SOCIAL REPRODUCTION AND CHILD WELFARE
UNDER STRUCTURAL ADJUSTMENT IN RURAL
NICARAGUA

by

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B.A., Queen's University, 1996

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Social Reproduction And Child Welfare Under Structural Adjustment

In Rural Nicaragua

Author: Jane Margaret MacKimmie

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This thesis analyzes the differential impacts of Structural Adjustment Programs (SAPs) on the social reproduction of rural farming households in the department of Matagalpa, Nicaragua. More specifically, it examines if, and how, SAPs differentially impact the social reproduction of farming households according to gender and class. A semi-structured survey and interviews were conducted with members from small-, medium-, and large-scale farming households, as well as female-headed households, to determine whether changes have taken place in major elements of the sphere of social reproduction that especially impact children, specifically education, health care, and social capital. The potential consequences of these changes on both the long-term welfare of rural children and the long-term development goals for rural Nicaragua are addressed.

The results of this research support the theoretical contention in the development literature that SAPs have generally negatively impacted the process of social reproduction. The significant finding of this research is that almost all rural classes are struggling to maintain household consumption levels under SAPs. There is an implicit assumption in the development literature that, although the poorer classes have been negatively impacted by SAPs, the neoliberal economic model at least works in favour of the larger producers. This research concurs that poorer families are disproportionately negatively impacted by SAPs. However, the large percentage of medium- and large-scale producers that reported significant negative impacts to both household production and reproduction in Matagalpa raises the question as to whether SAPs have led to enhanced productivity and greater economic returns for any class of rural producer.

This thesis concludes that SAPs are contributing to the erosion of Matagalpa’s human resource base and to the rise in social instability, which has negative implications for the productive potential and long-term development of rural Nicaragua. This thesis recommends that the following three elements inform a sustainable approach to rural development: 1) including and investing in children and youth; 2) improving the status of women; and, 3) increasing the productivity and human resources of agricultural
producers. The mainstream, neoliberal strategy for development, which informs SAPs, must give way to broader, integrated, and more inclusive strategies of development.
If you want to be prosperous for a year, grow grain;
If you want to be prosperous for ten years, grow trees;
If you want to be prosperous for a lifetime, grow people.

Proverb
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Chapter I – Introduction

1.1 Research Context: The Rise of Neoliberalism

In the past twenty years, a dramatic shift in the theories and strategies of development has occurred in most of the developing world, resulting in substantial changes to the economic, political, and social fabric of many countries. Neoliberal theory, which stems from nineteenth century classical and ‘marginalist’ economics, and laissez-faire principles of market-led, outward-oriented economic growth, has become the dominant, mainstream development theory. It replaced Keynesian models of development which dominated the postwar period and often, especially for larger Third World countries, advocated state intervention and inward-oriented industrialization strategies to promote self-sufficiency and more egalitarian growth. The neoliberal ‘counterrevolution’ largely emerged in response to the global economic crisis in the mid-1970s and the Third World debt crisis of the early 1980s, taking the perspective that the economic problems of most developing countries resulted from state-dominant economies and internal policies, rather than from external factors such as global structural inequities or dependency. Advocates of neoliberalism argued that growth and development would elude developing countries until Keynesian state interventionism was replaced with economic liberalization and the market-led policies of neoliberal theory (Brohman, 1996a).

Developing countries implemented neoliberal strategies for economic growth largely through structural adjustment programs (SAPs) which were widely prescribed by the World Bank and the International Monetary Fund (IMF), especially following the debt
crisis in the 1980s. Almost all developing countries have implemented SAPs, although most have done so more or less involuntarily, as a condition of receiving new loans and aid. The debt crisis highlighted the chronic inefficiency and low productivity of many developing countries, and their inability to withstand external shocks such as declining terms of trade, higher interest rates, and recession in the North. International financial institutions declared that SAPs were the only viable solution for the economic woes of the Third World, and assured that SAPs would correct chronic economic problems such as severe inflation, prolonged and unmanageable trade deficits, unsustainable government budget deficits, and the inability of governments to attract foreign investment (Sparr, 1994). Generally, SAPs require countries to maximize exports, and to reduce trade barriers, social spending, and economic regulation. Although the package of reforms varies somewhat from one country to another, SAPs usually include the following: currency devaluation to promote exports; increased personal taxation; removal of subsidies and price controls on essential commodities; a sharp reduction in or elimination of tariff barriers to trade; downsizing of the government; privatization of public enterprises and social services; and the reorientation of agricultural and industrial production towards exports (Brodie, 1994; Sparr, 1994; Walker, 1997a).

There is little question that virtually all developing countries required substantial economic reforms. However, the economic effectiveness of SAPs is under debate due to their general failure to increase production and improve productivity, increase employment, and raise living standards (Bakker, 1994). Although SAPs have had some success in terms of reducing inflation, stimulating agricultural exports, and rekindling
economic growth, analysts argue that they have also exacerbated inequality, increased poverty, and damaged already weak health and education systems (Brown and Kerr, 1997a; Green, 1998; Reimers, 1991; Samoff, 1994;). The uneven performance of SAPs has received significant attention in the development literature over the last decade as critics increasingly point to the differential effects of SAPs on various classes and social groups, especially on poor and traditionally disadvantaged groups such as women and children (Babb, 1996; Bakker, 1994; Brohman, 1996a; Elson, 1995; Fernandez Poncela, 1996; Goldin, 1999; Green, 1998; Haddad et al, 1995; Loker, 1999; Martello, 1996). The World Bank recognizes that growing poverty is an enormous problem, and it has responded to these criticisms by adopting poverty alleviation as one of its main objectives. However, the poverty alleviation programs of the World Bank have proven to be relatively ineffective because they generally offer palliative, short-term solutions through specific social policies that treat poverty as an isolated incident, or aberration, rather than as a consequence of the economic system (Green, 1998; Stahl, 1996).

Research supporting this dissertation suggests that the Department of Matagalpa, in north-central Nicaragua, is a place where SAPs have shown uneven performance. This thesis examines the differential impacts of SAPs in rural Matagalpa to determine whether SAPs are in fact hampering efforts to achieve broadly-based sustainable economic growth and social development, and if so, to suggest key elements that should inform an alternative approach to sustainable rural development.
1.2 Research Aim and Objectives

The broad aim of the research presented in this thesis is to examine the differential effects of SAPs on farming families in rural Matagalpa. More specifically, this thesis examines if, and how, the social reproduction of small, medium, and large agricultural producers and their families has changed during structural adjustment. Broadly defined, social reproduction involves all factors needed for human development and productivity (i.e. social relations of production, forces of production) to continue and a social formation (composed of class, gender, and other social relations) to be maintained. This includes earning a wage that is sufficient to allow individuals to take care of themselves and their dependants, and to obtain necessary services such as health care, child care, and education (Vuorela, 1992).

The specific focus of this research is to determine if, and how, the development and maintenance of human resources and social capital among rural children and adolescents has changed under SAPs. Human resource development and social capital are core components of social reproduction. In order to successfully ensure the process of production and the maintenance of a social formation, human beings require good health and education, which are key human resources, as well as strong social relations and cohesive communities, which are important elements of social capital. Accordingly, this thesis examines the differential impacts of SAPs on the education, health care, and social capital of small-, medium-, and large-scale farming families. The following research objectives underlie this thesis:
1) To determine if major changes to the sphere of social reproduction have occurred under SAPs by examining whether changes have occurred to the development and maintenance of human resources (specifically education and health care) and social capital (specifically supportive social relations and caring, cohesive communities), especially within rural farming households and among children and youth.

2) To determine whether these changes can be differentiated according to prevalent social relations such as gender and class.

3) To determine what farming families perceive to be the most significant overall impacts of SAPs on household welfare in order to determine the relevance and importance of these changes to social reproduction.

4) To determine the probable consequences of these changes on the long-term welfare of rural youth, on the general social reproduction of rural families, and on the long-term development goals of Nicaragua.

5) To determine and suggest general elements that should inform a sustainable approach to rural development.

1.3 Methodology

This thesis is based on primary field work conducted in the Department of Matagalpa, Nicaragua, between February and June of 2000. The primary research was carried out with the assistance of the National Farmers Union (UNAG), which is the country’s largest agricultural organization, consisting primarily of small and medium farmers, as well as some larger producers. The two major methods of research used to conduct the study were a survey questionnaire and semi-structured interviews. Information from secondary sources was also gathered to complement the data from the surveys and interviews.

1 The term ‘human resources’ is explained in detail in Chapter IV. In brief, human resources are the knowledge, skills and health embodied in individuals that help foster personal, social and economic well-being.
1.3.1 Matagalpa: The Research Area

The Department of Matagalpa is situated in the north central highlands of Nicaragua (see figure 1, appendix 2). It is a diverse department both in terms of its landscape and its farming population. Much of the department consists of mountainous terrain where rain is relatively plentiful, particularly during the rainy season, and cooler temperatures prevail. Coffee plantations, which yield one of Nicaragua’s most important crops, dominate the slopes of Matagalpa. It is one of Nicaragua’s principal coffee growing regions. Cattle ranching, centered mostly in the hills, valleys, and plains of Río Blanco and Matiguás, is also a major agricultural industry in Matagalpa. While the highlands provide fertile soil, a cooler climate, and verdant pastures for coffee and cattle production, at lower elevations, Matagalpa is home to the zona seca, or ‘hot zone,’ an arid, hot, and dusty plain which is primarily inhabited by poor campesino families engaged in small-scale basic-grain production. In contrast, the highlands and the fertile river valley of Sebaco are home to some of Nicaragua’s largest agricultural producers. As a result, Matagalpa is host to both low-input, labour-intensive, small-scale family production, and sophisticated, large-scale agricultural enterprises. This translates into varying degrees of wealth and well being among the population. In addition to its diverse landscapes, climates, and farming population, the Department of Matagalpa also produces a diverse range of agricultural products for both domestic and export markets. The major agricultural products include coffee, beans, corn, meat, and dairy products, and to a lesser extent, rice, and a variety of traditional vegetables (e.g. carrots, onions,

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2 Nicaragua’s physical geography divides it into three major zones: the Pacific lowlands, the central highlands, and the Caribbean lowlands.
and tomatoes), as well as some non-traditional vegetable production (e.g. Chinese vegetables and cucumbers).

