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*Self-directed Employment and Economic Independence in Low-income Countries*  

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**Enrique** lives in a rural area of the Philippines. His parents have little money, with family income coming from coconuts they collect from palm trees and sell on the roadside. Early in life Enrique contracted a severe infection in his ears. There was little medical help available that his parents could afford, and so he became deaf. His parents saw this as a sign from God. Although Enrique was in perfect physical shape, he did little around their small house because his parents saw it as their duty to look after him. Enrique grew up with little education and few work skills. But as his parents grew older, there was the question of how he would survive on his own.

**Sawat** contracted polio when he was five years old. His family lives in a small village in Thailand not far from Bangkok. His parents made their living from fishing but given Sawat’s difficulty with walking, this was not a likely livelihood for him. Sawat was a proud young man and wanted to have his own source of income, but his parents had little money, so his prospects of getting either the education or money to set up his own little business seemed remote.

**Nora** grew up in a part of Kingston, Jamaica where it is hard to make a living. Her mother made a marginal income selling small items at the local market. Nora was born with some physical abnormalities and had learning difficulties in school. But she had determination to make it in the world. Where and how could she get help?

Nora, Sawat and Enrique are only three of more than five hundred million people in the world with disabilities. While their names and circumstances have been changed to protect their identities, they represent something of a new approach to becoming successful in generating income in regions of the world with high levels of unemployment and limited opportunity. All were born and raised in circumstances that made it very difficult to imagine being able to become financially independent. By themselves it is unlikely they would have been able to do so. Yet, with appropriate support and assistance, they managed. This chapter is about the kinds of initiatives that were created which not only helped them generate income, but did so by helping them direct their own work, rather than working for someone else.
Poverty and Disability

Poverty and disability are two words which go together. In both low and high-income countries disabled people do not participate in the cash economies of their societies to the same extent as do non-disabled people.

A study of available data shows that, in high-income countries, disabled people are employed at a rate roughly one-half of that of non-disabled people, and at least twice as many disabled as compared with non-disabled people are not in the labour force (Neufeldt and Mathieson, in press). Even when employed, substantially more disabled people, than non-disabled people, are under-employed relative to their levels of training. All of this is evidence of subtle forms of discrimination.

Little data is available from low-income countries; but it is known that the problem is even more acute for disabled people since there are no social safety nets to speak of other than one’s family. So if a family can’t look after its disabled member, there are few options other than starvation. If one adds the fact that in most countries people with disabilities are often treated as if they are incapable of doing meaningful work, then it is not surprising to find they are amongst the poorest of the poor.

For disabled people to participate more equitably in the cash economies of society, steps will have to be taken that are different from those in the past. To get some ideas as to reasonable approaches, a research project was undertaken beginning in 1991. Its purpose was to examine ‘income generation strategies’. More specifically, we wanted to find out what kinds of models and strategies might be used to overcome the many barriers to economic self-sufficiency by people with disabilities. With the support of Disabled Peoples’ International and the International Labour Organization, an international study was carried out by seventeen contributors who gathered information from 41 countries of which 34 were low-income and 7 were high-income nations. This chapter focuses mainly on results from the low-income countries.

Self-Directed Employment

The term ‘income generation’ often is used in low-income countries to describe small scale (micro-) enterprises, often operating in what is called the ‘informal’ sector. We were interested in studying projects that helped people with disabilities run their own enterprises either within the ‘informal’ or ‘formal’ economy. Another problem is that, in high-income countries, income generation can refer to a wide variety of ways in which money is earned, including salaried employment.
A term that better captures what we were looking for is \textit{self-directed employment}. By self-directed employment I mean work:

\begin{quote}
where people with disabilities to a significant degree, have a prime decision-making role in the kind of work that is done, how time is allocated, what kinds of investment in time and money should be made, and how to allocate revenue generated.
\end{quote}

As a concept, self-directed employment is broader than words like \textquote{self-employment}. Self-employment in most places refers to a situation where a person owns and operates their own business, professional service, farm or similar enterprise. We wanted to include self-employment in our study, but also other options such as groups of disabled people operating their own business, worker cooperatives, as well as organizations of disabled persons forming business subsidiaries, thereby creating work for their members.

