

**Women in the Costa Rican Informal Sector:
Causes for Success**

By Amber L. Seligson

Senior Honors Thesis

Columbia University

April 8, 1996

Para María Elsa Ruíz Nuñez

Table of Contents

	Abstract	1
1	The Informal Sector	4
	What Is the Informal Sector? 4	
	Debates about the Informal Sector 5	
	Why People Should Study the Informal Sector 7	
	A New Arena for Research: Women in the Informal Sector 8	
	The Evolution of the Informal Sector in Costa Rica 10	
	Women in the Costa Rican Informal Sector 12	
2	The Data	13
3	Explaining My Model and Testing it	18
	My Model 18	
	What Is Training? 18	
	What is Credit? 20	
	What is Group Work and Individual Work? 21	
	<u>Hypothesis One: Women's Access to Training and Credit</u> 22	
	Testing Hypothesis One 24	
	Training 25	
	Credit 26	
	<u>Hypothesis Two: Impact of Training and Credit on Income</u> 27	
	Testing Hypothesis Two 30	
	Training 31	
	Credit 31	

Hypothesis Three: The Impact of Group Work and Individual Work on Income 32

Income of Group Workers Versus Individual Workers 34

Education 39

Age 41

Marital Status 42

Children 43

Type of Business 43

Amount of Time in Business 45

Socioeconomic Status 46

Do Some Women Work Harder than Others? 46

Time Spent Doing Domestic Work 47

Family Attitudes 48

Religion 50

Multivariate Analysis 50

Summary of Chapter Three 51

4 Explaining the Findings 53

Explaining the Ineffectiveness of Credit and Training 53

Traditionally Feminine Jobs 53

Quality of Training 55

Improper Use of Credit and Lack of Investment 56

Explanations for Why Individual Workers Earn More than Group Workers 57

Conclusion 59

Bibliography 63

Appendix A: The Survey of Women in the Informal Sector	67
Appendix B: The Survey of NGO and Government Administrators	73
Appendix C: Descriptions of the NGOs and Government Offices Interviewed in this Study	75

Abstract

Many scholars and policy makers have posited that having access to training and credit is the key to women's economic success in the informal economy. I take one step backwards on the causal path to success and posit that working in groups, as opposed to working alone, is the key to success: women who work in groups are more likely to have access to training and credit. Using a data set of interviews that I gathered in rural and semi-rural Costa Rica during 1995, I test whether working in groups or working alone yields greater access to training and credit. My results show that working in a group is a predictor of greater access to training and credit. However, access to training and credit has no apparent relationship to income.

Since I know that training and credit are not the key to economic success, my question becomes, "What is a key to economic success?" My observations of the informal sector in Costa Rica, together with my knowledge of the literature on the informal sector, lead me to hypothesize that working in a group, rather than alone, is a key to success, regardless of whether not the women have received training and credit. I test whether working in groups or working alone is a significant predictor of income. According to my data set, working in groups is a negative predictor of income, rather than the positive one that I had assumed it was. Women who work alone actually earn more money than women who work in groups. Since this finding contradicts my own expectation as well as that of the literature, I suspected that the relationship between group or individual work and economic success might be spurious. I tested a series of other factors that could make the

relationship spurious, including education, age, marital status, having children, type of business, amount of time in the business, wealth of the towns the women worked in, the number of hours women worked, the number of hours they spent doing domestic work, family attitudes, and religion. I found that none of these factors makes the relationship spurious. Given that working in groups does predict greater access to training and credit, but having access to training and credit does not predict economic success, and given that working alone does predict economic success, I conclude two things: First, the way training and credit programs are administered to women in rural Costa Rica women is not effective. Therefore, unless more effective means of providing training and credit to women in the informal sector are found, efforts to continue or expand present programs are pointless. Second, contrary to expectation, one key to women's economic success in the informal economy is to work alone rather than in groups.

Chapter One: The Informal Sector

What Is the Informal Sector?

Since the 1970s, as the informal sector has grown into a sizeable chunk of developing countries' economically active populations, scholars have continually revised each other's attempts to describe what the informal sector is.

One of the earliest scholars who studied the informal sector was Keith Hart. He defined informal employment as economic activity in which the workers operate in unregulated markets, use labor intensive technology and local resources, and learn their business skills outside of school. The scale of production is small in the informal economy. Often enterprises are family-owned, and the minimal amount of capital required to begin an informal business makes it relatively easy to create a job in the informal sector (Aguilar 1995:6).

A contemporary of Hart, John Weeks, distinguished between the formal and informal sector by examining the role of the state in both. Weeks noted that the formal sector is regulated and supported by the state through tariff and quota protection, selective monetary controls, etc., whereas the informal sector does not have access to the system of benefits or formal credit (Moser 1994:16).

During the early 1980s, S.V. Sethuraman redefined the informal sector as "small-scale units engaged in the production and distribution of goods and services with the primary objective of generating employment and incomes to their participants notwithstanding

ing the constraints on capital, both physical and human, and knowhow"¹ (Moser 1994:17).

One contemporary scholar who is studying the informal sector is Cathy A. Rakowski. She defines the informal sector as small-scale firms, workshops, and microenterprises that are characterized by low capital inputs, intensive labor, self-employed workers, unprotected work, extralegal activities, and a lack of an accounting system. Informal sector businesses can be recognized by the lack of separation between labor and ownership of the means of production (Rakowski 1994e:4).

Most scholars exclude certain illegal activities from the informal economy, such as prostitution, gambling, child labor, the drug trade, and begging. Bromley synthesizes their reasoning: "An activity is informal when it neither produces a deterioration in the social situation nor an antisocial result when the laws and regulations applicable to it are obeyed" (1994:133).

As the informal economy has grown, scholars have begun to distinguish variations within it. Perhaps the most significant set of variations is the range of capital to which businesses have access and can subsequently accumulate. Juan Pablo Pérez Sáinz, for instance, designates four classifications for informal activities. The first is dynamic activities, which are geared toward capital accumulation and have enough access to technology and formal credit that they might one day move into the formal sector. Subsistence activities generate only enough earnings to enable the microentrepreneurs

¹ This quote was cited by Moser and taken from Sethurman's edited book The Urban Informal Sector in Developing Countries: Employment, Poverty, and Environment. Geneva: ILO, 1981.

to survive. Subordinated activities are subcontracting production units for the formal sector. Intermediate activities are ones where either capital has been reinvested in the business in the recent past, or the business uses an accounting system, but not both (Aguilar 1995:21-22).

Debates about the Informal Sector

Informal sector literature is rife with debates. The dispute over whether the informal sector generates or stalls economic growth reveals the three principal perspectives from which the informal sector is studied. This debate is divided among the structuralist view, the underground economy view, and the legalist/neo-liberal view.

The most moderate of the approaches is the structuralist one, sometimes called the ILO-PREALC approach or the neo-classicist approach. Scholars who adhere to this approach view the informal sector as a solution to poverty and economic weakness in developing countries, and have advocated that the state intervene to bolster the informal sector. The informal sector is seen as a positive influence on the economy because it can create more jobs and grow more quickly than the formal sector. Some scholars in this school, such as John Weeks, propose that in developing countries, more capital is accumulated in the informal sector than in the formal sector. Furthermore, the informal sector encourages local production of consumer goods rather than the importation of such goods, which strengthens local economies. The structuralists temper their enthusiasm for the informal sector by acknowledging that the principal path to economic development is an expansion of the formal sector, but they propose that the informal sector is necessary

for supplementing the formal sector on the road to economic success. The informal sector is also a useful tool for governments because it improves the economic situation of the poor without threatening the rich (Rakowski 1994d:31, 33, 36; Moser 1994:18).

A view to the left of structuralism is the underground economy approach, which is best represented by Alejandro Portes. This approach combines a neo-Marxist focus on economic restructuring and class cleavages with a legalist focus. The informal sector, according to this view, is economically beneficial to capitalists but traps workers in the rut of unfavorable labor conditions. The underground economy approach reasons that proletarianization has made the labor force threatening and expensive for capitalists. In order to weaken the effects of unions and labor laws, capitalists go "underground," subcontracting labor and illegally hiring workers. The informal workers move from exploitative formal jobs to jobs where they have equally low or lower wages, fewer benefits, and miserable work conditions. Hence the informal economy is useful to the capitalists, but not to the workers (Rakowski 1994d:36-37; Barrios and Zamora 1993:18).

The legalist/neo-liberal approach, which is best represented by Hernando de Soto, in his book The Other Path: The Invisible Revolution in the Third World, posits that the informal sector has the potential to generate income for the national economy and the poor, if only the state would stop regulating the economy. The legalists note that the informal sector improves a country's human resources because the poor become skilled in making goods and become entrepreneurs. The informal sector is currently generating wealth, and might be a "true engine of growth" in developing countries, if the state were to remove all restrictions from the economy, including taxes and if labor legislation were to

retreat from its protectionist policies. Until the state becomes completely neo-liberal, the informal sector is still useful as a tool for channeling patronage and as a safety valve for easing potential social conflicts (Rakowski 1994d:39-43; Portes 1994:126; Bromley 1994:134).

Why People Should Study the Informal Sector

The most compelling reason to study the informal sector is that it has become a major generator of employment in Latin America as it expands to fit the income generating needs of more and more people. During the 1980s, 20%-80% of employment in developing countries was in the informal sector. In Latin America, employment in the informal sector averaged 40% in that decade (Rakowski 1994c:1; Aguilar 1995:14). The growth rate of the Central American informal sector was greater than that of the formal sector during the decade of the 1970s. This growth is noticeable in Costa Rica, where the informal sector grew 3.4% per year during the 1950s, 3.5% a year during the 1960s, and 6% a year during the 1970s (Aguilar 1995:15-16).

A second reason for studying the informal sector is that governments have begun to pay attention to it and to establish offices to address informal sector concerns. Democratic governments, which since the mid-1980s have taken root in 12 Latin American and Caribbean countries, have been unable to ignore the informal sector because large numbers of its members vote. Costa Rica has at least five government institutions that devote much of their resources to the informal sector (see Appendix C).

A third reason for studying the informal sector is the quantity of resources that are being funneled to it from international organizations. Governments and donor agencies became interested in the informal sector during the 1970s and 80s when the informal sector was seen as an inexpensive way to create new jobs (McKean 1994:199). In 1990, the United States Congress told the United States Agency for International Development (USAID) to spend \$75 million in microenterprise lending. That same year, the Inter-American Development Bank (IDB) allocated \$500 million in loans for its new microenterprise program. Likewise, the World Bank has considered integrating the informal sector into its loan program. The Inter-American Foundation and the Ford Foundation give aid to Latin American NGOs that work with the informal sector (Otero 1990:181-183).

A New Arena for Research: Women in the Informal Sector

Due to the recent emergence of informal sector literature in academia and in policy-making circles, literature on women and gender in the informal sector has begun to proliferate in the 1990s. Scholars have been drawn to study women in the informal sector because women make up a substantial segment of the microentrepreneurs. Fifty to 60% of women in the Latin American work force are in the informal sector, and one-third of Latin American informal sector workers are women (Rakowski 1994c:6; Berger 1990:12).

Several themes have been central to the gender-focused literature. Gender analysis takes into account the patriarchal system in which women are at a disadvantage with respect to men, especially in terms of their secondary position in the home and work place (Barrios and Zamora 1993:20-21). The most prevalent theme in gender literature

is the comparison of men and women's experiences in the informal sector. This discussion ranges from salaries to the ability to get training and credit. A study done by Olga Goldenberg on gender and labor in Costa Rica, for instance, highlights differences such as the number of hours that men and women work, and the rate at which men and women accumulate capital (Aguilar 66:1995).

A second theme revolves around why women enter the informal economy. Scholars tend to agree that it is difficult for women to find jobs, especially non-exploitative ones, in the formal economy. Women who need to generate income, therefore, create jobs for themselves in the informal economy. Whether women are the sole income generators or share income generation with someone else in the household, almost all of them feel responsible for doing reproductive work in addition to productive work². Women seek a way to earn money that enables them to combine productive work with reproductive work. In the informal economy, women can stay home and accomplish both tasks, whereas in the formal economy, women usually have to leave home to do productive work (Aguilar 1995:80-81).

A third issue in gender discussions of the informal sector is whether women gain power relative to men by working as microentrepreneurs. Some scholars argue that informal sector programs do not empower women because no matter how much they help women to increase their income, they do not challenge social structures and, furthermore, ideologies keep women subordinate to men (Rakowski 1994c:2). Other scholars posit that

² Reproductive work is a term used by some scholars who write about gender to describe all of the non-income generating work necessary for sustaining a family (e.g. caring for children, preparing food for the family, cleaning the house, etc.) Productive work describes work that generates income, whether it be done in the home or outside of it.

income generation is so instrumental in increasing women's status in the home that women become empowered regardless of the patriarchal society that surrounds them.