The Department is divided into 13 municipalities, or municipios, which are further divided into smaller townships, or comarcas. The next level is the rural community, or village. Our research team traveled extensively around the department, visiting numerous communities and comarcas in twelve of the thirteen municipios (see figures 2, 3, and 4). This allowed for a wide section of the population to be surveyed.

1.3.2 The Survey

The survey was administered to a total of two-hundred and fifty-four farming households located throughout twelve of the thirteen municipios in the Department. The survey questions were based on a past survey questionnaire administered in 1996 by Dr. John Brohman and his research assistant, Jessie Smith, to small-scale farmers in the Department of Matagalpa. The survey questions built on aspects of Dr. Brohman’s past research, and addressed elements of production, commercialization and export, credit and

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3 The research team visited the following 12 municipios: Rio Blanco, El Tuma-La Dalia, San Isidro, Sebaco, Matagalpa, San Ramón, Matiguás, Muy Muy, Esquipulas, San Dionisio, Terrabona, Cuidad Dario. We did not survey families living in Rancho Grande.

4 The municipios were selected in consultation with the UNAG to represent the overall Department of Matagalpa. Some of the municipios selected for the survey, such as Terabona and Dario, are located in extremely dry regions at low elevations, and are largely populated by poor, small-scale campeñio farming families, while other selected municipios, like Río Blanco, Matiguás, and San Ramón, are located at higher elevations, and consequently have cooler, wetter climates, which support the large-scale production of coffee, cattle, and other agricultural and animal products.

5 The research described in this thesis is part of the second phase of a larger research project being carried out by Dr. Brohman. Phase one was completed in 1996. The second phase of Dr. Brohman’s research project extends beyond the first phase by including more survey questions on social reproduction, and by inviting medium- and large-scale farmers, in addition to small-scale farmers, to participate in the survey and semi-structured interviews. Although the second phase of research addressed several aspects of both production and social reproduction in rural areas, this thesis focuses primarily on the key findings concerning social reproduction.
financing, education, health care, nutrition, and other social aspects of the respondents’
lives. After arriving in Nicaragua, UNAG personnel, who have considerable local
knowledge and expertise, helped to further modify, refine, and expand the survey,
ensuring that the questions used local terms and expressions, and were relevant to
Nicaraguan producers and their families. Although the survey questionnaire addressed
both productive and reproductive issues, this thesis largely presents the analysis of data
that pertains to social reproductive issues.

Survey respondents were asked to compare their situation before SAPS (in the 1980s)
and during two rounds of SAPs in the 1990s (1990-1995 and 1996-2000) with respect to
each of the elements in the survey questionnaire to ascertain if, and how, they perceived
changes in their lives and the lives of their families. Some of the questions were answered
by male and female respondents together, while others were answered individually and
separately, allowing respondents the opportunity to answer without the company of their
spouse. The survey was not administered to children.

Of the two-hundred and fifty-four survey questionnaires, one hundred were used to form
a representative sample of the entire agricultural sector in the Department of Matagalpa.
The data from these surveys was used to identify and analyze recent, widespread changes
in various aspects of rural life. Because there are no reliable census data or other lists in
Nicaragua of rural producers or households from which random samples can be drawn, a
representative sample of the agricultural sector in Matagalpa had to be constructed.
Farming households were selected for the survey by conferring with community leaders
and asking them to devise a representative sample of the population based on a long list of criteria.\(^6\) Constructing a representative sample proved to be one of the more challenging aspects of this research. Many long hours of investigation, which included several preliminary visits to outlying rural communities, as well as consultation with community leaders, representatives from the UNAG, and other producer organizations, were required to ensure that the sample was as representative as possible. The assistance of the UNAG proved particularly helpful in this endeavor. The personnel at UNAG have numerous contacts at various scales, and substantial first-hand experience in the countryside, and therefore provided accurate information on the overall agricultural sector and population figures of Matagalpa. UNAG also greatly facilitated meeting with numerous community leaders around the Department.

Other research challenges included locating and surveying ‘unassisted’ households, and mitigating my influence and bias as an outside researcher. The UNAG also assisted greatly in overcoming these challenges. Many of the farmers that are connected to the UNAG have generally received some type of assistance or service, often from the UNAG, and often of minimal value. However, despite the UNAG’s significant connections to mostly ‘assisted’ and ‘minimally assisted’ farming households, the local knowledge of UNAG personnel also proved instrumental in identifying remote, rural communities that did not have previous or current contact with non-governmental organizations, producer organizations, or other aid organizations. Because of the strong

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\(^6\) Examples of the criteria include: type of household (male or female head); type of crop production; scale of farmer (small, medium, large); involvement in organizations (type of organization); and, type of assistance (credit, training, commercialization, food, health etc.). Community leaders helped identify these criteria and assisted with the selection of a representative sample from their community. Information from
reputation of the UNAG in the countryside, the research team was able to visit these communities without a formal introduction, and to successfully solicit 'unassisted' volunteers for the survey.

In terms of mitigating the influence and bias of an outside researcher, UNAG provided two research assistants, Luis Blandino and Jesus Gutierrez, who assisted with the administration of the survey, and helped to identify key individuals for the semi-structured interviews. Mr. Blandino and Mr. Gutierrez challenged my personal biases and explained many cultural, social, and political aspects of rural Matagalpa. We traveled long distances as a research team each day from the town of Matagalpa, our base, to administer the survey in outlying rural areas. Although it is not possible to completely remove bias, I believe that working closely with Mr. Blandino and Mr. Gutierrez limited my bias and unfamiliarity with the region considerably. In addition, Mr. Blandino and Mr. Gutierrez completed two-thirds of the survey questionnaires, which helped mitigate my influence as an outside researcher on the survey respondents (see figures 5, 6, 7, and 8).

In addition to the general analysis of 100 survey questionnaires, the frequency and types of responses of different gender and class groups in the population were compared, allowing for analysis of the differential impacts of SAPs. The following groups were

the community leaders and UNAG also ensured that the selections from the various communities reflected a representative sample of the entire agricultural sector of Matagalpa.
7 In some instances, it was necessary to spend a few nights in rural communities due to their distance from the town of Matagalpa.
8 Although only 100 survey questionnaires were required to construct a representative sample of Matagalpa's agricultural sector, it was necessary to survey a total of 254 respondents in order to have sufficient sample sizes to analyze different gender and class groups, as well as different categories, or
compared: male- and female-headed households; small-, medium-, and large-scale farming households; and, men and women from small-scale campesino households. Although it was straightforward to categorize and compare male and female responses, the criteria that define a female-headed household and small-, medium-, and large-scale farming households are complex and proved challenging to determine. Therefore, it is important and necessary to define these terms so that their meaning is clear.

1.3.2.1 Female-Headed Household

Consultation with members of women's organizations and other non-governmental organizations, UNAG staff, project directors, and several female producers indicated that the most important criterion for determining a household head is decision-making power. The absence or presence of a male companion in the household is of secondary importance. Therefore, a female-headed household is defined as a household in which the primary decision maker is a woman. The surveys from the female-headed household were divided into two groups: in the first group, male companions were present in the households for part or all of the year; in the second group, the women had been abandoned or predeceased by their partners. In the case of the former group, it was observed that the men were often away for very long periods of time, or, if they were at home, they were likely incapacitated by a health or physical problem that left them unable to participate in the majority of production and household chores. Despite the limited involvement of these male companions, the surveys were separated into two groups to test for any significant differences between them.

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types, of producers (specifically for Dr. Brohman's research). In other words, the research team intentionally over represented some sectors in the survey process in order to ensure sufficient sample sizes
1.3.2.2 Small-Scale Farming Household

Categorizing households into three distinct groups of small-, medium-, and large-scale farmers is challenging due to the numerous and complex variables that can be used to differentiate rural producers. The complexity of this issue is evidenced by a long and extensive debate in the development literature. Increasingly, analysts are using labour relations as the primary variable for differentiating between rural producers (Brohman, 1996a; Bryceson, 2000a; Collins, 1985). Other variables, such as property size and production levels, are impacted by soil type, climatic characteristics, and production technologies, and therefore can be misleading indicators of income or class status. Moreover, many of the larger producers have experienced drastic declines in production levels in recent years due to a partial or full divestiture of their land. This can lead to a misleading classification, if, for example, the household is able to protect itself from falling into a lower class through other income-generating activities. Although many middle-class farming households appear to be sliding into poverty, some of the larger farmers have been able to sustain their standards of living by making use of factors such as social connections or relatively high levels of education in order to diversify into other economic opportunities.

Small-scale farming households are generally defined as having a predominance of family labour. In some instances, casual labour may be hired by small-scale households to supplement their family labour, particularly at peak times in the agricultural cycle. However, labour shortages are often solved by entering into reciprocal arrangements with

for group comparisons.
neighbours where family-labour is shared (Brohrnan, 1996a). In many of these households, some members are required to work off the farm, usually as agricultural labourers, to supplement the household income. The main crops cultivated by small-scale producers are corn and beans, which may be combined with the cultivation of other crops such as low-input coffee production. Small-scale producers are commonly referred to as ‘peasants’ or ‘campesinos,’ and are typically regarded as poor rural people who lack access to advanced education, land, and other productive resources, such as capital for technological innovation. Although this description is accepted as a basic characterization of the peasantry, it is important to note that ‘the peasantry’ is also differentiated and is not a homogenous group of equally poor farmers. For example, some peasant producers control more means of production than others and are able to employ seasonal labour to accumulate resources or increase consumption. Meanwhile, many other small-scale producers have been forced to abandon agricultural production altogether, becoming full-time agricultural labourers that rely entirely on daily wages to meet their needs. There is fierce competition for land and labour within the small-scale campesino class, as well as between small-, medium-, and large-scale producer groups (Jansen, 2000). For the purposes of this study, small-scale farmers that produce for subsistence and for the market were surveyed, including some who worked seasonally or part-time as agricultural labourers. Full-time or permanent agricultural labourers were not included in

9 In Matagalpa, the vast majority of small-scale producers cultivate basic grains (corn and beans). However, there is also some small-scale production of other crops and animals such as vegetables, rice, coffee, and cattle. Small-scale producers can also be differentiated by the types of crops they produce. It is important to note that standards of living can vary significantly between some of these households, even though all are classified as small-scale producers. In general, basic-grains producers receive low prices for their crops and live in difficult conditions, with limited access to land, agricultural inputs, financing, commercialization networks, and social services. The cultivation of higher-revenue crops, such as vegetables, rice, and coffee, normally requires greater capital investment, better quality land, and greater
the survey because they are not defined as agricultural producers (farmers), but are instead rural proletarians.

