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### CHANGING SYSTEMS FOR APPAREL HOMEWORKERS

### A case study on Altitud's work in Mexico

Altitud, is a microfinance institution, founded by Gabriel Rivera Rio Zambrano in 2011 to make micro-credit available to women setting up home-based businesses for the production of apparel. Gabriel is an Ashoka Fellow participating in Fabric of Change, an initiative by Ashoka and C&A Foundation supporting a network of social entrepreneurs around the globe to bring more socially and environmentally sustainable practices to the apparel sector.

#### **ALTITUD** AT A GLANCE

- ▶ **Key goal:** generate development opportunities for micro-enterprises through affordable credit with a specific focus on apparel homeworkers in Mexico
- ► Founded in 2011 by Gabriel Rivera Rio Zambrano
- ► Model:
  - ► Credit is destined to the acquisition of production capital (no cash given)
  - Provides professional training to clients
  - ► Enables commercial links with factories
  - Raises awareness among industry actors
- ▶ Operates in the State of Nuevo Leon, Mexico
- Impact:
  - ▶ More than 764,000 USD disbursed in loans to date and over 735 micro-entrepreneurs supported
  - ▶ 85% of Altitud's clients are women
  - ▶ 76% of Altitud's clients work in the apparel sector

Altitud's mission is to generate development opportunities for micro-enterprises, such as those in the apparel sector, through accessible and innovative financial services with a social commitment to promote family success and well-being for Mexicans.

Altitud's main impacts are through direct service provision, with plans to scale operations in the next years. It has a clear systems change approach, although impact in the maquila industry still needs to be strengthened. Achieving framework change demands addressing structural issues regarding gender inequality which are currently not considered by Altitud's approach.







#### **HOW ALTITUD HAS AN IMPACT ON VARIOUS LEVELS**

### DIRECT SERVICE:

Credit, training and commercial links

- ► **735**microentrepreneurs
  receiving credit
- ▶ **92%** have increased their income
- ▶ 38% have increased their income by 40% or more
- Professional training
- ▶ Commercial links
- ▶ 47% of clients come from referrals

### SCALED DIRECT SERVICE:

Expanding coverage

- ► Plans to double client portfolio in 2018
- ➤ 3 new states
  in 5 years
- ► Expansion to food and delivery services sectors
- ► Challenge to

  meet the volume
  of credit demand

# **SYSTEMS CHANGE:** Engaging the whole ecosystem

- ➤ Mainly focused on local and national industry, building commercial links and raising awareness among industry actors
- ➤ Challenge to work with export maquiladoras as reticent to engage with informal sector
- ➤ Opportunity to engage with export maquiladoras under 'responsible business scheme'
- ► Building connections to reach the export industry through Fabric of Change

## FRAMEWORK CHANGE:

Progress towards framework change

through making homeworkers visible in the value chain and promoting the importance of the informal sector

women's economic

► Contribution to

empowerment, but systemic gender inequality sitting at the

heart of the problem is

not being addressed

Figure 1: Altitud's different levels of impact

Altitud changes systems for apparel homeworkers by taking an integral approach with four main strategies:

- Providing credit for the purchasing of equipment. Altitud works with suppliers so clients receive the equipment directly. No cash is handed out to clients.
- Training in production techniques is provided free of charge to clients.
- ▶ Enabling commercial links with factories so that they place their orders with its clients.
- Working to raise awareness among future designers on the realities affecting workers in the apparel sector, with a view to improving the industry's practices over time





#### **HOW ALTITUD CHANGES SYSTEMS**

Figure 2: Altitud's systems change approach

Legend: Strength of systems change approach

- High
- Medium
- Low

Redefining Provides productive capital to homeworkers Reinforces the role of SMEs in the value chain Builds commercial links Working ▶ Partners with local government entrepreneurship prowith local grams and for delivering professional training government and industry actors Promotes homeworkers with the maquila ▶ Provides affordable credit for the bottom of the pyramid Social enterprise engaging with impact investors congruence Improving the lives of 92% of clients increase their income female apparel homeworkers Promotes better work-life balance ▶ Raises awareness and showcasing solutions for industry actors Promoting changemaking Turns collaborators into changemakers

### FABRIC OF CHANGE AT A GLANCE

- **Key goal:** support social innovators to turn the apparel industry into a force for good.
- ▶ **A 3-year initiative** led by Ashoka in collaboration with C&A Foundation
- ▶ A vibrant network of 29 inspiring social entrepreneurs positively impacting:
  - Over 420,000 apparel sector workers, artisans and other citizens directly and another 5.4 million individuals indirectly
  - ▶ 1,800 businesses and organizations
- ▶ Beyond the core network, 400 innovative projects from around the world were mobilised through an online Changemakers Challenge
- ► The initiative has dispersed over 500,000 Euros in direct support to social entrepreneurs' work and has hosted several gatherings around influential apparel sector events around the world.