The Evolution of the Informal Sector in Costa Rica

From 1950 to 1980, cities in developing countries experienced tremendously high rates of population growth. The population growth was accompanied by urbanization that increased faster than industrialization. The industrial sector was unable to absorb the new urban workers. Thus began a downward spiral of urban employment (Moser 1994:13).

Costa Rica differed slightly from most of the developing world in its growth patterns during these three decades. From 1950 to 1978, Costa Rica experienced economic expansion, social development, and political institutionalization. Unlike other developing countries, it experienced a high rate of growth in employment. The percentage of the population that was underemployed dropped from 66% to 75%.

In the early 1980s, a global economic crisis devastated Latin America. The post-World War II model of economic interdependence made Costa Rica, and the rest of Latin America, particularly vulnerable to the crisis. The crisis was caused by a deterioration of the terms of international trade, an increase in interest rates on the international level, and the limitations of the Central American Common Market. Costa Rica's external debt increased from \$840 million in 1978 to \$3 billion in 1982. Monetary reserves fell from \$358 million in 1978 to \$153 million in 1982. Inflation was as high as 108% in 1982. The percentage of homes with income below the poverty line increased from 17.3% in 1979 to 29.4% in 1982 (Seligson and Muller 1990:81). The relatively high levels of employment that

had distinguished Costa Rica from the rest of Latin America prior to 1982 dropped along with the rest of Latin America. The percent of the population that was underemployed soared from 10.9% in 1978 to 23.8% in 1982. The underemployment rate was aggravated by a 30% increase in the economically active population during these years, due to the sudden entrance into the work force of women, very young people, and old people.

In order to rebuild the economy, the Costa Rican government enforced stop-gap measures that were precursors to structural adjustment policies. President Monge initiated a stabilization program in 1982 whose objects were to unify and regulate the currency, stop inflation, equilibrate the balance of payments, and reestablish relationships with external commercial banks. These policies halted the economic crisis. By 1985 the government began pursuing full-blown structural adjustment policies that liberalized the economy by decreasing protection, reducing the public sector, and increasing exports.

The structural adjustment policies failed to increase employment rates, however. The labor force saturated the formal labor market, and spilled over into the informal sector. The percentage of the economically active population involved in the informal sector grew from 7% in 1980 to 17.2% in 1987. Whereas in 1982 the informal sector produced 6.8% of the non-agrarian GNP in Costa Rica, by 1987 it produced 10.4%. The informal sector had become a buffer for the economic crisis (Castiglia, Martínez, and Mezzera 1994:26; Goldenberg 1993:389-391; Pichardo Muñiz 1993:174-193).

Women in the Costa Rican Informal Sector

Women have become more active in the Costa Rican work force since the 1970s. From 1973 to 1983, the percent of the work force that was female increased from 12.1%

to 18% (Comisión Nacional de Evaluación del Decenio de la Mujer 1975-1985 1995:2). By 1993, it had reached 38% (United Nations Development Report 1995:11). The increase is due to a series of events: as men's earnings have deteriorated in the wake of structural adjustment policies, women have needed to generate income in order to support their families. Parallel to the decrease in men's earnings has been a rise in female-headed households, in which the head of the household has no choice but to enter the workforce (Berger 1990:3).

Due to the aforementioned unemployment problems in the Costa Rican formal sector, and women's need to do reproductive work at the same time as productive work, many women have entered the informal sector. In 1991, 20% of the economically active female population worked in the informal sector (Pichardo Muñiz 1993:192-198). In 1993, according to one study, women made up 32.5% of the urban informal sector in San José (Pérez Sáinz and Menjívar Larín 1993:12). The majority of the women in the informal sector are in their child rearing years, 20 to 39 years old, which supports the assertion that women have entered the work force to help support their families (Pichardo Muñiz 1993:192-198).

Chapter Two: The Data

The data discussed in this paper are derived from a seven- month study that I conducted in Costa Rica, from May until December 1995.³ One component of the study was a survey of informal sector women. I personally interviewed a sample of 119 rural women who were working in the informal economy, 84 of whom worked alone, and 35 of whom worked in groups. Each interview lasted about a half hour. I chose to interview women in the Central Valley of Costa Rica because the bulk of the country's population lives there. In some areas outside of the Central Valley, the population density is so low that it can take an hour to walk from one house to the next, thereby making it impossible to interview a reasonable number of women, given that I was the only interviewer. To partially compensate for this bias in the sample I interviewed 17 women in a remote southern zone of the country. The sampling of women from the southern zone adds to the survey some sense of the kind of women who live outside of the Central Valley.

The questions in the survey are grouped around eleven topics. The first topic is about where the woman lives, how many years she has lived there, her marital status, and the number and ages of her children. The next topic in the questionnaire asks about what kind of business she has, who she sells her products to, the quantity of the product that she sells, whether she sells more during certain months, and factors that promote greater sales. The next section asks why she decided to begin the business, why she decided to

³I received funding for this project from three sources: the Robbins Fellowship of the Columbia University Political Science Department, the Summer Travel Grant of the Institute for Latin American and Iberian Studies at Columbia University, and the National Security Education Project (NSEP) undergraduate grant.

work in the informal sector instead of the formal sector, and why she decided to work in a group or work alone. Section four inquires into the number of hours that she spends working on the business and doing domestic work. The fifth topic asks whether she works in the formal sector in addition to the informal sector. Next is a set of questions about her husband's and family's attitudes toward her work in the informal sector. The following section inquires into whether she has been trained, for how long she was trained, the kind of institution that trained her, and which skills she was trained to do. Questions about credit are found in section eight. Section nine is about the competition in her neighborhood with other businesses that sell the same item. The next topic is about her self-perception of her success in the business. The last section asks about her level of education, measures of her household wealth, her salary from the informal sector, her religion, and her participation in community groups (see Appendix A for sample questionnaire).

Ideally, the data for this study would be based on a much larger probability sample of Costa Rican women in the informal sector. However, since I did not have the resources to hire an interview team (I conducted all the interviews myself), and because there is no single comprehensive list of all informal sector businesses in Costa Rica that could have served as a sample frame, I chose instead to design a purposive sample. My main objective was to obtain women in the two central categories of my analysis: women who worked in groups and women who worked alone. While I cannot claim that the sample is representative of the entire female informal sector in Costa Rica, I did manage to interview women from four of Costa Rica's seven provinces, scattered among 14 separate cantons

(i.e., counties) and 21 districts (i.e., sub-cantonal political subdivisions). The following discussion describes how I sampled the women in these two categories.

I selected my sample using several methods. Some of the individual workers I interviewed were students at IPEC, a government-run center that trained people to work in the informal economy. The center was located in the small town of Barva outside of the city of Heredia. IPEC students came from throughout the province of Heredia. Walking from classroom to classroom, I asked if any women in the group had already begun to sell the products they were learning to make, and interviewed those who said "yes". In this manner, I was able to draw a sample of women from all over the province of Heredia who worked alone.

Not all of the women I interviewed were trained at IPEC, however. Of the women I interviewed who had been trained, 23.4% were trained at IPEC. The remainder were selected to be interviewed in other ways. For example, a second method for drawing the sample of women who worked alone was to walk through towns and knock on the doors of houses that had in their windows advertisements for goods or services. In each house where a woman was the entrepreneur, I interviewed her. The individual workers worked as beauticians, cooks, merchants of already-made clothing, clothing makers, blanket makers, fruit and vegetable growers, owners of small restaurants or bars, owners of small grocery stores or stationery stores, makers of party favors, painted fabric, pillows, toys,

ceramics, etc., salespeople for pyramid-style companies⁴, egg producers, and arts and crafts makers.

My method for drawing a sample of the women who worked in groups was to call the groups listed in a booklet put together by the Centro Nacional para el Desarrollo de la Mujer y Familia (CMF - National Center for the Development of the Woman and the Family). CMF is a government office which, among other activities, compiles information about Costa Rican women. The booklet listed about 200 women's groups all over Costa Rica that worked on income generation. Many of them had phone numbers listed next to the name of the group, but others did not. I contacted five groups in the Central Valley of Costa Rica, and one group in the southern zone of the country. I did not interview any groups that did not have telephones, due to my inability to contact them. Calling only groups that have phones introduces a bias into this sample, since it is probable that groups with phones either consist of wealthier people or are situated in wealthier towns than are groups that do not have phones. I will discuss later on how this bias helped to confirm the main findings of this thesis. I interviewed a group of women who have formed a jelly-making cooperative, a group that makes hospital gowns for a hospital in San José, two groups that make clothing, a group that makes arts and crafts, and a group that raises chickens for eggs.

The second portion of the data is drawn from seventeen structured open-ended interviews of policy makers in government offices and NGOs that work with the informal

⁴Pyramid companies work in the following manner: A distributor sells a supply of its products to a group of people, intending that each person will sell the products to several other people, who will then become sellers themselves, and so on.

economy (See appendix C for list). I asked the same set of open-ended questions to each of these policy makers. Each interview lasted about forty-five minutes. I asked them about the kinds of programs they run for women in the informal sector, the kinds of training and credit that they offer, and demographic data about the women they work with. I also asked whether the projects are oriented toward women who work in groups or those who work alone, whether women are more economically successful when they work in groups or alone, whether women participate more in their communities when they work in groups or alone, which are the biggest problems the women face in their businesses, and the advantages and disadvantages of being an NGO or a government office in working with women in the informal sector.

Chapter Three: Explaining My Model and Testing it

My Model

My task is to determine whether working in groups or working alone is a predictor of having greater access to training and credit, and whether having training and credit actually increases women's income in the informal sector. If women who work in groups have more access to training and credit, and having training and credit increases women's income, then I can conclude that programs should be structured to promote group work rather than individual work.

What is Training?

Peter Kilby defines training for informal sector workers as "a flow of services aimed at transferring knowledge and skills which enable the recipients to increase their usable productive capacity"⁵ (McKean 1994:201). Training programs usually include classes in bookkeeping, accounting, management, marketing leadership, cooperation, business extension, and production. Sometimes programs also train people in self-esteem improvement, leadership, health, nutrition, and child care. Some programs orient their classes toward improving already existing businesses, whereas others aim them at people who are learning how to start a business (McKean 1994:201,211). Classes can be given

⁵McKean cites Peter Kilby, "Evaluating Technical Assistance," World Development 7, no.3, 1979:309-329.

over the course of several years, over the course of several months, or during a very busy week. Some trainers prefer the lecture format; others prefer a more participatory method in which the students practice the skills they are learning on each other, and others send promoters to individuals to train them in whatever particular skills they are lacking.

What Is Credit?

Credit in the informal sector is a loan that an institution, a business, or an individual gives to a microentrepreneur to provide capital that would otherwise be unavailable. I also include donations as a form of credit, even though the donations do not have to be paid back. Credit programs try to improve the growth and profitability of small enterprises (Lycette and White 1990:19). Sometimes credit is given to groups and is repaid in a lump sum by the whole group. In other cases, credit is given to individuals in a group and is repaid by the individuals, but each member is responsible for helping the other members repay their debt when they cannot repay it. A third mechanism is when credit is given to an individual working alone and is repaid by that individual.

The credit approach that has become popular in recent years is the solidarity group method. A donor organization gives a loan to a group of about 5-8 women. The loan is given either to individual members of the group or to the group as a whole. Regardless of how the loan is distributed, the entire group is responsible for making sure the loan is repaid. If one member cannot meet her quota on a payment date, the other members must pay her share. Solidarity groups are designed to minimize the costs for the donor

agencies, and to enable very small businesses to get credit for which they would otherwise not qualify in the formal credit system (Otero 1990:86).

What Is Group Work and Individual Work?

Training and credit programs geared toward the informal sector orient their projects either towards women who work in groups or women who work alone. Group work can take a variety of forms. Some cooperatives both produce and sell the product as a group. The Association of Women from Acosta (AMA), for example, produces and sells jelly. AMA, perched in the mountains of a town two hours outside of San José, has 37 members and owns its own equipment for making jelly on a fairly large scale. The board of directors is responsible for buying the raw materials, about half of the cooperative members make the jelly, and the board of directors finds distributors who market the jelly.