1.3.2.3 Medium-Scale and Large-Scale Farming Households

Family labour continues to be important for medium-scale farming households. However members of this group also frequently hire cheap, seasonal or part-time wage labourers to meet production goals. Many farmers in this category are able to invest in and sustain cash-crop production, which is usually complemented by some basic-grain production for family subsistence. Medium-scale farming households tend to focus on increasing consumption levels for the household rather than on investing surplus (e.g. profits) to further capital accumulation, for example by buying more land (Jansen, 2000; Woodward, 1992). In comparison, large-scale farming households tend to invest their surplus to increase capital accumulation and production levels, whenever possible. Large-scale producers are also far more dependent on seasonal and full-time wage labourers to do most of the work on their farms. In fact, many large producers rely on foremen to run the day-to-day operation of their farms, while they pursue other off-farm economic activities such as professional employment in cities or looking after other investments like grocery and supply stores, agricultural processing facilities, and agricultural machine rental companies.
1.3.3 Semi-Structured Interviews

In addition to the survey, forty-two semi-structured interviews were conducted with members of farm families (children, adolescents, parents, and grandparents) and expert informants (teachers; professors; members of non-governmental organizations; project directors; members and leaders of farming, co-operative, and community organizations; researchers at institutes and universities; and government ministry personnel). Expert informants were identified by the UNAG, community leaders, agricultural extension workers, and other producer organizations. In addition, the research team invited survey participants that were particularly informative, or who appeared eager to provide additional information, to participate in semi-structured interviews.

The information and opinions that emerged from these interviews helped to expand on and explain the trends revealed in the survey data, as well as to address larger development issues and debates. Informal interviews were especially valuable for eliciting information and opinions from women, adolescents, and children because they allowed for relaxed, unstructured conversations where ideas and topics were exchanged freely between interviewer and interviewee. Unfortunately, the opinions and perceptions of youth are largely absent in the development literature despite the fact that they often have clear ideas and suggestions on how their lives could be improved. A central objective of this thesis is to present their thoughts, along with those of their

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10 Six semi-structured interviews were conducted with groups of four to eleven children and adolescents between the ages of six and nineteen years. Some of the children and youth were in school and others were not. They were predominately from small-scale farming households. Youth provided oral consent to participate in the focus groups. Parents provided oral consent for their children, aged 13 or younger, to participate. Children and youth were notified that they could withdraw from the group discussion at any time. An adult from the community was present when children under the age of 14 participated in the focus
parents, on how their lives have changed in recent years. Analysis of their collective opinions and perceptions will be used to support or refute the theoretical contention in the development literature that SAPs are a significant contributing cause of deteriorating services and quality of life for the majority of Nicaraguan families.

1.4 Rationale for Study

In the last decade, detailed studies and analysis of the impact of neoliberal strategies on specific classes and social groups emerged in the development literature. However, most of the literature to date has been focused on urban areas or at the general national and theoretical levels (Babb, 1996; Cornia et al, 1987; Kakwani, 1995; Lustig, 1995; Woodward, 1992). This study contributes to the analysis of the differential impacts of SAPs in rural areas, specifically on farming families in the area of social reproduction. It also contributes to the study of youth and development. Some analysts compare the ‘invisibility’ of youth in the development literature to the situation of women three decades ago, before awareness of women’s specific economic and social contributions started to transform planning and policy making (Green, 1998). Youth represent a great force for development, especially in the medium-to-long term, and must be given greater opportunities to participate in the development of their communities and their countries.

It is important and necessary to study the differential impacts of SAPs because of their potential impacts on society and on development. If SAPs are accentuating inequalities between different social groups by preventing some groups from accessing human and

Generally speaking, focus groups were divided into groups of older and younger children to mitigate feelings of shyness or intimidation for younger participants.
social capital, this has important consequences for the long-term welfare of youth and, by extension, the long-term development goals of Nicaragua. National productivity and the elimination of external dependencies cannot improve in countries that host glaring inequalities, extreme poverty, and poorly educated, low-skilled workforces. Unless developing countries are able to raise the skill, education, and health levels across their populations, and especially among their children, they will have a difficult time competing for investment capital and export markets in the international economy (Lustig, 1995). Instead, they will remain trapped in a 19th century niche of cheap labour and primary exports within the international division of labour (Brohman, 1996a; Green 1999).

### 1.5 Chapter Summary of Thesis

Chapter II provides a short historical analysis of Nicaragua. The following eras in Nicaragua’s economic and social development are examined: 1) colonization; 2) agroexport development; 3) the Sandinista Revolution; 4) the debt crisis; and, 5) neoliberalism and structural adjustment. A brief overview of Nicaragua’s past provides an historical context for the chronic economic and social crisis that plagues Nicaragua today.

Chapter III presents a summary of the relevant development literature. The chapter outlines three theoretical bodies that examine the differential impacts of SAPs: 1) an

\[11 \text{ The term 'social capital' is explained in Chapter VI. Social capital is largely created at the community level through community initiatives and interaction, and refers to the resources gained through social ties, memberships in networks, and sharing cultural norms.} \]

\[12 \text{ Although this research is confined to Nicaragua, some of the conclusions in this thesis could be applicable to other developing countries that are implementing similar policies. The findings should be} \]
analysis of the impact of SAPs on the agricultural sector; 2) an analysis of the impact of SAPs on gender relations, specifically the roles of women; and, 3) an analysis of the impact of SAPs within and between different types of households. These analyses are widely addressed and debated in the development literature and are central to understanding the research concerning rural children and adolescents presented in this thesis. In order to discern the impact of SAPs on rural youth, it is necessary to comprehend how rural livelihoods and rural families are affected by SAPs.

The results of my fieldwork are presented in chapters IV, V, VI and VII. Chapter IV examines the impact of SAPs on human resource development, specifically education, in rural Nicaragua. The chapter is divided into three sections. Section 4.2 provides a brief historical overview of education in Latin America and Nicaragua. Sections 4.3 and 4.4 present and analyze the perceptions and opinions of Matagalpan youth, parents, and teachers of the major changes that have occurred under SAPs to formal education, which is a major determinant of children’s future role in society and contribution toward social reproduction.

Chapter V examines the impact of SAPs on health care in rural Nicaragua, another major determinant of social reproduction. The chapter begins with a discussion on the importance of health care for social and economic development. This is followed by an analysis of perceived changes to food consumption in rural Matagalpa, which has a pervasive influence on health and well-being. The remainder of the chapter examines the
perceptions and opinions of rural farming households on health care. Their opinions on major changes, problems, and solutions are presented and analyzed.

Chapter VI examines the impact of SAPs on social capital. Specifically, it examines how the social capital of campesino communities in Matagalpa has been negatively impacted by SAPs. In the first half of the chapter, the following four issues are examined: 1) migration; 2) overburden of women’s work; 3) domestic and social violence; and, 4) social problems among youth. This is not an exhaustive list of how peasant communities have been affected. However, these issues dominated many discussions with rural Matagalpans and are identified as key problems impacting the campesino community. The second half of the chapter examines youths’ perceptions of their communities. Young people’s opinions about the status of their community are a strong indicator of the health and viability of the community in the long term.

Chapter VII examines the general impacts of SAPs on Matagalpan farming households. The opinions and perceptions of Matagalpans on the following topics are presented and analyzed: 1) major household problems under SAPs; 2) major changes that have occurred to household welfare under SAPs; 3) reasons for the problems and changes; and, 4) perceptions of the future.

Chapter VIII presents the conclusions of this thesis. The first half of the chapter responds to the research aims and objectives posed at the outset of this thesis. Although outlining an alternative strategy for development is beyond the scope of this thesis, the second half
of the chapter presents key priorities that must inform any theory or strategy for rural
development. These strategies are: 1) including and investing in children and youth; 2)
improving the status of women; and, 3) increasing the productivity and human resources
of agricultural producers.
Chapter II - Historical Background

A brief examination of Nicaragua's social, political, and economic history is necessary to comprehend the economic and social crisis that plagues Nicaragua today. This chapter presents a short historical overview of five important eras in Nicaragua's economic and social development. These eras are: colonization, agroexport development, the Sandinista Revolution, the debt crisis, and neoliberalism and structural adjustment.

2.1 Colonization

Colonization commenced in the late sixteenth-century when European conquistadors established themselves and secured control over the most fertile land and other productive resources in Nicaragua. Early colonial development was characterized by large semi-feudal estates that bonded workers to the land through pre-capitalist labour relations. Indigenous populations were repressed and fixed to these estates on a massive scale by various anti-vagrancy laws and other legislation to ensure a secure source of labour for the European landowners (de Janvry, 1981; Walker, 1997a).

The domination by a wealthy minority over an impoverished majority endures in rural Nicaragua and most of Latin America today. Wealth concentration and social exclusion have been accentuated over the centuries by various economic and political strategies.

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1 Pre-capitalist labour relations are essentially non-wage labour relations, usually based on rental arrangements. For example, peasants often exchanged their labour or a portion of their cultivated crops with landowners for the rent of a small plot of land. These types of labour relations were largely replaced in the mid-1900s by wage labour, although some types of pre-capitalist labour relations are still present in rural Nicaragua (de Janvry, 1981).
pursued by the elite, including discriminatory property laws\(^2\) and the selective construction of roads and other infrastructure to improve the accessibility of large-scale farms, while the infrastructure needs of smaller producers have been largely ignored. The fact that Nicaragua experienced substantial social upheaval and revolution in the twentieth century is no accident, but rather the product of its exclusionary social and political formation (Walker, 1997a).\(^3\)

The colonial era is an important stage in Nicaragua’s evolution because it created and perpetuated structural conditions, such as severe class polarization and extreme inequality, that have significantly hindered its subsequent social and economic development. For development strategies to be effective, these long-standing structural conditions must be acknowledged and addressed by policymakers. However, most mainstream development theories have overlooked the unique problems that developing countries face, and have instead advocated development strategies that are based on the emulation of the past development history of the First World (Brohman, 1996a; Close, 1999). While countries like the United States, Canada, and Australia successfully built modern industrial economies on a foundation of primary products, Nicaragua has not

\(^2\) For example, in 1877 property laws were reformed so that local elites could take advantage of the new international demand for certain primary products, notably coffee. All forms of rural property holding were banned except for individual rights recognized by legal title. Therefore, communal indigenous properties and common law property held by the largely illiterate mestizo (mixed) peasantry were declared unoccupied national territory that could be purchased by the agricultural elite. As a result, large coffee plantations quickly replaced peasant and indigenous communal farms, forcing the newly landless peasants to find work on the estates (Walker, 1997a).

