

Levels of Empowerment

Marketers and Microenterprise-Lending NGOs in Apopa and Nejapa, El Salvador

by
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High population density, an extensive informal economy, and diminishing foreign aid have made El Salvador an attractive site for microenterprise-lending programs. My research in urban El Salvador observing microcredit nongovernmental organizations (NGOs)¹ and the microentrepreneurs they serve between 1994 and 1997 led me to conclude that I had to broaden my understanding of empowerment to include other actors in the development process. I have discovered that measuring the impact of NGO-implemented programs has to be analyzed across a number of fields of power (Binford, 1998; Roseberry, 1994). Loan clients² are not the only groups to benefit from these programs. Indeed, my research shows that the NGOs themselves and local municipalities can gain greater autonomy and increased access to resources, contacts, and power from this kind of programming.

Small loans are important for Salvadoran urban marketers struggling to make ends meet in the face of structural adjustment policies, cuts in state-sponsored subsidies, decreasing development aid, and continued social unrest, especially in urban areas. For many marketers, microcredit means the chance to break out of the vicious circle of debt that borrowing from loan sharks entails.³ In the case of El Salvador's urban poor, it is not a question of which microenterprise-lending model best serves marketers; different models will be appropriate depending on the circumstances and the needs of marketers. Rather, the multiple and often competing agendas of local development stakeholders must be analyzed, and empowerment has to be unpacked to reveal the different levels on which it has been facilitated.

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In this article, I use a definition of empowerment that builds on work carried out by Rowlands (1997) in her evaluation of two different programs targeting women in Honduras. Rowlands defines empowerment as “more than participation in decision-making processes; it must also include the processes that lead people to perceive themselves as able and entitled to make decisions” (1997: 14). Empowerment can be observed in the actions of people at the individual and the collective or community level.

Discussions of empowerment within the field of microcredit appear contradictory; different definitions of the term are often used without any explicit acknowledgment. Some scholars (see Blumberg, 1995a) suggest that increased income can be an indicator of empowerment; microcredit proponents go farther, claiming that increased income is synonymous with empowerment. This is debatable on a number of levels. Many women do not have control over their income; spending decisions are made by husbands or male relatives. Therefore, increased income does not mean increased spending power for them. In the cases where increased income does translate to increased spending power, most women choose to invest their income in their families, and this has a positive impact on their families, especially children, in terms of health and education.⁴ However, increased spending capacity does not necessarily mean increased ability to chart the future, to participate in decisions that affect their lives, and to work at the community or collective level toward mutual goals. Another definition of empowerment can be found in the microcredit literature regarding the importance of additional services for clients beyond loans (i.e., training, follow-up, attention to gender issues, etc.). According to this view of empowerment, clients need access to increased accompaniment in addition to loans so as to be able to address the challenges they and their communities face.

Empowerment has to be constantly rearticulated in relation to particular contexts with specific people; without concrete examples, empowerment easily becomes one more term open to the interpretation of anyone who chooses to use it. For this reason, I attempt to situate the measurement of impact through the observation of two Salvadoran NGOs, their clients, and the two municipalities in which I observed their programs. In her discussion of project impact in Honduras, Rowlands concludes that empowerment occurs on the personal and collective levels in a mutually reaffirming fashion (1997: 131). I acknowledge that engendering processes of empowerment at the individual client level often requires long-term interventions and is difficult to observe over shorter periods. But NGO microcredit programs can facilitate processes of empowerment that are observable in the short term for themselves as institutions and for the municipalities where they work.

Both the *Fundación Salvadoreña de Apoyo Integral* (Salvadoran Foundation for Integral Support—FUSAI) and the *Corporación de Proyectos Comunales de El Salvador* (Corporation of Communal Projects of El Salvador—PROCOMES) were founded in the late 1980s during the civil war between the Salvadoran Armed Forces and the *Frente Farabundo Martí para la Liberación Nacional* (Farabundo Martí National Liberation Front—FMLN) to work with the vulnerable and disenfranchised sectors of the population. Initially, I selected these two NGOs because of their very different microcredit models. In Apopa, I observed FUSAI's credit-only approach, in which groups of four to six marketers founded communal banks through which they received small loans with no training or additional services. In the nearby town of Nejapa, I followed PROCOMES's gender-sensitive credit-plus approach: a communal bank formed of eight women who received multiple services in addition to small loans, among them business training and facilitation of consciousness raising around social issues and gender themes for clients and their families.

