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PROMOTING SOCIAL AND ECONOMIC DEVELOPMENT  
IN THE TARQUI COMMUNITY IN  
QUITO, ECUADOR

USAID Grant No. 518-0008

A PROJECT OF

Secretariado General de Servicio Voluntario  
(SEGESVOL)  
Quito, Ecuador

AND

The Overseas Education Fund  
(OEF)  
Washington, D. C.

Final Report

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The Overseas Education Fund  
2101 L Street, N.W., Suite 916  
Washington, D.C. 20037

March 1982  
(10/82)

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## TABLE OF CONTENTS

	Page
INTRODUCTION	
I. <u>SUMMARY OF PROJECT RESULTS AND ACHIEVEMENTS</u>	1
A. Capability of Working Together	2
B. Capability of Increasing Income and Decreasing Costs	6
C. Provide Child Care Service	12
D. Increase Access to Services	14
E. Capability of SEGESVOL to Provide Technical Assistance	16
II. <u>PROJECT COMPONENTS AND ACTIVITIES</u>	18
A. Community Development	18
B. Market	23
C. Vocational Center/Small Business	30
D. Child Care Center	36
E. Training	39
III. <u>ANALYSIS OF PROJECT IMPACT</u>	48
A. Community	48
B. Women	52
C. SEGESVOL	56
D. Government of Ecuador	57
E. USAID/Ecuador	58
F. OEF	59
IV. <u>CHECKLIST FOR CONTINUITY OF PROJECT ACTIVITIES</u>	59
A. Tarqui Cooperative	60
B. Market	61
C. Skills Training	62
D. Child Care	64
E. SEGESVOL	64

## TABLE OF CONTENTS

	Page
V. <u>IMPLICATIONS FOR FUTURE PROJECTS</u>	66
A. Securing Government Approvals	66
B. Local Contribution	67
C. Training in Human Development	68
D. Unintended Consequences	68
E. Type of Collaborating Organizations	69
<u>APPENDIX</u>	70
A. Project Background and Chronology	70
B. List of Collaborating Organizations	83

## INTRODUCTION

"Promoting Economic and Social Development in the Tarqui Community in Quito, Ecuador," was a three-year urban community development project implemented from April 1979 to March 1982 by SEGESVOL (Secretariado General de Servicio Voluntario) and the Cooperativa de Desarrollo Comunal Tarqui, with technical assistance from the Overseas Education Fund. Funding for the project was provided by the U.S. Agency for International Development/Ecuador.

The project final report is written in order to: (1) provide a concise record of project activities and methodology; (2) to assess the project impact on the Tarqui Community, women, SEGESVOL, the Government of Ecuador; (3) to offer recommendations for the continuity of the current project, and guidance for future projects of a similar nature. The report was prepared by OEF's representative in Ecuador, Ronald A. Carlson, who served as project director and technical advisor for the project.

For all of the participating organizations, particularly OEF, USAID/Ecuador, SEGESVOL, the Tarqui Cooperative, and the persons associated with these organizations, the project was especially satisfying. For OEF this project has demonstrated the feasibility of becoming involved in an integral development project where even though women are the main beneficiaries, the development process has involved the participation of a community as its framework. After many years of not having conducted an urban community development project, USAID/Ecuador has viewed the Tarqui Project as a pleasant surprise, especially

since many of its components will be utilized in the up-and-coming Solanda housing and urban community development project. For SEGESVOL and the Tarqui Cooperative, the community mechanism created to be counterpart, this project has proven to be of special significance because it has shown that a group of dedicated people can accomplish an objective if they join together to do so. And last but not least, a very special thanks must be given to the project staff, community leaders, and the forty local and international organizations that have had faith in the project. Special recognition must be given to the resident of Tarqui who were willing to trust and experiment in learning and working effectively together, unlike anything they had previously experienced. All of these organizations contributed to achieving the project's success; and to all of them, OEF would like to express sincere admiration and appreciation.

I. SUMMARY OF PROJECT RESULTS AND ACHIEVEMENTS

The major goal of the Tarqui Project has been to improve the economic and social conditions of the 1,000 families of the Tarqui community. The specific purposes for achieving this goal shaped the design of the Tarqui Project. They were to:

- A. Increase the capability of the people to work effectively together in developing the community.
- B. Increase earned income and decrease costs for obtaining food, clothing, and other basic human needs of the families of Tarqui.
- C. Provide adequate child care for the pre-school children of working parents.
- D. Increase community access to social services.
- E. Improve the capability of SEGESVOL to provide technical assistance to poor communities in Quito.

To achieve these purposes the project design included four major components: The formation of an effective community development cooperative to sponsor and operate a community market, a vocational skills training center and a child care center. These four components were unified in an integral training program designed to create a self-help mechanism to improve the social and economic conditions of this community. For each of the five stated project purposes, significant results have been achieved.

A. Increase the capability of the people to work effectively together in developing the community.

The Tarqui Project, seen as a whole, has definitely increased the capability of the residents of Tarqui to work together in community action activities.

Community cooperation was extensive. Their cooperation was essential for the success of the project and the efforts they made were an important indicator of their willingness to improve their social and economic conditions given the opportunity. Furthermore, since the community participated in the initial design of the project, their commitment was more effective at the time of implementation. When the project ended, the community participants of the project truly felt that the achievements acquired were their achievements. In other words, the Tarqui Project was their project.

Before any project activities could actually begin, it was necessary to acquire current data about the community. This was done with the help of the Coordinating Committee of the community, composed of six representatives of the three housing cooperatives that originally formed Tarqui, by requesting the assistance of 70 local students and interested persons to participate in the preparation and subsequent execution of a survey. However, in order to be able to effectively conduct the survey it was necessary to transmit surveying and interviewing skills. This activity required a coordinated effort by these participants to achieve the amazing sample of 45% of families interviewed. Those responsible for conducting the survey were again the

members of the Coordinating Committee, other selected participants, with the technical guidance of the Instituto Nacional de Estadísticas y Censo, and a private consultant hired to analyze the data accumulated. It is interesting to note that one young woman of the community was so fascinated with the survey that she alone conducted more than 30 interviews.

Initial work in the community was first done with the existing coordinating committee. This group organized a meeting of 500 community residents to explain the purposes of the Tarqui Project. They were also instrumental in motivating 85 people to form the Community Development Pre-Cooperative, which would sponsor the project's components because it was not legally possible for any of the existing housing cooperatives to assume that role.

The Coordinating Committee then stepped aside to allow the newly elected leaders of the pre-cooperative to accomplish the goal of getting the pre-cooperative legally constituted. Fortunately, some members of the Coordinating Committee were elected along with some young new leaders, as the leaders of the pre-cooperative. The responsibilities of this new group, of legally constituting the new cooperative, required an active coordination in order to acquire all of the data such as names, addresses, by-laws, etc., which the Dirección Nacional de Cooperativas requested. As the persons responsible accumulated all the data necessary for legal status, a cooperative education program was sponsored which included not only aspects of cooperativism but also human development. These classes were conducted weekly with an average attendance of 50 members of the cooperative. Due to the participatory

methodology, interest was especially high on the human development aspects. This was typified by the statement of a woman participant who expressed that the training was one of the best learning experiences she had ever had. Previously in large group meetings, only a few of the outspoken people made comments. but after this training almost everybody was actively participating. At times it was even difficult to continue with the class because everybody had something to offer. This new attitude lead to the eventual selection of mostly the new and young leaders when the cooperative finally acquired its legal status. Secondly, the human development training led to the insistance on a leadership seminar/retreat which was held outside of Quito, with the participation of 34 members of the cooperative, including fifteen women. It must be noted that the women were the most enthusiastic because they had to request the intervention of the Project staff to convince their husbands to allow them to attend the weekend seminar.

This combination of the weekly training classes and the leadership seminar was instrumental in strengthening the leadership, in building a team spirit, and in coalescing the cooperative members into a functioning organization. During the life of the project, the training in the basic principles of cooperativism, human relations and communication increased members' understanding of and ability to participate in groups. This has helped effectively in overcoming internal divisions that arose during the life of the project.

When the cooperative had to initiate various activities, the interest in participating was very high. For example, the group of

twelve members of the day care committee held together during the life of the project. Although their basic motives were to eventually acquire employment in the day care center, if it were not for the basic human development training they probably would never have stuck together the whole time. This continued interest has expressed itself when this group voluntarily offered to care for the pre-school children of the participants of the vocational center. It is worth commenting that the women of this group were some of the most dedicated members of the cooperative and supporters of the project.

Also, when the cooperative formed the marketing committee to conduct a weekly outdoor vegetable market as a learning experience for the future operations of the market, many members of the cooperative volunteered their services. It was very satisfying to observe the unity demonstrated by these participants; one could sense the feeling of cooperating for a collective purpose.

Later, when the market was finally built and operational, many members continued donating their voluntary services to assist the employees of the market to confront and experience many of the problems that came about.

The employees of the market, who have probably received the most training and exposure to group activities, have voluntarily given their free time over and above the labor law requirements in order to provide the best possible service to the customers of the market. With the opening of the new market, the community seemed to wake up to the fact that the Tarqui Project was a reality, even if it had taken two years to do so because of the many bureaucratic procedures that

delayed the project for more than a year. Even though the general consensus of the market was positive, a small group of residents initially objected because of individual interest, but now are participating actively and benefiting from the market. Although this initial reaction was basically a reaction to change, it evolved into a dialogue that motivated the community. This dynamism has led to the acquisition of new social services of the community, such as telephones, and even the possibility of paving the streets.

Additionally, the skills training classes taught through the vocational center have served to bring together different elements of the community in an educational and purposeful environment. This naturally created an attitudinal change that led to a decision to go one step further and form work production groups that generated income.

The above-mentioned activities are examples of increasing the capabilities of the people to work effectively together in developing their community. These examples are basically a result of all the different training that the project sponsored. It is hoped that these improved capabilities will manifest themselves in the future development of the community after the project has concluded.

- B. Increase earned income and decrease costs for obtaining food, clothing, and other basic human needs of the families of Tarqui

Because economic conditions are the priorities of low-income groups, and Tarqui is no exception, this condition could be most

affected in this project by a positive approach toward decreasing the costs of basic necessities and increasing earned income, whether it be by employment or income generation. In Tarqui, the creation of a market and a vocational center has helped solve in some degree these conditions.

With the opening of the market, the residents of Tarqui began to experience a direct benefit to their economic dilemma. Previously, the Tarqui household had to either purchase their basic food products from the local "tiendas" at exorbitant prices or travel a half hour to an hour in a bus to the traditional open markets of Quito. Many times on the return trip, they were not allowed on the buses if their baskets were very big or if the buses were full, which then caused them to pay a taxi or private car, thereby increasing the costs enormously. Also with this method they had to purchase almost on a weekly basis, which perhaps resulted in the purchase of nutritionally unbalanced products.

Now with the market, they have access to more than 600 different products at economical prices and on a daily basis. Most of the products come directly from the producer or manufacturer. In fact, even some products are produced by people in the community. The direct savings to the residents of the community is through reduction in costs, approximately 20%, and as an additional benefit they saved one to two hours of time and the transportation costs. Furthermore, since the schedule of the market (Tuesday through Saturday, 9 a.m. to 1 p.m. and 5 p.m. to 8 p.m., and Sundays, 9 a.m. to 1 p.m.) was

created to satisfy the specific needs of the community, the daily access to the market has provided the ability to acquire better quality and fresher products. Since the market is open to the general public, everyone from the community has access to the market; but furthermore, those who wish to be members of the cooperative are entitled to an additional 3% discount at the time of purchase of most of the products of the market, besides participating in profits, if any, at the end of the year.