Some group workers produce the goods in their homes, but join together with other women to buy raw materials and sell the finished product. The Cooperative of Feminine Art (Coope Arfe) is a group that makes clothing. The women buy the raw materials collectively, manufacture the clothing in their homes, and bring the clothing to the store owned by their own cooperative in the center of town to sell it. They also give the clothing to distributors in other cities who sell it for them.

Another form of group work is subcontracting⁶, when a formal business hires women to do piecework outside the walls of the formal business. The "Faro" Feminine Associa-

⁶Subcontracting can be done by women working alone, as well as by women working in groups.

tion, in a town near the Costa Rican border with Panama, is a group of twelve women who sew uniforms for the staff of a public hospital in San José. The hospital sends the women a contract and cloth every fifteen days, the women turn the cloth into uniforms, and one member of the group travels seven hours by bus to deliver the uniforms to San José.

Women who work alone in rural areas usually work in their own homes, and hang a sign on their window to announce that they are selling a product or a service. Individual workers make clothing and blankets, arts and crafts, food, and other products that are traditionally made by women. They run small beauty parlors in their living rooms, with a minimal collection of scissors and dyes. Some of them operate tiny restaurants or bars, and others sell an assortment of school supplies and gift items in shops called "bazars" or "librerías." Most of these women do not keep careful records of their financial transactions. Their customers are primarily made up of friends and family members, and if the workers are unusually successful, word of mouth brings customers from all over the town.

Hypothesis One: Women's Access to Training and Credit

The first hypothesis is that women who work in groups have more access to training and/or credit than do women who work alone. This might be the case for several reasons. First of all, NGOs and government offices that train women in the informal economy are likely to find it more efficient in terms of time and money to train a group of women than to train individual women. It takes the same amount of time to travel to a rural site and give a lecture to a group as it does to lecture to one woman. The president of the board of directors of The Fundación Para el Desarrollo de la Mujer Cooperativista (FUNDACOOOP -

Foundation for the Development of the Cooperativist Woman) explained in an interview that the organization prefers to train groups of women because it is less costly to train many women simultaneously than to train them separately.

Furthermore, when offices choose the women to whom they will allocate resources, they might be more interested in working with women who are already organized in a group and seem committed to long-term work on a project than they are with individual workers who have no one with whom to share their enthusiasm or keep them motivated. The effort involved in organizing a group and running a multi-worker business shows potential trainers that workers may not be as willing to give up immediately should they encounter the frustrations and failures that confront any small businesswoman.

Women in groups might have more access to credit because they might seem more credit-worthy to lenders than do women who work alone. It is difficult for rural women to receive credit due to the fact that they do not own land or capital that they can offer as collateral. Women who work in groups can overcome this obstacle to their credibility more easily than can those who work alone because lenders may view groups as more able to repay their debts. The aforementioned solidarity groups are designed to be fall-back measures for women who suffer from the oscillating unregulated markets of the informal economy. If one member cannot meet her payment one month, other members can pool their resources to help her. Creditors feel reassured that they will not lose their investment.

Few scholars who study the informal sector have researched whether it is women who work in groups rather than women who work alone who have more access to training and credit. If scholars and policy makers are so certain that training and credit increases

women's income, it seems logical that they would also want to know how women can most easily attain these two benefits. Surprisingly, this topic has been largely unexplored.

Nevertheless, despite the lack of research on the topic, many of the administrators in the NGO and government offices where I conducted interviews have drawn conclusions about this issue. They believe that women who work in groups have more access to training and credit than do those who work alone. For example, an administrator in Andar, a Costa Rican NGO (see Appendix C), said that working in a group gives women more access to training. Administrators in the Instituto Mixto de Ayuda Social (IMAS - Mixed Institute of Social Assistance, a government organization, and CARE, an international NGO, both observed that women who work in groups receive credit more often than those who work alone.

Testing Hypothesis One

In order to test whether it is women who work in groups or women who work alone who have more access to training and/or credit, I analyzed the answers to the following questions in my survey:

"Are you trained by an institution or school that taught you how to make the things [or perform the service] that you sell?"

"How many years did you study there?"

"Was it a private school or was it run by the government?"

"In which of the following did they train you?"

a) how to make the item [or perform the service]

- b) how to prepare invoices
- c) how to advertise for your business
- d) how to find a niche in the marketplace?"

"Do you have support [credit] from an organization or institution that helps you with your business?"

"Which institution supports you?"

Training

Of the women who participated in this survey, 64.7% have received training. A government institution called the Instituto Nacional de Aprendizaje (INA - National Apprenticeship Institute) had worked with 24.4% of the trained women in this sample, and a government institution called the Professional Institute of Community Education IPEC) had worked with 15.1% of them (See Appendix C). Private institutions or individuals had trained an additional 15.1% of the trained women. The remaining women had been trained by NGOs, the Peace Corps, the government office of agriculture and livestock, and the Instituto Mixto de Ayuda Social (IMAS).

In this data set, women who work in groups have had more training than women who work alone (see Figure 2). Of the women who work in groups, 97% have been trained, whereas only 53.6% of women who worked individually had been trained ($p < .001$ chi square). My hypothesis that groups of women are more likely to receive training than are women who work alone is confirmed.

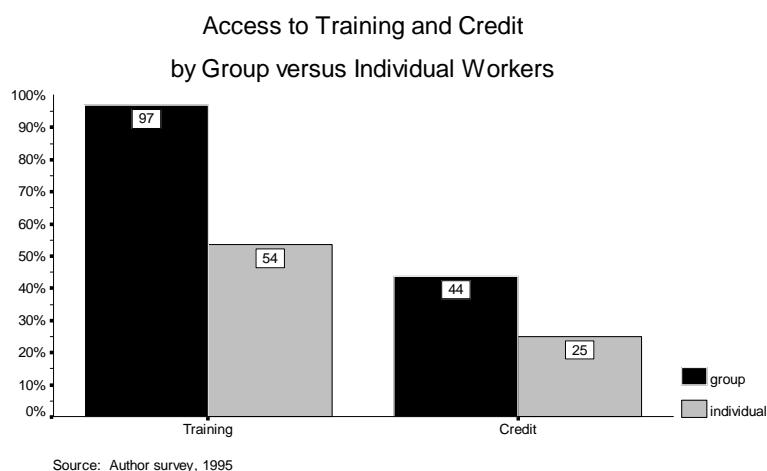
Merely having training says nothing about the extensiveness of that training. In my Costa Rican sample, the women had attended training programs for an average of 1.7 years. I suspected that despite a higher rate of having received training, women who work in groups might have been trained for less time than women who work alone, and therefore might be less thoroughly trained. The data show, however, that there is no statistically significant difference (T-test difference of means) in the amount of time that trained group workers and individual workers have been trained. Group workers have received an average of 1.8 years of training, while individual workers have received an average of 1.7 years of training.

Credit

Women in this survey received credit from a variety of sources. Only 29.4% of women in the survey received credit. Of the women who had credit, 22.9% them had received it from the government and 22.9% of them had received it from distributors of goods. Twenty percent had received credit from a bank. The remaining 34.3% had received credit from NGOs and international organizations. Of the women who responded to a question asking whether they would like to receive credit, 50.6% of them said "yes" and 49.4% of them said no. Women who wanted credit said that credit would help them to buy the raw materials for their business, and that it would enable them to expand the business. Women who preferred not to receive credit said that they felt it was better to finance one's own business, that they were afraid to be committed to repaying the loan, and that they did not need it.

My hypothesis about accessibility of credit is validated in this data set. Women who work in groups are recipients of credit significantly more often than are women who work alone. Of those women who work in groups, 43.8% get credit, while of those women who work alone, only 25% get credit (see Figure 2). The difference between the two groups is significant ($p < .05$).

Figure 2



Hypothesis Two: Impact of Training and Credit on Income

The fact that women who work in groups have more access to training and credit is not meaningful unless having training and credit increases their income. The next hypothesis to test, therefore, is whether women who have been trained and/or have been able to obtain credit earn more money than are those who have not. Much of the literature written about the informal sector, and many policy makers who work with the informal

sector, assert that women who have training and credit earn more money than do those who do not. In fact, many of them identify training and credit as the key to economic success (Del Cid 1993:259, 263; Berger 1990:16).

Scholars assert that training can reduce one of the chief obstacles to micro-entrepreneurs' success: their lack of entrepreneurial and production skills (Rakowski 1994:283). Training increases women's opportunities for self-employment and can even help them to eventually enter the formal work force if their skills are honed enough (Van Der Wees and Romijn 1995:73). Not only do many scholars and organizations view training as useful for improving women's economic success, but they also view it "as contributing to changing attitudes, solving problems, overcoming existing limitations, and breaking down barriers" (McKean 1994:205). Many programs deem training to be so important that they insist that it be a prerequisite to giving women credit. The Carvajal Foundation's Program for the Development of Small Enterprises in Colombia, for example, does not offer its beneficiaries credit if they have not been trained (McKean 1994:202).

Just as training is deemed essential to women's economic success by many scholars and policy makers, credit is a twin component in their view of what enables microentrepreneurs to be successful. Lycette and White proclaim, "It is widely agreed that credit is a necessary, if not sufficient, condition for achieving increases in productivity and income.....Access to credit is one of the keys to an improved standard of living for the large proportion of women in developing countries who operate in the informal sector" (1990:20,22). In similarly definitive language, Otero writes, "The provision of credit in solidarity group programs emerges from the well-known lessons learned in earlier

programs with rural and urban poor: credit, offered at reasonable rates, is a key ingredient to the sustainability and growth of microenterprises" (1990:85).

Some of the lessons Otero refers to are drawn from case studies of credit programs. In the 1970s, credit programs were viewed as successful ways to increase income and employment in an economically efficient manner because the credit repayments covered the expenses of the donor agencies (McKean 1994:199; Van Der Wees and Romijn 1995:42). One program that seemed to confirm these positive views of credit was ACCION, an international NGO that established credit projects in several Latin American countries. Evaluations of the social and economic impact of ACCION's credit programs, suggested that credit increased poor people's income and created jobs for them (Otero 1994:183). A program in the Dominican Republic called MUDE announced, "We can unmistakably claim that the credit program has helped generate more income for the very poor rural women who participated in it, and this increase in their income has improved their standard of living" (Abreu 1990:171). MUDE also asserted that credit raised women's status within their families and communities, reinforced solidarity among women, and raised women's self-esteem.

The preponderance of scholars and policy makers who believe that credit increases informal workers' income is most evident in the quantity of international donors' resources that is being poured into credit programs. Credit is now the biggest component of the World Bank's rural lending program. The Inter-American Development bank runs a program of credit assistance to small enterprises. The United States Agency for International Development supports rural and urban credit projects. Not only are international

organizations sponsoring credit programs, but many governments are also using credit as a tool in promoting development (Lycette and White 1990:19). In Costa Rica, 12% of the women in the urban informal sector have obtained credit (Del Cid 1993:246).

Testing Hypothesis Two

In this thesis, the measure of economic success is hourly income. Hourly income is a more revealing indicator of their economic success than is total weekly income because it takes into account the amount of time that women spend working to earn their weekly income. The quantity of women's total income from their informal sector jobs is determined from their answers to two questions in the coded survey. The first question is, "How much are the weekly earnings of your business?"⁷ The answers to the question were coded in categories with increments of 500 colones, or \$2.78.⁸

The second question is, "In general, how many hours do you work in your business each day?" I derived the measure of economic success by dividing the reported weekly net earnings by six days of the week, and dividing that number by the reported hours worked in a day. The number that resulted was the women's hourly income.

The average weekly income for rural women in the informal economy in my survey is \$41. Most of the women earn between \$4 and \$69 a week.

⁷Earnings or "ganancias," refers to net income.

⁸The exchange rate from May until December, 1995 hovered around 1 U.S. dollar = 180 colones.

Training

Surprisingly, in this data set, there is no significant correlation between having been trained and earning a income. A difference of means test shows that women who have been trained earn \$1.40 an hour, and women who have not been trained earn \$2.0 an hour, but this difference is not significant according to a T-test. Furthermore, there is no correlation between the amount of time that women have been trained and their income. This means that the hypothesized benefit of group work, which is that group workers, who I have shown have more access to training, and should therefore have higher incomes than individual workers, is not supported.

Credit

Among the women in the Costa Rican sector whom I surveyed, having received credit does not predict income. A difference of means test shows that women who have received credit earn \$1.36 an hour, and women who have not received credit earn \$1.76 an hour, but this difference is not significant according to a T-test. Furthermore, among women who work in groups, those who have credit do not make more income. Finally, among women who work alone, there is no correlation between having received credit and higher income. Not only is it inconsequential that among my respondents women who work in groups have more access to training, but it is also inconsequential that they have more access to credit.