To contextualize microcredit, clients' loan use, and municipal development, I have chosen to focus on two family businesses that are relatively successful by Salvadoran informal-sector standards. I chose these particular family businesses for discussion because even with the most successful cases it is clear that individual and collective empowerment at the client level is a long-term process and requires more than a small loan, repayment, and three months of follow-up. In Apopa, I focus on the vegetable business of FUSAI clients Gonzalo and Mercedes; in Nejapa, I describe PROCOMES client María Eugenia, who raises pigs. Although these marketers managed to survive with income from their microenterprises and made maximum use of their loans, their stories illustrate the complexities of promoting empowerment and raise questions about who has benefited the most from the programming.

THEORETICAL FRAMEWORK: SOCIAL FIELDS/FIELDS OF POWER

In my analysis of empowerment, I build on Binford's theoretical framework (1998) of "social fields" or "fields of power" to show how the action of NGOs is mediated along the lines of multiple agendas across a number of fields of power. NGOs are institutions with organizational cultures, ideological commitments, and competing or sometimes contradictory priorities situated in complex processes of local, national, and international events (Edwards and Hulme, 1996; Fisher, 1997; Petras, 1997). NGOs face complicated fields of action in which they are not the only actors (Biekhart, 1996). They must

balance multiple agendas as they attempt to secure their own survival while supporting increased survival chances for their clients.

In El Salvador, the unfolding postwar period of the 1990s presented three fierce challenges—addressing high levels of violence, promoting consensus and participation in a polarized postwar setting, and promoting economic recovery. Sadly, these are issues that require long-term solutions not sought by the Salvadoran state. The decision to pursue a neoliberal economic model may raise needed currency to make foreign debt payments, but it does not address the legacy of poverty, mistrust, and violence that pervades many communities of El Salvador. Cutting social spending as 50,000 former combatants of both the Salvadoran Army and the FMLN demobilize is not a long-term solution; it only creates a force of unemployed men accustomed to addressing problems with violence. Though the FMLN, a legally inscribed political party since soon after the signing of the peace accords, is a strong contender in elections, El Salvador still has far to go in opening up political and economic space for broad civil society participation. In fact, Foley (1996: 67) argues that the “struggle over civil society” is “still unresolved.” Ongoing conflicts continue to shape development efforts at all levels—community, municipality, regional, and national.

In this postwar period, in which many development efforts give preference to decentralization and local development, municipalities are bustling centers of activity; each town is an excellent site for observing the complexities of development processes. In both Apopa and Nejapa, political parties vie for votes and local mayors and municipal councils attempt to implement economic and social programs. Some state institutions have offices, personnel, and programs in the municipalities. NGOs, both national and international, and local grassroots organizations have agendas for development. Furthermore, because 60 percent of the economically active population of El Salvador (Zamora, 1993) earn a living outside of state-regulated employment, microenterprise-lending NGOs become particularly important because of their focus on informal-sector entrepreneurs.

Given the postwar situation and state commitments to neoliberal structural adjustment policies (Murray, 1997), the heterogeneous informal sector is growing because of the “free-market” focus of neoliberal reforms. Privatization strategies have forced many former state employees to seek employment in the informal economy, and cuts in social spending and food subsidies have forced others to seek earnings on the streets. Though free-trade zones and assembly plants offer work to women⁵ under harsh working conditions for low wages, many women remain in the informal sector so that they can combine productive and reproductive activities (see Ready, 1994). Ironically, the informal sector in general and marketplaces in particular are often targets

of police brutality throughout El Salvador as municipal police receive orders to clean up the streets. Nonetheless, the federal government of El Salvador continues to rely on marketers to keep local economies alive while providing them with few services. Babb (1989: 4) has noted that Peruvian marketwomen in particular “have served for more than a decade as scapegoats for economic woes in Peru.” The same can be said of El Salvador. The informal sector grew significantly during the civil war (1980–1992) as refugees fled combat and the scorched-earth policies of the Salvadoran armed forces (see Ortíz Cañas, 1994; Salazar, 1994; Zamora, 1993). It is estimated that 20 percent of the population was displaced during the war, most of them leaving the countryside for the cities or for other Central American countries, Mexico, or the United States and Canada.

