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PISCES

PHASE II

PROGRAM FOR INVESTMENT IN THE SMALL CAPITAL

ENTERPRISE SECTOR

THE SOLIDARITY GROUP PROGRAM

OF THE

FUNDACION DOMINICANA DEL DESARROLLO

WITH

TECHNICAL ASSISTANCE FROM

ACCION INTERNATIONAL/AITEC

- THE FIRST EIGHT MONTHS -

by

- Susan M. Sawyer -  
Centro de Estudios Educativos  
Avenida Revolucion 1291  
Mexico 20, D.F.  
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## INTRODUCTION\*

On April 22, 1981, a \$500,000 OPG was signed by the Fundación Dominicana de Desarrollo (FDD) and AID/Dominican Republic. The FDD, in turn, contracted ACCION International/AITEC to provide technical assistance to the program. This program combines a micro-enterprise component in which established, very small businesses -- tailors, shoemakers, store owners, etc.-- are assisted with loans up to \$3,000 and rudimentary management assistance, and a "Solidarity Group" component where hawkers and vendors are organized into credit groups of from five to eight members and are each given loans of up to \$300. The program will cover its administrative and operational costs through loan repayment and interest by the fourth year, assuming a very low default rate. Since the program began, additional funding has been provided to the Solidarity Group component by the Inter-American Foundation, and Appropriate Technology International. A request to the Inter-American Development Bank, "Small Projects Fund", is pending.

The FDD "Solidarity Group" component follows essentially the same model as described in PISCES Phase I in the PRIDECO/FEDICREDITO program in El Salvador, the Working Women's Forum in Madras, and the Manila Community Services Program in Manila, and draws on the innovative ideas of all three. In the FDD

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\* Setting up this project and carrying out the evaluation of its impact on project beneficiaries was financed in part by the Agency for International Development, Office of Urban Development, Bureau for Science and Technology, (Contract number AID/otr-C-1828, Small Enterprises Approaches to Employment, PISCES Phase II). The project with the Fundación Dominicana de Desarrollo is one of six being developed and evaluated worldwide. These six projects will provide guidelines for donor agencies and implementing agencies on the best approaches for assisting the smallest economic activities of the urban poor.

PISCES Phase II continues where PISCES Phase I left off. In PISCES Phase I research on methodologies for assisting these smallest businesses was carried out in 16 countries of Africa, Asia and Latin America. The final report is

project the "Solidarity Group" is an informal association of individual business owners (generally hawkers and vendors) who band together to receive a group loan for which they are collectively responsible. Payments by solidarity group members to the group president are made daily and a payment is made to the FDD every week.

In January 1981 the first solidarity group ("Los Cumplidos") was organized to test the concept, using FDD funds. The members of the first group are "tricicleros" who hawk fruit and vegetables carrying their wares in the baskets of heavy cargo bikes. Before receiving their loans, the "tricicleros" who travel every alley and street in Santo Domingo--rented their triciclos from agencies for between \$1.25 and \$1.50 a day. With a \$300 loan they are able to purchase a new triciclo and have \$30.00 left over to buy more merchandise. They pay the FDD \$1.25 a day, and in a year they are owners of their own triciclos. Tricicleros with whom the program has come in contact have rented their bikes from one to twenty years. Loan terms are one year at 24% (\$372 for a \$300 loan).

The strength of the solidarity group concept is that it can easily be understood by illiterates or semi-literates and can be boiled down to a few simple concepts-- "band together in small groups", "by not paying back your loan we all pay"-- that can be spread by word of mouth. The programs in Madras and San Salvador using a similar mechanism reached close to 3,000 business owners in less than two years. Another essential component of a program such as this is its capacity to quickly and efficiently process requests and collect loans and to keep administrative costs down to an absolute minimum (from 5% to 10% of the

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available from Michael Farbman, Office of Urban Development, Bureau for Science and Technology, Agency for International Development, Washington, D.C. 20523.

The prime contractor for both phases of the PISCES project is ACCION International/AITEC. Subcontracts for the Africa and Asia components have been let to the Development Group for Alternative Policies and Partnership for Productivity, respectively.

value of the amount loaned.)

The Solidarity Group program officially started using AID funds on May 1, 1981. By September 1, total membership in the program had reached 600 tricicleros and other hawkers and vendors. These participants were organized into 85 solidarity groups. By December 1, 230 solidarity groups had been organized by program participants with over 1600 members. Many of these new groups are made up of women street vendors and seamstresses, and several women participants are voluntarily organizing other groups.

Loans to 62 solidarity groups have been approved, and loans have been given out to 27 groups. Currently, checks are being given out to five new groups (35 tricicleros and other vendors) per week. Payback is 100%; not group has missed a weekly payment.

It is expected that by the end of 1982 loans will have been made to 385 groups consisting of approximately 2,700 business owners. A conservative estimate is that income from these businesses will have increased by an average of 40%, (from \$6 a day to \$8.40 a day), by the time the loan is paid. Owning the triciclo outright will save \$1.50 a day; not having to spend so much on repairs (the rental triciclos are in poor repair and the renters must pay for repairs) will save from \$.50 to \$1.50 a day. With new triciclos their owners can travel farther and faster, and those who have received loans report that they earn more. Other elements of the program encourage savings that should help decrease the dependency on private money lenders, representing a further savings.

Considering that tricicleros work an average of 300 days per year, yearly income should increase an average of \$720. When the loans to the 2,695 busi-

nesses assisted through 1982 have been paid, a total of \$1,940,000 of new income each year will have been earned by some of the poorest families in Santo Domingo.

The rapid growth in the number of solidarity groups attests to the demand for credit offered by the program and to the acceptability of the solidarity group concept. Members of the first eighteen solidarity groups, in fact, organized an association almost totally on their own initiative even before the program officially began. The 130 or so members met weekly to discuss the need to pay back their loans on time and ways that could increase the impact of the program on their income. Since then attendance at these meetings has multiplied several fold. Meetings are run by participants in the program; FDD staff make inputs, but do not take the initiative. In July a second association was established by groups outside Santo Domingo's central marketplace.

An intake questionnaire which all applicants for loans must complete, generates the baseline data for the evaluation and monitoring component. When participants complete the payments on their first loan, and before applying for a second loan, they will answer many of the same questions. In this way changes over time can be traced and monitored. Data from the first thirty-five groups has been collected and is being reviewed. Feedback about the program has also come directly from participants who attend meetings of the association and who took part in an intensive day-long session held with members of the first six solidarity groups.

Susan Sawyer's report is the result of our first effort to gain a deeper understanding of the dynamics and the effects of the solidarity group program. Ms. Sawyer spent two weeks this August in Santo Domingo. Her paper and the transcriptions from the interviews attest most eloquently to

her ability to establish rapport with the beneficiaries of the program and their families. The paper also clearly documents the direction of the changes which are already occurring as a result of the program and makes concrete recommendations to address some of the problems that the program faces. What is particularly encouraging are signs of attitudinal and behavioral changes which result from the clear economic impact of the program being directed and nurtured in a positive direction by membership in the groups and associations. What is particularly disturbing is the apparent inadequacy of the existing funding and loan disbursement mechanisms to handle efficiently the growing demand for small amounts of credit. Susan Sawyer's paper discusses these and other issues in some detail.

The paper constitutes an excellent basis on which subsequent qualitative assessments of the program can build and against which they will be measured. It should be emphasized that her report covers only the first eight months of the program. Another major update on project results will be available by June 1982.

Jeffrey Ashe  
PISCES Project Director  
Associate Director  
ACCION International/AITEC

Dedicated to all my brave friends in the barrios:

"IN UNITY THERE IS STRENGTH..."

"This is a program that could interest anyone..."

"For the mass of us poor people we can now have the hope that someday that property will belong to us..."

"If we were doing it for the sake of the union between our members...every little effort would make more sense..."

"We came to the City to find a way out...(of poverty)... Things are difficult in the country... You reach a certain level -- that's what pushes one to come to the City. Sometimes one is born with the idea of getting ahead -- of moving up in the world -- and there is no way to move up if one is born poor without having education, or a career of some sort that one makes for himself... Now I believe I am preparing myself for the future..."

"Before we joined the Program we were slaves of others. Now we are independent and free..."

"We were in the sun with no shade...Now we can see the future with more hope..."

"We are not just looking to get our own triciclos We are also looking to achieve something more after that -- we are looking for a new consciousness... to be able to help those who are sick, or get put in jail, or... what ever. Each one has to put his own part in with that of the others..."

"Before we were many, and now we are one..."

A portrait of a program  
dedicated to helping people  
help each other and themselves.

by "Susana"  
with Faith, Hope and Love.

## OBJECTIVES AND METHODOLOGY OF THE STUDY

This study represents part of a longer-term effort to assess the impact of the Solidarity Group program on its beneficiaries. The intention was to provide qualitative data for assessing the needs and possibilities of informal sector entrepreneurs. It was also intended to provide some analysis by someone not involved in the planning and implementation of problems which may be faced in the development and/or evaluation of the program. The primary focus of the study was on the major group of beneficiaries to date - the street vendors known as "tricicleros" and their families. Considerable attention was also given to several groups of women who have formed, or are beginning to form, Solidarity Groups in order to gain access to low-interest credit and expand or improve their small business ventures.

The field work focused on gathering ethnographic data about the lives, work, and interactions of the beneficiaries as well as about their interactions with various aspects of the program. The basic strategy followed was to try to "tune in" as quickly as possible to potential problem areas, to investigate these in as much depth as possible, and then to fill in the picture of how the program is working. Participant observation techniques were used at group and association meetings and direct interviews were carried out with selected program participants. Selected parts of some of the interviews held with some of these program participants are included in the body of the report and in appendix A.

The specific objectives which form the framework of the report can be broken down as follows:

- (1) To find out more about the solidarity groups are formed and about their evolving role in the first months of the program.

- (2) To find out more about the functions of the associations of tricicleros, and their evolving role within the program.
- (3) To trace changes in the attitudes, "world views" and self-esteem to different aspects of the beneficiaries' membership in the program.
- (4) To find out more about the economic realities of the people working at this level of the informal sector, and to look for linkages between their economic activities and that of other sectors of the economy.
- (5) To try to distinguish -- at the "ground level" -- between what the program offers and how people use the different elements of the program.

