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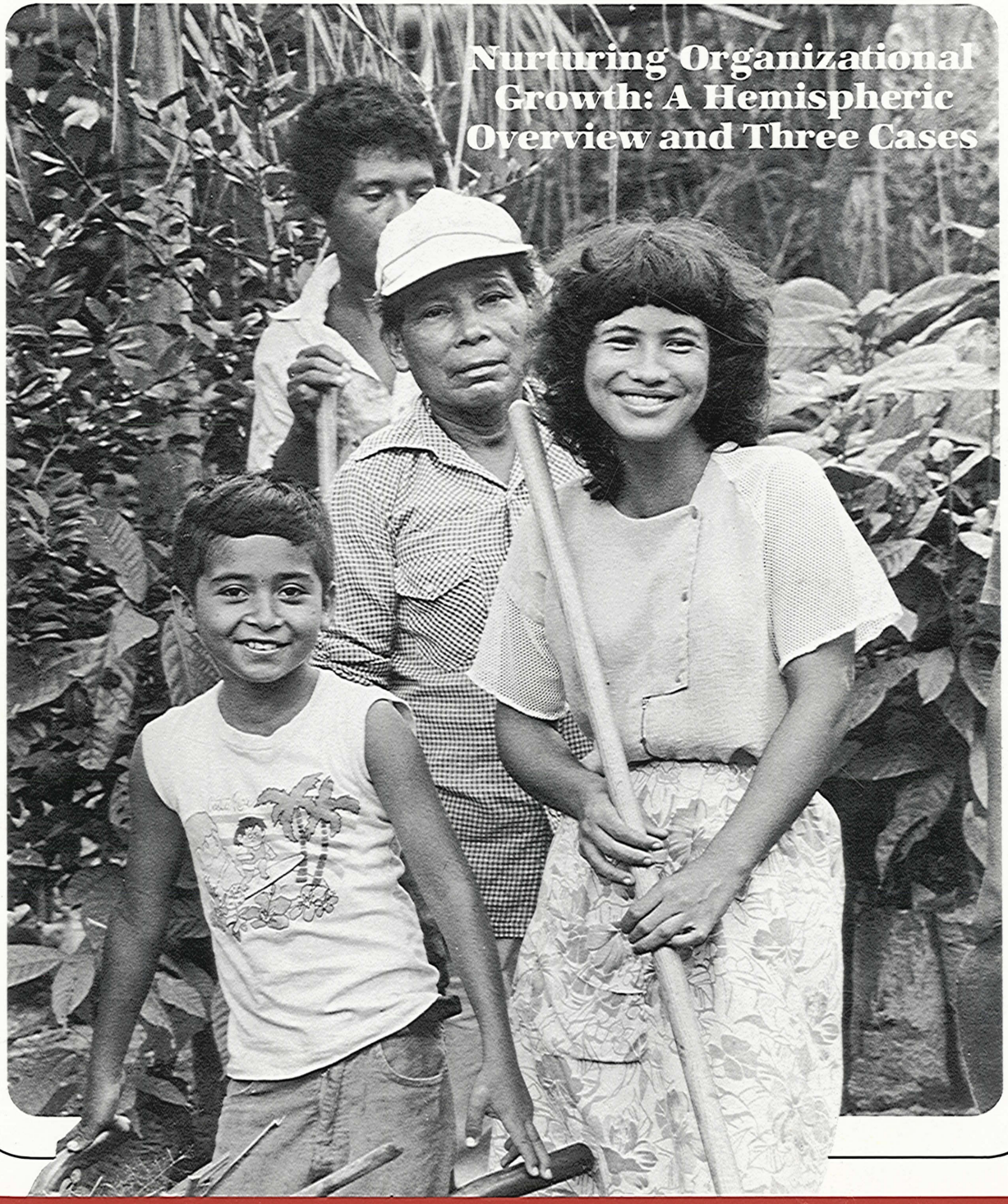
grassroots development

JOURNAL of the INTER-AMERICAN FOUNDATION



Nurturing Organizational Growth: A Hemispheric Overview and Three Cases

The Inter-American Foundation, a public corporation created by the United States Congress in 1969, provides direct financial support for self-help efforts initiated by poor people in Latin America and the Caribbean. The IAF makes about 200 grants a year for projects in more than 25 countries. Approximately half of its funds are appropriated by Congress, and the remainder comes from the Social Progress Trust Fund administered by the Inter-American Development Bank. Its budget in 1987 is approximately $26.8 million.

Grassroots Development is published three times a year in English, Spanish, and Portuguese by the Inter-American Foundation. The journal's purpose is to explore how development assistance can contribute more effectively to self-help efforts. It does so by reporting how the poor in Latin America and the Caribbean organize and work to improve their lives. Articles in *Grassroots Development* draw primarily on the experience of the Inter-American Foundation and the groups that it assists. However, submissions by persons outside the Foundation are encouraged. Prospective contributors should write for "Instructions to Authors."

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Cover photo: Members of a community tree nursery in Talamanca, Costa Rica, that is introducing hybrid cacao and perennial crops to improve small farmers' incomes (see article p. 12). *Photo by Sergio Solano.*

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Volume 11, Number 2, 1987

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FROM FIELD TO FACTORY
Vertical Integration in Bolivia

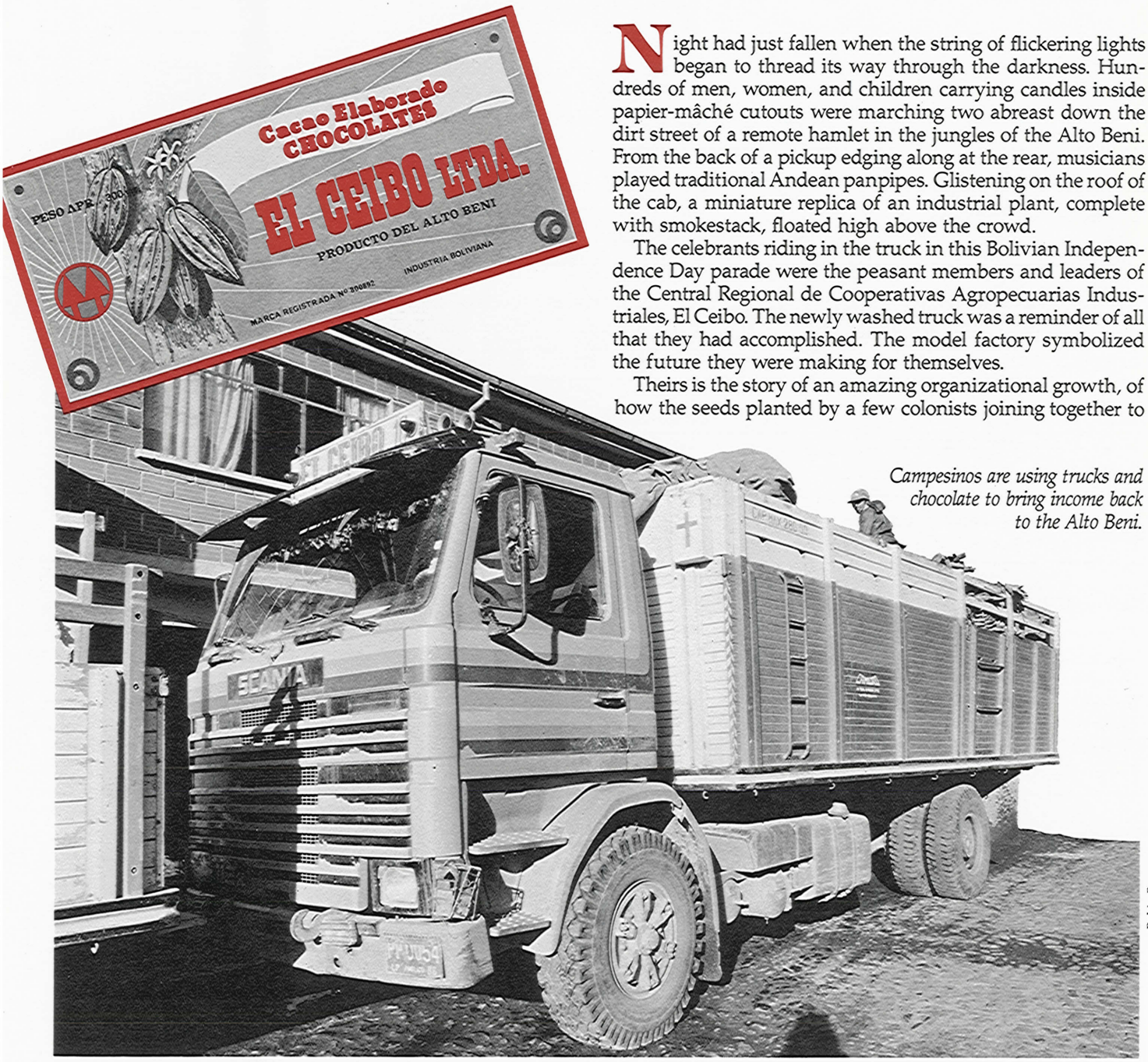
Kevin Healy

Fourteen years ago a handful of cooperatives joined forces to market their cacao. This article maps the often tortuous route they traveled to become one of Bolivia's most effective campesino federations. A follow-up in the next issue of the journal will explore how popular participation and self-management worked hand-in-hand to fuel their empowerment through organizational growth.

Night had just fallen when the string of flickering lights began to thread its way through the darkness. Hundreds of men, women, and children carrying candles inside papier-mâché cutouts were marching two abreast down the dirt street of a remote hamlet in the jungles of the Alto Beni. From the back of a pickup edging along at the rear, musicians played traditional Andean panpipes. Glistening on the roof of the cab, a miniature replica of an industrial plant, complete with smokestack, floated high above the crowd.

The celebrants riding in the truck in this Bolivian Independence Day parade were the peasant members and leaders of the Central Regional de Cooperativas Agropecuarias Industriales, El Ceibo. The newly washed truck was a reminder of all that they had accomplished. The model factory symbolized the future they were making for themselves.

Theirs is the story of an amazing organizational growth, of how the seeds planted by a few colonists joining together to



Campesinos are using trucks and chocolate to bring income back to the Alto Beni.

Robin Bowman

rent trucks and market their cacao eventually blossomed into a nationally known federation of 35 cooperatives. Today El Ceibo manages a fleet of 12 large trucks and 4 pickups to transport a variety of cash crops to market. It also operates an export business, a small urban industry, two rural plants to ferment and dry cacao beans, an agricultural extension division, and an education and training program to directly serve 850 members and indirectly benefit thousands of other small farm families.

El Ceibo buys and sells $1.5 million worth of cacao annually. As the federation has grown and diversified, it has had to learn how to work in two worlds, managing its farflung activities through an 80-member staff divided between a rural office and an urban headquarters. Rural activities are coordinated from a site in Sapecho, a small town in the Alto Beni jungle. From this complex of thatched-roof dormitories, offices, processing facilities, warehouses, and a training center, El Ceibo staff members schedule pickups of cacao harvests from local farmers, monitor price changes in the national market, and make assignments for work brigades. Business managers purchase cacao from local coops, and peasant extension agents bicycle out to farm sites for demonstrations and training courses. Other workers rake cacao beans for drying in the sun or load bags of dried beans into bags for shipment by truck to La Paz.

When the beans arrive in La Paz, they are taken to a federation warehouse for storage and marketing. The warehouse is located in a modern, three-story brick building that El Ceibo has built in Río Seco, a slum district on the outskirts of the city. The site also includes offices to coordinate marketing activities, and a small plant to manufacture cocoa, baking chocolate, and candy. The entire urban labor force—including project planners, accountants, sales agents, radio operators, drivers, and industrial workers — are youths recruited from coops in the Alto Beni. Like the workforce in Sapecho, they receive equal pay, and work for one or two years before returning home. Some of them also receive scholarships to study business management at universities during their job assignments in the capital city.

The goal of all of these activities—from leadership training to the manufacture of chocolate — is empowerment. For 14 years, the peasants of El Ceibo have struggled to master—one by one—all of the steps that could add value to their cash crops and make their business more competitive so that the lion's share of profits could be returned to develop the communities of the Alto Beni. From the outside it might seem as though progress has been steadily upward, but the actual journey has been as winding and treacherous as the mountain roads connecting those jungle settlements with La Paz and the outside world.

THE REGIONAL CONTEXT

El Ceibo grew up in the midst of a 30-year effort to colonize the sparsely populated Alto Beni region on the eastern edge of the department of La Paz. The prospect of rich and unlimited farmland, waiting to be carved out of virgin tropical forest, lured thousands of settlers from Bolivia's highlands, where Aymara and Quechua Indian families were being economically squeezed by overcrowding, land fragmentation, and low prices for cash crops. Following the abolition of serfdom through land reform in 1952, spontaneous peasant migrations began to augment government-organized settlement efforts, eventually bringing the population of the Alto Beni to its current level of some 7,000 families.

The transition for settlers was not easy. Highland peasants accustomed to wide-open spaces, cool temperatures, and traditional crops suddenly had to shed their heavy, woolen clothing and learn to deal with heat, insects, new diseases, and an entirely different type of agriculture. Starting over often meant starting from scratch. Land was plentiful, but it had to be cleared by machete. Most farmers were only able to clear two or three hectares of their 15 hectare plots. Furthermore, the local *sindicatos* — uniquely Bolivian institutions that are a cross between community councils and peasant unions — required colonists to pitch in and help construct new schools, roads, and water systems. In many cases, peasants found they had simply traded one form of *minifundia* poverty for another. More than half of the would-be pioneers gave up and left.

Those who stayed found that mosquitoes, heat, and the relentless jungle vegetation were not their only problems. The best markets for crops were far off in La Paz, 165 kilometers away by a winding dirt road that was frequently blocked by landslides or buried axle-deep in mud. The road started in steaming jungle barely 300 feet above sea level and ended on a cool mountain plateau 13,000 feet high. The journey took two or three days (even with today's improved roads, under the best conditions, it takes 10 hours).

The difficulty of the trip meant that the truck owners who were willing to make the journey had the Alto Beni colonists in

Photos by Wilhelm Kenning

From left to right: *Coop member harvests cacao on his farm in the Alto Beni. After being unloaded in Sapecho, dry beans are transported to La Paz; wet beans are sent to a fermentation plant. A former president of El Ceibo takes his turn shoveling cacao beans for processing at a new fermentation plant.*

an economic vise. On the one hand, farmers had to accept below market prices for their harvests or let them rot. On the other, they had to pay inflated prices for goods trucked in from La Paz or do without such staples as soap, cooking oil, matches, and kerosene.

ORGANIZATIONAL TAKE-OFF: EL CEIBO'S RISE DURING THE 1970s

In order to assist the Alto Beni's first cacao bean producers, the national government opened a modest fermentation plant in the region in the early 1970s, and organized four small cooperatives to keep it supplied with cacao. The farmers, however, were soon alienated by the plant managers' authoritarian style, financial corruption, and failure to make fair and timely payments for crops. When the peasants withdrew from the government enterprise, the processing plant went bankrupt. What remained, however, were seeds: the tiny coops that would ultimately grow into the El Ceibo federation.

Those seeds were nurtured by Caritas, a Catholic Church development organization, which established a cooperative development program in 1973 with Inter-American Foundation financing. In addition to elementary courses in management and administration, Caritas also offered a loan program to support new transport and marketing activities.

As a first step, Caritas loaned $1,000 to each cooperative so that private trucks could be rented to haul cacao beans directly to markets in La Paz. When the beans were sold, the cash was used to buy consumer goods that were then shipped back in the same rented trucks for distribution among the cooperatives.

The Caritas program vividly demonstrated the power of self-help initiatives, and local groups were soon bubbling with new plans for action. This bottom-up process eventually led the coops to seize an unprecedented but potentially lucrative economic opportunity — the first direct sale by Bolivian peasants in the international cacao market.

It was a grandiose vision for loosely affiliated coops to undertake. Fortunately, leaders like Emilio Vilca were on hand to turn dream into reality. A short, stocky, tenacious peasant of Aymara descent, Vilca was the regional spokesman for hundreds of new Alto Beni community sindicatos. Better educated than most of the colonists, he had attended high school and had taken nonformal education courses for farmers. He was also the head of cooperative development for the national peasant syndicate, and had recently traveled on a government-sponsored tour to study Israeli cooperatives firsthand.

Vilca formed a central committee to represent the cooperatives, gathered information about foreign buyers, and sent packets of sample beans to prospective customers by international mail. After receiving orders from firms in the United States, the committee arranged a special loan from Caritas to buy harvests throughout the zone, from members and nonmembers alike.

One hitch remained. Export licenses for cacao beans were difficult to obtain, since the government favored exporting processed cacao. Eventually, the coops agreed to pay a fixed percentage of their profits from any foreign sales to a private Bolivian firm in exchange for the use of its export license. Officials from the Ministry of Commerce approved the deal, but only after being dragged to the makeshift coop warehouse to see that there was a large surplus beyond the needs of domestic cacao buyers.

Under this special arrangement, some 600 *quintales* (1 quintal equals 100 lbs.) of cacao beans were exported in 1976. The cooperatives grossed $25,000, part of which was

There was a growing awareness among coop members that cacao production was their best option for development, and organization was the key to harnessing that potential.

used as seed capital to open a small office and an artisanal chocolate factory in the Río Seco neighborhood of La Paz. The economic benefits from the rustic facility were small, but this first experiment in adding value to members' crops had great motivational impact. In signaling a direction for the future, it bound the cooperatives more tightly together and provided a small workforce of coop members with valuable training that could be tapped when future funding made expanded industrial production possible.

Unfortunately, the economic windfall brought unanticipated problems as well. The increased income came before adequate accounting systems and investment plans were established. Despite Vilca's experience and Caritas' management courses, coop administrators lacked the skills to handle their new funds. Consequently, more urban real estate was purchased than could be productively used. The extra property tied up capital, stalling other income-generating activities and services. Other export income disappeared through lost receipts and alleged misappropriations by some of the central committee leaders. The final blow came when word was received that the U.S. buyers were dissatisfied with the uneven quality of the cacao they had received and the Bolivian government was discouraging future export deals.

Despite this setback, the one-time sale had a lasting impact. After years of barely breaking into the La Paz markets and selling their beans short to truck-owning middlemen, the export income provided small farmers with a new yardstick to measure the true value of their crops. It fed a growing awareness among coop members that cacao production was their best option for development, and organization was the key to harnessing that potential. The loss of the export contract underlined the importance of improving the quality of their crop if they were to take advantage of rapidly rising prices for cacao on the international market.

This led to a new strategy, yet another twist of fate in the road. The coops obtained a grant from Catholic Relief Services to buy materials for a plant to ferment and dry cacao beans and for a small pickup to collect harvests from local farmers. Coop members pooled their own labor and savings to cover construction costs.

Expectations soared. But once the plant opened, coop leaders discovered that they lacked funds to pay farmers in advance for the beans. The lack of operating capital, an obvious oversight in project design, led to production delays as the plant operated far below capacity. Coop members who handed over their crops on consignment became demoralized when nonparticipating farmers settled for lower prices from truck owners but were paid promptly in cash or consumer goods. Coop prospects began to dim again. It was becoming a familiar story: two steps forward, one or two steps back.

Nonetheless, coop members kept pushing. By organizing into a full-fledged federation, the ad hoc organization could acquire leverage—it would qualify for a bank account, loans, government help, and international assistance. And perhaps just as important, acquiring legal status would shelter the coops from some of the bureaucratic harassment that can befall informal organizations in Bolivia. At the moment of its birth in 1977, El Ceibo consisted of 14 cooperatives, each of which had 15 to 20 male members from rural communities of 50 to 60 families. All they needed now was working capital.

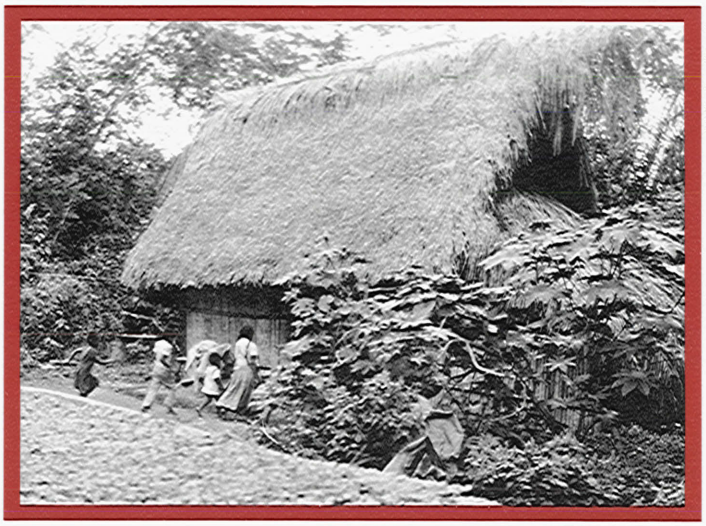
SHIFTING INTO HIGH GEAR

During the early 1980s, El Ceibo's transporting, processing, and marketing activities took off. A major boost came in 1981 from an IAF grant of $100,000 for operating capital, $12,000 for another fermentation and drying plant, and $30,000 for a truck to haul cacao to La Paz.

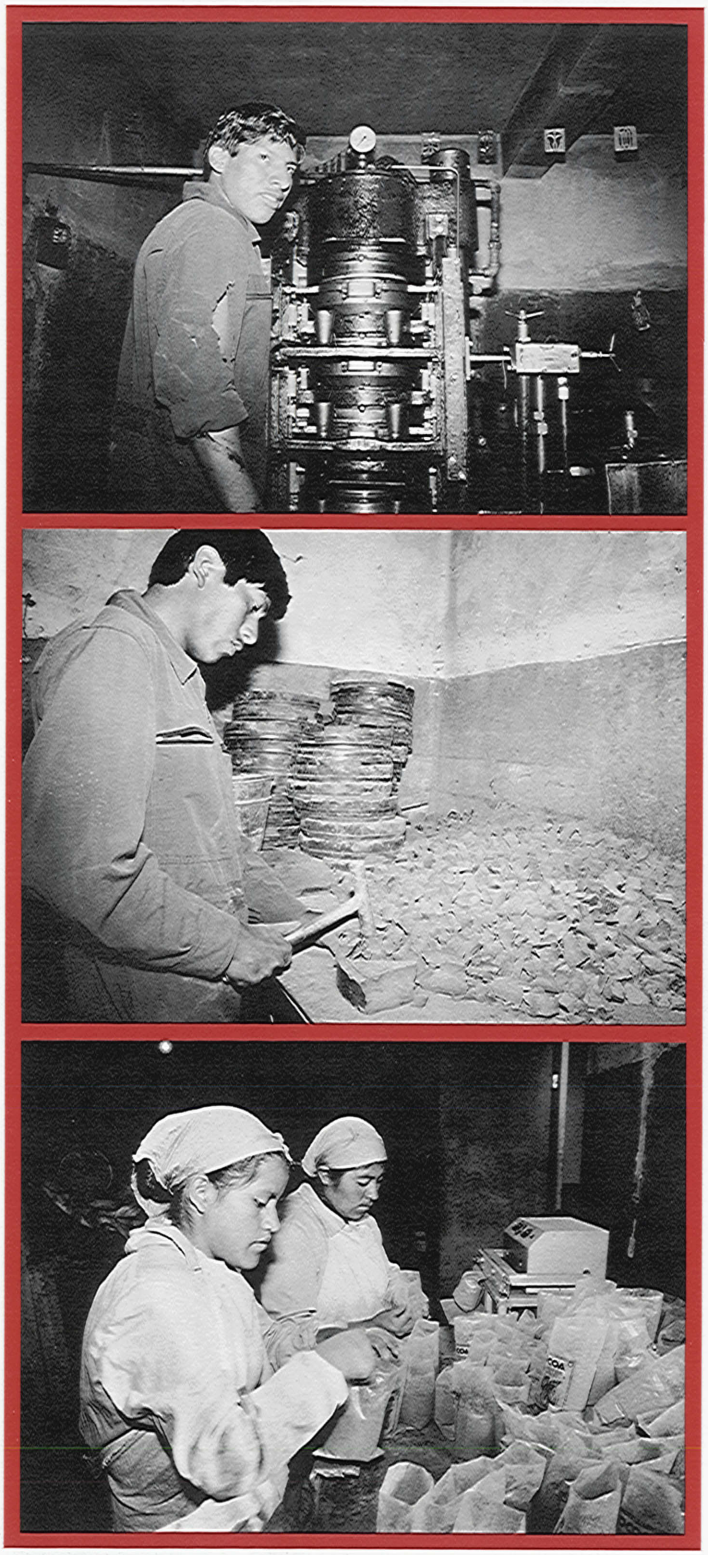
The administrative offices in Sapecho began to hum with activity as federation leaders coordinated crop pickups from small farmers along the back roads of the Alto Beni. El Ceibo purchased both wet and dry beans, drying and fermenting the wet cacao at the Sapecho plant.[1] After brief storage in an adjacent warehouse, most of the processed crop was shipped by truck to two companies in La Paz—one was Bolivia's largest chocolate manufacturer, the other produced cocoa and assorted products. By late 1981, El Ceibo was handling $1,200 worth of beans daily.

