

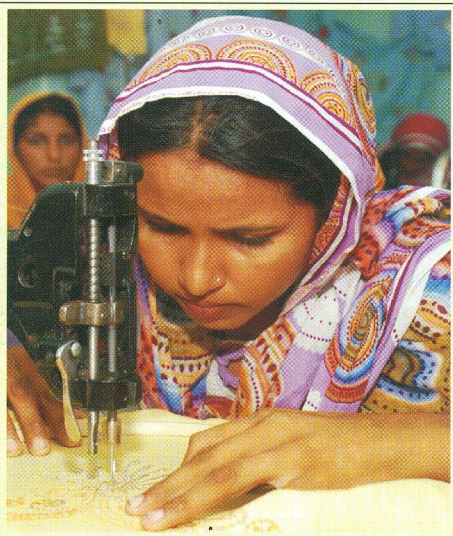
HRD COMMUNIQUE

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Editor's Note

Dear Readers!

We are back with an exciting issue of HRD Communiqué. We are grateful to you for appreciating the last issue on "Youth and Development" and this time also we made sure not to disappoint you, so here we present to you the issue of this quarter which is based on "Enterprise Development".

There is no need to mention the state of affairs in the country; we are indeed going through turbulent times. Economy specifically is experiencing a downhill slope. Amid this cynicism and gloominess, there are people who are not only optimistic but are making firm efforts to revive the state of economy and bring it back on the right track. However there is a dearth of such assertive, strong willed and energetic individuals who can take-up initiatives to inject blood in the ailing economy. Today we need entrepreneurs not employees who can startup entrepreneurial ventures to boost the trade and industry of our country. NRSP-Institute of Rural Management with its motto of "Unlocking your true Potential" has been on the forefront to curb this shortage by training and empowering individuals with necessary skills and knowledge which can pave their way towards endless opportunities. You will get a glance of those initiatives in this issue of HRD Communiqué.

Plus, you will also get a chance of meeting a personality who is making efforts to create niche for Pakistani products at global level. This young entrepreneur is linking up local artisans with International market through his venture "Tribal Monsoon". So interview of Faisal Butt is definitely not to be missed.

In the end we would like to wish you a very Happy New Year with the hope that coming year will bring peace and prosperity to our country. Please send us your contributions, feedback and suggestions at samar@irm.edu.pk. Wish you a very happy reading.

Situational Analysis of Schools Requiring Immediate Attention

Case study forum on "Situational Analysis of Schools to identify issues requiring immediate attention" was arranged by Akhter Hameed Khan Resource Center on August 18, 2009. The forum intended to generate knowledge based dialogue on education between the policy makers, academia, concerned citizens, media and civil society organizations.



Invoking Minds

Panelist and participants at the Case study Forum

The government of Sindh requested National Rural Support Programme (NRSP), one of the leading development sector organizations of Pakistan, to conduct a study in two union councils (UCs) of district Shikarpur which included Zarkhail and Dhakkan, to identify key areas requiring immediate attention in the educational sector with the aim to increase literacy ratio and enrollment of students especially at the primary level. The study was presented by Mr. Sohail Manzoor, who is working with NRSP as Project Manager, Social and Human Protection Programme.

Mr. Abdur Rauf Chaudhry, Secretary Ministry of Education graced the occasion as the Chief Guest. Mr. Iqbal Jatoi, Country Manager, Right to Play was among the panelist. Mr.

Jatoui is a senior development professional with 15 years of experience in social sectors. He was Country Director, Academy for Educational Development (AED) and head of Pakistan Teacher Education and Professional Development Program (PTEPDP) from 2001 to 2006.

According to Mr. Manzoor, UC Zarkhail consists of 2,286 households having a total population of 10,995. Over all literacy rate is 7% out of which 25.9% are adults and 74.1% are children. Among the adult literates, 73.1% are males and 26.9% are females and among the literate children 81.9% are boys and 18.1% are girls. Therefore illiteracy is more prevalent among women and girls.

Further he mentioned that out of total schools present in the union council, 52.5% are functional and 47.5% are non functional. None of the female schools are functional; therefore girls are required to attend boys' school for getting education. The study also scrutinized the enrollment of children. Among the total number of children in school going age, only 14.4% are actually attending school on a consistent basis, while 85.6% are not. Mr. Manzoor while sharing the reasons of poor school attendance mentioned that 28.1% of the people are not sending their children to schools because of poverty constraints while remaining 71.9% reasons are directly related to the faults in educational systems, including inadequate policies, infrastructure, and facilities. Specific complaints included lack of female only schools, teacher absenteeism, endemic teacher shirking of duties, proximity of school to home, school closure, failure of teachers to impart quality education, physical punishment to students, and overall poor condition of school.

He pointed out that the School Management Committees (SMCs) were formed for the monitoring of schools but all of them are non-functional. This is due to the fact that all these

Committees have been formed through notification not through community mobilization process. The study also dealt with the training needs assessment of the teachers which shows a significant difference between required and actual level of teachers' skills, attitude and Knowledge.

Mr. Iqbal Jatoui while sharing his views said that about 7000



Knowledge Sharing: Iqbal Jatoui while speaking to the participants

schools in Sindh are non-functional and he attributed it to the teachers who are not rationally deployed. Teachers are not qualified; most of them are only matric pass. Further, poor law and order conditions restrain the parents to send their children especially daughters to schools.

He suggested that new techniques should be introduced to boost the enrollment rate of schools. One way is to encourage children to play. He cited the case of a Canadian NGO called Right to Play which engages children in sports and it has been experienced that wherever it starts operation, the enrollment rate of school picks up. Secondly there is a need to initiate dialogue with the teachers. Only by involving them in the process of reformation can bring desirable outcomes in the education system.