To understand how the deployment of multiple agendas can be observed in development efforts at the municipal level, I propose to build on Binford’s (1998) examination of hegemony in territories held by the FMLN during the civil war. Binford employs Bourdieu’s (1990) and Roseberry’s (1994) concepts of social fields and fields of power, respectively. In essence, both Bourdieu and Roseberry attempt to develop conceptual frameworks to describe the interplay of power relations between actors in a given setting. Bourdieu, however, uses his concept of social fields to show how power relations are accepted by players who have internalized the rules of the game.⁶ Roseberry builds on Scott’s (1985) analysis of subaltern resistance to show how power is contested and negotiated on a daily basis.

I find Roseberry’s fields of power more useful for interpreting my data about the actions of Salvadoran marketers, the work and agendas of local NGOs, and municipal development as promoted by mayors and town councils. Roseberry is looking for a way to understand the agency of subalterns in the face of unequal global power structures. He builds his concept on an examination and critique of E. P. Thompson’s concept of field of power and incorporates Scott’s work about “the lack of consensus in social situations of domination” (Roseberry, 1994: 357). According to Scott (1985: 29), the dominated often show their resistance using “the ordinary weapons of relatively powerless groups.” Given that there is no simple division between the dominated and the dominators, Roseberry (1994: 365) proposes using the theoretical framework of multiple fields of force: “It would be wrong . . . to place . . . the problematic relationship between the talking state and the distracted audience—into a simple power model that proposes an opposition between ‘the dominant’ and ‘the subordinate’ or ‘the state’ and ‘the popular.’ The field of force is much more complex.” This framework facilitates an in-depth analysis of power relations; instead of simply focusing on hegemonic

and counterhegemonic forces, it allows us to observe actors participating in numerous struggles across various fields simultaneously.

Binford confronts the post–cold war challenge to social scientists: how to build analytical frameworks for interpreting the complexities of power relations in a global world economy of translocal, transnational connections among local, regional, national, and international stakeholders. The idea of “articulating local, regional, and global developments across fields or nesting fields within one another” (1998: 7) is a useful framework to apply to NGOs, their clients, and municipal development in El Salvador. As Fisher (1997: 450) suggests, understanding NGOs is “dependent upon placing these associations within larger contexts, understanding them not as local wholes subsumed within larger national and global political contexts but as fragmented sites that have multiple connections nationally and internationally.”

SOCIAL FIELDS: MUNICIPALITIES AND NGOs

In urban El Salvador, municipalities are settings in which one can observe both the tensions between various contenders vying for power and the unfolding of development planning and political agendas. I propose conceptualizing Salvadoran municipalities as sites in which one can simultaneously observe the struggle between different forces within and across multiple fields. Political parties vie for voter support. Municipal governments attempt to build consensus around a particular development strategy for the municipality. Different actors—from local leaders to governmental offices to NGOs to international NGOs—strive to convince local authorities, community leaders, and local residents of the benefits of their particular agendas and programming. Even strands of global processes can be observed at this level: free-trade zones, increased poverty from structural adjustment policies, and so on.

NGOs play important roles across many of these fields of power as they attempt to promote a particular vision of development, offer services, consolidate their own survival, or even promote a particular political agenda. Over the past decade, the NGO sector has grown considerably throughout the developing world (Edwards and Hulme, 1996: 1). In this process, many southern NGOs have established local, regional, and international networks with other local NGOs and international NGOs. In Central America, NGOs were founded in the 1980s in response to the emergency situation of war. In El Salvador, NGOs from left to center with varying levels of politicization emerged in the late 1980s to advocate for, minister to, and promote the

welfare of those vulnerable to the violence. As Biekhart (1996: 82) wryly comments, “Only two institutions have consistently flourished in the Central American crisis: the military and the NGOs.”

With the growth of NGOs in Central America, many proponents of large-scale development projects (former critics of NGOs), for example, the World Bank and the U.S. Agency for International Development (USAID), now tout NGOs as the “magic bullet” or a more efficient tool for development (Edwards and Hulme, 1996: 3). NGOs can provide the services cut by structural adjustment policies and fill in government-programming blind spots. Edwards and Hulme (1996: 6) urge caution because “service delivery tends to attract more official funding [and] there will be a growing rift between well-resourced service providers and poorly funded social mobilization agencies.”