With new access to operating capital, the federation moved to control roughly two-thirds of the Alto Beni's cacao production.[2] Since the zone produced 80 percent of Bolivia's crop, more than half of the national harvest was moving

Peasant families traditionally home-dried their own cacao beans.



Wilhelm Kenning



Photos by Robin Bowman

Top to bottom: *At El Ceibo's chocolate factory in La Paz, toasted and ground beans are separated by a steam-powered press into cocoa butter and* tortas, *or cakes, of hardened cocoa. Coop youth breaks tortas into chunks for processing into powdered cocoa. The powdered cocoa is packaged for sale to buyers in western Europe and Bolivia.*

through the federation's transport and marketing channels. Breaking the transport monopoly and adding value through agroprocessing had led to booming business that made the federation the chief regulator of cacao prices in the Alto Beni. By 1983, three trucks were needed to haul beans to markets in La Paz.

And when those trucks returned home, they carried basic consumer goods for distribution to 21 member cooperatives, 7 of them new affiliates. El Ceibo's rapid economic expansion during this period allowed its network of consumer stores to expand their inventories to include 18 essential staples, helping to regulate consumer prices in the Alto Beni.[3]

The federation's rapid rise was a heady experience, but maintaining its position was not easy. Competing truck owners from La Paz soon raised their prices for cacao to match El Ceibo's. That, in turn, meant higher costs for the industrial buyers who had traditionally used the truckers to obtain a steady and cheap supply of beans.

El Ceibo's processed cacao was uniformly better than previous supplies, but those benefits were offset among company executives by concern over rising prices and the prospect of a new rival. After all, if the federation could obtain adequate capital and keep growing it might someday be able to vertically integrate its operations from cacao field to chocolate factory. Consequently, the major buyers undercut this embryonic grassroots power whenever they could. One tactic was to delay payments, hoping to disrupt El Ceibo's cycle of Alto Beni buying and La Paz processing during periods when small farmers were strapped for cash. Another tactic was lobbying the public banking establishment to block potential loans that might help the federation to ride out cyclical shortages of operating capital.

Despite the economic pressure and a deteriorating national economy, El Ceibo maintained its solvency and fought back. The federation built a new warehouse in La Paz to increase its leverage during negotiations with buyers. The cool climate of the capital city retarded spoilage for up to three months — allowing El Ceibo's sales staff to wait for higher prices.

But the key factor was the growing ability of El Ceibo's leaders to manage the federation's farflung operations. Thanks in part to an unexpected advisor, these peasant leaders were becoming adept planners, bookkeepers, cost analysts, and basic accountants. Bernardo Edenberger was a 36-year-old economist who became disillusioned with his job at a West German multinational cosmetics corporation, and left to work with poor people in Latin America. He was the first in a series of talented and committed volunteers from the German organization Servicio Técnico Alemán de Voluntarios to provide the federation with technical assistance in agronomy and accounting. His four years of guidance were an incalculable asset for El Ceibo's consolidation and economic growth.

The only way to survive inflation was to outproduce it by adding further value to coop crops.

WITCHES-BROOM, DECAPITALIZATION, AND HOT CHOCOLATE

Ironically, El Ceibo's ability to command a sizable market share was enhanced by a precipitous drop in cacao bean production in the Alto Beni from a blight known as *escoba bruja* — witches-broom. The blight, which began in the late 1970s, had a paradoxical effect. It stretched the reach of the operating capital fund, allowing El Ceibo to buy a greater percentage of a diminishing volume of beans. If witches-broom went unchecked, however, soon there would be nothing to purchase.

In 1983 El Ceibo created the Cooperative Education and Agricultural Extension Division (COPROAGRO) to help small farmers fight the blight and improve their farming methods. With financial support from Cooperación Técnica Suiza (COTESU), a foreign aid branch of the Swiss government, COPROAGRO set up an office in Sapecho and hired a staff of 22 peasant paraprofessionals. An IAF grant allowed some of them to travel to Ecuador and Colombia for specialized training.

The payoffs were substantial. According to a 1986 evaluation by Ecuadoran agronomists, COPROAGRO work teams serviced 2,500 hectares — about a third of the cacao farmland in the Alto Beni. Tree pruning and rehabilitation doubled average yields from 5 to 10 quintales per hectare,[4] generating an additional $750 in income per hectare. One major industrial buyer underlined these accomplishments by saying, "Without El Ceibo, cacao might have vanished from Bolivia."

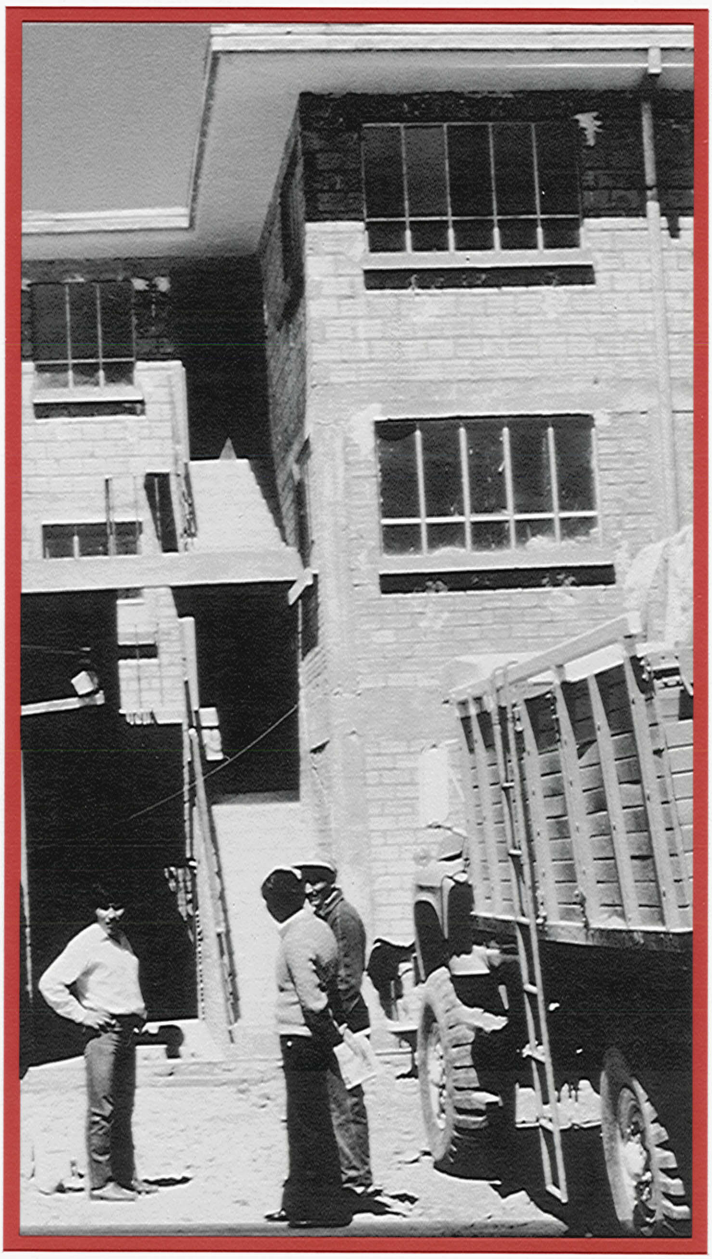
But even as the federation seemed to be winning the war on the ground, the ground was slipping beneath them. Hyperinflation in the national economy was approaching 20,000 percent. By the end of 1984, the purchasing power of El Ceibo's operating funds had been slashed in half, forcing severe cutbacks. When an industrial buyer held up a large payment for three months, federation leaders helplessly watched while their customer waited for inflation to pay the major portion of his bill. Local coops also presented a gloomy picture, as the shelves in branch consumer stores were increasingly empty.

Fortunately, the federation found ways to blunt the impact of spiraling prices. The first major step was defensive. All accounts were converted from Bolivian pesos to U.S. dollars. Since the exchange value of the dollar rose in tandem with inflation, that helped cut further losses.

Much irreparable damage had been done, but as El Ceibo's leaders became more adept at crisis management, they cautiously decided to take the offensive. The only way to survive inflation was to outproduce it by adding further value to coop crops. After a Bolivian consulting firm agreed that it made sense, El Ceibo used a $25,000 IAF grant to build a small plant adjacent to their Río Seco offices and outfit it with used machinery to modernize their production of chocolate, which was absorbing only 1 percent of the federation's cacao. The new factory diversified production to include drink mixes, cocoa butter, baker's chocolate, and chocolate candy.

Some of these products became instant hits. El Ceibo's cocoa, for instance, caught on as a popular breakfast and

The factory site also houses El Ceibo's urban headquarters and a truck garage.



Kevin Healy

When the 10 enormous trucks — each worth $53,000 — rolled into Sapecho, federation members gathered for a huge fiesta.

afternoon drink, and quickly found its way onto store shelves and vendors' stands in the low-income neighborhoods of La Paz. During 1985, cocoa sales reached $7,000 per month, not including shipments back to the Alto Beni for marketing in affiliated coop stores. At the same time, chocolate sales reached 1,800 kilos monthly, primarily to miners employed by the state-owned national mining corporation, COMIBOL.

During its second year of operation, the factory set a federation record for profits of 18 percent above costs. Some of that money was reinvested to help rent a second factory from a major client. By 1986, the expanded industrial capacity was absorbing 10 percent of the federation's cacao crop—an increase of nearly 1,000 percent in less than three years.

And some of that production had further added value. When El Ceibo began to make sales of powdered cocoa to the Organisation Schweiz Dritte Welt (O.S.3.), a network for assisting cooperative enterprises in the Third World, the payments in foreign currency were inflation-proof. During 1986-87, El Ceibo exported a total of 35 tons of cocoa to O.S.3. The federation also reentered the export market for cacao beans for the first time since 1976, shipping nearly 2,000 quintales of beans to a West German buyer.

Despite the new export income, new products, and robust sales, the federation made little headway in replenishing its operating capital fund. The original $100,000 from the IAF had declined in value to $50,000 and then stabilized far short of the $350,000 that would have been needed to channel all of the cacao production of the Alto Beni to La Paz. Finding the road forward temporarily blocked by hyperinflation, the federation's leaders decided to search out a detour around the avalanche.

A CARAVAN OF TRUCKS

The means to move beyond cacao and begin handling other cash crops was already on the way. In October 1982 a democratically elected civilian government took office in Bolivia after 16 years of military rule. Peasant syndicates throughout the country were soon mobilizing to express their pent-up grievances. During this period, the Federación Especial de Colonizadores of the Alto Beni joined forces with a similar small farmers union from the Yungas area to the south, declared a strike, and closed the main road to La Paz. The farmers wanted to break the transport monopoly of the Sindicato de Volantes of Yungas, which represented some 60 truck-owning middlemen. El Ceibo had broken this commercial monopoly with respect to cacao, but other local crops had been unaffected.

Thousands of peasant men and women manned the roadblocks, including one at Sapecho. To end the crisis, the government changed freight and passenger rates in the zone, and agreed to loan the syndicates money to buy 60 trucks. A

A local cooperative leader delivers a speech at the fiesta inaugurating the new transport section in Sapecho.

Courtesy El Ceibo

Courtesy El Ceibo

Each member cooperative performed its own traditional folk dances at the Sapecho celebration. In addition to the newly arrived trucks in the background, El Ceibo cosigned for another 20 trucks to be distributed to peasant group in the Yungas region.

special peasant commission subsequently lobbied to keep pressure on the government. When funds finally arrived two years later, however, there was only enough for 30 trucks, which the Empresa Nacional de Transporte (ENTA), a new public transport enterprise, imported from Brazil.

After visiting federation offices in Sapecho and Río Seco, the minister of transportation chose El Ceibo as a broker for the deal because of its infrastructure, its extensive administrative and management experience, and the fact that it had physical assets to offer as collateral. El Ceibo would purchase 10 trucks for itself, and cosign for the other 20 trucks, which would be distributed among peasant coops in the Caranavi zone of the Yungas region. The downpayment was made with federation profits and fixed assessments of cacao totaling $62,000, plus a sizable government subsidy.

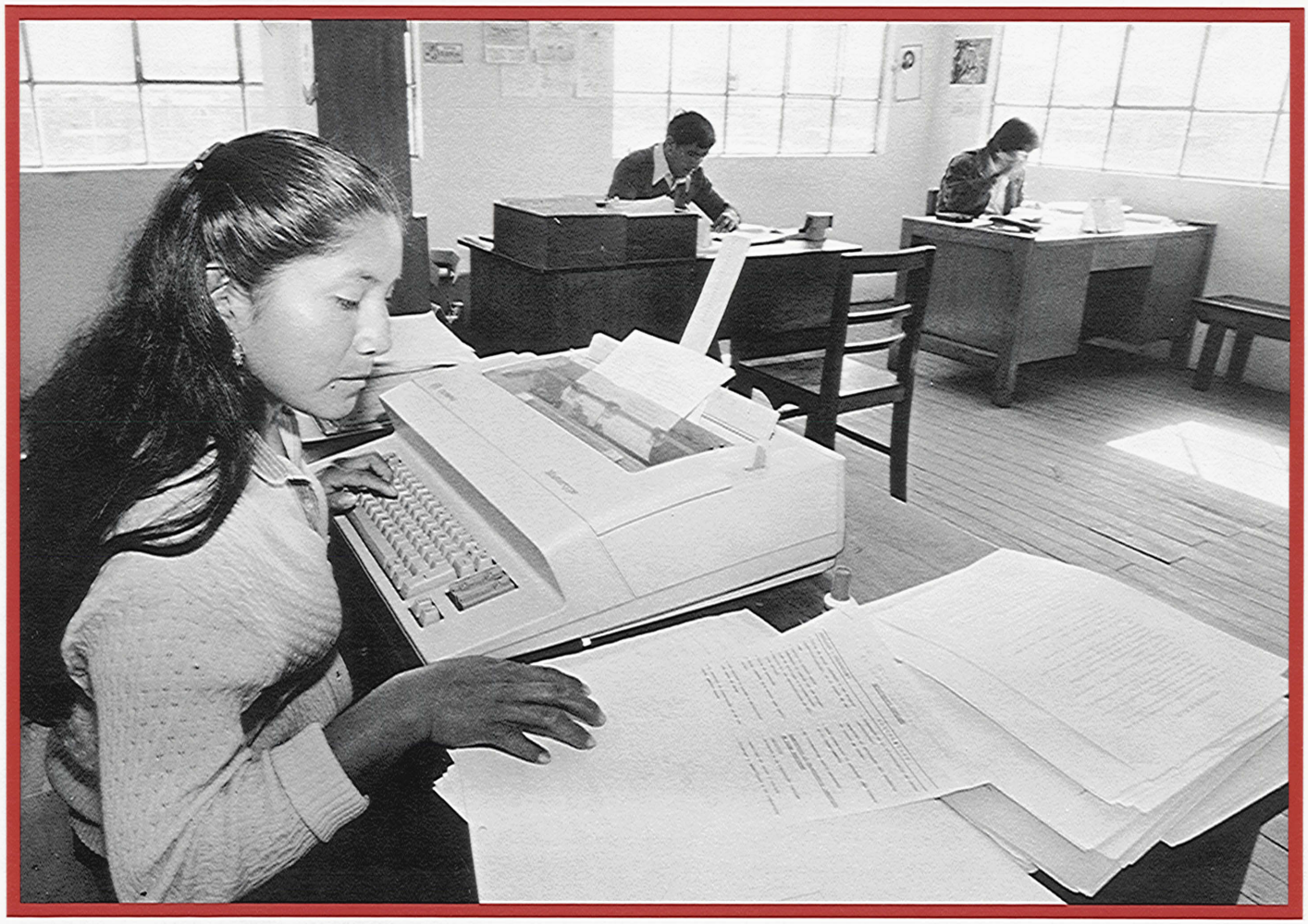
When the 10 enormous trucks—each worth $53,000—rolled into Sapecho, federation members gathered for a huge fiesta replete with excited speeches and traditional Andean dances. Then the trucks were driven in procession to a shrine on the shores of Lake Titicaca, where a local shaman performed the traditional *challa* ritual—a ceremony for blessing major acquisitions such as houses and cars.

The new trucks were soon hauling bananas, grapefruit, timber, watermelons, and rice to La Paz. Other truckers operating in the Alto Beni were forced to meet the new competition by paying more for crops and cutting transport fees. The importance of this competition became quite clear whenever a coop truck broke down and was temporarily out of service. In one such instance, freight and passenger charges by other carriers shot up by 60 percent.[5]

In addition to putting more money in small farmers' pockets, the new trucks changed social relationships in subtle ways. A coop leader offered the following observation: "Previously, drivers would make us get down off the truck to load and unload cargo, threatening to leave us behind if we disobeyed. Since the coop trucks started running, other drivers have stopped ordering us around, and show more respect."

Yet despite the rapid gains and El Ceibo's years of experience with cacao transport, the fleet ran into problems almost immediately. The trucks themselves were too big for the narrow jungle roads that connected widely dispersed communities. Cutting through the administrative thicket was no easier. With weak oversight and control, drivers sometimes failed to collect freight charges from passengers who were supposed to pay after selling their produce. Other times, drivers simply pocketed the money. Shortwave radio communication between Río Seco and Sapecho was also ineffective, leading to confusing schedules for truck departures and arrivals. El Ceibo responded flexibly and pragmatically. For example, it set up roadside checkpoints through local coops and used undercover investigators to prevent truck-driver profiteering during the long trip to La Paz.

The federation has reorganized its transportation system several times in search of workable solutions to its problems, in some cases centralizing and in others decentralizing opera-



Robin Bowman

A secretary proofreads documents in the La Paz business office. To broaden participation, El Ceibo's urban workforce is recruited from local cooperatives. When their job assignments are completed, members return home to the Alto Beni.

tions. But the debts from uncollected payments, which amounted to $40,000 in 1986, continue to climb. This two-year experiment suggests that the administrative burden of managing 10 trucks may be overtaxing El Ceibo's skills and resources. It is therefore likely that the fleet will be reduced in the future to ensure a more efficient operation.

El Ceibo's truck caravan also encountered difficulties in La Paz. It stirred up anxieties among local market vendors who were often linked to each other and to truck-owning middlemen by strong family and social ties. Together, they formed a tough, tight-knit economic force.

The vendors and truck owners moved quickly, persuading municipal transit authorities to issue a regulation that blocked federation trucks from several commercial zones. When trucks did enter market places, porters were pressured not to unload their cargos.

The strong reaction hurt. El Ceibo lost agricultural produce, valuable time, and member morale. Having to cruise for several days with citrus rotting in the back of the truck was a discouraging beginning.

Once again, however, El Ceibo fought back. Locked out of some existing markets, the federation recently obtained an IAF grant to help purchase a two-acre lot in La Paz for its own marketplace. The site will also serve as the location for a truck garage and for future projects. A peasant-owned marketplace in the capital city is very unusual, and federation leaders recognize its symbolic importance. As El Ceibo's president Luis Cruz Mamani remarked, "We want to show the people of La Paz that we are not dirty, that peasants can own and manage a clean marketplace. And we want to show other small farmers what organization and hard work can accomplish."

BLAZING A PATH FOR DEVELOPMENT

El Ceibo's 14-year history clearly shows that empowerment is not merely a battle to acquire new skills and material assets. It is also an ongoing struggle — with frequent reversals — to manage these resources for sustained socioeconomic development.

The federation has been unusually effective in bringing opportunities to small farmers in the Alto Beni, while at the same time galvanizing local efforts to develop the entire region. As one result, El Ceibo is receiving increasing attention from the Bolivian mass media. It is regularly visited by other coop members from throughout the country and by development professionals from home and abroad. What kinds of lessons can be learned from its history?

El Ceibo's past is full of ironic twists, not the least of which is that a seemingly hostile environment provided the freedom of social space for peasants to build a cohesive and dynamic

El Ceibo's organizational history suggests that grassroots development on this scale has to be multidimensional, that the whole is greater than the sum of the parts.

organization. The lack of entrenched elites allowed leaders with the grit and vision of Emilio Vilca to emerge, and the relatively egalitarian social structure that grew out of Alto Beni colonization led to broad-based cooperatives committed to participatory management of programs and delivery of services. The process of settlement itself tended to preselect people determined to improve their livelihoods, and the Aymara and Quechua pioneers who stayed proved to be dynamic organizers when given the slightest opportunity.

Cacao's comparatively favorable price and the promise of value-added profits from export and processing made it an ideal crop around which new coops could coalesce. Focusing on cacao opened new windows of opportunity that allowed El Ceibo to become a major economic player rather quickly. The Alto Beni supplied 80 percent of the national harvest, and competing commercial interests involved with the crop were relatively new and lacked the political and economic clout to throttle the new enterprise.

El Ceibo's history also shows, however, that self-sustaining development may require prolonged outside investment. Indeed, that history underlines the vital role of being able to broker and capture external resources on a continuing basis in order to complement and galvanize local resources such as land, labor, crops, and even cash. Recognizing this, the federation has recently established a development projects office. The tendency of its leadership to seek loan funds instead of grants to maintain and expand program activities is a promising sign of progress toward eventual self-financing.

In an economy as volatile as Bolivia's, of course, even profits may be a deceptive indicator of future success. For example, El Ceibo has been earning enough money to pay off its debt on time to ENTA for the fleet of 10 trucks. Because of depressed farm prices and inadequate administration, however, the federation has been unable to save enough money each month to counteract depreciation. At the present rate of savings, it will be able to replace only seven of the trucks when they eventually wear out.

Other problems such as the growing intrusion of coca production in some of the newest colonies in the Alto Beni for processing into cocaine loom on the horizon. Nonetheless, El Ceibo has shown a deft capacity for responding to each crisis by pushing ahead on a new front. Its organizational history even suggests that grassroots development on this scale has to be multidimensional, that the whole is greater than the sum of the parts. Diversified activities may create management problems, but they may also usher in unexpected opportunities. One reason for El Ceibo's ability to weather the unrelenting storm in the Bolivian economy, the nation's worst in this century, may be the federation's willingness to explore new income-earning opportunities. Building on soft ground teaches you to rely on multiple supports. Although the federation has had to count on external financing from a variety of sources, one wonders what could have been accomplished if the state had been more effective in clearing the way. Indeed, El Ceibo itself has led the way in pushing the production and development of a potentially important industrial and export crop.

This returns us to the point where the story began — the candlelit model factory. Survival means pushing ahead with plans for industrialization. The market is there, as the order for 1988 from the European group O.S.3 for 40 tons of cocoa powder demonstrates. The federation has already opened communications with the government of West Germany for the possible multi-million dollar financing of a large industry, and has acquired urban property as its future site. This is El Ceibo's dream — to absorb all the Alto Beni cacao into industrial production under peasant control and ownership.

The federation is ready to take the next logical step and become a "chocolatier" par excellence. Considering the long odds against what they have already accomplished, who is to say they cannot? El Ceibo has broken into the world of export markets that includes the Swiss, who are among the world's most quality-conscious consumers of chocolate. The Nestlés, Hersheys, and other giants of world production may someday have to take heed — these peasant upstarts are finding a way. ◇

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ENDNOTES

1. See Judith Tendler, *What to Think about Cooperatives: A Guide from Bolivia,* (Rosslyn, VA: Inter-American Foundation, 1983) for a longer discussion of this process.
2. Again, see Tendler, 1983, for a fuller description.
3. The benefits were not restricted to El Ceibo members. As Tendler pointed out, the economic benefits from El Ceibo's central transport and commercial role extended to nonmembers as well. Tendler labeled these nonmember participants "free riders," since they enjoyed the best of both worlds — the services coop members received, but none of the dues payments. However, it was to some extent a two-way street. El Ceibo's access to the crops of nonmembers meant greater sales volume and greater economic leverage for the federation.
4. These yields are still unimpressive by the standards of cacao-exporting countries. Average yields in Brazil, for example, are 15 quintales per hectare.
5. Again, see Tendler for similar effects on the cacao market after introduction of peasant-controlled trucks.