\textbf{The Research Study}

The general approach used in the study has been described previously by Neufeldt and Albright (1993). Briefly, what we did was to contract with researchers in different regions of the world to undertake a survey of the extent to which systematic efforts were being made to help people with disabilities achieve self-directed employment. We were not interested in examples where individual disabled people managed to achieve success in their own businesses by virtue only of their motivation, skill and opportunity. Harper and Momm (1989) had already described a number of such examples. In contrast, we were interested in determining the extent to which there were systematic efforts to help people with disabilities and the kinds of strategies that seemed to work.

Each researcher was asked to identify five to seven cases for study in the countries they visited. Interestingly this seemed reasonably easy to do in the low-income countries but very difficult in high-income countries. In short, it became evident that there has been much more experience in promoting self-directed employment in low-income, rather than high-income countries.

\textbf{Project Characteristics}

Information was collected by researchers on over 100 initiatives. After screening out those not meeting our criteria, we had a total of 81 projects from low and middle-income countries. Their characteristics are described in some detail elsewhere (Neufeldt and Albright, 1993).

Briefly, 18 of the initiatives were from South Asia, 10 from South East Asia, 12 from South America, 15 from Central America, 11 from
the Caribbean, 3 from East Africa and 12 from Southern Africa. Organizations taking the lead in developing these self-directed employment initiatives included organizations for disabled persons (such as vocational rehabilitation organizations), organizations of disabled persons (self-advocacy organizations comprised of disabled people), non-governmental organizations with an interest in promoting employment opportunities for disadvantaged persons (including those with disabilities), and government run agencies.

Most of the initiatives (59%) were quite small, assisting 25 or fewer people with disabilities. Ten (14%) involved 100 or more beneficiaries, with the largest involving several hundred. The remaining projects were somewhere in the middle. About 37% focused on helping all disadvantaged or all kinds of disabled people, and 59% focused on people with physical or visual impairments. Very little attention was paid to incorporating people with hearing impairments, mental handicaps or psychiatric impairments (4%). An interesting note is that we did find several self-directed employment initiatives directed towards people with either mental handicaps or psychiatric impairments in high-income countries.

The kinds of work done varied immensely though a sizeable proportion continued with what might be viewed as fairly traditional kinds of handicraft work. Overall, 17% were involved with agricultural enterprises, 28% with artisan productions, 64% with manufacturing (usually small scale), 48% had a service enterprise and 27% had trade related enterprises. Many of the initiatives were involved in more than one kind of enterprise.

Four Cornerstones
We have carried out a detailed analysis of the various initiatives, the results of which will be coming out shortly in a book on self-directed employment. The analysis suggests there are four cornerstones that seem important to success. These are: the way in which a person thinks about her or himself; the relevant knowledge the person has; the kinds and availability of resources available; and, the extent to which the social and policy environments are enabling.

Cornerstone 1. A Self-directed Identity
Thinking about oneself as 'self-directed' is an important prerequisite to pursuing your own employment. To run a business successfully, no matter how small, requires self-confidence, energy, a willingness to take risks, skill and an intimate knowledge of the local economy (cf.ACCION International/the Calmeadow Foundation, 1988).

The first three (self-confidence, energy and willingness to take risks) are inherently related to how one sees one’s self. If a person
has little self-confidence, it is unlikely that he or she will be capable of organizing a successful enterprise. The person with little self-confidence also is not likely to have the kind of energy level needed to overcome the barriers likely to be encountered in setting up a business, nor to take the risks involved.

Awareness raising or conscientisation strategies seem the most appropriate way to address this kind of issue. People need to learn what the possibilities are for the betterment of their lives, how to make their own decisions, and how to live with the effects of such decisions. These are important first steps to having the confidence that one might be able to make a go of it in business.