Fisher (1997: 442) shares some of these concerns and warns against romanticizing NGOs: “This idealization of NGOs as disinterested apolitical participants in a field of otherwise implicated players had led theorists and practitioners alike to expect much of them.” Furthermore, in El Salvador, where “a movement for ‘political inclusion’ has been accompanied by the introduction of neoliberal economic policies favoring the wealthy and marginalizing further the majority of rural and urban dwellers in a process of ‘economic exclusion’” (Binford, 1999: 1), there is no possibility of being politically neutral. Building on critiques of development and postmodern Foucaultian understandings of power, Fisher (1997: 446) suggests that all players are political in nature, including NGOs: “If politics . . . is taken to refer to power-structured relationships maintained by techniques of control . . . then politics is not confined to institutions but pervades every aspect of life.” Petras (1997) takes this inquiry past acknowledging the political identifications of NGOs to a rather severe critique, arguing that some NGOs have lost touch with their *base*, their grassroots support, having succumbed to the neoliberal paradigm of self-help. He attributes the NGOs’ growth to neoliberalism and depicts them as sellouts: “The bottom line is that the growth of NGOs coincides with increased funding under neoliberalism and the deepening of poverty everywhere. Despite the claims of many local successes, the overall power of neoliberalism stands unchallenged and the NGOs increasingly search for niches in the interstices of power.”

I do not disagree with Petras that there may be NGOs that have abandoned originally “noble” missions in an attempt to guarantee their own political and economic survival; however, I think there is a more nuanced position from which to analyze NGOs. NGOs face a complicated playing field; is it their responsibility to challenge neoliberal policies directly? In El Salvador direct challengers have had to confront repressive tactics throughout this century.

NGOs do not get to make the rules of the game in which they find themselves. In order to continue to accompany the people they work with, they must find “niches in the interstices of power.”

Petras’s argument fails to take into account the complicated fields that NGOs have to negotiate. Maintaining close communication with beneficiaries and local communities as well as fund-raising, dealing with the legal requirements of an often hostile federal government, balancing donor priorities with field realities, facing continued political harassment—all this creates an uneven playing field for NGOs. Evaluation of NGO programs has to take this reality into account. Therefore, evaluation has to embrace different levels of potential empowerment engendered by NGOs. This means examining the impact both on loan clients and on the NGOs themselves and the municipalities in which they work. For microenterprise-lending NGOs, income from interest generates increased autonomy from international donors, which in turn can allow NGOs to listen more attentively to the needs of local communities instead of to frequently changing donor priorities. At the municipal level, increased access to resources for town councils can facilitate increased citizen participation and strengthen local democratic processes.

MICROENTERPRISE LENDING IN APOPA AND NEJAPA

Development at the municipal level in El Salvador has attracted increased attention on the part of international donors and scholars tracking the effects of reconstruction on civil society (see Foley, 1996; McIlwaine, 1998; Sollis, 1993; 1996). As the state attempts to cut costly programs by delegating implementation to the local level and municipalities lobby for an increased percentage of the federal budget, municipalities are beginning to face the double-edged sword of increased responsibilities and enhanced autonomy. With this new funding, mayors and municipal councils are elaborating municipal agendas across the country.

Apopa and Nejapa both have FMLN mayors as a result of 1997 municipal elections, but they differ from each other in many respects. Apopa, a sprawling web of housing tracts for working-class people, lies a half-hour bus ride from San Salvador on the main highway, El Troncal, which extends up to one of the border crossings with Honduras in the north. Nejapa is a small town tucked behind the volcano of San Salvador between the much more densely populated municipalities of Apopa and Quetzaltepeque. Both FUSAI and PROCOMES have had programs in both Apopa and Nejapa for the past four years, with their central offices in San Salvador. However, FUSAI’s program is based in Apopa and PROCOMES has a much stronger program in Nejapa.

FUSAI IN APOPA

Apopa is a rapidly urbanizing satellite city. With a population of 380,000 inhabitants, it is known as a “dormitory city,” housing workers who travel to work in the capital on a daily basis. The municipal government is led by Osmín Estrada and his municipal council. Osmín ran for office on a five-point platform promising to address the economy, social problems, public security, environmental deterioration, and inadequacies in the provisioning of basic services. The municipal government under his leadership has unsuccessfully attempted to reduce street crime through superficial improvements to the bustling market in the center of town. Municipal plans for economic growth focus on the creation of more private-sector jobs. The mayor wants to increase the number of industries and factories in Apopa, hoping to compete with other municipalities such as Soyapango, which have free-trade zones. In an interview, he explained his vision: “There are already some factories and big businesses from San Salvador . . . we are talking with them, offering them advantages to bring their plants to Apopa. It is a blessing that they would want to bring their offices here.” Though the creation of private-sector jobs may appear to provide more security than the informal sector, few assembly plant jobs actually provide a living wage. For women vendors whose family and household responsibilities require flexible schedules, Osmín’s plans offer more opportunities for male than for female workers. In addition, Osmín has not reached out to the numerous NGOs and credit associations who work with microentrepreneurs in the Apopa informal sector.