Hypothesis Three: The Impact of Group Work
and Individual Work on Income

Given that women who work in groups have more access to training and credit, and given that having access to training and credit does not increase women's income, this data set reveals a puzzle. If economic success is not determined by training and income, what then are the factors that predict economic success in the informal sector? I hypothesize that women who work in groups are more economically successful than are women who work alone, independent of credit and training.

Several factors led me to think that women who work in groups earn more money than women who work alone. First, Costa Rican rural women engage in time-consuming and energy-consuming reproductive responsibilities that include taking care of their nuclear family and in some cases their parents. They do not have access to the many domestic appliances that women in wealthier countries enjoy. The domestic work must be done at home. Therefore, it is difficult for the women to leave their homes to do anything else. Hence, activities necessary for a thriving business must be limited because women can not leave their homes to do them. For example, buying raw materials, establishing a clientele, marketing the finished product, and meeting with potential distributors are all tasks that must be done outside of the home, ones that women often sacrifice in order to fulfill household responsibilities.

Women who work in groups might be able to accomplish more of the tasks that require leaving the home than are those who work alone without leaving their homes. In

group projects, work can be distributed so that one woman might be in charge of buying raw materials and selling the finished good one week, while the next week another woman is in charge, and so on. This means that each woman has to attend to the away-from-home duties only certain weeks of the year, rather than every week. This might increase their income because they do not have to sacrifice as much of their informal economy work in the interest of finishing their domestic work. The Associate Director for Programs of the Peace Corps said in an interview that women who work in groups are more economically successful because they can share the workload with each other. In an interview with the NGO Alforja, a representative said that women in groups can help each other balance income generating responsibilities with domestic responsibilities.

A second reason for why group work might be more economically successful than individual work is that women who work in groups are likely to develop a wider network of contacts who can help them to find clients and cheaper raw materials. The Coordinator of Women's Programs at the Instituto Mixto de Ayuda Social (IMAS) said in an interview that group work helps women to establish commercialization networks. A representative of the NGO Alforja explained in an interview that group workers who live in isolated areas can help each other market the product outside of the zone where they live. Market options expand for group workers, according to the NGO Andar.

A third reason for why group work might be more economically successful is that women in a group might share knowledge and help each other when they encounter financial difficulties, family resistance, illness, etc. Rakowski theorizes that programs oriented towards solidarity groups and cooperatives are successful because they lessen

the isolation that women experience when they work alone and at home (1994c:17). The benefits of working collectively range from sharing responsibilities and financial resources to supporting each other in the face of family or community opposition (Centro de la Tribuna Internacional de la Mujer 1985:43). The Secretary of the Board of Directors of the Asociación de Pequeña y Mediana Empresa de Costa Rica (ASOPYMES - Association of Small and Medium Costa Rican Enterprises) said in an interview that women in groups are more successful because they motivate each other to be more responsible and active in the project. The president of the Foundation for the Development of the Cooperativist Woman (FUNDACOOOP) echoed this view in an interview. She said that group workers are more successful because they can trade ideas, and the multitude of interests that are invested in the group help to sustain it.

Many of the NGO and government administrators whom I interviewed believed that women who work in groups are more economically successful because group workers have more access to credit and training. These include the Office of the Woman in the Ministerio de Agricultura y Ganadería (MAG - Ministry of Agriculture and Livestock), the Dirección Nacional de Desarrollo de la Comunidad (DINADECO - National Office of Community Development, and CARE.

Income of Group Workers versus Individual Workers

Women who work in groups earned \$28 a week, about \$1400 a year, which is only 71% of the World Bank-reported GNP. Women who worked alone, however earned \$46 a week, about \$2,300 a year, which is 117% of the World Bank-reported GNP in 1992.

While this finding is surprising, since my hypothesis and the literature suggest that group work would be more profitable, the difference in weekly earnings between women who work alone and women who work in groups is not, however, statistically significant according to a T-test.

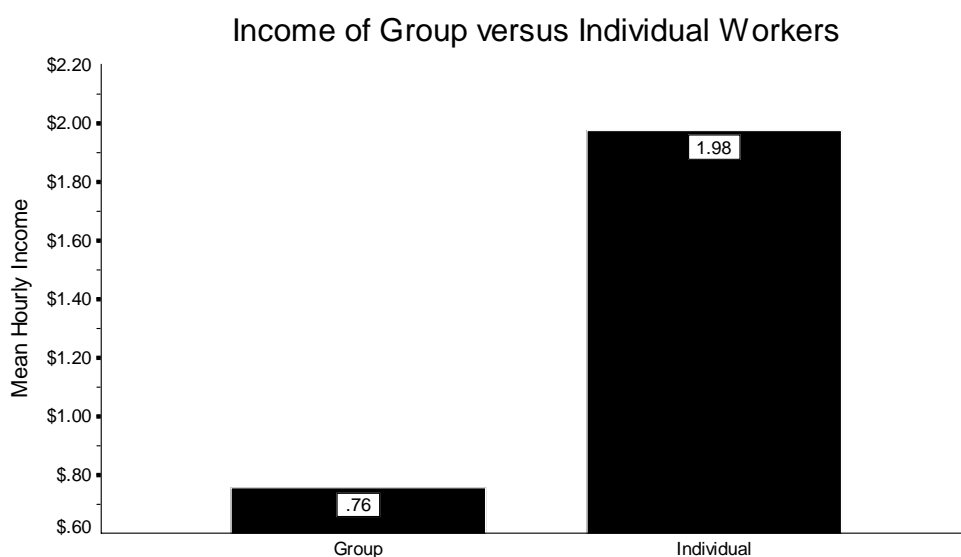
Weekly earnings do not tell the whole story about women's income unless the earnings are divided by the number of hours the women work each week. In my survey, I asked the women, "In general, how many hours a day do you work in your business?" The mean number of hours that women in this sample work each day is 5.9. Women who work in groups work a mean of 7.0 hours a day, while women who work alone work only 5.5 hours a day, a difference that is significant at .05. Therefore, women who work in groups work significantly more hours a day than women who work alone.

It is now clear that even though women who work in groups on average work more hours per day, they earn less income per week. In order to be able to find out what it is that the women derive from their effort, it is necessary to develop a measure of hourly income. To do this I divided their reported weekly income by six, assuming they work six days a week. From living in rural Costa Rica for almost eight months of field work, I observed that almost everyone works Monday through Saturday, and spends Sunday resting with their family. I then divided this daily income figure by the number of hours that they reported working each day. The number that resulted was the hourly income figure that I used to measure economic success throughout this paper.

The mean hourly income for all rural women in my sample of the informal economy is \$1.62. The difference in hourly income between women who work alone and those who

work in groups is significant. As is shown in Figure 3, women who work in groups average only \$0.76 per hour, while women who work alone earn \$1.98, a difference that is significant ($p < .001$). My data show that women who work alone make significantly more money than women who work in groups, even though they work fewer hours every day than do women who work in groups. Women who work alone do less work but earn more money.

Figure 3



Source: Author survey, 1995

A characteristic of the sample that suggests that these results might in fact be understating the magnitude of the gap between group versus individual workers is that because the list of groups I used for locating my sample included many groups that did not have a telephone, but I was able to contact only those that did, I was interviewing the

wealthier group workers. As a result, the sample of group workers may have been biased in favor of those that were better established and therefore had the prospect of earning more income, but even they did not earn as much income as individual workers. In sum, to answer a central question of this study, informal sector women who work alone in rural Costa Rica are more economically successful than women who work in groups.

Before jumping to the conclusion that the literature on group versus individual work is misinformed, I must examine the possibility that the relationship between individual work versus group work on the one hand and income on the other is spurious. Perhaps it is really some other variable or set of variables that is causing a positive relationship between individual work and higher income.

A summary of the findings presented in the sections below is contained in Table 1. The reader should refer to this table when considering the discussion of each variable considered.

Table 1. Potentially Causal Variables of Economic Success					
Variable	Group Workers	Individual Workers	F ratio/Chi square	Sig.	Association with income ¹
Years of Education	6.3	8.5	18.5	<.001	NS
Percent married	57.1%	70.2%	1.9	NS	NS
No. of children	2.7	3.0	0.3	NS	NS
Percent who make clothing	62.9%	14.3%	28.5	<.001	sig. = .01
Years in business	5.0	6.8	0.8	NS	NS
Number of work hours/week	7.0	5.5	3.8	NS	-.37 (sig.<.001)
Number of housework hours	6.6	5.9	0.8	NS	NS
Often prevented from working by family	12.0%	3.8%	1.9	NS	NS
Percent Protestant	22.9%	7.1%	13.4	0.004	NS

¹Association determined by Pearson r correlation or Anova (F ratio).

Education

Many studies have shown that people who have received more years of education earn more income than do those who have received fewer years of schooling. It is possible that the difference between women's income in the rural informal economy is determined by their education, rather than by their group work or individual work. Just as higher education might lead to more economic success, lower education might prevent women from being successful.

The mean number of years of education for women in my survey is 7.8, which is the equivalent of finishing one year of junior high school. Sixth grade was completed by 23.6% of the women, and 39% finished eleventh grade, which is the last year of high school in Costa Rica. Only 12.6% of the women finished fewer than 5 years of education. According to the World Development Report, in 1987 91% of Costa Rican females had at least four years of education (62). This national figure shows that the women in my sample are not any less educated than the average Costa Rican woman.

Education might prove to be a stronger causal variable than group versus solitary work. Indeed, in this sample, women who work alone have spent more years in school than women who work in groups, hinting that this factor might be the one to explain the difference in their incomes. The mean years of education of women who work in groups is 6.3, while the mean of women who work alone is 8.5. The difference is significant at $<.001$. This means that on average, women who work in groups have finished only primary school, whereas women who work alone, on average, have completed two years of secondary school.

Given that women who work alone earn more money, and women who work alone are more educated, the question now becomes, do they earn more money because they work alone or because they are more educated? In other words, is the relationship between group or individual work and income spurious, and really a function of education?

The first step in answering the question is to determine whether women who are more educated earn more money than women who are less educated. In my data set, however, there is no significant correlation between women's educational level and their income. This is a surprising finding, given that many studies have shown that people who are more educated earn more money. Perhaps in the case of women in the informal sector, standard elementary and high school education does not teach them skills useful for working in the informal sector. Women who are beauticians, for instance, do not learn how to cut hair and apply makeup in elementary school or high school. Furthermore, although basic literacy and math skills are important for women in the informal sector, these skills are usually learned by the third grade. The skills taught beyond third grade are not necessarily useful for working in the informal sector. Since 93.3% of the women in my survey finished the third grade, there may be no distinction in income between those who have completed more grades than others, because almost all of them share the same basic skills. Perhaps even more important is that many people associate higher income with higher education because education tends to increase the chances that one will be able to obtain a better job. Since all of the women in my sample were operating in the informal sector at basically the same type of job, the differences in education had no impact on the type of job they held.

Another way of determining the impact of education on economic success is to compare the income of individual and group workers while education is controlled for. To do this I conducted an analysis of variance (ANOVA). I used ANOVA to examine the mean hourly income of women who work alone and women who work in groups while introducing education as a covariate, or control variable. In other words, the question I am asking now is whether women who work alone make more money than women who work in groups once their educational levels are held constant.

Even when education is controlled for, the variable for group work or individual work significantly predicts income (sig=.002), while education does not predict income at all (i.e. education is not a significant covariate). This means that women who work alone earn more money than those who work in groups because they work alone, not because they are better educated.

Age

Another factor that might predict income generation is the age of the women. Younger women might earn more money than older women because they have fewer children to take care of, are physically stronger, and have husbands who are less traditional in their attitudes towards women's work than are older husbands. Older women, however, might earn more money because they no longer have children to take care of, and therefore are able to spend more time with the business.

The mean age for all the women in my survey is 30.0 years. Their ages range from 16 to 77 years old. My data show that despite the aforementioned hypothesized

relationship between age and income, age does not predict income. Older women, younger women, and those in between do not vary in the amount of money they earn. Furthermore, there is no significant difference in age between women who work in groups and those who work alone. This shows that working in groups versus working alone is not a spurious predictor of income when age is also considered.

Marital Status

Thus far, the data analysis shows that group work versus individual work is a predictor of income, while education and age are not. It is possible that a third factor might predict how much money rural Costa Rican women in the informal economy might earn: their marital status. The respondents to the survey were categorized as married, common law married, single, divorced, or widowed. One might suspect that single women with children would make more money than those who live with a man because there is more impetus for single-salary heads of households to earn a high income than there is for women who share the burden of supporting their families with their partner.