A number of projects we studied identified the need to challenge the existing ways in which disabled people thought about themselves so they could muster the motivation to pursue long-term objectives rather than relying on habits designed simply to help one survive from day to day. Using social animators, and encouraging development of self-advocacy organizations seemed amongst the most effective ways of promoting improved awareness.

Cornerstone 2. Getting the Right ‘Know-how’
The word ‘know-how’ refers to some combination of knowledge and skill. Three kinds of ‘know-how’ are important to success: namely, literacy and numeracy, the technical skills related to the kinds of work one wishes to do, and the skills required for business practice.

Literacy and Numeracy: At the most fundamental level, it is critical to have basic skills in literacy and numeracy. Fluitman (1989), along with other writers, has made the observation that the lack of literacy and numeracy skills may be the single most restrictive barrier for people to climb out of a bare existence in low-income countries.

Limited skill with reading, writing or arithmetic, prevents people from taking advantage of formal training opportunities and seriously restricts the kind of possible employment that might be pursued. The same problem exists in high-income countries where the demand for abilities to read and to work with numbers is even greater. Normally training in literacy and numeracy is the responsibility of schools or adult education programs. None of the projects we examined spent any significant amount of energy on training in this area, though training in other areas was a very important part of development as will be seen below.

Technical Skills: The majority of initiatives we studied (75%) provided one, or more micro-level training approaches for individuals or groups. Most of these were geared towards improving the
technical skill level of project beneficiaries. Such training was aimed at helping the beneficiaries do their jobs in the right way, with the right equipment. Even the simplest of tasks have technical components and with increasing dependence on technology to enhance production or services, the need for technical skill training is bound to increase. But the kinds of training required is bound to be as diverse as the kinds of products or services that are to be provided. To be effective, then, training needs to be directed at ‘market oriented’ skills; that is, skills for the kinds of work which have a market.

**Business Skills:** Not only do people with disabilities often lack technical skills, the vast majority also have no prior business experience. Given that reality, and the fact that all of the initiatives we examined had as part of their aim to help people with disabilities succeed in business (rather than in wage employment), it was disappointing to note that less than one-quarter of the projects examined provided training which could be said to improve business management skills. These include business planning, market planning, financial management, personnel management among others. When it was provided, virtually all respondents considered such training essential and most felt there should be even greater emphasis on these skills. An additional 25% of respondents from other projects mentioned that a lack of business skills training was a definite constraint.

**Training for Success:** When we compared high success initiatives with those low in success, we found that both provided considerable attention to training (85% and 75%, respectively). But there was a significant difference in how the training was focused. Of those initiatives which provided training, all the 'low success' programs provided training only in technical skill areas. By contrast in the 'high success' programs, 41% provided training only in technical skills, 9% only in business skills, but 50% provided training in both technical and business skills. The combination of both technical and business skills was much more appreciated in high-success, than in low-success projects.

**Cornerstone 3. Resourcing Entrepreneurial Initiatives**
Setting up a business enterprise takes much more than just an idea (awareness) and the right ‘know-how’. It requires a variety of resources. Specifically, one is likely to need business advice and consultation from knowledgeable people, capitalization in the form of money or equipment, and help with marketing. In most cases, people
setting up a business invest much more time and money in their business during the first few years than they can take out. This means the business is at risk of failing unless help with business advice, a loan or marketing assistance is available.

**Business Advisory Services:** Nearly half (48%) of the projects we examined made business advisory services available to new enterprises. These included advice on administrative problems, financial management, access to funding, marketing strategies, conducting feasibility studies, on-site technical assistance and solving production problems, such as product upgrading and quality control.