I would argue that Osmín is attempting to take advantage of the state’s neoliberal economic plan, but he will never be accorded equal stakeholder status in an economic plan oriented toward enriching the Salvadoran elite and making foreign debt payments. Osmín is not taking full advantage of the resources of his own municipality. As I show below, he has not reached out to the NGO sector, nor do the loan clients I tracked in Apopa feel that he takes their needs into account. Though the mayor holds occasional open meetings to talk with voters, he has not encouraged consensus building around municipal goals. This lack of strategy means that there is little coordination of efforts among the different NGOs and the municipality.

Having established an office near the marketplace of Apopa, FUSAI has been successful in developing a strong client base for its credit programs. It has had a promoter in Apopa since the early 1990s and has chosen to concentrate its communal banking efforts in offices here and in one other town. Though FUSAI provides training and more comprehensive programming in other parts of the country, it limits its activities here to the provision of credit at lower interest rates than the local loan sharks.⁷ Bank interest rates are still

lower, but the high cost of legal contracts offsets the lower interest rates. Furthermore, banks require that clients be able to fill out forms and sign their names; many informal-sector vendors are illiterate.

Most clients I spoke to indicated sincere appreciation of FUSAI's services and professional approach. FUSAI director Luis Castillo acknowledges the limitations of a minimalist model: "We do not want the loans to cost too much even though we see the need of the people [for training]. Really all we are doing . . . is helping people survive. . . . We are not helping them get out of poverty. We are just helping them not to get poorer." Microentrepreneurs need access to capital, and they can obtain it through a FUSAI communal bank.

The real beneficiary here of the microenterprise-lending program, however, is FUSAI. The program has become the backbone of financial sustainability for the institution. According to Samuel Ayala, the manager of the credit program, FUSAI has been able to cover 100 percent of the expenses of the credit program as well as provide 40 percent of the budget of the rest of the foundation's development activities as of December 1996.⁸ By meeting the credit needs of microentrepreneurs, FUSAI has found an important source of income, thus reducing its reliance on international assistance and increasing its ability to chart its own course. Some degree of financial sustainability is key for NGOs. Cognizant of the challenges NGOs face in postwar El Salvador, Foley (1996: 70) writes, "As civil organizations adjust to the new situation, they face important questions about their autonomy from political forces, their ability to advance the interests of their constituents, or clients, under ever-tightening economic circumstances, and the possibilities for reconciliation in a thoroughly divided polity."

Some scholars equate microenterprise-lending programs with attempts to inculcate an individualistic paradigm in poor and disenfranchised sectors. Petras (1997: 15) writes, "To speak of micro-enterprises . . . as the solution is based on the notion that the problem is one of individual initiative." Sollis (1996: 532) echoes this view: "The overall objective, however, is the same—the creation of enterprise culture NGOs to contest the associational space of those NGOs advocating empowerment." These views do not address the concrete economic and social factors facing Salvadorans. El Salvador is one big marketplace, and enterprise culture pervades the country. It is myopic to pretend that NGOs are going to challenge this. Furthermore, these arguments do not take into account the complicated fields in which NGOs operate. FUSAI has been able to implement programs key to facilitating integral development in other parts of the country. As noted by both Sollis (1996) and McIlwaine (1998), FUSAI has made significant contributions to opening space for the

growth of civil society (see also Cosgrove, 1998; 1999). While in the field, I observed other FUSAI programs in which resources were channeled to locally managed integral-development efforts.

FUSAI obviously gains much from its microcredit program. What about the actual loan clients? Of Apopa's two communal banks, the most successful loan clients were Mercedes and her husband, Gonzalo. Their story facilitates reflection on how much a \$150 loan can do to transform people's lives.