Forum was then opened for question and answer session. Mr. Manzoor while responding to the query of Mr. Mohsin Babbar, regarding the causes of non-functional schools said that it is primarily because of lack of adequate monitoring. Schools are located at great distances for which the monitoring staff

requires motor bikes; however most of the time they are short of fuel which hampers the task. There is also a need for female staff to examine girl's school but their unavailability let them go unmonitored.

In the end, Mr. Abdur Rauf Chaudhry was invited to give his remarks. He stated that the study gave an insight to the micro level state of affairs of schools in Sindh. Generally the facts conveyed to the Ministry by National Education Assessment System (NAES) portrays macro level situation in which ground realities are not explained in minute details. Based upon statistics provided by NAES in 2006, literacy rates in Sindh and Baluchistan are 16% and 23% respectively which is a wake up call. Lack of middle level schools in most of the areas deprives children to study beyond primary level as they cannot go to other towns due to geographical distances. To cater to this issue, Ministry of Education has recently sent concept paper to Planning Commission to open at least one high school in every UC. Government is striving to achieve the Education for All (EFA) target to bring literacy rate to 86% which requires funds of Rs. 400 billion. Efforts are also being made to provide necessary infrastructure to the schools. However the most critical concern is poor monitoring of schools; only after dealing with this problem the desired objectives can be achieved.



Strengthening bonds: Roomi S. Hayat presenting souvenir to Abdur Rauf Chaudhry

By Samar Saeed Akhtar

Exposure Visit to Srilanka

Exposure visit to Srilanka was arranged for the participants of Women's Leadership Programme Cohort III from 8th-15th November, 09 with the aim to broaden up the understanding and knowledge of participants by providing them an opportunity to explore the development arena at international level. This was the major activity of last phase of the training programme which was arranged in collaboration with Srilankan Government. The participants got the chance to meet the officials from public and private institutions of Srilanka. They visited Ministry of Youth Affairs, Ministry of Child Development and Women's Empowerment, National Youth Services Council, Jankala Vocational Centre, National Corp Centre and "Women and Media Collection" a woman headed NGO. The participants also traveled to Kandy, visited Elephant Orphanage at Pinnwala and Buddha Tooth Relic Temple.



Exploring Places



Glimpses of exposure visit to Srilanka

Umat-ul-Karim, Sindh Rural Support Organization

"Panorama of cultural diversity and potency of Srilankan women especially towards enterprise development was exhilarating. We got to visit restaurants, lake side views, beaches and shopping malls. I found peoples there very simple and modest. They endorse their culture and promotes it in the form of pictures and Dancing Troupes. Wherever we went to, we were welcomed with amazing dances. I found that their women are courageous; they work & are not dependant on their men. There is absolutely no gender discrimination".

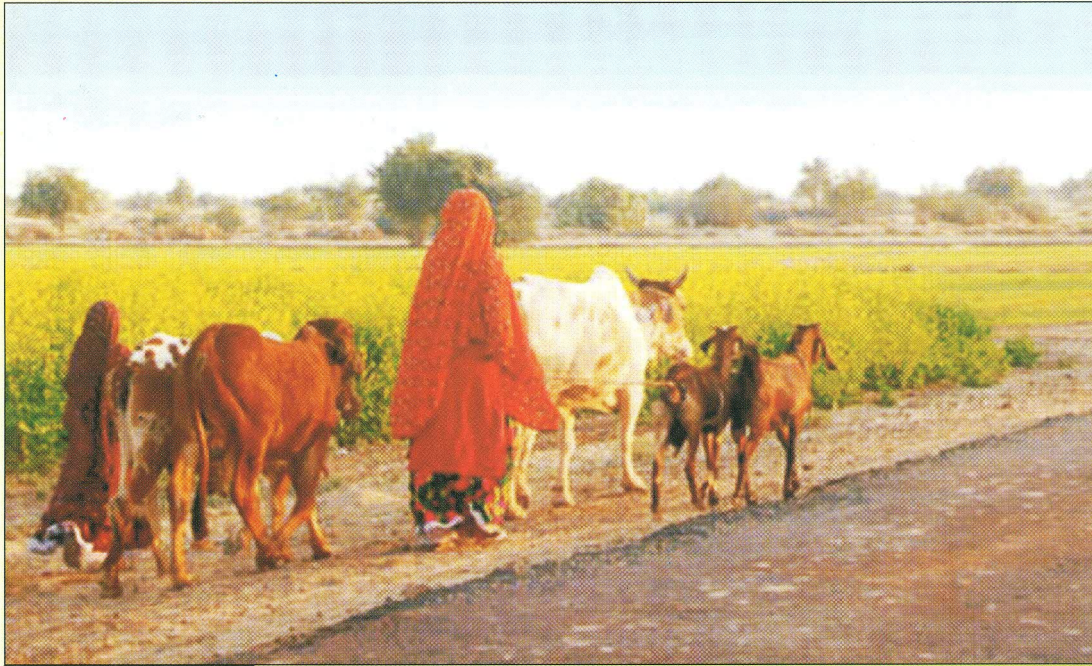
Imum Malik, NR.SP-Head Office

On third day in Srilanka, we went to Kandy where we met a rural women entrepreneur who is successfully running her home based enterprise. She started her enterprise with the support of Small Enterprise Development Division, which helped her in obtaining credit and offered technical training. Interestingly she is also imparting the skill to other women of the village. The story of how she developed marketing linkages overtime was quite inspiring.