During the first 8½ months of operation the market was able to establish itself both economically and socially as a positive activity of the community. Sales in these months reached 6.8 million sucres for average monthly sales of 800,000 sucres. This level of sales volume allowed the market to cover its operational costs, thus becoming financially autonomous. Considering that this was just the beginning, indications that the market will be able to continue offering this service in the future are bright. Previously, the community lacked any type of market; however, the service they are now receiving is clearly indicated by its popularity; it now averages more than 550 customers daily. Because of the increasing demand, the cooperative had to build an annex to the warehouse and kiosks to sell prepared foods as a complementary activity of the market.

An indicator of the success of the market is that other communities have visited the market and already two have been able to get the support of local Ecuadorian organizations to sponsor a similar market in their community. One, in the barrio of San Isidro de Puengasi, is going to be sponsored by a private Ecuadorian development organiza-

tion (Instituto Ecuatoriano de Desarrollo Social), and the other is in the barrio Luluncoto, being sponsored by a political party (Democracia Popular). Even though these two new independent projects that have come out of the Tarqui Project will be implemented for different motives, at least the concept that the Tarqui market is replicable demonstrates the success of the Tarqui Project and the capability of OEF to initiate change.

Another benefit that the market has provided is a source of employment for some people. Currently the market employs twelve full-time employees and three part-time employees. In addition, five members of the community have been able to supplement their incomes by manufacturing products for the market, such as brooms, potato chips, vanilla extract, etc.

In order to coordinate all of the components of the market, the extremely active participation of the leaders and members of the cooperative was required. Visualizing the idea that within a six-month period the cooperative went from nothing to building and operating a 400-square-meter market is a credit to their efforts. During this period the cooperative had to supervise the construction; make recommendations for modifying the construction; visit numerous markets to determine staffing, equipment, and merchandise requirements; analyze administrative and operational procedures; select and train personnel; purchase equipment and merchandise; and inaugurate the market. This incredible accomplishment demonstrates the enormous effort of the people involved. These efforts have continued during the first year of operation.

In terms of increasing income, the vocational center's major objective has been to provide marketable skills for future use in income and employment generation. During the life of the project, 323 women from the community were trained in three basic areas: dressmaking, knitting, and handcrafts. Approximately 52 of those women participated in the production workshops sponsored directly by the cooperative; however, a majority of the participants (70%) ended up producing independently of the cooperative basically because of personal motives.

Many more people probably could have been trained; but because the community survey only identified those areas of preference of the participants, the skills training program was designed to meet those preferences. Also it appears that many of the initial participants were only interested in saving money by making clothes for their families, instead of acquiring a marketable skill and generating income. Many factors, of course, influenced more participation in the training. For one, the fact that there was no mechanism to care for their small children, the participants really had no opportunity to market their skills; instead, by making their own clothes, they were able to at least save money. This was most evident with one of the young mothers who made a special effort to learn but who had to leave her four-year-old daughter to care for two younger brothers.

As the project progressed and the importance of the vocational center increased, participants more inclined to increasing income started attending. Also, when they saw that the day care center was going to become a reality, the intrigue of acquiring a marketable

skill was much more notable, especially the possibility of participating in a specific production workshop. In the production workshops that the cooperative sponsored (Christmas decorations, toys, sweaters, etc.), it became evident that the skills training courses were not just for acquiring a skill, but rather acquiring a skill that was marketable. One of the factors that was a serious problem was the fact that many of the participants felt that a diploma was essential for getting employment; thus many participants did not take advantage of the opportunity to learn a skill, thinking that a diploma was sufficient.

Another factor that probably diminished the number of people training in a marketable skill was the lack of space and an appropriate learning environment. From the beginning of the project it was assumed that the Community Center would be used for this purpose; but because of the varied uses of the center and limited space, it became apparent that it was very inadequate. Unfortunately this fact was not contemplated in the original project design because of the community's original insistence that it would be adequate, so, the best was done with what was available. For the future, it appears that a vocational center will be built for the cooperative, financed by local funds; and assuming that the cooperative continues with the same objectives as the project, the new vocational center will be able to provide the training to the participants more effectively.

As for the child care center, it appears that the various women members of the child care committee will become employed in the center. Although the exact mechanism to administer the child care center has not yet been determined, it appears in any case that these women will have

priority in the secondary jobs as aides to the professional staff and in the maintenance of the center.

As can be noted, the Tarqui Project had a definite influence in increasing earned income and decreasing the costs for obtaining food, clothing, and other basic human needs of the residents of this community. Perhaps the number of persons benefited did not reach the quantity originally projected but at least, as a whole, this objective was accomplished.

C. Provide adequate child care services for the pre-school children of working parents

The necessary framework has been established to permit, in the near future, adequate child care services in Tarqui. After initiating all of the necessary paperwork through three different government administrations, the donation of the land and the financing for the construction and equipping of the child care center was acquired. The construction of the child care center is being completed as the Tarqui Project is ending.

In this interim period, the child care committee of the cooperative received both technical assistance and practical experiences for future participation in the child care center. Since the sponsoring organization, the Instituto Nacional de Nino y la Familia, does not have the personnel to directly administer the center, most likely SECESVOL and the community will jointly be responsible. If this should occur, then the members of the child care committee will become employed as assistants in the child care center. Even though two or three members of this group might someday be able to hold some of the more technical

positions such as teachers, the necessity of having qualified personnel according to Ecuadorian requirements is important for the well being of the children.

In an attempt to provide some sort of child care service, the child care committee for a period of six months provided a temporary voluntary service of caring for the pre-school children of the participants of the vocational center and production workshops. Although this service would not be considered "adequate" because of lack of space and educational materials, at least it was an invaluable experience for the members of the committee to practice some of the theories they had learned.

As a means of providing an indirect child care service, a preventative health education program was sponsored by the child care committee and the Ministry of Health for 21 mothers of the community. This program, as part of a national nutritional program, also distributed powdered milk to the participants for a period of twelve months. If the child care center were to become a reality, this program will continue with the assistance of CARITAS.

Hopefully, after the project has ended, the objective of providing an adequate child care service for the pre-school children of the working parents of Tarqui will be accomplished. It should be noted that no direct project funds had been budgeted for the child care component. All of the resources and collaboration were provided by contributions from Ecuadorian and international sources.

D. Increase the Community's Access to Social Services

In many ways this is perhaps the objective that was best accomplished. Since the Tarqui Project had so many different components it required a vast participation of all types of organizations and persons. At last count more than 30 different entities participated (See pages 15 and 83) in one way or another on this project. The participation ranged from donations of land, equipment, and furniture, to time for training and recommendations.

Each one of these activities increased the access of the community to social services available in Quito. The community quickly became known in the public eye and this helped acquire additional social services, other than those of the project, such as a health center, garbage collection service, utilities payment service, telephones for these services, recreational facilities, and the offer of paving the streets of the community. And now that the community has a legally constituted community development cooperative, which has both political and economic power, the Tarqui Community should be able to improve its social services in the future. Listed on the following page are the major contributions to the Tarqui Project which helped the community expand its access to social services.

Contributions to the Tarqui Project

<u>Donor</u>	<u>Type of Contribution</u>	<u>Value</u>
SEGESVOL	Fifteen scholarships for vocational center; 800 hours of volunteer work; Project office and telephone	\$ 200 2,000 3,600
Ministry of Social Welfare/UNICEF	Child care training program in recreational therapy; donation of educational material	500
Ministry of Education	Teacher for vocational center	1,600
CARITAS	8,000 pounds of powdered milk for Health Education Program	1,000
Ministry of Health	One social worker and one health educator for Health Education Program	700
Municipality of Quito	Land for market, child care center, and vocational center	50,000
Consejo Provincial de Pichincha	Leveling and grading of land for market	10,000
Ecuadorian Housing Board	Building plans for market	500
Instituto Nacional del Nino y la Familia	Construction, equipment, and personnel for child care center	135,000
Unidad Ejecutora de Obras Emergentes de Quito	Construction of vocational center	50,000
USAID/Ecuador	Used furniture and office equipment	4,400
First National City Bank of Ecuador	Used furniture and construction materials	4,000
High Scope Educational Research Foundation	Technical assistance on child care	2,500
	<b>TOTAL</b>	<hr/> US\$266,000

As can be noted by this chart, Ecuadorian participation in the Tarqui Project has been extensive, and subsequently because of the success of the Project, the community has established a good image among these organizations which will allow it to expand other community services with their support.

E. Improve the capability of SEGESVOL to provide technical assistance to poor communities in Quito.

SEGESVOL, as an institution, has improved some of its capabilities to provide technical assistance to the poorer communities of Quito but not as directly as previously thought. Their future participation in a similar type of development project will be most likely in areas of access to both human and financial resources.

However, it must be noted that even though SEGESVOL did have an active participation in the Tarqui Project, its participation was in areas that did not necessarily improve the capabilities of SEGESVOL to provide technical assistance to the poor communities of Quito. SEGESVOL's role has been basically that of a resource broker for the Project.

Because of the nature of community development work it is necessary to schedule activities according to the availability of time of the community members. A majority of the work has to be conducted during evening and weekend hours. This coupled with the fact of the remote distance of the community made it difficult for SEGESVOL to have a more direct participation with the community. Although some community work did take place, it was not an on-going assistance to the community.

Another fact that has perhaps influenced the lack of a more direct participation of SEGESVOL is the overall objective of SEGESVOL as an institution. Since it is basically a coordinating institution of other voluntary institutions, the decision to participate in the Tarqui Project was based on the assumption that volunteers of the affiliated institutions wanted to directly participate in a grass-roots project. Since this assumption never materialized, SEGESVOL's role in the project became limited. Also, the original role may have been somewhat unrealistic, considering the cultural limitations that Quito's traditional society offers.

As can be noted by the accomplishments of the five major objectives, as a whole, most have been achieved. Some have been accomplished more than others, but based on the current situation of the community, it appears that a definite development process has taken place. The people have learned to work effectively together, some have increased their earned income, and most have decreased their costs of basic necessities. The Tarqui community now has a child care center and has expanded its access to social services. Also SEGESVOL has been able to identify its specific role in the development process.

## II. PROJECT COMPONENTS AND ACTIVITIES

The Tarqui Project has five basic areas of emphasis, and the approach used to interrelate and interconnect these areas has counted on the active participation of the community. The ultimate objective of the project is the autonomy of the community in each one of the proposed activities. Because the magnitude of the Tarqui Project in a human development sense has been so enormous, it has been necessary to coordinate both human and economic resources. This project has shown that enormous resources exist in Ecuador, which with local input and participation can and will go a long way.

In order to properly explain the method of implementation used, each one of the five areas of the project--community development, the market, the skills courses/small businesses, the child care, and the training--is analyzed.

### A. Community Development

From the very outset of the Tarqui Project the idea of setting up a community mechanism to participate jointly in the development of the project's objectives was essential. However, because of the negative experiences with the cooperative movement not only at a national level but also at the community level, there existed and still exists community suspicion of the benefits that this model presents. Therefore, in considering the inputs of the community, of the cooperative authorities in Ecuador, and other persons connected with the development community, an assessment was made regarding the type of mechanism to use.

Several meetings were held in the community with not only the leaders, but with residents at-large, to consult with them about the most appropriate mechanism. Initially there was some resistance to using a cooperative; however, when it was brought out that generally a majority of the people really did not understand cooperativism, there were some observations indicating that it should be given a chance if designed properly. This consensus was confirmed in the subsequent survey and study, in which a large percentage of the community indicated their interest in forming a cooperative. Also in consultation with the Direccion Nacional de Cooperativas and the Instituto Cooperativo Ecuatoriano it was reiterated that, although the cooperative movement has not been all that successful in Ecuador, it is well worth creating a model cooperative based on a strong educational program. These two organizations indicated that the major reasons for failure of the cooperative movement in Ecuador have been the following:

- a) cooperative education has been almost non-existent;
- b) cooperatives have been formed from the top down rather than from the bottom up, as was the case of the three housing cooperatives that made up the Tarqui community;
- c) the failure to maintain some sort of efficient supervision of cooperatives, especially with respect to the administration of funds; and
- d) lack of continued technical assistance.