ORGANIZING THROUGH TECHNOLOGY

A Case from Costa Rica

Thomas F. Carroll and Helga Baitenmann

A small research group finds that new technologies spread only as far as local organizations can carry them.

In the remote corner of Costa Rica's Atlantic Coast near the Panamanian border, a small private development organization called Asociación ANAI is pioneering new methodologies for putting applied science to work for small farmers. The obstacles have been immense: a complex and fragile tropical ecology, diverse ethnic populations speaking different languages and scattered across rugged terrain, lack of community organizations to channel development activities. Yet, with IAF support, ANAI has recently helped 25 rural groups organize and manage their own nurseries for introducing new and improved perennial crops to local farmers. During the past two years, more than 1,000 peasants have planted some one million seedlings on their own land.

For ANAI the means to improving local agriculture was ending the dependence on monocropping that had left peasants economically vulnerable to swings in world market prices or devastation by a single plant disease. The starting point was applied research on ANAI's two experimental farms to grow and test new or improved varieties of tropical trees and other perennial crops that would thrive in the region. As research progressed, it soon became evident that the big question was not simply finding new strains but devising ways to distribute them to farmers who lacked cash and lived on widely dispersed farms in a region with poor roads and no effective community structure. ANAI solved the problem by helping local groups organize community tree nurseries to grow the new varieties for transplantation by local farmers. To make this decentralized system work, ANAI would not only provide extension services to nurture the seedlings but organizational assistance to help the groups run their own nurseries and develop the skills to tackle new problems.

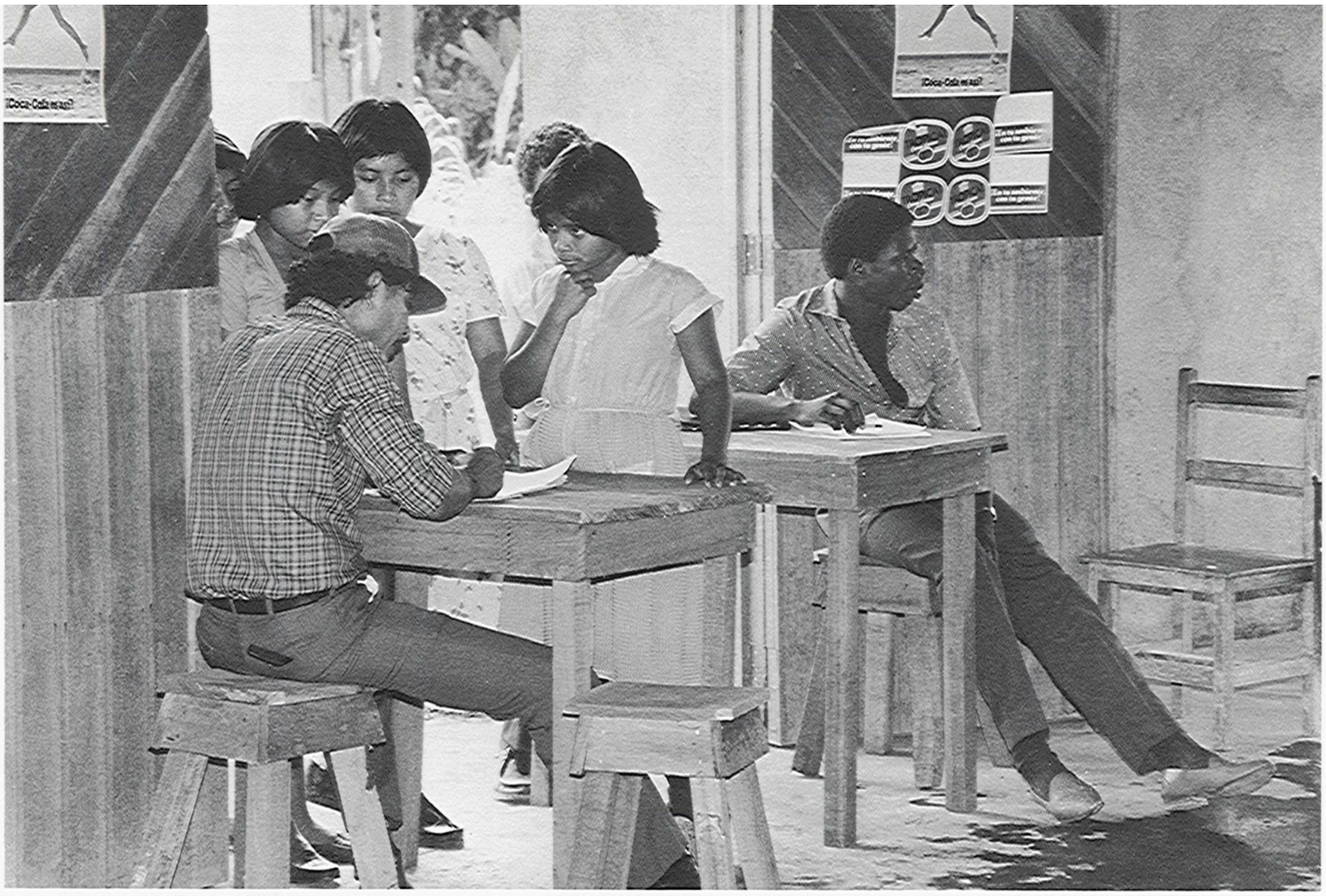
The key to ANAI's achievement has been its ability to combine technological and institutional innovations. It bears out the influential theory advanced by Hayami and Ruttan that technological discoveries become "engines of growth" only when social institutions adapt to make them widely applicable.[1]

The three aspects of ANAI's work — appropriate technology generation, service delivery, and enhancing local organizational capacity — are the basic building blocks of success for a whole set

All photos by Sergio Solano

of private developmental groups with which the Foundation is collaborating and which we shall call "grassroots support organizations." Competence in performing any one should be lauded, but ANAI demonstrates that all three are interlocked and mutually reinforcing. Research without an effective extension system remains dormant, producing little impact. Without the practical experience of helping beneficiaries apply new technology, researchers lack the feedback to refine the technology and make it more efficient. Both extension and feedback are unlikely without effective local organizations. And finally, if poor people are to organize, cooperation has to show tangible benefits that justify to individual members the cost of contributing time, labor, and material resources. In this case, those initial tangible benefits are the higher yielding, disease-resistant plants — such as hybrid cacao, spices, medicinal plants, exotic fruits, and fast-growing tuber crops — that members grow in their own nurseries.

Technical advisor Marco Lowenstein demonstrates grafting techniques for cacao to members of a vivero *near Bambú and Bratsi.*



Representatives of the Bribri vivero *arrive at Talamanca's only high school for the monthly assembly of ANAI staff and members of affiliated community nurseries. The meetings help leaders get to know each other and coordinate future activities.*

THE SETTING

ANAI operates in Talamanca, Costa Rica's largest canton (over 1,000 square miles) but also one of its poorest. Fifteen years ago there was no highway connecting Limón province, of which Talamanca forms a part, with either the capital city of San José in the central highlands or the rest of the country. The United Fruit Company's banana plantations in the lower Sixaola Valley near the Panamanian border, which were the hub of a boom economy in the early part of the century, were abandoned by 1930. After the banana bust, most Talamancans eked out a living by combining subsistence agriculture with earnings from cacao, a tree crop that can be transported from isolated areas without spoilage.

Talamanca's isolation had some advantages. It enabled people to preserve their environment in relatively good condition and taught them the value of community action. As one resident of the area recalls proudly, "When the banana company came in, we cut down our cacao and planted bananas. Then the company left. They were going to pull up the rail lines, but we would not let them. We built little traincars and pulled them with mules. For the first time we had public transportation along the coast — and we did all that ourselves."

In recent years, however, as the isolation has diminished, the environment has come under increased pressure. A paved road now connects Puerto Limón to the Costa Rican heartland, and it is possible to drive from the provincial capital straight through Talamanca to the Panamanian border at Sixaola. Communities not along the main highway are gradually being linked to it by spur roads. The "Company" (now called PAIS, S.A.) has returned to raise bananas and African oil palms, but the reactivation of agribusiness plantations has had minimal impact on the subsistence economy of the region. The influx of landless workers, the colonization of one of Costa Rica's largest frontiers, and the continual arrival of displaced people from other Central American countries have tripled the population in the last decade to about 25,000 inhabitants.

Talamanca may be roughly divided into three zones. The most fertile land is the alluvial lower Sixaola Valley, now largely reoccupied by the banana company. It is separated from the Caribbean by a range of low forested hills and a narrow coastal plain. Inland, on the other side, the Talamanca mountains rise to nearly 13,000 feet on the Continental Divide, with numerous isolated valleys enfolded among them containing many small farms.

Talamancans are as diverse as the local geography. The coastal communities are dominated by English-speaking Blacks of West Indian origin. The mountains are the home of many of Costa Rica's remaining tribal Indians, who still speak Bribri and Cábecar. Most of the plantation workers and the newer settlers from the highlands are Spanish-speaking mestizos.

Since 1979, monilia pod rot has virtually extinguished cacao production in the area. The loss of their primary cash crop and a deepening national economic crisis have combined to make Talamanca's peasants poorer today than 10 years ago. In the meantime, the flood of new settlers has undermined community identity, boosted crime rates, and increased frictions among ethnic

groups. As squatters invade company and private lands and the Indian reservations, resident farmers often deforest their uncultivated land to strengthen their title claims and prevent usurpation. If increasing numbers of farmers continue to invade the fragile and hitherto largely untouched hill lands, the "slash-and-burn" system of subsistence farming will become unsustainable.

Compared with other areas in Costa Rica, public services in Talamanca are extremely poor even where roads are accessible. Outside Cahuita, the main coastal settlement, there are only four telephones, and few communities have health posts or electricity. Agricultural services for small-scale farmers are limited.

In a number of ways, ANAI has moved to fill the vacuum by acting, as many other intermediary-level private organizations do, to supplement and extend what would normally be public or business functions to help local groups marshall resources and plan for the future. How to conserve the region's fragile soils? How to protect the forests, watersheds, fishery resources, wildlife, and ecologically unique areas? How to develop a diversified agricultural economy that is productive today and sustainable for future generations? These are the big questions ANAI has set out to address.

ANAI AS A GRASSROOTS SUPPORT ORGANIZATION

ANAI, which was formerly called Asociación de los Nuevos Alquimistas, got its inspiration from the worldwide ecology movement. However, ANAI aims not for preservation *per se*, but for the development of a sustainable and economically realistic agricultural system through the application of ecological principles. In the words of its founder, Bill McLarney, ANAI's projects are "united by two beliefs." First, there is "no essential contradiction between economic development and environmental conservation." Second, given that the "most apt stewards of the tropical lowlands are the small farmers who have committed their lives to them," ANAI's task is to "capacitate people to take advantage of new opportunities as their isolation diminishes."

ANAI's roots go back to 1975 when two North American ecologists interested in tropical agroforestry decided to establish an experimental farm on the Atlantic Coast. The farm was located at the easternmost tip of the coastal plain, a two-hour hike from the nearest road. Concerned with the life of the community as well as agricultural diversification and integrated farm management, the resident ecologists worked hand-in-hand with their neighbors, eventually gaining their confidence. In 1976 the community members formed the Asociación Integral de Desarrollo de Gandoca y Mata de Limón, which was then given legal status. This enabled ANAI, which functions as technical advisor to the association, to serve as a broker contacting foreign donor agencies for assistance. Catholic Relief Services responded by providing funds to establish experimental fish farms, which led to a later IAF grant for an aquaculture project and water pumps. USAID also contributed to a pig farm project.

In the meantime, ANAI scientists began research and testing on a series of crops and cropping systems with commercial and subsistence value. The first new cash crop they tried to adapt was red sorrel, which is used as a dye in herbal teas. Later, with financial assistance from the Dutch government, they launched a more ambitious three-year research project to diversify crops in collaboration with one of the main agricultural cooperatives in the region, Cooperativa de Servicios Múltiples de Talamanca, R.L. (COOPETALAMANCA). Plantains and white yams were introduced as cash crops. While plantains became a major source of income for many farmers, the yams proved to be susceptible to fungus diseases and suffered from erratic markets. When red sorrel and several food crops also encountered problems, ANAI ultimately concluded that the future direction of diversification should be into farming systems based on perennial crops.

In 1983, ANAI established a student-operated nursery to grow the new crops at the Colegio Técnico Agropecuario de Talamanca, the only high school in the area. This experiment worked out well in terms of student involvement and in gaining experience with plant multiplication. But shortcomings were also revealed. The centralized nursery served the Colegio and some nearby farmers but did not benefit more distant settlements. Students were often ineffective at diffusing the new technology, and production costs priced seedlings beyond the reach of poorer farmers. This experience led ANAI to form a permanent team of professionals who could work full time and actively participate in applied research, distribution, and com-

A Major Research Project

The ANAI story is taken from a collection of case studies that form part of a major IAF-sponsored research project on indigenous grassroots support organizations (GSOs) in Latin America to be published in Spring 1988.

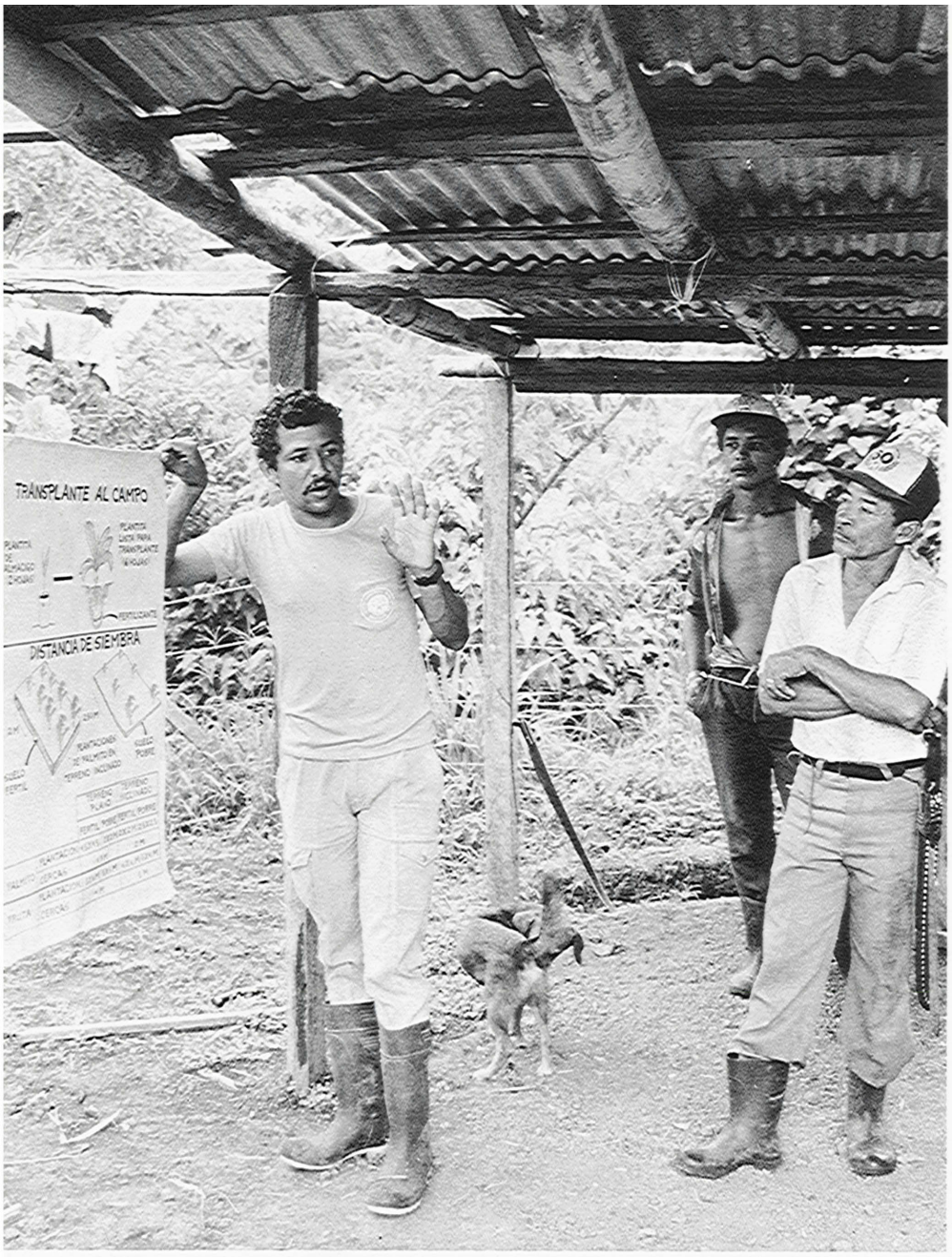
Up to now these groups have been more commonly referred to as "nongovernmental organizations" (NGOs) or "private voluntary organizations" (PVOs). However, while the IAF is reluctant to coin yet another acronym, "GSO" is preferred since "NGO" has a somewhat negative cast, and "PVO" is confusing because such groups usually have more paid staff than volunteers.

Whatever the name, these organizations — whose main function is to promote and assist local development efforts and to provide services to primary groups — account for a large share of the Foundation's funding over the past 15 years.

The research project will contribute to understanding how GSOs work and will identify factors common to their success or failure. The study will explore the characteristics leading to GSO effectiveness, such as their ability to reach the poorest, most isolated, and disadvantaged segments of society; delivery of services based on knowledge of local settings and local needs; sensitivity to the interests of the groups they serve or represent; willingness to work under difficult circumstances and to tackle a variety of different problems; and flexibility to changing conditions.

A typology of grassroots support organizations has been developed to classify and characterize the IAF's portfolio, and field-based case studies are being conducted in Chile, Costa Rica, and Peru.

The study should also help identify an institutional niche for GSOs in complementing the programs and services provided by public entities.



Technical advisor Carlos Manuel Lynch Arce gives a brief talk to members of the Bribri vivero *on how to germinate seeds and transplant seedlings.*

munity development. It also led to the current community tree nursery project.

In August 1984, ANAI received a grant from the Coalición Costarricense de Iniciativas de Desarrollo (CINDE), and almost overnight the staff blossomed from five to thirteen, including three scientists, five agricultural extensionists, one farm manager, one education coordinator, one community worker, one agronomist, and one bilingual secretary, most of whom are Costa Ricans. The organization has a five-member board of directors. A general assembly of 13 members, 6 of them campesinos, elects the board, which meets quarterly and exercises overall supervision.

What the network of international agricultural research centers does on a worldwide scale, ANAI reproduces at a microlevel in one small area of a small country. The principle is the same: finding and adapting superior plant varieties for specific agroeconomic purposes. Because the genetic pool around the globe is enormous, the trick is to locate species that do well in Talamanca. ANAI staff travel extensively to sites of promising seeds or cuttings and carry on an ambitious international plant acquisition program. In this process, ANAI works closely with established research institutions, especially with CATIE, the internationally supported tropical research station in Costa Rica.

Because many of these plants and seeds are extremely perishable, the acquisition program often faces problems in arranging speedy and reliable deliveries. For example, an ANAI staff member asked a friend at the U.S. embassy to have seeds from a cooperating scientist sent through the diplomatic pouch. However when the seeds reached the embassy, the friend was on a mission, and the package went undelivered. When the package was finally located, the germination period was over and the seeds were useless. In a more successful instance, scionwood (living shoots or twigs used in grafting) cut from a set of parent trees of a valuable species was collected, transported, cleared through customs, and grafted onto native rootstock with such speed and care that 90 percent of the grafts survived. Finding and preserving such parent stock is expensive, but out of it will come new options for the region's campesinos.

To preserve local resources for future generations, ANAI also performs a promotional and brokerage role for broad environmental concerns. It was instrumental in establishing a coastal wildlife refuge that contains the nesting ground of sea turtles threatened with extinction, the best preserved coral reef in Costa Rica, and some of the most unique natural forest ecosystems in all of Central America. ANAI was able to obtain funds to hire a refuge administrator and two local wardens who, along with the Costa Rican Wildlife Service, worked on developing the refuge. They also negotiated for the loan of a rural guard detachment to patrol the beaches during 1985-86. (Due to widespread poaching, not one baby turtle had hatched in the previous year.) ANAI also lobbied against a planned highway that was to cut right through the heart of the refuge. An alternative route is now being considered.

In affecting environmental policy decisions, ANAI has not escaped controversy. Every decision involving natural resource management affects groups with diverging interests, and the local attitude is mixed toward the nature refuge, the road projects, or a law that reserves a 200-meter strip next to the beach for public use. Opposition to these measures is said to have been fueled by an unlikely coalition of lumbermen, tourist developers, real estate speculators, organized squatters, and political opportunists who capitalize on local farmers' fears of land expropriation and "outside" interference.

THE VIVEROS

The centerpiece of the ANAI program are the *viveros*, or tree nurseries. ANAI decided that the best way to make the promising new crops widely available throughout the canton was to establish a perennial crop nursery in each community. The nurseries are designed to produce enough seedlings annually for each participant to plant one or two hectares with fruit, spice, and lumber trees. When seedlings are mature enough to be transplanted, members take home their share of the plants and trees, based on the number of hours they worked.

By the end of the first year of the project, 15 community nurseries were operating with 330 participants. After two years, the number of viveros grew to 25 with some 700 participants. Groups ranged in size from 6 to 59 members, many of them women and teen-aged boys.

The design for setting up the nurseries is deceptively simple. ANAI provides initial planting material, basic equipment, and technical organizational guidance; the communities provide local resources, labor, and management. One member usually loans a plot of land, one-half to one hectare in size, often out of a desire for prestige. As one immigrant to the area who offered a portion of his recently purchased farm to the project confessed, "I saw this as a way to gain acceptance in the community."

Wood and other materials are collected to construct the nursery and a few simple structures such as a small warehouse to store tools and supplies. The farmers also contribute draft animals for transportation from the nearest road — often a 10-kilometer stretch of dirt away. Within the nursery, a demonstration plot is prepared where all the varieties of plants and trees produced by the nursery are grown and tended. Each nursery is run by a group of volunteers, who jointly decide on the work schedule and the distribution of tasks. The group works together one day a week in the vivero, and participants learn how to keep records, take inventory, and track the movement of materials, equipment, and seedlings.

Every nursery produces improved varieties of disease-resistant cacao as a cash crop and other species already familiar to the campesinos. But the nurseries also grow many new varieties of food, spice, or timber tested on ANAI's experimental farms. Examples include the *achiote* tree (whose seeds can be processed into a red food-coloring), as well as vanilla, black pepper, and *guanabana* (a popular tropical fruit).

An ANAI staff member visits each nursery weekly to provide instruction and guidance. To complement these visits, ANAI distributes simple reference materials and offers short courses, some taught by ANAI staff, others by specialists from agricultural research institutions.

What distinguishes ANAI's technical assistance and extension work is a sensitive, participatory style that encourages constant dialogue with beneficiaries. Nothing important occurs without their understanding and acceptance. And one soon realizes that the conversation is not one way. ANAI relies on campesinos to provide feedback from their on-farm experiences with new crops in order to guide further research.

Examined more closely, the nursery design itself is not as simple as it first appears. To begin with, each group is self-selected, and each step in the process is based on voluntary participation. As a result, more than plants and trees are nurtured in the viveros. A new local organization is brought into being. People who have had virtually no group experience now spend a portion of every week working closely together. They learn to cooperate by making the many large and small decisions necessary for running the nurseries. In one of the more isolated nurseries, for example, we observed women and men sitting in a circle, filling bags with potting soil. Idle conversation soon turned into a serious discussion of the need for a road to transport crops to market. A private construction company had just offered to build the road in exchange for unused railroad tracks — legally transferred to the community when the banana company departed — plus an additional sum of money. One of the members said he had learned from the ministry of transportation that the tracks were worth more than the cost of constructing the road. The group decided that the offer was unfair and they would not accept it.

As part of its management responsibility, each nursery elects a committee to represent it at a monthly assembly with ANAI staff members held at the high school, usually on a Sunday, so a workday will not be lost. Each group pays for the transportation costs of its representatives. If a committee member also participates in a training course on a working day, he is reimbursed for any lost income.