Mercedes and Gonzalo sell vegetables outside the Apopa market building in the center of town. They applied for separate loans, to maximize the amount, but they jointly own and manage the stall in which they offer such staples as fresh corn, cabbage, and carrots. Throughout the day, they help each other out by changing higher-denomination bills for each other and spelling each other for breaks. Gonzalo opens the stall early while Mercedes gets their three children off to school. When she arrives around 8 A.M., Mercedes takes over selling at the booth while Gonzalo takes a basket of *picadito* (sliced vegetables for soup) into the market building to sell. Mercedes heads home first in the late afternoon to prepare supper while Gonzalo closes down. When Mercedes is not feeling well, Gonzalo makes her go home to rest. When Gonzalo cut his finger making *picadito*, Mercedes went to look for a Band-Aid. According to Mercedes, they share domestic responsibilities. She cooks; he gets water out of the well and carries it into the house. She washes; he irons.

In the first three-month loan rotation, Gonzalo and Mercedes used their loans to pay off what they owed the loan sharks. They planned to reapply for a second loan rotation, and they assured me that this time they would invest their loan in diversifying by selling dried fish in addition to vegetables. During the course of their loan, Mercedes and Gonzalo made all of their weekly loan repayments on time. They broke out of the usurious relationship with the loan shark. However, they still have no running water in their house and no access to adequate health care, and they live in a very dangerous neighborhood in terms of gang activity. When they heard that I was going to interview the mayor, they felt that my international connections might cause him to prioritize their community for infrastructure development; they made sure that I had written down the full name of their community. The mayor told me that he had limited funds for infrastructure development. He wanted to make Apopa an attractive place for the private sector to find an inexpensive workforce. He wanted formal-sector jobs for Gonzalo and Mercedes.

Mercedes and Gonzalo used their loans to meet pressing economic needs. Were they empowered by their loans? Empowerment would translate into options to solve the problems they and their community faced. They were not empowered by their loans, but their survival chances were increased, at least

for the short term. More comprehensive programming might have catalyzed more profound processes of change or facilitated their involvement in issues around community development. It is FUSAI that has been empowered by providing loans to these two marketers, because FUSAI no longer depends on the whims of outside donors and can determine its own priorities. This is empowerment: having the ability to make choices and determine one's own path.

PROCOMES IN NEJAPA

In contrast to Apopa, with its concentrated urban profile, Nejapa is a small town of adobe-walled houses surrounded by fields. A small municipality (35,000 inhabitants) with extensive land under agricultural cultivation, it has a main street that leads past the *plaza central*: a green space, the mayor's offices, the Catholic Church, and the market. Lying 35 kilometers to the north of San Salvador, Nejapa rests near a small deforested mountain that rises from the plain between Apopa and the volcano of San Salvador.

In Nejapa, twice-elected FMLN mayor René Canjura, a native of Nejapa, has worked hard to build a base of support centered on the market. Wary of the motives of the Salvadoran private sector, René has concentrated his economic development planning on local production—agriculture, animal husbandry, and petty commodity production and the buying and selling of their products by local people. Construction of a new market building is under way.

Nejapa is an excellent site for observing the local government's counter-hegemonic struggle against the federal government as it attempts to build consensus among local residents. As the vice president of the association of Salvadoran mayors, René organized his colleagues to lobby the federal government for an increase in the percentage of the national budget allocated to municipalities. Formerly 2 percent, it has risen to 6 percent through the lobbying effort. René works closely with a municipal council with members (half of them women) from the different sectors of Nejapa and a development council in which all the different communities that make up Nejapa are represented.

Under René's leadership, the municipal government of Nejapa has taken advantage of many opportunities: making use of increased federal allocations, fostering local participation and consensus building, incorporating NGO programs into the implementation of a municipal strategic plan, and reaching out to international donors to help fund larger infrastructure projects like the market. René has mobilized numerous resources, the investment of which lies under local control. He also plays a leadership role in his political

party, the FMLN. Other FMLN mayors treat Nejapa as a successful pilot project and come to visit René to learn about best practices.

PROCOMES is one of the NGOs most involved in Nejapa's municipal development. Its presence in Nejapa began soon after the peace accords were signed in 1992 and has intensified as the mayor and the two councils have demonstrated their commitment to participative community economic development in the municipality. Its three-pronged approach of popular education, community organizing, and economic development has fit well with René's development plans for the municipality. PROCOMES has invested time and resources in Nejapa in part because it feels that its efforts promote a synergy with the development planning and project implementation of the municipal council. Much of its work has been to strengthen local development capacity in terms of planning, implementation, and resource mobilization. The mayor has been very supportive of PROCOMES's credit work in and around the market because he wants increased business, sales, and resources in the town.