When we examined high success initiatives, a higher than average proportion (65%) provided such consultancy services. But 63% of low-success projects also made consultancy services available. What these data indicate is that making advice available by itself is not sufficient for success. In some cases business advisory services were promoted as a substitution for focused skill training, rather than as a complement. In other cases, it seemed that advisors did not have expertise on topics they ostensibly were giving advice on; such as the successful project developer or animator who allows himself to be drawn into the role of business advisor.

**Loans and Other Forms of Capitalization:** Capitalizing a new business is one of the biggest constraints to small businesses. In response to what seems to be a wide-spread conclusion, 89% of all projects we reviewed provided access to funding in the form of loans or grants. This was the single most popular strategy. Twenty-seven percent also provided equipment or other forms of capitalization (of those providing equipment most, though not all, also provided access to funding). A higher proportion of high success compared to low success initiatives (96% vs 75%) made loans available. This both illustrates the central importance that funding has in setting up new enterprises and the fact that funding by itself is not likely to be sufficient. Making equipment available did not seem very significant except in one or two instances.

There were many different approaches to providing loans. Generally it may be said that loans worked least well when they were made available through charitable organizations. Such agencies, particularly if they are church or social service related, are not very good at business. Because their job is to help the poor and weak in their personal lives, and cope with every day problems, workers in such agencies seem to have a difficult time insisting that loans should be repaid. Hence what starts out as loans often turn into grants. But grants don’t teach the receivers to be accountable; rather they seem to teach receivers how to be even more dependent.
In contrast, loans work better if the non-governmental organization is expressly set up to support new business development.

A problem in both low and high-income countries is that normal lending sources such as banks, have been very reluctant to lend money to disabled people. In part, this is because disabled people are poor and have few assets which banks could use as collateral. But bankers also seem to have shared the widespread public view that people with disabilities are incapable of doing meaningful work. One project we examined was working expressly to reverse such a view. In Kenya, the International Labour Organization arranged with Barclay’s Bank to have a UNDP development fund guarantee loans made available for disabled people seeking to set up their own businesses (Metts, Oleson and Dodson-Echeverria 1993). While this project also had some problems, there was a much higher success rate of both starting up sustainable businesses and loan repayment.

One way of improving rates of loan repayment has been to make loans to ‘loan circles,’ rather than to individuals. Typically loan circles involve about five members. The rules of credit are that each member of the circle is responsible for every loan received by any member. No additional credit is given to any member unless everyone pays back their loans. This simple mechanism has led to dramatically improved loan repayment through peer pressure and cooperative effort. It also has had the positive effect of encouraging mutual consultation and support amongst members of the group to enhance their respective enterprises.

Marketing Assistance: Unless there is demand for the product or service being provided, business will suffer. Since new enterprises typically enter a field already occupied by established ones, an essential part of development is a good marketing plan which researches existing and future demand for one’s goods or services, without cut-throat competition from the established enterprises.

Examples of different approaches to marketing in the projects we examined were:

- to set up cooperative approaches to marketing;
- using incentive systems for workers or volunteers from the community to do one’s marketing;
- arranging sub-contracts or production contracts with larger firms, or entering into joint ventures;
- setting up one’s own marketing arm;
- arranging government ‘set asides’, such as where a government commissions disabled people to operate public telephone booths, to sell lottery tickets or to sell parking spaces for cars.
- creating niche markets for new and unique products or services
for which there is a growing demand.

All of these approaches worked. To make them work, though, required the right kind of advice along with persistence and an investment of energy.

**Cornerstone 4. An Enabling Environment**
A fourth key is to have an enabling environment. It seems doubtful that any of the initiatives we examined could have survived without one. Those low-income countries where self-directed employment took root, to varying degrees supported the idea of helping impoverished citizens generate income through micro-enterprises. There was support at the highest political level, at least to a degree; and there was some support in the local community where the people with disabilities lived.

The major difficulty facing disabled people is the narrow and paternalistic view often held about them. Such attitudes can be overcome only by attentive action. This is the lesson to emerge from high success projects and one would expect as much, given that turning a blind eye has not proven helpful over the centuries.