Considering all of these observations it was obvious that using a cooperative as the mechanism was not going to be all that easy.

However, after considering the reality of the situation with the community leaders who formed the Coordinating Committee, it was decided to form a cooperative and to start it the right way with cooperative education and technical assistance. In order to form the cooperative, a pre-cooperative was formed with 85 founding members. These members immediately started receiving cooperative education with an initial emphasis on how to form a cooperative. The creation of the pre-cooperative included the backing of the Direccion Nacional de Cooperativas, which offered its assistance in the legal area of forming a cooperative. The Instituto Cooperativo Ecuatoriano, seeing the potential model that this cooperative could have, signed an agreement with SEGESVOL to provide technical assistance in the areas of education, management and accounting. Getting started the right way provided the necessary moral support that permitted the 85 members of the pre-cooperative and its new leaders to start accumulating all of the data needed to acquire legal status and motivated the residents of the community to join the cooperative and participate in the cooperative education program. Since a cooperative functions effectively basically because of the people who make it up and because cooperativism is somewhat of a dry topic, it was decided to incorporate human development training in order to stimulate growth of the participants. In that way it was possible to create a positive environment for the cooperative and a notable change in attitude among the participants.

This new environment and change in attitude lead to an extremely successful constitutional general meeting held once the cooperative

finally acquired its legal status. In the general meeting the new leaders were selected. It is interesting to note that the new leadership was composed of a mixture of the old, experienced, and male leaders of the community and new, inexperienced but idealistic young male and female leaders borne out of the cooperative education program.

It is important to note that during this time there was a delay in the donation of the land for the market and child care center, but in many ways this delay permitted the realization of the cooperative education program that created the human base of the cooperative.

Because of the participatory approach used to implement the project, the community--first through the Coordinating Committee, then the leaders of the Pre-Cooperative, and eventually the leaders of the Cooperative--actively participated in the process to acquire the donation of land, to consult with the Junta Nacional de la Vivienda about the design of the market, and to formulate the criteria for selecting the building contractor for the market. Furthermore, in the weekly meetings of the cooperative education program, the cooperative members were informed at each step of the processes taking place, and their observations were requested so that they felt they could express their opinion and not later be able to say that things had been decided by a small group. Their participation in this process helped create a real sense of ownership.

At the end of the first portion of the cooperative education program, the leaders and members jointly decided to conduct an extraordinary general meeting to formulate a plan to increase membership and

raise funds for the cooperative. The membership drive used direct contact, including personal visits and correspondence with the residents of the community. Also, since the cooperative began to offer skills training in dressmaking and handicrafts, the token fees that were charged were lower for members than non-members. Furthermore, as part of the capitalization program, the cooperative established a monthly maintenance fee and a monthly savings plan that would allow the members to gradually increase their equity. This small influx of funds helped the cooperative cover some of its initial administrative start-up expenses.

As the cooperative was beginning to take shape, it became imperative to provide some guidance to the leadership. With the assistance of the project director and a consultant from the Instituto Cooperativo Ecuatoriano, the Board of Directors began establishing the necessary internal policies and controls. This guidance was provided continually at the beginning; but as the leaders matured, these advisors remained available for key decisions and problem situations, so that by the end of the project, the leadership was basically autonomous.

As the cooperative began to show some visible progress and to grow, it became necessary to form specific committees to ease and divide the responsibility for directing the activities of the cooperative. Marketing, social affairs, child care, and other committees were formed. Most of these committees functioned well, partly because of the likelihood of eventually acquiring a job in, for example, the market and child care center; others did not because of the perceived lack of personal benefit.

Although the cooperative has had numerous minor internal problems the internal structure and management are generally sound. As members of the cooperative and community see that the cooperative is permanent, new leaders are emerging and the cooperative will continue to grow. At the close of the project, the membership of the cooperative stood at 400, representing approximately 40% of the current number of families in the community. Although the membership did not reach the projected 800 members, it is probably that it will because the cooperative is growing steadily.

#### B. Market

Since the market was the key component of the project and is the key activity of the cooperative, it has been essential that it operate efficiently. From the very beginning it was necessary to create a type of market that could directly provide the service that the community was requesting. Because the Tarqui Community was so isolated from the rest of the metropolitan area of Quito and because it was basically a "bedroom community" with hardly any infrastructure, it was ripe for exploitation, with the highest prices and lowest quality of food products and other basic human needs. This situation coupled with the traditional market places serving Quito's lower classes presented the opportunity to create a market that would eliminate many of these problems. Therefore, in consulting with representatives of the cooperative and the community it was agreed upon to create a self-service market where a majority of the products would come directly from the sources of production or the manufacturing, thereby circum-

venting the middlemen and lowering the costs of the products.

This overall lowering of costs is exactly what has occurred. The cooperative now has a "supermarket" that is providing the kind of service that was desired. However, to reach this point required a special effort on the part of the cooperative and especially its leaders.

The long drawn-out process of first creating the cooperative, then acquiring the donation of land, building the market, selecting the personnel, equipping and stocking the market, and eventually managing the market took almost two long years.

The process began with the needs assessments survey. The study indicated the basic desired characteristics of the market. However, these characteristics had to be modified and adapted to the specific needs of Tarqui. In order to establish a starting point, the services of the Junta Nacional de la Vivienda were requested for assistance in the design of the market. Although it did not have experience in marketing, it did have experience with low-income housing and low-income people. Also, because of budget constraints, it was thought that the Junta would be the most appropriate group to design a market to meet these constraints and to blend in architecturally with the community.

An initial design was prepared to provide the necessary starting point. Analyzing the design jointly with the cooperative allowed the adaptations needed to meet the needs of the community. Once the design was determined, the cooperative proceeded to select a building contractor. Initially many problems were encountered because when word got out that the market was being financed with U.S. funds, the original construction bids were way out of proportion to the

project budget. Therefore, in order to attempt to limit the cost of construction and also provide additional participation and responsibility by the cooperative, it was determined that the cooperative would be the contractee. Because of the cooperative's lack of experience in construction, SEGESVOL and two Ecuadorian professionals, an architect and an engineer, voluntarily helped the cooperative analyze this situation. Upon making the necessary professional readjustments, a second attempt was made to select a contractor. This situation helped substantially lower the bids, including a bid from a retired contractor who has been very active in social projects. He offered to build the market at very close to cost, and he even included the structural calculations as his personal contribution.

As the moment was nearing to initiate the leveling of the land for construction, 11 kiosks that occupied the land where construction was to begin had not yet relocated. Therefore, considering that these 11 persons, most women street vendors, made their living this way, the cooperative offered to build respectable kiosks for their use as a complementary component of the market. With this offer they gracefully relocated. Currently, as the project is ending, these kiosks are finally being built adjacent to the market.

Because of inflation and the spiraling cost of construction materials, it was necessary to seek additional assistance from local sources. Through a contact of the cooperative, it was possible to get the land-grading done for free by the Consejo Provincial de Pichincha, a "donation" that was valued at 200,000 sucres. As a

clause of the building contract, the contractor was urged to use local labor and semi-skilled personnel from the community. As a result, most of the laborers and all of the semi-skilled people such as carpenters, painters, electricians, plumbers, etc., came from the community and included some members of the cooperative.

Since the cooperative was legally responsible for the terms of the construction contract, it was necessary that it ensure that the market was built according to the agreed-upon specifications. Therefore, the cooperative formed a building committee that supervised the construction almost daily. This committee was very useful because when two or three problems arose, committee members were there to resolve the situation.

Although many members of the cooperative and the community did participate in the construction of the market, their participation was paid, not voluntary. Therefore, in order to achieve some sort of voluntary input, the cooperative sponsored "mingas" to prepare the exterior landscaping. A "minga" is an Ecuadorian indigenous term meaning a community-action activity.

Since most of the members of the cooperative had very little experience in retail marketing of food products prior to the completion of construction, eight open-air markets were held. The purpose of these experiments was to learn the reality of the marketing system and gain practical experience dealing with producers, distributors, and consumers. The cooperative bought most of the products from the production areas of Riobamba and Saquisilí.

One of the problems encountered in these experiments was the

difficulty of accessing a steady supply of products, especially fresh fruits and vegetables, because there are very few well organized farmers' groups. In an effort to establish a relationship with a small group in Riobamba, the Partners of the Americas provided assistance that eventually led to a marketing agreement, but economy-of-scale concerns have not permitted a continued relationship.

As the market was nearing construction it became time to start selecting personnel, equipment, and merchandise for the market. The selection of personnel was probably the most difficult because of the intense competition and internal jealousies (see page 79 of the Appendix for the selection criteria). The selection of equipment and merchandise was rather academic but required time and a group effort to acquire cost estimates.

The selection of personnel created a serious problem for the Board of Directors because four members of the Board were selected as employees. This created a large vacancy within the leadership of the cooperative. However, since many members had participated in the leadership seminar and the cooperative education program it was fairly easy to fill those vacancies.

When the cooperative began to stock the market with merchandise, a manager of the only supermarket chain in Quito provided technical assistance in the areas of distribution of merchandise, proper display, pricing policies, and warehouse distribution which contributed to the maximum efficiency of the market. During the first few months of operation this periodic assistance continued.

Since the market is an integral service of the cooperative it was necessary that the members perceive some sort of immediate benefit. Therefore each member of the cooperative now has an identification card with his/her photograph on it, which permits a three-percent discount at the time of purchase. Although not many of the members are taking advantage of this privilege, most from lack of habit or because a three-percent discount does not seem very much, they are now beginning to realize that the amount saved does add up.

Because of the importance of having a unified group of employees, with the guidance of an organizational development specialist provided by ASDELA (Asesoría para el Desarrollo en Latinoamérica), the employees jointly prepared their own job descriptions so there would be no future misunderstandings that could affect the future efficiency of the market. This really helped to provide a team effort.

Finally after almost two years, the market was inaugurated with great celebration. The community immediately responded. Although there existed numerous doubts as to the probability that a self-service type of market could be functional in a poor neighborhood, it has been shown that the people at that socio-economic level can adapt to this type of "modern" service, because it elevates their self-esteem and status, and because the products are less expensive.

The first months of operation were above expectations, even though not at a break-even level. After one year of operation, the market finally attained financial independence. Because the first year of the market was so critical to the success of the project, it was necessary to provide some financial assistance that would allow the

market to get on its feet. Therefore, the project subsidized the cost of personnel in the following manner: 100% of the first four months; 80% of the next three months; 60% of the following three months; and 30% of the last three months. This procedure allowed the cooperative to make the necessary adjustments and mistakes until the market actually began to function by itself.

Average monthly sales during the first year of operation (8½ months) was 6.8 million sucres; and since the market is functioning with 15 percent gross margin and a two percent net margin, the market at the end of the project is making an approximate gross profit of 17,160 sucres monthly.

As for the community's response, an average of 550 transactions take place every day. The average daily purchase per customer is 60 sucres, equivalent to 1,800 sucres monthly. Currently 40 percent of the families of the community are making use of this service on a regular basis for 60 percent of their monthly food purchases. The factors that have prevented the other families from doing so have been: (1) no credit transactions, (2) distrust of the cooperative, (3) access to company commissaries, and (4) lack of certain products on a regular basis.

It became necessary to build an annex to the warehouse. Since many of the market suppliers are seeing the promising future of the Tarqui Market, they have been providing volume promotional sales, and the cooperative found it necessary to build the annex in order to have additional storage space.

The public sees the benefit of the service that the market provides, and requests have been made to expand into other product lines. Therefore, the cooperative is projecting the construction of small stores around the market to create a type of shopping center environment. This will complement not only the market but also the small kiosks (restaurants) that are currently under construction.