Marital status is not a predictor of income. Furthermore, there is no difference in the marital status of women who work in groups versus those who work alone; just as large a proportion of both components of the sample are married. Hence, group work and individual work are not spurious predictors of income when marital status is controlled for.

Children

It is possible that women who have more children might earn less per hour than do those who have fewer children because they have to spend more time taking care of their children than do those who have fewer. The mean number of children for all the women in the survey is 2.9. This is very close to the total fertility rate in all of Costa Rica, which is 3.1 (Human Development Report 1995 p.186)⁹.

Despite the possibility that the number of children a woman has might influence her informal sector income, this data set shows that it does not. There is no relationship between the number of children and income. Furthermore, there is no significant difference between the number of children that women have who work in groups versus that of women who work alone. If there were a difference, then the relationship between group work or individual work and income might be spurious. The lack of difference in number of children between the two types of women shows that the relationship between group work or individual work and income is not spurious.

Type of Business

Another possible predictor of income is the kind of business that women work in. Many factors might affect the profitability of a business: whether the good or service is sold

⁹Costa Rica's fertility rate is somewhat higher than that of the countries listed by the PNUD as industrial and having "high human development." These countries have a total fertility rate of 1.7. By contrast, Costa Rica has a much lower fertility rate than the other Central American countries. Guatemala has the highest rate, at 5.4, Nicaragua's is 5.0, Honduras's is 4.9, and El Salvador's is 4.0 (p.186).

only during certain seasons, whether the good or service is bought by foreign tourists or Costa Ricans, whether there are many other people who produce the same good or service, whether the raw materials are particularly expensive or inexpensive compared to the price at which the good or service can be sold. For instance, making clothes might be more lucrative than making arts and crafts because customers view clothing as necessary and pay for it often, whereas they view arts and crafts purchases as unnecessary luxuries. In difficult economic times, people are more likely to pay for clothes than arts and crafts. It is important to ask, therefore, if the relationship between group work or individual work and income is spurious when the type of business is controlled for.

In this data set there is a significant relationship between the type of business a woman works in and her income. For example, women who sell ready-made clothes earn an average of \$3.38 an hour, women who work as beauticians earn \$2.47 an hour, clothing makers earn \$1.22 an hour, and women who paint fabric, pillows, ceramics, etc. earn only \$.92 an hour. The difference is significant at .01.

The relationship between group work or individual work and income, however, is not spurious when the type of work is controlled for. When I compare the income of group workers and individual workers within each business that has enough workers in it to make a reasonable comparison, individual workers earn more money than group workers. For instance, when I compare clothing makers who work alone with clothing makers who work in groups, group workers earn \$1.02 an hour, whereas individual workers earn \$1.81 an hour. Group workers in the clothing business earn slightly more than the average income for all the group workers in the survey (\$0.76), and individual workers in the clothing

industry earn slightly less than the average (\$1.98). Although the difference between group workers and individual workers in the clothing business is not significant, the fact that there are only 37 cases in this comparison of means makes it unlikely that any difference would be statistically significant. Nonetheless, individual workers in the clothing business do earn more than group workers, which means that women who work alone earn more money than women who work in groups, regardless of the kind of work they are doing.

Amount of time in business

The amount of time that a woman has been working in her business might be another predictor of her economic success. Perhaps women who have worked in the informal economy for a longer amount of time than others earn more money because their network of customers and raw materials suppliers is bigger, they have a more established reputation for making their product well, and they have learned entrepreneurial techniques from all of their experience in the business.

In this data set, the mean number of years worked in the business is 6.3. Despite the previous conjecture, the data show that the length of time in the business does not predict income. Furthermore, there is no significant difference between women who work alone and women who work in groups in the amount of time they have worked in the informal economy. This shows again that the relationship between group work or individual work and income is not spurious when the length of time in the business is controlled for.

Socioeconomic Status

The women in the survey were asked whether they have in their houses a series of appliances, including a black and white television, a color television, a car, a refrigerator, a washing machine, light bulbs, a microwave, and a telephone. In analyzing the data, however, I decided that I could not use these variables to measure the women's economic success because in many cases they are partially an indicator of the income of the respondent's husband and/or parents, rather than the income from her informal business.

Do Some Women Work Harder Than Others?

Differences in the amount of work that women put into their business is another possible predictor of economic success that might explain my findings. It seems likely that women who work harder might earn more money. Perhaps women who work alone work harder than those who work in groups, and this is why they are more economically successful. One measure of the intensity of work is how many hours women work each day. The hypothesis is, then, that women who spend more hours on their business are working harder than those who spend fewer hours.

In this sample, the intensity of women's work does in fact predict their income, but in the opposite direction that most people would expect. Women who spend one to two hours a day working on their project earn \$2.58 to \$3.79 an hour, while women who spend six hours a day on their project earn only \$.70 an hour. One explanation for this surprising finding is that women who work fewer hours a day are working in more lucrative businesses, where they can charge a lot of money for the item and not spend much time

producing it. Women who sell ready-made clothing, for instance, earn more money per hour than any of the other types of workers. They charge substantial fees for their product, but spend no time producing it and minimal time selling it. Therefore, they earn more money despite spending little time working.

As was previously mentioned, women who work alone work fewer hours each day than do those who work in groups. The smaller number of hours a day that individual workers spend on their business corresponds with the higher income of women who work less. Hence, while the intensity of work is a predictor of income, it is not true that women who work harder earn more money than those who work less. Therefore it is not hard work that explains the greater income of individual workers.

Time Spent Doing Domestic Work

An additional possible predictor of income is the number of hours that women spend doing domestic work. It seems likely that women who are occupied for much of the day with domestic responsibilities would have less time to dedicate to income generating activities. Perhaps women who spend more time doing domestic work earn less money from their businesses because they devote less time to them.

The mean number of hours that women in this data set spend doing housework is 6.1 each day. The time they spend doing domestic work does not predict income, however. Furthermore, there is no significant difference between women who work in groups and those who work individually in the time that they spend doing housework. Since, as I have already shown, the number of hours women spend working on the

business is not related to their income, it is understandable that women who spend a lot of time on housework do not necessarily earn less income, if their informal sector employment enables them to work minimally on their business while generating a substantial income.

Family Attitudes

Another potential predictor of rural Costa Rican women's income in the informal economy is the attitudes of their families towards their work. It is possible that some women might be restricted in the time and energy that they can dedicate to their business because their husbands or families pressure them to restrict their work to domestic chores. Indeed, this was precisely the view of the Associate Director of Programs for the Peace Corps, who said when I interviewed her that one of women's biggest obstacles to being successful in the informal economy was their husbands' resistance to their work.

In order to determine if family attitudes have any impact on the income of women in the informal sector, I asked my respondents, "How does your husband or family feel about your work in your business? Do they support you, are they neutral, or do they not allow you to work [or try to prevent you from working]?" I found, however, that family attitudes do not predict women's income. Furthermore, there is no significant difference between women who work alone and those who work in groups in the permissiveness of their families. This means that the relationship between individual or group work and income is not spurious when I control for family attitudes.

There is, however, a significant difference between women who work alone and those who work in groups in their response to the question, "Are you sometimes unable to work in your business because your husband or family does not let you?" Women who work in groups were unable to work in their business due to family pressure more often than women who work alone. Twelve percent of the women who work in groups are often unable to work because of family pressure, while only 3.8% of women who work alone encounter family pressure. The difference is significant at .04, with the Tau-c, or strength of association, at .13. Although this is a significant finding, it is weak.

One explanation for the difference in family attitudes towards the income generating work of individual and group workers is the difference in the type of business interactions that the women have. Women who work in groups must attend meetings outside of the home, in some cases produce and market the good outside of home, and interact with their communities more often than do women who work alone. Individual workers often do most of their work at home, and are less likely to develop networks of people with whom they interact frequently. Families, especially husbands, are resistant to women attending meetings, spending time away from home, and interacting with their communities because they worry that women will spend less time attending to their domestic responsibilities and will be exposed to ideas that might destabilize the family.

I found, however, that only 5.7% of the women in the survey said that they were often unable to work because of family pressure. Contrary to many people's image of Central American gender relationships, Costa Rican rural women's microenterprise efforts

are not restricted much at all by their families' attitudes. Most of them encountered no resistance at all to their income generating projects.

Religion

It is possible that religion is a predictor of economic success. In this data set, religion does not predict income, even though there is a significant difference in the religion of group and individual workers. A greater percentage of women who work in groups are Protestant than are those who work alone. Among group workers, 22.9% are Protestant, whereas 7.1% of individual workers are Protestant. More individual workers are Catholic than group workers. The survey determined that 84.5% of individual workers are Catholic, while only 71.4% of group workers are Catholic. Catholic informal sector workers earn more than Protestant workers (\$1.68 for Catholics versus \$1.14 for Protestants). However, within each religious group individual workers continue to earn substantially more than group workers. Thus, I find that among Catholics, individual workers earn \$2.01 compared to \$0.75 among group workers. Similarly, among Protestants the individual workers earn \$1.47, whereas group workers earn \$0.89. I conclude, therefore, that differences in religion do not explain the differences in income between group versus individual workers.

Multivariate Analysis

The last point of analysis in the final section of this chapter is a multiple regression, using the two variables that I have found to be significant predictors of income: individual versus group work and the number of hours that women spend working on their busi-

nesses. Even though business type is a predictor of income, I cannot use it in the regression model because it is a nominal variable, and I have too few cases among the number of business types to be able to create an appropriate number of dummy variables. The multiple regression should show whether individual or group work is still a significant predictor of income when the number of hours that women work is controlled for.

The multiple regression shows that both group work or individual work and the number of hours women work are significant predictors of income. Yet, when controlling for the number of hours that women work, group or individual work is still a significant predictor of income.

One problem with this test of the number of hours women work is that that same variable is used to determine the women's income. Women's income is calculated by dividing their earnings by the number of hours they work, to arrive at their hourly income. Therefore, it is problematic to use the same variable in the dependent and independent variables.

Summary of Chapter Three

So far I have shown that women who work in groups have more access to training and credit than do women who work alone, but having access to training and credit does not predict income. What does, however, predict income, is working alone rather than working in groups. These results are summarized in Figure 4. In the next chapter I will attempt to explain this anomalous finding.

Chapter Four: Explaining the Findings

What could explain the surprising results that credit and training do not predict income, and that women who work alone earn more money than women who work in groups? I will attempt to explain these findings by discussing the effectiveness of credit and training, as well as differences in the conditions of group work versus individual work that might explain the differences in income uncovered in this study.

Explaining the Ineffectiveness of Credit and Training

Traditionally Feminine Jobs

Training may not be effective at raising women's income because women may be training for the wrong kinds of jobs. Specifically, training is often geared towards teaching women how to generate income by doing traditionally feminine tasks. Manufacturing clothing, styling hair, cooking, and making arts and crafts historically have been nonremunerated jobs that are normally considered part of women's domestic responsibilities. Some scholars argue that transforming traditionally domestic responsibilities into income generating projects is often successful because such projects have many advantages: they do not require large investments, they can be done in the home without ignoring the family, and they do not require significant levels of education (Flores 1991:4). Some scholars go so far as to warn that getting involved with nontraditional projects would be "stressful" for women (Dignard and Havet 1995:8).

Based on my observations of women in the informal sector, however, it seems to me that training women and giving them credit to work in traditionally feminine jobs is an obstacle to their long-term economic success. In rural towns, where women are expected to make clothes and food for their families, cut their families' hair, etc., there is little incentive for family members to pay other women for these goods and services when they can get them for free at home. The customers of women microentrepreneurs often feel like they are doing their friends and family a favor by patronizing their business, but during times of financial need, turn towards their own mothers and wives to provide the same services gratis.

If women were to work in traditionally masculine jobs, on the other hand, they might earn more money for several reasons. First, jobs that are traditionally done by men, such as repairing appliances and cars, repairing and making shoes, etc. are usually jobs that fewer people know how to do than are traditionally feminine jobs. Whereas most households have someone in them who can make clothes, very few have a family members who can repair ovens or make shoes. Townspeople are forced to go outside of their home to buy goods and services that are traditionally masculine. If women were trained for work in masculine jobs, and were given credit to expand their businesses, they would be much more likely to earn income than if they made goods and services that townspeople can acquire for free in their own homes.