Two approaches to creating an enabling environment were notable. One was to use a *community development strategy*. The purpose was to engage the citizenry of local communities to be supportive of disabled people seeking to work - a community involvement strategy. Community based, vocational rehabilitation initiatives are one example. The objective was to have communities find ways of meaningfully involving all of their citizens in the life of the community. For adults with disabilities this meant, in part, finding a place to work.

The second approach took place at the state level. Governments were persuaded to develop policies sympathetic to the *rights of disabled people*. Organizations of disabled people, often affiliated with Disabled Peoples’ International, usually led the drive to create such policies. It was notable that those countries, where the greatest amount of success was achieved in setting up self-directed employment, had governments that had passed legislation or policies that were supportive of treating people with disabilities with the same rights as everyone else.

**Three Models of Note**
Cornerstones are good for a foundation but businesses still have to be built on them. People have to invest their creativity and energy to find ways of making the most of their situation wherever they live. In scanning the different kinds of approaches taken in different parts of the world, we found a number, amongst the more successful, which
might be considered ‘models’. They varied quite considerably in the kind of approach used, and in the kinds of businesses they either were in or promoted. Three such ‘models’ are described here to illustrate the possibilities.

1. The Community Development Model - The Philippines
Many people with disabilities have little reason to believe they can get a job, let alone run their own business. If family and neighbours think that a disability is a punishment because of some sin in a former life, or that the disabled person has to be cared for all of her or his life, then all disabled people learn is that they are not destined to work.

Such has been the situation in the Philippines. Along with paternalistic beliefs, poverty also is a persistent problem amongst a large portion of the population. The Philippines is a nation of more than seven thousand islands and a population of over 61 million people. Its gross national product in 1990 was US$730 per person, placing the country amongst the low-middle income group. Despite its large population, the entire country had very few vocational rehabilitation centres or other resources devoted to people with disabilities in the early 1980s. Activity and publicity around the United Nations Decade of Disabled Persons (1982 - 1992) prompted the government to tackle some of the problems faced by disabled people. In the mid-1980s a pilot project was undertaken which has been a model of note (Delfín, in press).

The Model: The International Labour Organization, together with the Philippines Government’s Department of Social Welfare Development and with technical support from the United Nations Development Program, experimented with a community based, vocational rehabilitation strategy. Its purpose was to see whether a community based approach could raise the awareness of both community and disabled people as to the possibility that full community participation was possible. The pilot project was started in four regions of the Philippines, including rural areas and parts of metropolitan Manila. This approach included the following elements:

- focusing on the community (the village or neighbourhood) with a public education message that disabled people could be part of the community;
- recruiting volunteers from people busy with their own livelihoods or domestic work. (Unemployed college students did not make good volunteers because they left as soon as job opportunities became available);
- training these volunteers to identify people with disabilities in their
neighbourhoods and assisting them to make contacts and form relationships. The aim being to assist the individual and family to identify needs and plan rehabilitation goals, to identify and mobilize community resources, and to keep local community members interested and involved;

- assigning each volunteer to a maximum of 400 households (approximately 2,600 people) to find people with disabilities and initiate the community based rehabilitation process. It was anticipated that each volunteer would identify 50 - 60 people with disabilities.

A sizable portion of volunteers carried through with their tasks. By 1989, 400 volunteers had been trained, who in turn reached 1,500 people with disabilities. Of these, 289 disabled people had been assisted by 56 volunteers to engage in some means of income generation; often participating with family or other local enterprises. These included people with disabilities of all types and the degree of impairment ranged from moderate to severe.

The methods devised during the pilot project have now been extended to nearly all regions of the Philippines.

**Strategies:** A number of key strategies were employed. These included: awareness raising/conscientising; assistance with career search; business advice and skill training. In addition, small loans were made available through the Department of Social Welfare Development when necessary to create new enterprises or expand existing ones.

