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WOMEN'S PARTICIPATION IN ADEMI: THE ASSOCIATION FOR THE DEVELOPMENT OF MICROENTERPRISES, INC.

A microenterprise credit program reaching the smallest businesses
of the poor in Santo Domingo, The Dominican Republic

Rebecca Reichmann
ACCION International/AITEC
March 1984

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Special thanks are due to all of the ADEMI field and office staff for their invaluable assistance in data collection, processing of statistical information and coding of interview data.

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FOREWORD

In late 1982 a group of Dominican public and private sector leaders requested assistance from ACCION International/AITEC to create a credit program for the smallest businesses of the poor in Santo Domingo.

In developing the organizational and operational design of the program, two overriding objectives were agreed upon: (1) to reach a large number of businesses throughout the city and (2) to become financially self-sufficient, using direct revenue from services to cover all costs.

ADEMI (Asociacion para el Desarrollo de Microempresas, Inc.) was formally established in April 1983 as a private non-profit entity to carry out these objectives. AITEC has worked closely with ADEMI at every stage, providing technical assistance and training. Because of its experimental nature, ADEMI also requested that AITEC help to monitor and evaluate various program components. One area of mutual interest is the level of participation of women in the ADEMI program. Research in many countries has demonstrated that as one moves down the economic scale, the frequency of businesses owned and run by women often increases. In the informal sector, women play a significant economic role yet face even more constraints than their male counterparts.

In this early stage of ADEMI's development it is important to determine the degree to which the credit needs of women are being met and to make recommendations for insuring their full access to ADEMI's services.

It is our hope that this study by Rebecca Reichmann contributes to ADEMI's knowledge of the current level of women's participation in its program and provides useful guidelines for future operations.

William W. Burrus
Executive Director
ACCION International/AITEC

EXECUTIVE SUMMARY

This report summarizes the initial progress of ADEMI, an innovative credit program reaching large numbers of microenterprises in the Dominican Republic. The report's special focus is ADEMI's effectiveness in reaching women. ADEMI has overcome a number of major constraints to credit access faced by women, such as eligibility and collateral requirements, transaction time and costs, loan sizes and terms appropriate for marginal businesses. The numbers of women participating in ADEMI are impressive--approximately the same as the proportion of women who are economically active in the urban Dominican population. Yet women clients are found to be reached less effectively than men by staff promotion and supervision, their businesses do less well, their employees earn less, and they report greater needs for technical assistance than do men. Female clients are overrepresented by female staff in one program component and underrepresented in the other. ADEMI's strengths in reaching large numbers of businesses efficiently may have led to weaknesses in providing supervision and technical assistance to clients--services which women may need more than men.

Women's significant labor force participation in the Dominican Republic is examined in the first part of this report. Next, the scarcity of marginal urban women's credit options is discussed along with the special constraints faced by women who wish to obtain formal credit. Third, the report describes ADEMI's program design--a unique approach through which large numbers of businesses are assisted with working capital through two program components--the solidarity group credit mechanism (reaching groups of five to eight microbusiness owners) and the individual microenterprise component which reaches slightly larger businesses. A strong emphasis on client/staff communication replaces collateral requirements while minimizing transaction procedures secures the loans'

rapid and efficient disbursement. ADEMI'S provision of technical assistance is reviewed here in light of clients' expressed views about their requirements for managerial advice. Women's participation and performance in ADEMI are important, with women making up one-third of all ADEMI clients, a proportion nearly reflecting the number of economically active women in the urban population.¹ ADEMI's strengths and weaknesses in meeting women's credit needs are examined. Strengths are found to be:

- eligibility requirements that include informal sector women;
- elimination of collateral requirements;
- minimization of transaction time and costs;
- loan sizes and interest rates appropriate for marginal businesses;
- opportunity for skill development.

ADEMI's weaknesses in meeting women's credit needs are:

- limited management supervision and business assistance;
- repayment periods too short;
- promotion of program reaches more men than women;
- shortage of female field staff for solidarity group component;
- no program incentives to strengthen or mobilize solidarity groups.

A series of recommendations for strengthening women's participation in ADEMI is presented, along with general recommendations for improving the program. The general recommendations also suggest areas for ADEMI'S future incorporation of participatory program components, although these do not reflect the program's current objectives:

- Increase number of loans for productive activities and limit loans for commercial activities;
- Increase savings incentives and strengthen options for

¹Duarte (1983) states that the number of economically active females in the population of Santo Domingo is 39.3% (Cuadro no. 4, Appendix). Duarte draws from the Encuesta de Mano de Obra en Santo Domingo, ONAPLAN, February 1983.

- mobilizing group savings, like bulk purchasing;
- Eliminate areas of "flexibility" in loan size and terms;
 - Encourage staff to discriminate more critically in recommending that clients scale up their borrowing;
 - Train selected client leaders in reviewing loan applications and teaching management advice; install a "review board" of ADEMI clients to assess late repayment problems
 - Decentralize ADEMI within the greater metropolitan area before expanding into other parts of the country;
 - Extend staff training in coordination with other local agencies;
 - Offer business management courses for all clients;
 - Monitor characteristics of businesses that use credit most successfully;
 - Experiment with disbursing loans to microentrepreneurs in segments for (1) materials, (2) machinery and equipment, (3) working capital;
 - Explore credit options for housing for successful ADEMI clients.

Recommendations targeted toward strengthening women's participation include:

- Investigate markets for new productive activities and provide incentives for women to move into these areas;
- Contract a staffperson to promote the program among women's and other community organizations and to coordinate ADEMI's services with vocational, management training, and other credit programs in the city;
- Investigate aspects of program methodology developed by other institutions working with women.

This report is a preliminary look at the level and quality of women's participation in ADEMI, the Association for the Development of Microenterprises, Inc. ADEMI is an innovative credit program created in 1983 by private sector donors in the Dominican

Republic with technical assistance from ACCION International/AITEC. The program was created to complement and build on the Dominican Development Foundation's (DDF) credit program for marginal self-employed workers in Santo Domingo. The DDF works with micro-businesses to increase incomes and generate employment--goals that ADEMI shares. Using two program components--a group credit mechanism called the "solidarity group" and an individual credit plan for larger businesses²--ADEMI's goals are to help "microentrepreneurs" capitalize their businesses by loaning them small but increasing amounts of money at two to six week intervals³ at interest rates above commercial rates but 15%-60% lower than the local money lenders'. The expansion of these individual microbusinesses should generate employment and increased income levels among the poorest residents of Santo Domingo. Required savings are another important result of clients' increased incomes. ADEMI's real innovation is its simple and rapid mechanism for greatly expanding the number of businesses assisted with short-term working capital loans in the poorest sector of the Dominican economy. Its commitment to scaling up is evident in the large numbers of loans disbursed. In its first nine months of operation,⁴ ADEMI administered 3,379 loans to 1,723 clients with a cumulative repayment rate of 99%.⁵ Loan sizes averaged RD\$3,956⁶ for micro-

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Solidarity groups are composed of five to eight people--male and female--who are hawkers, vendors, and small cottage manufacturers. Group members know each other well but they need not be involved in the same kinds of business activities. Micro-enterprise businesses qualifying for individual loans are slightly larger, have at least one employee, and usually involve production, although some services and commercial activities are funded.

³The maximum period is four months for a RD\$3,000-4,000 loan.

⁴ADEMI was legally incorporated on February 11, 1983, and the first loans were disbursed in mid-April of 1983.

⁵This is the overall repayment rate for the program's first nine months, in which there were recuperation problems with just 1% of the loans. The average repayment rate for first loans in the month before 10 February, 1984 was 88%.

⁶The unofficial exchange rate has been more or less stable at US\$1.00 = RD\$1.50, but in recent months, the exchange rate has fluctuated around US\$1.00 = RD\$3.00.

enterprises and RD\$309 per solidarity group (or approximately RD\$62 per client).

Through an agreement between ADEMI and the Banco Popular, a private local bank, the bank maintains ADEMI's revolving loan fund, disburses loans to ADEMI clients, receives their loan payments, and manages the clients' savings accounts. The bank's convenient location near ADEMI's office and its thirteen other bank branches throughout the city have been a great aid to ADEMI's efficiency in disbursing and recuperating loans.

I. RESEARCH METHODOLOGY

At this early stage of the program's development, ADEMI planners wanted to investigate and secure the full participation of women in the program's benefits, since women constitute an important sector of the informal Dominican economy. They also wanted to explore solutions to the constraints associated with marginal women's access to credit, and see whether ADEMI could incorporate more of these solutions into its program design. The field study was carried out between January 21 and February 13, 1984 to assess women's participation in ADEMI with the hope of strengthening women's economic participation in the Dominican informal sector and encouraging them to move into the formal sector of the Dominican economy.

To understand ADEMI's services for women in the context of other available services, seven interviews were conducted with local representatives of institutions that work with women beneficiaries: *Mujeres Aplicadas a Industrias*, *El Banco Mundial de la Mujer*, *Promocion de la Mujer*, *Catholic Relief Services*, *Fondo de Inversiones para el Desarrollo Economico (FIDE)*, *Profamilia*, *Cooperacion de Fomento Industrial*, and *Promocion APEC de la*

Mujer (PROAPEC). These interviews revealed the urgent need for women's access to credit and business management assistance at the informal sector level. The interviews also served as an opportunity to review promotion strategies for reaching poor urban women, for discussing characteristics of project design and administration that are most effective in meeting women's needs, and for examining social and cultural factors affecting women's economic participation.

In addition to interviews with local experts, individual interviews were carried out with 59 ADEMI program participants from both the microenterprise and solidarity group components: 44 women and 15 men. Three solidarity groups were also interviewed in an informal group setting. Men as well as women were included in the sample to determine whether men reported their credit needs and/or their level of satisfaction with the program as different than women's. The sample of women participants represents a random sample; results of the data analysis fall within a 95% ($\pm 15\%$) confidence level. The male sample is too small to draw statistically valid conclusions, yet the men's responses help us to identify the important trends in males' experiences with the program.

Thirteen of the female solidarity group clients interviewed were "coordinators" or leaders of their solidarity groups, representing 41% of the total female solidarity group member sample. Among ADEMI clients, female coordinators head up 28% of all the solidarity groups, which include 138 mixed (male/female) groups. The sample of clients interviewed closely corresponded to the total female client population in average age, income level, years of business experience, type of business, and educational level.⁷ Some of the women had stopped participating in the program and explained why.