PROCOMES has a central office in San Salvador. With a staff of between 25 and 30, it carries out integral development in four regions of the country. It was founded during the civil war to attend to the urban refugees created by the violence of the war. Many members of its staff and management identified with the goals of the FMLN, and to this day many of its projects are carried out in communities sympathetic to the FMLN. PROCOMES has recently been the target of what appears to be political violence. Along with those of five other NGOs, its offices were burglarized in March and April 1999. During Holy Week of 1999, four well-trained armed men surprised the night guard as he opened the gate to put away a PROCOMES vehicle. The four armed men beat the guard unconscious and proceeded to load the computers, the main server, back-up disks, and all the information they could lay their hands on into their vehicle. Virginia Magaña, who oversees PROCOMES's work in Nejapa, said, "It had to be political. Why else would they take our back-up disks?" For many years, especially during the civil war, NGOs like PROCOMES have faced harassment. Now, with two used computers donated by other NGOs, PROCOMES continues to provide services.

PROCOMES's work has been key to providing mayors like René Canjura with the training and resources they need to build stronger and more democratic local institutions. Furthermore, PROCOMES has helped René make important contacts for fund-raising. In 1996, PROCOMES implemented a more comprehensive model of microenterprise lending in addition to the support they provide to mayors and municipal councils. The PROCOMES credit model differs from the FUSAI model in that it is more responsive, involving training and extensive follow-up (see Cosgrove and Gregorio, 1995; Cosgrove, 1998; 1999).

María Eugenia is a strong and committed community leader. She breeds female pigs and raises the offspring to sell for others to breed or for meat. She used her PROCOTES loan to buy corn seed that she planted above Nejapa so that she could have less expensive feed for the pigs. The first morning I stopped by to visit María Eugenia she was performing household chores and taking care of her pigs. Having participated in the PROCOTES credit training, she commented on how she was carrying out “productive and reproductive work at the same time.” María Eugenia, her husband, and three of her five children live out a dirt road from Nejapa in a rural hamlet. Her eldest son and daughter have their own families and live nearby. The back of María Eugenia’s house opens onto the sugar fields of a big hacienda to which the house belongs. She took me over to two towering avocado trees on the edge of the sugar fields and told me how her mother-in-law had challenged the hacienda owner and kept the trees from being cut down. It is obvious that she places great value in protecting local natural resources.

In a country in which over 90 percent of the original forest has been cut down, María Eugenia is a sign of hope for Nejapa. Nejapa needs people like her to show others the importance of protecting the few trees it still has standing. She is very active as a community leader. Not only is she the president of her community board, but she also hosts training sessions on preventive medicine and improved nutrition. During the period of her loan rotation, she attended all the training sessions that PROCOTES offered and encouraged Cristena, her eldest daughter, to apply for a loan and join the communal bank. Cristena ended up joining the bank and buying a goat in the next loan rotation.

When asked about the impact of the credit, she joked, “Well, go take a look; my pigs didn’t die.” On a more serious note, she added, “I don’t have to ask the Lord for so many things—in fact, I bought myself a new pair of shoes.” The training sessions were helpful; she indicated that she had learned things she hadn’t known before about her business and about what it meant to be a woman. But she wants more interaction with the mayor and the municipal council. She was not able to get increased support for her community organizing efforts in her hamlet. The mayor is very busy, travels extensively outside of the municipality, and has not devoted the time to María Eugenia that she feels she deserves. Though her training has encouraged her to begin to analyze her situation in gender terms, she has not been empowered to address her husband’s drinking problem.

PROCOTES’s work helped María Eugenia feed her pigs, thus increasing her ability to take care of her family, but it did not empower her. Local economic and political bases, in particular the mayor and the town councils, were, however, strengthened by PROCOTES.

CONCLUSIONS

Though much research on NGOs moves between the two poles of “NGOs as the answer to all problems with development” (see Edwards and Hulme, 1996, for an excellent review of this literature) to “NGOs as sell-outs to neo-liberal political agendas” (Petras, 1997), I suggest a more complex analysis of NGO activity and a broader definition of empowered beneficiaries. Empowerment can be facilitated on a number of levels; my research shows that other players may have been more empowered by NGO programs than the intended clients. In the case of FUSAI, income earned from interest charged on loans to clients guarantees financial stability for the institution and allows it to determine its own priorities. For PROCOMES, its comprehensive microcredit program in the municipality of Nejapa has contributed greatly to the effectiveness of the FMLN mayor. Sometimes the clients of a program may not be the only beneficiaries.

