development practitioners, sponsors, and donors regarding the many success stories resulting from JOBS' assistance. Before you browse through it, I would like to provide an overview of the project for those of you who are unfamiliar with our work.

Objectives:

The Job Opportunities and Business Support Project (JOBS) is an integrated, private sector development program funded by USAID/Bangladesh. The Project is one of several initiatives in Bangladesh implemented by the Center for Institutional Reform and the Informal Sector (IRIS) at the University of Maryland. Since 1997, JOBS has been working to assist Bangladeshi enterprises to expand sales in domestic and international markets through a variety of interrelated activities, including:



Skill development training in a footwear factory on process.

- Identifying sub-sectors that demonstrate significant growth potential;
- Building the capacity of small and medium enterprises (SMEs) to manufacture diversified export products;
- Coordinating skill development training for workers;
- Coordinating international technical assistance;
- Assisting in product development and improvement;
- Developing international and domestic markets;
- Facilitating loans and
- Providing technical assistance to the government to develop a supportive policy and regulatory environment.

Approach:

JOBS works with sectors that produce exportable products, rely on a labor intensive production chain and locally procurable raw materials, have the potential to double or triple workers' compensation and generate employment for women. The project began by assisting the development of sectors producing leather goods, footwear, home-textiles, floor coverings, and diversified jute products; more recently, it has added handmade paper products, diversified coconut products, personal protective equipment, electrical products and information technology to this list.

A vigorous, market driven methodology is used to locate international markets, encourage new entrepreneurs to buy into identified sectors, invite international experts to produce sample products for targeted markets, facilitate participation in trade fairs to gain sales experience and obtain orders, provide cluster-based training to workers, backward link entrepreneur and lead buyers to the clusters, link small and medium enterprises with upscale microenterprises and link entrepreneurs to sources of financing.



JOBS Project Director distributing certificates among the participants.

Continued on page 2



Manufacturing process of handmade paper.

Policy initiatives:

JOBS has undertaken initiatives to improve the enabling environment for Bangladeshi SMEs and microenterprises, in keeping with IRIS' experience, which consistently demonstrates that the quality of the policy environment is the determining factor in achieving sustainable development and alleviating poverty. Our main sphere of activity in this area is facilitating access to credit for SMEs. While Bangladeshi microenterprises have relatively easy access to credit through microfinance, SMEs are too large to qualify for such loans, yet lack the collateral required by commercial banks. In response, the Project, in collaboration with local and international experts, has drafted the proposed Secured Transaction Act, currently being reviewed by the government. This Act, if adopted, will set a strong legal basis for lending against movable assets. Other policy successes include removing interest rate caps on SME loans, raising the VAT rate floor, and expanding the mandate of the Credit Information Bureau to provide information about SME loans.

Because Bangladesh does not currently have a solid legal framework for electronic commerce or Internet-enabled business services, JOBS has also assisted the Law Commission of Bangladesh to draft the proposed Information

Technology (IT) Act. Two conferences held on e-commerce and IT organized by the Project helped to develop a policy agenda to be implemented by the government.

ICT:

Finally, while working on the IT Act, JOBS recognized the importance of Information Communications Technology (ICT) to economic development, and began to develop e-governance, e-commerce, e-policy, and e-human resources. JOBS has assisted in the formation of the government's ICT policy and action plan and developed the capacity of the three ICT associations 1. BASIS (Bangladesh Association of Software and Information Services), 2. BCS (Bangladesh Computer Samity) and 3. ISPAB (Internet Service Provider Association of Bangladesh). JOBS' work to expand Bangladesh's potential for ICT enabled services has assisted individual private sector enterprises gain access to and orders from international markets, and helped government organizations incorporate and implement ICT in their operations.



Employees are being trained on quality control.

HRD through ICT:

We also assisted in the establishment of the internationally recognized and coveted CISCO certification program in Bangladesh. The Cisco Networking Academy Program in Bangladesh prepares students for the Cisco Certified Networking Associates examination. This is the entry level Cisco certification, providing the tools for immediate entry-level positions in the ICT field as well as the knowledge base for seeking further professional certifications if desired. Currently Cisco offers over 20 various professional certifications and Specialist designations, all of which combine on-line curriculum with personal instruction and hands-on labs. Between June and October, classes started in eight of the nine Academies, with a total of over 500 students currently enrolled.

As 2004 approaches, JOBS looks forward to creating even more economic opportunities for Bangladesh by capitalizing on its abundant labor resources, intellectual capital, and raw materials. Now, please enjoy reading more about our endeavors, and visit us at www.jobsproject.org or contact us at nasira@jobsiris.dhaka-bd.net. ■



Participants seen in 'ICT Policy and Practice - Steps for the Future' seminar.