C. Vocational Center/Small Business

Another major focus of the Tarqui Project has been skills training for income- and employment-generation purposes. Because of the tendency in Tarqui for the men to be employed outside of the community, most of the women and young people remain at home and, as a result, they were very interested in earning income. Since the project staff thought that providing skills training during the life of the project only was insufficient, it was decided jointly with the cooperative to create a formalized vocational center.

Based on the experiences of the initial courses it was noted that the participants were extremely concerned about the status of the skills training; because if it did not provide some sort of official certificate or diploma, they felt that the courses were useless. Therefore, in order to make the Vocational Center official, it was necessary to get permission from the Ministry of Education. However, since the new government was introducing a nationwide literacy and basic education program, the Ministry wanted to require the cooperative, through the vocational center, to provide literacy, basic history, mathematics, and civics classes. It became evident that if the vocational center

entered into those activities, the participants would have no time for the skills training. The Ministry investigated the literacy status of Tarqui, declared it a "free zone" of illiteracy, waived all of the requirements, and sanctioned the vocational center. In addition, it also offered to cover the costs of one teacher for dressmaking and handicrafts.

As the vocational center began to offer different types of skills training courses, it became evident that the community center was not adequate for that purpose. But since there was at that time no other alternative, two annexes were built adjacent to the community center to serve as classrooms. This helped to alleviate the situation somewhat; but because of an increased number of participants, it did not really solve the problem.

From the beginning the manager and the secretary of the cooperative were coordinating the activities of the vocational center; but as they began to assume more responsibilities related to the market, it became necessary to appoint a coordinator for the vocational center. With the selection of this full-time person, the vocational center really began to function in September 1980 as planned. Equipment arrived from the United States and was bought locally. As the new coordinator learned to program classes, up to five different courses were going on at the same time. On the next page is a chart of the various skills training courses conducted in the Vocational Center.

VOCATIONAL TRAINING CENTER COURSES

<u>Date</u>	<u>Activity</u>	<u>Number of Participants</u>	<u>Hours</u>
11/79-12/79	Christmas decorations	48	10
5/80-12/80	Dressmaking #1	60	150
8/80-12/80	Handicrafts #1	17	100
10/80-12/80	Knitting (manual)	8	65
1/81-8/81	Dressmaking #2	10	170
1/81-8/81	Dressmaking #1	33	170
1/81-7/81	Handicrafts #2	11	70
1/81-5/81	Toy-making #1	14	95
1/81-6/81	Knitting (manual)	11	115
7/81-9/81	Knitting (machine)	17	70
9/81-12/81	Wood Engraving	6	50
9/81-12/81	Toy-making	11	70
10/81-5/82	Dressmaking #1	26	150
10/81-5/82	Dressmaking #2	14	150
10/81-12/81	Handicrafts #3	16	50
	TOTAL	302	1,485

These courses eventually led to an exhibit of the participants' work designed to demonstrate their capabilities and, of course, to sell their products. Also, SEGESVOL provided some contacts and personal assistance to facilitate the sale of many of the products from this and other exhibits.

As new participants began to request the additional dressmaking and handicraft courses, a lack of teachers arose. At first an attempt was made to obtain teachers from central Quito; but because of the distance to the community, nobody was willing to come. Fortunately some teachers were found in the community who were qualified.

As it became more and more inconvenient to conduct courses in the community center, the cooperative with the help of SEGESVOL began to seek local financial assistance to build some classrooms. Luckily, a newly created presidential commission assisted in the provision of necessary social services. This Unidad Ejecutora de Obras Emergentes for Quito budgeted 2 million sucres (U.S. \$50,000) for a vocational center with 12 classrooms. Everything was planned to initiate construction on the second half of the land that the Municipality donated for the market, but a small group of residents who lived adjacent to the land opposed the construction because they wanted the land to remain as open space. This conflict led to a very serious confrontation with the cooperative. In analyzing the problem, it was noted that some of the leaders of the opposition group were among members of the cooperative who were not selected as employees of the market and were therefore displeased with the cooperative. Also there were some outside political

implications because the project was being financed with U.S. government funds, a fact that did not sit well with the left-leaning political group that had previously had some influence with the people of Tarqui. These two considerations combined with a reaction against change unfortunately helped create this situation.

In an attempt to resolve this problem, the Municipality decided to make the lot in question a park in exchange for donating another lot for the vocational center. However, to this day that lot has not been donated, even though the request is being processed by the appropriate authorities. Luckily the Unidad Ejecutora de Obras Emergentes for Quito has kept open its offer, so that as soon as the land is donated, construction can begin.

Since one of the major problems that has hindered the development of the community is the existence of many inter-personal rivalries, a human relations component was added to the skills training courses. This helped in motivating the creation of production workshops and the desire to work in groups.

In the first production workshops it was noted that even though the participants produced some very nice products, these products in reality were not marketable; and with no market, the objective of increasing income could not be accomplished. Therefore, a marketing study was conducted to identify the most feasible and marketable products on which the skills training courses and production workshops should concentrate. Of the ten areas identified in this study the cooperative selected three for implementation, one (production of cardboard playhouses) to be initiated immediately, and two later

(a bakery and clothes production) when the new vocational center becomes operational.

The first production activity that the cooperative decided to implement was the production of playhouses made out of cardboard. According to the marketing study this product would have immediate acceptance because it was marketable at prices much lower than similar imported products. For example, the local market price for an imported playhouse was 2,000 sucres, and the cooperative could produce a similar playhouse for 800 sucres and sell it for 1,200. Furthermore, the raw materials used were not before utilized. These factors led to a product that would have wide acceptance. Unfortunately, it was not possible to introduce the playhouses until after most of the local stores had already made their Christmas purchases. Therefore, the first attempt to initiate a small business was not very successful; but because of the interest in the product, some of the stores plan on making purchases after April 1982. This experience has proven very beneficial for the cooperative, however, because they have been able to learn many of the lessons involved in creating and implementing a small business.

A group of participants from the knitting classes, on their own initiative and with financial assistance from the cooperative, formed a small production workshop to produce knitted products that community residents had requested. As word spread about the nice job they were doing, the local community school placed an order for 700 sweaters. This order naturally created great enthusiasm not only among the participants but also in the cooperative. After the successful delivery of

these sweaters this group continued producing a variety of knitted articles for the numerous families of the community.

As the project was coming to an end and as the cooperative was awaiting the donation of land and subsequent construction of the new vocational center, the center coordinator redesigned the internal structuring of the vocational center to maximize the future use of the building, so that when built it could function much more efficiently and be of more direct benefit to the participants by focusing directly on income and employment generation.

#### D. Child Care Center

Because of the urgent need to provide some sort of child care service for the children of Tarqui so that the women of the community could have some free time to acquire a marketable skill, an enormous effort has been made to acquire this service.

Due to the nature of development projects of this type, where USAID provides the financing, it has been necessary to obtain local financial participation. For this reason, the Ecuadorian government in 1979 offered its participation through the Patronato Nacional del Nino for the construction and equipping of a child care center. Unfortunately with a change in governments, the offer to build and equip the center was not recognized by the new government. However, since the initial procedures in the Municipality had begun for the donation of the land, the Municipality, considering the change in government, requested a certification indicating that the new government would validate its offer. The Patronato Nacional del Nino, however, was

being reorganized into the Instituto Nacional del Niño y la Familia, and new by-laws had to be prepared and approved before a certification could be given. Eventually, the certificate was given and the land was donated, but this process took almost a year.

In the meantime the cooperative formed a child care committee that eventually participated actively in the acquisition of the child care center. In order to provide some sort of academic background for this group, this committee and SEGESVOL participated in a recreational therapy training seminar sponsored by UNICEF and the Ministry of Social Welfare. At the completion of this 12-week, 40-hour seminar, educational materials were donated to the Child Care Committee for future use in the community.

As this group began to acquire some basic child care knowledge, OEF in Washington was able to obtain the technical assistance of the High Scope Educational Research Foundation to come to Ecuador as part of one of its child care programs to assist the group in assessing the child care needs of the community and in identifying the mechanism most appropriate for the implementation of the Tarqui Child Care Center. The Ministry of Health sponsored a health education program with the technical assistance of one health educator and one social worker. Although this program was directed to the community in general most of the participants were women who were pregnant or who had very small children. This naturally fit in very well with the plans of the child care committee because they were able to have some direct contact with the people whom they would eventually be serving. And since

nutrition is a major component of child care, CARITAS began to provide powdered milk for the pregnant mothers and small children as part of a nationwide nutritional program.

When the child care group had acquired some basic understanding of child care and its various facets, it became necessary to acquire some practical child care experiences for them. Therefore, they participated as volunteers in three different types of child care centers in Quito to learn the day-to-day activities involved with child care. Also they gained some practical experience by caring for the children of the participants of the vocational center.

Because of the need for this group to work together as a unit, and because of the need for being patient and understanding, they participated very enthusiastically in both human development and organizational development training.

The Instituto Nacional del Nino y la Familia has offered an undetermined amount of funds for equipping the child care center. However, based on experiences of other child care centers that have a similar relationship with the Instituto these funds are usually not sufficient. Fortunately, USAID/Ecuador was liquidating some used household furnishing, which it donated to the cooperative for use in the child care center.

Once the land was donated and the funding for construction assigned (3 million sucres), the child care center began to become a reality. The child care committee began to design the internal structure of the center based on the assumption that the cooperative would be administering the center. However, the Instituto has indicated that it prefers

SEGESVOL to be responsible, with the cooperative actively collaborating. At the time of this writing and as the construction is in process, SEGESVOL had not yet decided its role. If it does not decide to accept this responsibility, it is not sure to which institution the child care center would be assigned. If this should occur, it could put the child care committee's participation in jeopardy, which would be extremely unfair, since they had made such an effort to acquire the theoretical and practical experience for dealing with the children of Tarqui.

#### E. Training

Training has probably been the most important component of the Tarqui Project. Even though the physical structures of the project have provided some infrastructural progress for the community, training in the different areas has provided a real growth of the people involved, which in turn has allowed the other components to be successful. If this training had not been emphasized most likely the community would not have been capable of becoming autonomous in the community's services initiated by the Tarqui Project. Training has been provided in human development, communications, business skills, child care, and other appropriate areas. The methodology used has been of a dynamic nature with a special emphasis on group participation. On the following pages is a chart of the various trainings.