Clients were interviewed in their homes or place of business

⁷See Appendix A for comparison of sample population's characteristics with program clients.

either by myself or a female Dominican sociologist. We were introduced to the clients by ADEMI staff as persons who wanted to talk to them about the program. When we were alone with the client, we explained that people in other Latin American countries were interested in starting programs like ADEMI, and we were here to find out what women thought was good and bad about ADEMI, what suggestions women might have for improving ADEMI, and how *las mujeres mas necesitadas* ('women most in need') could be reached most effectively. Virtually all the women (and men) were gracious enough to put aside whatever they were doing to answer our questions.

The questionnaire⁸ focused on promotion and outreach to women, women's borrowing patterns and preferences, and staffing and program design components that might or might not hinder women's fuller participation. To explore clients' needs for technical assistance in managing their businesses, an experimental question in the form of a short story was used to assess clients' familiarity with concepts of efficiency. Finally, a list of suggestions for "improving" ADEMI was read, after which the client was asked to recall specific suggestions that she/he thought would improve the program.

II. WOMEN'S PRODUCTIVE ACTIVITIES IN THE DOMINICAN REPUBLIC

The level of women's productive economic activity in the city of Santo Domingo is not accurately reflected in the statistics

⁸See Appendix B for copy of questionnaire.

about women's labor force participation.⁹ This is due to their predominant involvement in "informal sector" economic activities: vending (of charcoal, firewood, foods, flowers, cigarettes, etc.) from the house or in the street, clothing production, food production, cottage crafts like ceramics, or services like hair dressing.

A. Urban Migration

Women's informal sector activities have multiplied in recent years because of the large numbers of urban migrants in Santo Domingo. Today, one-quarter of the total population of the Dominican Republic resides in Santo Domingo.¹⁰ The annual urban growth rate in Santo Domingo is illustrated in the following chart:¹¹

ECONOMICALLY ACTIVE POPULATION BETWEEN 1970-1980 AND PROJECTED FOR 1980-1990 IN URBAN SANTO DOMINGO, D.R.

	1970	Active Population (in thousands)			Relative Increase (percentage)		Annual Growth Rate	
		1980	1985	1990	1970-80	1980-90	1970-80	1980-90
Male	330	614	776	951	86.1	54.9	6.11	4.47
Female	153	320	431	566	109.2	76.9	7.30	5.87
Urban	483	934	1,207	1,517	93.4	62.4	6.50	4.97

Urban migration has resulted in the population of Santo Domingo tripling between 1960 and 1980, while the numbers of economically active women in the city has quintupled during

⁹For example, a boy who sells fried yucca as an ambulatory vendor is included in labor force statistics while his mother who prepares the yucca in her kitchen is classified as an unsalaried ama de casa ('housewife'); see Baez, 1983.

¹⁰Duarte, 1983.

¹¹Ramirez, 1983, p.17.

the same period.¹²

Ramirez¹³ estimates that 56% of the migrants to Santo Domingo are women. Just between 1980 and 1983, the population of economically active women in the city increased by 15.6% (from 34% to 39.3%)¹⁴, and the great majority of these women are single heads-of-households. Women's increased participation in the Dominican labor force reflects this general increase in numbers of economically active residents in Santo Domingo:¹⁵

LEVEL OF WOMEN'S PARTICIPATION IN ECONOMIC ACTIVITIES

1960-1980

<u>Year</u>	<u>Rate (% in relation to total female pop.)</u>
1960	22.1%
1970	34.2%
1980	39.3%

B. Unemployment and Underemployment

Rising rates of urban unemployment and underemployment are related to this rapid urban migration in the Dominican Republic and women are affected more than men. Duarte states that "open" unemployment in Santo Domingo is 19% for economically active men and 25% for women.¹⁶ Women's underemployment is higher than males' as well, particularly because more women than men are looking for employment for the first time.¹⁷ The number of salaried women workers in the city has increased over the last twenty years by 50%, but as mentioned previously, the numbers of economically active women multiplied five times in the same time period.¹⁸ Therefore, more women than ever before are out

¹²Baez, 1983, p.3.

¹³Ramirez, 1983, p.150

¹⁴Duarte, 1983, p.37.

¹⁵Baez, 1983, p.6.

¹⁶Duarte, op. cit., p.35.

¹⁷Duarte, op. cit., p.37.

¹⁸Baez, op. cit.

of work.

C. Women's Jobs

Ramirez indicates that women's economic participation in the city increased by 63%, more than did men's (45.9%) between 1970 and 1980.¹⁶ Also, women are employed in more "precarious" jobs than men.¹⁷ In 1983, 45% of the total labor force was made up of either domestics or "informal" workers who work in companies, businesses or private institutions with less than five employees.¹⁸ The self-employed workers whom ADEMI seeks to assist increased from 14.4% to 17.7% of the total working population in Santo Domingo between 1980 and 1983. Women are well represented among the self-employed, making up 12% of the economically active women.¹⁹ The following chart illustrates the types of jobs women are involved in compared to men:²⁰

¹⁶Ramirez, 1982, p. 14.

¹⁷Baez, op.cit.

¹⁸

Duarte, op.cit. p. 40. Of these, Baez (1983) lists the "occasional worker" as 7-8% of the female economically active population, and Duarte cites that in 1980, 27% of economically active females were employed as domestics.

¹⁹Baez, op.cit. Appendix chart no.20.

²⁰Baez, op.cit. chart no.18.

ECONOMICALLY ACTIVE POPULATION (TOTAL AND FEMININE) OVER
FOURTEEN YEARS OLD ACCORDING TO TYPE OF ACTIVITY
Santo Domingo, Labor Census, 1983

<u>Type of Activity</u>	<u>Total</u>	
	Both Sexes	Women
TOTAL	465,431	166,982
Agriculture, forestry, hunting, fishing	3,437	573
Mining	859	-
Manufacturing and Industry	63,871	18,044
Construction	27,783	1,146
Electricity, gas, water	6,588	1,146
Commerce	35,091	31,792
Transportation, storage, communications	18,331	2,008
Financial institutions	10,311	1,719
Service workers	167,842	84,780
Unspecified activities	71,318	25,778
 <u>Occupational Category</u>		
TOTAL	465,431	166,982
Employer	14,894	2,005
Self-employed worker	81,916	20,622
Salaried worker	330,814	126,024
Unpaid family member/worker	10,311	4,869
Occasional worker	27,496	13,462

Women's salaries are universally lower than men's in Santo

Domingo, even when the level of education is the same.²¹ In 1983, 58% of the working women in the city earned less than the "minimum" salary established by PREALC of RD\$125 (or US\$42 at present exchange rates of US\$1 = RD\$3.²² Twenty-six percent of the men were below this "poverty line,"²³ and 31% of the microenterprise women earned less than RD\$50 (or US\$17 at present exchange rates).²⁴ Duarte estimates that with recent increases in the cost of living, the "real" poverty line has risen and that a closer figure for women living below the poverty level in 1983 is 81%.

D. Unemployment Projections

Projections for increased unemployment in Santo Domingo paint an even more dismal picture. Ramirez²⁵ has estimated the difference between jobs that will be generated until 1990 and the number of economically active urban residents:

PROJECTIONS OF LABOR SUPPLY BETWEEN 1980-1990 IN SANTO DOMINGO

	1980	1985	1990
Economically active Population (in thousands)	1,862	2,197	2,556
Jobs generated (in thousands)	1,340	1,479	1,640
Difference	522	718	916

In regard to the future employment situation, he notes:.

²¹Baez, 1983, page 17.

²²Duarte, op.cit. In recent months, the Dominican economy has declined rapidly. The standard exchange rate, US\$1 = RD\$1.50 began to fluctuate in late 1983; in November the rate was US\$1 = RD\$2.00. In late January 1984 it had climbed to US\$1 = RD\$2.30, and by early February, the rate was US\$1 = RD\$3.00. That rate remained more less stable during the time the report was written.

²³ibid.

²⁴Baez, 1983.

²⁵Ramirez, 1983, p.27.

"The services sector will increase substantially above the projection in special activities like ambulatory commerces, personal services, *chiripero* ('odd jobs'), and others of marginal productivity. If the Dominican economy continues to operate as it has in the last few decades, it won't be possible to provide sufficiently productive jobs to more than a small fraction of the new workers added to the labor force every year. As a consequence, the number of unemployed and underemployed people will continue to grow beyond one million, probably close to one and one-half million (around 60% of the economically active population) in 1990."

E. Urban Women's Credit Alternatives

In spite of their major contribution to the Dominican economy, women are virtually excluded from credit opportunities with formal sector institutions. Interviews with local credit institutions and development programs revealed that there are few credit options available to urban women at income levels below the upper-middle class level of RD\$10,000 (or US\$3,333) in the Dominican Republic.²⁶ One woman with a small ceramics manufacturing business noted: "Here in the Dominican Republic, the people who are able to borrow money are those who already

²⁶Programs like the Central Bank's FIDE and Women's World Banking serve as intermediary credit guarantors for women's businesses with a minimum annual net income of RD\$10,000 or above. Their first loans average RD\$2,000 to RD\$3,000 and require that businesses demonstrate the capacity to expand production. These programs are organized like ADEMI in the sense that they investigate the client's creditworthiness and provide some technical assistance to business owners, while the actual loan transactions are carried out at the bank of the client's choice.

ADEMI works strictly with Banco Popular and loans from its own funds rather than guaranteeing bank monies, but a mutually profitable reciprocal relationship with the bank has been arranged so that all loan payments are made at the bank, along with the required savings deposits; checks for loans approved by and received from ADEMI staff are cashed at one of the Banco Popular's fourteen branches by clients, so that no cash is actually handled by ADEMI staff.

have it."

Several programs combining credit with technical assistance (handicrafts, livestock raising, clothing production or other cottage industry) work with rural women's groups, but these programs reach limited numbers of women and often assume responsibility for obtaining production materials, supervising technical inputs, marketing the finished product--in short, controlling all aspects of business management so that beneficiaries serve primarily as labor inputs and learn very little about managing their own productive activities.²⁷ In urban Santo Domingo, even programs like these hardly exist. The Dominican Development Foundation provides credit and technical assistance to small numbers of microbusiness women but the DDF is unable to meet the needs of the vast numbers of potential beneficiaries in the city.