Samina Shaikh, Sindh Rural Support Organization

"It was a short trip of seven days but we came back with memories which will always be cherished. During our stay, we visited famous cities of Colombo, Kandy, and Ahungawalla. Health facilities in Srilanka are free for public; but the food items are expensive. We found a common trend of kitchen gardening, which is supported by the Govt: so that poor people can save their finances by cultivating vegetables for themselves".

Unleashing Hidden Potential



Sharing Responsibilities

A snapshot of rural woman at work

national and international collaborators is designing programmes in areas of Social Mobilization, Resource Mobilization, Gender Awareness, Microfinance and Vocational skills etc. VTP projects are developed with a view for creating employable skills in rural women. Apart from health and education, NRSP and RSPs are implementing various projects in the areas of agriculture, poultry farming and livestock including fisheries etc. The second phase is of skill

“They always say time changes things, but you actually have to change them yourself” - Andy Warhol

Rural women generally have to strive to make a meager living in Pakistan. The abject poverty leads them to take action towards self-employment, group self-employment and home-based enterprises. The supportive social system, dominant cultural values and legal structure combine to provide the frame work within which our female entrepreneurs have to function. Ironically the family at times lacks the confidence in women's capability, whether it is related to their mobility outside home or to mortgage as collateral to obtain loans. As a matter of fact from a long time our rural women are doing entrepreneurial tasks (e.g. domestic farming, tailoring, embroidery etc.) which are going unnoticed. They need to organize themselves in order to enhance their knowledge of related fields e.g. buying, accounting, market rates etc.

Since its inception, NRSP along with other Rural Support Programmes is working to render Rural Women Entrepreneur's (RWE) life livable. Development of RWE in Pakistan can be accomplished in two phases. First phase is of capacity building. For this purpose NRSP along with variuos

enhancement. For this purpose NRSP –IRM, provides community and staff training programmes for polishing the skills. Diverse training programmes and workshops/seminars are offered to develop managerial skills e.g. leadership, gender, communication skills etc.

A recent study on South East Asian Rural Communities revealed some interesting facts about RWE. For instance, RWE have higher scores on efficiency, commitment to work contract, persistence and concern for high quality of work. Interestingly they show a weaker side in initiative, seeing and acting on opportunities, persuasion, self confidence, systematic planning, use of influencing strategy, assertiveness and problem solving.

Despite many problems pertinent to rural women entrepreneurship, there is no dearth of opportunities for them. Rural women's hard working nature, dedication, commitment and honesty are positive attributes which can be effectively tapped to promote more of them as successful entrepreneurs.

By Seerat Fatima

News Feed

Book Launch of "AKRSP-A Journey through Grassroots Development"

Book launch ceremony of "Aga Khan Rural Support Programme-A Journey through Grassroots Development" written by Shoaib Sultan Khan was held on October 14, 2004 at National Library. The ceremony was chaired by Finance Minister Mr. Shaukat Tareen while Sartaj Aziz, Vice-Chancellor Beaconhouse National University was the Guest of Honor. The keynote speakers included Ameena Saiyid- Managing Director Oxford University Press, Ghazi Salahuddin- Editorial Director Geo TV, Dr. Amjad Saqib, Executive Director Akhuwat and Abdullah Malang, Community Activists. Ejaz Raheem, Ex-Cabinet Secretary recited a poem on the occasion which he wrote in the honor of Shoaib Sultan Khan. The ceremony was attended by government dignitaries, diplomats, civil society activists, academicians and development practitioners.



Car Distribution among Team Leaders

In Recognition of the dedicated services and hard work, brand new Suzuki Mehran Cars were presented to all the team leaders of NRSP-Institute of Rural Management. The cars were handed over in a small ceremony arranged on September 8, 2009. While speaking on the occasion, Mr. Roomi S. Hayat, Executive Director NRSP- IRM said that "This gesture will set great example for the junior staff members to work as zealously as the senior lot". Mr. Hayat presented car keys to Anwar ul Haq, Ijaz Khaliq, Shah Ali Naeem, Sohail Manzoor and Tahir Khan.



Screening of "AHK- A Vision Unveiled" at QAU

"Akhter Hameed Khan- A Vision Unveiled" a documentary based on the life and work of Dr. Akhter Hameed Khan was screened on September 16, 2009 at Quaid e Azam University, Institute of Pakistan Studies. The documentary gives an insight to the life of Dr. Khan, his revolutionary work as a social thinker and visionary, and his struggle for ending poverty in South Asia. The students attended the event in a great number and expressed desire to be part such events in future as well.



IRM Celebrated the Achievement of Dr. Sono Khangarani

A ceremony was organized by IRM-Sukkur in the honor of Dr. Sono Khangarani, CEO Sindh Rural Support Organization on September, 2009. Mr. Khangarani has been nominated for Sitara-e-Imtiaz in recognition of his endeavors for poverty alleviation. The ceremony commenced with welcome note by Roomi S. Hayat, Executive Director -IRM, "What strike me most about Dr. Sono is his quiet grace, passion, and humility — and his undying respect for each and every person" said Mr. Hayat. "Dr Sono is an outstanding individual doing amazing things to make the world a better place", He added. He also presented Shield of Honor to Dr. Sono as a token of appreciation.



Lecture of Shoaib Sultan Khan at AIU

Akhter Hameed Khan Resource Center arranged a lecture of Shoaib Sultan Khan, Chairman Rural Supports Programme Network for students of Allama Iqbal Open University, Islamabad on November 6, 2009. He spoke to the students of "Youth in Development Work", a Post Graduate Diploma offered by the AIU in collaboration with Commonwealth Youth Programme, Commonwealth Secretariat. Mr. Khan shared his invaluable experience of working in the development sector and the lessons learnt over more than 30 years in the quest for poverty alleviation in South Asia. Prof. Dr. Adulrauf Farooqi, Chairman Department of Enviroirmental Science was also present on the occasion.