\(^3\) By comparison, neighbouring Costa Rica has a relatively peaceful history and has largely avoided the extreme social polarization that plagues the rest of Central America. In Costa Rica, the conquistadors had relatively few Aboriginals to exploit and eventually killed them or drove them out of the fertile mountain valleys. As a result, there was no racially distinct class to exploit. Medium-sized farms characterized rural development rather than the polarized rural structure found in much of the rest of Latin America. A relatively egalitarian society eventually emerged and facilitated the development of a functioning democracy (Brohman, 1996a).
been able to follow their path. This is in part due to its long history of foreign control, which stifled economic development and diversification. However, it is also due to the fact that Nicaragua’s production was initially based on a system of servile labour, which prevented the country from creating and taking advantage of a consumer goods sector to develop forward and backward economic linkages that the United States, Canada, and Australia used to grow and diversify\(^4\) (Close, 1999). Furthermore, colonial exploitation ensured that Nicaragua entered the world economy with weak political institutions and deficient human resources, which limited the country's capacity to diversify into industrial activities, and confined it to an agroexport model in which most of the goods necessary to develop its niche must be imported (Chavez Metoyer, 2000).

2.2 The Agroexport Development Model

The agroexport development model has significantly contributed to Nicaragua’s economic, social, and political development. Agroexport production has dominated Central American development strategies for over fifty years and is largely responsible for perpetuating and exacerbating many of the conditions that fostered the Sandinista Revolution in Nicaragua.\(^5\) It is important to study and understand how the agroexport model negatively contributed to social and economic development in Nicaragua because current outward-oriented neoliberal growth strategies are premised on the same theory of

\(^4\) In the supply chain, backward linkages relate to inputs and other materials needed for production, and forward linkages relate to processing and distribution of goods generated by the primary production process. For example, a potato farmer would create backward linkages by building the farm equipment required to produce potatoes, and he would create forward linkages by building a processing plant that produced french fries.

\(^5\) While many of the larger Latin American economies abandoned the agroexport development model in the 1970s in favour of import-substitution strategies for development, the smaller Central American economies, with limited alternatives to generate foreign exchange, continued to use agroexport production as their primary strategy for economic growth (Brohman, 1996a).
comparative advantage. Analysts contend that the contradictions and shortcomings of the agroexport model are being replicated through neoliberal growth strategies, which often advocate non-traditional agroexport production as an effective stimulus for growth (Brohman, 1996b). While diversification into non-traditional crops, such as high-value tropical fruits, vegetables, nuts, and horticultural products, is a strategy welcomed by many, there is growing concern that the neoliberal non-traditional agroexport model is perpetuating and deepening many of the problems witnessed under the traditional agroexport model. These problems include: land and resource concentration; increasing inequality; and social, economic, and political exclusion of the peasantry (Brohman, 1996a; Brohman, 1996b). As under colonization, the traditional agroexport model has left a legacy of glaring economic and social problems in Nicaragua.

The agroexport model, which emerged in the late nineteenth-century as the prevailing economic development strategy, contributed substantially to widening income inequality and societal polarization in most of Central America, including Nicaragua. It advocated exploiting a country’s ‘comparative advantage’ of cheap land and labour to expand exports of agricultural goods and other primary products to markets in Europe and North America. After the Second World War, agroexport production expanded rapidly in many Central American countries and was considered essential for attracting foreign investment capital, creating a positive trade balance, and creating new jobs. However, although agroexport production was associated with impressive rates of economic growth

David Ricardo’s theory of comparative advantage states that a country will obtain greater growth by specializing in and exporting commodities that it produces the most efficiently, rather than by pursuing economic self-sufficiency. Therefore, countries that have abundant sources of land and labour (their
from the mid-1940s until the mid-1970s, it was also associated with deteriorating trends in employment rates, poverty levels, and income distribution. Severe land concentration, widening rural inequalities, peasant displacement, and growing rural-urban migration were exacerbated under the model (Brohman, 1996a; Brohman, 1996b). Analysts argue that deteriorating social conditions were a direct product of the agroexport model, especially because it generated a surplus by exploiting factors of cheap land and labour, rather than by increasing productivity and diversifying economic activities (Brohman, 1996a; de Janvry, 1981; Robinson, 1998; Walker, 1997a).

Alain de Janvry (1981) explains the contradictory outcomes of the agroexport model via the concept of ‘functional dualism.’ ‘Dualism’ refers to the dual economy of most Central American countries, where a relatively modern export sector operates relatively independently of an undeveloped, stagnant domestic economy. The dual economy is especially based on the dualistic ‘latifundio-minifundio’ rural structure where large tracts of prime agricultural land (latifundios) provide the principal means of production for the agroexport economy, while tiny plots of marginal land (minifundios) leave the domestic economy scrambling to provide for food security. Foreign investment and economic growth are heavily concentrated in the outward-oriented agroexport economy, while government policy and investment largely ignore the inward-oriented peasant economy,

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comparative advantage) should specialize in exporting land- or labour-intensive goods, while the production of capital-intensive goods should be left to countries with greater endowments of capital.

Although the export sector operates independently of the domestic sector in terms of profitability, the two sectors are linked. The exploitation of peasants (especially their labour), who largely function in the domestic economy, is ‘functional’ to the accumulation of the agroexport sector. In other words, the profitability of the agroexport sector is dependent on, or linked to, the exploitation and impoverishment of the domestic economy.
rendering it incapable of meeting the needs of the majority of the population (Brohman 1996a; de Janvry, 1981).

Alain de Janvry explains that the agroexport model is 'functional' because it ensures a 'comparative advantage' of abundant sources of land and cheap labour by exploiting and excluding the peasantry, which provides the basis for agroexport profitability and international competitiveness. The expansion of agroexport production intensified the latifundio-minifundio complex by pushing non-competitive peasant farmers off of their lands in traditional food-growing areas via migration to the cities, or onto minfundios or micro-farms in remote, frontier regions, on which they were unable to meet their subsistence needs. As a result, masses of landless and near-landless peasants, lacking alternative sources for steady income, became increasingly dependent on seasonal wage labour to supplement their household incomes, ensuring a steady source of cheap, pliable labour for agroexport production. In sum, agricultural production for the domestic sector and, by extension, the welfare of the majority of the rural population, has languished at the expense of expanding the land- and labour-intensive export economy.

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8 Employers have kept labour costs at levels below those required to maintain and reproduce a permanent workforce because peasant households already fulfil some of their reproduction needs through their own partial subsistence production and other limited seasonal and informal wage activities.

9 Alain de Janvry (1981) notes that most Central American economies are 'disarticulated' because profits and wages move in opposite directions. Wages are suppressed to ensure agroexport competitiveness, which results in property concentration and societal exploitation. Because sources of demand are external, the agroexport sector operates according to an independent logic of accumulation which blocks the spread of internally-oriented growth, such as the growth of a consumer goods sector. This contrasts sharply with the 'articulated economies' of the industrialized countries where profits and wages move in tandem, at least until recently, and middle-class consumption provides demand to spur further investment and productive growth (Brohman 1996b).
2.3 The Sandinista Revolution

A basic overview of the events that surrounded the rise and fall of the revolutionary movement is both necessary and useful for analysis of the research presented in this thesis because: 1) it explains how Nicaragua became a heavily indebted country, which ultimately led to the imposition of structural adjustment programs by multilateral lending institutions; and, 2) it provides key insight into some of the factors that inform peasants’ perceptions and opinions on their quality of life in Nicaragua today. The revolutionary movement transformed the social fabric of Nicaraguan society, especially by promulgating an agrarian reform and encouraging grassroots activity among the historically repressed peasantry, and by providing them with basic government services and facilities. As a result, the Nicaraguan peasantry tends to be more politically aware and “less docile” than the peasantries of other Latin American countries (Robinson, 1997). Despite a relatively stable macroeconomic environment, many Nicaraguans contend their situation is worse now than it was in the war-torn and economically turbulent 1980s because of their lost access to important social and economic services such as education, health care, and rural credit (see figures 9 and 10).

In Nicaragua, the socially regressive agroexport economy was aggressively expanded under the forty-three year Somoza dictatorship. The Somoza family ran Nicaragua as its personal fiefdom, increasing the family fortune, begun in a small, run-down coffee farm in the early 1930s, to at least $500 million by the time the last Somoza was toppled in 1979. Meanwhile, the ever-expanding rural population consisted mainly of extremely impoverished people living in precarious situations. Many rural inhabitants migrated to
urban areas in search of a better life. However, most ended up in slums with few employment opportunities and little access to social services (Walker, 1997a). Per capita income in Nicaragua in the late 1970s was well below average for Latin America, with 50 percent of the population receiving only 15 percent of the national income, equivalent to under U.S. $300 per person per year. At the other extreme, the wealthiest 20 percent of Nicaraguans received 60 percent of the national income (Brohman, 1996a). Social indicators for the poor such as infant mortality, illiteracy rates, and average life expectancy, were horrendous. To say that the social conditions in Nicaragua in the 1970s were ripe for revolution is an understatement.10

The dictatorship of General Anastasio Somoza Debayle was overthrown on July 19, 1979 by a mass-based insurrection led by the Sandinista National Liberation Front (FSLN). The FSLN endeavoured to create a new type of socialist state by permitting political pluralism and encouraging participatory democracy through mass organizations, and by establishing a mixed economy that combined diverse forms of state, collective, and private ownership and production (Chavez Metoyer, 2000; Close, 1999). FSLN policies were targeted towards meeting the needs of the majority and focussed on basic-needs provisions in the areas of health care, housing, education, and food subsidies. In its first five years in power, the FSLN reduced the illiteracy rate from over 50 percent to 13 percent, doubled the number of educational centres, greatly increased school enrolment, eradicated a number of chronic diseases, provided basic healthcare services to all of the

10Timothy P. Wickham-Crowley identifies four broad conditions in Nicaragua that allowed for a successful mass-based insurrection: 1) horrible social conditions; 2) a target regime that was so despicable it had alienated most of its political base, including the non-Somocista elite; 3) temporarily, the right international environment; and, 4) an intelligent and flexible guerilla movement (as cited in Walker, 1997a, p. 5).
population, and established an extensive housing program (Molyneux, 2001). Additionally, the Sandinista government enacted an agrarian reform that created agricultural cooperatives of various forms, distributed individual private land titles to thousands of rural workers, or secured them stable jobs on newly created state farms (Molyneux, 2001). Access to rural credit, extension services, and marketing structures became widely available to peasant farmers. FSLN policies gave Nicaragua a significant class of small, independent farmers for the first time in its history (Close, 1999).