TARQUI PROJECT TRAINING COURSES

<u>Human Development</u>					
<u>Dates</u>	<u>Topics</u>	<u>Group</u>	<u>Parti- cipants</u>	<u>Hours</u>	<u>Trainer</u>
10/79-1/81	Human development in general	Original mem- bership	60	100	ICE (1)
5/80	Leadership	Leaders	34	20	ICE
1/80-8/80	Human development in general	Health	22	75	ICE
4/80-3/82	Human development in general	Vocational Center	323	50	ICE
2/81-3/82	Human development in general	Employees	15	25	ICE
10/81-3/82	Human development in general	Sports League	9	10	ICE
7/80-3/82	Human development in general	Child Care Committee	11	40	ICE
10/81-3/82	Human development in general	New membership	50	15	ICE
			<u>524</u>	<u>335</u>	
<u>Organizational Development</u>					
2/81-3/82	Organizational development in general	Employees	15	25	ASDELA (2)
2/81-3/82	Organizational development in general	Leaders	15	25	ASDELA
2/81-3/82	Organizational development in general	Child Care Committee	11	25	ASDELA
2/81-3/82	Organizational development in general	Vocational Center	21	25	ASDELA
10/81-3/82	Organizational development in general	Sports League	9	10	ASDELA
			<u>71</u>	<u>110</u>	

<u>Cooperativism</u>					
<u>Dates</u>	<u>Topics</u>	<u>Group</u>	<u>Parti- cipants</u>	<u>Hours</u>	<u>Trainer</u>
10/79-1/81	Cooperativism in general	Original membership	60	100	ICE
8/80	Oversight Committee's responsibility	Oversight Committee	3	40	ICE
10/81-3/82	Cooperativism in general	New Membership	50	15	ICE
10/81-3/82	Board of Directors	Board of Directors	14	15	ICE
10/81-3/82	Oversight Committee's Responsibilities	Oversight Committee	10	15	ICE
			<u>137</u>	<u>185</u>	
<u>Communications</u>					
10/79-1/81	Communication	Original membership	60	15	ICE
5/80	Communication	Leaders	34	20	ICE
8/81	Publicity and propaganda	Publicity Committee	28	20	ICE
3/82	Newspaper	Publicity Committee	12	10	Individual
			<u>134</u>	<u>65</u>	
<u>Business Skills</u>					
3/80	Project development	Manager	1	40	ICE
5/80	Cooperative accounting	Manager	1	40	ICE
8/80	Cooperative accounting	Manager	1	40	ICE
9/80	Cooperative Office management	Employees	3	40	ICE
2/81-4/81	Supermarket marketing and management	Employees	12	15	Individual

Business Skills (Concluded)

<u>Dates</u>	<u>Topics</u>	<u>Group</u>	<u>Parti- cipants</u>	<u>Hours</u>	<u>Trainer</u>
3/81	Cash register operations	Employees	2	50	EXISA (4)
5/81	Marketing	Employees	2	50	Catholic University
3/81-3/82	Accounting	Employees	4	100	Individual
7/81-9/81	Small business management	Vocational Center and leaders	30	20	COPROYECTOS (5)
2/81-10/81	Employee/Customer relations	Employees	15	10	Individual
3/82	Small business management	Coordinator of Vocational Center	1	20	COPROYECTOS
			<u>80</u>	<u>384</u>	

Child Care

1/80-12/80	Disease prevention	Child Care Com- mittee and Health Group	21	20	Ministry of Health
1/80-12/80	Nutrition	Child Care Com- mittee and Health Group	21	10	Ministry of Health
1/80-12/80	Infant Care	Child Care Com- mittee and Health Group	21	20	Ministry of Health
1/80-3/82	Child Care	Child Care Committee	10	40	Individual
3/80-6/80	Recreational Therapy	Child Care Committee/ SEGESVOL	8	40	UNICEF
8/80	Child Care Management	Child Care Committee/ SEGESVOL	12	12	High/Scope

Child Care (Concluded)

<u>Dates</u>	<u>Topics</u>	<u>Group</u>	<u>Parti- cipants</u>	<u>Hours</u>	<u>Trainer</u>
10/81-11/81	Practical Experi- ences	Child Care Committee	8	10	Child Care Centers
1/82-3/82	Child Care Pro- gramming	Child Care Committee	12	18	Individual
			<u>113</u>	<u>170</u>	

Other Training

8/79	Surveying Skills	Surveying Committee	70	20	INEC (3)
3/81	Evaluation	Evaluation Committee	8	10	OEF
			<u>78</u>	<u>30</u>	

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- (1) ICE - Instituto Cooperativo Ecuatoriano
  - (2) ASDELA - Asesoría para el Desarrollo en Latinoamérica
  - (3) INEC - Instituto Nacional de Estadística y Censo
  - (4) EXISA - Private company that sold cash registers
  - (5) COPROYECTOS - Private company that conducted marketing survey

Most of the materials used in all of the above-mentioned trainings were either prepared by the collaborating organization or the individual. Project staff played a vital role in providing the basic framework of the training and the necessary modifications to fit the specific needs of Tarqui.

As can be noted the training in the different areas has been quite extensive and covered many areas. Activities in each of these areas and their impact are summarized below.

1. Human Development

The human development training has been dedicated to improving the capabilities of the Tarqui residents to work together in community action. The areas covered have been group dynamics, motivation, sensitivity toward others, problem solving, etc. The methodology implemented has been participatory. The major impact that this training has had is the change in attitude, so that many more residents now openly express their opinions and do something about it and have become much more action oriented. Also they have seen and experienced the benefit of doing things jointly and not individually. The training in human development was designed to reach as many residents as possible. A total of seven different groups received this training, for a total of 524 participants in 335 hours of training. Besides this, 34 leaders of the community participated in an intensive 24-hour retreat/seminar where all the aspects of leadership philosophy, characteristics, responsibilities, concepts, etc., were covered.

## 2. Organizational Development

This training was designed to unify the different groups within the cooperative and even some outside the cooperative, to effectively plan and execute their specific activities. The specific areas of the organizational development covered were: setting of objectives, delegation of responsibilities, human relations, leadership, group dynamics, problem solving, etc. The effectiveness of this training was most noticeable with the group of employees of the cooperative, a majority from the market, because of their immediate application of what was learned. In many ways the success of the market has been the teamwork exercised by the employees.

## 3. Cooperativism

This training has been especially significant because many members of the cooperative and the community thought that they knew cooperativism through their experiences with the three housing cooperatives that form the community. But to their surprise, they really knew very little and were very willing to learn what and how true cooperativism works. Because of the nature of the topic of cooperativism it was necessary to relate it to the human development training, and in this way the presentation was much more dynamic and participatory. Group dynamics was very useful in getting the participants to analyze and present a consensus opinion on whatever topic arose that concerned cooperativism. The basic areas of cooperativism covered were: philosophy of cooperativism, how to form a cooperative, cooperative organization, cooperative management and finances, cooperative education, etc. This

program was presented during the evenings, which was the most convenient time for the residents, but which also limited participants. As a result, only 110 members got a well rounded exposure to true cooperativism.

More specific cooperative training was offered to the Board of Directors and Oversight Committee, the main bodies that govern the cooperative.

#### 4. Child Care

The training in this area focused on creating an awareness of what is encompassed in caring for children within the framework of a child care center. Because of the possibility that the community could have a very active participation in the development and operation of the child care center, the cooperative formed a child care committee made up of eleven women from the community. The group first participated in a recreational therapy program that exposed them and some volunteers of SEGESVOL to various methods of educating pre-school children with very simple educational materials.

This eventually led to interest in sponsoring a health education program for some mothers of the community, along with basic nutrition and infant care. Also an aspect of child psychology was touched.

Because of this group's intense interest in learning about child care (mostly because of employment motives) OEF arranged for a representative of High Scope Educational Research Foundation to conduct a workshop with this group and some volunteers of SEGESVOL covering the implementation of a child care center and all of its intricacies. The experience provided some basic knowledge of how to set up a child

care center, including administration, programming, and service to the community. Based on this framework, the child care committee acquired some practical experience that has allowed it to recommend ideas most adaptable for the children of Tarqui.

#### 5. Communications

Specific training in communication was emphasized because it was one of the most serious problems confronting the success of the project. Lack of appropriate communication created numerous misunderstandings among members of the community. In general terms, communication was a basic topic for all of the groups within the cooperative; but because of "supposed" lack of information (disinterest and apathy), a communications, publicity, and public relations workshop was conducted with the participation of 28 students from the community. The idea was that this group would form a publicity committee to publish a monthly newsletter. This became a reality for only one issue. This issue stimulated interest and helped resolve some misunderstandings; but because of other commitments, these students no longer wished to continue. As a consequence, it was decided to form a new group to publish a monthly newspaper not only for the cooperative but the whole community, thinking that as the project ends this will generate some strong support for the cooperative in the future.

#### 6. Business Skills

This training was designed to provide some technical skills to the key people within the cooperative, especially the employees and the leaders. This training has provided the backbone that has allowed the cooperative and especially the market to function professionally.

Training has been conducted in management, marketing, accounting, including small business administration. The participants have responded very well, which is evident in their ability to effectively manage the market in all of its aspects.

#### 7. Other Training

Other training has been provided in surveying skills and evaluation skills. Both of these areas have been highly participatory. The specific areas covered in the survey training were: information needed, design of questionnaires, interviewing techniques, tabulation, etc. The specific areas covered in the evaluation training were: evaluation design, data collection, and analysis.

### III. ANALYSIS OF PROJECT IMPACT

The overall impact of the Tarqui Project has been significant in the community, on the women of the community, SEGESVOL, the government of Ecuador, USAID/Ecuador, and OEF. The impact on each one of these groups has depended on the specific needs and/or interests of each one. In general, the impact has been positive.

#### A. Community

The impact of the project on the community has been in social, cultural, and economic terms. It has been most evident in relation to the problems that previously existed in the community. The problems identified when the Tarqui Project was originally conceived are listed below. These problems were identified in an intensive analysis of the low-income housing project that formed the community and other data

related to the problems of poor urban communities in Quito.

1. Excessive individualism, which prevented the people from working together effectively.
2. Lack of leadership and group skills needed to develop the community.
3. Limited access to goods and services (the center of Quito is one hour away by bus).
4. High cost of food and raw materials for making clothes, and household goods.
5. Insufficient income to provide for the basic human needs of the family (food, health, housing, clothing, and transportation).
6. Sources of employment are too far away from the community.
7. Lack of income-generation skills and/or vocational training.
8. Poor utilization of women's skills and potential.
9. Lack of child care facilities.
10. Lack of health facilities.
11. Poor nutrition due to limited purchasing power and access to market places.
12. Young people out of school, unskilled, and unemployed.

Because of the Tarqui Project many of these problems have been overcome to some degree. Since most of these problems are the result of social, cultural and economic conditions existing in the community, an analysis of the solution to some of these problems is summarized below.

### 1. Social and Cultural Impact

More than 500 residents (see chart on pages 40-43) of the Tarqui community have been able to improve their capability in the development of their community. Many individuals have developed a more positive self-image and a greater self-confidence leading to higher aspirations for themselves and their families.

Through participation in the Tarqui Project, these residents have been exposed to a variety of training such as human development, organizational development, communications, cooperativism, etc., which has helped many of them to resolve some of the basic problems of excessive individualism and lack of leadership and group skills. Also, because of the legally constituted cooperative, the community has a mechanism that will permit it to be recognized and taken into account for future assistance in the development of the community.

Also, through the cooperative, the community has been able to use to a greater extent the public and private resources available. This has led to improvements in the health, nutrition, education, and recreational opportunities for the community. The women also have taken a much more active role in the activities in the community as well as in their families (see chart on page 53).

### 2. Economic Impact

In general economic terms, the project has allowed the 10,000 residents of Tarqui and 3,000 residents of the surrounding neighborhoods to better utilize their income. This has become possible by increasing the purchasing power through decreased costs in transportation and

basic food products. Real purchasing power has increased by 20% as a consequence of the market. For example, previously, the typical family in Tarqui spent 2,000 sucres a month of food costs. Now with the market in the community, costs have decreased by 10% because of the elimination of many middlemen. Previously, the family made its purchases on a weekly basis and had to spend 50 sucres on transportation. So, overall 200 sucres were saved on the lower costs, and 200 sucres were saved on transportation. Also more than 300 families have been able to supplement their family income as a result of the women's participation in the skills training. Furthermore 30 families will have acquired direct and indirect employment opportunities as a result of the formation of the Tarqui Cooperative. The supplemental income for these families has increased by an average of 25%.

The typical family in Tarqui earns approximately 6,000 sucres a month. The women who participated in the skills training were able to earn approximately 1,500 sucres to supplement the family income.

As a result of the project, the increase in purchasing power and income is expected to grow as the residents of the community build on the skills, experiences, self-confidence and marketing capability acquired.

With a well run cooperative of 400 members, the residents will be able to access a wider variety of goods and services than was possible to develop during the life of the project. With the imminent initiation of the child care center, between 60 and 100 families will be benefited.

Although the project was only able to train 302 people of the projected 500 in the skills training, at least the mechanism--the vocational center of the cooperative--will be able to continue providing this service. And if the center's contacts with the private and public sector become effective this service should expand.