JOBS Approach: MEs Need Money and Markets to Prosper

- Asif U. Ahmed & Imran Shauket

In Bangladesh, historically microfinance and micro-enterprise development have been used as the major tools of poverty alleviation. However, despite the long and focused attention devoted to the development of micro-enterprises, the achievements have been marginal. Additionally, it has been ascertained that micro enterprises everywhere face similar problems, and while most of them have access to credit, their difficulties relate to their size, and access to markets. Individual micro enterprises have difficulty achieving economies of scale in the purchase of equipment, raw materials and financing. They are unable to take advantage of market opportunities that require large production quantities, homogenous standards and regular supplies. Narrow profit margins prevent them from introducing technological innovations, streamlining their production processes or improving their products.



Increased income for ME's through linkages

Raju Rahim, Golam Hossain and Fazlu Mia are three micro entrepreneurs who used to produce shoe for the local market. With credit selling system in the local market and lack of working capital, they were about to downsize their business in 1999. At that time JOBS started working in the footwear sector and found this opportunity to link the small shoe producers with a large exporter. JOBS took these three Micro Entrepreneurs to one of the leading footwear exporters of Bangladesh for possible market linkage. With the facilitation process from JOBS, these three producers are now producing sandals for Apex Footwear. They have also developed their own factory in Shafipur, from where they are jointly producing leather sandals for leading exporters with their income increasing by 60%. Recently, JOBS' loan facilitation unit has arranged a loan from Prime Bank for these producers, for the expansion of their production unit. Raju, Golam Hossain and Fazlu Mia are expecting to create employment for another 20 new workers with the help of this loan and the market linkage that has been established with leading exporter through JOBS.

Early in 1999, JOBS began to link micro enterprises with lead buyers in the entire supply chain of a particular sector. One advantage of this approach is that required donor intervention is minimal, because the linkages can be developed based on the commercial relationships between micro businesses and lead buyers. Donors can set a clear exit strategy. Another advantage is that required business development services, which most micro enterprises are unwilling to purchase commercially, are embedded in the relationship between buyers and businesses.

JOBS first market linkage program was with the shoe sector in 1999. The Project linked 23 small enterprises to three lead shoe exporters. Results were exceptional. After one year, income had increased an average of 121% and workers' monthly wages rose as high as Tk. 4,000, much higher than what a typical industrial worker in Bangladesh earns. Building on that first success, JOBS facilitated more linkages in the shoe sector and developed clusters of MEs in other sectors, with similar results.



Training on process in Uttara cluster.

Just how did this process work? First, the JOBS team brought together the new business clusters and lead buyers in sessions of "shared vision building," to agree on how they could work together.

Next, JOBS worked on capacity development of their client MEs through technical and skill development training sessions tailored to their individual needs.

In the third phase, JOBS worked for the sustainability of the developed clusters, monitoring the new market linkages and providing any necessary training, in marketing, costing or product design and development, for example.

In most cases, these grouped micro businesses could function independently after one year. The handmade paper and gift sector provides a recent success story. The income of this group of micro enterprises increased by 80 to 100%. Individual workers now earn up to Tk. 5,000 per month and many new jobs were created. This linkage also provided alternative financing for the associated micro businesses, because often lead buyers provide interest free advances to purchase raw materials and adjust these advances against the goods delivered by the clusters. Moreover, services such as market information, product development and packaging are embedded in the commercial transactions between lead buyers, the market and the cluster. ■

E-Shoes: E-Commerce Tools Increase Industry's Employment, Exports and Profits

One of JOBS' first programs, a three-year plan to increase shoe exports to Japan that began in 1998, took full advantage of e-commerce tools to achieve its objectives. The fact that Bangladesh, one of the world's poorest countries, seemed to be a highly unlikely place to benefit from the world's most advanced technologies did not deter the innovative thinkers at JOBS.

Websites offered valuable, free information about the Japanese market and shoe styles likely to appeal to Japanese customers. The Japanese expert who came to help Bangladesh producers review their designs and prepare for an important industry fair was also found on the web. In fact, the fair itself was identified by web-based research and all registration to attend it was conducted via the web.

JOBS paid for membership-only access to an important Japanese shoe industry website, from which the Bangladeshi firms learned more about shoe design, fashion forecasts, trend analysis and their competition. Based on this information, training in product design, production processes and quality control could be carefully targeted to meet their most pressing needs.