Despite its early success in improving the living standard for the Nicaraguan majority, the Sandinista government failed to maintain economic growth and stability, and subsequent circumstances left the country economically worse off than before it came to power. Nicaragua’s economy shrank by 14 percent between 1981 and 1990, and inflation reached 33,500 percent in 1987 (Close, 1999). Poor economic performance under the FSLN resulted from a combination of factors, including: a generalized and severe economic downturn throughout Latin America; a decrease in agricultural commodity prices; a U.S. economic embargo against Nicaragua after 1985; and, substantial borrowing to rebuild the country after successive Somoza family regimes left it in shambles burdened with a U.S. $1.6 billion debt, and later to finance the war against the U.S.-backed Contras. By May, 1986, the cost of the Contra War had reached U.S. $3 billion, or nearly ten years of central government revenue, substantially reducing the government’s capacity to support its basic programs (Chavez Metoyer, 2000). Sandinista

\[\text{Footnote:}\] In the last two years of the Somoza dictatorship real per capita GDP fell by 40 percent and per capita debt rose by 22 percent annually (Ugarteche, 1983; World Bank, 2001). Although a U.S. $1.6 billion debt does not seem substantial, due to compound interest, the Somoza debt represented just under a third of the 1994 outstanding total of approximately U.S. $12 billion (Gorostiaga, 1994).
economic policy became increasingly erratic while trying to combat the hopelessness of the situation, which also contributed to the economic decline. For example, the government printed currency to finance the war, producing hyperinflation. Although the FSLN did not abandon its economic philosophy of redistribution, it implemented economic stabilization programs in 1985 and 1989 as short-term efforts to combat hyperinflation and chronic balance of trade deficits, resulting in increasing hardship and a marked decline in standards of living achieved during the first five years of Sandinista rule\(^\text{12}\) (Chavez Metoyer, 2000). By the 1990 elections, the public was weary from the previous 12 years of bloodshed, and support for the revolutionary process was waning. On February 25, 1990, the U.S.-backed presidential candidate, Violeta Barrios de Chamorro of the United National Opposition (UNO), a coalition of 14 parties, won a decisive victory over Daniel Ortega, the leader of the FSLN.

The Sandinista Revolution also left Nicaragua with many important legacies that continue to influence the country’s economic, social, and political development. Perhaps most importantly, the Sandinistas established democracy in Nicaragua. The first fair and honest elections were held in 1985, when the Sandinistas won 67 percent of the vote. When the Sandinistas lost the elections in 1990, they transferred power to Violeta Chamorro’s coalition party without resistance. Democracy was also promoted through the creation of several mass organizations, such as the UNAG, to facilitate direct mass participation in the development of Nicaraguan society. For the first time, campesinos

\(^{12}\) Under pressure from President Ronald Regan, the World Bank discontinued loans to Nicaragua while the FSLN was in power. Therefore, the economic reforms of the late 1980s were very difficult for the population because Nicaragua experienced fiscal austerity without desperately needed financial assistance (Chavez Metoyer, 2000).
became engaged in the national political process and were given a voice and power to affect change (Walker, 1997a). The Nicaraguan revolutionary period also stands out for the extraordinary participation of women. Women played significant roles in the revolution and they occupied important positions in government and in the mass organizations (Chavez Metoyer, 2000; Collins, 1985; Kampwirth, 1996). The FSLN also established large state farms and cooperatives in order to create jobs, reduce rural inequalities, increase the efficiency of agricultural production, and provide rural farmers with infrastructure and services. In addition, cooperative work was promoted as another key element for development (Collins, 1985). Although significant changes, often entailing reductions, occurred in the 1990s to mass organizations, state farms, and cooperatives, many elements of these rural structures endure.

Understanding the legacies of the Sandinista revolution is important for any analysis of present-day rural Nicaragua, especially because it helps explain the unique psyche and unusual level of organization of the peasantry. The revolution fostered consciousness and political awareness, popular participation, and collective action. Joseph Collins (1985, p. 19) wrote, “The poor generally know the source of their misery. What they lack is the power to change it.” In Nicaragua, the Sandinista revolution provided the poor with the power to participate and make many changes to their society. Nicaraguan campesinos experienced benefits from working collectively towards change, and are familiar with the process of becoming ‘organized’ to take action. While the history of grassroots activism provides support to many local efforts for development, it should also be noted that a
decade of civil war has left some communities badly divided. In some cases, this division along ideological and political lines significantly hinders the prospects for development.

2.4 The Debt Crisis

Latin American countries became heavily indebted largely as a consequence of external factors, many of which stemmed from the oil shocks in 1973 and 1979. The oil shocks dramatically raised energy prices which significantly added to developing countries' production and transportation costs, while higher prices induced a global recession that depressed industrialized countries' demand for Third World imports. The 1973 price increase for oil led to high pressure ‘loan pushing’ sales tactics by European and North American banks to cover interest payments on large petrodollar deposits. The banks mostly targeted developing countries – offering substantial loans for large, and sometimes risky, infrastructure projects – because they felt that countries could not go bankrupt, making them the safest haven for loans. However, interest rates rose substantially after the 1979 shock and when loans financed by petrodollars came up for renegotiation in the early 1980s, 6 percent rates had turned into 20 to 25 percent rates overnight, easily tripling the payments needed to cover interest costs alone. In August, 1982, Mexico threatened to default on its debt and the era of the ‘debt crisis’ and structural adjustment programs began (Chavez Metoyer, 2000; Close 1999).

Not only did Nicaragua face, in common with other Latin American countries, the increase in debt resulting from high compound interest rates and the adverse effects of global recession, but also it had to cope with a substantial increase in its debt due to the
expenses forced upon it by the Contra War. When the Chamorro government assumed power in March 1990, Nicaragua’s external debt totalled U.S. $11.7 billion. It was the highest per capita debt in the world (Chavez Metoyer, 2000). The debt peaked at U.S. $12 billion in 1994, which was roughly six times the value of the GDP\(^{13}\) (World Bank, 2001). The Chamorro government aggressively reduced the debt to U.S. $6 billion in 1996 by substantially reducing government spending,\(^{14}\) significantly raising the percentage of GDP devoted to debt service, negotiating some debt-relief with some of Nicaragua’s major creditors, and using substantial amounts of international aid to pay down the debt. With scarce funds largely devoted to debt repayment, little money was left to restore infrastructure and expand social services in a country that had been devastated by decades of instability and war.

Nicaragua’s debt has significantly hindered social and economic development in two principal ways. First, it seriously constrains the government’s capacity to invest in social and economic infrastructure that could eventually lead to sustained improvements in productivity and GDP. Since 1990, more than half of government revenue – some years up to 70 percent – has been directed to debt repayment (Vukelich, 1999). As a result, public agencies have been forced to reduce expenditures between 30 and 90 percent in real terms since 1994 (Bendaña, 1999). In comparison to social spending, debt servicing represented approximately 5.2 times the amount of resources allocated to health care and 5.5 times the amount spent on education in 1997 (WTO, 1999). With a per capita debt of

\(^{13}\) For the rest of the region, as a percentage of GDP, the debt in 1994 was 27 percent in El Salvador, 23 percent in Guatemala, 48 percent in Costa Rica, and 107 percent in Panama (Renzi & Agurto, 1997).

\(^{14}\) Total public expenditures decreased from 50 percent of GDP under the FSLN to 33 percent in the late 1990s (World Bank, 2001).
approximately U.S. $1,330 and a per capita GDP of approximately U.S. $480, Nicaragua will remain indebted to its creditors and have a limited capacity to increase social spending for many years to come. Over the long term, the accompanying failure to invest in social services may seriously erode Nicaragua’s already fragile human resource base. By limiting the funds available for social investment, the debt crisis, and the fiscal austerity that accompanies it, could reduce Nicaragua’s productive potential and ultimately undermine attempts to improve economic growth and living standards.

The second way that the debt crisis has hindered development in Nicaragua is by substantially increasing its dependence on outside assistance, especially aid, leaving the government with little leverage to negotiate lending conditions and to formulate strategies that are most appropriate for Nicaragua’s domestic economy. Nicaragua not only depends on foreign assistance to service the debt, it also uses it to finance domestic investment (Close, 1999; World Bank, 2001). This heavy reliance on aid places Nicaragua in an extremely precarious and potentially volatile situation. First, there is the problem of “aid fatigue” and the gradual world-wide reduction in financial assistance. Second, donors are increasingly linking aid to conditions imposed by the IMF and World Bank, and to governance issues within the country, to ensure that aid is used in

15 This data is from Nicaragua’s Central Bank website: www.bcn.gob.ni/estadisticas/principales. These statistics are for 2000.
16 In 2000, Nicaragua’s external debt was U.S. $6.7 billion which represents 2.9 times the country’s GDP and 10.7 times the value of all exports (Banco Central de Nicaragua, www.bcn.gob.ni/estadisticas/principales).
17 Nicaragua receives foreign aid equivalent to approximately one-quarter of GDP. In per capita terms, Nicaragua is among the top ten aid recipients in the world (World Bank, 2001).
18 In 1997 the World Bank estimated that 46.1 percent of Nicaragua’s total income derived from international aid while no other Central American country derived even 10 percent of its income from outside assistance. To find proportions higher than Nicaragua’s, one must look to Africa and countries such as Rwanda or Mozambique (Close, 1999).
accordance with the donor’s vision of the development process (World Bank, 2001). This is problematic because Nicaragua has had difficulty meeting stipulations set by its donors and creditors, which can increase volatility in loan disbursements and aid flows. The threat of suspension of external lending has reduced Nicaragua’s economic sovereignty by compelling the country to largely adopt development goals set by foreign institutions and to generally abandon domestic policies that may be better suited to Nicaragua’s particular needs but are in opposition to foreign objectives. Finally, Nicaragua cannot satisfactorily eliminate or refinance its debt through international aid flows or by obtaining loans to pay back current debts. There is no guarantee that foreign donations will remain consistent from one year to the next, and paying down the debt with short-term rollover or replacement loans only increases the volatility of the Nicaraguan economy (Ugarteche, 1999).