Organizationally, the nursery program is stitching together peoples and communities that have had a history of isolation and conflict. For tribal natives,

Members of a vivero *work team help clear a field for planting.*

People from the community of Bribri proudly display the seedlings they will take home to transplant in their fields.

mestizos, and Black farmers, the monthly meetings offer the opportunity to discuss common problems encountered in their viveros and in the region. The meetings help the different leaders get to know each other and serve as a forum to plan future activities. Two nurseries are building a local processing and storage center. Another spin-off is the formation of an Association of Small Reforesters of Talamanca (APRETA) that will give its members the legal status they need to receive government funds for their reforestation efforts.

We had the opportunity to participate in the August 1986 quarterly assembly, which marked the second anniversary of the first nursery. Approximately 30 representatives of the nurseries were present. The level of participation varied, indicating who had risen to leadership positions from within the nurseries, but the interaction between campesinos and technicians on the ANAI staff was lively. Some of ANAI's extensionists and agronomists were born and raised in the Talamanca area and identified strongly with its problems, unlike many of their colleagues from the capital who reluctantly accept outposted assignments. This new generation of professional leaders is likely to take over once the original ANAI group departs.

THE NEED FOR IMPROVED MARKETING

At the quarterly meeting we attended, it was quite clear that a turning point had been reached in the organizational process. The focus for future joint efforts will be on marketing and commercial production. In dealing with the marketing issue, the nurseries have to choose between joining an existing regional coop, forming a new coop, or creating some other type of informal marketing arrangement. There is no clear option that would be suitable to all the ethnically and economically diverse groups. The existing cooperatives in the area are weak and problem-ridden. Yet they provide the only organized market outlet in the region.

Normally, research organizations do not become involved in marketing, but ANAI stresses a farming systems approach, and Talamanca's campesinos need improved marketing as well as production assistance. Despite its inexperience in this area, ANAI's staff is convinced that the organization must play at least an advisory and promotional role in securing new markets if the new production technology is to pay off.

The first commercial venture of the tree nurseries, with turmeric, which is used both as a condiment and as a yellow dye, was a near failure. In early 1986, ANAI arranged with COOPE-TALAMANCA to ship a small quantity of turmeric to the United States. The profits provided some cash income to participating nurseries, but were lower than expected and would not cover the

cost of commercial farm production and shipping. (The pilot shipment was produced by the nurseries, through communal labor and subsidized inputs.)

The increasing importance of finding marketing outlets is just one reminder that ANAI's program is only in its initial stages. Although the start-up appears most propitious, many more hurdles must be overcome before diversified farming and rural organization in Talamanca are self-sustaining processes. For example, the acid test of ANAI's tree nurseries project will perhaps only come after a full transition to cooperative management, when farmers will be asked to pay for the seeds and plants that were previously available free of charge or in exchange for part-time labor contributions.

LESSONS ABOUT INTERMEDIARIES

This profile of ANAI is taken from an IAF-sponsored research project on national grassroots support organizations, or "intermediaries." The number and variety of these institutions, which Albert Hirschman calls "national social activist groups," has increased remarkably in recent years.[2] What does the ANAI case illustrate about these groups? Under what circumstances are they successful and how can successful elements be incorporated into new projects?

First of all, ANAI's success with the nurseries suggests that small private organizations can play an important role in developing and adapting production technologies to meet the needs of small farmers and other microentrepreneurs. Most international financing is now channeled into multinational research centers and governmental research/extension agencies. Yet the ANAI case clearly demonstrates the value of relatively simple technological innovations carefully tailored to specific microenvironments, a task that international centers cannot themselves do and that few national agencies achieve. There has been much discussion about the need for "outreach" programs to carry research from central agricultural stations and laboratories into the field. ANAI is an excellent illustration of an "outreach mechanism" that effectively links a specific microregion to the research establishment.

Furthermore, ANAI's competence in technology generation is happily married to its parallel interest in building effective grassroots organizations. ANAI's early success illustrates how these apparently distinct goals are, in practice, closely intertwined and mutually reinforcing. In Talamanca, it is evident that nursery groups coalesce and develop with such extraordinary speed because the technology they manage is meaningful, usable, and promisingly profitable. These tangible benefits from collective action provide the foundation for affecting other problems in the community, and perhaps eventually, the region.

The Achilles heel of most applied agricultural research projects is convincing farmers to use them. In 1985, we evaluated a large Caribbean project whose research design was more complex than, but essentially similar to, ANAI's approach. Yet relatively few Caribbean farmers were persuaded to diversify their fields and plant new crops. To be sure, a number of possible explanations might account for the difference. For example, ANAI was able to build on the Talamancan farmers' familiarity with and interest in cacao by using hybrid cacao as an opening wedge to introduce less familiar crops. However, the Caribbean program failed, in our view, mainly because most farmers were not organized. And even if they belonged to some local organization, they were not looped into a research/extension feedback system, which is at the very core of the ANAI strategy. This interwoven strategy is not unique, but it is unusual, and both intermediary organizations and donor agencies might benefit from understanding the strong synergy that results from linking technological innovations with efforts to build up the capabilities of local groups.

The key to managing that process is in the finely crafted sequencing or staging evident in ANAI's work. The progression of tasks and activities not only follows a sound management path, in which each step is a prerequisite for the next, it is flexible enough to incorporate participatory decisions and feedback loops. For example, ANAI decided to

Members of a vivero *take a break from weeding their nursery. Women and children are active participants in most* viveros.

After training, members practice grafting with cacao plants.

begin the project with only three nurseries, while at the same time upgrading staff skills through training at CATIE. By concentrating their efforts on organizing the first three viveros and making them work, regional interest was boosted, and ANAI staff felt better prepared to take on larger numbers of groups. This first phase also showed that viveros with larger memberships performed jobs more quickly and had higher morale. As a result, new nurseries were required to have at least 15 volunteers.

The strength of the initial infrastructure allowed ANAI to expand very rapidly, after which the organization took time to consolidate the entire project. ANAI managed to speed up or to slow down the diffusion of technology whenever necessary by carefully monitoring feedback from the nurseries. The number of cacao plants, for instance, was reduced whenever a nursery group could not care for all its seedlings with each volunteer providing one day of work per week. And while ANAI had originally planned to distribute over 70 varieties, they now concentrate on the half-dozen or so crops with the greatest commercial potential.

Once the nursery groups reach a certain level, ANAI helps them move on to the next stage by providing additional services. As mentioned earlier, ANAI is now focusing on marketing and processing the new crops grown in nurseries and on the farms.

Most intermediary organizations succeed by sticking to what they know best and not drifting into new areas of work. Nevertheless circumstances often push them to diversify. Among these forces are the desire to help their constituents once they enjoy their trust, the need to fill a gap beyond the reach of the original project but vital to its success, and donor pressures. ANAI's expansion into marketing, processing, or even credit is a result of all three forces. However, ANAI's leadership recognizes the danger of spreading the organization too thin and has resisted the temptation to do everything itself, preferring a strong core program that acts as a catalyst to mobilize other resources. ANAI also desires to remain small, believing that too much growth would take them away from the people they serve. In 1985, one of the founders of ANAI wrote that they planned "to stay small because much of the future depends on the small farm and small business and small village. They will need small institutions like ANAI to help them through the transitions ahead."

Indeed, the ANAI case shows that people at the grassroots level often do not quite "know how" to maximize their opportunities because they cannot always know what options they have.[3]

It may not be enough to help groups of struggling poor people to do what they already know and want. In order to make a sizable and more lasting impact, a funder may want to search for sensitive middle-rung developmental institutions that are capable of linking small producers, such as the campesinos of Talamanca, to new resources, services, and markets. Success is likely to be found when "outside facilitator" organizations join forces with "inside membership" organizations of the client groups themselves. Through such institutional linkages, the range of viable alternatives available to poorer households can be expanded. ◇

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ENDNOTES

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2. Albert O. Hirschman, *Getting Ahead Collectively.* New York: Pergamon Press, 1984.
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REORGANIZATION AT THE GRASSROOTS

Its Origins and Meaning

Sheldon Annis

Except for two critical facts—that they are still poor and that there are more of them than ever before—poor people in Latin America in the late 1980s are a dramatically different population than the generations who preceded them. For the most part, the 1980s poor are healthier; they have improved access to water and sanitation; they live longer. They are better educated; they have increased access to schools. With the penetration of roads, vehicles, radio, and television, they are less isolated from the outside world. They live in societies with greater food security. And perhaps most important, a large majority of those who lived under military dictatorships in the 1970s now live under governments that, nominally at least, are democratic.

But in the midst of all these dramatic changes — in part, as a *result* of all these changes — a more subtle shift has occurred: The poor today are better organized than ever before. Church groups, labor organizations, political action committees. Village potable water associations, communal labor arrangements, cooperatives. Youth groups, squatter associations, worker-owned businesses. Ethnic burial societies, transportation collectives, peasant leagues. Catholic "reflection" groups, tribal federations, microentrepreneur group credit associations . . . and on and on. In every Latin American country, such organizations pepper the social landscape, connecting the poor to each other and to their governments in unprecedented ways. Organizations vary from country to country; individually, they appear and disappear like so many bubbles popping in a stream. Yet *organization* — the stream — is becoming relatively steady and constant.

This article briefly scans the last 30 or so years, asking: If there really is such a stream, what has given rise to it? What social forces and ideas have contributed to growth in organization? And what, if anything, does organization among the poor have to do with Latin America's near-future prospects for economic development?

A THUMBNAIL HISTORY

In a cultural sense, it might be said that organization has always been constant. After all, no group survives very long if it is *dis*organized. Principles of kinship, tribe, ethnicity, language, village, or neighborhood have always formed bases upon which poor people have created institutions to relate to each other and the outside world.

That is not new. What *is* new is the density and complexity of these organizations. Traditional organizations have not so much disappeared as hybridized, blended, and built outward. With widening education and the advent of mass media, new ideas and ideologies have transformed the earlier ethnic and village bases of social organization. So to be precise, it is probably more correct to say that there has been *re*organization rather than organization at the grassroots.

Of all the traditional institutions that have been socially and intellectually reorganized, none has been more profoundly affected than the Catholic Church. In my view, the single most important element in explaining the present character of grassroots organization in Latin America is the reshaping of Catholic Church doctrine that took place in the mid-1960s — or rather, what happened when the reshaped doctrine was put into practice.

The reshaping of Catholic doctrine—which in one form or another goes under the rubric of "liberation theology" — is generally said to have emerged from Vatican Council II, which was called by Pope John XXIII in 1962 and lasted four years. Vatican II has often been labeled "the most important event in the life of the Latin American Church." Indeed, no region of the world responded to Vatican II as did Latin America. More than 600 bishops and 300 *periti* (church experts) came to Rome from Latin America — that is to say, virtually every high official and thinker in the mid-1960s Church hierarchy. During those years, the Church deeply reformulated both its theological and social mission. Then, the basic ideas were brought home and debated—for years—in virtually every nook and cranny of Catholic Latin America. At the Bishop's Conferences in Medellín, Colombia (1968), and Puebla, Mexico (1969), the "Church of Silence" broke with its past. Among other things, it refocused itself upon the plight of the poor and took up an "evangelization" process in which the Church would recast itself into grassroots Christian communities *(comunidades de base).*

By building curriculum upon discussions about situations that "mean something," Freirian thought encouraged the poor to overcome not only illiteracy but also poverty and disenfranchisement.

As a political force, the fallout of liberation theology is felt powerfully everywhere in Latin America today. Through its many mutations, liberation theology shapes the debate, defines the actors, and helps mobilize the constituencies of competing forces —for example, the popular Church versus the mainstream Church in contemporary Nicaragua or the "radical" bishops of the South versus the "conservative" bishops of the North in Mexico.

Less dramatically but no less significantly, however, a quieter process has taken place. For nearly 30 years, battalions of village priests, nuns, and the layworkers of the Catholic Action social movement have devoted themselves to help build organization, self-awareness, and ethical purpose among the poor. They have launched countless tens of thousands of cooperatives, inoculation campaigns, health education classes, and employment programs. They have trained legions of "promoters" and technicians in every genre of community and spiritual development. From the most modest outcomes of the *pastoral social* among tens of thousands of village priests (generally in countries with histories of anticlericalism such as Mexico and Guatemala) to the establishment of some 100,000 *comunidades eclesiais de base* in Brazil, the Church has profoundly rewoven the social and intellectual fabric of rural Latin America.

Catholicism has not only created a unique theology in Latin America, it has also developed a corresponding method of communicating that ideology—the "pedagogy of the oppressed," to use the term made famous by the Brazilian Paulo Freire. When Latin Americans talk about "education as a liberating force," they refer to a concept that is specifically embedded in Latin American history and a philosophy of education, as well as modern Catholic religious doctrine.

As a young professor at the University of Recife, Freire searched for a practical program for training adults to read and write. But Freirian thought eventually became concerned with far more than functional literacy and adult education; it evolved into a system of group dynamics and educational techniques that would "empower" illiterates, make them aware of their own fatalism, and motivate them to take charge of their lives. (It was no wonder that the literacy movement was considered revolutionary or that the Brazilian military, when it came to power in 1964, dismantled the movement.)

Freire and his followers proposed a method of teaching literacy that, beyond literacy, was intended to overcome the fatalism and resignation of the *campo.* Their core vocabulary evolved from life situations of the rural poor. By building their curriculum upon discussion about situations that "mean something," they encouraged the poor to overcome not only illiteracy but also poverty and disenfranchisement.

Though the words and techniques varied from region to region, the basic Freirian ideas took root virtually everywhere. They were reinterpreted and refined by Jesuit intellectuals, put into practice by countless teachers, and discussed by tens of thousands of "reflection groups" in every Latin American country. What is generally called *concientización* became deeply and permanently ingrained in the Latin American experience.

Though launched from within the Church, Freirian ideology became more secular over time. Lay participation *(pastoral de conjunto)* was a fundamental tenet of liberation theology. At the community level, Freirian-influenced educators and Catholic Action layworkers formed a natural alliance with each other. But they also naturally came together with government-funded community development technicians, cooperativists, the Peace Corps.

The same people got used to wearing different hats — or in some countries, different collars. Where there was strong church-state separation, as in Mexico, the village priest would, literally, take off his collar when he entered the village cooperative or the parochial school.

In the wake of regional enthusiasm for the Alliance for Progress as formulated in Punta del Este, Uruguay, in 1963, "community development" — an idea that had come to life in the 1950s — became a "movement" in the 1960s. For nearly a decade, the Alliance version of community development was funded through USAID and the Inter-American Development Bank. In virtually every Latin American country, a government ministry called some variant of *Desarrollo de la Comunidad* was established. In many cases these agencies were linked to agrarian reform programs. In some, they became mechanisms whereby rural communities could gain temporary access to bulldozers and graders to help in the building of access roads, bridges, and community centers. And in others, government technicians (including the increasingly numerous graduates of rural-oriented social work programs) became "organizers," whose vague mission was to further organize and "coordinate" what was already a growing proliferation of underfinanced community development programs.

When workers from international private voluntary organizations and the Peace Corps began arriving in force in the mid-1960s, they readily teamed up with indigenous local organizers. Outside institutions brought with them external financing and new technology. And sometimes they brought with them something even more valuable: *sombra* (shade), protection from political repression. By shrewdly exploiting a general hands-off policy toward foreigners, local and outside activists joined forces to introduce new ideologies, values, and organizational techniques. North Americans in the 1960s brought not only agricultural technology and the address of the Ford Foundation; many carried with them the tactics and passion of the American civil rights movement and the tough, confrontational, "direct action organizing" techniques that Sol Alinsky pioneered in urban communities of the United States. In doing so, they formed a natural mesh — and then innumerable hybrids and spinoffs — with religious workers, unionists, Freirian educators, and even the state's own community development organizers.

By taking advantage of a general hands-off policy toward foreigners, local and outside activists joined forces to introduce new ideologies, values, and organizational techniques.

The 1960s and the Alliance for Progress sputtered to a close and were "replaced" with USAID's "poorest-of-the poor" era and the poverty crusade of Robert McNamara's World Bank in the early 1970s. Looking back, one of the most tangible accomplishments of the Alliance decade was the installation of a vast intraregional network of cooperatives. From its midwestern U.S. and European roots, the idea of cooperativism flourished in Latin America, especially where it was seen as an alternative to more radical forms of collective action. Cooperatives came to deliver a vast array of economic services related to agricultural production, consumption of staples, savings and loan activities, housing electrification, transportation, and so on. Generally, they grew rapidly in the 1960s, declined in the 1970s, and then stabilized as a permanent fixture in most Latin American economies. For all their problems, cooperatives now have nearly 20 million members according to estimates published by the U.N., including as much as a quarter of the work force in Costa Rica and a third of the work force in Peru.

For many years, the U.S. vision of Latin American development heavily promoted the business-oriented notion of Rochdale-style cooperativism, while European experience presented a somewhat broader range of organizational models. The notion of "worker self-management" *(autogestión)* — best enunciated in the writings of the Czech economist Jaroslav Vanek — was influential throughout the region. Worker self-management differed from cooperativism primarily in its expectations of significant support from the state. In the case of Chile, for example, the idea of autogestión emerged during the presidency of Eduardo Frei in the 1960s, and was transformed during Salvador Allende's presidency to fit with state ownership and worker management through labor unions. Reformist governments as diverse as Juan Velasco Alvarada's in Peru and Michael Manley's in Jamaica attempted to create worker-owned industrial "sectors," and though these experiments have seldom

survived, the notion itself has been highly resilient and is widely understood in Latin America.

Similarly, though successful experiences are few and far between in Latin America, awareness of experiments such as Mondragon industrial cooperatives in Spain and agricultural *kibbutzim* in Israel is high throughout the region. In one variant or another, there are thousands of Latin American experiments in communal ownership and production — and even where they don't work, most campesinos can describe them as a kind of economic ideal. In strongly Catholic countries, they are linked to the notion of the Christian base community, and are often described as experiments to realize a spiritual as well as an economic ideal.

Undergirding these competing models of economic, social, and spiritual organization were, of course, political ideologies. Some were imported from Europe — especially the notions of Christian democracy and social democracy, which sought to link worker organizations with political parties. Formal labor organizations span the political spectrum: with U.S.-style trade unionism (supported by the AFL-CIO) on the Latin right; the Confederation of Latin American Workers (CLAT) associated with the Christian Democrats in the center; and an array of communist labor organizations on the left.

In some cases, powerful grassroots movements have emerged from social conditions that scarcely existed a quarter century ago. For example, rapid urbanization has left some 40 million people living in an estimated 20,000 squatter settlements throughout Latin America and the Caribbean. The need for affordable housing draws local organizations together; yet in the long run, the construction of organization itself may well turn out to be far more significant than the construction of houses. For example, in the wake of Mexico City's devastating earthquake of September 1985, a vast political alliance formed, linking barrio and squatter organizations with a diverse array of university groups, research institutions, political parties, and domestic and foreign nongovernmental organizations. Together, they have formed a powerful coalition known as the *movimiento urbano popular* that is becoming a major force in shaping Mexican urban policy and the subtle balance of political power.

Every new movement or idea in Latin America picks up and blends with what preceded it: As the Rastafarian religious-cultural movement of Jamaica spreads among the Black population of the Caribbean, it brings with it the memory of Manley's sugar cane cooperatives on the one hand, but it also incorporates the small-business ethic of USAID microenterprise projects. As the notion of feminism has spread from a middle-class movement among North American and then Latin American women, it increasingly recreates itself—from middle-class women disputing the boundaries of gender, to poor women defending their family and economic rights.

During the past decade in Latin America, perhaps the most important force favoring grassroots organization has been democratization.

During the past decade in Latin America, perhaps the most important force favoring grassroots organization has been democratization. In the full Spanish sense of the word, *redemocratización* suggests far more than mere replacement of military governments by elected officials. The term implies deep, often agonizing appraisals of national character. In every country, it raises intense debate over economic versus political democracy. And in those countries where grassroots organizations have spent years fighting for democracy, it raises an obvious question: What next? What is the role of popular participation in democratic civil society?

WHAT DOES IT MEAN?

Throughout Latin America today, there is an intricate reef of diverse, interlocked grassroots organizations. When one visits these organizations from country to country, what is perhaps most striking is that—despite the dramatic differences in history, politics, geography, economic system, culture, and so forth—the problems of the individual members tend to be remarkably similar. Everywhere, farmers want credit for production, roads for marketing, medical and educational services for their families. Women heads-of-household want jobs and day care, recognition, new skills. Urban squatters want legal title to the land they live on; they want water, roads, buses, and parks for the communities they build. Indigenous minorities want collective legal rights, assurances of land rights, and recognition of pluralism within educational systems.

The diverse organizations that the poor create—each given form and colored by historical circumstance and politics—are not simply responses to abstract ideas or wishful yearnings for homes or better crops. More concretely, organizations are pragmatic attempts by the poor to increase their share of economic opportunity and political power.

The growth and death of organizations, the linking up of groups, the ceaseless dissolution and reformation of those linkages bring the poor face to face with the major source of economic opportunity and political power: the state. Indeed, in many respects, the state itself may be the main force spurring the formation of grassroots organizations.

Most Latin American countries have gone through radical reform periods that have explicitly sought to reorganize society and production at the grassroots. But even among middle-of-the-road governments, incentives that are provided by more mundane official policies—for example, credit through the banking system, training programs, land and water access, social security coverage, the availability of schools—cause groups to organize or disorganize, thrive or wither. Such policy incentives are critical to what grassroots organizations actually become in practice.

Indeed, in many respects, the state itself may be the main force spurring the formation of grassroots organizations.

In looking to the 1990s, a key question may be whether grassroots organizations are now reaching some critical mass that will alter the fundamental relationships between the poor and their governments. To what extent do grassroots organizations—in yin-yang fashion—blend *into* the state? To what extent do grassroots organizations and the state become instruments of each other's policies? To what extent does each affect and help shape what the other is and can do?

In Latin America, the answers to those questions vary from country to country. Trends are not linear, especially where renewed political repression is an option. But on the basis of the past 30 years, the general direction of growth is clear: Grassroots organizations are becoming stronger, more numerous, more diverse, and more intricately interconnected. As a result, they hold more promise than ever before. ◇

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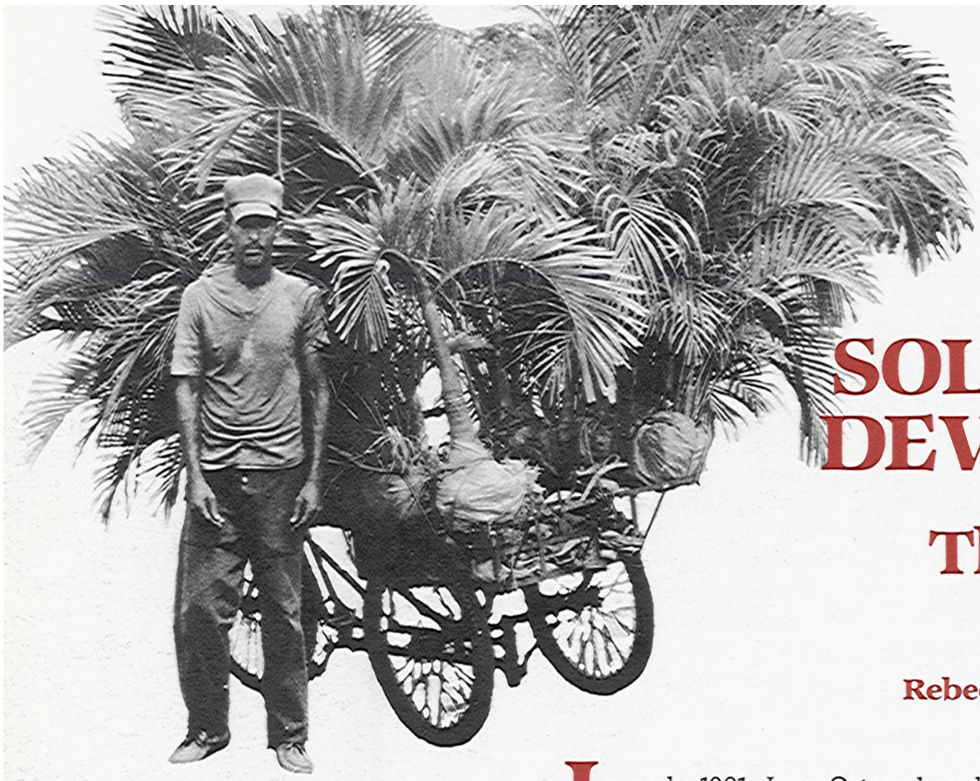


David Scott Luther

SOLIDARITY IN DEVELOPMENT

The Tricicleros of Santo Domingo

Rebecca L. Reichmann and Ron Weber

What happens when street vendors recruited for a group credit program unexpectedly form their own association and ask not just for money but also for technical assistance and understanding?