Partially, their exclusion from access to formal urban credit is due to the fact that informal sector women entrepreneurs' specific credit needs (as well as men's) differ from the credit options available through formal sector lending institutions. These types of businesses require smaller amounts of capital than is customarily lent, and repayment and collateral requirements must be fairly flexible. This is why informal lending flourishes at the marginal level. The most common form of credit utilized by lower income Dominican women is the *prestamista*, the informal money lender who charges 10-20% interest on small short term (one to six week) loans. This credit is generally used for survival purposes (i.e. emergencies, family needs, etc.) rather than to invest in the expansion of one's productive activities. The *prestamista* will lend small amounts on a short-term basis, he is local, accessible, available day or night, flexible about repayment, and his collateral requirements depend primarily on the level of his personal acquaintance with the borrower. Of course, the tradeoff for the microentrepreneur is the *prestam-*

²⁷Kelley, Marcy, 1983.

ista's usurious interest rate.

F. Constraints to informal sector women's use of credit

Recent literature²⁸ about women's use of credit in the informal sector has cited a number of constraints typically associated with womens' access to credit. Some of these constraints are cultural or social, others are institutional, and others are related to the types of business activities women are involved in at the informal level. The socio-cultural constraints to womens' access to credit are:²⁹

- lack of awareness and experience with formal credit institutions;
- intimidation due to social norms or family pressures that discourage women from economic activities outside the home;
- illiteracy;
- the types of work engaged in by women not recognized as productive enough to be credit-worthy;
- husband or father's consent required for credit approval in some cases.

Institutional constraints to women's access to credit are cited as:

- smaller businesses not deemed credit-worthy by institutions;
- unreasonable transaction costs and service fees for smaller loans and for new borrowers;
- transaction (processing and administration) time too cumbersome for women borrowers who must take time away not only from their businesses but also from childcare, cooking, and other household activities to carry out

²⁸Bruce, 1980; ICRW, 1980; ICRW, 1983; Looze, 1983; Pezzulo, 1983; Schumacher et al., 1980.

²⁹These cultural constraints are not claimed to be universal to "developing" societies, as the evidence from the Dominican Republic will prove, but they do exist to some degree in all cultures, including the industrialized economies.

transactions;

- institutions' hours of business inappropriate for women who must attend to household duties in the mornings;
- savings deposits requirements too high;
- collateral requirements too rigid;
- payment schedules inappropriate for types of businesses.

Many solutions to these constraints to women's access to credit have been considered within the context of a group credit mechanism,³⁰ where either a small group guarantees its individual members' debts or where production groups borrow together for their collective business activities. ADEMI has chosen to adopt the former, a "solidarity group" credit mechanism to assist microbusinesses at the lowest economic levels, thus alleviating collateral problems. At the same time, ADEMI tries to address the problems encountered by women at a slightly higher economic level while preserving their individual borrower status. In its "microenterprise" component, the businesses' previous track records and their potential capacity for increased production and marketing replace collateral requirements.³¹

Aside from the collateral requirement, solutions to other constraints to women's access to credit have been debated³²; among them are: direct credit to economic activities in which women are most active; make credit available to create new employment opportunities; provide credit for the commercialization of home production; promote the establishment of women's cooperatives and banks to mobilize capital for women's productive activities; establish women-specific credit programs; incorporate elements of informal lending, like flexible repayment schedules for smaller loans repaid at short intervals; promote and administer the program in a decentralized setting; incorporate new purchasing and/or marketing systems into program; provide incentives to

³⁰ibid.

³¹For some businesses, machinery and/or equipment serve as a guarantee.

³²ICRW, 1980; Looze, 1983.

save and to mobilize savings; train women to organize their businesses more efficiently and to develop women's organizations or other support mechanisms which promote women's confidence and participation in community life.³³ Later we will examine how ADEMI has incorporated some of these solutions in its program design and administration.

III. ADEMI:PROGRAM DESIGN

ADEMI was created to fortify the numerous businesses of the informal sector, with long range goals of increasing income and creating new employment at the lowest levels of the Dominican economy. It was clearly recognized that traditional lending practices would have to be modified, and models from The Dominican Republic (Dominican Development Foundation), El Salvador (PRIDECO/FEDECCREDITO), India (Working Women's Forum),³⁴ and Indonesia (BKK) were studied to determine the most effective program components for reaching the smallest businesses of the poor.

ADEMI combines characteristics of informal lending practices with elements of a formal lending institution. Frequent repayment options, elimination of the collateral requirement, reduction of paperwork and of transaction time and costs, and advisors' frequent contact with clients in their businessplaces or homes--all contribute to clients' feeling that ADEMI is accessible. One furniture maker remarked, as several other clients did, that "ADEMI opened its arms; if there's someone to protect you, you'll go ahead and walk." On the other hand, ADEMI shares

³³ICRW, 1980, pp.20-21.

³⁴Ashe, Jeffrey, 1981.

elements of formal credit like reasonable interest rates and legal recognition. Its most important innovations are its emphases on:

- Scale--reaching the maximum number of businesses,
- Simplicity--minimizing bureaucracy and paperwork,
- Speed--rapid loan approval and disbursal.

In order to qualify for participation in ADEMI's loan program, a business must demonstrate a capacity to effectively invest more capital in equipment, machinery, production or services, and for "microempresas", to employ more workers.³⁵ There is no minimum income level although the business must demonstrate a good track record. Credit is given for new productive activities if the client has proven him or herself a good candidate through previous ADEMI loan repayment. For example, a triciclero with a good repayment record may be lent a greater amount of money to establish a fixed-location food vending site as a friturero ('fried food vendor'). If a series of small loans are repaid on time, field staff don't spend much time investigating how the money is spent--this is left up to the business owner.

The loan approval process is simple and usually takes no more than a few days. Clients hear about the program either through contact with a staff member or through word-of-mouth. Especially among the smaller solidarity group-level businesses, word-of-mouth seems to be an effective promotion method. A staff person visits the business of the prospective client or group of clients and assesses the business's capacity for investment in materials, inventory, or equipment. A **solicitud** (application) is completed by the staffperson, in which all relevant details about the business and its owner are recorded. The client (or group of clients) and staff person determine the size of loan and repayment schedule according to the particular business' requirements. The **solicitud** is then assessed by the manager

³⁵Programa, page 34-35.

of either the solidarity group component or the microenterprise component and the ADEMI director, where some modifications may be incorporated. The loan is usually disbursed within a few days in the form of a check from ADEMI'S Banco Popular account. The client or group receives the check at the ADEMI office and cashes it at one of the Banco Popular branches in the city. A staffperson accompanies each new client or group of clients to the bank to assist them in using the bank's services and to open a savings account. All clients are encouraged to deposit a portion of each check in a savings account. Savings are required of all clients and are recorded each time the client returns for another loan. ADEMI's philosophy of a "line of credit" for each client encourages clients to begin long-range planning for their businesses and to think critically about how to increase production in order to qualify for further credit.

First loans for microenterprises are RD\$100 to RD\$300 repayable in two to three weeks, and for solidarity groups, the first loan is usually RD\$30 per member, but this amount varies according to the type of business activity. The payback period for the first solidarity group loan is also usually two weeks. Interest rates are now fixed at a flat 3% per month on the total value of the loan, with a 2% closing cost. For loans greater than RD\$700 the interest drops to 2% monthly. The largest loan administered as of 10 February 1984 was RD\$3,000 for a jewelry production workshop. The maximum loan size anticipated is RD\$4,000, after which a client will "graduate" to a bank or another lending institution.

Repayment schedules are still somewhat flexible, with most of the smaller loans repayable within a few weeks, and the larger loans within a maximum of four months. Ninety-three percent of all clients interviewed expressed the desire for a monthly or longer repayment schedule or to be able to repay the loan

in parts rather than **en un solo golpe** ('in one single blow').³⁶ A recent change in program methodology does allow some clients to pay in installments but this is not yet an established procedure. The single most often repeated complaint about the program was dissatisfaction with repayment scheduling.

Timely loan recuperation is essential to ADEMI'S continued ability to extend credit to the poor in Santo Domingo. When payments are overdue, a fine is charged for every day that a payment is late, averaging .5% of the amount due but again this varies according to circumstances. ADEMI'S seriousness in collecting loan payments is reflected in the high repayment rates. In February, a policeman was hired as a **cobrador** ('collector') representing the institution's attorney. He accompanies field staff in following up delinquent payments during his off-duty hours. The director states: "ADEMI is basically a financial institution for credit to microentrepreneurs, it is not a welfare program." Therefore, to achieve ADEMI'S primary goal--efficiency in disbursing and recuperating loans--its two design components are being carefully studied.

IV. SOLIDARITY GROUP AND MICROENTERPRISE METHODOLOGIES COMPARED³⁷

The methodologies of the two components contrast sharply. The solidarity group component reinforces collective responsibility through a highly participatory process, whereas the methodology of the microenterprise component tends to emphasize one-on-one

³⁶The data described above was collected during the questionnaire interview. At the end of the interview clients were asked whether they had anything to add or suggestions to make, and at this time, 87% of all males and 39% of all females again mentioned that they preferred a longer repayment period than was presently offered them.

³⁷Ashe, 1982.

technical assistance and has limited associative objectives. Below, the methodologies of the two components are compared:

SOLIDARITY GROUPS

Promotion

- word-of-mouth: informal conversation among friends, relatives, and work-mates;

Selection

- consensual selection of group members who will share responsibility for loan payment;

Mechanism

- clients form their own credit groups of 5 to 8 business owners;

Assuring payback

- group structure insures that those who do not pay will be pressured by other group members;
- if this fails, program coordinators can, as a last resort, repossess property purchased through the loan.

Management Assistance

- exchange of ideas about improving business practices occurs informally through conversations with group members.

MICROENTERPRISE

Promotion

- word-of-mouth: informal conversation between project participants and other business owners;

Selection

- suitability of client is determined by the project staff through an economic analysis of the business;

Mechanism

- one-on-one assistance to individual clients;

Assuring payback

- coordinators keep records of repayment schedules and control their loan portfolio;
- coordinators are advised of late payments and visits are made to the business; if this is not sufficient, legal procedures are carried out.

Management Assistance

- program personnel teach clients how to improve their businesses in one-on-one sessions. Through INASEM, some businesses are offered ongoing management assistance and training courses.

Beneficiary's role in program

- clients can assume increasingly important roles in meeting program goals:
 - membership
 - informing others about the program
 - taking an active role in the solidarity group
 - becoming a solidarity group president.

Beneficiary's role in program

- aside from clients' activity in program promotion and training, their role is limited.

Appropriate client population

- very small businesses;
- may be appropriate for larger businesses but this needs to be explored.

Appropriate client population

- larger shops with at least one employee;
- probably not suited for the smallest businesses as cost per beneficiary is higher and the supportive structure of the group is absent.