Even though 25 residents of the community were not clearly identified as trainers in the different skills areas or the human and community development skills, at least 15 women are currently helping the teachers of the vocational center as assistants and could probably become the future teachers. Also there are at least ten members of the cooperative capable of becoming trainers in cooperativism and certain aspects of human development if the cooperative should decide to continue this type of training on its own or with the help of some organizations.

#### B. Women

The Tarqui Project, even though designed as an integral urban community development project, has provided a direct benefit and impact for the women of Tarqui. Also their active participation in most of the activities has been significant.

Due to the fact that Tarqui is a "bedroom" community where most of the men are employed outside of the community, it is the women who are the "pulse" of the community. Because of the structure of the Ecuadorian society, which Tarqui reflects, the men are the figure-head leaders of the community, but it is the women who really make it function. This same factor has been observed during the life of the Tarqui Project.

In the different components of the Tarqui Project, it has been the women who have actively participated, as is indicated by the following data:

- Of the 400 members of the cooperative, 257 are women (64%).
- Of the 85 founding members of the cooperative, 43 are women (51%).
- Of the 34 participants in the leadership sessions, 14 are women (41%).
- Of the 24 original elected leaders of the cooperative, 6 were women (25%).
- Of the 15 employees of the cooperative, 9 are women (60%).
- Of the approximate 550 daily clients of the market, more than 450 are women (82%).
- Of the 302 participants in the vocational center, all were women (100%).
- Of the 38 participants in the production workshops sponsored by the cooperative, 34 were women (89%).
- Of the 5 teachers of the vocational center, all were women (100%).
- Of the 12 members of the child care committee, all are women (100%).
- Of the 70 participants in the original survey of the community, approximately 50 were women (71%).
- Of the 525 participants who received human development training, 434 were women (83%).
- Of the 72 participants who received organizational development training, 43 were women (60%).
- Of the 137 participants who received cooperative training, 83 were women (61%).

- Of the 134 participants who received communications training, 74 were women (55%).
- Of the 80 participants who received business skill training, 45 were women (56%).
- Of the 113 participants who received child care and health training, all were women (100%).
- Of the 8 participants in the evaluation training, 4 were women (50%).
- Of the 34 permanent or occasional consultants of the project, 17 were women (50%).
- Of the 20 volunteers who participated in the project, 14 were women (70%).

Initially the first contacts made with the women of Tarqui indicated that their main activity in the community was mostly confined to the household chores. Their participation in community activities was very limited because of established cultural patterns. These limitations were most notable in:

1. their lack of participation in seeking solutions to the many social and economic problems of the community;
2. their ignorance of their importance, capabilities, and resourcefulness;
3. their lack of self-confidence, which hindered the change in attitude, behavior, and personal development which was necessary for their more active participation in the daily development of the community.

Nevertheless, when the training activities of the Tarqui Project began to take effect, it was possible to observe a positive change in the attitudes of the women. They began to express their opinions and exchange experiences within the different groups that they participated in. The women as well as the other participants slowly started to understand the importance of group dynamics to the point that their participation became much more productive.

Through the different courses offered by the Tarqui Project the women were able to recognize their capabilities and values, which provided the self and group confidence that contributed to the socio-economic development of the community.

Likewise, when women were given the opportunity to develop some economic skills, they were able to recognize their creative ability, which allowed them to demonstrate the acquired skills on an individual or group basis. An example was the formation of various production workshops in handicrafts and knitting, which allowed the women of Tarqui to prove their economic capabilities to themselves and the community.

The opportunity to participate in the human development training allowed the women to be active participants instead of mere observers. In that way they were able to carry out certain group activities that helped achieve a purpose. As the women's capacity to be effective leaders grew, their organizational abilities became apparent on various occasions, helping to solve problems and channel concerns of different groups.

This new leadership aptitude of the women demonstrated in various

direct and indirect roles their contribution to the development of the community. They have become much more aware and expressive of the needs to resolve the problem of the excessive individualism that is the more serious problem in the community.

Their observations of the various other problems that exist have been well taken and consequently this new interest has helped create a new image in the community.

As can be noted the women of Tarqui have played a very vital role in the success of the Tarqui Project and the socio-economic development of the community. They took good advantage of the social and economic opportunities that arose from the Tarqui Project. They continue their active participation in a much more integrated manner.

### C. SEGESVOL

SEGESVOL, the Ecuadorian counterpart organization, has played a very important role in the development of the Tarqui Project. However, it was not the role originally contemplated. Initially it was thought that SEGESVOL would be able to take an active participation in the development of all the aspects of the project; however, due to personal limitations, especially of time, this was not possible. It was hoped that SEGESVOL would acquire the necessary skills and experiences to be able to develop a similar project in the future. Instead its role has been that of a resource and contact broker. This role is probably the most appropriate for SEGESVOL, considering its limitations. But because of the prestige it has acquired through the success of the Tarqui Project, its services are highly in demand, to the point that the

Instituto Nacional del Nino y la Familia is virtually demanding that SEGESVOL directly administer the Tarqui Child Care Center and continue to assist the community.

This situation has of course had an impact on SEGESVOL, so that it is currently realizing that it is going to have to restructure the institution to eventually provide some sort of technical service directly to the poor, whether it be through a resource connection, training, or a direct participation in the community.

D. Government of Ecuador

Since the Tarqui Project has been a model it is hoped that many of the components would be someday duplicated.

From the beginning of the project the participation and support of the government has been very good. Many local and national government agencies have collaborated in one way or another. Listed are some of the most active:

-- Municipality of Quito: donation of the land for the market, vocational center and child care center.

-- National Housing Board: donation of the building plans.

-- Instituto Nacional del Nino y la Familia: construction and equipping of the child care center.

-- Public Health Ministry: donation of a health educator and a social worker for the health education program.

-- Unidad Ejecutora de Obras Emergentes: promise of the financing for the vocational center.

-- Ministry of Welfare: community and SEGESVOL participation in

child care training.

-- National Cooperative Board: assistance in the formation of the Tarqui Cooperative.

-- Ministry of Education: donation of one teacher for two years for the vocational center.

-- Consejo Provincial de Pichincha: leveling and grading of land for the market.

The main impact that this project has provided for the Ecuadorian government is that it has restored the government's faith in working directly with communities in a non-paternalistic way. Although government representatives now feel that it can be done, the logistics of doing it are much more complicated for them because it requires a commitment both in human and economic resources by the governing agency. This will probably hinder any possible duplication of certain components of the project. Also the current economic condition of the country may also prevent any type of duplication by the government.

E. USAID/Ecuador

The impact that the Tarqui Project has had on USAID/Ecuador has been very favorable because its results fit into AID's overall country strategy. Many of the components of the Tarqui Project will be utilized in the up-and-coming Solanda Housing and Urban Community Development Project currently being planned just across the road from Tarqui and possibly in a secondary cities project. Initial transmitting of the experiences of Tarqui occurred during a three-month letter-grant

agreement for OEF to assist the Fundacion Mariana de Jesus in the design and development of the social service program of the Solanda Project.

F. Overseas Education Fund

For OEF this project has proved very satisfying because it was OEF's first major project that involved both social and economic components benefiting a community. Although the Tarqui Project dealt with a community, the main beneficiaries and participants have been the women of Tarqui (see page 52 for the impact on women). It shows that OEF can reach its target group--women--through projects that are developed through mixed groups.

Also this project has shown that OEF is capable of using its expertise in human development to produce positive results in economic development, as evidenced by the success of this project. It should be noted that the project was very well designed, so that OEF could achieve its goal of improving the social and economic situation of women through an integrated community development project.

IV. CHECKLIST FOR CONTINUITY OF PROJECT ACTIVITIES

Since the Tarqui Community, through the community development cooperative, and SEGESVOL are the major vehicles of the Tarqui Project which will continue to be involved in the activities established, the following recommendations are made to help guarantee the continuity of these activities. Listed below are some specific recommendations for the different activities initiated by the project.

A. Tarqui Cooperative

1. For the Tarqui Cooperative, it is imperative that it acquire the full support of the community. Although the cooperative is supported by many residents of the community, it is necessary to get the full backing of everyone. The base that the cooperative has acquired from the project could permit it to be the main economic and social force in the community; however, this cannot be achieved unless the community as a whole unites behind the cooperative. Even though numerous attempts have been made to inform the people of the potential benefits of the cooperative, any notable impact has been minimal because of a high degree of apathy that is typical of urban communities in Quito. As the project is ending, an attempt to publish a community newspaper could be a solution, especially if the newspaper includes the participation of all of the different groups of the community. Also this newspaper would cut down on rumors and inform the populace of the many unseen activities of the cooperative which very few people know about.

2. Another way of assuring the support of the residents of the community is by initiating an effective membership campaign that would not only increase the human resources of the cooperative but also help capitalize the institution.

3. Much of the mistrust in the community of the cooperative and of cooperatives in general is that many of the same people are involved in everything. So, as a means of decentralizing many of the activities, a certain flexibility and confidence should be extended to allow a much more active participation by the general membership in the actual and future activities of the cooperative.

4. Probably the most important recommendation of all but the most difficult because of both time limitations and funding restrictions is to maintain an on-going cooperative and human development training program so that not only the members of the cooperative but also the residents of the community can better understand the philosophy of cooperating together for mutual benefits. If this concept is not understood, the probability of future expansion of services and continuity is diminished. Special emphasis could also be placed on preparing future leaders of the cooperative. If the cooperative could acquire some funding, the Ecuadorian Cooperative Institute would probably be able to provide the necessary training.

B. Market

1. Since the market is the key element of the cooperative and the service that reaches the most people, it is imperative that this component continue. From an economic point of view, the key to successfully operating a self-service market is volume sales. Therefore, attracting more customers to the market is essential. This can be done through increasing the cooperative membership, informing people from the surrounding neighborhoods about the market, advertising, etc. Because of the design of the market, sales could potentially double using the same floor space and personnel.

2. Inasmuch as the market has had to expand, it is recommended to build an annex in order to expand the product line to include a wider variety of non-food products such as clothing, household goods, and pharmaceutical products. Having a large variety of products will

stimulate sales because of the customers' confidence of acquiring any needed product at all times.

3. Another mechanism that the market could use to increase sales is by providing complementary services to the market such as the sale of prepared foods. Even though this component has been contemplated from the beginning, it will not be a reality until the end of the project. It can, if well operated, attract more people to the market.

4. Because the cooperative in general and the market in particular do not have any debts, it is advisable to take out bank loans to increase inventories and make volume purchases to lower costs. Providing a constant supply of all the basic products will stimulate sales because of the customers' confidence of acquiring any needed product at all times.

5. And lastly, but probably most important of all, the market staff must continue to work together as a team. Their team work has been the key thus far to the success of the market; therefore, this effort must continue in order to effectively manage the market, cut costs, and maintain a good image and rapport with the customers. Proper management will guarantee that the market will continue providing greatly improved service to the community.

### C. Skills Training

1. In the coming months a new vocational center is to be built. This new vocational center will provide sufficient space not only for classrooms and workshops, but also for a small supply store, an exhibition hall, and one or two small industries for the cooperative.

2. If the new vocational center should become a reality, the new forms of the skills training should be much more production- and less personal-enrichment-oriented. The center should be utilized as an income- and employment-generation mechanism.

3. The skills training courses should be much shorter in duration and more practical and specific in substance.

4. The cooperative should continue charging for the courses so that people take these courses more seriously. Less emphasis should be placed in a diploma and more emphasis in acquiring a respectable market-able skill.

5. The courses should be designed to meet the employment and skills needs of local manufacturers and product needs of the Tarqui Market. Perhaps even a job placement service should be created.