Quality of Training

A second factor that might explain why women who are trained earn no more money than women who are not relates to the quality of the training. Some training programs teach women a variety of entrepreneurial skills, but do not teach them how to efficiently produce the product they are making (McKean 1994:202). Many of the NGO and government offices where I conducted interviews teach women business skills, and claim to link women to other organizations that teach them how to produce the good. In reality, they had no formal mechanism by which to link the women to these other organizations. Women who know how to balance their accounts and advertise their business but do not know how to produce their good efficiently cannot make as much money as women who are trained in both areas.

A second weakness in training is the teachers' inexperience and lack of specialized knowledge (McKean 1994:203). Ten out of the 17 administrators of NGOs and government offices had worked at their office for fewer than five years, and many of them had worked there for only one year. When asked who trained these administrators to work with women in the informal economy, many of them reported that they were trained only by the office in which they were working, or that they had attended a few seminars on the informal sector. Few of them mentioned any long-term education that had prepared them to work with the informal sector. Other people working in the offices I visited were college students who were fulfilling their 300-hour volunteer requirement that the Costa Rican government mandates for all students at public universities. Few of them had specialized

knowledge in the field of training informal sector workers, business skills, or production of the kinds of goods and services that the women were making. It seems, therefore, that the people training women in the informal sector have neither sufficient experience nor enough specialized knowledge to be adequate teachers.

Improper Use of Credit and Lack of Investment

Since the end of the 1980s there has been some controversy over how well credit programs work at increasing the income of microentrepreneurs (McKean 1994:200). In a study of microentrepreneurs in Quito, Ecuador, for example, researchers found that there is no significant difference in income between people who obtain credit and people who do not (Jaramillo 1990:244). One reason why women who have credit do not earn more money than women who do not have credit might be the way in which women use the credit that they have. When women receive credit, they often are pressured by their husbands or families to spend it on emergencies, their children, or food, rather than investing it in the business (Rakowski 1994c:12,18). In fact, a common argument against supporting projects for women entrepreneurs is that rather than investing their income in the business, they spend it on feeding, educating, and medicating their families.

This seems to hold true of the women in my data set. Of the women in my survey, only 28.6% of them reported investing their earnings in their business. I found that 52.1% of them spend their earnings on food, clothing, and other household needs, or else spend the money on their children or parents. The remaining 16.8% save the money or spend it on vacations, payments on a house, and entertainment. No matter how much credit the women receive or

income they earn, the potential positive impact of that money is neutralized by the fact that women do not invest it in their businesses to make them grow bigger.

Explanations for Why Individual Workers

Earn More than Group Workers

Perhaps the chief explanation for why women in groups earn more money than do women who work alone is that group workers try to develop businesses that are too big. The Association of Women from Acosta, which is a jelly making cooperative, is an example of a group of women that has overreached its capacity for selling large quantities of jelly while still making a profit. Since the beginning of the project in 1979, AMA has gone into debt in order to build a large warehouse in which to make the jelly, buy several large machines, pay for another business to manufacture printed plastic containers, and hire someone to help them commercialize and transport the jelly. Now that the infrastructure for a small jelly factory has been established, the cooperative makes scarcely enough money to meet expenses, and the workers often do not earn any profit at all. Why is a jelly making cooperative with so much equipment and marketing resources hardly able to break even, whereas individual woman cooking fruit over their stoves and selling it in jars are able to make a profit?

The answer probably is that the jelly cooperative has overextended itself. AMA attempts to sell its jelly in supermarkets on shelves next to jelly made by the two or three largest jelly manufacturers in the country. The formal sector companies have machines that can produce massive quantities of jelly in very little time with minimal labor costs. These companies advertise on television and have been well known in Costa Rica for

years. AMA spends all of its resources on making its product look like it is produced in the formal sector, but is unable to compete with the formal sector. In trying to compete with the formal sector, AMA loses its only unique advantage: it is a "homemade product."

Women working alone who make jelly, in contrast, are able to make a profit because they invest very little money in producing it. They usually use fruit that grows in their backyard, so their only expenses are the fuel for cooking it and some containers to put it in. They do not spend money on advertising, hiring someone to help them distribute the jelly, traveling to sell the jelly, purchasing special jelly machines, etc. Women who work alone produce a much smaller quantity of jelly than does AMA, but most of the gross profit for each jar becomes net profit.

A second reason for why individual workers earn more than group workers is the rate at which they invest their earnings in their business. Only 16.1% of women who work in groups invest their earnings in their business, while 34.9% of women who work alone do so. Microentrepreneurs need to accumulate capital in order to expand their business and generate more profits. Women who invest money in their businesses can expand them to produce better quality products or a greater quantity of them, whereas women who do not invest some of their earnings in their businesses can not expand them.

A third possible reason for why individual workers in my survey earn more than group workers is that women who work in groups are likely to be manufacturers of goods, whereas women who work alone are likely to be retailers of already manufactured goods. Of all the women in the sample, women who make clothing in groups comprise 62.9% of the sample, whereas women who make clothes constitute only 14.3% of the sample. Of

all the women in the sample, there are no women who retail ready-made clothing and who work in groups, whereas 8.3% of the sample retails clothes.

It seems likely that women who sell already manufactured items might earn more money because they do not have to pay for the expense of making the product. Women who make clothes, for example, pay for the cloth, the sewing machines, and the electricity to run the sewing machines. The cost of these three inputs combined might be more than the cost of already made clothing bought in bulk. Furthermore, women who make clothing have to spend most of their time making the clothes and less of their time selling them, whereas women who sell pre-made clothes can spend almost all of their time marketing their product. Women working in groups believe that they can create mini-factories that will be just as efficient as large factories owned by major industrial enterprises. Individual women, however, recognize that they cannot make products as efficiently as factories can, so they tend to buy cheap products in bulk and resell them.

Conclusion

It is important to keep in mind that none of these results are definitive. My study used a very small non-probability sample. Even statistically significant results, therefore, are not definitely true of all Costa Rican women in the informal sector, much less all developing countries that have large informal sectors. Nonetheless, I set out to confirm two widely agreed upon theses: women who have access to credit and training earn more money than do those who do not, and women who work in groups earn more money than those who do not. I found neither of these to be supported by my data set. Research

should be done on a larger scale, therefore, to retest the assumptions made by scholars and policy makers about the most effective ways to design programs for women in the informal sector. If it is really true that training and credit programs are ineffective, policy makers should redesign them, or develop new plans altogether for supporting the informal sector. Likewise, if women who work alone do earn more money than do women who work in groups, NGOs and government offices should consider reorienting their programs toward individual workers rather than group workers.

It is also worth noting that despite the inability of group work to generate as much income as can individual work, group work might serve a different purpose: increasing women's community participation. I tried to compare women's community participation in my study, but the sample size was too small to yield any significant results. Nonetheless, from my interviews in NGOs and government offices, I learned that many policy makers view group work as instrumental in increasing women's participation in their communities. Administrators at IMAS, MAG, the Peace Corps, INA, ASODELFI, DINADECO, Alforja, CMF, ASOPYMES, CEDECO, Andar, CARE, and FUPROVI all told me that women who work in groups learn to participate more in their communities than do those who work alone. They said that women become less afraid of speaking in front of people, develop ties to other women in the community, and are more willing to attend community meetings despite resistance from their husbands. Future research should weigh the impact that group work has on women's community participation, given that increasing women's participation might be as important an aim of group projects as income generation, in terms of reaching long-term goals.

In the larger context, I wish to question the long-term utility of female participation in the informal sector. In the short run, income generation meets some of women's immediate needs. But, does working in the informal sector, especially if the work is done at home, meet women's long-term needs of equality in the public and private spheres? Studies have shown that work outside the home is more likely to empower women than work inside the home. When women work outside of the home they interact with non-family members, their work is visible, and they receive information about the political, social, and economic opportunities available to them (Rakowski 1994c:14). Many microenterprise programs that teach women how to earn income from their homes are meant to alleviate poverty, but encourage women to stay at home rather than work in their communities or neighboring towns. These programs reinforce the idea that women's employment is supplementary to men's, or that assistance to women is really welfare rather than business promotion. Teaching women how to generate income by doing traditionally feminine tasks reinforces the gender division of labor. Rakowski proposes that programs for women in the informal economy should suggest ways to divide domestic responsibilities between the spouses, and teach women how to move from low-growth activities and into high-growth activities (Rakowski 1994c:23-24). Perhaps supporting women's work in the informal economy is not the most effective way to promote both gender equality and income equality among all people. Rather, NGOs and government organizations might be more effective in promoting equality if they supported women's moving into the formal sector rather than into the informal one. It is important to remember, in conclusion, that this paper has addressed ways to improve only one short term solution to income generation.

Bibliography

- Abreu, Luz María. "The Experience of MUDE Dominicana in Operating a Woman-Specific Credit Program." Berger and Buvinic 161-173.
- Aguilar, Edwin. "El Sindicato nos Tiene con Vida Aquí: Occupational Organization, Political Behavior, and the Informal Sector in Costa Rica." Diss. University of North Carolina Chapel Hill, 1995.
- Barrios, Ailvia and Miriam Zamora. "La condición de género como un elemento de análisis en las lógicas de funcionamiento del SIU: Algunas consideraciones" Fundación Arias Para la Paz y el Progreso Humano, 13-31.
- Berger, Marguerite and Mayra Buvinic, eds. Women's Ventures: Assistance to the Informal Sector in Latin America. West Hartford: Kumarian Press, Inc., 1990.
- Berger, Marguerite. "An Introduction" Berger and Buvinic 1-18.
- Bromley, Ray. "Informality, de Soto Style: From Concept to Policy" Rakowski 131-151.
- Cartaya, Vanessa. "Informality and Poverty: Causal Relationship or Coincidence?" Rakowski 223-249.
- Castiglia, Miguel, Daniel Martínez, and Jaime Mezzera. Sector informal urbano: Su contribución al producto. San José, Costa Rica: FLACSO, 1994.
- Centro de la Tribuna Internacional de la Mujer. La mujer y la pequeña empresa. New York, 1985.
- Costa Rica: Situación Laboral de la Mujer. June, 1985
- Del Cid, José Rafael. "Hombres, mujeres, y pequeños capitales" Menjívar Larín and Pérez Sáinz 219-302.

- Dignard, Louise and José Havet, eds. Women in Micro- and Small-Scale Enterprise Development. Boulder: Westview Press, 1995.
- Dignard, Louise and José Havet. "Introduction" Dignard and Havet 1-21.
- Economic Commission for Latin America. Statistical Yearbook for Latin America and the Caribbean, Santiago, Chile: ECLA, 1991,).
- Flores, Jesusa. "Promoción de la artesanía textil: El Caso de Bolivia." Seminario sobre el progreso económico de la mujer rural en América Latina y el Caribe. San José, Costa Rica, 17-21 June 1991.
- Franks, Jeffrey R. "Macroeconomic Policy and the Informal Sector" Rakowski 91-112.
- Fundación Arias Para la Paz y el Progreso Humano. Del trabajo no remunerado al trabajo "productivo:" La participación de la mujer en el sector informal urbano (SIU). San José, Costa Rica: Fundación Arias para la Paz y el Progreso Humano, 1993.
- Goldenberg, Olga. "Género e informalidad en San José." Menjívar Larín and Pérez Sáinz 383-482.
- Jaramillo, Cecilia. "Impact of a Credit Project for Women and Men Microentrepreneurs in Quito, Ecuador." Berger and Buvinic 222-246.
- Lycette, Margaret and Karen White. "Improving Women's Access to Credit in Latin America and the Caribbean: Policy and Project Recommendations." Berger and Buvinic 19-44.
- McKean, Cressida S. "Training and Technical Assistance for Small and Microenterprise: A Discussion of their Effectiveness" Rakowski 199-219.

- Menjívar Larín, Rafael and Juan Pablo Pérez Sáinz, eds. Ni héroes ni villanas: Genero e informalidad urbana en Centroamérica. San José, Costa Rica: FLACSO, 1993.
- Menjívar Larín, Rafael and Juan Pablo Pérez Sáinz. "Genero e informalidad en Centroamérica: Una perspectiva regional" Menjívar Larín and Pérez Sáinz 11-98.
- Mercedes Placencia, María. "Training and Credit Programs for Microentrepreneurs: Some Concerns about the Training of Women." Berger and Buvinic 121-131.
- Moser, Caroline O.N. "The Informal Sector Debate, Part 1, 1970-1983" Rakowski 11-29.
- Otero, María. "The Role of Governments and Private Institutions in Addressing the Informal Sector in Latin America" Rakowski 177-197.
- Otero, María. "Solidarity Group Programs: A Working Methodology for Enhancing the Economic Activities of Women in the Informal Sector" Berger and Buvinic 83-101.
- Pichardo Muñiz. "Crisis, estabilización y ajuste: La subordinación de la mujer en el sector informal urbano de Costa Rica" Fundación Arias para la Paz y el Progreso Humano 173-237.
- Pisoni L., Rodolfo. El trabajo de las mujeres usualmente consideradas como económicamente inactivas. Octavo Seminario Nacional de Demografía. San José, Costa Rica, 1983.
- Portes, Alejandro. "When More can be Less: Labor Standards, Development, and the Informal Sector" Rakowski 113-129.
- Rakowski, Cathy A., ed. Contrapunto: The Informal Sector Debate in Latin America. Albany: State University of New York Press, 1994a.