WLP Graduation Ceremony at IU

The graduation ceremony of third cohort of Women Leadership Programme was held on November 18, 2009 which was arranged in collaboration Iqra University at the University's Islamabad Campus. Sri Lankan High Commissioner Air Vice Marshal (r) Jayalath Weerakody was the chief guest on the occasion, while Chief Executive Officer (CEO) Rural Support Programme Network (RSPN) Shandana Khan and Executive Director IRM Roomi S Hayat were also present on the occasion. 17 participants from all over Pakistan representing various Rural Support Programmes received their diplomas during the graduation ceremony.



Opening up Doors to Opportunities

With the poverty rate soaring in Kandkot and Shikar Pur (Sindh), plenty of struggles have been made to address poverty in the mentioned area. But Union Council Based Poverty Reduction Programme (UCBPRP) stumped many of them chiefly because of its seeping ability of addressing yet to be identified poor.

Started in June 2008, UCBPRP is an initiative of Government of Sindh which aims to improve the quality of life of poorest of poor. Its capacity building component is being implemented by NRSP-Institute of Rural Management.

ideas that would enlarge the economic pie of target districts, and increase personal freedom as well.

The workforce of Kandkot and Shikarpur have been characterized as having low skills and poorly prepared to compete in today's market. The Institute of Rural Management holds a vast experience and expertise in arranging and conducting wide range of skill enhancement Programmes including both long and short term training Programmes, field oriented research studies, symposiums, national and

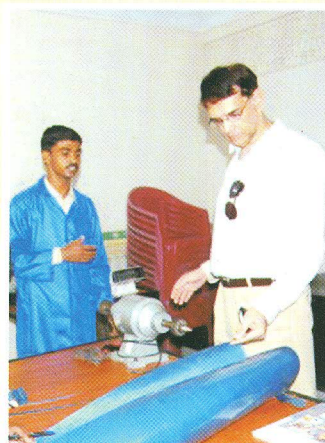
international workshops. The most important outcome of an effective VTEC system is that it opens up decent employment prospects by enhancing workers' abilities to find new opportunities and cope with the market demands.

Vocational training also emerged as the primary and most effective means for reducing chronic poverty, reducing gender-oriented and inter-generational income inequalities. Promoting a knowledge-

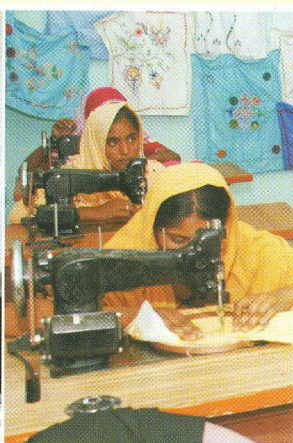
based economy puts a huge premium on acquiring an appropriate education and demand-driven skills. A recent study conducted on the vocationally trained participants it was observed that 49% of previously unemployed Participants have got employed after receiving vocational training.

There has been appreciable increase in income of the participants who had already been working before the training. In addition, girls who attained training in trades of tailoring, beautician and embroidery, 51% of them are generating income by running domestic enterprises. Eventually the benefits would spread throughout the area, like a cool front on a muggy summer afternoon.

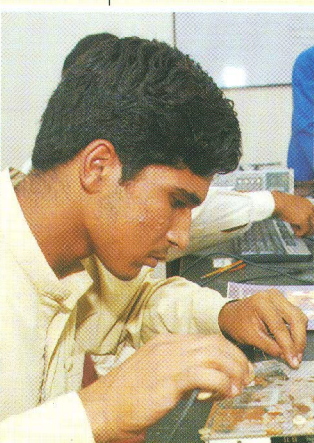
By Raza Mohsin



Enhancing Skills:



Youngsters getting training at VTEC



The focus of this programme is to boost the economic growth at the level of poor households. It is done through provision of micro credit schemes for the destitutes, managed and run by Village Organizations, and by offering vocational skills for income creation. IRM conducted Training Needs Assessment (TNA) to develop an appropriate training Plan for imparting vocational skills training for UCBPRP. The project offers scholarships in the form of employable skills to the poorest of poor households that falls in 0 – 18 poverty score band. IRM's Vocational, Technical and Educational Center (VTEC) has designed skill trainings to improve individuals' general proficiency, especially in relation to their present or future occupations. These skill trainings play a vital role in developing entrepreneurial skills and engender creative and innovative

Training Calendar

English Language Proficiency

Executive Diploma in English Language
Proficiency Batch –XI will be offered at IRM

Jan- Mar, 2010

Orientation Training Workshop-90

Social Mobilization Training Programme is
holding

Orientation Training Workshop- OTW 90
for Benazir Bhutto Shaheed Youth
Development Programme

Dec 17- 31, 2009

Women's Leadership Programme

Women's Leadership Programme is
commencing

Phase 1 of Cohort IV of the programme which
will focus on Leadership and Management