6. The cooperative should seek agreements with local manufacturers to provide technical training for groups of members of the cooperative so that they can eventually be trainers/teachers in the vocational center.

7. In order to assist the participants in the different courses, the vocational center should maintain a small supply store with all of the necessary raw materials.

8. Also some sort of credit or scholarship mechanism could be established to allow the most needy members of the cooperative to participate.

9. As a complementary activity to the income- and employment-generation emphasis, training should also be provided in basic business principles so that people wanting to start a small business could also acquire some basic business know-how.

10. As an additional service, the vocational center could act as a talent bank for the business community of Southern Quito. This could be accomplished by establishing agreements with the business community so that the talents of the community could be employed.

D. Child Care

1. When the child care center is eventually completed it is very important that the community have an active participation in the day-to-day activities. With this in mind, it has always been the idea of the project that SEGESVOL and the Cooperative jointly operate the child care center. Because the women of the child care committee have received a continuous exposure, both in a theoretical and practice sense, to child care needs, these women should be given the first opportunity for the jobs in the child care center.

E. SEGESVOL

1. SEGESVOL should continue assisting the community but specifically in the child care center. Since the Instituto Nacional del Niño y la Familia has stated that SEGESVOL should be responsible for the Tarqui Child Care Center, the relationship between SEGESVOL and the community should be long-term.

2. As a matter of policy and based on the assumption that SEGESVOL and the community will jointly participate, the child care center should be operated as an integral part of the Tarqui Cooperative. In other words, priority of the child care service should be given to the children of the working mothers and participants of the vocational center who are members of the cooperative.

3. Also, if the philosophy is kept in mind that the child care center will be taken much more seriously if the parents of the children attending have to make some sort of economic contribution, it is much more probable that the center will provide a much better service.

4. The parents should be actively involved in the early childhood development process. The child care center should be thought of as a learning environment and not just a depository for children.

5. The cooperative with SEGESVOL's assistance should seek continued technical assistance to prepare and implement an educational program that is most appropriate for the children of Tarqui.

6. If more than the designated number of children request child care services, the child care center should be modified to establish a home-based child care program, whereby the center is used for specific group recreational, educational, and medical activities. Identified homes in which the children are placed during the other times of the day could be utilized for feeding, resting, and small-group purposes.

7. The child care center should be permitted to receive the children of the community on a temporary basis for specific reasons such as emergency, illness in a family, etc.

8. With the assistance of SEGESVOL, the child care center should seek assistance in acquiring economic resources. Even though the Instituto Nacional del Niño y la Familia will provide a certain amount of funds to equip the child care center, normally, this level is not sufficient to provide all that is necessary.

The recommendations expressed have been discussed with the leaders

of the Tarqui Cooperative and SEGESVOL. The general consensus is that everyone wishes to continue with what the Tarqui Project began. However, certain limitations may prevent further development, but in any case both the Cooperative and SEGESVOL have committed themselves to finding the way to continue and expand what has been started.

#### V. IMPLICATIONS FOR FUTURE PROJECTS

With the end of the Tarqui Project it is important to identify some implications that could be useful for future projects in Ecuador and other countries.

##### A. Securing Government Approvals

Project designers should not underestimate the time that can be lost by bureaucratic delays. Many of the delays of the Tarqui Project, in the market, the child care center, and the vocational center, arose because of the length of time needed to fulfill the requirements of the local and national governments. More than a year was spent waiting for the completion of the land transfer, which delayed work on market construction. As the project was ending a similar situation arose with respect to the vocational center. The project designers did not anticipate the problems that would be caused by these delays. It may be necessary in future projects to include a longer and more realistic period of time for this task at the beginning of projects where government approval is needed. An assessment of the time other organizations have spent in this process as well as an understanding of cultural variations would be ways to improve the implementation plan.

B. Local Contribution

Operational Program Grants require organizations to contribute 20% of the total costs of the project. These contributions take many forms, including the estimated value of volunteer labor, donated equipment, office equipment, office space, etc.

In the Tarqui Project, the community and SEGESVOL originally were to contribute a total of U.S. \$81,074 in volunteer time. Included in this total was U.S. \$9,600 representing 3,840 person-hours for construction of the market.

The time for market construction was not contributed for a variety of reasons, though other contributions have been made which compensated for it. For instance, the community's efforts to cut costs of construction by acquiring the donation of the land leveling and grading was estimated at a value of U.S. \$10,000. Also, local banks and companies donated office equipment, materials, and machinery for specific purposes, once the project was underway.

It may be that in calculating the in-kind local contributions some flexibility should be given to enable planners/director to change the nature of the contribution during the life of the project. As it becomes apparent that one type of contribution is unrealistic, such as the expectation of volunteer labor for construction, another can be substituted. This appears reasonable, as many local groups will contribute to proven, on-going projects.

C. Training in Human Development

Human development training has been a particularly positive feature of the project. Integrating this training into other training (cooperatives, child care) appears to be more successful than offering isolated courses.

Use of local consultants particularly in human development training has been successful in Ecuador and should be considered for future projects. They are competent, inexpensive, and still available after the project is officially on its own.

D. Unintended Consequences

Unintended consequences from a project are inevitable. In Tarqui, for example, two small groups of people have been negatively affected by the market. Market construction forced about a dozen local women to move their prepared food stalls and lose some business. A second group were the women who came to the community every Friday to sell vegetables in the open-air market. These women eventually lost their clients as the market began to undersell them. They finally had to move to another community.

The project has dealt creatively with the first group by building them the stalls next to the market as a complementary activity. The second group is now serving another community and is no longer affected by the Tarqui market.

It is important to remain alert to a project's potential negative as well as positive effects and not be too narrow in the focus of the project, and incorporate the potential effects as an integral part of future projects.

E. Type of Collaborating Organizations

The nature of the organizations involved in providing development assistance to low-income groups is extremely important. Voluntary organizations such as SEGESVOL may be unable to fully carry through their original commitments. This is particularly so if the organization has little history as a dedicated and committed corps of volunteers. It may be more profitable in the long run to pay for services than to rely on volunteers who are not committed.

Further, the type of organization created within a community is extremely important. Originally, the Housing Bank created three housing cooperatives for the Tarqui community. Over the years they have grown into independent groups and are in fact part of the reason for a split within the community. As a result, it becomes more difficult to create a new organization based on cooperation of the entire community.

The need to consider the implications of the Tarqui Project is very important if future projects are going to be developed in Ecuador. Even though many of the implications could apply elsewhere, the implications mentioned apply directly to Ecuador. Hopefully these considerations will be taken into account in the future.

APPENDIX

A. PROJECT BACKGROUND AND CHRONOLOGY

The Tarqui Project was a complex project, with the various activities occurring simultaneously. It is important that the reader understand both the background and the chronology of the project so that its accomplishments are appreciated in a proper perspective.

In May of 1978, OEF's project developer for Latin America traveled to Ecuador and visited SEGESVOL (Secretariado General de Servicio Voluntario) to investigate the possibility of jointly developing a project in Quito. In conjunction with the President and Coordinator of SEGESVOL, she began analyzing what kind of project could be developed. Since 1970, OEF had been providing technical assistance to SEGESVOL, but now it was time for SEGESVOL to embark on a project directly benefiting low-income communities.

Based on a conversation with the Director of Social Research of the Ecuadorian Housing Bank, the Tarqui Community was recommended as an ideal site to develop a project. First of all, the Tarqui Community had been created by the Housing Bank as one of the first low-income housing projects in Ecuador. Secondly, it is a community situated in the outer limits of the metropolitan area of Quito, where very few social services and sources of employment existed.

In a general meeting attended by 500 members of the community, the possibility of conducting a project was presented. Since the support of a community was vital, it was the community that provided the basic components based on their most important needs. Because

of being so separated from most services, the community indicated that its most important need was that of a market place, but one that could provide a variety of food products and other basic goods at low cost and acceptable quality. Secondly, they indicated a need to provide some sort of skills training and income generation for the women and young people of the community. Thirdly, since the population of the Tarqui Community is relatively young, many of the women have small children. Because many of the families come from the provinces of Ecuador, they had nobody who could take care of the children, and therefore the idea of a day care center interested them.

With the three components in mind, OEF developed the Tarqui Project, which became operational in April of 1979.

With the initiation of the Project, probably the most important aspect was the necessity of acquiring the direct participation of the community and SEGESVOL in the day-to-day development of the project.

In coordination with SEGESVOL and its volunteers, introductory meetings were conducted first with the community leaders and secondly with the general population of the community. Also meetings were conducted in the 11 different blocks of the community to answer specific questions about the project. To reinforce these meetings a project description was prepared and distributed to the 1,000 families of the community.

It was necessary to also inform the local authorities such as the Municipality, Ministry of Social Welfare, and affiliated organizations of SEGESVOL of the Tarqui Project. Their initial support provided

the necessary motivation that got the project rolling.

To get a clearer consensus of the community's needs, a survey was conducted. Since it is many times very difficult to acquire the correct information and because of OEF's emphasis on participation, it was decided to involve the community in the survey. In August 1979, with the assistance of a private consultant and the Instituto Nacional de Estadística y Censos, 70 volunteers from the community participated in a 10-day, 16-hour training session to learn how to conduct and how to design the survey to conform to the reality of the community and the general objectives of the project. The survey was conducted with a 45% sample of the community's families; and according to the leaders, the data appeared very valid.

With a much clearer understanding of the community, it was now time to create the mechanism that would satisfy some of the community's needs. With this in mind, it was decided jointly that a Cooperative be formed. Since the objectives of the project were based directly on the community's needs, not just any cooperative could be formed. After consulting the Dirección Nacional de Cooperativas, it was decided that a community development (multiservice) cooperative be formed.

Since two of the major components of the Tarqui Project, the market place and day care center, required buildings, it was imperative to acquire municipal land for this purpose. Therefore, in order to save time, community leaders (Coordinating Committee) and program staff jointly requested the donation of two lots, one for the market place

and one for the day care center, from the Municipality of Quito.

During this same time period, the Instituto Cooperativo Ecuatoriano (ICE) programmed a year-long intensive training program in cooperativism and human development, with an initial emphasis on how to form a cooperative. With ICE's assistance the cooperative was legally formed with 85 founding members in March 1980 under the name "Cooperativa de Desarrollo Comunal Tarqui." The cooperative now replaced the coordinating committee as the community mechanism for developing the market place, the day care center, and the skills training.

In the first general meeting conducted by the Cooperative, 24 leaders were selected, of which seven were women. Their first activity was to name a manager to start implementing, jointly with the staff of the Tarqui Project, all of the necessary activities to officially and legally create the market, the vocational center, and the child care center.

Because of delays in the donations of the land for the market and child care center, it was jointly decided to initiate the skills training. However, before the skills training began, some sort of relationship between the women of SEGESVOL and the community had to be established. This relationship was considered necessary because of SEGESVOL's initial interest in working directly with the community. Considering "el media," it was decided that SEGESVOL sponsor a reception for the women of the community. This reception joined 45 women from the community and 15 volunteers from SEGESVOL. This activity lead to the first skills training workshops conducted as part of the Tarqui Project. In these first

workshops, conducted by volunteers of SEGESVOL in November and December of 1979, 48 women from the community participated in the production of Christmas decorations. These workshops resulted in an exhibit that visibly showed the first positive effects of the Tarqui Project.

As the delays for the donation of land continued, a much more formal skills training program was organized. However, this time it was structured as a Vocational Center to insure future continuity. Since the Cooperative had now hired some employees it was able to formalize the new Vocational Center that opened in May 1980 with 57 participants in two dressmaking classes taught by a teacher whose time was donated by the Ministry of Education.

In June, the donation of the land for the market and child care center was finally approved. Now the cooperative began preparing the building plans and selecting a contractor. Finally, construction was begun in August 1980.