Workers producing shoes for Japan market from Uttara cluster.

The program then helped develop CD-ROMS for eight Bangladeshi enterprises attending the fair. The CDs provided information about designs (including shoe samples), production and quality control capabilities and a virtual tour showing working conditions at the factories. This information significantly boosted the confidence of Japanese buyers.

Once orders started arriving, as they quickly did, all communication with buyers was conducted via e-mail, resulting in considerable savings over fax and special delivery services. The buyers were able to send pictures of products they wanted or adjustments needed in samples sent, which



JOBS facilitated participation in ISF Fair, Japan.

helped to ensure customer satisfaction. Some of the Bangladeshi firms used electronic commerce to track down and source raw materials from new suppliers. ■

JOBS helps increase shoe export

After the program's first year, shoe exports had increased from 160,000 pairs valued at US\$ 2.6 million to 200,000 pairs valued at US\$ 4.4 million. By 2001, exports stood at 933,000 pairs valued at US\$ 20.5 million. Initially, three firms exported shoes to Japan. Today, 10 firms are exporting shoes and almost 200 new jobs have been created, many of them filled by very poor women from villages near the factories. Because many of the exported shoes require handiwork not possible in the factory set-up, village women are subcontracted to do delicate hand-stitching in their homes. Thus the world's most modern technology has been used to benefit some of Bangladesh's neediest citizens.



The Bangladesh Law Commission on the Global Information Highway

Aware of the growing need for a regulatory environment conducive to the growth of the country's budding ICT sector, the Bangladesh Law Commission drafted the Information Technology (IT) Act in 2001. Because JOBS had been a leading force throughout the process leading up to the proposed new law, the Commission also sought the Project's assistance in shepherding it through the continuing legal process.

JOBS soon discovered that the Commission was not entirely equipped to meet the challenges it faced. The institution entrusted with establishing a regulatory environment that would allow Bangladesh entry onto the global information highway did not even have the wherewithal to provide soft copies of the very law it was promulgating.

The Law Commission needed assistance in three areas:

- Upgrading its own technological infrastructure;
- Developing the skills of its personnel to work with that technology and
- Designing a website to disseminate information and to promote transparency about the laws it would be proposing and vetting.

Under its e-governance initiative, JOBS was already working with different ministries on website development, putting government forms online, recommending a national IT policy and advocating the IT Act. The Project was thus experienced in providing just the sort of assistance the Law Commission needed.

The first step was a self-evaluation by the Commission's staff. Based on the needs they identified, a month long



The Law Commission training.

program on basic computer operations, including training in Windows, Office 2000, database management, LAN /WAN installation, trouble shooting and hardware maintenance, was given to the staff in August 2002.

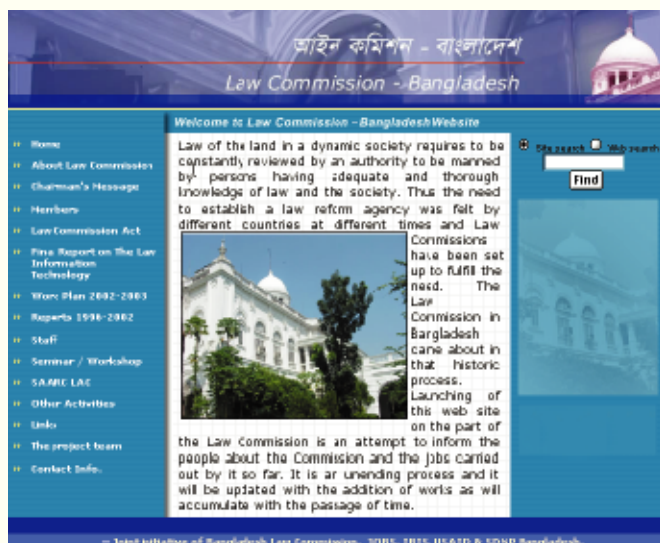
In September, the Canadian International Development Agency (CIDA) provided the Commission with several state-of-the-art computers, along with software and accessories, and a Local Area Network was soon established among them. These computers allowed the staff to continue their IT training without sacrificing time from their hectic office schedules.

Seeing these new computer skills being successfully used by their staff convinced the officers of the Law Commission to ask JOBS to give them the same training. This training started in late October and ended in early December 2002.

Website development was a particular challenge because the proper format for a quasi-government institution such as the Law Commission had not yet been established in Bangladesh. In fact, this was a one-of-a-kind opportunity. A team made up of members of the Commission, JOBS and the UNDP Sustainable Development Networking Program worked three months to collect information, design the site, get necessary approvals and manage the technical details.