Major activities during the period of field work included the following:

- Interviews among people from the first solidarity groups who had already received their loans.
- Interviews among people from later solidarity groups, both those who were about to get their loans and those who were very far away from getting their loans.
- Interviews with families of solidarity groups that had already gotten their loans, and with some who had not.
- Interviews with two women's groups, and with other women interested in entering the program.
- Observation and comparison of the association meetings held in the barrios of Capotillo and Los Minas. (Comparisons were made of attitudes, methods and world-views of members and the roles of the promoters, at each meeting.)
- Participant observation of two FDD staff meetings (to learn what areas of the program were discussed and/or emphasized, and to learn something of the organizational context of the promoter's work).
- Careful observation of solidarity group promoters in their interactions with beneficiaries. (Primarily in order to assess the nature and extent of the promoters' role.)
- Several visits to the market to observe tricicleros and their suppliers. Discussions with several suppliers about their end of the business and their employment histories.
- A visit to one of the paper companies that is a buyer of cardboard collected by many of the tricicleros. An interview with one of the

administrators of this company ( to gain insight about the structure of the industry and the tricicleros' relationship to it.

- Observation of tricicleros working and interacting in the streets to find out the reasons for the gathering of groups of workers in the streets.
- Observation of a day-long encounter and workshop between various members of the FDD staff and members of the first six solidarity groups who had completed payments on their first loan.
- Informal interviews with various members of the FDD staff on how they see the program to be shaping up, and what they see as actual or potential problem areas in the program.

It is unlikely that this researcher did more than "scrape the surface" in terms of discovering what is actually going on at the grass-roots level of the program. To say otherwise would be to claim to have gained more insight than is possible for an "outsider" to gain in such a short time of field work. Therefore, the reader is cautioned at the outset that the judgments and conclusions presented in this report rest on the author's limited human abilities to see and interpret a "reality" which extends far beyond what is sketched out here.

#### HOW THE PROGRAM IS WORKING

This part of the report provides some of the descriptive basis on which an assessment of the program's impact can be made and interpreted. It includes a description of the services and other inputs of the program and the basic mechanisms through which they reach the beneficiaries. It also includes a description of what goes on among the beneficiaries themselves and what they do to use what the program offers. The institutional context of the program and features of the social and cultural setting of the beneficiaries are described in order to provide an understanding of the different contexts within which the program operates.

## Institutional Context

The Dominican Development Foundation, has a long "track record" of serious development work in many areas of the Dominican Republic. It has effectively carried out large credit programs to help the rural poor, and has proved its capacity to handle large amounts of external funding. The staff of the Foundation is highly educated and dedicated to developing programs which reflect a sound philosophy of economic and social development. ACCION International /AITEC, which provided the basic design and assists in the direction of the program, has many years of experience implementing credit and technical assistance projects for the urban poor in Latin America. The conceptualization and design of the solidarity group program was based on a detailed feasibility study of the vendors and "micro-entrepreneurs" in Santo Domingo.\*

Thus, the institutional context of the program is one of serious scholarship, careful planning, international cooperation, and cautious use of resources. The context provides for capability and ingenuity in management coupled with flexibility and enthusiasm in implementation. It is difficult to think of ways in which this combination could be criticized.

## Basic Features of the Program

The solidarity group program was designed to address a very specific credit need of the tricicleros identified by the feasibility study. The \$300 loan to be paid back over a period of one year at an annual rate of interest of 24% was intended to allow beneficiaries to purchase a new triciclo and provide them with \$30 in working capital. Individuals who seek loans under this program must first form groups with at least 5 to 8 other people. Once a group is formed, individuals within the group sign for their

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\* Stephen H. Gross, Estudio de Factibilidad: Programa de Micro-Empresas  
Fundacion Dominicana de Desarrollo/Accion International. AITEC

loans as a group responsibility. Loan applications are approved by a committee in the Foundation which is also responsible for granting and dispensing loans to the micro-enterprise applicants. The group leaders and other members of the group are interviewed and asked a few essential questions for the purpose of filling out "intake forms." (A copy of the form is in Appendix B.) Procedures are designed to be as simple as possible in order to minimize overhead costs.

The feasibility study also indicated the need for educational promotion and preparation of program participants before, during and after the giving of a loan which concentrated on the seriousness and necessity of a 100% payback. The problem of payback has been largely resolved by making it clear that the loan program would stop for all groups should any one group fail to meet its weekly obligations. The work of education and promotion is very informal and is carried out primarily through the solidarity groups and through the meetings of the associations formed by the vendors themselves. These associations were not part of the original design of the program, but they have come to play an important role in the program's development and in directing and controlling the significant changes which are occurring as a result of the economic impacts of the program.

#### Selection and Outreach

The process of selecting new beneficiaries has remained flexible and spontaneous in the solidarity group program. Different kinds of selection and outreach have occurred at different stages, but they are now accomplished mainly through the voluntary recruiting of new participants by the solidarity groups and the two associations. After being informed by other program participants, it is up to the people themselves to "pick up on"

the information that they get -- that is, they have to show some special motivation at the onset, either by calling the FDD and making an appointment for one of the promoters to come to see them or by going to one of the association meetings to get more information from the promoters there. They have to be concerned that the program sounds worthwhile before they will do either of these things. Furthermore, an individual's place in a complex network of social and economic transactions often determines whether or not they focus on and utilize information that they receive about a social or economic program. Their ability to act on such information may also be linked to questions of their status, or lack of status, and what they perceive as the barriers to achieving entry to a given program. If an individual knows how to read and write, or has an employment history which has offered him or her status in the past, it is much easier for them to get beyond the barrier of having to take the initiative to make contact with people officially attached to a social or economic program. Many of the vendors working in the street do not have these advantages, so having other vendors who are already in the program introduce them to the promoters or tell them about how things work, increases their access to the program.

In these quotes taken from taped interviews made during the research the tricicleros tell in their own words why they wanted to join the program and how they heard about it.

Interviewer: What do you think of this program

Triciclero: This is a program that could interest anyone, because when you have to rent a triciclo those who rent them usually charge a peso and 50 centavos -- at least if the triciclo is in good conditions. I had one that I had to turn in the day before yesterday...because it wasn't any good and didn't work at all. I had taken it out Monday and it didn't even last to get me through the sales of the day, and I had paid \$1.25

pesos for it, plus 15 centavos for storing it in the garage, so that was costing me \$1.40 for something that didn't get me all the sales I needed. I just hope the loan comes through soon so that I can at least be paying for it. This is important because it isn't everyone who can get a hold of \$300 pesos to pay for their own triciclo. So, you see, when you're paying for something which you will own someday, you are working with more love...

Triciclero: That's one of the stimulating things about the program-- the program is very interesting -- because for the mass of us poor people we can now have the hope that some day that property will belong to us. This helps one to continue to help oneself, to remain informed and to help keep others informed. So that way the program grows... So the program has great benefits.

Interviewer: And how did you hear about the program? Who did you learn about it from?

Triciclero: There was a guy -- his name is Alfredo -- who got me interested in the program, who made me enthusiastic about it. He notified me when those in his group had gotten their triciclos, and said that he would like it if I entered the program with a group. He recognized something of what I know so he wanted me to join the program. I didn't want to join at first, but later I became enthusiastic and decided to join.

### The Promoters

The work of the promoters in the solidarity group program is largely clerical, although there is a need for educational and analytical roles as well. The chief duties of the promoters are to fill out the intake questionnaires (which also function as loan applications and monitoring forms) for each member of the solidarity groups and to collect the weekly payments from the presidents of the solidarity groups which are making payments on loans received. This work could hardly be made less simple or less time-consuming, yet it still takes a large amount of the promoters' time because the incredibly rapid growth of this program makes the ratio of the promoters to beneficiaries extremely low. The first group will have finished paying their loan in December 1981; loans to thirty more groups were be-

fore the loan committee with funding for about half of these already available. This means that within a few weeks the promoters will be making from 15 to 30 visits per week just to collect on loan payments. At the time of this research there were already one hundred groups organized with nearly 700 beneficiaries.\*

While the role of the two promoters has been primarily clerical, one has been instrumental in supporting the second association of vendors and in introducing newly formed solidarity groups to the association. The role and importance of these associations will be discussed after the following description of the solidarity group mechanism.

#### The Solidarity Group Mechanism

The solidarity group concept was built into the original design of the program as a way of selecting large numbers of beneficiaries at low cost and with the least possible risk to the program. The idea was that by making each person in a small group responsible for the full payback if others defaulted, the group pressure would be such that there would always be 100% payback (even if there were no threat of having some form of collateral re-possessed.) Part of the conceptualization of this mechanism, furthermore, included the notion that, under pressure for a payback rate of 100%, the groups themselves would "select out" any people who would be bad risks and select as members only those who could actually be relied upon to pay back their loans. The group itself is considered to be a kind of "natural selection" filter, since all loans in a program which uses this mechanism are given to a group and not to individuals.

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\* Until approximately two months before this field work was done the technical advisor to the FDD project acted as the only promoter to the solidarity groups, and the second full-time promoter had only been hired about one month before my visit. By this time, the number of solidarity groups formed had reached 96.

This researcher believes that the solidarity groups are not only carrying out this function but that they are also carrying out a more finely tuned selection than anticipated and serve as catalysts for various educational features which have emerged in the program. It is also believed that the two associations which have been formed grew out of this mechanism and developed an educational and promotional function which is directly related to those same functions in the solidarity groups.

The following excerpts are from interviews in which participants discussed what the solidarity groups mean to them and the kinds of activities the groups have started.

Interviewer: What is the enthusiasm like in the group?

Triciclero: Well, its very impressive in this group... One of the themes we've talked about is how "there is strength in unity..." Another thing we've talked about is how the poor should learn to save, and how one can't get rich from one day to the next... That is what interests me most: saving. Because if one has an economic base of savings, everything becomes easier. When I have some money saved I end up being able to earn more... I have explained all of this to the other members of the group, and they are in complete agreement with the ideas.

Interviewer: And does this program here seem like a good one to you?

Triciclero: Well, for me it seems very important... It's the most important kind of program that could take place here. Because I had already been living here for three years, and I hadn't seen any kind of organization take place before...

Interviewer: So, one of the things that you like best is organization... Why do you think it is so important?

Triciclero: Well, like I was just explaining to you, in unity there is strength... when people get together in a group, a collection of people...A "collectivity" means many people who are organized, and who have an

agreement...But when there is a collection of many people and they are not unified -- who are not linked like we are -- (I consider us linked because we treat each other as brothers, and we're getting to know each other better every day) -- this is what is really meant by "organization". That's what I like about organization.

Interviewer: And I believe this program is going very well in the sense that you are all getting to know each other ... and that the organization is growing. Or do you think it is going well because you are all learning to resolve your problems together?

Triciclero: Yes, because, look -- Here in the group a small problem occurred of a triciclo which was stolen. And, since we are well organized, we are resolving the problem easily. If it had been one person alone, it wouldn't have been possible to resolve it. All of us together were able to find a solution easily -- and I think we are almost out of the problem now...because we are organized.

Interviewer: And if someone were to tell you: "Here, Ramon... Here's a good parcel of land, and they are going to give you credit, and water, etc... Why don't you go to work?" If all that were offered to you, do you think you would go? (Answer: no...) Why wouldn't you go?