Rakowski, Cathy A. "Contrapunto: Policy, Research, and the Role of the State" Rakowski 273-287 1994b.

Rakowski, Cathy A. "Gender, Informal Sector, and Empowerment in Latin America." Unpublished 1994c.

Rakowski, Cathy A. "The Informal Sector Debate, Part 2:1984-1993" Rakowski 31-50 1994d.

Rakowski, Cathy A. "Introduction: What Debate?" Rakowski 3-10. 1994e.

Seligson, Mitchell A. and Edward N. Muller. "Estabilidad democrática y crisis económica: Costa Rica 1978-1983." Anuario de Estudios Centroamericanos. San José, Costa Rica: Universidad de Costa Rica, 1990.

United Nations Development Program. Human Development Report 1995. New York: Oxford University Press, 1995)

Van Der Wees, Catherine and Henny Romijn. "Entrepreneurship and Small- and Microenterprise Development for Women: A Problematique in Search of Answers, a Policy in Search of Programs. Dignard and Havet 41-82.

The World Bank, World Development Report 1994: Development and the Environment. Oxford: Oxford University Press, 1994.

Appendix A: The Survey of Women in the Informal Sector

Encuesta De Actitudes

Buenos Días. Me llamo Amber Seligson, y estoy llevando a cabo un estudio universitario que es exclusivamente científico y cultural. No me interesa por lo tanto la identidad del entrevistado. No le voy a pedir su nombre ni su cédula, ni nada por el estilo. Me interesa lo que la gente opina de varias cosas, y quisiera hacerle unas preguntas.

A1. ¿En qué barrio vive Ud.? _____

A2. ¿Hace cuántos años que vive Ud. en este lugar? _____

A3. ¿Cuántos hijos tiene Ud.? _____

A4. ¿Qué son las edades de ellos? _____

A5. ¿Cuántos años tiene Ud.? _____

A6. ¿Cuál es su estado civil? 1.casada____ 2.unión libre____ 3.soltera____ 4.divorciada____
5.viuda____ 8.NS____

Ahora quiero conversar sobre el trabajo que Ud. hace en su casa.

B1. ¿Qué tipo de negocio tiene Ud.? _____

B2. ¿A quién vende sus []? 1.directamente a gente particular____2.a una distribuidora____
3.mayormente a miembros de su familia____8.NS____

B3. ¿En cuáles meses venden más []? 1.enero____ 2.febrero____ 3.marzo____ 4.abril____
5.mayo____ 6.junio____ 7.julio____
8.agosto____ 9.septiembre____ 10.octubre____ 11.noviembre____ 12.diciembre____ 13.en todos
vende igual____ 88.NS____

B4. ¿Cuántos piezas/cortas/platos/etc. vende por semana en los mejores meses? _____

B5. ¿Cuántos piezas/cortas/platos/etc. vende por semana en los peores meses? _____

B5c. ¿Cuáles son los factores que promueven más ventas? _____

B5a. ¿Tiene un cuarto en su casa que se use solo para su negocio? 1.Sí____ 2.No____

B6. ¿Hace cuántos años que trabaja en esto? _____

P1. ¿Por qué se decidió a empezar el negocio? 1.para ganar plata_2.para entretenerse ___ 3.porque está pensionada____
8.NS____

P2. ¿Por qué se decidió a trabajar en su casa, en vez de trabajar en un negocio más formal, fuera de la casa? 1.Cuidar la casa___2.no encuentra adonde trabajar___ 3.no está entrenada para hacer un trabajo formal____ 4.prefiere trabajar sola ____ 5.prefiera tiene su propio negocio___ 6.las materiales son demasiadas pocas para usarlas en un negocio más grande___ 7.su marido no le permita trabajar afuera ____ 8.gana más en su propio ___9. trabaja en su propio horario___ 10.demasiado viejo para trabajar afuera __ 11.demasiado caro para alquilar un lugar afuera___ 88.NS____

P3. ¿Por qué se decidió a trabajar sola en su casa, en vez de con un grupo de mujeres, como en una cooperativa? 1.prefiere trabajar sola___ 2.es difícil encontrar a mujeres que tengan las mismas metas___ 3.es difícil encontrar a mujeres que sepan hacer []___ 4.no hay un grupo ya formado cerca de aquí___ 5.las materiales son demasiado pocas para involucrar otras mujeres___ 6.quiere quedarse en casa___ 7.no hay tiempo para organizar un grupo__ 8.prefiere hacer su propio horario__88.NS____ 99.No es pertinente - trabaja con otros___

P4. ¿Cuáles son las ventajas de trabajar sola, en vez de en un grupo? _____

P5. ¿Cuáles son las desventajas de trabajar sola, en vez de en un grupo? _____

C1. ¿En general, cuántas horas por día pasa Ud. trabajando en su negocio de []? _____

C2. ¿Por lo general, cuántas horas por día pasa Ud. haciendo el oficio doméstico de la casa, como cocinando, limpiando, y cuidando a los hijos? 1. ___horas 12.todo el día___
8.NS____

C3. A veces uno no puede hacer el trabajo de su negocio porque tiene demasiado que hacer en la casa. Esto pasa con Ud. casi nunca, a veces, o con mucha frecuencia?
1.Frecuentemente___ 2.A veces___ 3.Casi nunca___
8.NS____

C4. ¿Tiene Ud. una empleada que la ayude con el oficio de la casa? 1.Sí___ 2.No___

si dice "no" pasar a #M1

C5. ¿Cuantas horas por día trabaja ella? _____

M1. ¿Trabaja Ud. fuera de la casa? 1.Sí___ 2.No___ 8.NS____
[si dice "no," pasa a pregunta #D1]

M2. ¿Qué tipo de trabajo asalariado hace? _____

M3. ¿Por lo general, cuántas horas por día pasa Ud. trabajando para ganar su salario?
_____ horas

M4. A veces uno no puede hacer el trabajo de su negocio de [] porque tiene que trabajar demasiado en su trabajo asalariado. Esto pasa con Ud. casi nunca, a veces, o con frecuencia? 1.Frecuentemente___2. A veces___ 3. Casi nunca___ 8.NS___

D1. ¿Qué opina su marido/familia de su trabajo en su negocio de []? Le apoya, es neutral, o no la aprueba?

1. Le apoya ___ 2. Es neutral___ 3. No le aprueba __
8.NS___

si dice que le apoya, ir a #E1

D2. ¿A veces no puede trabajar bastante en su negocio de [] porque su marido/familia no lo aprueba?

1.Frecuentemente___ 2.A veces___ 3.Casi nunca___
8.NS___

E1. Fue Ud. entrenada por una institución o escuela que le enseñara a hacer las cosas que Ud. vende? 1.Sí___ 2.No___ 8.NS___

si dice "no," pasar a E6

E2. ¿Cómo se llama la institución/escuela? _____

E3. ¿Por cuántos años estudió Ud. allá? _____

E4. ¿Es una escuela privada o de gobierno? 1.privada___ 2.gobierno___

E5. ¿En cuál de los siguientes fue entrenada?

E5a. hacer la [] 1.Sí___ 2.No___

E5b. hacer presupuestos 1.Sí___ 2.No___

E5c. hacer propaganda para su negocio 1.Sí___ 2.No___

E5d. encontrar un chinamo en el mercado 1.Sí___ 2.No___

E6. ¿Quién [más] la entrenó? 1.Su mamá___ 2.Su papá___ 3.Alguien más de la familia
___ 4.Su amigo/a___ 5.aprendió sola___ 6.en trabajo donde trabajaba antes___ 7.esposo
___ 10.televisión___ 8.NS___

E7. ¿Cómo calcula los precios de sus []? 1.sacar el costo de las materiales____ 2.mirar una lista oficial de precios____ 3.comparar con otros negocios____ 4.calcular aproximadamente____ 8.NS____

E8. ¿Quién le enseñó a hacer presupuestos? 1.institución/escuela__2.mamá/papá____ 3.amiga/amigo____ 4.aprendió sola____ 5.esposo____ 6.contadora____ 8.NS____

F1. ¿Tiene Ud. el apoyo de una organización o institución que le ayude con su negocio? 1.Sí____ 2.No____

si dice "no" pasar a #F4

F2. ¿Cuál es la institución que la apoya?_____

F3. ¿Qué tipo de apoyo le da? 1.Crédito____ 2.materiales____ 3.clases____ 8.NS____

F4. ¿Preferiría Ud. que alguna institución le diera apoya? 1.Sí____ 2.No____

F4a. ¿Por qué?_____

F5. ¿Qué tipo de apoyo preferiría? 1.crédito__ 2.materiales____ 3.clases____ 8.NS____

H1. ¿Hay mucha competencia en su barrio con otras personas que tengan el mismo tipo de negocio como Ud.? 1.mucha____ 2.algo__3.poca____ 8.NS____

H2. ¿A veces es difícil vender su [] porque hay demasiadas personas que vendan lo mismo? 1.Frecuentemente__ 2.a veces____ 3.casi nunca____ 8.NS____

G1. ¿Cuánto éxito cree que tenga su negocio? 1.Mucho éxito____ 2.Algo de éxito____ 3.poco éxito____ 8.NS____

G2. Se siente satisfecha con las ganancias de su negocio de []? 1.Muy satisfecha____ 2.Algo satisfecha____ 3.Desatisfecha__8.NS____

Ahora, para terminar, sólo tengo algunas preguntas más.

Z1.¿Tuvo Ud. la oportunidad de asistir a la escuela o colegio o la universidad? 1.Si __2.No
—

Z2. ¿Hasta que grado llegó? _____ grado

Z2A. ¿Ha asistido Ud. a una escuela/universidad post-colegio? 1.sí__ 2.no____

Z3. Dígame por favor si Ud. tiene lo siguiente en su casa, y cuántos de cada cosa:

Z3a. Televisor a color	1. Sí ___ 0. No ___
Z3b. Televisor a blanco y negro	1. Sí ___ 0. No ___
Z3c. Carro	1. Sí ___ 0. No ___
Z3d. Refrigeradora	1. Sí ___ 0. No ___
Z3e. Lavadora	1. Sí ___ 0. No ___
Z3f. Bombillos	1. Sí ___ 0. No ___
Z3g. Microonda	1. Sí ___ 0. No ___
Z3h. Teléfono	1. Sí ___ 0. No ___

Z4. ¿En qué tipo de casa vive Ud.? 1. Propia ___ 2. Alquilada ___ 3. De sus papas o suegros ___

Z5. ¿Cuántas son sus ganancias semanales de su negocio de []?

1. 500-999 colones ___ 2. 1,000-4,999 ___ 3. 5,000-9,999 ___ 4. 10,000-14,999 ___
 5. 15,000-19,999 ___ 6. 20,000-24,999 ___ 7. 25,000-29,999 ___ 8. 30-34,999 ___ 9. 35-39,999 ___
 10. 40-44,999 ___ 11. 50-54,999 ___ 12. 55-59,999 ___ 13. 60+ ___ 88. DK ___

Z5a. ¿Qué parte aporta Ud. en el salario familiar? 1. menos que un octavo ___ 2. un octavo ___
 3. un cuarto ___ 4. una mitad ___
 5. tres cuartos ___ 6. el salario familiar total ___

Z6. ¿Guarda Ud. sus ganancias obtenidas del programa o se las da a su marido?
 1. Guarda ella ___ 2. Se las da al marido ___ 3. comparte con el marido ___

si dice "ella" ir a #Z7; si dice "marido" ir a #Z8

Z7. ¿Que hace Ud./su marido con las ganancias? 1. ahorrar ___ 2. gastar en comida ___
 3. vacaciones ___ 4. dar a los hijos ___ 5. dar a los padres ___ 6. invertir en negocio ___
 7. comprar tierra para cultivar ___ 8. comprar casa ___ 9. distracción ___ 10. otra ___
 88. NS ___

Z8. ¿En qué trabaja su marido? _____

Z9. ¿En qué trabajaba su papá? _____

Z10. ¿Es Ud. católica, protestante, tiene otra religión, o no tiene religión? 1. católica ___
 2. protestante ___ 3. ninguna ___ 4. otra ___

Z12. Participa Ud. en alguna de los siguientes?