Since the Cooperative was growing in membership and the cooperativism and human development training was providing some very positive results, it was decided that a leadership seminar be conducted. This seminar was conducted over a weekend. Thirty four members of the cooperative participated, including 15 women.

As a result of this seminar, the leaders of the cooperative held a second annual meeting to determine a capitalization program whereby the membership would voluntarily start accumulating funds for the cooperative. This proposal was overwhelmingly approved.

Now that the land for the market and child care center had been donated, the cooperative formed a construction committee of three members

and a child care committee of four members to oversee these activities. The construction committee was responsible for negotiating the building contract and supervising the construction. The child care committee was responsible for assessing the child care needs of the community and becoming trained in this area.

The child care committee and four SEGESVOL volunteers participated in a 12-week, 40-hour child care recreational therapy workshop sponsored by UNICEF and the Ministry of Social Welfare. This workshop led to weekly training meetings of this committee, which continue to this day.

In an effort to initiate some sort of practical experience, the child care committee, with SEGESVOL, sponsored weekly health education seminars for the mothers of the community, with the Ministry of Health donating the services of one health educator and one social worker. Also CARITAS provided powdered milk as part of a nation-wide nutrition program.

As the new Vocational Center of the Cooperative expanded with additional classes, it was evident that two major problems had to be resolved. The first had to do with the small children whom the participants brought to the class because they had no one who could care for them at home. Therefore, with the voluntary participation of the child care committee, a temporary program was prepared for those children. In this way the women were able to better profit from the skills training classes. The second problem had to do with lack of space. With the expansion of additional skills training classes owing to increased community interest, the community center originally projected for this purpose was too small. And since the project had not contemplated

funds to build a Center, SEGESVOL and the Cooperative started making local contacts. Fortunately, a Presidential Commission, the Unidad Ejectora de Obras Emergentes for Quito, had just been formed; and although it had originally rejected a construction proposal, the potential service that such a center could provide was finally seen. This commission finally agreed to finance the construction of a 12-classroom vocational center.

During this time, the cooperative selected the building contractor for the market. Because of rising costs, the original project budget was insufficient to cover the building cost, so it was necessary to seek local assistance. The Consejo Provincial de Pichincha agreed to do the land grading; and the building contractor, because of his goodwill, agreed to build the market almost at cost; and the community offered its voluntary assistance. Construction began in August of 1980.

Because of the internal restructuring of the Instituto Nacional del Nino y la Familia, the Ecuadorian government agency responsible for the construction of the child care center, the child care committee of the cooperative continued meeting and analyzing the child care situation of the community and providing a nominal child care service for the children of the participants of the Vocational Center. Guidance from one of the foremost preschool education foundations was arranged by OEF headquarters. Mr. David Fisk of the High/Scope Educational Research Foundation conducted a three-day, 24-hour seminar/workshop for nine members of the child care committee and four volunteers of SEGESVOL. This seminar helped the child care committee clarify the

type of child care most suitable for the Tarqui Community. As a result of this seminar, a meeting was conducted with the First Lady of Ecuador and the President of the Instituto Nacional del Nino y la Familia. This meeting finally led to the allotment of funds for the construction of the child care center.

In an attempt to acquire experience in the marketing of food products, during the construction of the market, the cooperative formed a marketing committee responsible for conducting a weekly outdoor market. The cooperative went to different producers around Quito purchasing mostly fruits and vegetables for sale in the community in eight outdoor markets. This experience provided a wealth of knowledge about the actual marketing system that currently exists in Quito.

As the construction of the market was nearing its completion, it was necessary to start selecting personnel. The selection process was based on the criteria of: membership in the cooperative, participation in the activities initiated by the Tarqui Project, knowledge of the specific job skills, attendance in cooperative training, and up-to-date payment of cooperative fees. The nine persons selected as employees, jointly with the leaders of the cooperative participated in the selection of equipment and merchandise for the market. Also, with the technical assistance of a manager of a local supermarket chain, the cooperative learned the proper methods of supermarket merchandising and administration. Finally in April of 1981, almost two years after the project started, the market became operational.

From the very beginning the market was a success. Sales were

above expectations and it quickly became necessary for the cooperative to increase the number of its personnel. Although a majority of the people from the community supported the market there were some who resented the type of market created. Since there exists an enormous scarcity of employment opportunities in the community, some people expected a traditional market with stalls. But since the project's major objective was to provide a self-help service reaching the greatest number of people possible, most would not increase their earnings directly, though they would certainly save because of the cheaper costs of food products and other basic goods that the market provided.

This misconception and subsequent rumors lead to a conflict regarding the land donated to the cooperative. The cooperative utilized only half of the land for the market and wanted to use the other half for the construction of the vocational center, which the Unidad Ejecutora de Obras Emergentes for Quito had offered. However, the people who lived in front of the projected site opposed the construction because they wanted it as a park. This situation somewhat polarized the community. In an attempt to reach a peaceful solution and reunify the community, the Municipality offered another site in exchange for the current one. The cooperative accepted this offer; but until this day, that offer has not become a reality because of bureaucratic red-tape, even though it appears it will become so, but only after the project has ended.

During this time period the Vocational Center continued to operate normally with anywhere from three to five skills training courses in dressmaking, handicrafts, and knitting going on at all times. During

this process three production workshops (production units of three to five women) were formed from the skills training to create income generation for its participants. This led to an exhibit and sale that proved very profitable for the women in the workshops. Because of these positive experiences the participants indicated their desire to form a much more structured group to generate income. Therefore, the Project hired a private consulting firm, Coproyectos, to conduct a marketing survey to identify the most feasible areas to enter into a small business. The survey identified the following manufacturing areas that would be most applicable to people in the community: jackets, pants, and uniforms; chocolates and candies; doors and windows; fruit ice cream bars; toys and educational materials made of balsa wood; baking; toy playhouses; knitted bedspreads; and dolls' clothing. Of these ten areas the cooperative selected three for a subsequent in-depth feasibility study.

Now that the project was reaching its mid-point, an evaluation was conducted to assess the accomplishment and to restructure the project implementation plan in order to meet the project's objectives. Of the recommendations provided, most have been implemented, helping to create the positive environment that exists in the cooperative and its services. The evaluation methodology is part of a new evaluation system established by OEF in which the participation of the beneficiaries of the project is emphasized. In the case of the Tarqui Project, members of SEGESVOL, the Tarqui Cooperative and the project's staff were actively involved in the evaluation. The purpose of this specific

evaluation was to 1) design jointly a workshop in which the participants would assess the project results to date, 2) collect and analyze data, and 3) provide recommendations for future implementation. Because of this participatory approach, the recommendations jointly agreed upon were readily accepted and implemented during the second half of the project.

Because of the unfortunate deaths of the President and First Lady of Ecuador, the situation of the child care center was held in suspense until the Instituto Nacional del Niño y la Familia could be reconstituted. In any case the child care committee continued its

work. The center continued providing excellent service to the community, and small businesses were being contemplated, as the child care center and an occupational center appeared a likely reality, membership in the cooperative naturally began to increase; and of course, it became necessary to restructure the training emphasis. With a team of consultants, such as ASDELA (Asesoría para el Desarrollo en Latino America), that had been helping the project, it was decided to modify the training strategies to include all of the various groups within the cooperative. With this in mind, a training design was prepared to include human development, organizational development, and cooperative training as an integral part of all the different groups that had been formed such as the general membership, leaders, employees, committees, skills training participants, and production groups as well as other groups in the community. The training in these areas was based on the specific

needs of each group. Although it was anticipated that members of the community would be trained as trainers in the areas of cooperativism and human development, this was not possible due to limitations of time for most of the potential trainers.

As sales increased in the market, the complexity of managing this type of enterprise grew, and it became necessary to improve the managerial skills of the manager and assistant manager of the cooperative. The Catholic University was offering a one-month, 40-hour extension course in management and marketing, so these two key employees participated. The skills that they acquired in that course have been demonstrated in the improved day-to-day management of the market.

With the restructuring of the Instituto Nacional del Niño y la Familia, the order to start construction of the child care center was finally given in October 1981. This created enthusiasm among the members of the child care committee, and they undertook practical experience as volunteers in three different child care centers in the Quito area. With this experience they are formulating the structure of Tarqui's future child care center.

After the in-depth feasibility study of three potential cooperative-run small businesses was completed, the cooperative immediately initiated one of the recommendations, leaving the other two to be implemented when the new Vocational Center is built. The one that the cooperative decided to initiate was the making of toy playhouses of cardboard for small children. In this activity, the cooperative employed 18 people, 14 women and four men. Initial indications showed very good prospects; but because of late entry into the Christmas market, the overall result was not positive.

However, this experience proved invaluable as a lesson for future attempts to initiate a similar type of activity.

As a pleasant surprise, the six participants in a knitting class conducted by the vocational center, on their own initiative, got an order of 700 sweaters from the local school in the community. The cooperative sponsored the production of these sweaters, which turned out very successfully and has now led to an on-going activity of this group, including production of a wider variety of knitted apparel.

A footnote regarding these income-generating group activities is that a majority of the 323 participants of the vocational center are producing independently. Many are working directly in their homes and already have a list of clients. The reason why most of these women are working independently is because of a lack of formalized structure (i.e., credit, marketing, and technical assistance) which the cooperative had hoped to institute; however, because of numerous factors (time and staff limitations, unwillingness to assume too many commitments, etc.), the cooperative did not begin this role. Another factor was the cultural trait of most of the women preferring to work independently.

Because of a continued need to keep members of the community informed of these activities and all the other activities in the community, the cooperative decided to publish a community newspaper. Also, because of misconceptions about the objectives of both the project and cooperative, there still exists a certain polarization in the community. To best unify the community, the cooperative wants to show through this newspaper that the cooperative is the community's

vehicle for improving many services that are currently lacking.

As the project was coming to an end, it was naturally necessary to provide some sort of guarantees for the continuity of the cooperative. Therefore various manuals are being prepared, such as a training manual for a future education committee, an accounting manual, a manual on cooperativism, and a manual on operating a market. These manuals will be completed during the three-month reinforcement of the Tarqui Project in conjunction with some technical assistance to a much larger housing and urban community development project.

Since both the child care center and vocational center will not become realities until after the Tarqui Project ends, OEF is leaving both these activities completely organized with respect to their future operation. The people will have been trained and prepared to operate these two activities.

B. List of Collaborating Organizations

Below is a list of organizations that have collaborated in one way or another to make the Tarqui Project a success.

1. Ministerio de Educacion
2. Ministerio de Bienestar Social y Promocion Popular
3. Instituto Cooperativo Ecuatorio
4. Direccion Nacional de Cooperativas
5. Banco de Cooperativas
6. Junta Nacional de la Vivienda
7. Asesoria para el Desarrollo en Latino America (ASDELA)
8. Servicio Informativo de Organizaciones Privadas (SIOP)

9. Asociacion de Guias Scouts
10. Ministerio de Salud Publica
11. CARITAS
12. Centro Integral del Nino "Tierra Nueva"
13. Casa Maternal "Carolina Teran"
14. Guarderia "Jesus Nino"
15. Citibank del Ecuador
16. Partners of the Americas of Ecuador
17. Consejo Provincial de Pichincha
18. Municipio de Quito
19. Unidad Ejecutora de Obras Emergentes para Quito
20. Empresa Nacional de Productos Vitales (ENPROVIT)
21. Federacion de Cooperativas de Ahorro y Credito (FECOAC)
22. Fundacion Ecuatoriana de Desarrollo (FED)
23. Instituto Nacional de Estadisticas y Censos (INEC)
24. Instituto Nacional del Nino y la Familia
25. Oficina de la Mujer
26. EXISA International
27. UNICEF
28. High Scope Educational Research Foundation
29. Comite de Damas de Arquitectos
30. Coproyectos
31. Camara de Pequeñas Industrias y Artesanías