Triciclero: Well, now I wouldn't go because I feel a commitment to the collectivity here -- to the grupo solidario -- because I belong to a group and I am organizing people, and trying to develop a situation where we'll know each other better. Because now, through the Foundation and through the groups, I know many people who I didn't know before... and I have very many friends among them, friends that I didn't have before. Since I entered the program I have discovered many friends. So that's a "path" I have ahead of me...because before I didn't know hardly anyone.

Triciclero: I feel that those of us who are already organized -- this is what I believe and what I would like to do -- is form an organization of housewives so that, maybe tomorrow or later, they too can install their own businesses and improve their lives. It isn't only us men who have to work to earn a living... So the women should try to organize themselves too, so that they can have a better future. I've already discussed this with my wife. If they know how to sew, they might take out loans to buy sewing machines and pay for them little by little. They should form a collective group and start a sewing workshop... or some other kind of business

too. Or they might form another kind of business, where some groups make the clothes and other groups sell them... I want to see if we can start up a system for organizing the housewives.

Interviewer: And when do you have time to meet together? -- I'm referring both to your group and also to meetings between the members of your group and the members of other groups.

Triciclero: We all meet on Thursdays as a group -- every Thursday -- and the members of my group either meet here or in the house of the Vice-president, where we met on Sunday. I was the one who initiated the idea that we should meet in our own groups, so that each member would know where the President and Vice-president lives -- and so that we could get to know each other better, and each of us know where the others live. Now that we are an organization, we can't each go off by ourselves. I explained this to group #3 -- the members don't know where the President lives and he doesn't know where they live. Their only interest is in getting their triciclos... They got their triciclos and haven't come to any more meetings. I want to go to the meeting tomorrow -- I already told this to Alfredo -- to explain a few things to the people at the meeting. If they don't have an interest in coming to the meetings, then it means they don't have an interest in the program. I want to explain to them the project behind the program... and the interest of the program.

The solidarity group, however, is not a familiar concept to most participants nor a simple mechanism to implement. There is some evidence to suggest that if the benefits of the program were not so patently clear (once the first group obtained their triciclos), the solidarity group might have been an impediment to micro-entrepreneurs looking for credit. As it is, the loans offered through the program allow participants to think about investments which would normally be almost entirely out of their range and on terms which are better than those offered by other sources of credit. The rapid growth in the number of applicants and groups is testimony to the appropriateness of the size and the terms of the loans. There are indications, however, that at least some people were merely "putting up with" the solidarity group idea in order to get loans and that the selection of group members was a complex political process.

During the field work a number of cases where groups have attempted to drop some member in favor of another were identified. There had been only one case of this prior to the time of field work, so the causes and implications of these events were not known. When several similar cases cropped up simultaneously with the same excuses (i.e. that one person was not showing enough interest or had dropped out of sight, but they had another to take his place, etc.), the promoters began to get suspicious and saw these events as "movidas" (or internal power maneuvers) within the groups.

One implication which could be drawn from events surrounding these cases was that these people had not taken the idea of working in groups seriously when their groups were initially formed. Many apparently did not know the other members in their group very well and could not be fully confident of the commitment of the other members to the regular full repayment of the loan. Many seemed to have "banded together" quickly just to become eligible for the loans. Some may have had intentions to make changes in the group after joining the program; others may not have understood the full meaning of the group responsibility until after they were in the program. Some may have had real crises in terms of their membership; others may have decided to use political power within their groups to bring family members of friends into the program more quickly. Whatever the particular reasons were in individual cases, the trend was considered negative by both the promoters and the technical advisor, so a new policy was quickly established to discourage groups from changing their original memberships. The new policy was used as a lesson to teach people to band together with people whom they knew well enough to be able to maintain confidence in them throughout the duration of the full repayment of the loan.

Conversations with members of many of the newer groups indicated many knew each other from the marketplace or the street, but did not know where the others lived and did not have much interest in meeting together until they got their loans or felt it to be really necessary. Some met at the association meetings, but did not meet at any other time.

While for some groups the solidarity group is seen exclusively as a vehicle to obtain a personal loan, in other groups the solidarity group has assumed a more important role. In these groups regular meetings are held in order to get to know one another better and to begin to take some action as a group to transform their desperation of having to wait for many many months to get a loan into something more positive. For example, some have begun to carry out small but regular savings programs by taking up a collection every week among their members. One group proudly explained their "savings program" at one of the association meetings in Los Minas, showing everyone the little notebook where they were keeping a record of contributions made by different members every week. The money was to be used to cover emergencies of the members. They also planned to record how the money was used and by which members. Others began to work together in their groups to help each other to curb drinking habits and the habit of spending money on lottery tickets. They did this by asking their members to contribute at least part of what they would spend on these things every week to a group fund for family emergencies.

Group number twenty-seven had gone through a change of membership or "restructuring" earlier because some members had totally lost interest in waiting to get their loan. After this they began to have regular group meetings on Saturdays and to charge a 50 centavo fine to any member who failed to come to a meeting and did not send someone with an excuse. They had already

collected \$3.50 this way, and were using the money for repairing flat tires and making other inexpensive repairs on their triciclos. After they get their loan, one of their ideas is to start a repair shop for triciclos. They also want to begin to solve larger problems in their community such as the desperate need for a school.

What these cases show is that the long period of waiting to receive loans after joining the program is detrimental for some groups -- primarily those who do not take their groups seriously--. It serves for others as a time for beginning an educational process through which their world-views, self-esteem and mode of operation can be transformed. Thus, although the solidarity group mechanism does not automatically ensure a selection of responsible beneficiaries, it may ultimately act to select the most active and future-oriented members of the population of possible beneficiaries. This may occur because a very high level of demand intensifies the need for active participation on the part of those in the program just in order to maintain their places within the program.

Activity within the solidarity groups help individual members maintain their morale, whereas activity within the associations, as we shall presently see, helps the members maintain a sense of control over who is entering the program and over the direction that the program is taking.

#### The Associations of Vendors \*

The two associations established by participants in the solidarity group program are both an effect and an element of the program. The associations would not have arisen or have become such an important part of the program if the mechanisms and services which are an integral part of it had not had

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\* Observations made at two association meetings, excerpts from interviews with participants, and discussions at the meetings are included in Appendix B-III and B-IV.

a specific and powerful kind of impact. Yet, because the associations have become such an integral part of the program, it would no longer be completely accurate to consider them purely as an effect of something else. The truth is that the associations represent a nearly perfect expression of the transaction that takes place between the technical inputs of a "development program" and the real needs of the people. What goes on in the associations is what always goes on in that fuzzy area between the concrete things that a program offers and what the people "pick up on" that can be transformed into something that reflects their own processes of development.

Some of the roles played by the associations fall into the category of "unintentional effects", such as suddenly elevating the earning power, status, self-esteem and hopefulness of at least a few beneficiaries which were simply set in motion by things the program did. These effects were also set in motion by things the program did not do, such as taking effective control of the selection process away from the people with rigorous selection procedures implemented by program staff.

More interesting is that the idea of expanding on the solidarity group concept to form an association arose spontaneously from people trying to satisfy their own unmet needs. The participants feel a strong need to try to direct and control the processes of selection and outreach for the same reasons that they have for trying to do so within the solidarity groups. In order to preserve the program -- that is, the new opportunities which will be based on their "credit rating,"-- they must have some way to ensure that the new people coming into the program can be "counted on" to meet their responsibilities.

In many ways the associations carry out roles which would normally be those of the program itself such as the recruiting of new members, the dis-

tribution of information, and the education of participants. The educational functions include learning to manage large meetings, as well as sharing information about businesses, triciclos, etc.

On the political and economic levels, the associations are providing a means of expanding old networks and building new ones, and, perhaps more importantly, of using these networks more "consciously" to try to keep the organization moving in a certain direction. That "direction" includes expanding their joint economic base and educating and training the members. Members of the first six groups are asking for more specific training in the areas of basic literacy training, in specific skills like carpentry, and in techniques for expanding their businesses. A number of those who know how to read have already been studying some of the pamphlets put out by the FDD on how to improve household budgets, simple accounting, etc. They are not afraid to use their own resources, but they are also not afraid to admit that there is a great deal they do not know and want to learn.

There is a somewhat different character between the two associations and it is a bit difficult to predict how they will develop over time. The first association has a more profoundly political character, in that it was motivated very much by an attempt to establish and verify the tricicleros' identity as "leaders" of a social movement in the barrios.

This researcher predicts that the position of the current leadership in the first association will be maintained for a fairly long time. The second association is much newer and none of its members have yet to receive their loan. Consequently, its membership seems less active and forward-looking than that of the first association. The "movement" will change its form somewhat as the program grows and spreads out. A big test for the leaders will be to see if they get diverted from their goals when they get their

second loans. For example, they might continue to build on the consciousness of a "new movement" in the barrios, or they could individually become so involved in money-making ventures that they let slide the consciousness raising, and other tasks they now perform.

#### REFLECTIONS ON PROGRAM IMPACT

This section of the report discusses some of the effects which can already be seen in the program, which may in turn bring about other effects which could ultimately be considered as part of the total impact of the program. This discussion cannot give a comprehensive picture of what is happening in the lives of the beneficiaries as a result of the program, but it does highlight some things which this researcher believes should be watched more consciously as the program develops and expands.

The following are important effects of the program that this author has noted:

1) Actual economic effects at individual levels which probably generate other effects within the families of beneficiaries, within the solidarity groups, the associations, and the neighborhoods where the beneficiaries live.

2) Increased communication on the part of beneficiaries at all levels and an expansion of their networks.

3) More ability and desire to plan for the future.

4) The appearance and use of something which might be described as a new consciousness among participants.

Actual economic effects at individual levels which may produce a "spin-off" effect on family, community, and organizations.

The actual economic effects of the program on the individual beneficiaries are clear-cut and should be considered one of the primary effects of the pro-

gram. As was mentioned previously, the tricicleros of Santo Domingo pay an average of one peso and fifty centavos (\$1.50) per day to rent their triciclos. The program was designed to allow the tricicleros to use their first loans to buy their own triciclos by making daily loan payments of \$1.20 pesos per day, thus allowing them to begin to save approximately 30 centavos per day just in terms of the price of triciclo rental alone.

That, however, is only the beginning of the savings that are possible for the triciclero in the program. The triciclero saves a portion of what he often had to pay in daily interest rates to those who loaned him money for triciclo rental. While the tricicleros did not always have to borrow for rental, it was frequent enough so that the monthly interest rates of 10, 15 and sometimes 20% added up to quite a bit over a year or 6 months.

A related savings comes from not having to pay so much on triciclo repair when operating a new triciclo. Over and over again the tricicleros told me that this represented one of the biggest savings of all. They say that few of the triciclos which are available for rental are worth much, and that most need repairs daily. Poor tires which get a real beating when traveling with heavy cargo over many of the badly repaired, hole-filled streets of Santo Domingo are particularly burdensome. According to many tricicleros, one could save anywhere between 50 centavos and \$3.50 or \$4.00 pesos a day just by using a new triciclo and not having to pay for daily repairs.