As a result, in recent years a call to forgive the debt of many developing countries, including Nicaragua, has gained momentum. Various academics and analysts have raised the argument of an ‘illegitimate’ or ‘odious’ debt, which is debt that is imposed on a country under supposedly unfair and asymmetrical power relations. Historical precedents exist for the cancellation of such debt (Mendonça, 1999; Vukelich, 1999). In Latin

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19 In 1996 the IMF suspended disbursements to the Nicaraguan government because it was consistently late in reducing the deficit, it was unsuccessful in laying off the requisite numbers of state employees, and it did not achieve all of its privatization goals on time. By suspending disbursements and removing its ‘stamp of approval,’ the IMF negatively impacted Nicaragua’s ability to attract much needed funds from other donors, lenders, and investors. Other countries have also had problems meeting IMF conditions (Costa Rica had its disbursements suspended in 1995), which might indicate that developing countries have structural characteristics that make it difficult to shape their economies to the IMF and World Bank template (Close, 1999).

20 For example, foreign private capital inflows topped $300 million in Nicaragua in 1999 but, due to economic and political uncertainty, fell to less than $100 million in 2001 (World Bank website, Regional Overview for Latin America and the Caribbean, retrieved January, 23 2002: http://wbln0018.worldbank.org/external/lac/lac.nsf).
America, the questionable and risky investment choices of international lenders significantly contributed to the debt crisis, but they have had to bear very little of the cost. Additionally, many of the debt problems that plague developing countries resulted from a bad combination of lax international lending institutions and corrupt governments. For example, the last Somoza was widely known as a corrupt, brutal dictator. However, U.S. support ensured generous international loans to his regime, much of which apparently wound up in his personal coffers.\textsuperscript{21} Unfortunately, military dictators, large landowners, other borrowers from the elite, and their creditors have not had to pay the price for their irresponsible borrowing and lending practices, and have instead passed debt on to their country's citizens (Green, 1999). The enormous debt burden has fallen disproportionately on the poor in the form of recessions and austerity measures including cuts to public spending, job losses, and falling wages (Mendonça, 1999). In Nicaragua's case, its creditors – who might have assumed significant losses commensurate with their responsibilities for the debt - have requested full repayment and have offered relatively little debt forgiveness, despite the country's long history of foreign intervention, corruption and instability, and the comparative insignificance of Nicaragua's $6.7 billion debt to the overall global financial sector.\textsuperscript{22}

The foreign debt in most Latin American countries today is greater than it was in previous decades despite years of structural adjustment and fiscal austerity. In response,

\textsuperscript{21} For example, Hayter and Watson (1985) suggest that U.S. $33.2 million from an IMF loan granted to the Somoza dictatorship two months prior to the Sandinista victory disappeared into a Swiss bank account.

\textsuperscript{22} It is difficult for Latin America to negotiate as a block for debt forgiveness or softer terms for repayment because the links between countries are weak and they are very dependent on external markets and foreign capital. Countries that have tried to default on their loans, or that have taken other forms of unilateral action, such as Peru, have been punished by the international financial and corporate investment community.
the IMF and World Bank have decided that an effective development strategy for the world’s forty-two most heavily indebted countries, including several in Latin America, should include debt relief with an effective plan for poverty reduction. The IMF’s Heavily Indebted Poor Countries Initiative (HIPC) promises substantial debt-relief to governments that are able to demonstrate viable programs for reducing poverty. In Latin America, Nicaragua, Honduras, and Guyana obtained World Bank agreement in July, 2001 to start receiving reductions in their external debt, although HIPC benefits to Nicaragua have been delayed because it subsequently fell “off track” from its IMF program (World Bank, 2001).

Debt forgiveness is widely believed to be necessary to resolve many of the most severe and intractable problems of developing countries. However, some analysts are concerned that the additional fiscal austerity required by the HIPC could be too costly a price to pay for debt relief. They argue that if HIPC beneficiaries are to concede even greater power to the international financial institutions over their economies, then a significant percentage of the debt relief must be reallocated to social programs aimed at decreasing poverty and dealing with the dramatically degraded environment (Vukelich, 1999). However, whether or not this trade-off will occur remains uncertain.

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23 In Latin America, the HIPC agreements will reduce Nicaragua’s debt service by $4.5 billion over 20 years, that of Honduras by $900 million, and Guyana’s by $590 million. In addition, Bolivia will receive $1.3 billion in debt service reduction, which was approved in fiscal year 2000 (World Bank, 2001).

24 In Nicaragua’s case, debt service relief will not result in an enlargement in the public sector’s total resources because debt service deferrals provided by the Paris Club and other bilateral creditors in the aftermath of hurricane Mitch came to an end in 2001. Therefore, most of the assistance to be provided under the HIPC initiative will initially serve to counter the increase, rather than achieve major reductions in debt service. As a result, most ministries will not receive significant increases in funds with which to implement new social programs (World Bank, 2001).
2.5 Neoliberalism and Structural Adjustment Programs

In Latin America, decades of growth came to an abrupt end with the onset of the debt crisis and global recession. Unemployment and underemployment grew steadily, inflation increased rapidly, and the combination of shrinking export markets and rising interest rates on international loans produced a disastrous macroeconomic situation. Latin American countries were desperate to secure access to new international loans, both to reactivate faltering domestic economies and to pay the interest on outstanding loans. In order to access new loans or renegotiate debt repayment schedules, debtor countries had to convince their creditors that they were worthy recipients. The only method by which developing countries could achieve credit-worthy status after the debt crisis - or in many cases even engage their creditors in negotiations - was to adopt structural adjustment programs to liberalize and deregulate their economies (Close, 1999). SAPs were first applied in a few African and Latin American countries in the late 1970s and became nearly universal in the 1980s and 1990s. Between 1980 and 1991, the World Bank and the IMF prescribed SAPs to 89 developing countries as a condition for obtaining loans (Chavez Metoyer, 2000).

SAPs were prescribed to solve many of the internal problems that, according to the IMF and World Bank, had supposedly led developing countries into the debt crisis. The crisis highlighted the chronic inefficiency and low productivity of many developing countries, and their inability to withstand external economic shocks. The World Bank and IMF attributed these serious shortcomings to excessive government involvement in the economy and unsuccessful inward-oriented, import-substitution development strategies.
which characterized development in the post-war period and generated chronic
inefficiencies and inappropriate economic structures (Brohman, 1996a).

The neoliberal position that Third World underdevelopment is essentially attributable to
inappropriate internal policies is widely debated and contested by alternative
development theorists who explain Third World underdevelopment largely as a
consequence of external factors, such as the legacy of colonial domination and the
inferior position of many developing countries within an inequitable international
division of labour (Brohman, 1996a; Ugarteche, 1999). Although some internal policies
required correction, alternative development theorists argue that there is little possibility
for development in the Third World without global structural change. This view gained
acceptance and was supported by a number of influential Third World leaders and
development analysts in the 1960s and 1970s who advocated using the state as a tool to
build the economy and increase self-sufficiency (Brohman, 1996a). Interestingly, the
World Bank and other financial institutions also counselled developing countries to use
state interventionism as a development tool prior to the debt crisis (Close, 1999). The
neoliberal thinking of the World Bank and IMF after the debt crisis represented a drastic
reversal and transformation of the development strategies that many Third World
countries had pursued previously. Under the direction of the World Bank and IMF,
countries were encouraged to restructure their economies by significantly reducing the
role of the state in development planning and income redistribution, and to instead turn to
market forces to create the macroeconomic conditions necessary for future growth
(Brohman, 1996a).
The theory behind structural adjustment is that an economy will become stronger, more efficient, and better able to meet people's needs if market forces are allowed to operate freely and government involvement is kept to a strict minimum. According to the World Bank:

The events of the past decade, from the collapse of central planning to the debt crisis in Latin America, have exposed the astounding costs of government failure. The world has learned to rely more on markets and less on government to reduce poverty and promote development. The general principal remains that, given a country's constraints, governments can best help reduce poverty by fostering an environment that maximizes the vitality and dynamism of the economy by providing safety nets and certain required investments, and by letting the private sector do most of the rest (Psacharopoulos & Nguyen, 1997, p. xiv).

The World Bank argued that fiscal austerity would restore price stability and lower production costs such as wages, creating an environment for new investment and job creation, while increased international trade would result in cheaper consumer goods and would push inefficient local firms to match their international competitors (Close, 1999). The major objectives of SAPs are: to increase national savings to avoid the levels of foreign indebtedness that occurred in the 1970s; to revalue and stabilize exchange rates to create a more predictable environment for international trade; and to establish a functioning market economy that would increase growth by 'getting the prices right' through the removal of artificial distortions, such as price controls and trade tariffs, thereby liberating resources for private investment and allowing unregulated markets to determine the most efficient allocation of resources (Elson, 1995; Ugarteche, 1999).

25 A significant component of increasing savings is to significantly reduce government spending to bring it more in balance with revenues. This is accomplished by privatizing state corporations and cutting back on social programs, infrastructure, and other public investments.
SAPs promised to correct chronic problems such as: severe inflation; stagnating or deteriorating output; prolonged, unmanageable trade deficits; unsustainable government budget deficits; and the inability of governments to attract foreign investment (Sparr, 1994). Furthermore, SAPs would successfully combat poverty by spurring economic growth, the benefits of which would eventually 'trickle down' to all social classes, economic sectors, and geographic regions (Brohman, 1996a). Neoliberals contend that the 'trickle down' effects will eventually solve serious social problems, negating the need for most targeted social policies26 (Vilas, 1996). Although the World Bank and IMF acknowledged that adjusting countries would experience an initial painful phase of fiscal austerity (i.e. job losses, reduction in public spending, subsidy removals), policymakers argued that this would be short term, and that once the economy was positioned to grow and function properly, many of the recessionary effects of adjustment would be reversed27 (Stahl, 1996).