The website, launched on the fourth week of December 2002, is considered to be a major advance in the practice of e-governance in Bangladesh.

Thanks to the assistance of JOBS, the Law Commission has developed into an institution that can not only sustain itself in an era dominated by information and communication technology, but provide the necessary structure to make that technology work for the betterment of society. ■



The Law Commission website.

Bangladeshi Carpet Manufacturers Benefit from JOBS' Interventions

Although its *Satranji* rugs were once considered fit for kings, the full potential of the Bangladeshi carpet industry has never been realized in international markets. Today, however, Bangladeshi manufacturers are well-positioned to fill the growing international demand for handmade carpets: a 5% to 20% government subsidy, readily available raw materials, low labor costs, low capital investment, and a convenient seaport mean they could offer international buyers very attractive prices. Government policies and high labor costs in neighboring countries make the prospects even brighter. More information about international markets, better designs, modern technology, and carefully planned marketing efforts could give the industry the capacity to generate substantial employment and export earnings. This is precisely what JOBS' interventions are now bringing to this heretofore neglected sector.



Satranji displayed at the Domotex Fair 2003.

At the end of 2002, after a thorough local and international market survey, JOBS started working with leading producers of *Satranji*, braided jute and wool rugs, and also assisted them to begin adding coconut coir mats to their production lines.

Demand for *Satranji* had long been diminished because of a lack of diversity in design and color. Twelve years ago, an organization named Karupannya began to promote *Satranji* in local markets by initiating a weavers' association and promulgating a more modern marketing strategy. In 2002, JOBS facilitated a six-month training program for 200 unskilled Karupannya workers on handmade *Satranji* production. At the same time, the Project facilitated a month-long visit for Karupannya managers to the Delhi Floor Covering Fair. The results of these interventions included new design ideas and new technology that reduced production costs by almost 15%.

At the end of 2002, JOBS facilitated a 15-day design development workshop, led by a European designer, to help Karupannya develop samples that the firm presented at the DOMOTEX fair in Germany, the largest floor covering fair in the world, in January 2003. Karupannya received orders worth US \$25,000, and three major buyers from Germany

and Sweden ordered additional samples. After the fair, two German buyers came to Bangladesh to visit the weavers' association in Rajshahi and to help Karupannya prepare for the 2004 fair.

After only one year of intervention, Karupannya hired almost 300 more workers, who, depending on their skills, now earn Tk. 1,300 -Tk. 3,000 a month. With the right technology and proper marketing strategies, JOBS is confident the jute-braided carpet and coconut coir mat industries will experience similar success. ■

Satranji for Honda

Shafiqul Alam Selim –the owner of Karupannya- has been dealing with the traditional rugs for the last twelve years. He has developed a large producer group in the northern region of Bangladesh, from where he used to produce this unique rugs. Selim received huge inquiry and orders for his *Satranji* after participated in the DOMOTEX Fair, to JOBS' facilitation in 2002. One of the orders from the fair turned out to be very prestigious as well as profitable for him.

HONDA- a leading car manufacturer from Japan was planning to give a hand made mat for each of the purchased car as a gift for the next year. The buyer from HONDA met Selim in the fair & showed interest in his *Satranji*. After coming back from the fair, Selim received an order of 5000 pieces of small *Satranjis* worth US\$ 21,000. After the successful delivery of the first order, Selim is now working with JOBS to develop his workforce and bring in new technology for the sector that will help him to proceed with the new order from HONDA, which is 10,000 pieces of *Satranjis* per month.



JOBS Assists Shell Crafts Meet Growing Home Textile Market

Shell Crafts began as an exporter of handicrafts and decorative kitchen and garden items made of shell, recycled glass, and metal. Recently, it entered the home textile sector as a subcontractor for a large firm with a small operation employing 28 workers. Very soon, it looked like it would be necessary to expand that workforce to meet the contractor's orders; at the same time, Shell Crafts recognized that the growing demand for home textiles provided an excellent opportunity to develop its own line of products made from hand loomed Jamdani and Kumarkhali cotton, fabrics unique to Bangladesh.