An additional economic saving is derived from the fact that making daily repairs takes time away from crucial sales activities. Many tricicleros reported to this researcher that this is what was most disturbing about renting old triciclos ("que no sirven") -- i.e., that they cannot always plan and execute their sales activity in the most responsible and efficient way. This was what participants at the Encounter and Evaluation Session on August 30, 1981

meant when they reported: we are "mas sereno, podemos planear nuestras actividades." ("We can now work more serenely because we can plan our activities.") Among those who have not yet received their loans (or their new triciclos) there is great desperation and frustration over the poor quality of the rented triciclos and jealousy toward those who are now working with triciclos which do not need daily repairs. Thus, it is not surprising that so many from among the groups who make up the Los Minas Association, most of whom are a long ways away from getting their loans, are already attempting different kinds of collective actions to set up their own triciclo repair shops. By the example of those who already have their new triciclos, they already see that the daily level of actual savings is significant, even before the loan is repaid.

Among those who have already received their triciclos, the effect of these savings on family expenditures, home improvements, etc. makes the actual economic impact of the program considerable. A number of the tricicleros who received their loans and new triciclos in January of 1981 had already been able to move to new homes (where they pay a higher rent) or improve their own homes by August 1981. Others have paid off old debts, or taken care of medical problems.

#### Increased communication, expansion of networks

More field work needs to be done to trace out more precisely the way different networks are being expanded and used, but there is ample evidence from the association meetings alone that people have begun communicating with each other about more things in new ways. Among the men at their group meetings, there is the feeling that many are willing to be more honest with each other about their weaknesses and their "vices" such as alcoholism or spending money on the lottery. This willingness is generated presently by

the example of particular group leaders, as well as by the leaders of the first association, who stress the idea that groups should work together as a "team". Also, more income makes it possible for participants to project their lives into the future and to plan for it.

From a few meetings with different families, I had a strong sense that the increased communication also extends to increased communication on the part of the men with their wives, and on the part of both with their neighbors. There is a sense that talking about problems leads to new information, and new information in turn may lead to finding an adequate solution to problems. Women have begun to talk a little more about their visions of the future, now that they feel slightly more secure about the economic situation of their families. They are also beginning to discuss with each other different possibilities for managing their responsibilities for child-care and how to better manage their time so that they too can start up some small businesses to help improve their family's economic situation.

#### More Ability and Desire to Plan for the Future

A new ability and desire to plan for the future can also be considered one of the major effects of the program, even though, there are not yet many clear examples of groups making long-term plans and carrying them out. It has to be understood that this change is from a position of "having their hands tied" in practical and economic terms, where very little more could be done other than to keep up with daily family needs, to one where people can speak of "working with more hope." This researcher made a very rough comparison across groups and discovered that the impetus toward more of a future-orientation and more planning probably stems chiefly from the credit mechanism. Credit is linked automatically to an actual investment. Furthermore, this impetus is fostered by the solidarity group mechanism and nurtured by the associations.

The basic mechanisms of the program foster the concept of saving, which is then given even greater value by the way it has been linked to the notions of power and status in the associations.

The idea that saving is also an investment is directly linked, by design to the buying of a major piece of capital equipment over time -- the new triciclo. The interest paid on this investment is not felt as a drain because of the very sizeable savings produced by the investment. Since the credit provided and the interest rates were tied to an investment so directly appropriate to the needs and desires of the beneficiaries, the idea of savings and investment has really taken hold and is being applied by the program participants. Through learning how to handle the credit and the savings it produces, the beneficiaries of the program have begun to feel they can control part of their future. This discovery is linked to improved self-esteem, as well as to a desire to try to find more ways to save as a group, and to decide among themselves what to do with some of their savings.

Both the solidarity groups and the associations caught on to the idea of how important saving is and to the idea of how much it can be multiplied either by the 5 to 8 other members of a group, or by the association. Consequently, as we have already seen, both the groups and the first association have begun to experiment with group savings, and are beginning to make and carry out some plans of their own.

Doing this as a group and within the associations is seen by the researcher as having important educational features, especially that of learning to see savings as something to keep track of and record. The record-keeping not only produces profound cognitive changes associated with increased planning abilities, but it also helps change attitudes about the importance of each

individual sale (or sales lost when work time is lost). All of this is important in terms of the ability to plan. Even 10 centavos can be seen as a significant savings if this amount is saved every day. With regular savings, there is a changed attitude toward money spent on vices; each bit of money not spent on something like alcohol can be seen either as added to a "greater cause" or simply as adding to individual well-being if invested more appropriately.

These changes in attitude are occurring very rapidly within the program. Several groups have already established small funds on the basis of various kinds of collective saving, and are using these funds to cover emergencies for group members, and one group has organized collectively to make some purchases at lower prices in the Mercado. This is likely to develop on an even greater scale, as the groups become more sure of themselves.

#### The Appearance and Use of a "New Consciousness" Among Vendors.

Many of the tricicleros say that what they are working toward, and what has been gained for them by this program, is a "new consciousness" among tricicleros. While some observers consider this "pure rhetoric" linked only to a special enthusiasm among some of the participants, this researcher believes that a "new consciousness" is in fact being built by the tricicleros, and that it will spin off to other groups among the poor as well. This new consciousness works in very small but significant ways. It shows itself, for example, in the tricicleros' new ability to see a connection between curing oneself of destructive habits, such as buying the lottery tickets or spending most of their earnings on alcohol, and the possibility of being able to contribute something on a fairly large scale to their communities. Some have also begun to see why they want their children to learn to read and write. Others have felt the effects of learning basic accounting and budgeting,

running a meeting, and planning ahead to save themselves from losing more money than necessary on triciclo repairs.

Since much of their new awareness has come through the activity of working and meeting regularly in groups, the tricicleros have started to work consciously on that connection, learning better how to help each other, and how to be aware of the needs of all the groups. The taking up of a collection among the members of approximately 80 groups to help pay for one of the new triciclos that had been stolen a day after it was received was no small thing. Most of those who gave were people who did not have their own triciclos and were a long way from getting them. The donation of their earnings symbolized that the tricicleros understood the need to offer protection to each other, especially in the face of something as horrible as losing the equivalent of \$300 pesos.

By taking action to help each other, the tricicleros have proved to themselves they can do something that they have never been able to do before. This has added greatly to their already growing self-esteem and has underlined their sense of "community". When they see the way the program is allowing them to expand their base so rapidly, they have a heightened sense of power as a movement. This researcher predicts that the effort to save more money by buying or dealing in groups will catch on fast, especially in groups where people are dealing in the same kinds of wares. The "cartoneros" and "botellers" who are among the poorest of the vendors may also begin to band together in groups to deal collectively with the intermediaries of the paper and bottling industries who exploit them by dealing with them separately. Those who sell produce might lower their prices so as to get more business from the tricicleros. The tricicleros might get public bathrooms or other facilities installed.

There are numerous directions that the program might take, if the group of leaders behind the solidarity movement continues to expand its economic and political bases in a solid way.

### CONCLUSIONS AND RECOMMENDATIONS

The chief conclusion of this study is that the solidarity group program of the FDD in Santo Domingo has already had a profoundly transforming impact on the lives of the vendors who are the beneficiaries of the program. This positive impact is noted first in the significant status gains on the part of program participants. These status gains derive principally from the fact that the program allows participants an extremely high degree of control over their own processes of social change. Increases in buying power, planning abilities, and organizational potential in themselves produce increases in a sense of status. These are made all the more powerful in this program however, because the program also reinforces the friendship and kinship networks within the beneficiaries' own communities, thereby enhancing a sense of "rootedness" which makes for the basis of a real movement of solidarity.

Increases in status have also motivated significant increases in communication, awareness, and creativity both at the individual and community levels. Since there is more discussion of what people are doing and what they are planning, there is a greater awareness of economic possibilities and pitfalls, of problems and resources within their communities, and of dangers to be faced and risks to be overcome. The association formed by the first groups of beneficiaries has played a seminal role in this educational process. The association is largely responsible for the willingness to be more open with each other about their businesses, family problems, about personal failings such as drinking habits or the inability to read and write, and about doubts and fears re-

lated to the program.

Despite the generally positive way that the program has been developing, this researcher tried to be alert to areas where suggestions for improvements could be made or where some caution should be taken in terms of future developments of the program. These are noted briefly below:

1. The rapidity with which the program is growing produces a number of problems which some people on the staff are already aware of, and are looking to resolve. The essential problem is that the number of those receiving loans is not nearly as large as the number waiting for them. This means that the issues of prompt payback and other issues related to the way loans should be handled are not immediately relevant to the majority of potential beneficiaries. For those who are active in the association meetings this becomes less of a problem because the educational effect of these organizations remains very strong. These meetings, however, have begun to outgrow their quarters, and it remains to be seen how and where new groups will be incorporated.

The lengthy delays in getting money out to solidarity groups which qualify is putting undue pressure on the program. This researcher believes that this may prove to be the major "bottleneck" of the program, unless it is resolved soon.

This researcher recommends three things be done to begin to resolve this problem. One, the FDD should do everything possible to get funds from donor agencies flowing into the program at an adequate rate. Two, there should be a concerted attempt to set up simpler mechanisms for handling this kind of loan fund within the FDD. Three, it is important that those groups just entering the program and all of those waiting for their loans get enough regular attention from the promoters and/or staff members so that they do not begin to deviate from the purpose and goals of the program. There is a need to make

certain that the groups that are waiting for their loans get something of the same quality of inputs (which includes attention) as the first groups did, if the program is to continue having a strong, positive impact.

2. The question of the attention paid by program staff to the beneficiaries is a very delicate issue that can also "make or break" a program, if not handled adequately during the early stages of a program's development and growth. In the beginning of most development programs there is a special energy and excitement. Some of this is transferred to the first beneficiaries, by allowing them to acquire "special" status through contact with those initiating the program. When these "initiators" see that the program has gotten "off the ground" and is going on its own, they often withdraw to attend to other kinds of things and leave a sort of vacuum in their wake. The first of such spaces in this program has been adequately filled with two sensitive and intelligent promoters who still show some of the particular care and energy that are characteristic of programs which begin in the right way.

The long delays in getting the money out to many groups, however, have added to the natural burden of the promoters. If they give the attention which is really needed to the outlying groups who have little contact with the "center" of the energy in the program, the promoters may not be able to maintain a consistent level of commitment to groups who have received loans and are making payments. Most of their regular attention will, however, be needed for collecting loan payments as more groups get loans. Adding another promoter is part of the answer, but other possible solutions should also be seriously explored.