Solidarity groups in ADEMI are composed of both male and female business owners. Sixty-four percent of the groups are mixed groups, and of these, 22% are headed by female solidarity group "coordinators". The groups were encouraged to organize according to neighborhood or locale rather than around a particular kind of business activity. Therefore, the groups are heterogeneous in terms of income levels and types of businesses, but group members know each other well and are in daily contact with one another. The groups are designed so that members can offer business advice to each other, building upon the natural relationships that have already been established through familiarity. Few of the clients reported that they do interchange this kind of assistance however. At the solidarity group as well as the microenterprise level, many clients (44% of the female solidarity group members and 29% of the male) stated that they would prefer professional advice to that of a barrio resident or a person **de la misma clase** ('of the same class') even if that person were an ADEMI staff member.

In regard to the concept of "solidarity," some clients

may be reacting to the country's grave economic conditions by moving away from the "one for all and all for one" value traditionally associated with rural Dominican culture. Building upon a pre-existing "mutual aid" ethic in the triciclero community,³⁸ the solidarity group concept was easy to establish among tricicleros who participated in the Dominican Development Foundation program. However, ADEMI doesn't promote the group concept as directly as the DDF and the DDF clients, and many of ADEMI'S clients have no previous experience with solidarity groups. As a result, the "solidarity" of ADEMI'S groups is still relatively ill-defined.

Some clients felt that the supportive group context allowed them to borrow while they would have been afraid to borrow individually. A few of the female solidarity group members' positive reflections on the group mechanism were: "In the group, if there is any kind of problem, it can be resolved;" "It's a union. If someone doesn't have the money, someone else will help pay."

But more of the group members' responses were along these lines: "As my business grows, I will want to borrow individually;" "Each person should be responsible for himself;" "I don't want to pay someone else's debt;" "I don't like to go from house to house [to collect payments]." Fifty-seven percent of the male and 69% of the female solidarity group clients interviewed reported that they would prefer to borrow individually rather than in a group.³⁹ In the ADEMI methodology the "solidarity" concept seems to work more as a risk-management device than as a cooperative mechanism. **Individual** business expansion is encouraged, which may counteract the sense of solidarity among group members. ADEMI records show that about 20% of the solidarity group members borrow at levels different than that of other group members after reaching the SRD 90.00 level. Therefore, within solidarity groups, members are individually expanding

³⁸See Reichmann, 1984.

³⁹Meanwhile, 25% of the female microenterprise clients reported that they would prefer to borrow within a credit group.

their businesses at different rates. This may undermine the group's collective commitment to their common goal that a group payback mechanism requires.

"Solidarity" group may be a misleading label, since the mechanism doesn't actually support "solidarity" in its conventional (one for all and all for one) sense. The solidarity group is viewed among many clients as a means to an end--an opportunity to qualify for credit just until enough growth is achieved to qualify for a loan individually. ADEMI methodology supports individual borrowing as the next logical step in the solidarity group member's progression from a "micro" business owner to a small business owner.

ADEMI'S legal procedure for collecting late payments overreaches solidarity group members' responsibility for collecting payments and indicates that ADEMI cannot rely completely upon the solidarity mechanism to insure loan recuperation. While ADEMI's widespread image in the community as a *negocio* ('business'), rather than as an organization with social goals, is reinforced by its seriousness in collecting payments, this may detract from its potential viability as a "solidarity" enhancing program.

Clients' preferences for individual loans may reflect reactions to the harsh economic realities in the Dominican Republic today rather than ingrained psychological attitudes, but if the group credit mechanism is viewed as strictly a stepping-stone to individual borrowing, ADEMI planners will need to build in program components that support group cohesiveness and "solidarity".

In theory, the solidarity group could serve more than its present administrative function. The group could become a supportive context for increased community-based activity and information sharing. But at minimum, the solidarity group members should develop relations of mutual trust and respect vis-a-vis their businesses. Given their collective financial commitment, members must learn skills that enable them to help insure the fulfillment of each member's responsibility to the group. However, there are no special support mechanisms in the program design either

to:

- train group members to analyse which of their businesses can and will grow, or to
- secure their confidence that the group will be able to solve repayment problems caused by business failures or emergency expenditures.

V. TECHNICAL ASSISTANCE

There are two kinds of technical assistance available to ADEMI clients. First, the ADEMI staff person supervising the business or solidarity group offers technical advice on business organization and simple administration, budgeting, etc.⁴⁰ ADEMI staff members are proud to report that they teach their clients to sign their names as the first step in assistance. Although field visits are not recorded, ADEMI staff members estimate that they spend 50-70% of their time in the field. They often visit clients on weekends and evenings, and clients even contact them in their homes.

Overall, the microenterprise clients are visited most often by staffpeople; of these, the male clients receive proportionately more assistance. Fifty percent of the male microenterprise clients interviewed reported receiving a visit from staff once a week or more, while none of the female microenterprise clients reported being visited that often. Fifty-eight percent of the female microenterprise clients reported being visited 2 or 3 times a month.

⁴⁰See Appendix C for the ADEMI Programa's definition of staff roles.

Among solidarity group members, 47% of the women and 71% of the men interviewed reported that their staffperson visits them once a month or less. Solidarity group members often expressed that they appreciated the feeling of support that they got when the staff visited them, and many hoped that ADEMI staff could find time to visit them more often.

Second, an independent agency, INASEM, has been contracted by ADEMI to provide technical assistance to referred businesses and to all businesses receiving more than RD\$600. INASEM was established in collaboration with ADEMI planners to achieve a financially self-sufficient unit providing at-cost technical assistance to ADEMI clients. At present, the businesses INASEM assists are the larger of the microenterprises; solidarity groups do not receive this type of technical assistance. Businesses capable of growth and those in need of help are referred by ADEMI staff to INASEM.

During each of 4-5 one-hour visits, one of INASEM's three advisors will teach accounting, marketing, administration of personnel, and localization of machinery for RD\$10-25 per month. INASEM has worked with a total of 97 ADEMI microenterprise clients, of which 15 have been women. This proportion reflects the program's ratio of male to female microenterprise clients. Temporarily, ADEMI subsidizes INASEM technical assistance, but INASEM will be financially self-sufficient once it reaches and maintains a level of advising 175 paying clients.

A. Staffing

ADEMI's eleven field staff members are all university-trained in Economics or Business Administration. The Director states that his intention has been to train young professionals in the urban program in order to prepare them to initiate new ADEMI programs in other areas in the future. He foresees hiring staff people with more varied educational backgrounds, including "grassroots" leaders.

The overall staff/client ratio is 1:82 in the microenterprise

component, and 1:383 in the solidarity group component. Female field staff work with both male and female clients as do male staff. In spite of this fact staff/client ratios according to gender should be reflective of the gender makeup of the client population. At the time of the evaluation, the ADEMI field staff (7 men and 3 women) reflected the similar ratio (69:31) of male/female clients. However, the solidarity group department is disproportionately balanced with only one female staff person and 346 female clients, compared to the microenterprise component in which the female staff/client ratio is 1:41.

Clients were asked whether they preferred male or female staff advisors. Half of all the female solidarity group members said that they preferred working with a woman staff person, while only 17% of the female microenterprise clients felt that way. A majority of the males interviewed felt that the gender of the staffperson didn't really matter.

The majority of clients stated that if ADEMI staff were professionally trained, it didn't matter what class background they came from. Some ADEMI clients expressed a desire to work with staff assistants who were people like themselves, people who would be able to understand their problems and concerns with an insider's point of view. For example, one woman solidarity group member said that the best kind of asesor ('technical assistant') would be "someone like us who works during the day so she can put food on the table at night."

B. Technical Assistance Needs

Many solidarity group clients (47% male/3% female), and most microenterprise clients (66% female/50% male), reported that they would like to participate in some kind of training in administration or business management. Thirty-one percent of the solidarity group men and 14% of the solidarity group women reported that they would like to receive more asesoria ('management assistance') from the field staff, while just over one-third of both male and female microenterprise clients requested

more asesoria.⁴¹

A need for technical assistance among ADEMI clients is illustrated by clients' responses when asked how much money they planned to borrow. Thirty-seven percent of all solidarity group clients and 87.5% of all microenterprise clients expressed the desire to borrow up to RD\$1,000 or more.⁴² Many of these businesses (particularly those of the ambulatory vendors) cannot absorb this much capital at present. An "I'll borrow as much as they will loan" attitude seemed to reflect many of the business owners' belief that their businesses were capable of almost infinite expansion, if not in the current line of production, then in another. Their faith in the elasticity of their markets probably should be tempered with realistic appraisal of each particular business' capacity to absorb capital in today's economic

⁴¹Of thirty-two female solidarity group members interviewed, one reported that she had received just one visit from her asesor in eight months; another received one visit in five months; another, one in three months. Although regular staff visits to group members' businesses are not required, more regular supervision of clients' businesses is warranted if the ADEMI staff and director are to make informed decisions about the businesses' creditworthiness.

⁴²These figures reflect the median of responses to two questions phrased differently but asking for similar information. Clients' need for advice about how much capital their businesses really do need is reflected in different responses to these questions. The first question was, "Which loan amount would help you most?" and the second question was, "Up to how many pesos are you thinking of borrowing?" (Each question required a choice between four ranges of loan amounts.) One-third of all the solidarity group members interviewed estimated their credit needs as higher (by at least RD\$700) in response to one question than in the other question. The small size of the male sample must be born in mind while considering the validity of these results, but the trend toward overestimating or fluctuating in their estimations of their credit needs was clear among both male and female solidarity group members. Microenterprise owners' responses were both more consistent and estimated higher amounts (RD\$1,000 and up) across both male and female clients.

environment.⁴³

Lack of experience in business planning is reflected in clients' need to borrow money to meet their ADEMI payments.⁴⁴ Thirty-seven percent of the women found the large single payment quotas overwhelming yet at the same time reported wanting to continue borrowing in larger amounts. Failure to understand how to effectively invest capital in their businesses resulted in over-borrowing and diversion of the funds away from their businesses. Some (16%) of the women reported having spent the loan money on school fees, school uniforms, medicines, food and other necessities. For example, a flower vendor expressed her frustration when having to make an ADEMI payment: "Listen to me well. When you people give these chelles (lit. 'coins') every month, or every 45 days, this is what happens: when we take this money, we buy our flowers and if our children need something too, we buy it with what's left over. Understand?"