In early 1981, Juan Ortega heard a story that seemed too good to be true. A North American was in Santo Domingo talking to *tricicleros* (street vendors who use heavy-duty trikes to haul produce, bottles, scrap metal, and other cargo) about an idea for a new credit fund. Ortega finally located the man at the offices of the Fundación Dominicana de Desarrollo (FDD) and learned that a program feasibility study was underway. He kept calling back to find out what was happening, and eventually joined with a few friends to secure the first test loan allowing vendors to buy their own triciclos.

That first group called itself "Los Cumplidos," the responsible ones. Gathering weekly in each others' homes, its members began to promote the FDD program even though credit was not yet available. Interested tricicleros flooded in, and Ortega rented a garage to handle the overflow. Each Thursday night the members of Group One, who had assumed leadership roles, would climb onto the back of an old flatbed truck and speak, in turn, about the benefits and responsibilities of organizing as a group, their payback commitment to the FDD, and how tricicleros could unite to solve their own problems. The catch phrase was, "Unity makes us strong." In just a few months, 45 new solidarity groups of 5 to 8 members had formed and were waiting for the go-ahead to apply for loans.

On March 19, 1982, the solidarity groups affiliated with the FDD formed their own organization — the Association of Tricicleros "San Jose Obrero." The new vice president, Rafael Montero, looked back and described what had led to that decision. "At every meeting, a different man would mention that someone in his family was sick, or there had been an accident at work, or someone's mother had died. As members of Group One, we would try to help buy medicine, visit whoever was sick, do what we could. One day we saw that if everyone pitched in 50 centavos weekly, a fund could be started where anyone who needed a peso could find it. That's how the Association began."

In his inaugural speech, the new president, Juan Cruz, described what he and the *directiva* (board of directors) hoped to accomplish. "In this short time there has been a big change in the *clase triciclera* (triciclero class). There have been real achievements, but we still must fight the most pressing problems facing us — fight for our own health and the health of our families. We are here to struggle in your defense. One day the triciclero will have his own workshop, his own repair shop."

With the help of advisors from the FDD, these and other goals were codified into five bylaws. The Association would:

1. Support members' efforts to improve their socioeconomic position;

2. Promote solidarity among the members of each group of borrowers in particular and all groups in general, regardless of their barrio, activity, sex, religion, or political affiliation;

3. Establish and administer an emer-

gency fund for loans/donations to members and their families in case of illness, accidents, or death;

4. Promote educational activities for members and their families; and

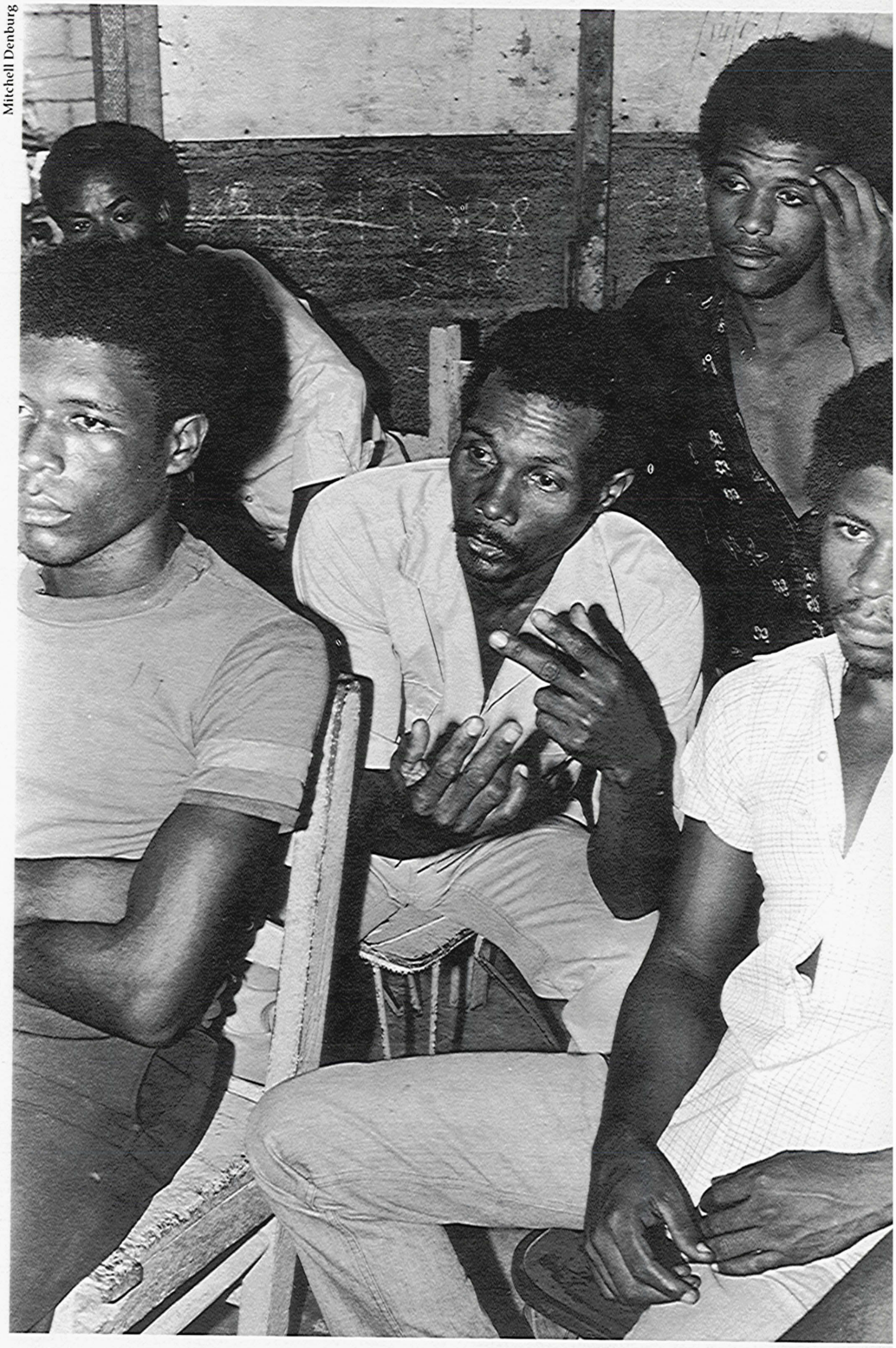
5. Promote bulk-purchasing and mutual support in marketing to improve members' incomes.

The hammering out of this platform was, in many ways, the highwater mark of cooperation between the new Association and the FDD. The unexpected emergence of an autonomous organization of tricicleros seemed proof that the FDD credit program was on the right track. In fact, however, differences in goals were already present, and events would carry the two groups apart.

COMMON INTERESTS

To understand why the FDD and the Association diverged, it is first necessary to understand the origins of the FDD credit program and what it was intended to accomplish. The program was an outgrowth of the PISCES study—involving 20 projects funded by USAID in 16 countries of Africa, Asia, and Latin America—that tested methodologies for directly assisting urban microentrepreneurs in the informal sector by opening access to credit at reasonable rates in order to increase incomes, employment, and social services. The FDD program, with technical assistance from ACCION International/AITEC, was one of four second-phase projects that synthesized

Mitchell Denburg



At their monthly meetings, members of the Association pay membership dues, repay loans to purchase cargo trikes, and discuss issues important to the clase triciclera.

In a sense, the FDD was following the poor, who were streaming into the city as large-scale sugar and other cash-crop holdings displaced subsistence agriculture.

essential elements of the most successful earlier projects. The new model had two parts: one for artisanal micro-enterprises with two to three employees, and the other for self-employed workers such as the tricicleros.

The key concept behind the latter segment was the "solidarity group," which had been pioneered by PRIDECO/FEDECREDITO in El Salvador and the Working Women's Forum in Madras, India. In both of these projects, self-employed workers formed small groups to collectively obtain and repay loans that were used for the individual needs of group members. By shifting to borrowers the bulk of the responsibility for program promotion, group formation, and loan collection, administrative overhead could be slashed while large numbers of businesses were assisted in a short period of time.

This delegation of responsibility, in turn, fostered important secondary benefits. Participants learned new skills and strengthened ties among themselves in order to share business information and improve access to services.

The FDD program was also innovative within the Dominican context. Although the Fundación had been using credit to promote rural development since 1965, in 1981 it became the first private voluntary organization in the Dominican Republic to offer loans to the urban poor (see *Grassroots Development*, Vol. 10, No. 1, "Building the Infrastructure for Progress"). In a sense, the FDD was following the poor, who were streaming into the city as large-scale sugar and other cash-crop holdings displaced subsistence agriculture. By the early 1980s, Santo Domingo's population of 2.9 million people was growing by 5.3 percent annually, creating chronic shortages of adequate housing, public services, and formal sector jobs. Targeting the tricicleros seemed a logical place for the program to begin: Most (96 percent of eventual participants) were migrants from the countryside and needed capital equipment — a triciclo — to operate their businesses, and many of them had already worked with the FDD's rural group credit programs.

If the FDD needed to turn its attention to Santo Domingo's urban problems, the tricicleros also needed the FDD. Outside the program, the average vendor rented his trike from an agency for RD$1.25 to RD$1.50 per day (1983 pesos). Rented triciclos were often in poor repair, limiting the territory that could be covered and the cargo that could be carried. Agencies frequently charged 5 to 20 percent interest daily, deferring payments on principal so that many tricicleros were saddled with accumulating long-term debt that could virtually never be settled.

Two stories show the pressure such debt could place on an already precarious livelihood. One triciclero described what happened after three days of *morosidad* (tardiness). "Before, when I was still renting, my mother died in the country. When I got back from the funeral, they had repossessed my triciclo. After three years of steady business. Before they would give me another one, I had to pay RD$4.50 for the three lost days."

Another triciclero, Antonio Duran, the Association's first secretary, once broke a blood vessel in his leg, pedalling heavy cargo, and fell behind in his payments. His wife Fernanda recalls, "He wasn't ready to work yet, but he had to. Our sons needed the milk."

DIFFERENT GOALS

Although it was not a program goal, the Association might be thought of as a by-product of program activities. Each participating triciclero received RD$275 to buy a triciclo and RD$25 in working capital. Loan repayments were made daily or weekly to solidarity group presidents who passed the money on to FDD coordinators at barrio-level meetings attended by the entire membership. Leaders emerged at those meetings as beneficiaries began to discuss their common problems and look for solutions. Rafael Montero noted, "My dream for the triciclero class was to reach each member with the *conciencia* (awareness) that he must be organized. When our class finally does organize, we will have taken a step forward, because an organized man achieves the best opportunities." The assistant director of the FDD's solidarity group program summed up this process by saying, "Once they (tricicleros) have satisfied primary needs, like owning a triciclo, other needs are awakened — for better housing, nutrition, education, and health." In other words, owning a piece of capital equipment creates a sense of empowerment that leads to other empowering activities.

This "institutional" perspective may be valid, but in retrospect it seems equally true that the birth of the triciclero association was an event waiting for the opportunity to happen. Interviews reveal there was a prior awareness among many tricicleros of an untapped potential that could be realized if they organized themselves. Los Cumplidos, after all, organized itself and enlisted nearly 50 other groups before the loan program was even off the drawing board.

There was also ample leadership potential among the tricicleros. Many of the members of Group One later served on the Association's directiva, and most board members had prior organizing experiences. The president, for example, had participated in church-related youth clubs and a mutual-aid society in his rural community. He later worked as a canecutter, became a member of the national labor council of the UDC, and a member of the Association of Carreteras (push cart vendors) in San Pedro. Other leaders were active in the Ambulatory Vendor's Union, the Association of Buhoneros (stationary street vendors), and the General Union of Dominican Workers (UGTD). Because of the scarcity of formal sector jobs, a sizable pool of experienced and capable people, some of whom thought of themselves as being middle class, were working as tricicleros and were eager to help manage and administer the FDD program in the informal sector.

Almost from the beginning, the FDD and its beneficiaries were experiencing the formation of the Association differently. To the tricicleros, the solidarity group concept was not just a novel development tool for collecting credit

but a means of embodying traditional mutual-aid practices and values. In defining *solidarity,* one triciclero said: "Yes, there was always this kind of help. If I go to the market with 10 extra pesos, and this other guy is short of cash — well, I lend it to him. And when he finishes selling his goods, he won't count up his money without returning mine first. If I'm short, he'll do the same for me. If a friend passes my house with plantains when I'm sick and sees my kids, he leaves me some so my kids can eat."

Tricicleros' common business practices also reinforced the notion of solidarity. At least 20 percent of tricicleros work *en cadena* (in tandem), dividing up a neighborhood and meeting periodically during the day or buying different produce and following the same route together. At the end of the day they divide their profits equally. Tricicleros also often guard each other's trikes, assist each other in repairing flats, and deliver products to a friend's client if the friend is unable to work.

Underlying all of these practices is an intricate web of kinship and social ties. Most tricicleros are migrants who arrived in the city to stay with friends or relatives who then introduced them to the workplace of the triciclero. The new arrival is taken to the market in the morning, helped to rent a triciclo, and shown where to buy staples with a 20-30 peso loan to be repaid that evening. Once he is on his feet, members of his immediate family, including his wife, children, and parents, will follow him to the city. Eventually, aunts, uncles, cousins, friends, and families of friends will inhabit the same barrio, often constructing their homes *pared a pared* (wall to wall) with his. The majority of FDD solidarity groups were formed by people who had long known each other and often came from the same village. Many were brothers, several groups having two sets working en cadena.

Having lived and worked in Santo Domingo for an average of 9.6 years,

Mitchell Denburg

A triciclero family in a barrio of Santo Domingo. New migrants often join relatives in the city and build their homes wall-to-wall with each other.

Photos by David Scott Luther

Top to bottom: *The Association has renovated a garage and purchased tools to manufacture and repair its own triciclos. Tricicleros display a cargo trike outside the Association workshop.*

participants in the FDD program were well aware that survival in the volatile informal sector depended not only on being able to compete in the marketplace but on the mutual aid that friends, family, and neighbors could offer each other in hard times. In building their association, tricicleros were trying to scrape together the skills and resources needed to succeed in a cash-based economy by tapping the rich social capital all around them. So while the FDD viewed the solidarity group as a device for loan collection, the tricicleros saw the valuable resource — solidarity — as a survival mechanism. As one group member commented, "You don't have to teach a man to put food in his mouth. You do have to teach him how he's going to get the food, and how to get by in the world. Everyone knows that the only way for the poor to solve their problems is through organizing."

The Association attempted to pull the two sets of goals together. Their primary focus remained on income generation: first through the FDD credit program, then through a savings fund to start a cooperative workshop for manufacturing and repairing triciclos. The FDD was approached about organizing training courses to improve business practices and teach dressmaking to members' wives and daughters. There was even talk of someday opening a cooperative bakery and a small workshop to manufacture cinder blocks.

The secondary focus was on mutual aid and reaching out to other barrio-level organizations. Most members of the directiva had been leaders or participants in *sociedades mutualistas* (mutual aid societies) in the countryside or city, and had contacts with a variety of other organizations. As the Association expanded, representatives from 25 organizations — including church groups, neighborhood clubs, sociedades mutualistas, and municipal agencies — began attending triciclero meetings, providing a forum for discussing a variety of community issues such as housing, water, and health services. The Association itself started an emergency fund that provided more than RD$600 to 125 members during its first 18 months of operation, and a burial insurance fund that dispensed RD$300 to help families cover funeral expenses.

Trying to manage three loan funds quickly exhausted the Association's capabilities. Although board members had more education than the rank-and-file, no one was trained to keep proper books. At first the treasurer, Juan Ortega, commingled the emergency funds with his own, dispensing money out of his own pocket. That created the appearance of impropriety since Ortega was also known in the barrio as a private moneylender. For awhile, funds were deposited at the FDD's offices downtown, but the Fundación eventually bowed out. When members of the directiva tried to open an account at a bank, they learned that it would have to be a personal account since the Association was not legally registered. That led to extensive correspondence with the state about formalizing the status of the Association. The process of negotiating this bureaucratic maze was educational, but progress was slow since the Association was making its way alone.

At the same time, the organization was having problems maintaining "discipline" within some of the groups. Some members skipped town with their triciclos, leaving their groups to handle the debt. Others gambled with their

Tricicleros were asking for access to education, that mysterious commodity, in limited supply, which qualifies people for success.

group's payments or claimed they had been robbed on the way to pay the FDD.

Triciclero leaders realized that help was needed, and they turned to the FDD for training and technical assistance. The requests were multiple, but the Fundación's response was the same — either "soon" or "that is not our obligation."

Obligation is a key word. The FDD saw its job as a contract to run a credit program. Its staff agreed that some basic literacy training was important for all people, but the Fundación lacked the capability to offer that or other training. FDD technical advisors felt that outsiders would have little to offer in marketing or business courses since the triciclero himself was the "real" expert. Other courses such as "human relations" were believed to be irrelevant.

The tricicleros, on the other hand, felt that the FDD was not acting reciprocally. After all, Association leaders had voluntarily supported the Fundación's activities by appearing on Radio Popular to promote the credit program, by actively recruiting solidarity groups, by helping new members fill out loan applications, and by managing the collection of repayments. The Association kept detailed membership files that recorded the names and addresses of members and close relatives. When an FDD coordinator needed to find someone to collect an overdue payment or repossess a triciclo, the Association leaders did the legwork. As one frustrated board member put it, "We freely offered this support, and we have been used as a trampoline to form this program, bring it to life. Now the Fundación says they don't have the capacity to assist us."

In defense of the FDD, it could be said that the Association, despite the frequency of its requests, failed to clearly define what it wanted. When pressed to describe what a training course should contain or who would be qualified to teach it, triciclero leaders responded vaguely. On one level, the lack of precision is understandable. Tricicleros were asking for *access* to education, that mysterious commodity, in limited supply, which qualifies people for success.

The FDD's failure to respond is also understandable on a more technical level. The business of a triciclero is extremely complicated. Different vendors specialize in different products — depending on the season, the cost of buying the product, and the availability of stable clients. Some tricicleros are primarily gatherers, buying or collecting bottles or other materials for recycling. Others transport goods from producer to retailer, bringing bread from bakeries to stores, for example. Still others know their customers' tastes well enough to buy just the right amount of produce in the morning to be able to sell it before it spoils overnight. The keys to successful marketing and other business practices might already be known by the more successful tricicleros, but the Fundación would not know how to begin to articulate and package that knowledge.

The Association president suggested, however, that the FDD program itself made a certain kind of marketing course necessary. Ready access to triciclos might lead to market saturation if tricicleros did not expand their area of operations. The most lucrative markets were not in the barrios but in better-off neighborhoods, which demanded better quality merchandise. Tricicleros needed not only to understand these new market dynamics, they needed to know the human relations of selling to a better-educated clientele. (See *Grassroots Development*, Vol. 10, No. 1, "The Hucksters of Dominica," for a fuller discussion of vendors trying to organize themselves and their marketing.)

WITHDRAWAL AND FAILURE

In mid-1983, the FDD arranged for 19 Association leaders to take an experimental three-session leadership training course offered by Pueblito Canada, a private Canadian development agency. For some of the participants, including Julio Ortiz, head of the tricicleros' education commission, the effect was immediate. Ortiz normally rose at 3 a.m. to deliver bread to grocery stores until 7 a.m., when he would stop for breakfast at his mother's house near the center of the city. From 8:30 in the morning until 5:30 in the afternoon, he worked construction. After a quick meal and a nap at home, he would often pedal out to an Association meeting in one of the barrios, where he would make a short speech. The night after the training session ended, Ortiz arrived, full of energy, at a barrio meeting. He talked briefly about new ideas, then, for the first time, opened the floor to discussion, asking "What is the Association of Tricicleros?" and "What is the Fundación?" A few months later, people who had passively listened during meetings the previous spring were now speaking up with a sense of authority. The meetings themselves were more orderly, and rules of procedure were closely followed.

Perhaps to build on this success, the Association approached a local "popular education" agency for advice, and submitted a proposal to the IAF for an extensive leadership training course to be administered through the FDD. The IAF was confronted with a real dilemma. It recognized the importance of the Association, but believed that the popular training agency was ineffective and the proposed coursework did not meet the needs of the tricicleros. In rejecting the proposal, the IAF reported that funds had been allocated to the FDD for a training program.

The FDD training program did not exist. The Fundación had already decided to phase out its credit program in Santo Domingo and turn over its clients to the Asociación para el Desarrollo de las Microindustrias (ADEMI). The FDD would concentrate instead on starting microenterprise programs in smaller Dominican cities.

ADEMI began working with Association members in mid-1983. Its solidarity group methodology was essentially the same as the Fundación's, but only working capital loans were provided. The average loan was RD$62, significantly higher than the FDD's limit of RD$25. A streamlined loan approval policy cut red tape and widened borrowers' access to working capital.

The new program did not offer technical assistance and did not make the mistake of depending on Association leaders to oversee group formation and collect loan payments. The directiva was

The Association focused its attention on strengthening the organization itself, in the belief that unity was the bedrock for building future success.

consulted about promotional activities, but program staff did not attend triciclero meetings to collect loans. The head of ADEMI's solidarity group program was clearly in charge, and group presidents were expected to bring their payments to the ADEMI office in downtown Santo Domingo. Loans totaling US$201,405 were extended to 183 solidarity groups between May 1983 and June 1984, when ADEMI suspended the program, citing high administrative costs.

The cutoff in funding from both the FDD and ADEMI deprived the tricicleros association of its principal incentive—access to credit—for recruiting new members and sustaining participation. It also aggravated tensions among the Association's leadership. New elections had been held in November 1983 among three slates of candidates. The Association's charismatic first president, Juan Cruz, decided not to run for a second term, choosing instead to supervise the transition and become an *asesor* (advisor) for the winning slate. As he envisioned it, the election was to be an educational campaign to build enthusiasm and encourage wider discussion about the issues confronting the tricicleros. Competition was to focus on the platforms of each slate; each of the different states contained many of the same faces, running for different offices. It was seemingly an election no one could lose.

After the election, the president of the winning slate asked the runner-up, who was his neighbor and closest friend, to be vice president and help form a combined board of directors. Friction arose, however, in assigning slots on the directiva, and when Cruz (who was still the true leader, whatever his title) withdrew from active participation because of family problems, the Association split down the middle. The vice president and his slate boycotted meetings, and the new president was forced to resign. The vice president took over but began acting unilaterally, without consulting the rest of the directiva. By July 1984, membership was dwindling, the mutual aid funds were bankrupt, and the Association was effectively dead.

A NEW START

In September 1984, Cruz was ready to play an active role again. He met with Eladio Reyes, who was one of the strongest solidarity group presidents, and with all of the former members of the directiva. They decided to form a new Association of Solidarity Groups and to broaden its membership base by including seamstresses and tricicleros who had moved into fixed-location vending. A new meeting place was secured in a barrio near Capotillo, and leaders began to renew ties with local mutual aid societies and social clubs. The reconstituted directiva of 15 men selected Reyes to be president, and Cruz agreed to act as asesor.

In putting together a new program of their own, Association leaders built on their experience with the FDD and ADEMI. New solidarity groups of four members each were formed, and five triciclero leaders invested RD$100 each to help capitalize a new fund for triciclo purchases and working capital loans. Each rank-and-file member paid a subscription fee of RD$2 and weekly dues of RD$1, which were to be divided evenly between the loan fund and a savings account to yield annual premiums. To conserve its limited resources, the Association eliminated its mutual aid activities, and members were encouraged to join one of the 30 sociedades mutualistas that had sprung up in the barrios of Santo Domingo in recent years.

Despite the shortage of money for loans, membership continued to grow slowly and steadily. The shortage may even have had a silver lining since new members were not joining simply to obtain a triciclo. The earlier FDD program had grown so quickly that many solidarity groups and individual members lacked commitment or did not understand fully what was expected of them. The requirement to attend Association meetings and pay dues while waiting four to six months for the FDD to process a loan did weed out many weaker candidates, but not all of them. Meanwhile, the long waiting period often bred cynicism or indifference. A few group presidents later failed to deliver the payments they had collected, and some members spent their earnings on alcohol, gambling, or consumer goods, leaving the other group members to pick up the slack and help them pay back their loans.