Having already identified home textiles as a thrust sector for Bangladesh, JOBS was well-positioned to help Shell Crafts enter the sector. In April, 2003, JOBS facilitated a six-month long training course for 60 textile workers; Shell Crafts hired all of them for its production unit, increasing its workforce to 85. After more training in design development, the company



Trainees working on Home Textile Products at Shell Crafts

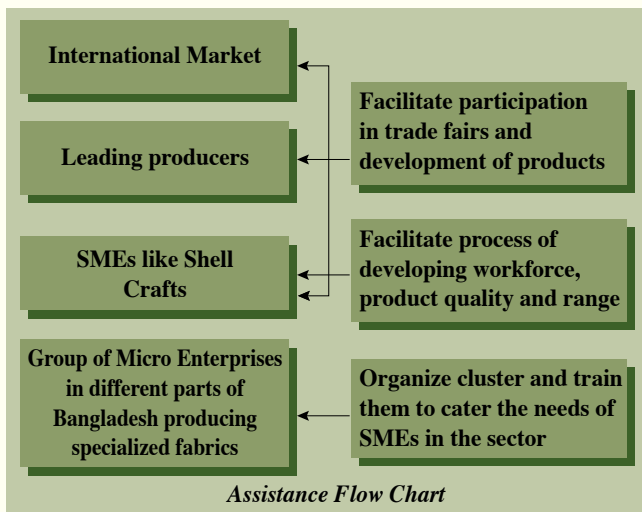
market. With its labor intensive nature and scope for backward linkages, the home textile sector should soon become one of Bangladesh's biggest export earners and employment generators. In addition, because of its similarity of operations, this sector is one of the few with the potential to create employment for the garment workers who are likely to lose their jobs in 2005, post MFA (Multi-Fibre Arrangement).

As the Shell Crafts experience demonstrates, JOBS is assisting the home textiles sector in three ways:

- The Project helps medium range exporters expand sales through product development, market information and participation in international trade fairs.
- JOBS helps small producers develop and expand their workforce and improve the quality of their products through skill development training, thus enabling them to subcontract for large buyers as well as operate in niche markets in the international arena.
- JOBS helps producers at the grass root level by organizing groups of micro enterprises, who produce unique, indigenous fabrics to supply small and medium producers.

JOBS is now looking into developing home textile products made of jute, leather and other indigenous material.

With such unusual products to offer international consumers who are always seeking variety, Bangladesh's home textile sector looks promising indeed. According to the Export Promotion Bureau of Bangladesh, last year the country's home textile exports were valued at US\$ 75 million; exports of kitchen textiles and terrycloth towels were valued at US\$ 56 million. This is up from US\$ 71 million and US\$ 50 million the previous year. With the world market for textiles estimated at about US\$ 32 billion, there is obviously plenty of scope for products from Bangladesh to capture a larger portion of international sales. ■



developed a range of products made of Bangladeshi handloom fabrics, which it displayed at the Tendence Fair at Germany last October, where it received orders worth of US\$ 82,000. The company expects to receive additional orders worth US\$ 37,000 in the coming year.

To bring a share of this growing market to producers at the grass root level, JOBS is also working to form three clusters of 25 to 30 micro enterprises each, in different areas of the country, to jointly produce specialized silk and cotton fabrics to supply to Shell Crafts and other leading buyers. The weavers in these three clusters can expect to increase their incomes from Tk 2,500 to Tk. 4,000 per person.

The unique products made of these unusual fabrics have considerable appeal abroad, and will allow Shell Crafts and similar firms become more competitive in the international

Creating an E-Commerce Enabling Environment in Bangladesh

The initiatives undertaken by JOBS E-commerce and Information and Technology (EC/ICT) program have contributed significantly to creating an enabling environment for modern communication technologies in Bangladesh.

Businesses keen to embrace ICT were stymied by the legal and regulatory environment existing in the country. Although IT had been declared a “thrust sector” by three governments since 1997, no IT policy for the country had been adopted. Bangladesh’s courts did not recognize electronic signatures; no laws protected intellectual property rights; electronic contracts had no legal value and the financial structure to support electronic transactions was non-existent.

The private sector could surmount other barriers that had been identified, including the lack of adequate ICT infrastructure and human resources, once the legal roadblocks were removed and an IT regulatory environment consistent with that of the rest of the world had been adopted, but until then, Bangladesh’s entry into the mainstream global economy was effectively blocked.



Participants seen in the 'Strategic Business Development in the United States - an Interactive Workshop'.

access to different e-commerce and IT law related information from all over the globe to assist the enactment an IT law for Bangladesh;

- Providing hands on training on the new technology to government offices, including officials and staff of the Law Commission tasked with shepherding the IT law through the legislative process and
- Organizing the “ICT Policy and Practice: Steps for the Future” seminar in October 2002 to celebrate the achievements to date and plan for those to come.