**Comment:** This approach was creative in a number of ways. As an illustration, volunteers were given simple rules of thumb when providing advice for seeking income generation opportunities, such as: *look for the work under your nose.* Enrique, who we introduced at the beginning, was helped to join his family enterprise when his parents were persuaded that being deaf did not mean he couldn’t climb coconut palm trees, but it took community support for the parents to understand that they weren’t being bad parents when they allowed their son to work. Likewise, blind people have are successfully rearing pigs.

There also are some notable larger scale successes. For example, one
rural woman wanted to buy a sewing machine so she could sew clothing for sale, and thereby supplement the small income of her husband. Training and a small loan, enabled her to begin a sewing business. Clothing sales have been so successful she now employs a large number of others. Her story is one of five told in the video, *Business as Usual* (Neufeldt, Albright and Kozak, 1994).

2. Business Subsidiary Model - DEEDS Industries, Jamaica
Disabled peoples’ organizations usually have difficulty finding money to help pay for their costs of advocating for change with governments and the basic expenses of running a mutual support and public education organization. One idea that sometimes gets raised is that they should set up their own business, the profits of which would go to the advocacy organizations. A number of such initiatives have been set up; one of the oldest of which is DEEDS Industries in Kingston, Jamaica (see Baker, in press).

The Model: DEEDS (Diversified Economic Enterprises for Disabled Self-Help) Industries Ltd. is a subsidiary of the Combined Disabilities Association in Jamaica. The enterprise was established in 1983 and pursued three objectives: 1) to demonstrate the potential of people with disabilities to work alongside those without disabilities in an open employment situation; 2) to provide employment and income for people with disabilities, and 3) to provide a source of income for the parent organization.

The first two objectives have been achieved. DEEDS employs 65 workers, 60% of whom have a disability. In the past two years, the enterprise has generated income from its sale of wooden products to meet all expenses. DEEDS continues to receive some grant funding and technical assistance from an international NGO in an effort to build sufficient reserves to prepare for the withdrawal of future support. A decision has not yet been made regarding when and how the income generated will be used to support the parent organization.

DEEDS took over the premises and operations of a Salvation Army sheltered workshop. Additional equipment was purchased in order to expand and diversify production. Various wooden products are created such as clocks, wooden toys, boxes, bowls and hot mats. A new market for collapsible furniture has been identified and items are being designed for production.

Their marketing strategy is well defined. The high quality items produced by DEEDS can be found in exclusive shops which cater to tourists on the island. With help from the Jamaica Export Office, DEEDS also markets their products throughout the Caribbean and to North America. Private contracts are also accepted.
DEEDS workers reveal high levels of job satisfaction. They receive wages which are sufficient to help most of them purchase low income housing units from the government's National Housing Trust.

**Strategies:** The strategies used in both creating DEEDS and making it successful, include:

- accessing grant and loan funds to acquire the building, equipment and raw materials;
- training personnel in the operation of equipment, business management skills and market analysis;
- introducing sound business management procedures into the workplace, such as placing an emphasis on high quality of product;
- producing products at a fast enough pace;
- having a strong marketing plan.

**Applicability:** Similar models have been developed with some success in other countries. In Japan a computer programming company has been established and operated by persons with mobility impairments. In Zimbabwe, the National Council of Disabled Persons has established and operates a supermarket. In Canada a greenhouse operation, involving mentally handicapped and non-handicapped workers in a co-operative, was set up in the mid-1970s which is still operating. All provide goods or services for their local/regional markets and competitive wages to participants.

**Comment:** Mixing business with the normal activities of disabled peoples' organizations (primarily advocacy and mutual support) is not necessarily a good idea. In fact, DEEDS Industries almost had to close down within a few years of opening. The disabled people heading DEEDS were well educated and had been strong advocacy leaders, but they had little experience with business.