These problems were still real. To counteract that danger and to cement the solidarity binding groups together, leaders of the new Association designed a short course to instill a sense of individual and collective responsibility. Using a question-and-answer format drawn from popular education texts, the course reinforced the idea that solidarity groups are formed by men *and* women who "consciously unite to support each other, sharing the same goals for their work." In return, a *solidario* can expect to develop "character and respect, public and private relationships, and access to economic assistance."

Gradually the Association focused its attention on strengthening the organization itself, in the belief that unity was the bedrock for building future success. Sometimes that unity took the form of lobbying. For example, the Association persuaded the municipal government to reduce registration fees for tricicleros, which previously cost more than taxi licenses.

As the Association slowly reestablished a stable constituency, it again began to approach development institutions for assistance. Contacts were made with the Instituto Dominicano de Desarrollo Integral (IDDI) for technical services, and in 1985 the IAF issued a grant of US$5,100 so that the Association could renovate a garage and buy tools to start a microenterprise for manufacturing and repairing triciclos. The Association also purchased several sewing machines and opened the Escuela para la Superación de la Mujer (School for Women's Progress) to offer low-cost courses in dressmaking.

Association leaders know that most of what has been accomplished has been through their own hard work. They also realize that their knowledge and skills remain limited. More technical assistance and training are needed to improve management of the savings fund,

Assisting the lowest level of businessmen means igniting their minds; the results appear not in a cost-benefit analysis but in individuals, in their way of being.

the workshop, and the school, and to start new production enterprises. The directiva is also determined to seek that assistance on its own terms.

SOLIDARITY IN DEVELOPMENT

What lessons does the experience of the Association offer development practitioners? First, if the Association's goals and values were not shared by the FDD, the solidarity group mechanism could not function smoothly. The Association was intent on building solidarity among the clase triciclera, and the Fundación was simply trying to run a credit program. The FDD eventually reached approximately 1,700 of the 5,000 registered tricicleros, but over one-quarter of the money loaned was never collected, and considerable staff time was spent simply tracking down beneficiaries. ADEMI eventually collected 96 percent of its loans, but only two-thirds of its solidarity group borrowers consistently paid their installments on time.

Second, closer contact and communication is needed between leaders of beneficiary groups and program staff. This would help clarify and perhaps resolve differences in the two groups' values and goals. Neither the FDD nor ADEMI had offices near the central market or in the barrios where clients lived. One triciclero explained how this physical separation was symptomatic of cultural differences between program managers and beneficiaries. "The Fundación's administrators have the intellectual capacity to manage this program, particularly its economic side. But the right people to deal with tricicleros directly should be *técnicos* (people with hands-on expertise) rather than academics. *We* (the Association's leaders) know better than the promoters where to find members, where they work, where they live, where they buy in the market." The FDD program acknowledged as much when they called upon board members to help collect loans or repossess triciclos, but they offered little in return.

One solution would be to hire leaders as part-time interns or field workers. They could help review loan applications, visit businesses to verify information, work as program liaisons in the markets, and help organize bulk purchasing. They should also be appointed to represent members' concerns through regular meetings with program managers. Real cooperation would help fine-tune the program, develop local leadership skills, and increase the program's visibility and credibility in the community.

Finally, the development institution must be responsive to participants' demands for access to training and technical assistance. The Association emerged as an autonomous organization partly because of the responsibility delegated to participants in the FDD's solidarity group program. The new organization quickly ran into trouble, however, because leaders and members lacked the accounting and managerial skills to channel effectively their boundless enthusiasm and limited resources.

Training and technical assistance, of course, cost money, and private voluntary organizations such as the FDD and ADEMI may be financially strapped or lack the expertise to provide specialized services other than credit. One solution would be to form linkages with other development organizations to whom beneficiaries could be referred for specific kinds of assistance.

The Association offered to pay for such added services, but it is unlikely that members understood the real cost or could have fully paid it. As an alternative, the FDD and ADEMI could have expanded their activities beyond credit to form integrated development programs. This would have increased administrative costs, but it might have had long-term payoffs. The staffs of both development institutions noted that solidarity group members quickly reached a ceiling in benefits from loans. They increased their net earnings by eliminating the cost of rentals; they were able to ride farther and faster to reach new clients. Yet as one-person operations they could not absorb larger loans or achieve economies of scale. There was no clear option for sustained growth. And when times grew hard, which they did in mid-1984, gains were quickly rolled back. Two years after the FDD program ended, informal interviews suggest that as many as 20 percent of participants had been forced to sell their triciclos to buy medicine or food or to cover housing costs or other expenses.

The leaders of the Association recognized the need for a wider perspective almost from the beginning, and they have consistently asked for support to manage new productive activities — from triciclo manufacturing to a dressmaking shop. Their values pressed them toward a social construction of solidarity, too. One senior staff member of the credit program noted that development organizations seem to be evolving into *financieras* (financial institutions), "squeezing the juice out of people to bolster the national economy. To really integrate the lowest level businessman," he added, "is to ignite his mind. And that's expensive; the results often don't appear immediately in a cost-benefit analysis. They appear in individuals, in their way of being."

The ex-president of the Association echoed that sentiment when he talked about what could yet be accomplished. "The Bible says that man does not live by bread alone; he doesn't live just from food or money. He also needs peace in his heart. Poverty can cause a man to lose hope, and because of poverty many die. We are grateful for what these programs have done, but it's time they went farther. Why? Because we are working together now, and we are ready to move on." ◇

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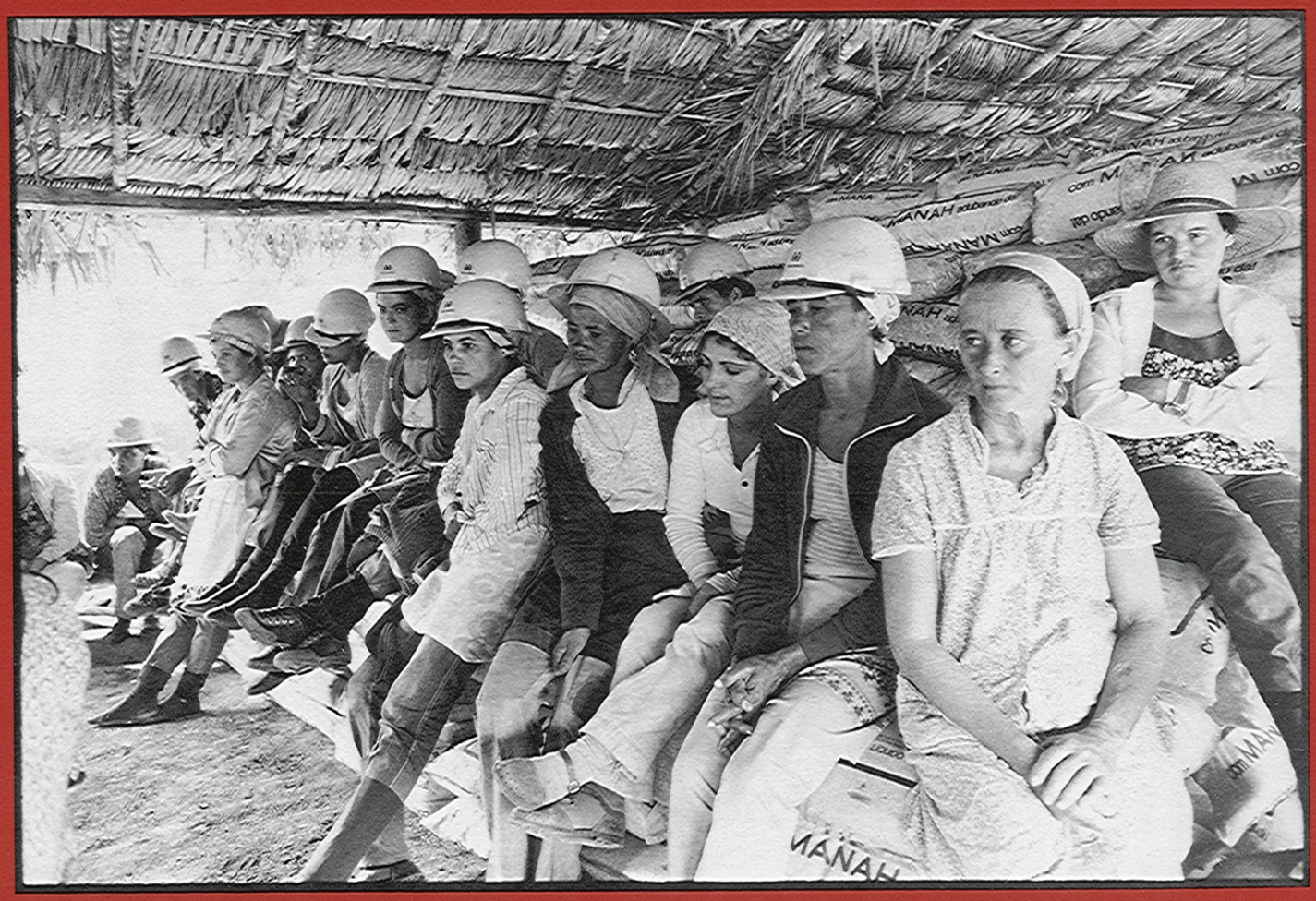
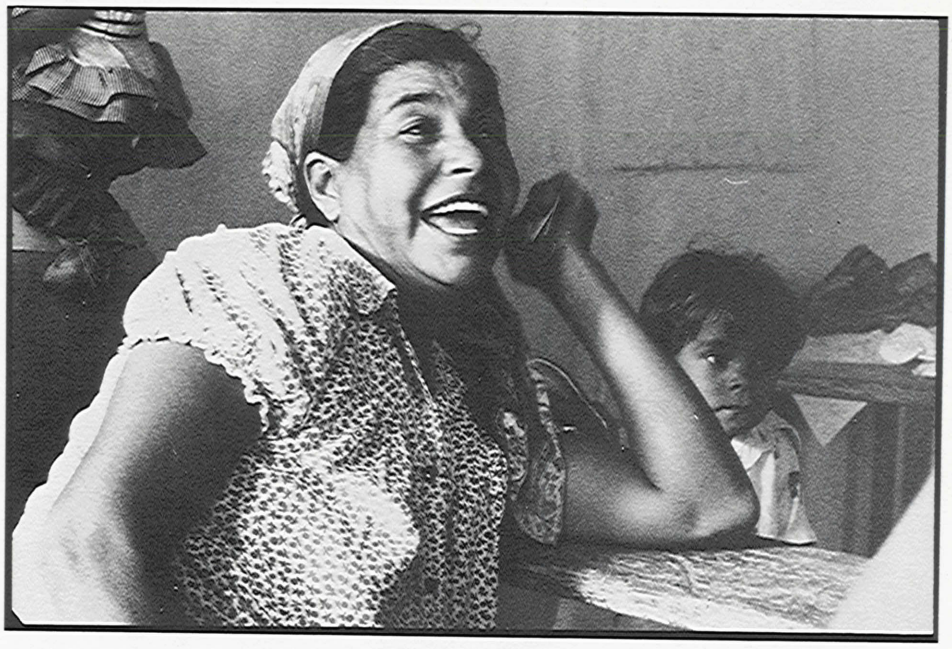
EARTH FLIES IN ALL DIRECTIONS

The Daily Lives of Women in Minas Gerais

Text and photos by
Maria Luiza de Melo Carvalho





Since 1982, I have been conducting interviews and gathering photographs on women's work in Brazil. For me, their own words and visual images tell a powerful story about the role of women in development. It is a story that official statistics often miss.

Everywhere in Latin America, women pursue an endless variety of income-earning activities — most of them outside the formal economy — to help their families eke out a living. Some are teachers; others are office and factory workers. But most are artisans, cooks, maids, seamstresses, vendors, laundresses. Generally, they lack job security, receive less than the minimum wage, pay no taxes, do not contribute to Social Security, and are bereft of social services.

The seven women in this article live in my home state of Minas Gerais, Brazil. During the past quarter century, Minas has undergone vast social and economic change. Men have been moving away from the country to search for jobs in the city, imposing a strain upon families since women must intensify their economic production while continuing to care for children. Traditional small-plot agriculture has also dwindled as land has gradually been sold off to large plantations. Massive reforestation programs have created a mobile force of displaced agricultural laborers, many of them women. (See photo at left.)

Rapid industrial expansion has turned the region around Belo Horizonte, the state capital, into Brazil's third largest manufacturing center. For women, however, that modernization cut two ways. On one hand, it was possible for some to enter new professions, generally limited to the chemical industry and to light assembly operations. On the other, a different set of jobs, mostly in the textile industry, were lost. As a result, by the end of the 1970s, women composed only 17 percent of the workers in the formal economy, mostly concentrated in traditional occupations such as clerical help and teaching.

It was in the midst of this change — which one woman described as a time when "the earth flew in all directions" — that I set out to document how women were coping with the demands of their everyday lives. I sought more than pictorial illustration; I wanted the photographs to help the women see and understand themselves, not just to depict their situation to others. So I invited their collaboration. The technical aspects of photography were explained in advance to further break down barriers and demystify the process.

The project tried to create an atmosphere in which women — including those who are illiterate — could express themselves freely, could begin to see and then tackle their problems independently. Although the women who inhabit the margins of society often seem invisible, their silence should not be mistaken for an inability to view their lives objectively. As the following excerpts make clear, these people are well aware of their situation. To me, they are Brazil's quiet heroes.

◇

Jorgina

(campesino's wife, member of São Benedito Mother's Club)

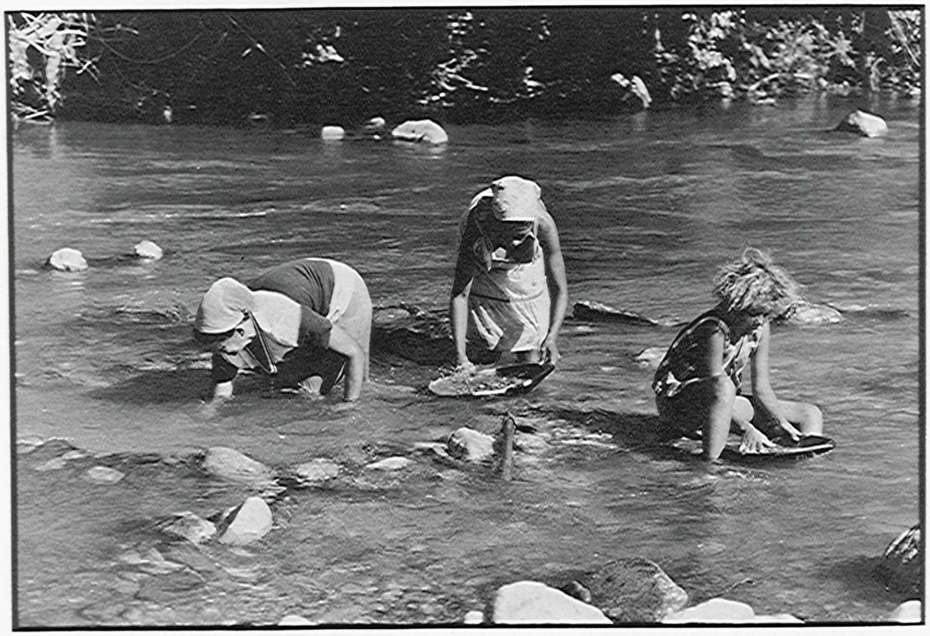
You get up before the sun and already a child is crying. Breakfast has to be made, the beans put on, the house swept, water fetched for the garden. And it seems there's always a baby strapped to your back: When one gets a bit older, along comes another. (But, of course, the number of children depends on God's will.) On and on and on and, then, you fix lunch. Sometimes there's no time to sit: You eat on the run. After that you wash clothes and maybe steal a nap. There is always work in the fields. Really, the only holiday in the countryside is when you are asleep. Sundays we might visit friends, but there is work before we go and after we get back, just less time to do it in.

Ninice

(gold miner, Jill-of-all-trades)

We only have the night to ourselves, and some of those I work straight through, making tapestry. Life here is very tight. In São Paulo it was even worse. I also had to stay up late and I was always running around doing piecework for factories. Here, it's freer, we have space, it's calm. In the city, who wasn't scared of answering the door?

Twice a week I bring clothes down to the river to wash. While they dry, I go further downstream to the spot where my sister-in-law and I always mine. My daughter is also learning. But it's not easy finding gold — some weeks it's hardly a gram. The big companies come down the river with machinery and turn over the whole bed. They can dig deeply and find a lot. For us, the currents are strong, we have to dig deep, and a shovelful of stones is backbreaking. Panning here is the hardest work there is.



Ana

(potter)

When I got married, soon after coming here, I hated to get my hands dirty with clay. I didn't know how to make pots anyway, so we bought them. One day though, just after my first child was born, I went to see my aunt. Her neighbor was a potter, and watching this woman work, I said to myself: "I wish I could do that. Imagine the money it would save."

So I started, going off inventing, making funny shapes. Everything came out crooked, ugly, and I felt like quitting. But I kept on making them, badly finished or twisted or not. Really, I learned by myself.

One market day, my husband took some pots into Capelinha and people started buying them. Then I started selling them myself. Now everyone comes here to buy them. They may be ugly, but they don't break easily and they're good for carrying water a long way.

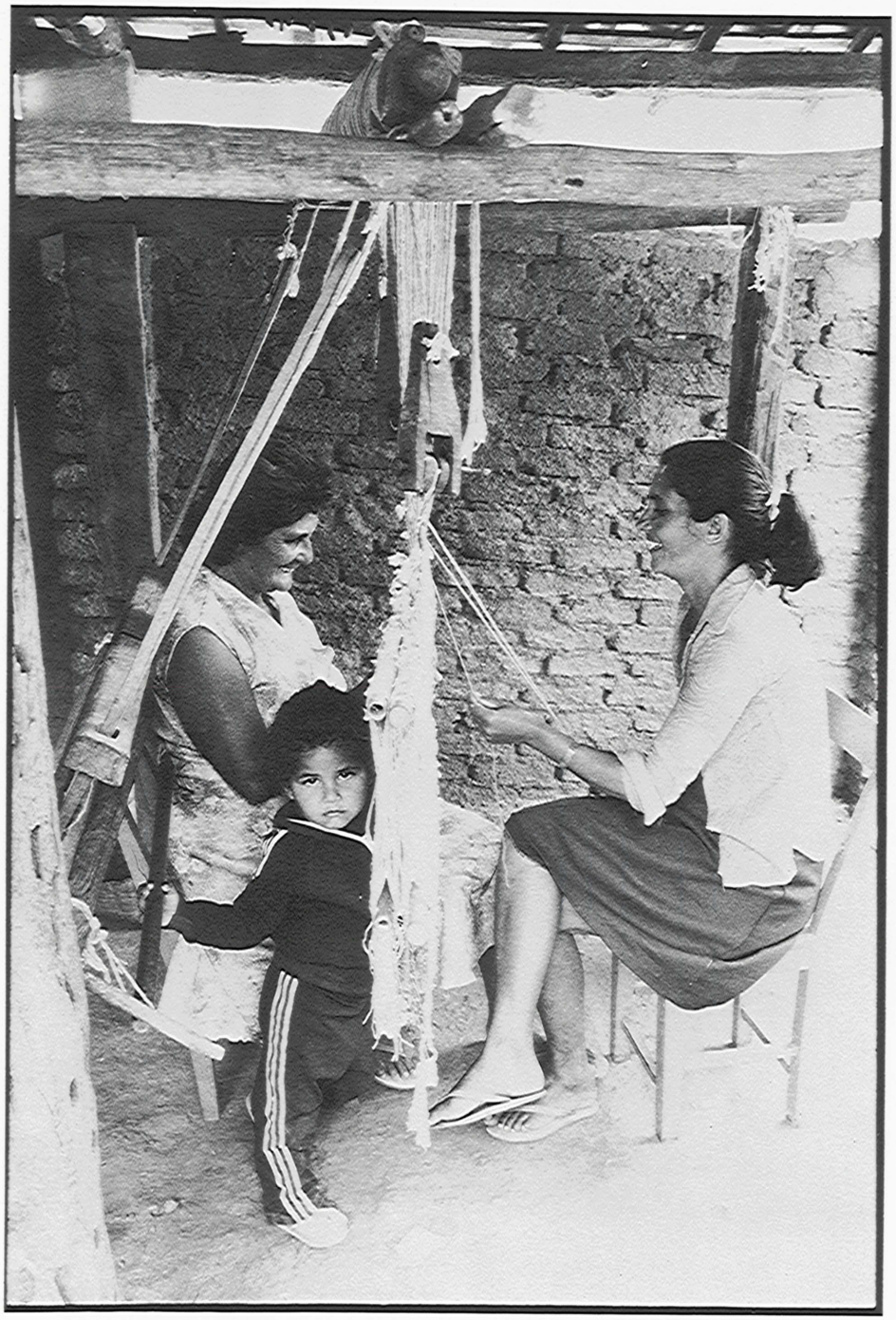
It's hard work. It takes a whole day — and sometimes two mules — to collect the clay. Then it has to be ground, sieved, and kneaded. Next I take it outside, pound it on a rock, and start shaping pots. After they dry in the sun, they must be scraped — inside and out; the edges have to be trimmed; and the surface smoothed all over. Before the firing, they have to be coated with another thin layer of clay. Finally, they must be painted. Yes, it's hard — more than a day's work for each one, and they sell so cheaply. Sometimes I think it's better working in the fields. Still, if you want to eat, you can't stand around doing nothing. This is now my work, and it suits me.

D. Nenê

(kindergarten operator)

My dream was always to be a teacher, yet it took many years. My father died, and my mother needed help raising my younger sisters. Finally I could enroll in a teachers' school. When I was hired in August 1938 to teach in the same school where I once studied, it was the happiest day of my life.

When the time finally came to retire, I didn't want to quit, so I decided to do what I liked best on my own. This little school, Dom Bosco, is 22 years old now and I don't regret one minute of it. It's here for the pleasure it brings, I charge practically nothing: Each child contributes only a few cruzados per month. I stay happy because I am close to the children, I feel their affection. In their hearts, there are worlds of faith and hope.

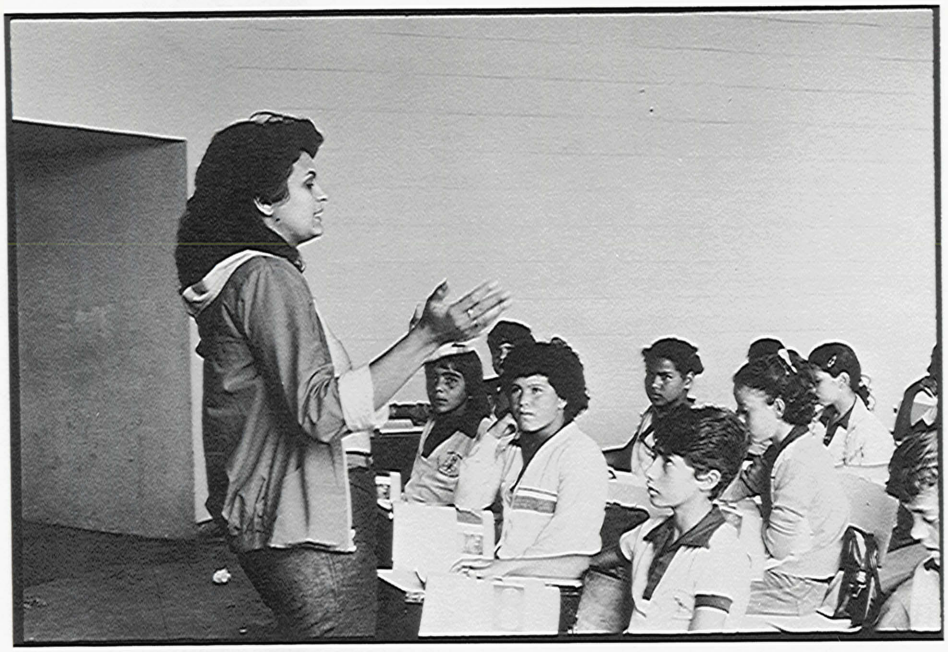


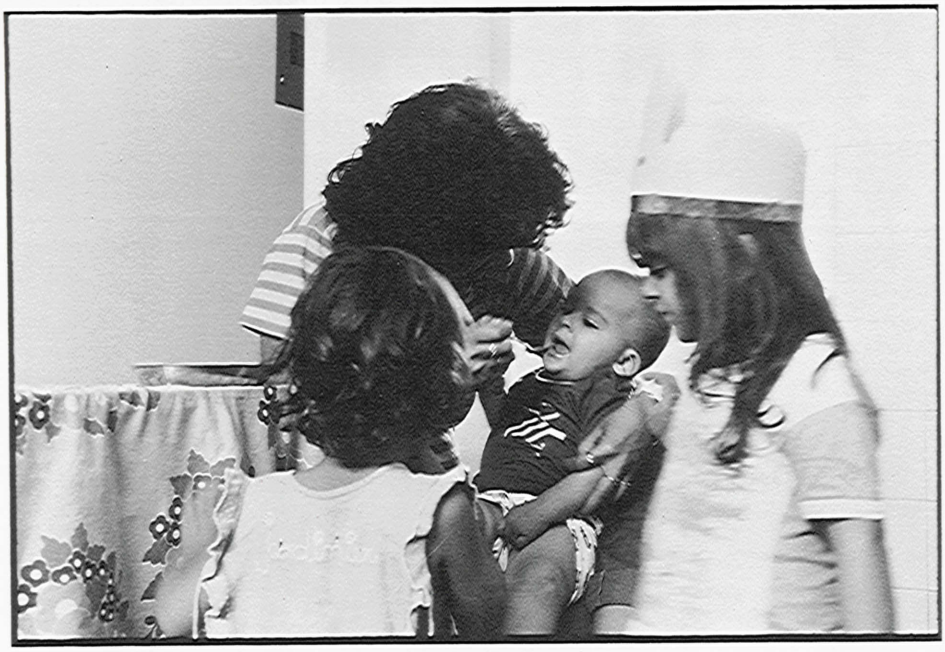
Celuta and Maria

(mother and daughter weavers)

In the morning, we always do the warping at mother's house. Then I come home, straighten up, and fix lunch while she threads the loom. When I get back to her house, we pick up where we left off. It's tough: Our lives are pretty tough. Sometimes, when we are short of cash, we'll work late into the night. We have finished two blankets in a day before, but that kills you: Your knees throb, you feel like a dishrag. With the few cruzados a blanket brings, I may buy some second-hand clothes from the priest. Buying in a store would be impossible; most of what we earn we eat.