⁴³In another part of the questionnaire, clients were told a short story about a mother and daughter who sew clothing at home. The daughter cuts cloth in the mornings while the mother cooks. In the afternoons while her mother sews on the machine, the daughter wants to use the machine too. There is enough cloth to sew all day long. When clients were asked how this household could improve its production, 31% of the female solidarity group members and 25% of the female microenterprise clients responded that the family should buy another sewing machine. Forty-seven percent of the male clients responded that another machine should be purchased. Perhaps the emphases on scale and expansion promoted by ADEMI have prompted these kinds of responses. For whatever reason, only one third of all clients interviewed suggested utilizing the single machine both in the morning and the afternoon. (This is an overall figure. Two thirds of male microenterprise clients suggested using the machine all day, and 25% of the female microentrepreneurs.)

Concepts considered basic to the efficient use of time and machinery have become ingrained in industrialized cultures to the degree that we consider them to be "common sense;" perhaps attention should be given to assessing the prevalence of these concepts in informal sector economies and to developing simple strategies for teaching these concepts.

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See page 39 of this report.

If something is really needed, we'll buy it, and we are left with only part of the money for working. And when the day to make our payment arrives, there's no money, because money doesn't come out of nowhere. So when that day arrives we have to borrow ahead from someone else in order to pay ADEMI."

VI. PROGRAM RESULTS: THE FIRST NINE MONTHS

This section briefly summarizes ADEMI'S overall achievements and some of its initial problems. Analysis of the program's specific impact on women's businesses will be detailed in the following two sections of the report. ADEMI's achievements in its first nine months indicate that the program design has been effective. One aspect of ADEMI'S success, its ability to reach large numbers of businesses in just nine months, can be attributed to the previous existence of the Dominican Development Foundation's Microenterprise Program. Great numbers of people in the barrios of Santo Domingo were already familiar with the solidarity group concept through DDF promotion of its program. ADEMI staff were able to visit meetings of The Dominican Association of Tricicleros, a DDF-associated organization, to promote the ADEMI program. Therefore, many of the start-up problems in outreach and promotion were bypassed by ADEMI. Clients who understood both the solidarity group concept and the individual borrowing mechanism applied for ADEMI loans as soon as they were available.

ADEMI'S overall successes have been encouraging, with 3,379 loans disbursed to 573 microenterprise clients and 215 solidarity groups as of January 31, 1984, 739 new jobs created, and a total of RD\$103,468 (US\$34,489) deposited in clients' savings accounts. The amount of clients' savings represents 57% of ADEMI'S total revolving loan fund (RD\$180,000). Savings, a requirement for continued borrowing eligibility, are closely monitored with each new loan application. For each loan, a minimum savings balance of approximately 20% of the loan amount is required. Average savings held by microenterprise clients is RD\$150 and for solidarity group members, RD\$135 per group or approximately RD\$27 per member.

Increases in income for microenterprise clients are recorded in Appendix D according to types of business. Some of these

businesses have been quite successful, with increases as high as 200-300%. The average increase for men's businesses is 99% and for women's, 66.5%. Solidarity group members do not generally report increases in income (see p.49 of this report), but this information is not systematically recorded by ADEMI personnel. ADEMI currently operates with a monthly portfolio of RD\$250,000. When the portfolio reaches RD\$450,000, it is projected that ADEMI will be able to cover its administrative and overhead costs with interest earnings. As of November 31, 1983, ADEMI'S seventh month, the monthly cost of each loan averaged seven centavos per peso loaned, compared with an average cost per peso loaned in May 1983 of 27 centavos.

ADEMI'S initial funding sources were local private sector (RD\$90,000) and public sector (RD\$150,000) donors who contributed to the revolving loan fund and to cover administrative expenses. Another SRD300,000, approved by the Inter-American Development Bank in November 1983, is anticipated to supplement the loan fund. Because of a freeze on all new lending imposed by the Banco Central in early December 1983, no new projects have been approved since November, although previous clients have been allowed to continue their "line of credit". Two hundred new applications for loans are awaiting the disbursement of the new funds and an approval from the Central Bank.

Administratively, ADEMI'S record for efficiency and rapid loan disbursement is impressive, given traditional models of bureaucratic lending institutions. However, as ADEMI expands, paperwork and calculations now processed by hand will increase exponentially and staff will not be able to handle the extra work without the use of a computer or more personnel. ADEMI is presently investigating how a computer can be used to handle this projected increase in work.

Field staff's personal relationships with clients are limited by the project's large scale. Staff-client time is limited and some asesores are overburdened. This has led to little supervision of some businesses and, as we have seen, some clients

have been unable to earn enough from their trade to repay their loans. Fourteen percent of the clients reported during the questionnaire interview that they had borrowed from a local moneylender (at 20%) in order to repay the ADEMI loan.⁴⁵ The recent and dramatic devaluation of the peso is undoubtedly related to this problem. One member of a mixed male/female solidarity group involved in vending activities put it this way: "Life is just too expensive. You have to kill yourself to make your payment. Sometimes you buy your stock and it doesn't sell. In these times, when you've borrowed money, and the time comes to pay, you're forced to borrow money somewhere else."

Despite many of the businesses' real growth, initial observations seem to indicate that some businesses cannot effectively invest small amounts of working capital; they require larger amounts to justify any expansion at all. There may be a minimal investment level for certain types of businesses to experience profitable returns. Often that minimum seems to be above the loan level a client is eligible to receive from ADEMI. For example, a shoemaker used an ADEMI loan to invest in materials for shoe production. His sales have not increased during recent months because he is unable to expand production working by himself. His new materials still sit on the shelf, but he had to sell his sewing machine in order to meet the ADEMI payment. With a larger loan, he feels he would have been able to hire another employee to increase production.

Several clients expressed sentiments like his: "It's not worthwhile borrowing from ADEMI....ADEMI loans are too little to be able to help the business gain any ground;" "Just headaches, that's all. It would be better to borrow more and do something with it."

⁴⁵After the questionnaire interview was completed, subjects were informally asked again whether they had borrowed or pawned property to make a loan payment. At this time, 27% of all males interviewed and 18% of all females interviewed reported having had to borrow or pawn some of their property to make the payment.

On the other hand, some business owners feel that low level borrowing is wise. A small artisan remarked: "Why not keep the loan levels low and see if the business allows one to expand and therefore pass into a higher stage. If not, keep borrowing small amounts." A woman who has a beauty salon in her home expressed a similar opinion. She had invested her ADEMI loan in shampoos, curlers, and other items she needs for her business. But her earnings did not increase enough during the period of the loan to repay ADEMI, so she was forced to sell some of her stock (shampoos, combs, etc.) to friends and neighbors--at a loss--in order to meet her obligation to ADEMI. Another woman client remarked: "Our businesses have to grow little by little. You can't give a lot of money all at once or it will all be spent away on the household or whatever."

In summary, most of ADEMI'S clients were pleased with their new investments in materials or inventory, and many of their businesses had achieved impressive growth. The case studies appended to this report tell the stories of two typical examples of successful microentrepreneurs: one had hired two new employees and the other, seven. Each had expanded production and increased her net monthly income by at least 215%, and each of their monthly sales had increased by at least 140%.

Clients' satisfaction with their loans is indicated by their desire to continue borrowing. Three-quarters of both male and female microenterprise clients reported wanting to receive another loan. Most, but not all of these wanted larger loans. More solidarity group women than men wanted another loan (91% women/71% men), and most of these clients wanted to borrow a maximum of RD\$200.

VII. WOMEN'S PARTICIPATION IN ADEMI

The level of women's participation in ADEMI reflects women's overall level of economic participation in the Dominican economy.⁴⁶ At present, 31% of ADEMI's total client population is composed of women, or 14% of all the microenterprise clients and 43% of all the solidarity group members. The greater percentage of females in solidarity groups reflects women's generally lower income level in the Dominican economy. Precisely for this reason, more women should be encouraged to participate in expanding their productive activities.

A. Characteristics of women clients

Women were not specifically targeted by ADEMI as potential clients, although many aspects of the program design are conducive to women's participation. Overall, the income level and types of businesses represented by women clients are on target for the type of client ADEMI seeks to reach. As women's experience and success with their present business activities increase, ADEMI should encourage them to move into diverse kinds of activities since at present women's businesses cluster around clothing and food production/vending (see Appendix E for a complete list of women's businesses). Women clients generally express that their goals for their businesses are similar to men's--to expand production or scale, and to eventually diversify. About one-third of the women interviewed were satisfied with their present level of production and did not intend to modify their business practices.

Women participating in ADEMI are not necessarily leaders in their communities. They are generally past their childbearing years (average age is 39) and have a basic education. The women microenterprise clients have an average of 16 years of experience in their businesses, and most are heads-of-household, responsible for supplying the bulk of the family income. The microenterprise

⁴⁶Baez, op. cit. Anexos, Cuadro no.1.

clients are involved in businesses such as food production, clothing production, ceramics, woodworking and rugmaking and have an average of six employees. Their business earnings average RD\$460 per month. The female solidarity group members are primarily involved in vending from their homes or in the street, earning an average of RD\$238 per month.⁴⁷

Women clients in general differ from male clients in that they are a few years older (on the average), and the women micro-enterprise owners have an average of one more year business experience, an average of one more employee per business, and earn slightly less per month from their businesses than do the men.

There are seven all-female solidarity groups and 138 mixed groups, of a total of 215 solidarity groups. Of the mixed groups, most are dominated by men, but 25% of the mixed groups have more than half female members. Female coordinators head up 28% of the mixed groups.

In both solidarity group and microenterprise categories, women and men have the same educational backgrounds: solidarity group members have an average of 4 years, and microenterprise clients an average of 8.5 years.

INASEM asesores find women clients to be better listeners and better able to incorporate technical advice into their business practices than are men. For women, marketing and employee relations seem to present major problems because "a woman needs to be more aggressive," according to the director of INASEM. For female microenterprise clients the major problem is control--limiting spending on materials--although women seem to be strongest in bookkeeping. Otherwise, the INASEM director feels that women's businesses don't present any special problems different than men's.

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This compares favorably to the present minimum wage salary for a laborer in the Dominican Republic of RD\$125 per month.

VIII. WOMENS' PERFORMANCE IN ADEMI

A. Microenterprise Component

Women's patterns of borrowing--both amounts and rate--are close to the male patterns, as is their repayment record. Both male and female microenterprise clients who have participated in ADEMI for six months or more have borrowed an average of five times, while both male and female solidarity group members with ADEMI six months or more have borrowed an average of eight times. Women business owners are borrowing about the same amount as men (average RD\$540 for the most recent loan) and their cumulative payback rate (89%) is 1% lower than men's.