Jan 4-16, 2010

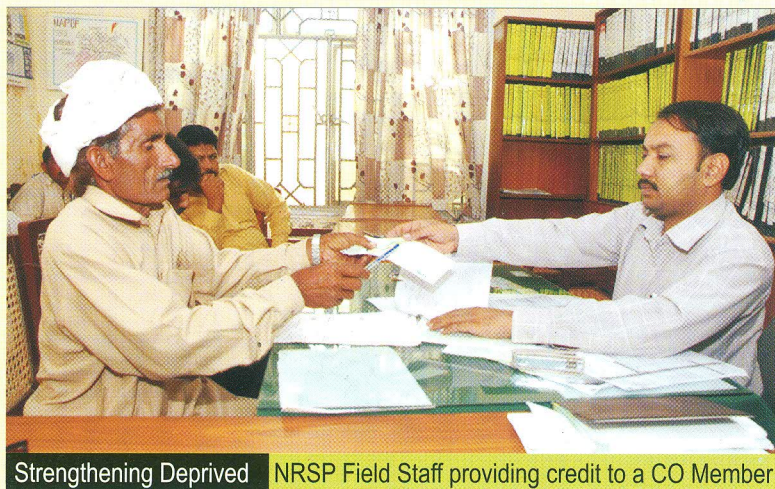
Young Professional's Leadership Programme

Management Development Programme is
offering Cohort II of Young Professional's
Leadership Programme. Phase I will focus on
Leadership and Management

Jan 18-31, 2010



Evolution of Microfinance and Enterprise Development Programme



Strengthening Deprived NRSP Field Staff providing credit to a CO Member

NRSP began full scale operations in 1994; however microfinance at that time played a peripheral role in its activities. A critical review of the progress of the programme by NRSP management in 1996 indicated that the biggest two constraints faced by CO members when attempting to improve their household economic conditions were lack of financial capital and necessary skills to conduct income generating activities. It was at this stage that NRSP incorporated microfinance into its core group of programmes. With Rural Credit and Enterprise Development (RCED) programme, NRSP experienced tremendous growth during its first phase (1996-2000) primarily in response to the increased demand from the CO members for greater access to credit. In 1997-1998, 28,468 CO members availed credit, a 315% increase from the previous year. The following year, 1998-1999, the number of borrowers nearly doubled to 55,341 clients. However, two of NRSP's sites, Rawalakot and Vehari, experienced very high rates of default during this year. This can be attributed in part to rapid expansion and a subsequent compromise on quality, monitoring and adherence to the 'social guidance' approach.

NRSP management realized that the capacity of the organization at that point was not at par with the demand for credit and decided to limit the credit disbursements to roughly

46,000 in 1998-99, a 17% decrease from the previous year. At the same time, adherence to policy and procedures was emphasized and appraisals and monitoring mechanism were strengthened. The loan ceiling was reduced from an upper limit of Rs. 30,000 to Rs. 10,000, which also helped NRSP achieve its poverty targeting mandate.

In 2004, the RCED was renamed as Microfinance and Enterprise Development (MEDP) programme with the aim to go beyond simple credit and offer three products: savings, credit and insurance to the clients.

In 2008-09 global financial crises severely impacted the programme and NRSP faced great liquidity crunch. At the same time NRSP experienced poor law and order situation in northern part of country and it made almost impossible to continue microfinance operations in this area. NRSP maintained its status as a market leader even in this situation. NRSP is enjoying highest share in the microfinance market in terms of active borrowers that is 26.3% (source: MicroWatch – Issue 11) and has highest share in savers (53.1%) and micro Insurance policy holders (30.9%).

Today, the savings, insurance and credit operations in rural areas are managed by the Microfinance and Enterprise Development Programme (MEDP), while urban credit operations are managed by the Urban Poverty Alleviation Programme (UPAP).

By the year 2012, NRSP aims to reach 4 million clients - three million through MEDP and one million through UPAP. MEDP's coverage will extend to 8 additional districts with 40% of the loans going to women clients. Twenty additional districts will be added to UPAP's current operations in 5 additional cities and a 100% of the clients will be women and overall NRSP will have more than 50% women clients.

By Talat Mehmood

Living with Dignity

A disable woman named Rani Bibi belongs to Thekriwala, Sheikupura. She is 39 years old and has 1.5 feet height. She is the eldest daughter of aged parents. Sisters of Rani Bibi have been working as house maids but Rani Bibi could not even get a low wage job due to her abnormality. She was totally dependent on her family. People look down upon her due to her short height. She was living in an unconducive environment. It made her depressed and she wanted to get rid of this situation. She was determined to live an honorable life in spite of God given disability.



Changing Lives

Rani Bibi while training the village women

Punjab Rural Support Programme (PRSP) started working in village Thekriwala in November 2006. After making some efforts, PRSP staff formed a women Community Organization (CO) "Aakash". They motivated the women to harness their potential and raise their standard of living. Rani's sister named Shukria Bibi got membership of CO and started attending CO meetings on a regular basis. She invited Rani in CO meetings too. Thereafter, Rani Bibi got membership of the CO. Social Organizers encouraged her to start some income generating activity. One CO member took loan for cloth selling business; Rani was also interested in the same business. She applied for micro credit but she could not obtain it as she could not fulfill the CNIC condition. Meanwhile, a CO member started business of laces and ribbons. Rani joined her and started making laces and ribbons of different sorts at home and sold

them at member's shop. She earned average profit of Rs. 20 to 30 per day, which was not enough to meet her needs. Then she enrolled herself in tailoring training.

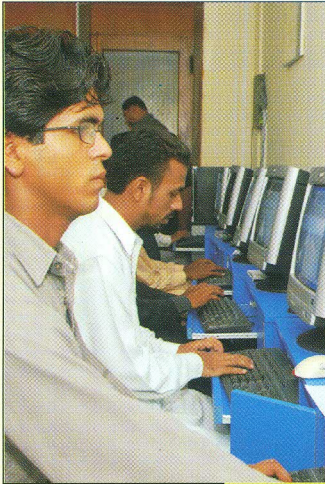
Later on, Shukria obtained a loan of Rs. 10,000 from PRSP and started cloth selling business in partnership with Rani Bibi. Shukria invested the money but she was only a sleeping partner. All work was managed by Rani, who used to purchase cloth from main market, sold it in the nearest villages, and earned profit of Rs.100 to 200 per day. She also used to payback loan installments to PRSP from this amount and saved the remaining. According to her parents, she served them like a son and they feel very proud of her. She also got one of her sister married.

