

SUMMARY OF THE PROJECT IN DESIGN * (*)

SIINC training and working for inmates in Guatemala

PITCH ELIGIBILITY DATE		COUNTRY(IES)
07/21/2021		Guatemala
PARTNER(S)		
Serigrafía De La Gringa		
PRELIMINARY CLASSIFICATION ENVIRONMENTAL AND SOCIAL IMPACT		
C (**)		
TOTAL BUDGET	IDB Lab	LOCAL COUNTERPART AND COFINANCING
US 100,000	US 100,000	US 0
DESCRIPTION		

The problem: There is a lack of training offerings and work opportunities within Guatemalan prisons. Other than Serigrafía de la Gringa (SDLG) the proposed executing agency, there are no registered organizations offering certified vocational programs and work opportunities for people in prisons in Guatemala. While there are some individuals and institutions that sporadically offer e.g. candle or hammock making classes, these do neither provide officially recognized certificates nor long-term income opportunities, thus minimizing the positive impact such training and work can have.

Upon leaving prisons, former inmates struggle of entering the labor force. Depending on the length of reclusion, former inmates may find it difficult to adapt to a new working environment, as they may not / no longer be familiar with such dynamics. The prison stigma of “once a criminal, always a criminal”, further enhances reinsertion problems. The few existing (informal) trainings do not include any soft skills development (e.g. communication, application writing, problem solving etc.) as part of their training curriculum, thus not sufficiently preparing the inmates for the labor market outside of prison. Once released from prison, people often struggle with reinserting themselves in society, and even more so in the labor market.

Overcrowded prisons with no or little training and work opportunities fuel a vicious circle of criminality. In Guatemala, levels of criminality and recidivism are very high, and prisons are significantly overcrowded (on average prisons are at 280% capacity). Overpopulation is partly due to long pre-trial detention periods, which in turn is assumed to be fueling crime and gang activity. Crimes (e.g. extortion) are often committed from within prisons. The lack of or inconsistent income opportunities lead to an absence or little financial certainty and stability, making lucrative crimes a tempting option for inmates to sustain themselves and their families. If inmates cannot rely on a stable income, they are more likely to revert to commit criminal offences as a means of subsistence. Work opportunities keep them busy and away from crime.

The Solution Serigrafía de la Gringa (SDLG) provides a rehabilitation program that aims to break cycles of violence by engaging prisoners (both during and after their prison time) in legal and meaningful work, and as such, support their current and future wellbeing. SDLG offers a six-month vocational training (three months of theory and three months of practice) certified by the Ministry of Education in Guatemala. Prisoners are taught both hard (e.g. art of silk screen printing, graphic design, quality control) and soft skills (e.g. interview skills, CV writing, timeliness and discipline). Training is always delivered on-site, because access to internet and mobile devices is not allowed inside of the prisons. The student to teacher ratio is 1:25. The training is usually a one-time training, but the workers have the opportunity to improve their skills on the job. Upon graduating from the training, inmates are offered working opportunities with SDLG within the serigraphy sector. A real work environment is replicated, including trial periods, hierarchies, deadlines, compensations etc. Inmates tend to start in simple lower-paying positions (e.g. cutting threads) to then upgrade to more difficult and better paid jobs, such as serigraphy work. SDLG thus allows inmates to

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have a work and income opportunity, as well as to be(come) accustomed to real work environments, so as to smoothen the transition into the labor market outside of prison.

Providing current and former inmates with a job, breaks a longstanding stereotype that whoever is or has been convicted, is no longer suitable for the job market. Indeed, while the enterprise's focus is on providing training and work opportunities within the prison, SDLG also supports inmates who have worked with SDLG and are released, in finding work opportunities (e.g. within SDLG or their partners). SDLG aims to place all graduates once they are released from prison in formal jobs, as the company believes that one of the most effective ways of fighting recidivism is by providing sustained and dignified jobs to ex-convicts.

SDLG faces an important window of opportunity with the current government, showing great commitment to improving the conditions of people in prison[1]. SDLG is well placed to advocate for these types of rehabilitation programs and is in the process of obtaining congressional support to introduce changes in the law that regulates work in prisons, setting a pathway for other training and working programs and spurring public support and policy change.

Business Model. SDLG generates 100% of its revenues from the sale of the products produced within the prisons. Clients range from individuals, to NGOs, corporate and governmental entities. Most orders are placed via e-mail or phone, with the most common model being a 50% upfront payment (i.e. deposit), and the rest being paid once the client receives the order. The company operates in line with Guatemalan labor regulations and each employee is paid by the piece and in cash.