One of the suggestions made by members of the first six groups at their Encounter and Evaluation of the program in August, was that the Foundation should hire a promoter from among the tricicleros. This researcher believes that a

couple of "assistant promoters" should be hired to assist the two (maybe three) promoters from the Foundation. A kind of "career ladder" has emerged naturally in the program -- group "socio" to group "president" to association "leader" -- and it may be unwise to cut off this career ladder artificially.

The tricicleros who made the suggestion expressed the need for keeping in better touch with new members because of their interest in seeing the program continue. Furthermore, several of them have had experience as promoters in rural programs. Appointing some of them to this task would be a way of channeling the best of their energies for the good of the program. It would be a way of emphasizing the broader educational aspects of the program while at the same time helping to fill part of the vacuum created by the delays in getting loans out. Further, it would help the promoters to expand their networks within the communities (which will ultimately make their work go much faster) and to deepen their knowledge of the subculture of the vendors. This would be financially more efficient than hiring several new promoters by the Foundation and having to train each one. It is also true that hiring assistant promoters from among the participants might increase the gap in status which exists between members of the first groups and members of later groups. This could be made to work positively by strengthening the incentives to work responsibly as members of the program, or as group leaders.

3. Now that the first women's groups have been funded and as these groups begin to multiply there is a need for a female promoter within the program. Many women will not talk to a male promoter in the same way that they will to another woman. An association for women business owners will hopefully arise as well.

4. The entrance of women's groups into the program has also meant that there

is more diversity in the kinds of businesses represented. Exactly what effects this will have on different aspects of the program is hard to tell. One question that needs to be considered is the size of the loan (and how that relates to savings) appropriate to those new types of businesses. Other issues which deserve special attention are educational backgrounds, socialization, the double workloads of most women, and the nature of the business opportunities which are open to women in the barrios. It would be important to explore those opportunities to see which are more conducive to the development of group processes and the habits of planning and saving, as well as to determine the differences between barrios in terms of the possibilities open to women.

5. A special effort should be made at all levels to support the group processes which are beginning to emerge. In particular, there is a need to support groups which are beginning to buy and/or sell collectively. If these first efforts are successful, it will be easier to promote the idea with new groups and in that way amplify both savings possibilities and the chance for other kinds of group efforts.

6. In order to keep the program "on track" in the months to come, the present promoters should be paid more and be given every opportunity to make their interactions with the beneficiaries educational. A deepening of their sensibilities of the problems and prospects of the program beneficiaries will make for a better program, better evaluation efforts and easier training for future promoters. The quality of both of these promoters is such that they should be given the possibility of growing in their jobs.

7. Someone should be hired to do more work with the families and within the barrios on evaluation. Gaps in information at these levels (e.g. whether in-

creases in net earnings are felt by the families) might be very significant when it comes to analyzing the data. If feasible, it would be excellent to have someone with special skills in evaluation to work half-time to make sure that important changes in the program are recorded and their effects traced.

8. There should be a special system for recording any changes in the program, including visits from outsiders which have the effect of adding or decreasing the amount of attention or effort given to different groups of beneficiaries. Visits by anyone such as program staff or outside visitors is considered to have an important effect on the beneficiaries' sense of status and self-esteem, both of which interact with the group processes already at work and have other effects on the evolution of participation.

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Since this report was written there have been changes in the project methodology which deal with the lack of understanding of the program by new members and the seriousness of the solidarity groups' commitment. By requiring solidarity group presidents to make their payments directly to the F.D.D. central office, the promoters have time to educate new groups. The promoters will meet with each new group three times and discuss the program and the plans and desires of the members. As soon as possible a select group of those who have already received their loans will act as voluntary group educators as well.

This educational component, especially as it incorporates the program leadership, will help ensure that the program does not become merely a mechanism for dispensing credit. The ideology of change and transformation embraced by the early groups will be transmitted to the new groups.

J.A.

APPENDIX A  
PROJECT APPLICATION AND  
EVALUATION FORM

Name of Promoter \_\_\_\_\_ Date \_\_\_\_\_

I. CHARACTERISTICS OF APPLICANT

Name \_\_\_\_\_ Identification No. \_\_\_\_\_

Address \_\_\_\_\_ Neighborhood \_\_\_\_\_

	At date loan requested	At date of last payment
1. Sex _____		XXXXXXX
2. Age _____		XXXXXXX
3. Marital status _____		XXXXXXX
4. Years lived in metropolitan area		XXXXXXX
5. Years lived in neighborhood		XXXXXXX
6. Position in family (husband/wife, etc.)		XXXXXXX
7. Household members who contribute to family income	Daily income XXXXXXX	Daily income XXXXXXX
_____		
_____		
_____		
TOTAL		
8. Total household members		XXXXXXX
9. Number older than fifteen		
10. Years of education of applicant		
11. Daily expenses of family group		
a. Food		
b. Housing		
c. Lights		
d. Water		
e. Clothing		
f. Debts: Source _____		
Interest _____ Total Amt. _____	XXXXXXX	XXXXXXX
g. Lottery		
h. _____		
TOTAL DAILY FAMILY EXPENSES		

	At Date of Loan Request	At Date of Last Payment
12. Value of Assets	XXXXXXX	XXXXXXX
a. House lot		
b. House		
c. Furniture		
d. Appliances Radio _____	XXXXXXX	XXXXXXX
TV _____ Stove _____ Refrig. _____	No. _____	No. _____
e. Savings		
f. House repairs, additions		
TOTAL ASSETS		
13. Has bank account		
II ECONOMIC ACTIVITIES		
14. Type of business		
15. Years of experience in business		XXXXXXX
16. Occupation before this business		XXXXXXX
17. When did you start this business?		XXXXXXX
18. How many hours a day do you work?		
19. How many days a week?		
20. How many hours a week do you use unpaid family workers?	XXXXXXX	XXXXXXX
21. How many hours a week do you use paid workers?	XXXXXXX	XXXXXXX
22. Where do you work?		
23. Daily investment	XXXXXXX	XXXXXXX
a. Merchandise (raw materials)		
b. Rentals		
c. Garage/Storage		
d. Salaries		
e. Transport		
f. _____		
TOTAL DAILY INVESTMENT		
24. Daily sales		
25. Daily profits		

	At Date of Loan request		At Date of Last payment	
	Yes	No	Yes	No
26. Actual use of credit in business Source of Credit How much: Interest rate Use: _____				
III NEED FOR CREDIT	XXXXXXX		XXXXXXX	
27. How would you use your credit? First Loan: _____ amount _____ amount _____ amount  TOTAL AMOUNT	XXXXXXX		XXXXXXX XXXXXXX XXXXXXX XXXXXXX	
Second loan: _____ amount _____ amount _____ amount  TOTAL AMOUNT	XXXXXXX XXXXXXX XXXXXXX			XXXXXXX
IV PARTICIPATION	XXXXXXX		XXXXXXX	
28. Participation on Program Activities	XXXXXXX		XXXXXXX	
a. Attends sessions of the Association Always/Frequently/From time to time/ Rarely/Never	Yes No		Yes No	
b. Leader of association (position)	XXXXXXX		XXXXXXX	
c. President Solidarity group				
d. Participation on other activities _____ times last year _____ times last year _____ times last year				
e. Recruited others for program No.				
f. Organized new group No.				
29. Participation in community activities	XXXXXXX		XXXXXXX	
a. Member of a community organization				
b. Director of community organization .				
c. President of community organization				
d. Participation in projects (number)				
e. Organized community project last year				

At Date of  
Loan application

At Date of  
Last payment

V CAPACITY OF PAYMENT

- 30. Other income of owner (daily)
- 31. Other family income-rent etc. (daily)
- 32. Daily investment
- 33. Daily profits
- 34. Contribution of family to family income
- 35. Loan quota
- 36. Daily family expenses
- 37. Daily business expenses
- 38. Surplus or deficit

VI FOR USE OF FDP

- 39. Amount of loan requested
- 40. Terms
- 41. Amount of weekly payment

APPENDIX B  
TRANSCRIPTIONS OF SELECTED INTERVIEWS

APPENDIX B-I

Interview with Ramon Antonio Jimenez and Family  
(President of Group No. 14. The group has eight members, including the President.)

Interviewer: What is the enthusiasm like in the group?

Answer: Well, it's very impressive in this group... One of the themes we've talked about is how "there is strength in union..." Another thing we've talked about is how the poor should learn to save, and how one can't get rich from one day to the next... That is what interests me most: Saving. Because if one has an economic base of savings, everything becomes easier. When I have some money saved I end up being able to earn more... I have explained all of this to the other members of the group, and they are in complete agreement with the ideas.

Interviewer: That's interesting... And how did you hear about the program? Who did you learn about it from?

Answer: There was a guy -- his name is Alfredo -- who got me interested in the program, who made me enthusiastic about it. He notified me when those in his group had gotten their triciclos, and said that he would like it if I entered the program with a group. He recognized something of what I know so he wanted me to join the program. I didn't want to join at first, but later I became more enthusiastic and decided to join.

Interviewer: And what did Alfredo do to convince you? -- to let you know that it was a good program?

Answer: Well, first I went to one of the meetings in the garage, and through that meeting I saw the organization and what it was all about... Then I talked with the "Americano" (con el Americano...con Esteban...) and that's when I really became interested. Because I hadn't been well-informed of exactly how the program works...because my friends had told me that it was an Association of Tricicleros, but I didn't know exactly how it worked...and it was Stephen who made me really understand.

Interviewer: And you were working on a triciclo at that time? (Yes) But now you are working at another kind of job?

Answer: Yes, I am working this other job...and yesterday I worked until midnight. But I still keep on working with the triciclo, because I work at this other job at night and work on the triciclo during the day. I basically work on the triciclo in the morning, then rest and then go to the other job at

night. The day brings forth a lot more earnings that way. I like commerce...business, and since I have a business established in a location, I don't want to lose my clients -- because if I lost my clients it will be difficult to re-establish myself again if I should lose my other job.

Interviewer: What kind of business do you have?

Answer: Well, I'm a salesman. I sell bananas...oranges...guava...avocado when it's in season...Basically I sell every kind of fruit.

Interviewer: And you have a location on a street-corner?

Answer: Yes, it's on a street-corner.

Interviewer: And, is it a good location?

Answer: Oh yes... I've been working there for over two years.

Interviewer: So you plan to continue this type of business? (Yes) But, if you work at a fixed location, then you don't need a triciclo...

Answer: Well, look at what happens... I get home from this other job at 4:00 in the morning and by six o'clock I can be out working, and then be back home by 10:00 in the morning. I can carry out the business, because I have made all my sales by ten o'clock in the morning.

Interviewer: And how much do you earn during those hours? -- that is between 6:00 a.m. and ten in the morning?