When the difficulties with the business side of things were noted, the advocacy organization wisely decided to make some changes. They hired leadership with experience in running a business and with marketing. From then on, the business has continued to grow. The first lesson of this model then, is that if disabled peoples' organizations contemplate setting up a business as a subsidiary, it is critical to the success of the business that it be set up and run as a business. Keeping some distance between the business operation and the operation of the advocacy organization, is likely to enhance the well-being of both.

A second comment is with respect to the original idea that profits would be used to help the parent organization. Up to present there have been few profits to share with the Combined Disability
Association (CDA). Any money made has had to be re-invested into the business. So, while the CDA has equity in a good business, its aspiration of having some of the CDA costs met has not been realized. On the other hand, a sizeable number of its members now have a reasonable income and so this has been an important gain. The second lesson then, is that - as in any business - one cannot expect profits to be available in the short term. Only in the long term is there likely to be a profit for the CDA.

3. Transitional Business Training Centre Model - Thailand

A common complaint of disabled people in many countries is that vocational rehabilitation training centres teach them few skills that are useful in the real business world. That has been the case in Thailand. The Department of Public Welfare’s Vocational Rehabilitation Training Centre in Papadaeng (about two hours drive south of Bangkok), provided a course on radio and television repair. A problem encountered by graduates was that they were not able to earn enough because of the lack of practical experience in an electronic servicing business. Instruction was largely classroom based and theoretical. As well, graduates had no equipment, money or resources at their disposal on graduation with which to begin a business.

In 1981 a Christian church (the Ratchburana Church) responded to the call for activities to benefit disabled people during the International Year of Disabled Persons. Members of the church set up an electronics repair shop as part of a Christian Organization for the Handicapped (COH). Its first purpose was to assist 7 graduates from the Papadaeng Vocational Training Centre. This shop subsequently was moved to Bangkok and is now operated by the COH. Up to the time of our research, the shop had assisted 22 disabled individuals in setting up their own electronic repair businesses.

The COH has a number of income generation programs for disabled persons such as shoe repairing (2 graduates) and sewing of clothes (4 trainees), as well as other non-income related programs, but the electronic repair shop is their biggest.

**The Model:** The electronic repair shop is located in a three story building and is easily accessible to customers in Bangkok. Its purpose is to provide a practical bridge from vocational training centre courses on radio and TV repair to the trainees starting their own businesses. Trainees gain practical experience under the supervision of experienced repairmen. Shop trainers are all alumni of this transitional program.

Specific objectives for trainees are: to learn how to manage an electronics repair workshop as a business; to gain additional technical
knowledge by studying part-time at technical schools (3 months); to
learn the discipline of working together to earn money; and to save
money so as to be able to start their own electronic repair workshop.
The ultimate goal of the project is to produce entrepreneurs who will
set up their own electronic repair shops. Trainees expect to work at
this transitional electronic repair shop from 12 to 18 months.

To help trainees begin, they are given free board, lodging and
utilities and use of shop equipment for the first three months.
Thereafter, trainees pay for their own food from earnings in the shop.
After six months, they also pay for their water and electricity. COH
continues to pay the rent of each trainee.

Each trainee also gets a monthly cash advance to be used for
purchasing parts for the electronic equipment being repaired. The
advance must be paid back, by the end of every month, out of the
trainee’s earnings to ensure that the same amount will be available for
purchase of electronic parts the next month.

Out of their monthly earnings trainees also contribute 10% for the
maintenance of the workshop building and 1% for a vocational
development fund used for additional training. The balance of the
monthly earnings is divided equally amongst the participants. Then
half of each trainee’s share is kept in a savings account by the project
manager until the end of the trainee’s time at the shop. The cost of
operating the shop, beyond what is earned, comes from a variety of
church organizations as well as international aid organizations and
other sources. Key features of this project include:

- an emphasis on improving and augmenting practical electronics
  repair skills;
- training and preparation in the management of the electronic repair
  workshop to equip them for eventually opening, owning and
  managing their own business, including training in customer
  service and customer relations;
- a focus on discipline in work and in managing and saving money
  for their future shop;
- advice and assistance for trainees to accumulate the basic
  equipment that they will need for their own workshop, using
  portions of their monthly earnings;
- encouragement to take additional courses at technical schools to
  upgrade and augment their knowledge during their spare time
  (usually evenings). Again these are funded by using portions of
  their earnings.