Instead of criticizing NGOs for maximizing the empowerment potential of their programs, I have attempted to provide another way of analyzing the relationship between NGOs and their clients. Examining microenterprise-lending NGOs and the entrepreneurs they serve, I have shown that often a small loan (even with additional services over a three-month period) does not produce empowerment. NGOs are institutions with organizational cultures, ideological commitments, and competing or sometimes contradictory priorities situated in complex local, national, and international events. They operate in complicated fields of action in which they are not the only actors. They must balance multiple agendas as they attempt to secure their own survival while attempting to promote increased survival chances for their clients.

NGOs gain increased financial autonomy as in the case of FUSAI. Active clients in addition to integral programming can promote participative municipal development as in the case of PROCOMES in Nejapa. Both NGOs do excellent work and have produced empowerment on levels other than that of their clients. An empowered municipality may mean more for its local residents than empowered individuals. This framework encourages us to confront the complexity of the fields in which NGOs act while opening up new sites for empowerment.

NOTES

1. “NGO” stands for nongovernmental organization; in this article, I use the term to refer to Salvadoran nongovernmental organizations. When I speak of donor NGOs in the north, I refer to

them as international NGOs. In El Salvador, the development community differentiates between NGOs and grassroots organizations (*grupos de base*), and I respect this usage in this article.

2. Both of the NGOs I have studied refer to the microentrepreneurs they serve as “clients,” and I have chosen to respect this usage. Many other terms are used in the field of development to refer to the people targeted for development projects, among them *beneficiario/a* (beneficiary), *socio/a* or *contraparte* (partner) and *destinatario/a*. I find the term “beneficiary” somewhat paternalistic, and in El Salvador *socio* or *contraparte* is used to refer to the relationship between an international donor and a local NGO, not to the people targeted by the project. I prefer the term “client” when discussing microenterprise lending because it emphasizes the accountability of NGOs to the people they serve with loans.

3. Many microcredit proponents attempt to convince audiences of the merits of a particular approach, for example, credit-only versus credit-plus. Arguments boil down to which model best serves marketers while making the most efficient use of donor resources. Credit-only proponents advocate scale (number of clients served) and financial sustainability of loan portfolios for the lending institutions while meeting client loan needs (Otero and Rhyne, 1994; but see Rogaly, 1996, and Stephen, 1997: 10, for a strong critique). These proponents claim that the increased income generated by the loans significantly improves clients’ (especially women clients’) businesses and lives (Blumberg, 1995a; 1995b; INSTRAW, 1995). Credit-plus proponents maintain that small loans alone will not help clients solve the myriad of social and economic issues facing them—that loan clients need business training, consciousness raising, and extensive follow-up (Cosgrove and Gregorio, 1995; Johnson and Rogaly, 1997).

4. Rae Lesser Blumberg argues that “women’s control of economic resources, especially income, is the most important predictor of the degree of gender equality. . . . Women’s control of income engenders not only their own empowerment but also the creation of wealth and well-being at levels ranging from the micro (family) to the macro (nation)” (1995b: 1).

5. According to Quinteros et al. (1998), 83 percent of maquiladora workers are women.

6. Bourdieu likens the social field to a game with a consensual and preestablished set of rules. “In a game, the field . . . is clearly seen for what it is, an arbitrary social construct” (1990: 67). A social field is a game board in which players compete according to the rules. An obvious difference between a board game and reality is that in social action not all players are equal or have equal access to information about the game and its rules. Certain players get head starts and advantages. Bourdieu’s framework is limiting because it explains only accommodation and not resistance. It helps us to understand how people, especially the disenfranchised, accommodate and even perform certain behaviors that stifle their own potential. However, I continually observed marketwomen actively negotiating, contesting, and, at times, accommodating the forces that were attempting to direct them. Accommodation was one response, but often it was a conscious choice rather than an internalized, unquestioned rule.

7. Until the rise of microenterprise lending in the early 1990s, Salvadoran marketers could only turn to local loan sharks for their credit needs. Now, loan sharks have had to lower their exorbitant interest rates as they compete with NGOs such as FUSAI for clients. Loan sharks in the Apopa market provide loans in any amount that the client wishes. Loan repayment periods are extremely short. For instance, a marketer will have three weeks to return a loan to a loan shark whereas the same loan amount would be repaid to FUSAI over a three-month period. The culture of the loan shark is a topic that deserves further study.

8. FUSAI has the advantage of having received significant donations and low-interest loans for loan capital, and it has managed its funds very efficiently.

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