Answer: I usually earn about ten or twelve pesos -- sometimes up to 15. It depends on how business is on a particular day. There is variation in the business. Some days things are more expensive in the market, and one has to sell at moderate prices on the street. So one earns less on those days...But I always earn enough -- and I have sometimes earned even up to twenty pesos. It all depends on what the market is like...

Interviewer: And does this program here seem like a good one to you?

Answer: Well, for me it seems very important...It's the most important kind of program that could take place here. Because I had already been living here for three years, and I hadn't seen any kind of organization take place before.

Interviewer: So, one of the things that you like best is organization... Why do you think it is so important?

Answer: Well, like I was just explaining to you, in unity there is strength...and when people get together in a group a collection

of people... A "Collectivity" means many people who are organized, and who have an agreement...But when there is collection of many people and they are not unified -- who are not linked like we are -- (I consider us linked because we treat each other as brothers, and we're getting to know each other better every day) -- this is what is really meant by "organization." That's what I like about the organization.

Interviewer: And I believe this program is going very well in the sense that you are all getting to know each other...and that the organization is growing. Or do you think it is going well because you are all learning to resolve your problems together?

Answer: Yes, because, look -- Here in the group a small problem occurred of a tricycle which was stolen. And, since we are well-organized, we are resolving the problem easily. If it had been one person alone, it wouldn't have been possible to resolve it. All of us together were able to find a solution easily -- and I think we are almost out of the problem now...because we are organized.

Interviewer: For you personally, -- in general terms -- do you think it has been favorable, your move from La Vega (the campo) to here? Has it been about the same? or better? or what?

Answer: For me it has been favorable...because I have had a better standard of living on the average here. It's easier to earn a living here than in the country...because life in the campo is very precarious. In the last two or three years especially it has been difficult to earn a living in the campo...The situation there is very backward...Sometimes the crops are too damaged by too much water, sometimes by not enough rain. For example, according to what some people have told me the tobacco crop was lost last year...It was from a plague which affected the tobacco. So the peasants who were growing tobacco...they couldn't pay what they owed...And it was because of that kind of thing that I came here, because that kind of life was very difficult for me.

Interviewer: And, for example, if someone were to tell you: "Here Ramon... Here's a good parcel of land, and they are going to give you credit, and water, etc...Why don't you go to work?" If all that were offered to you, do you think you would go? (No...) Why wouldn't you go?

Answer: Well, now I wouldn't go because I feel a commitment to the collectivity here -- to the Grupo Solidarios -- because I belong to a group and I am organizing people, and trying to develop a situation where we'll know each other better. Because now, through the Foundation and through the groups, I know many people who I didn't know before...and I have very many friends

that I didn't have before. Since I entered the program I have discovered many friends. So that's a "path" I have ahead of me...because before I didn't know hardly anyone.

Interviewer: I see...And do you have a vision or any ideas about the future with these groups?

Answer: Well, my ideas are centered around the notion that I want us to advance...And I have explained to those in my group -- I've made it clear to them -- that if we don't really become unified, and really think clearly... that we have made a "sacred" commitment, now that we are a part of the Foundation, that we have to give a real value to this commitment and dedicate ourselves to giving value to the program. Because I have seen that many tricicleros have benefitted and are benefitting from the program, whereas they hadn't received any benefits before. Normally a triciclero pays 1.50 pesos to rent his triciclo every day, plus at least 15 centavos for a garage, and he never gets a chance to buy one of his own. He has to keep paying all the time... So... The important thing that I have explained to the members of my group -- and I have explained it to all of them -- is that we are making a saving: they are going to loan us money to buy a triciclo, but it is so that we can save... So that we can have a triciclo and not have to pay for it later on.

Interviewer: And what is going to happen to all of the tricicleros who do not become members of this program? -- those who are outside and continue to have to pay rental on their triciclos?

Answer: Well, look, even if it isn't that way now, I feel like all the tricicleros will become part of the Foundation eventually probably within a year or two. By that time I consider that there won't be any tricicleros who are not part of the program. Everyone wants to join...They are all forming groups...What happens is this: We, the Dominicanos, are very violent... so that when a pathway is opened, we want to arrive at the goal immediately...and I don't believe that's the way things work. I'm 33 years old, and I've worked a lot...and what I've seen in the many organization that I've looked at -- of campesinos, of farmers, of housewives, and now this program -- well, I see the benefits of this kind of organization.

Interviewer: From here do you see the possibility of organizing other kinds of activities with the Foundation -- or, for example, some of the women also have ideas about also forming an association, and perhaps getting loans to begin little businesses in their homes...That's just one idea among many which have been expressed...

Answer: I feel that those of us who are already organized -- this is what I believe and what I would like to do -- is form an

organization of housewives so that, maybe tomorrow or later, they too can install their own businesses and improve their lives. It isn't only us men who have to work to earn a living...So the women should try to organize themselves too, so that they can have a better future. I've already discussed this with my wife. If they know how to sew, they might take out loans to buy sewing machines and pay for them little by little. They should form a collective group and start a sewing workshop...or some other kind of business too. Or they might form another kind of business, where some groups make the clothes and other groups sell them...I want to see if we can start up a system for organizing the housewives.

Interviewer: And when do you have time to meet together? -- I'm referring both to your group and also to meetings between the members of your group and the members of other groups.

Answer: We all meet on Thursdays as a group --every Thursday -- and the members of my group either meet here or in the house of the Vice-president, where we met on Sunday. I was the one who initiated the idea that we should meet in our own groups so that each member would know where the President and Vice-president lives -- and so that we could get to know each other better, and each of us know where the others live. Now that we are an organization, we can't each go off by ourselves. I explained this to Group #3 -- the members don't know where the President lives and he doesn't know where they live. Their only interest is in getting their triciclos...They got their triciclos and haven't come to any more meetings. I want to go to the meeting tomorrow -- I already told this to Alfredo -- to explain a few things to the people at the meeting. If they don't have an interest in coming to the meetings, then it means they don't have an interest in the program. I want to explain to them the project behind the program...and the interest of the program.

Interviewer: I understand that your immediate personal goal is first to get your triciclo -- how long have you been part of the organized program?

Answer: Almost six months.

Interviewer: Do you really hope that you will get it soon?

Answer: It doesn't really matter -- even if it takes two years -- I have hope.

Interviewer: And, after you get the triciclo what do you plan to do?

Answer: I do have another project -- depending on the Foundation, if they see that I can fulfill my responsibilities, and I believe

I can, if God will permit me to -- I have another project... but maybe I shouldn't tell about it now... Sometimes one can propose something and it doesn't work out... but I do have another project... That's why I hope that I get the triciclo sooner, rather than later, because I have another project for later... I want to get a bigger apparatus, because the business could grow a great deal.

Interviewer: But what happens in the organization if the others don't want to do as much as you want to do? -- if they have plans and ideas that don't fit with yours? -- How will you handle that?

Answer: Well, the problem is that if someone does not want to follow the program, one can't obligate them, but one has to try to convince them... Because that's my system of life, and my criteria for treating my friends and brothers and co-workers. That's my real project... not to do it alone and not to let them do it alone... My idea, rather, is to invite them, and convince them... To explain to them the sense of the program, the meaning and the product of the program.

As I explained to the members of my group -- about a system of savings -- so that we wouldn't have to borrow from anyone else, but rather that within the group we could start a savings account and that way build up a base of money which would eventually be enough money so that we could resolve any emergencies we had. We would be loaning the money to our own members, and that way not have to borrow individually from anyone outside of the group.

Interviewer: And how did this idea appeal to your "companeros"?

Answer: They were convinced. They agree with me on the idea.

Interviewer: Are you all planning to do this when you receive your triciclos?

Answer: No, we are already doing it... We have already begun the savings. I explained that we couldn't wait until we received our triciclos because we should already have an economic base by the time we get our triciclos... We shouldn't have to depend on taking up a collection... If a problem arises in our own group we will be able to take care of it ourselves and not have to rely upon the taking up of a collection in the association meetings... If each group got organized that way, we wouldn't have so many problems, or even have to depend on the Foundation... If each group had a system of savings, and then all of the groups in the association put the money together, we could put it in the bank, and we wouldn't even need the Foundation to loan us money. That way, as an organization we would know what we are doing. The Foundation has loaned us the first part, but we should now put in our part... the first part gives us the basis to be able to organize to do something like this.

Interviewer: There is an important thing...it would be good to hear your opinion. There is almost a consensus among the tricicleros that they like the program...They all talk well of the program because they have the hope that they will receive the triciclo of their own within a short time, but what do the people who are outside of the program think...for example, your neighbors and other members of your family -- both those in the city and those who are still in the "campo"? What do the people believe about the program?

Answer: Well, I've explained the program to many people...I've explained what the Foundation is trying to do with us...Some tricicleros who have their own triciclos have said that the program has no validity...And I ask them why...They tell me that many people will sell their triciclos after they get them...and a whole lot of other things: that the program will fall apart, and that the people in it will be pushed by the wayside...That's why I'm telling you that it is a good idea for us to really organize as groups, and raising the consciousness of people in them, so that the people understand what we are trying to do, and so that they understand that this isn't merely a matter of our tricking them. Every group should know what he belongs to...That's why I want to install this system of savings...so that there will be a real interest in the program -- because, where there is saving, there is interest. When there isn't any saving, there isn't any interest...

Interviewer: Aside from people who think the program may fall apart, what about other kinds of opinions? -- such as from people who might not be interested because they don't think the program will help them resolve their problems...?

Answer: Yes, I've encountered that kind of opinion several times... I tell them that we are responsible people, with a conscience, even if we are poor...Most of us have families and we are not going to do anything to cause problems for our families, so we are becoming more responsible and conscious all the time about the commitments that we make...We're almost all the same in that way...We are all poor, but none of us will bring problems down on our families just for a matter of \$200 or \$300 pesos...It isn't that so much as that we really want to get ahead, and progress, and to make the program work in other ways. It's not only that we want to get our triciclos, we want to get another series of things too...

Interviewer: Then you see it as a program which opens the future up to you if you respond if a formal, responsible, serious way to the program.

Answer: Yes, that's what I have tried to get across to the members of my group. I understand more about organization than many of them do -- many didn't really understand the program -- that's why I've had them here to my house for coffee, to talk with them and really explain the program to them. That's why they are happy with the program -- because I've explained to them the systems of the program, which they didn't understand. Now that we have talked a lot and have confidence in each other because we know each other well, now they are more conscious of the program: they are not only trying to get a loan for a triciclo, but rather they want to fulfill their obligations for the first loan so that they will be able to get other loans for another series of things.

Interviewer: So they are now thinking about the future in a different way?

Answer: Yes, because of the organization...because, as I have explained to them, the strength is in the organization. That's what I would like to transmit to all of the groups and to all of the members of the program...just what strength and organization can have, because maybe that's what many of them do not yet know. I know a series of "tricks" to help teach them this -- I learned them right in the same Foundation -- only I haven't yet had the chance to use them in the meetings because of other business that is on the agenda that has to get taken care of...And there are too many people in the meetings for some of them to be used there.