One of the things I like doing is walking in the fields. And I enjoy talking to my friends here at home. Thankfully, the house is always full. Any night you drop by, my neighbors are here. What I know, I teach them. They come to learn, and at the same time we grow closer to one another.





Maria José

(secondary school teacher)

I think you get used to being tired. Even with your head buzzing, the kids shouting, you get something done. While my children are awake, I clean the kitchen, wash clothes, straighten up. Once that's well under way, I try to distract the kids, get them playing. Then I might try to prepare my lessons. Usually there are interruptions: I pick up a pen, and there's a squabble, or someone needs something. If I can't take always having to start over, I wait until I've put the kids to bed and there is a bit of peace and quiet.

That's how it is. A woman has to earn money and still be a housewife, while a man just has his job to worry about. No one sees this side of women: Housework has no value. There is so much to do and no escape. Sometimes you feel you have to get out and wind down a little. A man can go to a bar, drink a beer. When he comes home, he is relaxed: His head is lighter, only his body is tired. For women, no. We have our duty, which we are supposed to love, even when our heads and bodies are worn out entirely.

MARIA LUIZA DE MELO CARVALHO is a documentary photographer, trained as a city planner, who now lives in Belo Horizonte, Brazil. This article is drawn from material produced for her project Women's Daily Lives in Minas Gerais State: A Photodocumentation with Oral Histories, *which received financing from the Fundação Carlos Chagas.*

Forum

Can PVOs Afford Development?

Brian Smith

Despite their strong reputation for honesty in handling philanthropy for humanitarian purposes, doubts have recently been raised about how private voluntary organizations (PVOs) are spending their funds. Two incidents may be storm warnings of an impending crisis in credibility.

In August 1985, the *New York Times* reported that Catholic Relief Services (CRS) was putting much of the $50 million it had raised from U.S. citizens to feed starving Ethiopians into savings accounts to fund future development projects throughout Africa. CRS explained that administrative bottlenecks inside Ethiopia made it impossible to use all of the windfall contributions there in such a short time. Subsequent fundraising efforts, however, clarified that contributions would not only help feed hungry Ethiopians but would also sponsor irrigation systems, agricultural training, and other projects designed to prevent future droughts and famines throughout the continent.

In July 1986, Save the Children Federation (SCF) was accused on the NBC-TV program *1986* of using images of starving children and other emotionally laden TV ads to raise money that did not aid specific children as directly as potential donors might expect. The program also indicated that the Attorney General's office in Connecticut (the site of SCF headquarters) was investigating whether or not misleading advertising techniques were being used. The issue was resolved when SCF agreed to revise its TV ads to explain that donor contributions would not necessarily sponsor individual children, but would be pooled in a larger fund to support community improvement projects benefiting the child's entire village or neighborhood.

These two incidents underscore the difficulties that numerous PVOs are having in making a transition away from relief to development. Many of the older and larger PVOs such as CRS and SCF, which handle the major portion of U.S. private philanthropy overseas, were founded 40 to 50 years ago with the primary purpose of assisting orphans, refugees, and other victims of natural and human disasters. Today, however, these groups are increasingly speaking the same language as the newer and smaller organizations (such as Oxfam America, Technoserve, and AITEC) that were created during the past two decades. Both groups are defining their goals in terms of enhancing the skills, access to credit, and bargaining power of the hard-core poor, of supporting programs designed and operated by beneficiaries to meet their own needs, and of discovering cost-effective ways to deliver services in remote regions or among hard-to-reach populations.

This commitment to long-term structural development through technical assistance and institution building began to emerge during the late 1960s and early 1970s. New thinking in the academic community about the causes of, and solutions to, poverty led to criticisms of large government-to-government aid programs for not reaching the poorest 40 percent of the populations in developing countries. At the same time, the U.S. Congress was searching for ways to bypass corrupt or inept centralized bureaucracies to deliver foreign assistance directly to the poor. The emergence of the IAF in 1971 reflected this shift in attitude. So did the renewed public interest in PVOs. Beginning in 1973, USAID used its "new directions mandate" to provide cash grants to U.S. PVOs for their work abroad. The World Bank during Robert McNamara's tenure as president also began to focus on poverty lending to improve housing, agriculture, and health, and later established a liaison committee with PVOs to discuss possible forms of collaboration.

Responding to these new opportunities, many PVO executives and staffs began deemphasizing relief aid and stressing how their organizations could help fulfill development goals that governments could not or would not meet. By 1985, over one-third of the resources ($814 million of $2.3 billion) of the largest 170 U.S. PVOs registered with USAID came from public grants, and 24.5 percent of USAID's budget (excluding the Economic Support Fund) is now channeled through PVOs.

Responding to new opportunities, many PVOs began deemphasizing relief aid and stressing how they could help fulfill development goals that governments could not or would not meet.

Despite the apparent change in agenda, however, a wide gap has opened between the rhetoric about development and actual performance. First, approximately one-fifth ($467 million) of the total resources sent overseas by U.S. PVOs in 1985 were in the form of surplus commodities purchased by the government from U.S. farmers to support domestic prices, or cash grants to ship and disburse this food. (Only a handful of organizations — such as CARE, CRS,

and Lutheran World Relief — handle these shipments under P.L. 480, but they are among the largest and account for nearly one-half the total resources of U.S. PVOs.) Congress, since the 1960s, has sought to use surplus grain and dairy production to promote long-term development, and participating PVOs have argued they are using food-for-work projects, mother/child nutrition programs, and other methods to accomplish that goal.

Nonetheless, mounting evidence from project evaluations, which became more systematic in the early 1980s due to USAID assistance, shows that much of the food distributed through PVOs is still used for traditional relief activities. To be sure, hungry people abroad need to be fed, but P.L. 480 is not geared to solve the underlying problems of inadequate food production.

In a way, it is understandable why the older and larger PVOs continue to provide food aid. Surplus U.S. commodities are readily available, and these PVOs have built up an extensive international network to distribute food quickly to people who need it most. Ending or sharply reducing this aid would require PVOs to dismantle much of their institutional apparatus without any guarantee that massive sources of alternative funding could be found to underwrite the shift to longer-term development projects.

Relief activities, however, are not confined to the handful of PVOs who distribute food. Even organizations that normally specialize in development projects often switch gears when media attention focuses on a major natural disaster. During these crises, private agencies such as Oxfam America and the Unitarian Universalist Service Committee collect money for relief, funneling resources to other U.S. PVOs active on the scene if they themselves are not. Given the danger of waste from duplicated effort and the difficulty of coordinating so many voices into a unified relief campaign, why do so many development-oriented PVOs choose to participate, directly or indirectly, in work for which they have little experience and, normally, little interest?

The answer is often money, or rather the lack of money. Private contributions to all PVOs have been declining (in real terms) since the early 1970s except for spurts during well-publicized disasters. Meanwhile, the U.S. Congress is pushing PVOs that have become overly dependent on USAID financial grants to generate more of their income — at least 20 percent — from the private sector. Consequently, many development-oriented PVOs ride the coattails of disaster, trying to expand their mailing lists and enlist new donors. After the crisis subsides, new contributors are urged to continue funding longer-term projects, but there is no doubt that relief is used as a bait to hook these donors onto a development line. To ride out the lulls between disasters, other PVOs "creatively package" some of their development work to convey a relief image, using techniques such as child-sponsorship programs.

If public confidence in the trustworthiness of PVOs is seriously eroded, future declines in contributions may be even more precipitous.

The previously cited criticisms of CRS and SCF point out the tension between short- and long-term responses to need. CRS was trying to convert windfall contributions for the Ethiopian disaster into longer-term development projects elsewhere, and SCF was supporting community development programs with contributions made to help starving children. The point is not that there was any impropriety or malfeasance of funds, but that PVOs have felt compelled to misrepresent what they do in order to fund new priorities. Although contributions may stabilize or even increase in the short run, such measures breed cynicism. If public confidence in the trustworthiness of PVOs is seriously eroded, future declines in contributions may be even more precipitous.

Some in the PVO community would argue that the solution is a vigorous commitment to development education to enlighten present donors and the wider public about combatting the deeper structural causes of poverty and recurrent famines. If this were to occur, the argument goes — and there are indications that some PVOs (with U.S. government encouragement and financial assistance) are tooling up for information campaigns — then the U.S. public could begin to more generously and rationally invest in long-term projects.

This argument may be valid, but public opinion polls carried out in 1973 and again in 1986 (sponsored by the Overseas Development Council and the federation of PVOs, now called InterAction) indicate that North Americans' preferences for relief-type activities are deeply ingrained. If U.S. PVOs confront these attitudes frankly, contributions are likely to fall in the short term since the loss of old donors is likely to exceed the rate of gaining new supporters. Realizing this danger, it appears that most PVOs envision development education as a more intensified way of raising money to fund present activities without in any way alienating traditional relief-oriented donors.

That is a pity because real development education would take a hard look not only at relief efforts but also at the claims of development projects themselves. Evaluations sponsored by

USAID not only report mixed results for food distribution efforts, they also question some of the "myths" (as M.I.T. development economist Judith Tendler calls them) that PVOs have cultivated about cash-supported development projects. For example, evaluations often show that PVO aid reaches not the "poorest of the poor," but people with some prior skills or capital who are more likely to succeed. Many projects *are* run by middle class professionals who discourage involvement by grassroots groups in project design and planning so that project beneficiaries fail to develop the skills and experience they need to begin controlling their own lives. Finally, claims about "innovative" delivery of services are often inflated. Some projects simply extend public services to remote rural areas the public sector ignores. When projects are innovative, little is known about replicating them.

Closing the credibility gap between rhetoric and performance, then, will require not only frank public education campaigns but real reform. Some of the largest PVOs will have to get off the food wagon, or resort to it less often, and others will have to cease acting as fundraising intermediaries during disasters. Still others will have to pay closer attention to what development activities actually work so that project portfolios and development education can be brought into alignment. Only then will the real comparative advantages of small-scale projects become clear to the public, and the trust long enjoyed by nonprofit organizations be preserved. ◇

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Opinions expressed in this column are not necessarily those of the Inter-American Foundation. The editors of Grassroots Development invite contributions from readers.

Development Notes

George Otero

Political scientist David Mares of the University of California-San Diego gives background on U.S.-Third World issues to educators who will incorporate this material into their curricula.

PREPARING FOR THE YEAR 2000

The children who entered kindergartens across the United States this September will be the first high school graduates of the 21st century. As the trends toward increasing interdependence of nations and peoples accelerate in the waning years of the present century, as the United States finds itself ever more affected by political, social, and economic changes in other countries, concern grows about how well-prepared those high school graduates will be for the world they enter in June of the year 2000.

That concern is spurring efforts in the American school system to improve education about international development. In July, educators from across the country gathered in Taos, New Mexico, for a week-long workshop on development issues. The workshop was held at Las Palomas de Taos, a house built to attract artists and writers to the Southwest in the 1920s that now serves as a conference center specializing in educational programs. Last July's meeting was the third summer session on development education to be held there. Most of the 33 participants were from teachers' colleges and schools of education. They spent the first three days absorbing information about the Third World and development programs from academic experts and representatives of several private and official development organizations. The second half of the workshop was devoted to designing concrete plans for introducing such material into the curricula of their respective institutions.

Those plans are concrete because money is available for implementation through a 1980 statute written by Senators Claiborne Pell and Joseph Biden. Global Perspectives in Education, which organized the Taos workshops, can support curriculum initiatives with grants of up to $5,000 from funds made available by USAID. Twenty-five grants totalling approximately $85,000 have already been made to carry out plans developed at the first two workshops. These grants are being used to develop new courses for graduate and undergraduate students in teacher edu-

cation, revise existing courses, establish collections of teaching resources, and hold conferences and workshops for future teachers and those already at work in the classroom.

The IAF is taking advantage of the spreading interest in development education to help increase awareness in the United States about the challenge of development in Latin America and the Caribbean. In addition to its publications describing those efforts, the Foundation recently launched a video series about some of the more unique projects it has supported. The videos, accompanied by teachers' guides with suggested discussion points, let U.S. audiences see the development process in a more vivid way while gaining respect for how the people of the hemisphere confront their problems. The hope is that if accurate and sensitive information about development can be taught in U.S. schools, then when this year's kindergarten students are ready for graduation, the world beyond U.S. borders may seem more understandable to them than it did to their parents.

Patrick Breslin

A USER-FRIENDLY PARK

On July 25, the day the Santa Elena hacienda in northwestern Costa Rica was expropriated by the government to become part of a national park, expectations spread like brush fires on this dry plain. "We've been asked to stay and work," one ranch hand said, gazing toward the boundary of the nearby Santa Rosa Park. "I heard that people there got electricity and running water for their houses after joining the park."

These high expectations were based on the creation of Guanacaste National Park, an innovative plan to restore the area's tropical forest ecology, serve the local population, and even ease Costa Rica's foreign debt through a unique debt-for-nature swap. The decree President Oscar Arias signed in July incorporates the entire Santa Elena peninsula into Santa Rosa Park, forming a new park of 750 square kilometers.

The philosophy behind the park ensures that people will be brought into its development, not shut out. Biologist Daniel Janzen, who conceived and campaigned for Guanacaste, believes that a park can only survive if local people value it. By making the park "user-friendly," he says, the residents of the area become a "resource," because they already know the techniques needed to manage the land — fire-fighting, horse-back riding, trail and building maintenance. They also know the vegetation, the climate, and the dangers of the region. Two young men from a fishing village already have three years' experience as Janzen's research technicians. Former farmers employed in the new park will be able to grow gardens and maintain livestock for themselves, while learning more about how to aid researchers and tourists.

To further wed the needs of a developing country and a deteriorating environment, the Guanacaste National Park is being financed through a debt-for-nature trade. Conservation donor organizations provide money to buy discounted notes of Costa Rica's debt. In return, the Costa Rican government redeems the notes with high-interest *colón* bonds that are deposited with the local Neotrópica Foundation for use in conservation efforts.

A similar deal was arranged in Bolivia in July, when $650,000 of Bolivia's debt was retired in exchange for the government's commitment to protect and manage 4 million acres in the area of the Beni Biosphere Reserve. The Bolivian plan is also oriented toward people as much as nature, linking conservation with the sustainable use of natural resources and the needs of the nomadic Chimane Indians.

While these debt-for-nature swaps barely make a dent in the billions that Latin American nations owe to international banks, they are ingenious attempts to convert a long-term liability into an asset. It is also clear that conservationists are now less myopic when it comes to protecting flora and fauna. By swapping debts for nature and including local people in conservation plans, they have recognized the social and economic factors that must be integrated into park planning if new parks are to survive.

Diana Page

LEADING THE WAY

In early April, 35 people, most of them managers or directors of community food storage programs, gathered at the Agronomy Training School in Papaye, Haiti, for three days of intense discussion. They talked about their experiences in combatting crop spoilage and preventing losses from rodents and insects. And as the conference ended, they left, more certain than ever before, that their activities were a key to organizing the country's small farmers to undertake sustained rural development.

Sponsored by the Institute de Consultation, d'Evaluation, et de Formation du Personnel (ICEF) and Technique d'Administration et de Gestion (TAG), the seminar included representatives from 17 rural groups, 15 of them IAF grantees. The wide range of participants provided a good sounding board for evaluating different methods of grain storage. Exotic-sounding traditional techniques such as *gwan-n, mayi pike, barik,* and *kolonbye* were compared with the "ameliorated" techniques of using metal barrels or small silos constructed of galvanized aluminum or cinder blocks.

Interestingly, in another Caribbean nation, Trinidad, oil drums are used to make music; here, in the hemisphere's poorest country, they are used to hold the substance of life. A serious problem facing these small farmers is how to acquire more discarded barrels to expand their grain storage capacities. To help solve that problem, a new committee was set up to study grain storage techniques in depth, including how to obtain more barrels.

That committee is linked to the rise

of farmer's groups, associations, and cooperatives all over Haiti. As they endeavour to make a transition from creating solid community organizations to undertaking concrete economic projects of their own, improved grain storage will help lead the way. The committee's first task will be to help organize the next quarterly seminar on grassroots development sponsored by ICEF and TAG. The workshop will explore how credit and management issues affect community food storage programs so that small farmers can gain a larger share of the profits their grains earn beyond the farm gate.

Robert Maguire

Marcelo Montecino

A CET advisor demonstrates how to use a solar food drier. Most member institutions of the Acuerdo are concerned with finding affordable technologies that use rather than abuse the environment.

ACUERDO DE COLINA

The recently released 33-page report *Informe Sobre el Acuerdo de Colina* exemplifies the increasing coordination and exchange of information among Chilean nongovernmental development institutions. The Acuerdo de Colina consists of 18 institutions whose members gather several times a year to share their experience, draw lessons from it, and consider ways to apply what they have learned.

The Acuerdo was created in May 1984 when nine Chilean institutions signed an agreement pledging to share the results of their work with the poor. It responded to a need, felt particularly by some of the groups distant from Santiago, to improve their skills in "alternative" techniques of food production — ones that unlock poor people's creative ability to use local resources — and to define better ways to strengthen local organizations, stimulate leadership development, and identify the most productive kinds of activities.

Members of the Acuerdo represent the geographic and ecological diversity of Chile itself, where climates range from the bone-dry desert of the North to the rain and chill of the glacier-bound South. The institutions provide a variety of promotional and technical assistance, and all are committed to developing a community-based "bottom-up" approach to social and economic development. Like the Centro de Educación y Tecnología (CET), a founder and leader of the Acuerdo, most member institutions are concerned with appropriate technology and the environment. Some concentrate on one geographic area, like Estudios Agrarios de Ancud (EAA), which works on the island of Chiloe; others, like the Instituto Nacional de Pastoral Rural (INPRU) and the Departamento de Acción Social (DAS Nacional), serve a nation-wide network of church-related development groups.

According to the report, the Acuerdo met during 1986 to discuss self-help housing, nutrition, and development methodology. An average of 30 people representing between 9 and 14 member institutions as well as invited nonmembers attended each meeting. The gatherings were held in several locations, "showing a decentralization unusual in our country," says the report.

CET and two other groups led the discussions at the meeting on housing, which resulted in a set of guidelines for implementing an alternative housing program. At the nutrition gathering, participants divided into groups, and assisted by CET, prepared a meal using nontraditional foods, combinations of foods, and methods of preparation. Afterwards, the meal was evaluated for flavor and nutritional content, and the value of the activity itself was assessed.

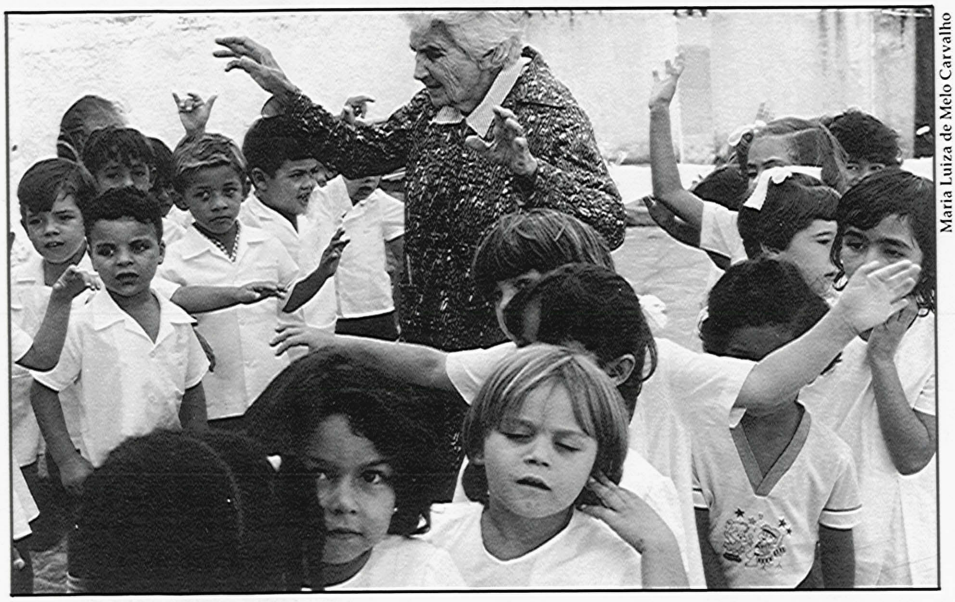
Based on practical work on topics such as these, the members of the Acuerdo are hammering out a common understanding of what is "alternative" in their approach to development. Rejecting concepts that equate alternative with either a purist nongovernmental approach or opposition to the existing government, they understand the concept as a unified response to two great problem areas affecting the developing world: poverty and the environment. They approach the first by creating community — enabling human beings to exercise greater voice and weight in society through organization, beginning at the most local level. As for environment, they view it not as a good that must be sacrificed for development, but rather as the very resource base upon which the community depends in order to fight poverty, and which it therefore must defend.

Diane Edwards La Voy, Anna DeNicolo

Why Fund a Day Care Center in São Paulo?

Bradford Smith

Two requests for grants to fund day care centers in Brazil were recently presented to the IAF. One was turned down, the other was approved. Why? The following article answers this question and shows how the Foundation goes about the business of making grants. It also gets at the heart of how a small donor can ever hope to have a large impact.



Maria Luiza de Melo Carvalho

A day care worker uses games to teach children in a small nursery in the state of Minas Gerais.

Why fund a day care center in São Paulo? Those who work in the Brazil Office wrestle with such questions almost daily as letters requesting support for small projects keep pouring in. A priest in the extreme south of Maranhão State wants $4,000 to build a carpentry workshop. The Associação Comunitária dos Moradores do Morro da Esperança in Teresina, Piauí, needs $15,000 to build a community center. The Sociedade de Amigos de V. Mara, Jardim Maia e Vilas Adjacentes in São Paulo asks for $61,000 to build a facility where street children can live and receive skills training.

Each is an opportunity for the IAF to reach the grassroots — but what difference will it make? In Maranhão alone there are hundreds of communities where a carpentry workshop would be useful. Teresina, Piauí, already has more than 50 community associations. Street children? Some estimates put their numbers at 14 million or more throughout Brazil.

"Why fund a day care center in São Paulo?" is another way, then, of asking: How should the Inter-American Foundation spend $2 million a year in a country that covers half the land mass of South America and has a population of more than 130 million people? The answers do not come easily.

Not only are the Foundation's resources insignificant when compared to the magnitude of Brazil's social and economic difficulties, but the funding landscape is already crowded. In the Northeast, for example, the presence of the World Bank is inescapable; and the Bank does much more than build hydroelectric dams. Through its Apoio para Pequenas Comunidades Rurais program (APCR), the Bank has allocated some $50 million to make grants of several thousand dollars each directly to rural community associations.