CO Aakash acknowledged the efforts of little brave woman and helped her in getting CNIC and recommended credit amounting to Rs.10, 000 /-from PRSP. She invested this money in her business. Now she has earned a reputation in the nearby villages. Instead of selling cloth village to village, villagers now visit her house to buy cloth and getting them stitched from her. She earns monthly profit of six to seven thousands. She has gained the trust of CO members who deposit their credit recovery installments and other belongings to her for safekeeping. PRSP is utilizing her services as a master trainer and she is considered as an asset of CO and PRSP. She has trained eight girls as master trainers. Her family is spending a happy life and she considers herself as a respectable and self-reliant person of the society.

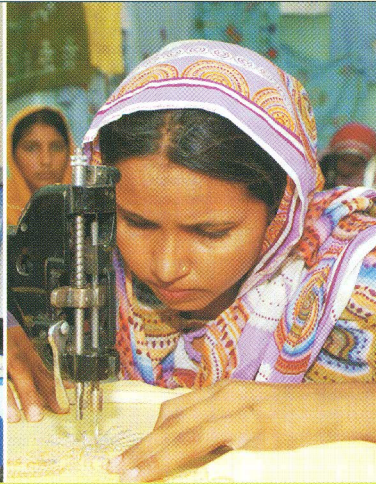
She believes that every special person can earn a name if he/she has will power and courage to do something. Survival of disabled is not easy in society but if they are encouraged and treated as normal persons, they could do wonders like Rani Bibi.

By M. Mustafa Khan

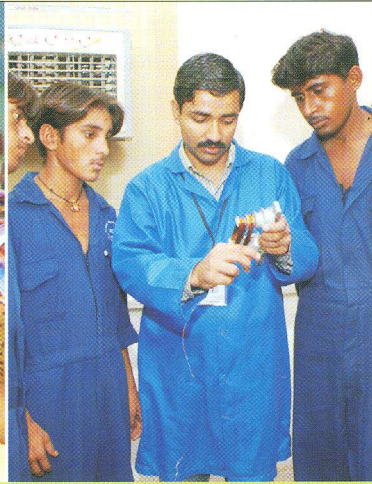
Exploring Vistas for Growth



Boosting Growth



Snapshots of various skill trainings conducted by IRM



Sustainable independence of an economy entails development of enterprises which demands focused attention of policy makers for its growth. In developing countries like Pakistan, small and medium enterprise (SME) sector is the backbone of economy. The significance of SME role is clearly indicated by the presence of approximately 3.2 million business enterprises in Pakistan. Enterprises employing up to 99 persons constitute over 90% of all private enterprises in the industrial sector and employ nearly 78% of the non-agriculture labor force. They contribute over 30% to the GDP and account 25% of exports of manufactured goods besides sharing 35% in manufacturing value added¹.

However, Pakistan is a society of 'employees'. The education and social system does not encourage entrepreneurship as a preferred career option amongst the youth. Entrepreneurship is usually undertaken by those belonging to the existing business families. As a result the economy witnesses a small number of new enterprises being created and that too in traditional areas of business overcrowding the supply/product base and their markets.

On the other hand, there are no limitations in the

entrepreneurial capabilities in the populace. If, this entrepreneurial potential can be unleashed, by providing level playing field, information, awareness and support in establishing enterprises, Pakistan can witness fast paced growth in establishment of new enterprises creating new employment opportunities, improving distribution of wealth and exploiting the opportunities

offered by international markets in the liberalized WTO regime. New Players often face hurdles as a result of inauspicious policies, lack of business/entrepreneurship education, misuse of financial resources, lack of enterprise development organizations, high mark up rate, unethical practices, unnecessary documentation, un easy access to financial institutions, unstable market situations and lack of power/electricity supply

The past Government programs to encourage entrepreneurship such as Self Employment Scheme, Youth Investment Promotion Society and Yellow Cab Scheme were limited and not too comprehensively designed and thus achieved little in promoting entrepreneurship amongst the educated Pakistani youth. There is a need for Govt. to actively promote entrepreneurship through changes in education curricula, by creating awareness amongst youth and by providing effective support to those who wish to establish new enterprises.

In the recent past SMEDA stands out as a significant step towards GoP commitment to SME development. Created as an autonomous institution with private sector led governance

¹ <http://www.smeda.org/downloads/smepolicy2007.pdf>

structure, SMEDA promises to become an important institution spearheading Government's SME development efforts. However, in absence of a coherent SME development policy framework it is unrealistic to expect a single organization such as SMEDA, to be able to implement aggressive SME development initiatives.

There are many Micro Finance Institutions (MFIs), Rural Development Programs, Poverty Reduction/Alleviation programs but despite of a reportable change regarding enterprise development, the challenge is still there for all the stake holders working at micro and macro level for enterprise development. Now the question is how to cope the situation/circumstances?

A well functioning labor market is an essential ingredient for developing a sound investment-climate and can play a critical role in stimulating growth and poverty reduction. To the extent that rigidities exist, whether induced by lack or low levels of skills or a constraining regulatory framework, it can adversely impact on job creation especially by small and medium enterprises which are the main engine of employment generation in Pakistan.