Although women's borrowing patterns are similar to men's, the increases in monthly income generated by their businesses differ significantly. Only 58% of the women interviewed reported an increase in monthly income since they began to participate in the program. Overall, the average increase in all women's businesses' monthly income was 66.5%, while men's was 99%. The following table illustrates how the same types of women's and men's businesses compared in overall average increases in income since their participation in the program (average of six months):

PERCENTAGE CHANGE IN MONTHLY INCOME

<u>Type of business</u>	<u>Male</u> --	<u>(N=)</u>	<u>Female</u>	<u>(N=)</u>
Food production	104%	46	127%	13
Ceramics/crafts	115%	49	89%	8
Clothing production	154%	41	128%	48
Upholstery	199%	28	-67%	5
Furniture making ⁴⁸	148%	113	-40%	2

Women microenterprise clients have hired an average of

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The small number of women furniture makers' businesses (two) makes comparison with 113 men's businesses very tenuous.

two new employees per business since joining the program, while males have hired just one. The salaries of all clients' employees fluctuate around the minimum wage. But the average salaries of women's employees (RD\$117) are lower than men's employees' salaries (RD\$145) by 19%, which reflects salary differences in the country as a whole.⁴⁹

Women microentrepreneurs' savings are slightly (18%) higher than men's, averaging RD\$162. A male client remarked, "What I save is just what I owe ADEMI. When I need it, I withdraw it to make my payment." A female demonstrated her different attitude toward savings: "From my earnings, with the help of the ADEMI loan, I save 50 centavos a day to pay the school fees for my children." Women's motivations for business expansion and savings may differ significantly from men's; this is an area that might be explored more carefully.

B. Solidarity Group Component

All members of a solidarity group borrow the same successive amounts until they reach the RD\$90 (per member) borrowing level. Therefore, because most female ADEMI clients belong to mixed male/female groups, their patterns of borrowing closely resemble those of their male counterparts. These clients who have participated in ADEMI for six months or more have borrowed an average of eight times. The average size of the most recent loan for all-womens' groups was higher (RD\$500, or RD\$100 per member) than for either all-male (RD\$425, or RD\$85 per member) or mixed groups (RD\$400, or RD\$80 per member). The all-women groups have a better on-time payback record, too: 89% versus 87% for all-male groups and 85% for mixed groups. In the savings category, the all-women groups save more--an average of \$RD159 per group (or RD\$32 per member), while the all-male groups have saved an average of RD\$136 (or RD\$27 per member) and the mixed

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Baez, op.cit. p. 17.

groups an average of RDS110 (or RDS22 per member).⁵⁰

ADEMI does not record changes in income levels for solidarity group members, and estimates of their incomes upon entering the program (submitted with their initial loan application) do not significantly differ from estimates of their daily income today, although this data was not systematically collected. We only asked this information of 44% of the solidarity group members interviewed, and of these (male and female), 24% reported increases in income since their participation in the program, 35% reported decreases in income, and 41% reported no change.

IX. ADEMI'S STRENGTHS AND WEAKNESSES IN MEETING WOMEN'S NEEDS

A. Program design

Through its program design, ADEMI has been able to overcome most of the traditional obstacles to credit access encountered by women at the marginal level. First, ADEMI recognizes small informal-level businesses as credit-worthy, while traditional lending institutions do not. Its interest rates, repayment schedules, and loan amounts are targeted for "micro" to small businesses which are characteristic of most women-managed businesses. Second, ADEMI's replacement of collateral requirements allows women who have never borrowed formally to qualify for a bank loan.

Flexible repayment schedules and small loans on an escalating scale allow clients to gradually introduce new capital into

⁵⁰It should be noted that these savings figures are calculated in mid-February and the balances in members' accounts fluctuate almost daily. Often members draw their accounts all the way down when they make their payment.

their business while learning how to manage increased scale and administrative problems. For women inexperienced with large scale commerce or production, this is a very effective way to introduce concepts of efficiency or economy of scale. A major weakness in ADEMI'S design is that repayment periods, although promoted as "flexible", are too short for many of the clients' businesses and a great deal of frustration has resulted. Many clients requested an option for making intermittent payments.

Clients report that interest rates are acceptable compared to the interest they must pay to other lenders. A male client remarked: "If we were paying 20% before, how can we ask ADEMI to lower its interest rates from 2%? We are satisfied with ADEMI'S rates."

In recent months, technical assistance (for a fee, but subsidized temporarily by ADEMI) has become available by referral to clients who lack accounting and administrative skills if the asesor feels that this assistance is necessary. The program design will eventually incorporate more management assistance features: optional training courses and elective one-on-one assistance, at cost.

One weakness in ADEMI'S program design is that it hasn't formalized any mechanism for strengthening group cohesion or encouraging the groups' mobilization. If the groups are to survive as groups, steps must be taken to insure that members understand the real and potential problems in each other's businesses. Through this understanding, they can develop a solid basis for dealing with those problems as groups.

B. Promotion

Dominican women at the marginal level do not report many of the social and cultural constraints identified in the literature about poor women's access to credit. Literacy is not a requirement for participation since asesores assist all clients in their **solicitudes** ('applications for loans'), and unfamiliarity with

formal office or business settings is offset by asesores' aggressive recruitment and follow-up at the clients' place of business or home.

Promotion of the ADEMI program has been focused more strongly on males than females. Of the clients interviewed, two-thirds of the male microenterprise owners had been approached by ADEMI staff members to tell them about the program, while only one-third of the female microenterprise owners had heard about the program this way. Among solidarity group members, field staff had originally contacted 43% of the men interviewed and only 6% of the women. Ninety-four percent of the female solidarity group members and 58% of the female microenterprise clients reported that they heard about ADEMI through word-of-mouth.

Both male and female solidarity group members went to the ADEMI office for the first time with friends, while most of the microenterprise clients of both sexes went alone. Female clients in both categories expressed no discomfort in approaching the office setting, although females who come to the office or the bank carrying cash are not comfortable walking alone.

C. Administration

Transaction time and costs have been identified as major constraints to women's access to credit. ADEMI has successfully minimized transaction costs with rapid (average 2-3 days) application and disbursement systems. Administrative efficiency is heightened by asesores' field work and their personal knowledge of individual businesses so that loan applications need not be scrutinized in a lengthy loan approval process as in traditional institutions. Aside from a flat 3% interest charge, ADEMI's one transaction charge is a flat 2% closing cost at the end of the loan period.

Earnings lost in travel and waiting time can also be significant transaction costs for informal sector women. To eliminate both waiting time and clients' need to make several trips to the downtown office, administration of ADEMI's program has been

streamlined for maximum asesor-client time at the client's place of business or home. Banco Popular, in coordination with ADEMI, shares the tasks of loan disbursement and recuperation which minimizes congestion in ADEMI offices. Because the fourteen bank branches are located in all zones of the city, this decentralization eliminates long lines and waiting time.

The majority of male and female clients make infrequent visits to the ADEMI office--usually less than twice a month. Women seem to visit more often than the men interviewed, but perhaps this is because so many of the women interviewed were group coordinators and must bring payment receipts to the office. One strength in ADEMI's methodology reported by many women was that the group coordinator could take care of the group's business and the other members didn't need to make frequent visits to the downtown office.

In general, the women reported longer travel time (half hour to 1 1/2 hours) than the majority of the men who reported 1/2 hour or less travel time. None of them cited travel time as an unreasonable inconvenience. However, one-third of the clients would like an ADEMI office located closer to their own neighborhood. Men and women reported the same travel costs, since all except the tricicleros use public cars that cost thirty centavos.

One third of the female solidarity group members and half of the men solidarity group members reported that they lose earnings when they visit the office, although both males and females in both program categories mentioned that they have to wait less than half an hour to be attended in the office. The amount of earnings lost was always reported to be less than one-half day's earnings. The great majority of microenterprise clients reported that they lost no earnings when they visited the ADEMI offices, since their family or employees could carry on without them.

Almost all clients interviewed agreed that weekday mornings (the time ADEMI staff has designated to receive clients) are

the ideal time for them to visit the office. No significant number of women expressed difficulty in meeting childcare needs either during working hours or when visiting the office. These women either have older children who care for the younger ones or no longer need childcare because their children are grown.

Very few of the clients interviewed had noticed or could foresee any problems in the services they receive related to ADEMI's expansion. Many of the clients, in fact, mentioned that they hoped ADEMI would be able to offer more loans to more clients in the future.

A weakness in ADEMI's administration is sporadic supervision of many of the clients' businesses. Further staff training and tightening of staff accountability for their field work might solve this problem.

D. Skill Development

The quality of women's participation in ADEMI has been significant. Through participating in ADEMI--a formal sector level institution--women who have never used a bank account or been familiar with an office setting are learning a number of new skills. All of the tasks required of new clients are simple to learn.⁵¹ ADEMI asesores introduce their clients personally to the bank, attending them step-by-step through the check-cashing and depositing procedure. For the many women who are nonliterate and/or unfamiliar with procedures of this kind, ADEMI is integrating these women into a different socio-cultural world as well as a new level of economic participation. One of the female microenterprise clients reflected, "ADEMI is a stimulus. You feel like an important part of society. In this country only 'important' people can get credit from a bank. This way, a person feels like something more. You don't feel little, the way you would in front of a banker."

⁵¹Task complexity is one of the constraints to women's access to credit cited by ICRW (1982), p.7.

One of the anticipated results of a program like ADEMI's is that women will come to sense increasing power and autonomy both within their communities and in the larger economic world. The ICRW⁵² recommends that program designs be capable of maintaining existing social support networks. The solidarity group mechanism has this capacity because it involves a mutual commitment by people who know each other well and live in close proximity. Solidarity groups might become a forum for community organizing or information sharing and networking, but these are now only potential capacities. ADEMI policy has been one of allowing these kinds of activities to shape themselves.

X. SUMMARY AND RECOMMENDATIONS

Overall, women clients seemed to understand the program and consistently reported its distinct advantages over other credit options available to them. Problems most often reported were difficulty in meeting repayment requirements. Reflecting

- critical economic conditions in the country,
- poor business planning,
- innapropriate repayment schedules,

these problems might be addressed by encouraging asesores to discriminate more critically between businesses that are capable of productive expansion and those that might not benefit from further capital investment without significant managerial or administrative assistance.

Applying Tendler's observation⁵³ that sometimes strengths in some project areas lead to weaknesses in other areas, we

⁵²ICRW, 1983, p. 7.