And the Bank is not alone in its efforts. The Brazilian government has a program similar to APCR, known as the Projeto São Vicente, in addition to a special secretariat created by Brazilian President José Sarney solely for the purpose of funding tiny community projects. The Brazilian Assistance Legion (LBA), a government social service organization, is gearing its 20,000-person staff and annual budget of $40 million towards what it calls "social microenterprises." Then there are the government's Center for the Support of Small and Medium-sized Enterprises (CEBRAE) and its state-level affiliates, the CEAGs, which administer credit programs for microenterprises. Even the Banco do Brasil plays a role through its FUNDEC program in which 2 percent of the Banco's profits have been set aside to fund community projects.

The IAF can hardly claim uniqueness in a country where the government and other funders are channeling millions of dollars directly to the grassroots. In comparison, the IAF's smallest grant is large and — since it involves international mails, foreign currencies, and the like — more bureaucratic.

It must be recognized, however, that, grassroots focus notwithstanding, these programs serve a different purpose than IAF grants. In essence, they represent strategies to alleviate poverty in the aggregate and at the margin. In other words, they seek to modestly improve the lives of the majority of Brazil's poor while fostering community participation. Most of the previously cited programs encourage community groups to present requests that fit into preestablished project cate-

gories such as wells, flour mills, community centers, and so on. Moreover, by requiring that grants be made primarily to organized groups of people, these programs have sometimes ended up precipitating the formation of community associations primarily for the purpose of obtaining resources.

The IAF's comparative advantage in Brazil lies not so much in its grassroots focus, but in its ability to tailor its response to the needs, resources, and potential of each individual grantee. Foundation funds thus serve to complement those of other international and Brazilian government sources. Such flexibility is primarily due to the Foundation's smallness. (Although some 200 organizations in Brazil submit project requests to the IAF each year, only 20 to 30 can be approved.) Ultimately, the Foundation supports those organizations whose work shows the greatest promise of significance and continuity beyond the life of the project itself.

Based on four years of travel by IAF staff throughout the country, countless consultations with knowledgeable Brazilians, and a history of purposeful grantmaking, the Brazil Office has come to define its program portfolio in terms of four activities: Income and employment generation, community health, alternative education, and applied research.

In 1983, when the IAF resumed program activities in Brazil following a five-year hiatus, the Foundation was only funding income and employment generation projects. However, it soon became apparent that significant progress was being limited by the beneficiaries' poor health and lack of education. After the program focus was broadened, groups that had previously limited their proposals to productive projects began to request IAF support for literacy programs and the training of community health promoters. Moving to four programmatic lines of funding has enabled the Foundation to better respond to the needs of Brazilian organizations as they themselves see them. With few exceptions, most active grants in the Brazil portfolio today involve at least two major program activities, if not three.

Along with the definition of program areas came the realization that the Foundation should not fund projects such as the day care center in São Paulo. The need to maximize each dollar spent in Brazil precludes funding isolated community efforts, no matter how desperate the need or how worthy the project. Instead, the IAF has gravitated towards supporting projects that are part of larger processes within the country or have the potential to create such processes.

Although some of these projects are undertaken by base groups, the overwhelming majority are the province of nongovernmental organizations (NGOs). These intermediary groups are part of a burgeoning movement in Brazil and see themselves as mobilizers of public and private support for efforts by poor people to improve their lives. In this newly democratizing nation, NGOs are actively fostering citizen participation in the solution of social and economic problems.

Most of these intermediary organizations are staffed by highly trained and sophisticated individuals who may not need and might not welcome technical assistance provided by an outside agency. Therefore, technical and administrative assistance activities are directed towards base groups in the portfolio as well as those intermediaries who are essentially second- or third-level federations. However, a far greater portion of IAF technical support is geared toward facilitating exchange and networking between groups. Brazilian researchers and specialists are also contracted to visit projects to discover what works and what does not. Their findings have resulted primarily in comprehensive monitoring and evaluation reports, but future plans call for increased public dissemination of information through a variety of publications and other media.

An important aspect of this approach has been the Foundation's willingness to acknowledge failure in projects and unflinchingly document its origins and evolutions. Doing so has meant giving researchers the freedom to call the shots as they see them, even if that means criticizing the IAF for its funding decisions.

An important aspect of this approach has been the Foundation's willingness to acknowledge failure in projects and unflinchingly document its origins and evolutions.

Ironically, it is precisely those reports describing project failures that have been best received. More often than not, failed experiences represent flawed project types that have been tried repeatedly without any objective study of their impact. Both public and private groups have requested copies of recent IAF project evaluations to help devise new strategies for community development that will avoid past mistakes. Detailed studies of this kind simply have not been widely available in Brazil until now.

Not long ago, the IAF did decide to support a day care center in Recife, but in a way that illustrates this new approach to lessons learned through funding. A group of psychologists and social workers that runs the Sociedade Beneficente de Promoção da Mulher e da Criança (SBPMC) in Recife first approached the Foundation in 1986.

Their modest proposal would have allowed them to continue working with mothers and their children in a day care facility in Alto de Mandú, a poor neighborhood in the Casa Amarela district. Although the day care center was impressive, funding one facility in a city of 2 million people whose day care needs are staggering could not be justified.

IAF concerns were expressed to the SBPMC, and the Sociedade was encouraged to think about extending its efforts to other community day care centers in the metropolitan area. Discussions, which lasted for approximately one year, resulted in the following:

- The SBPMC was provided with literature from a Minas Gerais group, Casa da Vovó, which gives support services to 55 community day care centers, and two staff members were sent to study the program firsthand;
- The SBPMC broadened its proposal beyond Alto de Mandú to include outreach work in health education and income generation in four additional communities; and
- The municipal government of Recife contracted the SBPMC's technical team for a consultancy examining the future directions of the city's support program for day care centers.

In May of this year, the IAF awarded $20,342 to the Sociedade. As the project unfolds, people from the Casa da Vovó may visit Recife to complete the exchange of information. Researchers may also be asked to document the SBPMC experience as a case study in alternative approaches to community-based day care. The project will directly affect only 250 poor women and children, but it will allow the SBPMC to better serve the wider community of day care centers in Recife, and most importantly, it will provide a useful guide to other groups interested in tackling the growing problem of child care for working mothers throughout the country. ◇

BRADFORD SMITH is the Senior Foundation Representative for Brazil.

Reviews

New from the IAF

Business in Development: A Workable Partnership, the second in the IAF's recently-launched monograph and working paper series, has just been released. Co-authored by Martin Diskin of the Massachusetts Institute of Technology, Steven E. Sanderson of the University of Florida–Gainesville, and William C. Thiesenhusen of the University of Wisconsin–Madison, the 348-page report thoroughly examines the operations and impact of the Mexican Rural Development Foundation (FMDR).

As the IAF's principal grantee in Mexico, the FMDR has received nearly $4.5 million in Foundation funds since 1972. At the same time, it has generated more than twice that amount in local currency to support its 30 "service centers," which provide credit, training, and technical assistance to small farmers and *ejidatarios* in 17 Mexican states.

Based on fieldwork completed in 1985, the authors conclude that the FMDR has successfully used foreign grants and public sector programs in agricultural development for the benefit of its clients. However, while recognizing its many accomplishments, the authors question whether the FMDR's assistance is reaching Mexico's poorest peasants and fault its programs for concentrating primarily on the upper strata of the poor. This, however, may be a too facile dismissal of a more inclusive process.

Among its many other functions, the FMDR encourages Mexican entrepreneurs to concern themselves directly with the problems of the poor — and over the past two decades has incorporated some 400 businessmen into the program as board members and fund raisers. At the same time, as the only private development effort with national level projection, it provides both an alternative and a complement to the State and its agricultural development programs.

Identifying the most appropriate and effective protagonists of rural development — whether peasants and day laborers, technicians and agronomists, politicians, church personnel, or business persons — remains a thorny issue. This study contributes a great deal by clarifying the advantages and disadvantages of linking peasants and entrepreneurs in development programs. It sheds light on the notion of a "mobilizable stratum," since not all poor people can be equally involved in the development process in the same way and with the same instruments. The very poorest members of a society may well have a claim to societal resources, but enjoy fewer short-term possibilities for achieving self-reliant lifestyles. Others, better endowed with physical and nonmaterial resources, may have greater prospects. The evaluation of the FMDR experience demonstrates the results achieved within a specific sector of the population: the upper strata of the poor.

The FMDR was invited to respond to the authors' conclusions. Their comments, which are included in the appendices, further explain the organization's concept of the "social promoter" (a term common in Latin America but seldom adequately described or analyzed in the United States) and "the mobilizable strata" to whom most of the FMDR's efforts are directed.

The report is available free of charge from the Inter-American Foundation, 1515 Wilson Blvd., Rosslyn, Virginia 22209.

— Charles Reilly

LOCAL INSTITUTIONAL DEVELOPMENT: AN ANALYTICAL SOURCEBOOK WITH CASES, by Norman Uphoff. West Hartford, Connecticut: Kumarian Press, 1986.

Denise Humphreys and Thomas F. Carroll

Norman Uphoff (for the Rural Development Committee of Cornell University) has made another important contribution to the literature on institutional development by synthesizing widely scattered materials on "local organizations."

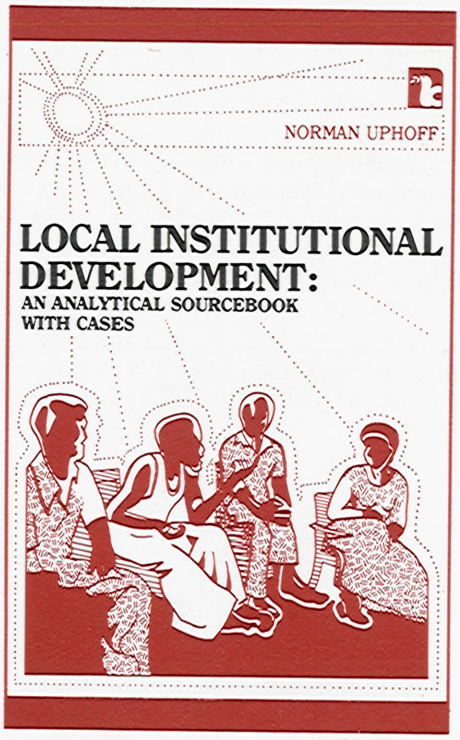
The book builds on previous work, especially on Esman and Uphoff's pioneering *Local Organizations: Intermediaries in Rural Development*, published in 1984. Here Uphoff takes a more disaggregated approach by asking the question: "What kinds and combinations of local institutions are likely to be most appropriate to support different kinds of rural development activities?"

In the first chapter Uphoff tries to define "institution" and "local" more specifically and concretely than previous scholars and practitioners. Institutions are divided into categories along the continuum between government and private business. These subsets are later developed in detail with examples. He classifies three levels as local: 1) the self-identified group having common interests, 2) the community as a socioeconomic residential unit, and 3) the locality as a set of interrelated communities. Uphoff includes a number of organizations that are clearly supralocal in scope (such as the Grameen Bank in Bangladesh) to illustrate that grassroots groups require support and that intermediate-level institutions often play crucial roles in developing local capacity.

Chapters Two through Six, the heart of the volume, each deal with a functional sector of rural development: natural resource management, rural infrastructure, primary health care, agriculture, and nonagricultural enterprises. Each chapter classifies local organizations within a sector, analyzing the constraints and tensions that certain tasks bring to bear on these organizations. By creating useful typologies, the sectoral chapters help provide a logical framework for understanding a very complex organizational universe. They also skillfully summarize a large body of literature, much of it not readily accessible. The excellent bibliography is 40 pages long, and the sector analyses are supplemented by extensive appendices.

The quality of the chapters varies. The discussions of natural resource management and nonfarm enterprises have coherence and clarity, and along with the chapter on primary health care, bring together material not often dealt with in the rural development literature. In contrast, the chapter on agriculture seems weaker and more diffuse, dealing summarily with agricultural cooperatives in less than seven pages.

The concluding section discusses strategies for local institutional development and resource mobilization. Chapter Seven looks at strengthening institutional capacity in terms of assistance, facilitation, and promotion, depending on the level of development of the base group. This chapter suffers from the scarcity of published material on the relevant experience of development agencies. Chapter Eight, on the other hand, is rich with data on how local institutions can better attract and manage economic resources to become sustainable institutions. Several different strategies are examined: user fees, taxes, revenue from productive enterprises, in-kind and labor contributions. Of considerable interest is the discussion of the role played by donor agencies. Thorny questions are asked: How can national and international resources be used to leverage local contributions rather than replace them? How can donor agencies prevent local institutions from becoming dependent? What incentives can donors provide to public agencies to encourage efficiency and responsiveness to beneficiary needs?



One-third of the book is devoted to an appendix containing summaries of 81 case histories (many of them clearly nonlocal). These are organized by sector and region. Each case presents some key "lessons" in a few paragraphs. The book is greatly enriched by these examples, which are readable and informative. In many instances, however, their value is limited by their brevity. One misses a sense of contextual significance and the dynamics of organizational history.

But all in all, this book is a valuable reference — some of it indispensable — for academics and practitioners concerned with grassroots development, and we warmly recommend it.

DENISE HUMPHREYS, who holds a master's degree in development management from the American University is a team member of an IAF research project examining grassroots support organizations. THOMAS F. CARROLL, currently scholar-in-residence at the Foundation, is the senior researcher of that study.

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Resources

Inter-American Foundation grant recipients, for all their diversity, share a number of common goals. Among them is the desire to disseminate lessons learned in the course of carrying out their projects.

The resource materials presented here were all generated by IAF grantees or other groups who work closely with the Foundation. Some were conceived of as "learning projects" from the outset, while others came as by-products of related work.

The materials range from a sophisticated quarterly journal produced for a university audience to basic "how-to" manuals intended for small farmers. Some, such as the spectacularly beautiful environmental posters produced by Fundación Natura in Ecuador, are intended for wide distribution. Others are targeted for a more select group, such as local policymakers. For information on how to obtain copies, contact the organizations listed.

Illustration from La Asistencia Técnica: Propuesta Metodológica para el Trabajo con Productores Campesinos.

Intended for program designers and field technicians, *La Asistencia Técnica: Propuesta Metodológica para el Trabajo con Productores Campesinos* (Technical Assistance: Proposed Methodology for Work with Small Farmers), was recently co-produced by two Chilean groups, AGRARIA and PIIE (Programa Interdisciplinario de Investigaciones en Educacion). On a related topic, AGRARIA has also published *La Producción Campesina: Un Desafío Tecnológica y Educativa* (Small-scale Farm Production: A Technological and Educational Challenge). Both volumes reflect the organizations' belief in a community's inherent ability to identify and solve its own problems.

PIIE, a nongovernmental research and development institution specializing in educational and training techniques, and AGRARIA, a professional association dedicated to rural development, often collaborate. Their proposed methodology for work with small farmers is based on what the farmer already knows. Learning from the farmers through games, interviews, and other instruments of nonformal education designed by PIIE, AGRARIA identifies the technological problems that inhibit production. Then, working closely with groups of farmers, AGRARIA develops modifications to existing farming practices that resolve the problems.

AGRARIA and PIIE also train staff members of local nongovernmental organizations in techniques that may be specific to only one locale. They do not assume that methods appropriate to one area can be transfered wholesale to another location, even a short distance away.

For further information write to: AGRARIA, Providencia 1387, tercer piso, Santiago, Chile; and PIIE, Eliodoro Yánez 890, Santiago, Chile.

Far less technical is the well-established Brazilian social science journal *Cadernos de Estudos Sociais.* This quarterly publication has been produced by the Instituto de Pesquisas Sociais da Fundação Joaquim Nabuco in Recife since 1985. The Inter-American Foundation does not fund the journal, but the institute serves as a monitor of IAF-funded projects in the region.

Cadernos de Estudos Sociais provides an interdisciplinary forum for scholars working in Northeast Brazilian studies — but is more informal than most academic publications. It presents papers of studies-in-progress and invites the exchange of ideas among policymakers and those currently working in development.

Recent articles have discussed poverty and marginality, the labor force, state or other public policy, the transition to democracy, cultural identity, land use, and peasant organizations. There is heavy emphasis on environmental issues and concern over museums and cultural identity. (The institute also runs an Afro-Brazilian museum.)

Although the journal is published in Portuguese, short abstracts in both Portuguese and English appear at the end of each issue.

To receive copies of the journal write: Instituto de Pesquisas Sociais, Fundação Joaquim Nabuco, Rua Dois Irmãos, 92 — Apipucos, Caixa Postal 1595, 52071 Recife, Pernambuco, Brazil.

What is the effect in classrooms in rural Mexico of textbooks that deal with issues of migration, self-image, women, and cultural identity? This question was asked — and partially answered — in a recent study by the Centro de Investigaciones Regionales "Dr. Hideyo Noguchi" of the Universidad de Yucatán.

The resulting publication, *Cambio Cultural: Escuelas y Libros de Texto en el Campo* (Cultural Change: Schools and Textbooks in Rural Areas), is the

product of research that examines implicit value judgments. It asks: How do campesinos feel about the "glamour" of city life, as opposed to "routine" traditional rural existence? And how are both ways of life subtly presented in educational materials?

The study first gives a brief history of economic and cultural changes that the researchers believe have affected rural Mexicans. These, they feel, are the result of national development policies that attempt to promote a homogeneous "Mexicanism."

The study then examines the role of the school in two Yucatecan villages, Cuzama and Xocen. It explores similarities and differences between the two communities, and then examines the appropriateness of the schools' texts, finds them wanting, and strongly recommends that they be changed to reflect regional ethnic and class realities. The authors argue that the nation as a whole will benefit from changes that would affirm the value of regional differences.

The research, supported by a grant from the IAF, is intended primarily to influence educational policymakers.

Additional information is available from: Departamento de Estudios Económicos y Sociales, Centro de Investigaciones Regionales "Dr. Hideyo Noguchi," Universidad de Yucatán, Av. Itzáes 499, Merida, Yucatán, Mexico.

Belying the notion that artisans cannot make decent entrepreneurs, the Asociación Colombiana de Promoción Artesanal (ACPA) has produced an unusual set of four illustrated manuals to teach craftspeople basic business skills.

Formed in 1966 to foster appreciation for traditional art and help preserve authentic cultural expression in Colombia, ACPA's most well-known undertaking is the Museo de Artes y Tradiciones Populares in Bogotá. Established in 1971, the Museum's regular exhibits, monthly expositions, and cultural events feature handicrafts

from all over the country, promoting a greater understanding of the artisans' lives and works. The manuals are another attempt by ACPA to help craftspeople improve their economic and social well-being while maintaining high standards of production.

The attractive manuals, titled *Elementos de Economía, Contabilidad para Artesanos, Procesos Productivos,* and *Mercadeo* (Basic Elements of Economics, Accounting for Artisans, Productive Processes, and Marketing), utilize a step-by-step, how-to approach to explain complex business tasks. Simple line-drawings and a cartoon format lead the reader enjoyably through lessons in a manner that neither condescends nor requires a high level of literacy.

These materials were designed for use by artisans throughout the hemisphere and are available from: Museo de Artes y Tradiciones Populares, Correa 8°, Num. 7-21, Bogotá, Colombia.

Fundación Natura in Quito, Ecuador, has spearheaded ecological awareness in that country. The now well-established group consists of scientists and other professionals, international volunteers, and environmental activists.

The Fundación takes a low-key, nonconfrontational — but nevertheless persistent — stance on environmental issues in order to help make government officials and the general public sensitive to the dangers of ecological deterioration.

In the past the organization has effectively used the broadcast media and a gruesome full-color brochure to attract attention to the effects on humans of pesticide abuse. The campaign rallied public pressure and resulted in halting the importation into Ecuador of 24 dangerous pesticides previously banned in Europe or the United States.

Colibrí is the newly launched quarterly journal published in full color by the Fundación. The premier edition, which came out in Fall 1986, included an article critical of the economic impact of the African palm — balanced by an interview with the director of the government African palm program and another on the nutritional benefits of the native palm. The latest issue takes a close took at the link between the development of tourism and its effects on the environment.

With the assistance of a grant from USAID, Fundación Natura also recently published a series of beautiful, informative environmental posters. The posters, which have been distributed widely and are displayed prominently in classrooms throughout Ecuador, serve as a constant reminder of the ecological lessons they so attractively portray.

For information on these materials write: Fundación Natura, Av. 6 de Diciembre 5043 y El Comercio, Casilla 243, Quito, Ecuador.

— Barbara Annis

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Fundación Natura

Postscript

Each issue of *Grassroots Development* reaches some 15,000 readers around the globe — our mailing list shows subscribers on every continent save Antarctica. Added to this geographic diversity is an interest in a variety of development issues ranging from health to housing to handicrafts. Our readers include project managers, fund raisers, and college professors in the United States and other "Northern" countries, as well as researchers, program developers, and peasant leaders throughout Latin America and the Caribbean.

Planning contents for such a diverse audience is no easy task. We strive to achieve a balance between regional topics and thematic subject areas that will satisfy everyone.

We felt we had hit on just such a balance in planning this issue. Projects in the Caribbean, Central America, Brazil, and the Andean region were to be profiled, with topics ranging from a cooperative federation to applied technology to microenterprise development.

As the process of preparing the issue unfolded, however, we began to discover that the diversity we had so carefully orchestrated was misleading. Indeed, every article (and many of the features) is linked by a common thread: the crucial role played by intermediary organizations in the development process.

As former editor Sheldon Annis points out in "Reorganization at the Grassroots" (p. 21), these groups — often referred to as nongovernmental organizations (NGOs) — have grown dramatically in number over the past two decades and are playing an increasingly important role in the brokering of resources and technical assistance to the poor in Latin America. Thomas F. Carroll's article, "Organizing Through Technology" (p. 12), focuses on one such group in an isolated area of Costa Rica. Drawn from a major IAF study examining the characteristics of NGOs that Carroll is currently directing, it shows how even a small organization can spearhead development when it listens to community members and responds effectively to feedback from them. On the other hand, as Rebecca Reichmann and Ron Weber show in their article, "Solidarity in Development" (p. 26), when NGOs do not respond — or when they see their role differently than does the community — progress can be much more difficult. And the thread continues through Kevin Healy's article, "From Field to Factory" (p. 2), as well. His piece traces the history of a tiny federation of cacao producers that ultimately blossomed into a major supplier of chocolate products in Bolivia — with timely technical assistance and guidance provided by several intermediary and donor organizations along the way.

As we were editing the final copy, we realized that even the "Forum" column by Brian Smith (p. 41) and "Inside IAF" by Bradford Smith (p. 46), as well as a number of the materials featured in "Reviews" (p. 48) and "Resources" (p. 50), also refer to intermediary organizations. So much for our efforts at diversity! On second thought, however, if this theme appears and reappears so consistently throughout such a variety of articles, we can only conclude that it must be a significant one — for the IAF, for other funding institutions, and — most importantly — for all those working in local development organizations throughout Latin America and the Caribbean. We hope the ideas presented here will be of use to them.

This, then, is the genesis of the journal you now have in your hands. We hope you will find the issues addressed to be provocative and informative, and we welcome your response.

Kathryn Shaw

IAF FELLOWSHIP DEADLINES

Four application deadlines for IAF Fellowships have been announced for the 1987-1988 academic year for scholars and development practitioners throughout the hemisphere involved in grassroots development. Besides those social sciences that attend to development issues, applications are especially welcome from scholars and practitioners whose research includes a social development dimension from such other disciplines as agricultural economics, agronomy, business, engineering, health sciences, law, marine resource management, medicine, and veterinary medicine.

For field research in Latin America and the Caribbean for candidates enrolled in U.S. universities:

November 1, 1987
Master's Fellowship Program: For candidates in Master's and equivalent-level programs whose field research starts between December 1987 and May 1988. (Final competition before discontinuation of autumn selection.)

December 5, 1987
Doctoral Fellowship Program: Annual competition for doctoral candidates whose research begins between June 1988 and May 1989.

March 1, 1988
Master's Fellowship Program: Annual competition for candidates in Master's or equivalent-level programs whose research starts between June 1988 and May 1989.

For graduate studies in U.S. universities by Latin Americans and Caribbeans:

January 15, 1988
Latin American and Caribbean Fellowship Program: Annual competition for graduate-level programs starting between June 1988 and May 1989.

For information and application forms, please write:

IAF Fellowship Office
1515 Wilson Blvd.
Rosslyn, Virginia 22209

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