

“Self-employment programs: The limits and the benefits from the legal empowerment approach”

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Empowering disadvantaged people through income generation programs has implied in the last years a shift in the question of ‘what can we do for others’ to ‘what can people do for themselves’. Following this tendency, the government on Colombia initiated a program in 2004 to help internally displaced persons (IDPs) to start micro-businesses and be self-employed in order to provide for themselves and improve their living conditions. Before this program, the government tried regular employment policies, incentives for employers and public work but the coverage of these traditional strategies was very low, due to the high levels of unemployment and the lack experience and basic education of this special population.

Not only Colombia but also many developing countries face the problem of creating employment opportunities for poor people, who do not want to be passive receivers of aid but instead want to be drivers of their way out of poverty. In this scenario, the Colombia government created an income generation program for the IDPs based on training in how to become an entrepreneur and a cash transfer called ‘seed capital’ to finance the business start-up. This program was based on the idea that poor people’s abilities, their work and their desire to drive themselves out of poverty are the most important assets in any kind of poverty reduction strategy.

To research this program, I conducted thirty interviews with program participants as well as some of the program managers in order to understand their experiences and their needs. I wanted to uncover what are the obstacles and the strengths of income generation programs when trying to empower the poor, specifically to raise some of the conditions, situations and obstacles that IDPs find when they are trying to be successful and generate a decent income from their small businesses.

After analyzing my data, I selected four life stories in order to illustrate different aspects of empowerment that were present in the program. The first story demonstrates the importance that previous experience had to facilitate people’s choices during the business start-up (Marta’s story). The second story illustrates the role that financial support (in this case seed capital) played within the income generation program and highlights the importance to break disadvantaged people’s dependency on illegal micro-credits (Yolanda’s story). The third story brings us to one of the typical cases of new business among IDPs and consists of street sellers (Maria’s story) and shows the limitations of this kind of employment, very common in the developing world. Finally, the last story was an initiative that did not survive after the program ended (Teresa’s story) and shows how participants may not be ready for empowerment strategies.

I hope to illustrate with this life stories the process of empowerment and the practical aspects that must be taken in consideration when balancing policies and programmes based on the empowerment approach. In my opinion, the program was successful in empowering participants to become entrepreneurs by training and financial resources but it left behind the need of long term solutions including the provision of welfare and labour rights, which are a necessary complement in legal empowerment strategies.