Neoliberal adjustment programs are usually comprised of two phases. The first phase, stabilization, aims to get the immediate economic crisis under control, and usually lasts two to three years. This phase mostly falls under the domain of the IMF, which specializes in short-term stabilization loans. The objectives of stabilization are to restore balance-of-payments equilibrium, control inflation, and achieve stable exchange rates and real wages. During this phase, fiscal and monetary instruments, such as exchange rate

26 Neoliberals argue that poverty is mainly the result of inadequate growth. The much acclaimed 'trickle down' theory ignores the fact that wealth is distributed unevenly in Latin American countries for many reasons, including the substantial concentration of economic and political power in the hands of a minority, and a long history of growth strategies that have excluded, and subsequently impoverished, the majority of citizens.

27 For example, workers that had been displaced from their jobs as a result of adjustment would be readily absorbed into the economy once growth resumed.
policy, taxes, and public spending, are manipulated to slow the economy and cut aggregate demand. Stabilization gives a sharp and immediate shock to the economic system and generally involves cuts in government spending on services, salaries, and investments; a reduction in the overall size of the public sector; currency devaluation to promote exports; and tax reforms (Bakker, 1994; Close, 1999).

The second phase, structural adjustment, is mostly managed by the World Bank and its affiliated regional development banks (e.g. Inter-American Development Bank), and consists of longer-term measures that aim to significantly increase economic growth, secure longer term economic efficiency, and preclude a recurrence of the debt crisis (Haddad et al, 1995). Structural reforms aim to enhance the allocative efficiency for scarce resources, create a competitive production base, strengthen the local currency, eliminate inflation, and stimulate international trade (Brown & Kerr, 1997b; Chavez Metoyer, 2000). Countries are required to balance imports and exports, and reduce trade barriers, public spending, and state economic regulations. Although the specific policy reforms vary somewhat from one country to another, structural adjustment usually consists of the following: deregulation of domestic markets; the removal of subsidies and price controls on essential commodities; privatization of state-owned enterprises and social services; downsizing of government; the removal or lowering of tariffs; liberalization of interest rates; and the removal of price and market distortions to encourage producers to switch from non-tradable to tradable production. Agricultural and industrial production is reoriented towards export markets and the country is advised to
specialize in areas where it is already an efficient producer (Brown & Kerr, 1997b; Chavez Metoyer, 2000; Close 1999; Haddad et al, 1995).

After two decades of SAPs in Latin America, the results are mixed at best. SAPs have improved macroeconomic indicators in many countries, and have proved particularly successful at lowering inflation. In some countries, structural adjustment policies have also been effective stimulants for economic growth by breaking vicious cycles of chronic stagnation. In at least a few countries, SAPs have helped reverse capital flight and attract foreign investment\(^2\) (Chavez Metoyer, 2000; FIDEG, 1994; Roxborough, 1998; Walker, 1997b). The general improvement in macroeconomic indicators helped Latin America recover somewhat from recession in the mid-1980s with a 1.9 percent increase in annual GDP growth between 1986 and 1990 and a 3 percent increase in annual GDP growth between 1991 and 1995 (Vilas, 1996). However, despite positive growth rates in GDP in many countries, poverty levels remained constant, or in many cases increased, demonstrating that SAPs do not by themselves reduce poverty, and macroeconomic recovery does not automatically translate into significant social improvement (Vilas, 1996). Furthermore, SAPs have generally failed to improve and sustain productivity, increase employment, and raise living standards. When comparing current data with figures from the pre-crisis 1950-1980 period, SAPs have not succeeded in closing the trade deficit, increasing domestic savings, stabilizing exchange rates, or promoting economic growth. There is only improvement if current data is compared with figures

\(^2\) Five Latin American countries are among the top twenty recipients of capital inflows: Mexico, Brazil, Venezuela, Chile, and Argentina. These five countries, plus Colombia, accounted for 95% of capital inflows into Latin America in 1992 (Henwood, 1996). Robinson (1997: 41) suggests that “transnational capital, literally with the world to exploit, would hardly choose Nicaragua as a country in which to invest,
from the economically depressed 1980s\textsuperscript{29} (Ugarteche, 1999). Other important negative outcomes of SAPs include increased inequalities, increased underemployment and unemployment, decreased real wages and purchasing power, and a deterioration in social services and public facilities. Many analysts contend that these negative impacts of SAPs have resulted in further negative consequences such as urban congestion and deterioration, environmental damage, and increased common crime and violence (Vargas, 1998; Vilas, 1996).

2.6 Concluding Remarks

Nicaragua's current economic and social crisis is a consequence of its social, political, and economic history. Colonialism and agroexport development created and perpetuated extreme societal polarization and inequalities. The Sandinista Revolution and Contra War dramatically increased Nicaragua's debt, destroyed infrastructure, and divided communities. The Revolutionary period also fostered political awareness, political participation, and promoted collective action and democracy, especially among the historically repressed peasantry. The Third World debt crisis and the global recession compounded Nicaragua's debt problems. Although SAPs have improved Nicaragua's macroeconomic indicators, they have also contributed to rising inequality. Nicaragua remains one of the most heavily indebted and unequal countries in the world, despite a decade of structural reform.

\textsuperscript{29} Economic growth in the 1990s is only half of what it was from 1950 to 1970. The rate of investment did not return to the levels of the 1970s and internal savings have remained depressed, leaving the region to...
In sum, Nicaragua’s underdevelopment is largely a consequence of external factors and internal structural conditions. These must be acknowledged by policymakers for sustainable social and economic development to succeed. However, neoliberal economists overlook these factors. They contend that Nicaragua’s underdevelopment is largely attributable to inappropriate and misguided internal policies. Therefore, neoliberals advocate general solutions based in standard economic principles for Nicaragua’s economic problems. Ignoring Nicaragua’s unique history and social conditions will not bode well for development. Instead, a development approach that is specific to local conditions, and that incorporates social, political, and environmental factors into development, in addition to economic factors, is required (Brohman, 1996a; Cavanagh et al, 1994).

continue to rely upon foreign private savings. National savings have only been 18 percent of GDP through the 1990s compared with 20 percent in the 1970s (Ugarteche, 1999).

30 Neocolonialism and global structural inequities are examples of external factors that contribute to Nicaragua’s underdevelopment. Examples of internal structural conditions include: extreme societal polarization and inequality, high levels of foreign dependency, economic concentration within the external sector, and a poorly articulated economy (Brohman, 1996a).
Chapter III - Literature Review: The Uneven Impacts of Structural Adjustment

3.1 Background

Much of the current alternative development literature takes issue with the uneven effects of neoliberalism and SAPs. Many analysts argue that liberalization policies have resulted in greater polarization, both within and between countries, which has exacerbated many unresolved development problems and potentially limited the possibility for regional economic integration in Latin America. While some countries have experienced significant improvements in macro-level stability and growth, other countries' economies remain stagnant or have even deteriorated despite having implemented similar policies.¹ Similarly, within countries, people in some sectors of the economy have benefited greatly from liberalization, but in many other sectors people have become increasingly impoverished or have seen their incomes greatly reduced (Brohman, 1996a; DAWN, 1995; Gereffi & Hempel, 1996). The negatively-impacted sectors usually include: peasants and other small- and medium-sized producers who find themselves with little or no access to credit; thousands of government employees who lost their jobs in downsizing; many workers forced into marginal jobs in the large and expanding informal economic sector; poor people impacted by wage declines and cut backs to social services; and some industrial and agricultural entrepreneurs who were bankrupted by high interest rates and competition from imported products (Gereffi & Hempel, 1996; Walker, 1997b). Several studies reveal that the poor, women, children, and the elderly are usually hardest

¹ GDP calculations for the region mask variations between countries and within countries. Breakdowns of indicators show high levels of variability within countries as well as across countries.
hit by SAPs because cuts in government spending on health, education, and food subsidies have had particularly adverse effects on these vulnerable groups (Babb, 1996; Cornia et al, 1987; Espinosa, 1996; Fernandez Poncela, 1996; Folbre, 1994; Haddad et al, 1995; Woodward, 1992).

The uneven impact of SAPs has wide implications. Glaring income disparities and extreme poverty are the largest barriers to sustained economic growth in Latin America because they hinder the accumulation of human and physical resources across populations, which negatively impacts national productivity. SAPs are at least perpetuating, if not exacerbating, extreme inequality and impoverishment, making them counterproductive to economic and social development (Lustig, 1995). Social, political, environmental, and economic sustainability depend to a large extent on the ability of governments to adopt economic policies and programs that are responsive to all sectors of the population. To ensure sustainable economic progress in Latin America, governments need to confront poverty and inequality, and expand opportunities for the poor (Behrman, 1996). However, the IMF directive to reduce public sector social spending has contributed to a substantial deterioration in government commitment to social development under SAPs, making more equitable, broad-based growth an illusory goal for the region (Green, 1998).

This chapter outlines three theoretical analyses that examine the differential impacts of SAPs. The first is an analysis of the uneven impact of SAPs on the agricultural sector. The second is an analysis of the impact of SAPs on gender relations, examining the
different impacts of economic policies on men and women. The third is an analysis of the impact of SAPs on rural households, examining the different impacts of SAPs within and between households. These analyses are widely debated in the development literature, and are central to understanding the research concerning rural children and adolescents presented in this thesis. Rural children and adolescents are, on the whole, indirectly impacted by the outcomes of economic reform policies because they are largely affected by changes that occur to the persons and institutions upon which they depend, such as their mothers, families, schools, health facilities, and communities. In order to discern the impacts of SAPs on rural youth, it is first necessary to comprehend how rural livelihoods and rural families have been affected by SAPs. Identifying the unequal impacts that SAPs have on particular economic sectors, public institutions, and groups of people allows for a more comprehensive explanation and understanding of the myriad ways that SAPs impact rural youth and, through them, the region’s future.

