

Callalli Weavers Projects for Peace 2012 Brown University

As a citizen of Peru, an emerging-economy country, I have witnessed many social, political and economic changes throughout my growing up, that have marked the way I envision life today. I am a firm believer that it is only through educating and increasing the human capital of women in impoverished communities that we can they can overcome the extreme poverty, a state all too common in the highlands of Peru. My project looks forwards to developing the assistance given by the Peruvian government through the assistance program *Sierra Exportadora*, by developing a sustainable market strategy that will ensure both an improved production process and a consistent demand by clients.

Background

The Callalli town is a small rural village four hours away from the nearest town in Arequipa. Whilst the community is dedicated mainly to agriculture, an activity which is becoming progressively low profit due to the unreliability of the weather, the town needed to find an alternate activity in which to invest their funds. Up until two years ago, the women in such communities could only witness as their husband's livelihoods brought progressively decreasing returns home. Aiming to give alpaca pastoralists a better living *Sierra Exportadora*, a governmental organization under the direction Peruvian Ministry Cabinet, the local government built a textile center ("maquicentro") that improved the women's technique in hand and machine weaving. Then, after they had improved their knowledge, they exported their produce to the Austrian textile shop *Eisb'a'r*. which he local parishioner, also Austrian nationality, contacted. The problems of this initiative surfaced as time progressed.

Whilst a three month training program rendered 50 women able to produce 1,600 knitted hats ("chullos"), they usually had to work a 8.30 to 18.00 schedule, which meant their families were left unattended. This resulted in a sudden increase in child sickness as the winter approached in June. Each weaver received about 50 soles (27 US dollars) for each shipment, and when demand turned to be unreliable, their incomes became significantly reduced. Before a year, the *maquicentros*' production had diminished.

The project

Whilst the government initiative proves to be well- intended, it proved to bring only short term solutions. The main problem lied in the lack of articulation between a well implemented initiative to improve productions skills, and an inconsistent network of buyers.

Aims

My project hopes, through its several stages, to continue these efforts by:

1. Increasing the productivity of the weavers

This will be achieved by extending the weaver's knowledge of the production process and techniques. Such will be supported by the *Sierra Exportadora* program coordinators, who will extend training to quality control and design.

2. Constructing a solid network of buyers who will provide a sustained projected demand:

This project aims take advantage of the many resources available at the University for Social Entrepreneurship. These resources will be combines to my efforts to develop knowledge towards developing a network of interested buyers that will give these weavers a fair price for their products. At the initial stages of the project, sales will be based on campus through conjoined efforts with the university and the student

body's efforts to raise awareness on the importance of supporting impoverished communities. None of the retailers will expect to make profits, but for the benefit of the weavers.

At later stages, the sales and production process will be perfected so that the weavers will be able to provide to companies who wish to make profits and have heard of the producer's quality standards, successfully developing a network of clients that will offer fair prices.

3. Increasing their profit margin by implementing a scheme for the production of alpaca and vicuna textiles that will also benefit men in the community.

Peru has excellent comparative advantage in the production of vicuna fabrics. By being a wild species, production is low cost. By encouraging the rearing of vicunas in protected areas, men within the community will find an increase in income. Furthermore, the significant higher price of vicuna fabric is 3 time higher than that of alpaca at \$300/ kg, which would signify an increase in profit.

Long term impact/ sustainability:

Extending the benefits of such programs will result in:

- i) Including a higher number of participants in the textile exporting program. (This will similarly reduce their working hours without decreasing their income, so that they can attend to their families)
- ii) Working with *Sierra Exportadora* and related NGOs to advise the women on how to best manage their earnings within the household, having their short and long-term needs in mind:
 - One of the many problems that women in the *sierra* face is that their households are filled with smoke as they cook their daily meals with the little charcoal and firewood they can afford. For this reason, the *Instituto de Trabajo y Familia*, an non-profit NGO founded by the former first lady Pilar Nores, is subsidizing the implementation of improved kitchens ("cocinas mejoradas") that will allow a better combustion, effectively reducing health risks and lowering household costs.
- iii) Extending this program to neighboring town once production capacity has been met in provinces like Castilla Alta, La Unión y Caylloma.

The *Sierra Exportadora* program, supports our efforts to supervise and improve these processes. Furthermore, the local coordinator, Elizabeth Peñaloza as well local contacts will help me supervise the daily improvement *in situ*.

Schedule

1. Throughout the Spring semester of 2012, I will be gathering information on the processes to follow in order to have a successful production scheme as well as studying consumer profiles.
2. During the Summer of 2012, I will be visiting the area and coordinating the implementation of higher productivity methods and the introduction of schemes for profit maximization.
3. By the Fall of 2012, we will be at the initial stages of our exporting process to overseas buyers.

Jeffrey Sachs commented on his book *The End of Poverty*: "*Economic development is a game everybody can win.*" I believe that in order to improve living conditions for the entire community will only happen through efforts like this which consider improving market conditions a priority for the sustainable abolition of underprivileged conditions.