Innovation. The uniqueness of SDLG approach lies in its beneficiaries and its sustainability. SDLG is the only organization in Central America that provides training and stable income to incarcerated people, especially women, a marginalized group too often neglected by state-sponsored programs.

By advancing a model for violence prevention through economic empowerment, SDLG has demonstrated that positive change is possible even in the direst conditions. For the first time in their lives, women are choosing employment over crime and being able to reliably support their families financially while in prison. SDLG training program is the only one in Central America where incarcerated women receive vital skills, become certified by a Ministry of Education diploma, and become fully prepared for life after incarceration.

The Beneficiaries SDLG works with inmates in both prisons and jails. With the overcrowding situation in Guatemala both prisons and jails have mixed populations of men and women.

A majority of the incarcerated people working with SDLG (the beneficiaries) come from highly impoverished, violent and marginalized neighborhoods in Guatemala City categorized as red zones. Those who are not from Guatemala City are from impoverished villages within the countryside of Guatemala. The beneficiaries are 85% Ladino and 15% of Mayan descent; 60% are women and 40% are men, and the percentage of women is expected to increase as there are plans to expand operations to a women's prison in the future. Ages range from people in their 20s to their 40s.

Beneficiaries have at least a middle school education to begin work and are required to continue studying while working with SDLG. The middle school education requirement motivates the incarcerated people to work on their education to apply for the job and prepares them to be able to receive the vocational training course. Everyone who has participated in the vocational training and worked for SDLG while incarcerated have graduated high school.

The main selection criterion is the level of commitment and prisoners need to pass the "trial period". No discrimination is made based on the inmates' background, criminal offense or sentence type. While the company started its activities in a female prison (Santa Teresa), it then expanded to three neighboring male prisons (Pavoncito, COF, Pavon).

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The Partners Serigrafía de La Gringa (SDLG) is a woman-led impact enterprise that offers certified (from the Ministry of Education in Guatemala) training and working opportunities to inmates – both women and men – thus providing them with a means for subsistence and keeping them from reoffending. SDLG has a proven track record and is on its way to significantly scale its operations. In 2020, the company raised a US\$ 50,000 loan from G&T Continental Bank[1] and US\$13,000 from CHN Bank.

Lessons on sustainability and scalability. While SDLG has been providing income generation opportunities for people in prison since 2009, modest profitability levels and personal (financial) hardships made the founder focus on maintaining its operations rather than scaling. As a result of the pandemic and the high demand of sanitary masks SDLG – one of the few certified providers of such sanitary equipment – had to significantly increase its workforce and operations to meet the spike in demand, thus significantly increasing revenues (e.g., from March to April sales increased by to 400%) in 2020. More than one year into the pandemic, the enterprise is consistently and comprehensively strengthening operations to continue scaling, while still creating and strengthening impact. A SIINC support could help the enterprise in ensuring a steady new structure. SDLG's philosophy is to grow significantly, and have inmates grow with the company, thus always having impact KPIs at heart, not foregoing on profitability. SDLG is looking to expand to the rest of the country's prisons and jails. Currently, there are a total of 21 prisons in Guatemala.

The IDB Lab Contribution This project will be part of the LAC Impact Facility (RG-X1261) financed by the Swiss Agency for Development and Cooperation (SDC), that in 2019 decided to pilot SIINC in the vocational training sector. SDC together with all its partners -IDB Lab, Roots of Impact (technical advisor of SDC), Ashoka and New Ventures- launched a call for proposal in February of 2020 and in May selected SDLG to be considered for a SIINC. SIINC are a funding instrument that rewards high-impact enterprises with premium payments for achieving social impact. The SIINC model makes it possible to scale without compromising on generating strong positive impact. SIINC acts as an additional revenue stream that directly improves the enterprise's income. This project comes at a perfect time in SDLG's development stage, as it would allow it to consolidate its operations and revenues, not least by attracting additional repayable capital. SIINC can allow them to continue to enhance and stabilize their impact without hindering the sustainability of the company during their growth stage.

This project aims to focus the non-reimbursable technical assistance of US\$100,000 on strengthening efforts to support 1) inmates' income increase and stability 2) expansion to new prisons and 3) placement for people being released. As with other SIINC projects, the outcomes have been carefully designed and defined between Roots of Impact and SDLG. During the execution, the project will make payments based on the verified outcomes previously agreed between the parties.

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