⁵³Tendler, Judith, 1982.

find overall that ADEMI's strengths in efficiency and scale lead to weaknesses in supervision and technical assistance, and lack of integration of ADEMI's services with other related programs.⁵⁴ This especially affects women's businesses because women are not as actively recruited for program participation as men, they are less experienced with credit (formal or informal), and they report a need for technical assistance more often than do men.

The following are some recommendations for addressing problems related to women's participation:

1. Contract one staff person to: (a) Maintain constant contact with local sources of information for women: **clubes culturales, sociedades, church groups, Amas de Casa, Clubes de Madres, unions, etc.**; distribute posters about ADEMI to these groups, promote ADEMI on the radio (e.g. "Junia", a women's talk show) and television. (b) Establish ongoing coordination of ADEMI services with vocational or management training and other credit programs in the city (PROMAPEC, MAI, **Escuela Vocacional de las Fuerzas Armadas, FIDE, FDD, Women's World Banking, etc.**). (c) Develop a referral notebook for vocational training, job placement, educational opportunities, health and housing assistance.⁵⁵ This staff person should train all staffmembers to

⁵⁴ADEMI staff might to sharpen their awareness of other credit and business development options in Santo Domingo. Field staff members were not aware of vocational training (for example, PROMAPEC, or the Armed Forces Vocational Training School) or other educational opportunities available to microbusiness owners. Staffpeople emphasize that ADEMI is not a social program: "We look at the businesses, their production, not the needs of the business owner." Some staff members feel that to offer social services would make the task of collecting payments more difficult because clients would view ADEMI as a charity rather than a lending institution.

⁵⁵ADEMI'S Programa (p.3 1.03b) states that one of its basic objectives is to "servir como puente de contacto y comunicacion entre la comunidad empresarial del pais, las autoridades edilicias, el Gobierno Central y sus instituciones y los estratos de menores recursos en la comun tarea de elevar el nivel de vida de estos ultimos."

refer clients to appropriate agencies or organizations whenever they detect the client's need for services.

2. After identifying potential markets for new productive activities for women (see Recommendation #17), experiment with incentives in loan terms to encourage women to move into those areas.⁵⁶

3. Establish a commission of local female professionals and entrepreneurs who:

- a. oversee women's participation in ADEMI,
- b. explore training and job placement alternatives,
- c. advocate for women's businesses, etc.

4. Investigate aspects of program methodology developed by other institutions working with women. For example, MAI has developed a referral service; MUDE, Profamilia, Catholic Relief Services, Women's World Banking, and Promocion de la Mujer all rely on well-known local women (salaried or volunteer) to work with women clients; most of these groups and MAI and FUDECO also work only with women who have already formed and consolidated as groups before requesting assistance; most of the programs listed are decentralized and offer training or credit assistance outside of the capital.

The remaining recommendations are suggested to strengthen ADEMI'S overall program design and administration. This set of recommendations also suggests appropriate areas for ADEMI'S future incorporation of participatory program components, although the program's current objectives do not include client participation.

5. Focus lending on productive activities; channel ambulatory and small commerces into some kind of production or management training while supplying only very small amounts of credit initially; encourage these types of businesses to diversify.

6. Reconsider small commerces' ability to invest increasing

⁵⁶Jennefer Sebstad, USAID, personal communication.

amounts of capital.

7. Create incentives for clients to save more than the minimal levels they save now. Strengthen options for mobilization of savings--for example, group savings plans geared toward bulk purchasing for clients with similar businesses.

8. Eliminate fuzzy areas of "flexibility" in loan size and terms. With scale, these areas will lead to problems. Formalize a variety (four to six) of repayment options and eliminate the "flexible" repayment policy. Implement an installment payment option. Include an option with longer repayment periods and some form of guarantee. Make some provision for clients who prefer to pay daily, probably through the solidarity group coordinators. Eliminate "flexibility" of the size of the first solidarity group loan. Establish a fixed policy based on type of business and/or income levels.

9. Encourage staff to discriminate more critically in recommending clients for scaling-up of loans; analyze carefully the businesses' capacities for expansion given today's markets and inflation; record changes in income levels for solidarity group members.

10. Increase frequency of staff visits to clients' place of business and ask staff to record their visits in clients' files.

11. Train selected client leaders to give management advice to solidarity group members, to review loan applications and to evaluate solidarity group members' credit worthiness. Involve these leaders in pilot exercises along the lines of those implemented by Profamilia.⁵⁷ Teach leaders to orient group members in language and habits associated with banks, formal sector institutions, etc.

12. Install a "review board" of ADEMI clients who assess late payment problems, determine whether lateness is justified,

⁵⁷Profamilia. Recomendaciones sobre docencia en el trabajo con grupos, Asociacion Dominicana Pro Bienestar de la Familia, Departamento de Educacion y Adiestramiento, 1983.

and adjust amounts of fines for late payments. This review board may also serve as a forum for clients to report complaints and/or submit suggestions regarding program design and administration. Through the establishment of a client review board and the training of selected solidarity group leaders, client participation in leadership and decision-making could familiarize them with organizational skills, enhance their sense of ownership of the program and therefore lead to empowering long-range effects. At the same time, charging responsible clients with these roles would increase the efficiency of ADEMI staff time.

13. Decentralize the ADEMI program within the greater metropolitan area before moving program offices to other areas. Evaluate ADEMI's performance as a decentralized institution before extending services to the countryside. Almost one-half of all solidarity group clients interviewed mentioned that they would prefer going to a local branch of the ADEMI office rather than the central office.

14. Extend staff training in coordination with institutions like INFOTEP, **Fundacion Internacional de Entrenamiento** (Canada), or other local agencies who conduct staff training. Encourage staff members who have received special training to conduct workshops with the rest of the staff.

15. Introduce basic courses for clients.⁵⁸

16. Give responsibility to Peace Corps Volunteer for monitoring types of businesses that use credit most successfully; what are the characteristics common to these businesses? The PCV might also be utilized to investigate new markets for productive activities⁵⁹ and share that information with ADEMI staff and

⁵⁸ADEMI'S Programa states (p.34 #5): "Educar al sector informal no solamente en el uso de credito sino ademas en el habito del ahorro."

⁵⁹Ramirez, 1982, p.26, cites projections for areas of new productive activity and employment to be generated until 1990 in the "third sector"--government, commerce and tourism, transportation, communications, finance, insurance, and services. Markets for women's productive activities should be identified. See also Duarte, op.cit., p. 38.

clients.

17. Experiment with disbursing loans to microenterprises in three designated parts (like FIDE), with evaluation after each disbursement:

- a. materials
- b. machinery and equipment
- c. working capital

18. Explore credit options for housing for successful ADEMI clients. This was a frequently suggestion for improving ADEMI.

19. Explore the feasibility of establishing a "control group" of businesses similar to ADEMI clients'. Compare control businesses to ADEMI businesses to discover whether clients who divert loan funds (from their businesses to emergency or basic needs) still have more capital available to improve their businesses than the controls.⁶⁰

20. Investigate the Banco Popular's real and hidden costs in administering ADEMI loan funds and managing clients' bank accounts in order to verify ADEMI'S self-sufficiency requirements.⁶¹

21. Undertake an analysis of clients' goals for their businesses. Do they hope to simply maintain production or commerce at its current level? Do they plan to increase production or scale and spread profits among employees? Or is increased personal income the primary goal? Project design, especially in the solidarity group component, might incorporate options for clients who are not seeking greatly increased incomes. These clients may participate in the group because of its affiliative aspect or because of a sense of economic stability accompanying the loan.

⁶⁰Jennefer Sebstad, USAID, personal communication.

⁶¹Jeffrey Ashe, Accion International/AITEC, personal communication.

XI. CASE STUDIES

A pretzelmaker

Maria de Leona was producing pretzels ('palitos de harina') at home with the help of her two sons, ten and eleven years old, when she started out in the ADEMI program. At twenty-eight, she has four years of education and has been making pretzels for just a year and a half. Within just one week after her first loan of RD\$100, sales had increased to the point where she was able to hire another employee for production at home. Her sons devoted their free time to sales. By the time she received her third loan of RD\$150, Maria was able to hire another employee for production and five more vendors. After just five months of participation in the program, her net income rose from RD\$77 to \$RD327 a month; sales have increased from RD\$500 a month to RD\$1,200. Maria has never missed a payment, but keeps only \$RD15 in her savings account.

Maria hopes to continue expanding her production of pretzels and to eventually diversify into producing **esquimalitos** ('ice flavored with fruit syrup'). Maria requested that ADEMI offer business courses or more training, and hopes to become part of a microenterprise association.

A group of flower vendors

Four women, all in their mid-forties, have worked together for twelve years in the central market. In the morning they buy huge basketsfull of flowers together and divide them into smaller packets, and then at about 10:00 a.m. they spread out through the city to sell the flowers during the day. Two of the women are sisters, the third is a sister-in-law, and the fourth is an old friend of the family. The women decided to form a solidarity group and apply for an ADEMI loan when they were approached at the market by an ADEMI staff person. They

started out borrowing RD\$30 each, using the money to invest RD\$30-60 apiece each morning in their flowers and saving the rest. Some of the money they used to pay their children's school fees and to pay off old debts.

The flower vendors have had a hard time making their payments and have had to borrow occasionally to pay ADEMI. They would prefer to make their payment on a daily basis: "This is a small business. In other words, we can't make all our money for the payment from this business alone. Instead, we have to put money together little by little, so that when the day comes, we can make the payment all together....If it was daily, it would be easier, and instead of playing san⁶² on the side, we could work only with ADEMI.

"We're like a family, that's not a problem. The problem is paying the money all at once. Because our businesses don't bring in enough money for us to pay all at once. A daily quota would be more convenient."

These women would also prefer to work with a female staff person: "Sometimes a woman with another woman...can teach a little better. Because you can trust her more. It would be a little more comfortable."

The flower vendors are now borrowing RD\$100 apiece but are not going to borrow any more from ADEMI because they find it too difficult to make their payments. Their sales have not increased. This group would appreciate some business advice, but they feel that they wouldn't have time to attend a course. From now on, they are just going to play san, where they know that if they put money aside, eventually it will pay off.

A ceramics manufacturer

At thirty-seven, Elena Valdez took a course in ceramics less than two years ago "just for fun." She had been knitting and crocheting for seven years and selling her work in local

⁶²San is a rotating savings "game" popular in the Dominican barrios.

shops, but wasn't making enough profit even to pay for her materials. So after taking the ceramics course, Elena decided to try her hand at small scale production. She started out working in her own garage, investing her personal savings in materials. Her husband, a cashier in a local store, approved of her work only as a hobby--he didn't approve of his wife getting involved in a business of her own. But Elena's work was popular and she wanted to expand her production.