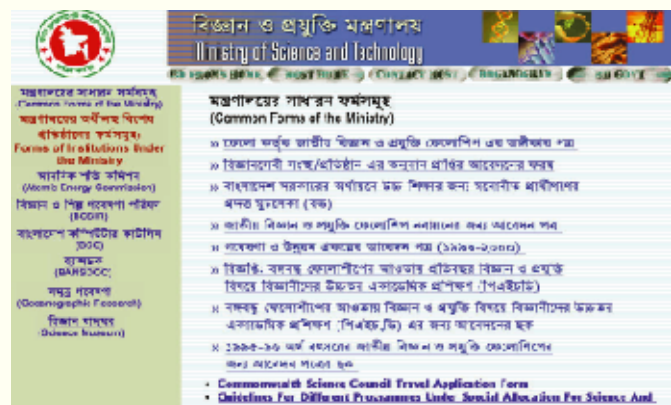
JOBS coordinated the stakeholders, provided access to international specialists on IT laws, synchronized the efforts of different donor agencies and most of all, advocated the IT act as a necessary step to providing the regulatory environment needed to foster the growth of the IT sector in Bangladesh. The Law Commission has expressed its desire to work closely with JOBS to make necessary changes in the draft IT Act to develop a law matching the international standard while catering to the need of the ICT sector in the country. The draft IT Act is now with the Ministry of Science and ICT (MOSICT) and is expected to be placed before the Parliament. ■



IRIS webpage for Policy makers

The primary reason for the delay was a lack of coordination among stakeholders, and JOBS took upon itself the role of providing the needed coordination by:

- Organizing the “E-Commerce in Bangladesh: Potential and Policy Priorities” seminar in January 2001 at which 35 recommendations for an IT Law were adopted and ownership of the ICT issue was forged among stakeholders;
- Bringing in technical assistance from international experts and UNCITRAL;
- Sponsoring study tours, in-depth discussion groups, workshops and demonstrations of various technologies for government officials and stakeholders to keep the issue in the forefront of public consciousness;
- Assisting the GoB in putting government forms on the web to facilitate public access and initiate some first steps toward e-governance in the country;
- Setting up an IRIS website for policy makers to provide



MOSICT forms on the BCC website

Creating Employment Through Cluster Concept

Working to strengthen Bangladesh's capacity to produce quality goods for the electrical sector, JOBS Small and Medium Enterprise (SME) team recently satisfied one goal by linking 50 unemployed men and women with one of Bangladesh's largest electronics companies.

It began in January 2003 when JOBS and Micro Electronics cooperatively recruited 50 people in the Savar area to begin training. The trainees were set to learn how to manufacture and assemble products that are essential for almost any electronic appliance. By the end of June, the trainees successfully completed their training at basic and advanced level and had begun producing. Now, this Savar cluster is expected to become a self-sustained manufacturing company, the trainees are successfully operating and producing goods that will be sold to Micro Electronics. In six month's time, this new conglomerate of entrepreneurs is able to manufacture and supply a highly demanded product to large electronics companies both domestically and in the international market.

Before JOBS linked it with a new supplier, Micro Electronics relied solely on export suppliers for its essential parts. Although it is expensive to buy the products from a foreign supplier, Micro Electronics was willing to pay substantial amount of money for electronics parts (especially coils, small transformers, core-cuts) built in Bangladesh. It wanted a supplier that could ensure it received a good quality product with a guarantee. With the help of JOBS SME team, the Savar cluster was able to provide a good quality product to Micro Electronics. The Savar cluster is



A Worker testing an electronic equipment in Micro Electronics.



Trained workers are working on electronic equipments in Micro Electronics.



Training on process under JOBS facilitation.

now manufacturing various electronics parts, including coils, core-cuts and the highly marketable single-phase transformers, which will partially satisfy a large domestic demand, and in turn, maintain a stable and sustainable employment for people who previously were destitute. Micro Electronics already has a demand for 100,000 of these products every year. After the Savar Cluster's six-month trial period ended in June, twenty six of these newly trained workers had begun working full-time employment at Micro Electronics. The remaining trainees are running their company without the guidance of Micro Electronics' support team and started publicizing their presence as a new electronic parts producer in Bangladesh.

If the Savar entrepreneurship maintains its grasp on the domestic electrical sector and maybe neighboring countries' markets, these workers will be making an average of Tk. 3,000 per month – an ample salary compared to a successful garment industry worker that makes anywhere from Tk. 1,000 to TK. 2,500 per month.