Interviewer: What do you think will happen when many groups are formed and most of them have received their triciclos?

Answer: Well, my understanding is that the Foundation will support us in some other kind of project once we have fulfilled our responsibility on this one...Because the Foundation will feel an obligation to the organization once we have fulfilled our part of the responsibility on these first loans. So that if we ask for a loan for some kind of business, the Foundation will help us if we have complied with the terms of the first loan, that is, if the organization is maintained.

Interviewer: So that's a basic motivation for building the organization... If the hope of getting new loans is based on the persistence of an organization which can be shown to be responsible, and to be a force for developing responsibility among individuals...

Answer: Yes, because, look: After we have received our triciclos, I have the consciousness that each member should have more affection for the program, and put more effort into it -- although I have seen that many who have received their triciclos begin to drop out and stop going to the meetings -- so what I want to do is attract them, so that they don't leave. They should put more love into the program afterwards, because it isn't only a matter of getting a new triciclo. I'm interested in getting my triciclo too, but I'm more interested in making the organization a strong one. I like being united with others:

APPENDIX B-II

Interview In Alma Rosa, Villa Duarte, La Cienega, etc.

Interviewer: What do you think of this program?

Ist Triciclero: This is a program that could interest anyone, because when you have to rent a triciclo those who rent them usually charge a peso and 50 centavos -- at least if the triciclo is in good condition. I had one that I had to turn in the day before yesterday...because it wasn't any good and didn't work at all. I had taken it out Monday and it didn't even last to get me through all the sales of the day, and I had paid \$1.25 pesos for it, plus 15 centavos for storing it in the garage, so that was costing me \$1.40 pesos for something that didn't get me all the sales I needed.

I just hope that the loan comes through soon so that I can at least by paying on something that I know will be mine when I finish paying for it. This is important because it isn't everyone who can get ahold of \$300 pesos to pay for their own triciclo. So, you see, when you're paying for something which you will own someday, you are working with more love.

2nd Triciclero: There are some triciclos that come out in something like \$600 pesos.

Ist Triciclero: Well, I was told...I had gotten together 200 pesos some time ago to buy one, and I went and asked Fede if I could buy one with that, and he said "no, they cost \$350 pesos each." That's what they told me in his shop. Then I went to Faul's shop and there they told me that it would cost \$300 to buy a triciclo. So I couldn't afford to buy one, so I started renting a triciclo to work. Then I got sick...I was sick for a few months, so I ended up spending all the money I had saved. So I ended up where I started, and then I had to get up and start all over again, working on a rented triciclo to earn money for food. And that's where I am still -- paying rent for the triciclo every afternoon...out of what I have earned during the day, and the rest goes to feed the family.

Interviewer: So every day you have to borrow money to buy your merchandise to work the next day, is that it?

Ist Triciclero: Exactly...Because you see I don't have fixed clients and don't sell the same kind of merchandise every day... Sometimes I sell guava or vegetables, sometimes bananas... Or sometimes I sell brooms. I don't always have to borrow

to buy the cheaper things, but I definitely have to when I sell brooms...Sometimes it also depends on the prices they are charging for the merchandise...Well, this week I spent about three days selling avocados... But I vary in what I sell. But, for instance, I was going out to sell on the street today, but I lost some sales...(and I didn't like the prices things were being sold at in the market)...and then I thought about this meeting we had set up, and what I could have sold would have been too far away for me to get back in time to meet you, so today is almost as if I haven't worked. I didn't want to not appear at this meeting with you.

Interviewer: And what happens in a case like this when you don't work one day...?

1st Triciclero: Well, I sometimes work very hard on some days just to save a little money to cover days that I can't work... And if I know ahead of time that I won't be able to work, I arrange to have enough money to pay for the triciclo even if I'm not going to work. It's only on holidays that I don't pay for it...They don't charge for it on holidays -- but since I am a regular customer ("fijo") they charge me a regular price for all the other days.

Interviewer: Do the people who rent you the triciclos treat you well, or do they treat you badly? -- or do some of them treat you well, and others not so well?

1st Triciclero: Well, most of them treat me well, and the ones who I am renting from now treat me very well. Of course, I haven't failed them in my payments either.

Interviewer: And how much time do you have that you have been renting from the same people?

1st Triciclero: I have about six months renting from them...Before I had a triciclo that I rented for over a year that was really bad, but I've exchanged it for a better one now...

Interviewer: Yes, many of the other tricicleros have told me that the people who rent the triciclos rent them out when they are in need of many repairs, and that the owners never spend their own money making repairs...And that the owners really take advantage of the tricicleros that way...But my question is this: Is it only a question of the triciclos being in bad shape, or are the people who are renting them "bad people"...?

1st Triciclero: Well, the truth is that there are very few people who have triciclos that are any good to rent...That's why the system is like it is. I've worked on a triciclo a long time and

that's what I noticed -- there are really very few who have good triciclos to rent. Most of those who live from renting triciclos have a lot of very old triciclos... they don't have new triciclos to rent. So that's why the system is like it is and a lot of people complain...But it's not really because the owners of the triciclos are bad people...

Interviewer: And do they earn a lot, those who rent the triciclos? About how much do they earn every day, those who rent the triciclos?

1st Triciclero: Well, it depends on how many triciclos they have to rent... The person I rent from has about 20 triciclos that he rents now. He charges \$1.25 per day for the rental and 15 centavos a day for the garage (We keep them stored in his garage right there), so that's \$1.40 a day per person.

Well, I think the prices are kind of high -- for most of the triciclos they shouldn't charge more than one peso. That's the way it used to be... I wouldn't mind paying a high price for a good triciclo because I have to go pretty far to sell merchandise, but on most of these triciclos you can only go to nearby neighborhoods...So paying \$1.25 is too much for a triciclo that you can't get much work out of...

Interviewer: And do you think that with this program those who rent the triciclos will have to lower their prices?

1st Triciclero: Well, yes -- Because when we all have our own triciclos, new ones, the people who rent old ones will have to lower their prices tremendously... They won't have the same demand so most of the triciclos they have will be extra... Or at least that's what I think. For instance, those of us who rent from where I am renting have formed five or six solidarity groups...so when we get our triciclos, all the triciclos that we rent will be left over...

Interviewer: And when you are working every day, how much do you usually make? Normally...:

1st Triciclero: Well, sometimes we only earn enough to cover what we already owe.

2nd Triciclero: It depends on that particular day.

1st Triciclero: Other times you can earn five, ten, even twelve pesos in a day...It's impossible to say exactly "I earn so much per day". Because sometimes you are expecting to earn and sales are really bad...Sometimes you have some luck and may even earn twenty, but then you can have a lot of expenses sometimes too.

Interviewer: But you said before that sometimes you also have to borrow money to work...When you do this do you have to pay interest on the money that you borrow...? How does that work exactly?

1st Triciclero: Yes, sometimes I borrow twenty or twenty-five pesos to buy merchandise to sell. If I borrow 20 in the morning I will have to pay 22 in the afternoon. But I also have friends who will loan me money sometimes without having to pay any interest...I also have some friends in the market who sometimes let me take the merchandise in the morning and pay for it in the afternoon after I've made my sales... But there are a lot like me who work and have to borrow money in the morning and pay it back in the evening, there are lots of people like that. But it doesn't matter too much because I have a lot of good relationships in the mercado, and I can often get goods to sell which I pay for in the afternoon.

Interviewer: And with this program, do you think you will be able to avoid completely having to borrow from the people who charge interest on money borrowed?

1st Triciclero: Yes, that's one of the reasons that I think the program is good. But one of the things I wanted to ask you is about something that some of the others were telling me... If besides the triciclo, the program also loans us money to work with...?

Promoter: Yes, when you receive the triciclo, you also receive \$25 pesos as "working capital" ("capital del trabajo") -- to ensure that you have something to work with immediately.

1st Triciclero: That's good, you use that, and every day you have something left over to work with the next day.

2nd Triciclero: So you will be saving that amount of money, won't you? the 25 pesos?

1st Triciclero: No, because part of that you will be paying every day on the same account in which you are paying for the triciclo. Isn't that right?

Promoter: For most of you what you pay for the triciclos that you rent comes to about \$1.75 a day, because you pay 1.50 for rent, plus 25 centavos for garage. So to the Fundacion you will be paying only \$1.20 a day -- and that way you will be saving about 55 centavos a day. That's 55 centavos saved each day...And the triciclo will be theirs. Most of them have worked an average of 12 years on rented triciclos... Now they will be paying us \$1.20 daily for 52 weeks. So,

stead of paying out \$1.75 a day, they save 55 centavos a day in the program...because they will only be paying \$1.20 to us. That's one of the facilities the program offers.

Alma Rosa: That's one of the stimulating things about the program-- the program is very interesting -- because for the mass of us poor people we can now have the hope that some day that property will belong to us. This helps one to continue to help oneself, to remain informed and to help keep others informed. So that way the program grows... So the program has great benefits...I'd be interested in getting such a loan. I have two boys who don't have any way of selling things in the street...or any way of earning money.

2nd Triciclero: Well, I' ll tell you how you can do it...Actually, if I had taken notice of the program when I first knew about it, I would have had a very low number...because I had heard about it but I didn't pay too much attention, until my cousin came to me and said -- "Cousin, go on, enter that program..." but he had had bad luck and didn't go to the first meetings, so the President of his group kicked him out of the group... So, when I entered I paid much more attention to the meetings and put more love into the program...I belong to group #78, the group called "Juan Pablo Duarte" and I became very enthusiastic. I began to feel love for the program when I saw how it really worked ... and after I realized that it was really a good program -- that it would really benefit one to participate. With a new triciclo like that...well...

Alma Rosa: And how much is the triciclo worth?

2nd Triciclero: Well it costs \$275, plus the \$25 that you get to start working with. Well...it's really worth it, for some reason you don't want to sell, you can at least go into the mercado and get work carrying things. And the \$1.20 that you have to pay is easy to earn, so you can actually earn it without ever having to force yourself in your work...especially on a new triciclo. And with a new triciclo, I would take very good care of it, so it would last me a long time. It's not the same as when one has someone else's triciclo that's in bad shape, and it's always a pain to have to work on it every day, with no real pleasure in the work. With one's own triciclo, it's possible to work with love...So when you have the facility of having your own triciclo, people will see that you work better. They also give loans to fix up your house, and it works the same way.

Promoter: Yes, the second loan is for what you want to use it for... For the first groups who have already finished paying, there's going to be a reunion on the 30th so that they

can talk about what they want to use their second loans for -- what they want to invest the money in. Some want to begin repair shops to repair each others triciclos, others want to use the loans to buy their own little homes, etc.