It is entrepreneurs, in small and big enterprises, in the formal and informal economy, who play a major role in bringing in new investment thus raising production and job creation.

Business initiatives should not be taken for granted. A favorable policy environment needs to be created by simplifying and reducing regulatory procedures for setting up new businesses, encouraging competition in product markets and by having greater transparency in awarding contracts and regulating businesses. Women entrepreneurship needs to be promoted through training in basic business skills and improved access to credit and market opportunities.

The role of the Small and Medium Enterprise Development Authority (SMEDA) in actively promoting the growth of this sector and the SME Bank to provide financial support to SMEs including financing schemes for women entrepreneurs.

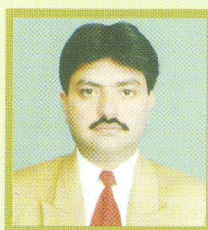
Assistance from the Asian Development Bank has also been sought by the Government to encourage reforms and growth of this sector.

Given the dominant role of SMEs amongst private sector enterprises (90 per cent employ less than 99 workers in manufacturing) and the fact that the vast majority of new jobs will be created by them, the high priority being given to encourage growth of this sector is well placed and many new initiatives are planned.

Yet it needs to be realized that it is impossible to micro manage the growth of this sector given its size despite some well intentioned assistance to a small number of enterprises. What needs more careful analysis is the overall incentive structure especially the regulatory framework for setting up new businesses and encouraging competition in product markets and the impact of such measures on the growth of SMEs.

There is therefore an urgent need to conduct an analysis of the growth of the SME sector in the recent past which should include the impact of trade liberalization on SMEs' capacity to compete in the global economy. The issue of the labor regulatory framework on inhibiting growth and new investment needs to be judged looking at relative performance of enterprises in this sector. While opinion based surveys may be helpful in this regard they are no substitute for an analysis based on actual performance and identification of factors which help explain varying performance of SME enterprises.

Through the integration of appropriate strategic and practical action plans for enterprise development, we can contribute to bring economical prosperity in our country.



Mr. Alla-ud-Din has been working in the development sector over a decade. He has done Master in Economics from Islamia University, Bahawalpur and is currently working with Save the Children-US, as Senior Officer Community Mobilization for PAIMAN.

An Interview with a Successful Entrepreneur

Faisal Butt is the founder and president of Tribal Monsoon a social venture specializing in the sale of South Asian cultural handmade products to global businesses and consumers. Through Tribal Monsoon, Faisal connects artisans and cottage industries in South Asia



to buyers worldwide by leveraging modern information technology and global business partnerships. Currently, Faisal's social venture employs a team of 20 professionals and 300 artisans all over rural Pakistan.

In recognition for his work with Tribal Monsoon, Faisal was awarded "Young Entrepreneur of the Year" by Shell Livewire in 2003, a responsibility he exercises through mentoring start-up entrepreneurs. He is a co-founder and Charter Member of the Islamabad Chapter of The Indus Entrepreneurs (TiE), the world's largest not-for-profit organization for entrepreneurs.

Samar Saeed: Tell us about yourself?

Faisal Butt: I am *an entrepreneur passionate about entrepreneurship and innovation. I am most motivated when the business is linked with a larger movement, such as poverty alleviation or the environment or social networks.

SS: What inspired you to start your own enterprise?

FB: I've always wanted to run a profitable business that has a social benefit – a business that benefits a community by enriching or improving the lives of its members. I come from an affluent family from a third world country, so I've seen the extremes of both wealth and poverty. My innate business acumen motivated me to create a profitable business. My inner philanthropist was pushing me to do something to help alleviate poverty in my native country. In my company Tribal

Monsoon, I found a way to satisfy both of these personal desires. I wanted to give something back to my community and country.

SS: How did you come up with the idea of online craft shop?

FB: For me, Tribal Monsoon is far more than an online craft shop. It is a way to connect impoverished artisans with buyers in the developed world through the helping hand of technology. It is a way to connect markets.

SS: Which geographical locations do you cater primarily?

FB: We primarily sell in the USA, but we hope to build sales in other regions in due course.

SS: How has the international markets responded to your products?

FB: We've had a fabulous response from North America, but a slower response in Europe. I believe that has to do with the fact that our website content is US-focused.

SS: What sort of challenges did you face in setting up Tribal Monsoon?

FB: Cash flow for any start-up is the critical factor for survival. Learning to manage cash has been a significant challenge for me. Quality control issues have been significant when working with artisans in Pakistan, but we have learned to control these through our unique internal control processes.

SS: What kind of competition tribal monsoon is facing in the international market?

FB: Our customers are looking for beautiful home décor, not home décor from a particular region. We end up competing with sellers from India, Morocco, Indonesia, and South America, so there is definitely plenty of competition in this space. You have to continue to differentiate and find new ways to connect with customers and to bring them back to you.

SS: Every venture has its own risks, what type of risks your company is facing?

FB: The main risk we face now is the dramatic decline in consumer spending because of the global economic crisis. At times like these, sellers have to offer bargain deals to pull customers in.

SS: How Tribal Monsoon is making a difference in the life of artisans working for the company?

FB: Tribal Monsoon is a company that has a twofold goal – to make a profit and to benefit the community it sources from. We source our handmade products from communities of artisans all over South Asia. By giving the rural craftsmen of the Indian subcontinent an international platform on which to promote their skills and handiwork, Tribal Monsoon has helped provide these natives a means of self-support and has given them access to the global market for their unique crafts. Cottage industries in villages across South Asia have flourished due to the vital economic link that Tribal Monsoon has provided via its electronic commerce and marketing initiatives. Tribal Monsoon's ventures have helped improve economies and living standards of many South Asian artisan communities, and has helped preserve local cultural craft heritage.