JOBS' latest link between people in need of employment and a prosperous company have proven beneficial for everyone involved. While Micro Electronics was able to secure a local, quality product, it also through the helps of JOBS was able to display its products at an International Fair. JOBS will continue to work with Micro Electronics to enhance its product development capabilities. On the flip side, 50 people who were once unemployed and could not utilize their invaluable work ethic and education are now exercising their talents and earning money to support their families. ■

JOBS' Association Approach Brings Financing and Business Acumen to Bangladesh's Small Businesses

Sustainable economic development everywhere depends in large part on the growth and stability of small businesses. At present, the growth of Bangladesh's SMEs is hampered by their inability to get the financial support they need because of complicated loan processing and collateral requirements. SME owners often lack experience in applying for bank loans, and most of these businesses are located far from financial centers. Small business also have difficulty achieving economies of scale in the purchase of equipment, raw materials and financing and are unable to take advantage of market opportunities that require large production quantities, homogenous standards and regular supplies.

To help micro and small enterprises overcome all these obstacles to success, JOBS introduced Bangladesh's business owners to the idea of associations. The Modhupur Pineapple Association is an excellent example of the success of this approach to SME development.

About 150 kilometers northeast of Dhaka, Modhupur is an agricultural area known for its pineapples, bananas, papayas, potatoes and ginger. Isolated from major population centers, Modhupur's farmers were deprived of fair market prices by the many intermediaries in their distribution channel, who took the major portion of their profits. In March 2001, JOBS helped form the Modhupur Pineapple Marketing and Processing Association to enable ten area farmers to purchase fertilizer and other inputs jointly and to establish control over



Members of Modhupur Pineapple Association

the distribution process. When, as a result of this cooperation, their businesses started to grow, their need for working capital also increased. Because the farmers lacked experience in obtaining loans, had no previous history of formal loans, and could not provide the necessary collateral,

JOBS assisted them in borrowing the funds they needed to expand their operations.

JOBS' loan facilitation unit approached the Social Investment Bank Limited (SIBL), proposing the then-unique idea of a group loan, to be provided without any requirement for collateral. Although it had no branch at Modhupur, SIBL agreed to finance the Association through its head office, and in May 2001 the farmers were given a loan of US\$ 9,500. After the harvest, the loan was paid in full, two months in advance of the six-month payback period stipulated by the bank. Assured of the farmers' business success and ability to pay off their loans, SIBL has continued to finance the Association, loaning the members US\$ 27,358 in May 2002 and US\$ 32,350 in November 2002. ■

Helping the Rural Farmers Grow

Through the Modhupur Pineapple Association, the farmers are able to practice joint marketing and production, manage their own distribution channel and input procurement process and sell their products directly in Dhaka and other major cities that were beyond their reach only a year ago. While previously they got Tk. 5 or Tk. 6 per unit, now they get Tk. 8 to Tk. 10, and their overall profit margin has increased by 60%. New job opportunities opened up when 32 new people were hired in various areas of production, processing and distribution. The farmers have reduced their marketing and production costs and have reliable access to bank financing. This is indeed an impressive list of achievements and one that can be duplicated by other business sectors in Bangladesh who adopt the association approach developed and facilitated by JOBS.



Business Clusters Introduce Traditional Jamdani Fabric to the Modern World of Home Textiles



Women working in the Jamdani cluster.

The Bangladeshi village of Rupgonj, on the banks of the Shitalakhya River about 30 kilometers from Dhaka, is famous for its Jamdani sarees. One of the oldest and most costly fabrics in textile history, myth has it that to achieve the unique texture, quality and design of Jamdani, one must be near the breezes blowing off the Shitalakhya. Modernizing an industry so long and so closely interwoven with the history and myths of a country proved to be a considerable challenge for The JOBS Project.

JOBS found that Bangladesh's Jamdani was an excellent raw material for home textile products and lead buyers in the country were looking for new materials for their home textile lines. In 2000, JOBS visited Rupgonj to explore the possibilities of using it in this way.

At first, the likelihood of success with such an endeavor seemed remote, however. Although Jamdani fabric is very expensive and the market for sarees is extremely limited, the idea of making anything more marketable with the fabric never occurred to local weavers. In addition, individual weavers still produced the material the old-fashioned way on home weaving machines. Using Jamdani for home textile products would require a higher quantity of fabric than could be produced by such ancient, isolated operations, which made it impossible to achieve economies of scale in the purchase of equipment, raw materials and financing. Individual weavers were also unable to take advantage of market opportunities that required large production quantities, homogenous standards and regular supplies, while narrow profit margins prevented them from introducing new designs streamlining the production process or improving the quality of their products.