APPENDIX B-III

Meeting at Los Minas - 21 August 1981

(This is only the fifth meeting of tricicleros in Los Minas -- the men are a bit apologetic to me that all of the members are not there, and they say it is because of the rains.

The promoter tells the group about how the Association of Capotillo carries out their own meetings without the help of himself or the other promoter and that they occasionally make some announcement, but that is all. He says that he hopes this association in Los Minas will not depend on his presence, but that they will go ahead and conduct their meetings, with their own businesses with or without his support. He explains to me that so far none of the tricicleros that belong to this association in Los Minas have received their triciclos yet, and he says that is the factor which definitely attracts more tricicleros to the meetings because they will then see that the program really is "serious".

A triciclero present says that yes, they will then come in greater numbers.

Taking advantage of my presence, one triciclero expresses how desperate they are to get their new triciclos. He says that he often has to pay \$1.50 a day just to make repairs on tires that are no good, plus, the \$1.50 a day on the rental of the triciclo. He says he often only earns about six pesos a day, which then only leaves him with earnings of three pesos...

Another says..."That's true, and it isn't enough to live on...I have 10 children..."

One who has just come for the first time expresses great hope in the program, saying that he really feels a strong sense of union with the other tricicleros there...And, not just there he says..."If I see another trici-

clero in the street and he has some kind of trouble, I stop to see if there is something that I can help him with..."

There are many complaints about how much of their own money they have to spend regularly on repairing the triciclos...One says that he can't even work right now because he has a triciclo that needs a new tire, and that the owner of the triciclo doesn't even have the money to get a new tire for it.

The plan of one of the groups here is to start a repair shop, done cooperatively, so that they can help each other repair their triciclos at a lower cost. One person says that, even if they only save 10 centavos out of every 50 centavos that they would normally spend, they would come out ahead.

One of the groups present -- the Esquimalitos -- started explaining how they had just that week begun working on the same sort of idea -- i.e., to start a system of savings within their own group so that they would always have a small group fund for any kind of emergency.

For some of the people present here it was a novel idea that they should have meetings of their own group apart from the general meetings of the association.

Another triciclero expresses the fact that it is very difficult to have enough faith in the program to give up so much time to it since they haven't actually seen anyone get his triciclo...He says that they can't be blamed for not being more enthusiastic because they haven't seen any kind of benefit from the program directly.)

Interviewer:       What are the people who rent the triciclos like? Are they rich?

1st Triciclero: Oh yes, some of them have buses and cars...Some of them also own cafes and bars. Some of them who have workshops are millionaires. They make triciclos and rent them too.

Interviewer: Well I think that one of the functions of this Association of Tricicleros could be to pass around information among the members about which of the people who rent triciclos are treating you badly, and then not give any of your business to those people.

2nd Triciclero: Well, Faul is one of those who rented triciclos. He rented them at the lowest price all of the time -- and he's the one who we're giving the most business to in this program.

3rd Triciclero: But those who rent really aren't "friends" to anyone because, for instance, if you have had a bad week and can't really afford to pay him the rent right away for the next week, they won't help you out at all...And if you can't pay one day, they'll take the triciclo away from you.

2nd Triciclero: But some of the triciclos are better for us. For instance, the American-made triciclos are better made and hold up better for us because the roads around here aren't good and this is very hard on the triciclos. If you fall into a hole the rims and spokes don't hold up on the triciclos that are made in this country. They aren't as well made as the American-made triciclos. Even the older American-made triciclos have lasted a lot longer than the ones made in this country -- they're made of stronger materials. Here they make them too fast. The triciclos which are "criollos" -- that is, made by people like Faul and others here in the Mercado Nuevo, are not really made to last a long time.

4th Triciclero: The owners of the company which is running this program should tell those who are making the triciclos for this program that they should make the triciclos with stronger rims and tires -- especially the tires, because most of the tires are not strong enough -- with just a little bit of use they wear out and need to be replaced. Most of the tires that they are putting on the new triciclos are no good -- they wear out extremely fast.

Interviewer: But where can you buy better triciclos? Who do you think the program should get the new triciclos from?

1st Triciclero: The "criollos" aren't any good...At least they should make make them with better tires...But they are making them in such a way that they don't last any time at all...So we have problems because we are constantly having to make repairs.

5th Triciclero: I belong to the group "El Caliche" and I'm the Vice-president. All of the older triciclos around which are still functioning are the American-made ones...or at least they have foreign tires and rims. So maybe the best thing would be to try to get those rims and tires for our triciclos. We would really like to start a workshop to repair each others triciclos when they need repairing...

Interviewer: If you do it as a group, nobody would have to spend all his time or money in repairing triciclos, or in running the workshop.

5th Triciclero: Exactly. That's the only thing that interests me. That's why I wanted to have the meetings here...so that everyone would get together and talk about how to make things work and how to resolve the problems they have...Now I hope that when we actually get our triciclos, they will also give us a little help so that we can start a workshop to make repairs that are needed...I don't really know if it's a good idea, but it's what I'd like to do...The idea is for the workshop to dedicate itself to doing repairs for those who are members of the association, for the tricicleros who are members...

1st Triciclero: The companero's idea is a good one...because there are days when it's impossible to pay even the one peso 20 centavos... and it hurts especially much at those times to pay someone else for repairs. It would be different to be paying for something which would make us more unified...and if we had a workshop for repairing triciclos we could sometimes repair each others triciclos for nothing...because we would be doing it for the sake of the union between members. Every little effort that was made would make more sense, and you would know that each centavo or peso spent was going to help another member to eat, or to repair his triciclo and be able to work, and thus get along...You see? Such help would never be in vain. One would help in one small way, another would help in another small way...With just a little tiny workshop.

Interviewer: And more than anything, it will help you to get out from under those who are really taking advantage of you, and charging too much, etc.

2nd Triciclero: Yes, for any little repair they charge you a peso, and in our workshop we could probably make the same repair for under a peso...

1st Triciclero: Yes, it hardly makes sense for us to get new triciclos if we don't have a workshop for doing the repairs...And that's why I'm working so hard for this -- not just for the triciclo but also to be able to start up a workshop.

2nd Triciclero: Well, that is why we want a little bit of credit -- so that we can advance a little bit...And having a workshop is really one of the ways that we can advance.

3rd Triciclero: That's true -- a workshop is what will really make the difference. It won't do us any good to have new triciclos unless we have started a workshop to help us cut down on the costs of repairs afterwards...That's what we're after, because we are all parents with families and we're trying to get ahead...

APPENDIX B-IV

Meeting in the Garage - 20 of August

Conversation with Fritureras and Other Groups

- 1st Woman: I am Maura Lorenzo. "Necesito una ayuda" (I need some help.) ...To see if I can finish my life -- finish living -- and so that we can help each other, all of us who are poor.
- 2nd Woman: I am Rosa Mendez. I need some help...to see if I can raise my children. I have 8 children, and I am a widow. Let's see if we can help each other mutually.
- 3rd Woman: I am Fermina Felix. I need the help of a loan, to see if I can help all of us, the women, and the unhappy children that we have.
- 4th Woman: I'm Eludia Ramirez. I need some help to raise my children up. I have six children and I have no husband.
- 1st Woman: We women, amongst ourselves, shouldn't be ashamed to say anything...As someone said, the sense of shame should be left outside the door...
- 2nd Woman: What we want is for the loan to arrive...so we can start working for ourselves... Look, I left the house at 3 o'clock in the morning, and with my dead father's tired bones inside of me, I haven't arrived back home yet. Every day I leave the house to work at three in the morning -- but today I knew I had to come to this meeting, so I haven't even gone back home yet. Well, usually I don't arrive home until around six in the evening...but today I came from my work to this meeting. In the afternoon is when I buy the meat and cook it, wash the dishes and the clothes. Sometimes I go to sleep without eating...I have nine children and one has to attend to them first.
- 3rd Woman: I get up at 4 o'clock in the morning...to go and dispatch the food that will be sold during the day. I have a boy who helps me. He didn't find other employment. I don't have the energy any more to do all of the selling myself. That's why I need that loan...
- Interviewer: And what is it that you want to do, personally, with your part of the loan?
- 3rd Woman: Well, I want to expand my operation of selling cooked food on the street. I want to have different kinds of food to sell, more whole meals to offer...I have a small location where I sell in the marketplace.

Interviewer: How long have you been working at doing that?

3rd Woman: Oh, now...I've been doing this for more than 13 years... I'm an old woman...I don't want to have to require any help from anyone...I want to make my own living. It's not that there aren't possibilities...It's just that you have to work for them. The one in charge told me -- that the money might be coming soon.

Interviewer: And how long have you been in the program? How many months?

3rd Woman: I've been with the program two months now...

Interviewer: Well, I think the loan will come soon. The program has been stopped for awhile because they were waiting for money to come to be able to distribute more loans, but you think it will come through soon...?

3rd Woman: Oh, yes...

Interviewer: And do you have your plans all made out...? I mean, do you know exactly how you are going to use and invest the money?

3rd Woman: Of course...

Interviewer: (to second woman) And you said you have nine children... eight?

2nd Woman: Yes, nine there are, but eight are mine. And I'm a widow. I'm both the man and the woman in the house. And I want to start up in the fritura business. I'm not working in that now, but I have worked it...Now I'm just waiting for the money to arrive so that I can start up again...

1st Woman: Listen, what I want to know is how do they pay that money... Is it monthly, or how...?

Interviewer: I believe it is each week. Or at least each week the president of the group has to collect the payments from all the members of her group, and each one has to be responsible for all of the others because if one group does not turn in the total amount each week, the whole program stops...And I have seen with some of the other groups that this is very important, and the president has to make them understand that if they don't pay what they owe, everything stops... for their group and for all of the other groups too.

1st Woman: Oh, that's no problem, because really I'm used to paying every day...And I understand that we will be paying \$1.20 per day...I would put just this amount aside every day to

collect the whole amount every week, and also collect that amount from everybody else in that group. I would do the collecting because I'm the president, and no one in the group can fail to pay.

2nd Woman: Every day each person will give you the daily amount they owe, and then you bring it every week here.

Interviewer: Also, your group is very important, because as the first group of women, you have to set an example for all of the other women who will be joining the program. I also wanted to tell you about another bunch of women who started organizing with a program like this in India -- on the other side of the world-- and they reached a level of organization which allowed them to have a lot of political power, which was very important...For example, they've been able to demand that the government put bathrooms for them in the Mercado, and other things that women need such as guarderias for their children...and other things that they achieved by working together. So this is like beginning to plant a seed, beginning with something very small -- which is the weekly payment on this loan -- but with that you can begin to make something grow...I hope that after the meeting we can all talk some more about these things. Forgive me for using words that they use all the time in Mexico, but that people don't use here...

The Women: No problem! We hope to continue seeing you here...always. Your're very nice -- and very good -- and you can help us. Please come next week.