In the first ten years of its existence, COH helped establish 22
electronic repair shops all over Thailand, owned and managed by
disabled people who graduated from the transition program. Of these,
were still in operation at the time of the study, 10 very successfully and the other 5 struggling financially. Seven shops had failed for various reasons and were non-operational.

**Strategies:** The principle strategies used in helping trainees to set up self-owned electronic repair shops are: training in the technical skills of electronic repair as well as in business skills through the tutorship of alumni from the program; additional short-term training in technical schools; business skill training in accounting, marketing, sourcing of equipment and parts, and in customer service. On-going consultation is available.

The model also is unique for its way of enabling project participants build up enough money to be able eventually to start their own electronics repair workshops. At the same time as they are being taught financial independence, discipline and money management, they are also assisted to accumulate the equipment, hardware and capital they will need for eventually establishing their own workshops. This is done through the enforced saving of a portion of their monthly earnings. Finally, alumni of the project have been formed into a club which periodically engages in alumni meetings, religious rallies and social gatherings. This provides a mutual support network. Project staff also help alumni who have set up shops, with problems such as dealing with government tax collectors and other issues that arise.

**Applicability:** The idea of setting up a transition business training centre has considerable potential for many places in the world. It builds on models of training that are well understood in most cultures, namely the apprenticeship model. The emphasis on promoting self-reliance and financial independence throughout the course of the training is particularly important in situations where people have had little experience in either earning or managing money. Again, this feature is a useful one for many other places.

**Comment:** There are several limits to a model such as this. First, the training available at a business centre such as this, revolves around one specific kind of occupation. Its long term success will hinge on two factors.

First, the people who seek training there must have the interest and personal capability of being in the electronic repair business; not everyone has the necessary traits. When people are given only one choice for improving their financial future, it is very tempting to try that career even if they do not have the attributes necessary for success. One wonders whether some of the people who failed in the
electronic repair business did so because they were not well suited to this kind of work.

Attention also has to be paid to ensuring that the market does not get saturated by training too many people. Market saturation does not seem to be a problem in Thailand with respect to electronic repair as yet, but it could become one at some time in the future. Others contemplating setting up such a transition business training centre should undertake a sound business analysis in the first instance to be certain that the trainees will have a reasonable chance of success when they set up their own business.

Second, some people might be critical of the forced savings plan on the grounds that this infringes on the person’s choice as to how their money is used. However each trainee knows what the rules are on entering the program; the person is not in danger of starving since the cost of food and rent continue to be subsidized and the people coming to be trained have had little prior experience in either earning or managing money. Given these factors, and the benefit of having accumulated a capital fund, such an infringement of rights seems acceptable.

**Back to the Beginning**

At the very beginning of this chapter three people were introduced - Enrique, Sawat and Nora. By now you may have rightly surmised that each of the three became involved in one of the models described - Enrique in the Philippines community development program, Sawat in the transitional business training centre and Nora in DEEDS Industries. All are now earning their own livelihood.

The models described are only three out of approximately fifteen different ones we isolated out of the 81 projects examined. More details on the remainder will be published shortly. The three described above are markedly different one from another. Each has its unique characteristics. Each also has potential in quite different circumstances.

Just as not every person is cut out to be in the electronic repair business or in the coconut picking business, so too each model is not likely to be suitable for every locality. The best advice for anyone wishing to set up a project promoting self-directed employment, is to begin with ensuring that the four cornerstones are in place - at least to a degree. Once there is something to work with, then the next task is to invent the best way to build a model that is appropriate to the unique opportunities within the geographic area one lives. My hope is that the fifteen models we have identified grows to ten times that number by the year 2,000.
References


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