Earlier, JOBS had faced similar problems with producers of handmade footwear, who, before JOBS' intervention, had also operated in isolation. But, soon after JOBS organized

A weaver dedicated to his art and profession

Abul Hossain is a weaver by profession. He was one of the weavers interviewed by JOBS, as part of their survey to determine the needs of weavers so that the best possible assistance program could be designed. Hossain subsequently attended a JOBS seminar on "Handloom/ Handicrafts Export Marketing and Development Assistance". At the recently held JOBS Trade Fair 2000, Hossain demonstrated the art of weaving, shared his knowledge and washing and maintaining sarees. He received the "BEST STALL" award. JOBS linked Hossain up with another SME client, Banaj Barnali, who now places orders for sarees and material with him.

Hossain tells his story:

"I named the company after my son, Shumon, because I want to inspire him to carry on our ancestral profession. When I was 12, I began working as an apprentice. I like 'modifying' traditional designs, motifs and patterns of Jamdanis, and play with color to create new style.

Not so long ago, Jamdani weavers produced different goods, like curtains, bed sheets, napkins, pillow covers, etc, not just sarees. Each product has a specific weave, with different mixtures of cotton and silk thread. The Jamdani is a very special care in washing and cleaning.



Abul Hossain showing one of his finished product.

To make one simple cotton saree takes at least one week. An ornate half silk saree, depending on patterns and color combinations, takes two to three weeks and an ornate silk saree takes over a month.

JOBS' program are specifically designed to meet our needs. At JOBS trade fairs I meet buyers and producers from different regions. I learn from others' experiences and share my own. I also receive orders from other JOBS clients for silk sarees and materials and this assured me of a steady income.

I employ 16 men and 8 women and have 14 looms. I hope to encourage and employ more people and preserve the art of weaving. We weave all kinds of silk, cotton and mixed fabrics.

I believe that with the right kind of publicity, support and assistance the Jamdani can become a well-established product in the world market. I am confident that we can do it; provided we are helped to rise from the existing slump. I don't seek to reap the benefits on my own. I want to share them with my community so we can prosper together. JOBS has been a good partner and friend in helping change our lives".

individual producers into a cooperative cluster, provided six months of technical training and linked them with leading export suppliers, the Bangladeshi footwear industry was enjoying brisk sales in international markets.

Motivated by their success in the footwear sector, the JOBS team met with the Jamdani weavers to discuss the possibility of grouping individual weavers to work jointly in a cluster. Tradition argued against the initiative. At first the craftsmen were not sure they could produce anything other than sarees, but eventually 22 individuals agreed to form a cluster. During these discussions, the JOBS team sought the guidance of leading home textile exporters, who would be the ultimate buyers of Jamdani fabrics. This approach ensured that JOBS would have the commitment of the lead buyers from the outset.

Once the weavers were grouped into an association, JOBS facilitated a six-month long skill development training program to give them experience in weaving a long roll of Jamdani fabric and accustom them to producing a homogeneous product in large quantities. This required a change in thinking on the part of the weavers, away from the traditional technique of the solitary craftsman necessary to produce a single saree and toward the cooperative production of Jamdani fabric for products that would enjoy more international appeal.

JOBS then arranged a second, month-long training session on quality control and provided instruction on the joint purchase of raw material and joint book keeping; 22 skilled workers and 44 semi-skilled workers were trained in these two programs.

Once training was completed, lead buyers such as Shristy, Shell Crafts and Folk International began purchasing the fabric for the trial production of cushion covers and curtains. In 2001, the buyers attended the New York Home Textile Fair for the first time, where the curtains got huge response from



Weaving process going on in the Jamdani cluster.

buyers; the cushion covers were less successful, but enjoyed a better response at the 2002 fair, after designs had been improved. Jamdani fabrics mixed with jute were also introduced at the 2002 fair and orders for it were made by a number of international buyers.

Since then, JOBS has organized and facilitated more design workshops to meet the ever-changing fashions of international markets and has promoted Jamdani at the Birmingham Gift Fair, the Sydney Home Textile Fair, the Dubai Fair, the New York Home Textile Fair and Tendance in Germany.

There are now 30 firms operating in the cluster. The group has a standing order for 2000 sarees annually from an Indian buyer and has been visited by buyers from the UK, Germany and South Africa. The cluster is able to purchase expensive raw materials jointly and in bulk; this has helped them improve the quality of their products and get higher prices. The monthly income of individual entrepreneurs in the group has increased by Tk. 10,000 to Tk. 15,000 a month, and more local weavers are interested in creating similar clusters. ■

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