Z12a. Un grupo de la iglesia 1. Sí ___ 2. No ___

Z12b. La asociación de padres de la escuela/colegio 1. Sí ___ 2. No ___

Z12c. Junta de desarrollo de la comunidad	1.Sí__	2.No__
Z12d. Cooperativa	1.Sí__	2.No__
Z12e. Sindicato	1.Sí__	2.No__
Z12f. Patronato	1.Sí__	2.No__
Z12g. Otra _____		

Estas son todas las preguntas que tengo. Muchísimas gracias por su colaboración.

Appendix B: The Survey of NGO and Government Administrators

Preguntas Para ONGs y Instituciones Gubernamentales que trabajan con mujeres en negocios pequeños

1. Nombre y puesto de la persona con quien estoy hablando:
2. ¿Cómo se llama esta organización?
3. ¿Es privada o estatal?
4. ¿Quién financia la organización?
5. ¿Cuántos años de existencia tiene esta organización?
6. ¿Hace cuántos años que trabaja Ud. aquí?
7. ¿Qué tipo de programas tiene la organización para ayudar a las mujeres que tienen negocios pequeños?
8. ¿Qué tipo de capacitación ofrece?
9. ¿Qué tipo de crédito ofrece?
10. ¿Quién le dió capacitación a Ud. para trabajar con estas mujeres?
- 10a. ¿Cuántas mujeres son beneficiarias de sus programas?
11. ¿Dónde viven las mujeres con quienes Ud. trabaja?
12. ¿Cuál es el promedio de las edades de las mujeres con quienes Ud. trabaja?
13. ¿Que porcentaje de ellas son casadas? ¿Qué porcentaje es soltera?
14. ¿Cuál es el promedio de la edad de los hijos de las mujeres que son beneficiarias de esta organización?
15. ¿Cuál es el promedio de las ganancias semanales de las mujeres por sus negocios pequeños?
16. ¿Hacia quiénes están dirigidos los proyectos, hacia mujeres que trabajan solas o las que trabajan en grupo?

17. ¿Qué opina Ud: ¿Cuándo tienen más éxito económico las mujeres, cuando trabajan en grupo o cuando trabajan a solas?
18. ¿Cree Ud. que las mujeres participan más en sus comunidades, por ejemplo de una manera política, religiosa, o cívica, cuando ellas trabajan en grupo o cuando trabajan a solas?
- 18a. ¿Por qué será que hay mujeres que no quieren participar en grupos de la comunidad políticos, religiosos, o cívicos?
19. ¿Cuáles son los problemas más grandes que las mujeres enfrentan cuando tratan de montar sus negocios?
20. ¿Cree Ud. que estos problemas se resolverían si trabajaran en grupo mejor que a solas, o mejor a solas que en grupo?
21. ¿Según su parecer, cuáles son los factores que resultan en un mejor negocio?
22. ¿Cuáles son/serían las ventajas de ser una organización gubernamental que trabaja con mujeres?
23. ¿Cuales son/serían las ventajas de ser una organización no-gubernamental que trabaja con mujeres?

Appendix C: Descriptions of the NGOs and Government Offices

Interviewed in this Study

Costa Rican NGOs that Work with Women in the Informal Economy

Andar is a nine-year old NGO that works on rural development, and promotes agrarian income generation projects for groups of women, particularly medicinal herb projects. The two primary ways that Andar works with these women is to train them in business organization and administration and to offer credit to individuals within a group. Andar also researches the impact of structural adjustment programs on women and disseminates educational materials to informal sector workers.

The Asociación de Desarrollo Económico Laboral Femenino (ASODELFI - Association of Integral Feminine Economic Labor Development) is a twenty-year old organization that has 572 beneficiaries who live all over the Costa Rica. ASODELFI trains group workers in entrepreneurial development, including organization, administration, accounting, marketing, and sales. Projects that ASODELFI supports range from arts and crafts production to reforestation. ASODELFI does not offer credit; it tries to link its beneficiaries to credit providers.

The Asociación de Pequeña y Mediana Empresa de Costa Rica (ASOPYMES - Association of Small and Medium Costa Rican Enterprises) has 150 female beneficiaries, most of whom live in San José, and all of whom work in groups. The chief aim of this program is guide microentrepreneurs to NGOs that can supply them with credit, technical supplies, raw materials, etc. ASOPYMES hosts a radio show during which

microentrepreneurs call and ask questions about running their business. A third and fourth component of the program is a training and credit package. ASOPYMES provides credit to groups of 5 to 20 workers.

The Centro de Capacitación para el Desarrollo (CECADE - Center of Development Training) is a 20-year old NGO that trains and offers credit to rural men and women, most of whom work alone, in starting small agricultural production businesses. Only 10% of their credit beneficiaries are women. CECADE gives the beneficiaries "soft credit," which means that the interest rates are low, and workers repay it only once they have harvested the crop that they are growing. Many of the projects grow and process plantains, yuccas, and tequisque (a tuber).

The Corporación Educativa Para el Desarrollo Costarricense (CEDECO - Educational Corporation for Costa Rican Development) is a 15-year old NGO that works with, among other things, rural women's income-generating group projects. CEDECO coordinates groups of women into several umbrella organizations. Some of the projects within the umbrella organizations are bag-making, clothes-making, doll-making, and agricultural production. CEDECO trains women in organizational skills, gender roles, production, administration of small businesses, commercialization, and how to properly use credit. CEDECO hires other institutions to train the women in technical skills. CEDECO also offers credit, and forms the apparatus within each group by which the credit is distributed and repaid, so that the groups themselves handle the money.

The Centro Feminista de Información y Acción (CEFEMINA - Feminist Center for Information and Action) is a fourteen-year old NGO which, among other projects, directs

one that is aimed at women microentrepreneurs who work alone. CEFEMINA helps women to establish a viable plan for their business before they begin it by analyzing each woman's situation and determining the best approach for her business. Subsequently, the NGO trains the beneficiaries in skills particular to their businesses, and offers them credit to establish and expand them.

The Centro Nacional de Asociación Pastoral (CENAP - National Center of Pastoral Action) is a twenty-year old organization that works with 35 men and 115 women microentrepreneurs in the southern neighborhoods of San José. All of the beneficiaries work alone. CENAP trains the beneficiaries in administration, marketing, self-esteem promotion, and accounting. Beneficiaries are not given credit by CENAP, but CENAP tries to link them to creditors.

FUNDACOOOP (Foundation for the Development of the Cooperativist Woman), a five-year old institution, organizes 100 rural and urban women into income-generating groups, trains them, and helps them look for credit. FUNDACOOOP offers classes in administration, self-esteem promotion, and environmental awareness. Most of the projects that FUNDACOOOP supports are in food or agricultural production. FUNDACOOOP does not offer credit.

The Fundación Promotora de Vivienda (FUPROVI - Foundation for the Promotion of Living) is an eight-year old organization that has 497 female beneficiaries, all of whom live in urban areas. Groups of ten or more people can get credit from FUPROVI's communal banks. The group members make the product alone but manage the credit together. Each member of the group receives credit individually, but if one member cannot repay the

credit one month, the rest of the members are responsible for repaying it. FUPROVI trains the groups in how to administer credit, how to have an account, how to save money, and how to sell their products.

International Organizations that Work with Women in the Informal Economy

Alforja, which is the Costa Rican branch of a Central American, Mexican, and Panamanian international NGO, is a fifteen-year old organization that has worked on a women's arts and crafts project in a rural Costa Rican town since 1990. Alforja trained a group of ten women in making arts and crafts out of banana leaves, and also taught classes on gender roles. The NGO gathers the women's painted banana leaves, sells them to stores frequented by tourists, and gives the microentrepreneurs the profits. Alforja does not offer credit.

CARE is an international NGO that has worked in Costa Rica for 37 years, and has existed for 50 years. One of CARE's projects in 1995 was to help three small rural women's groups to open a restaurant, a hardware store, and a nursery for plants. CARE has offered these women training in communal organizing, marketing skills, commercialization, self-esteem promotion, computer use, administration of businesses, evaluation of projects, and accounting. Technical skills were also taught, such as how to cook in a restaurant and how to grow organic fruits and vegetables. In addition to training the women, CARE also offered the groups seed credit at the beginning of the project. The groups formed a credit committee that distributed the credit to the members and sought additional credit from other organizations.

The Peace Corps, which is a 32-year old United States government institution, incorporates about 700 Costa Rican women into its small-business program. Both women who work in groups as well as those who work alone are beneficiaries. The Peace Corps volunteers scattered throughout the country serve as consultants for the beneficiaries and help them with feasibility studies. The volunteers also train women in accounting and marketing. The Peace Corps does not offer credit, but the volunteers help link women to creditors.

Costa Rican Government Projects for Women in the Informal Sector

The Centro Nacional para el Desarrollo de la Mujer y Familia (CMF - National Center for the Development of the Woman and the Family) is a 20-year old government organization that has worked with women microentrepreneurs in their attempts to start businesses. CMF has given the women donations for seed capital and has worked with INA, MAG, and the University of Costa Rica to study the viability of the women's projects.

The Dirección Nacional de Desarrollo de la Comunidad (DINADECO - National Office of Community Development) is an eighteen-year old government organization that works with community development projects, a few of which are geared toward income generation. The income generation project it is currently directing is a group of about 30 rural women who have built a bakery. DINADECO trained them in organization, accounting, and administration of resources. Although DINADECO does not provide any funding for the women, it acts as a link between the group and organizations that do fund projects.

The Instituto Mixto de Ayuda Social (IMAS - The Mixed Institute for Social Assistance) is a twenty-four-year old government institution whose primary beneficiaries are workers in the informal sector. The program is divided into 11 regions of Costa Rica, and each region has an office that makes some programming decisions and implements programs. Each year 5,000 women are beneficiaries of IMAS' programs. They live in both rural and urban areas throughout Costa Rica. Its programs are geared at both individual and group workers. Its program for women in the informal sector has two prongs: monetary donations and training. IMAS gives each woman a donation of 200,000 colones (\$1,111 USD) as seed money to start her business. The women are not asked to repay this donation. Once the business has been established, IMAS provides women with credit that they are expected to repay, and with emergency loans to pay for electricity bills, water bills, and so on, during times of personal crisis. The amount of credit given is determined by a credit commission within IMAS. A prerequisite for receiving credit is having been trained and being able to show evidence that the production of one's business is increasing.

The training aspect of IMAS' program for women is two-pronged. The first segment trains women in "human formation for development." This includes how to run a business, marketing, developing self-esteem, coping with violence, sexuality, communication, and women's rights. The second segment is technical training, which is taught by groups that IMAS contracts. IMAS also provides women with scholarships to study at public institutions that train women to work in the informal sector.

The Instituto Nacional de Aprendizaje (INA - National Apprenticeship Institute) is a thirty-year old government institution that opened an office for women three years ago. The office for women was organized by the administration of President Figueres (1994-1998) under his plan to ameliorate poverty. As of 1995, there were 1,500 women beneficiaries of INA's programs. The beneficiaries live in both rural and urban areas, and work both alone and in groups. INA trains women in non-technical skills such as building self-esteem, improving their interpersonal relations, and exploring their interests and needs. To provide women with technical training and credit, INA links them to other organizations.

IPEC (The Professional Institute of Community Education) is a government institution that offers technical training for men and women in areas such as sewing, hair styling, arts and crafts making, and typing. It aims to educate people in a multidisciplinary, multisectoral, and flexible manner. IPEC focuses on community development as well as professional development. IPEC has branches all over Costa Rica that are staffed by local school teachers and artisans who teach their fellow community members technical skills.

The fifty-one-year old government Ministerio de Agricultura y Ganadería (MAG - Ministry of Agriculture and Livestock), has within it a Woman's Office which was established in 1994 by the administration of President Figueres. MAG is divided into six regions of Costa Rica. The average age of the beneficiaries is 35, though they range from 18 to 60 years old. About 75% of the beneficiaries are married. MAG works with both group workers and individual workers. MAG assists women with projects such as butterfly farms,

agricultural production, chicken raising, bakeries, and enterprises that use solar ovens. MAG offers training in the form of talks and demonstrations but does not provide credit to these women. MAG links the beneficiaries to institutions that do provide credit and other kinds of training.