SS: Being physically based in England, how are you managing your company affairs?

FB: I believe my master's degree at Oxford University has allowed me to view my business from a far more mature perspective. I manage company affairs on weekends, but my team in Islamabad is practically running the company while I am away. My wife, Safana, is the real CEO of Tribal Monsoon, while I have returned to academia as a student.

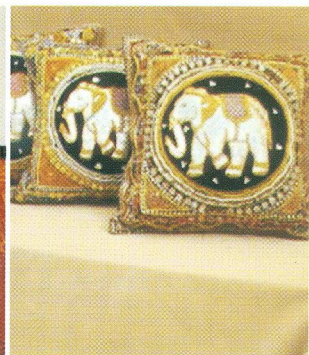
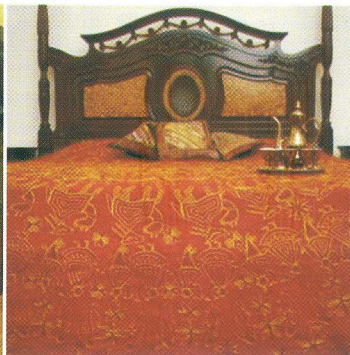
SS: What was your proudest professional moment?

FB: I co-founded The Indus Entrepreneurs in Islamabad with some of the brightest and most talented entrepreneurs in Islamabad in summer 2008. Watching the Prime Minister

inaugurate the organization after months of intense pre-launch planning, I felt extremely proud of my achievement and the achievement of our team members.

SS: Which areas do you think should be explored to harness people's potential

FB: I believe entrepreneurship is the solution to poverty. We need to encourage entrepreneurship, celebrate our local entrepreneurs as local heroes, and to create a mentoring framework that connects young budding entrepreneurs with the entrepreneurial icons of our society.



SS: What do you think should be done to alleviate poverty in Pakistan?

FB: I think we need to build organizations such as TiE (The Indus Entrepreneurs), scale them up, and get the strongest individuals involved in implementing the grand vision of the organization.

SS: Where do you see Tribal Monsoon after 10 years?

FB: We would like to eventually supplement the online sales component with a physical storefront. My wife, Safana, who is studying to be an interior designer, may launch this initiative when she is ready.

SS: Being a successful entrepreneur, what message would you like to give to the youth of Pakistan especially those who want to become entrepreneurs?

FB: Say NO to NO. When someone tells you that your idea can't be done, say NO and prove them wrong. Be proud to go against tradition and be a contrarian.

Akhter Hameed Khan Resource Center

BOOK REVIEW:

Freedom from Want

ISBN: 984-70220-0038-7

by Ian Smillie

Pages: 283

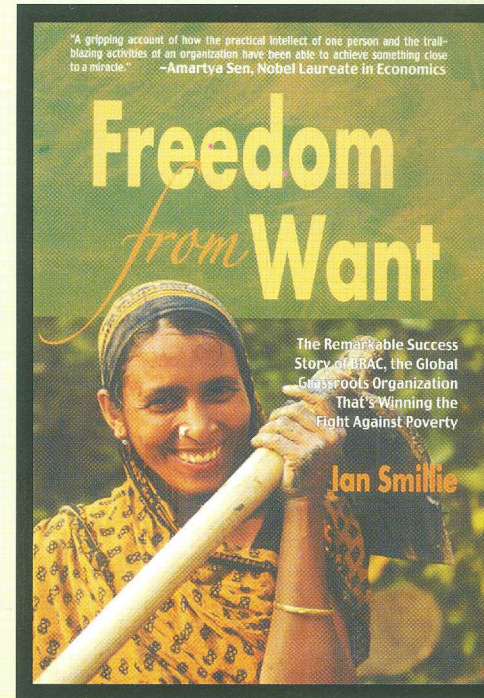
Price: Tk. 450/-

Building Resources Across Communities (BRAC), is one of the largest and most successful NGOs of the world, however it is little known outside Bangladesh where it was established in 1972. Freedom From Want traces BRAC's evolution from a small relief operation indistinguishable from hundreds of others, into what is undoubtedly the most variegated social experiment in the developing world. BRAC's story shows how social enterprise can trump corruption and how purpose,

innovation and clear thinking can overcome the most entrenched injustices that society can offer. It's a story that ranges from distant villages in Bangladesh to New York's financial district on 9/11, from war-torn Afghanistan to the vast plains of East Africa and the ruins of Southern Sudan. Partly an adventure story, partly a lesson in development economics, partly an examination of excellence in management, the book describes one of the world's most remarkable success stories, one that has transformed disaster into development and despair into hope.

The University Press Limited

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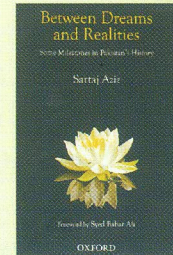
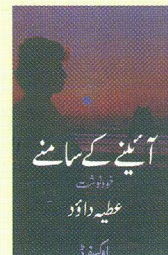
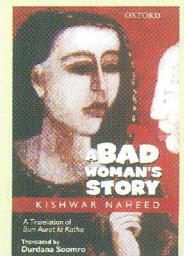
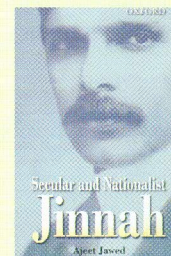
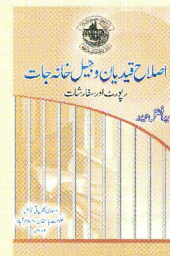
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Between Dreams and Realities

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