When an ADEMI staff member visited her for the first time, she decided to start out with a RD\$200 loan. In just four months, she has hired two new employees, making a total of four--in addition to her four children, who all help with production. Elena's net monthly earnings have increased from RD\$440 to RD\$1402, and monthly sales have increased from RD\$1,200 to RD\$3,000. She is borrowing for the fifth time now, with an RD\$800 loan.

Elena has moved her business out of the family garage. Her shop now fills the entire first floor of the duplex she and her husband own together, and the family lives upstairs. She has two kilns and plans to invest in another soon. She markets her ceramics in local stores and also works on commission. Elena also teaches courses in ceramics in her workshop.

Elena wants to borrow more money but feels that the repayment schedule with ADEMI is too short. She plans to solicit RD\$5,000 from the Banco Popular as soon as she repays this ADEMI loan. Elena wishes that ADEMI offered more business advice or courses in business management, because she's done fine so far, but as her business grows she feels she has a lot to learn.

APPENDIXES

Appendix A. Sample of Clients Interviewed compared to total
ADEMI Population

Only female clients in the sample were compared to the overall population since the male sample is too small to be scientifically valid. The sample of female clients averaged one year older than the client population and for the microenterprise clients, their average income was about RDS30 higher than the average for the female population (RDS459). The average income for the female solidarity group member sample was RDS238, about the same as the actual population. The average change in income for the microenterprise clients interviewed was quite a bit higher than the overall figure for female clients (13%-30% depending on whether decreased incomes are averaged in), but these averages lack validity since they vary so closely with the type of business. Education levels were not compared because this data was not available for the overall female client population.

DATOS BASICOS SOBRE LOS CLIENTES ENTREVISTADOS

1. Número de la entrevista	___	___	Columna 1-2
2. Número de la microempresa o grupo solidario	___	___	3-5
3. Tipo de negocio (1=si, 2=no)			
servicio	___		6
fábrica	___		7
comercio	___		8
4. Edad	___	___	9-10
5. Cabeza de casa (1=si, 2=no)	___		12
6. Número de familiares dependientes	___		13
Sexo (M=1, F=2)	___		14
Años de experiencia con este negocio	___	___	15-16
Meses de participación en ADEMI	___	___	17-18
Número de préstamos recibidos de ADEMI	___	___	19-20
Número de préstamos escalonados	___	___	21-22
Ingreso neto mensual	___	___	23-26
Cambio en ingreso mensual desde la encuesta inicial	___	___	27-29
Número de empleados ahora	___	___	30-31
Número de empleados nuevos (en total)	___	___	32-33
Número de meses (promedio) que tienen los empleados nuevos	___	___	34-35
Número de visitas (a la empresa) del asesor (por mes)	___	___	36-37
Años de Educación	___	___	38-39

⁶³Question 15 in the questionnaire was thrown out and replaced with the open-ended question: "How do you like the interest rate you're paying now? Is it comodo (lit. 'comfortable')?"

ENCUESTA PARA LAS CLIENTES DE ADEMI
ENERO 1984

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Número de la encuesta: _____

1. ¿ Como se enteró de ADEMI? (1=si,2=no) columna

asesor _____

amigos _____

las noticias _____

2. ¿ Fue Ud. a la oficina, o vino el asesor donde Ud. trabaja/vive? (1=si,2=no) a la oficina _____
donde Ud. _____

3. ¿ Fue Ud. a la oficina
en grupo _____
sola _____
con amigo o amiga _____

4. ¿ Quien es mejor como asesor?
hombre _____
mujer _____
no importa el sexo _____

5. ¿ Para llegar a la gente, esta persona debe ser
una persona del pueblo _____
una profesional _____
cualquier de los dos _____

6. ¿ Por qué se va a ADEMI y no al prestamista? _____

7. ¿ Con qué frecuencia visita Ud. la oficina de ADEMI (mas o menos)?

más de 2 veces por semana _____

1 o 2 veces por semana _____

2 ó 3 veces por mes _____

menos de 2 veces por mes _____

(1=si,2=no)

8. ¿ Cuánto tiempo le demora el viaje a ADEMI?
 menos de media hora _____
 media hora hasta una hora _____
 mas de una hora _____
9. ¿ Y el costo del viaje?
 30 centavos o menos _____
 30-90 centavos _____
 .90 hasta \$1.20 _____
 más de \$1.20 _____
10. ¿ Cuánto tiempo (promedio) estará esperando en
 ADEMI y después haciendo los trámites?
 media hora o menos _____
 media hora hasta una hora _____
 una hora hasta una hora y media _____
 más de una hora y media _____
11. ¿ Está perdiendo ganancias cada vez le va a la
 oficina de ADEMI?
 Cuanto? _____

12. ¿ Alguien cuida a los niños cuando Ud. anda
 trabajando?
 Cuando le va a la oficina? _____
 Paga ud. para este servicio? _____
13. ¿ Cuándo sera el rato más conveniente para
 Ud. visitar la oficina?
 En las mañanas _____
 medio día _____
 tardes _____
 los sábados _____
14. ¿ Qué tipo de préstamo le ayudará más?
 de \$ 20 hasta \$ 50 _____
 de \$ 50 hasta \$ 100 _____
 de \$ 100 hasta \$ 200 _____
 de \$ 200 hasta \$ 1,000 _____
15. ¿ Prefiere el interes a
 \$ por \$ _____
 \$ por \$ _____
 \$ por \$ _____

(1=si,2=no)

58

16. ¿Prefiere Ud. cuotas
diarias
semanales
mensuales

17. ¿Es mejor participar en ADEMI
en grupo solidario
individualmente
¿Por qué?

18. ¿El asesor o la asesora viene a visitar
su negocio
una vez por semana (o más)
2 o 3 veces por mes
1 vez por mes (o menos)

19. ¿Le gustaría que una persona del barrio le ayudara
en los tramites para conseguir el préstamo?
O prefiera a una persona profesional?
persona del barrio
persona profesional
no importa

20. Como están llegando más y más gente a ADEMI,
¿se encuentra con problemas? (Como por ejemplo...)
demora esperando para el asesor
falta de ayuda en inscribir
los asesores tienen menos tiempo
falta de dinero para dar
préstamos
relaciones menos amigables con
el personal de ADEMI

21. ¿Quiere Ud. otro préstamo?
Si quiere más préstamos, ¿quiere
préstamos cada vez más grandes?
¿Hasta cuántos pesos piensa prestar?
hasta \$ 50
hasta \$ 100
hasta \$ 200 o 300
hasta \$ 1,000

(1=si,2=no)

22. ¿ Prestó Ud. antes de prestar de ADEMI? 59
de un banco?
del prestamista?

23. ¿ Esta ahora esta prestando dinero de un prestamista?

¿ Cuánto?

entre \$ 10 y \$ 20

entre \$ 20 y \$ 50

entre \$ 50 y \$ 100

más que \$100

24. Se usa el préstamo de ADEMI para

materiales

maquinaria

inventorio

salarios

otro

25. ¿ Está su esposo/hombre también prestando de ADEMI?

26. Alguien cuenta: Una señora y su niña trabajan juntas en casa. Fabrican ropas con una máquina de coser entre las dos. Por las mañanas mientras su mamá esta cocinando, María corta la tela. Por la tarde, la mamá cose con la máquina, pero María tambien quiere coser con la máquina. Hay tela suficiente para las dos para coser todo el día. ¿ Como se puede mejorar la producción de ropas en esta casa? (si la respuesta indica la idea de usar la máquina por la mañana además de la tarde, es =1, si no indica esta idea, es=2.)

27. ¿ Aparte del económico, sale otros beneficios de su participación en ADEMI?

¿ Cuales?

28. ¿ Cómo se puede mejorar ADEMI?
(en número de importancia)

a. no cambiar nada

b. establecer un lugar más cercano a su barrio

c. que vengan los asesores a visitar los negocios más frecuentemente

d. ofrecer jardín infantil para mujeres participando en ADEMI

e. cambiar las horas de trabajo de ADEMI

- f. dar a los clientes más responsabilidades
como
 - promover el programa _____
 - revisar las inscripciones _____
 - dar asesoría empresarial _____
 - formar una asociación de
microempresarios _____
- g. dar empleo a más asesoras para
trabajar con mujeres _____
- h. dar mas asesoría empresarial _____
- i. ofrecer cursillos (a su costo) _____
- j. bajar el interés sobre los préstamos _____
- k. cobrar más intereses y dar más asesoría _____
- l. ofrecer préstamos pequeños a continuación _____
- m. aceptar cuotas diarias _____
- n. promover el programa en el mercado y
en otros lugares en la ciudad _____

C. ADEMI Programa definition of Staff Roles

"El promotor, ademas de contactar, orientar y llenar la solicitud de credito del Grupo Solidario o Microempresario, debera entregar los avisoso de pago a los beneficiarios con un periodo de anticipaacion al plazo otorgado. Si tomamos como ilustracion los prestamos de tamano minimo y medio a los Grupos Solidarios (con 1-2 semanas de plazo), la presencia institucional resulta practicamente permanente. Las visitas periodicas de seguimiento por parte del Promotor son obligatorias y con ellas se persigue (a) observar la utilizacion del credito; (b) revisar junto con los beneficiarios sus metas y planes; (c) capacitar a los beneficiarios para su progreso.

D. Percentage Increases in incomes for microenterprise clients according to types of businesses

WOMEN'S BUSINESSES

Food production	127
Ceramics	89
Curtains, mosquito nets	173
Woodworking	-40
Florist	0
Clothing production	128
Upholstery	-67

MEN'S BUSINESSES

Food production	104
House decorations	236
Artesanry	115
Carpentry	77
Condiments	82
Woodworking	148
Photography	349
Welding	155
Tinsmith	137
Stovemaker	20
Screenmaker	-86
Candlemaker	132
Chemical products	147
Cinderblock production	87
Jewelrymaking	98
Printing	58
Laundry	306
Electronics	39
Stationery	71
Salt production	201
Heel production	65
Handbag production	168
Carwash	415

Upholstery	199
Shoemaker	180
Clothing production	154
Refrigeration	139
Mechanic	-45
Stonemason	123

E. List of Women's Microenterprises

Clothing Production	48
Woodworking	2
Ceramics	8
Food production	7
Printing	1
Food service	7
Handbag production	2
Pillow, curtains, upholstery	4
Florist	1
Cinderblock production	<u>1</u>
TOTAL	81

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