3.2 An Analysis of the Uneven Impact of SAPs on Agriculture

3.2.1 Background: The Plight of the Peasantry

Analysis of the impacts of SAPs on the agricultural sector is largely focused on the different and unequal effects that these policies have on small-, medium-, and large-scale farmers. A key area of concern is the plight of the peasantry, whose role in the neoliberal economy appears to be primarily as a cheap source of labour, and whose massive displacement from the agricultural sector as producers seems inevitable. Neoliberal policies have concentrated growth in the export sector, where typically risk-averse and

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2 Although many negative impacts are indirectly felt by children through changes affecting their mothers and households, other negative impacts, such as higher costs for education and health care, are, arguably,
poorly-organized peasants are generally unable to compete. At the same time, domestic demand has contracted with fiscal austerity, producing widespread stagnation in internally-oriented economic sectors.\(^3\) Cheaper, imported agricultural products from North America and Europe have also made it exceedingly difficult for farmers to compete in a contracted domestic market (Brohman, 1996b; Bryceson et al, 2000c).

By disproportionately negatively impacting small-scale and poor farming households, SAPs negatively affect the vast majority of rural children and youth because the majority of farmers are both small-scale and poor.\(^4\) In Nicaragua, the rural population represents approximately 46 percent of the national population. However, 60 percent of the total number of people living in chronic poverty reside in rural areas, where 70 to 80 percent of the population is poor\(^5\) (Renzi & Agurto, 1997). The poor are also comprised of more children and youth than the non-poor due to higher rates of population growth among poor families.\(^6\) Of the total population, 61.4 percent of those with at least four basic needs unsatisfied are children below the age of 14 years (Vargas, 1998). In rural areas, the proportion of children under 14 years of age living in chronic poverty is 83 percent (Renzi & Agurto, 1997).

\(^3\) Low-income households, such as small-scale farming households and female-headed households, are predominately linked to the stagnant, domestic economy. In contrast, higher-income households are more linked to the export economy as a result of their foreign contacts, higher levels of education, and greater financial ability to assume risk. As the export economy grows and the domestic economy stagnates, inequality tends to increase in Latin America.

\(^4\) In Nicaragua, agriculture accounted for 60 percent of the employment of the poor, and 75 percent of the employment of the extremely poor in 1998. Only 21 percent of the non-poor work in the agricultural sector, with a higher concentration in more urban activities, such as manufacturing, commerce, and government (World Bank, 2001).

\(^5\) The depth of rural poverty is also greater. In Nicaragua, the rural poor are almost three times further from reaching the poverty line than the urban poor (World Bank, 2001). According to the World Bank (2001), thirty percent of the urban population was living in poverty in 1998.
The negative impact of SAPs on rural children and adolescents has important implications for their life chances and for Nicaragua’s long-term development prospects. Public sector cut-backs to social services and agricultural extension can result in reduced household access to food, health care, and education, potentially limiting the development of strong, healthy bodies and minds, and ultimately impacting national productivity and inequality levels. The disintegration of peasant agriculture and peasant communities can negatively impact the self-esteem, aspirations, and welfare of rural youth by leaving them with little choice but to migrate to already overburdened urban centres in search of low-paying informal jobs. Neoliberal theorists do not adequately address the consequence of massive peasant displacement that can result from the negative impacts of their economic reform policies on peasant livelihoods. The enormous social cost that results from this displacement is a critical issue for development, making the differential impacts of SAPs a subject especially worthy of study.

The balance of this section provides additional background on the application of SAPs in rural Nicaragua, outlines two arguments opposed to SAPs that are widely addressed in the agricultural development literature, and examines some alternative strategies for rural development. The first argument is that economic growth under SAPs has been exclusionary, with limited possibilities for small-scale farmers to participate in higher-growth sectors. The second is that the requirements imposed by SAPs on Latin America’s farmers - while subsidies allow First World farmers to sell below real cost – contribute to

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6 The population between 0 and 19 years constitutes the poorest sector of the population, while the less poor are between 20-46 years of age (Renzi & Agurto, 1997; Vargas 1998).
the continued inferior position of Third World farmers in global markets, and aggravate rural poverty and inequality.

3.2.2 The Application of SAPs in Rural Nicaragua

In Nicaragua, the application of SAPs and the subsequent withdrawal of the government from direct participation in agriculture was especially dramatically felt by small-scale producers and agricultural workers. By the end of 1993, two years after the initial IMF plan was implemented, most state farms (created in the 1980s by the Sandinistas) had been privatized, and 80 percent of the 351 state industrial and agricultural enterprises had been sold. This process involved massive layoffs. The full-time agricultural workforce decreased by approximately 72 percent from 135,000 workers in 1990 to between 35,000 and 40,000 workers in 1992 (Jonakin, 1997). At the same time, the state-run financial system was privatized and downsized, resulting in a further 5,500 layoffs, or 63 percent of the financial workforce. These cuts significantly impacted agriculture because most branch closings and layoffs occurred in rural areas, hindering farmers' physical access to credit (Jonakin, 1997). In addition, tight monetary policies under SAPs resulted in a severe decline in agricultural loans and a concentration of available credit in the hands of large estate owners. Prior to 1990 more than 80,000 producers had access to bank credit, but by 1995 only 16,000 mostly large-scale producers were considered eligible for loans (Polakoff & La Ramee, 1997). Despite the implementation of economic reforms that were supposed to increase incentives for small-scale production, low returns on cash crops persisted for small-scale producers due to the rising costs of farm inputs, the lack of available credit, and falling international prices (Elson, 1995). Also, domestic production
was adversely impacted by the sudden opening of the market to a flood of cheaper, subsidized imports from North America and Europe, forcing thousands of industrial and agricultural producers into insolvency. Real wages dropped by 50 percent in 1991, per capita food consumption declined by 31 percent in 1992, and poverty increased significantly during the early 1990s (Robinson, 1997). The situation was so difficult that many beneficiaries of the Sandinista agrarian reform sold their land in desperation at distressed prices7 (Jonakin, 1997).

After more than a decade of economic decline, Nicaragua experienced a recovery in per capita growth during the second half of the 1990s, led by a revival of the agricultural sector. Between 1994 and 1998 average annual GDP grew by 4.3 percent, average annual exports grew by 20 percent, and average annual agricultural output grew by 10 percent (World Bank, 2001; WTO, 1999). In spite of this recovery, per capita output at the end of the 1990s was only half of the per capita output produced in the 1960s and 1970s (World Bank, 2001). According to the World Bank (2001), positive growth rates helped reduce the percent of the total population living in poverty from 50 percent in 1993 to 48 percent in 1998.8 The percent of the population living in extreme poverty fell from 19 percent to

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7 Although neoliberal policymakers anticipated that stabilization and adjustment would initially result in painful outcomes, several analysts are questioning whether the ‘short-term’ pain of adjustment is actually a long-term phenomenon. Studies point to the fact that many of the “losers” of structural adjustment have yet to be reincorporated into the formal economy despite increased economic growth in the mid-1990s, and have instead slid into deeper poverty, striving to make ends meet in the large informal economy (Pitkin & Bedoya, 1997).

8 The World Bank universally defines poverty as an income of less than US$2 per day. However, poverty studies often employ different methods to define the poverty line and, as a result, poverty statistics can vary and prove contradictory. For example, studies conducted by Renzi and Arguto (1997) and Vargas (1998) used poverty lines that were specific to Nicaragua and examined longer time horizons than the World Bank study. Both studies concluded that poverty increased in Nicaragua during the 1990s to levels higher than World Bank findings. Vargas found that poverty increased from 69.4 percent of the population in 1990 to 82.2 percent in 1998. Renzi and Agurto determined that poverty levels increased from 50 percent in 1985 to 66.5 percent in 1996. Renzi and Agurto also conducted a Basic Needs Approach study and, like the World Bank
17 percent during this period. However, these gains did not outpace population growth and as a result, 200,000 more Nicaraguans lived in poverty in 1998 compared to 1993 (World Bank, 2001). Since 1998, Nicaragua has been further impacted by a sharp downturn in agricultural commodity prices, the devastation of hurricane Mitch, and the recent downturn in the U.S. economy. Current poverty statistics are difficult to find. However, it is highly probable that these events have reversed gains in poverty reduction and the percentage of people living in poverty is most likely rising once again.9

Nicaragua’s economic and agricultural output growth in the mid-1990s likely represents a one-time effect from the combination of the reopening of the countryside after the war10 and exceptionally favourable international agricultural commodity prices. Such prices are unlikely to persist, which suggests that the growth rates witnessed under SAPs are not sustainable over the long term (World Bank, 2001). Agroexport production recently demonstrated its “boom and bust” growth pattern as unusually high commodity prices during the mid-1990s were replaced by devastatingly low prices, wreaking havoc on thousands of rural households and on national economies around the world. Despite the Bank study, found that the percentage of people in poverty had decreased slightly in the mid-1990s. Although poverty findings vary, there is general consensus that poverty levels in Nicaragua and Latin America are critically high and, on the whole, have remained relatively unchanged under SAPs. Improvement has usually been marginal and sometimes short-lived, while some areas have experienced a rise in the rate of poverty. Moreover, due to population growth, the actual number of people living in poverty increased in Latin America in the 1990s.

The aim of SAPs to improve a country’s ability to withstand external shocks, Nicaragua’s economy remains very vulnerable, as evidenced by the devastating impact of the coffee crisis. Its substantial export concentration in a few agricultural commodities continues to be a source of significant vulnerability. On average, almost 70 percent of Nicaragua’s export revenues are derived from exports of agricultural commodities, placing the country in a precarious and economically unstable situation (World Bank, 2001). The heavy emphasis on agricultural export production within neoliberal growth strategies, and the notable lack of an integrated national development plan, threatens to lock Nicaragua into a traditional economic growth model based on raw materials and cheap labour. This would likely lead to growing impoverishment and social instability - as it did under the post-war agroexport model - and to Nicaragua’s growing irrelevance within a high-skilled global economy (Brohman, 1996b; Green, 1996).

### 3.2.3 Argument re Exclusionary Rural Growth Under SAPs

Analysts are further concerned with the exclusionary nature of economic growth that has occurred under SAPs (Bryceson, 2000b; DAWN, 1995; Fernandez Poncela, 1996; Gereffi & Hempel, 1996; Green, 1998). Nicaragua’s reinsertion into the global economy has been based on developing a modernized agroexport sector that emphasizes non-

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10 The expansion of agricultural production between 1993 and 1998 primarily reflected increases in land and labour inputs after the pacification of the countryside, and only small increases in yields (World Bank, 2001).
11 The international price for coffee, which represents on average 60 percent of Nicaragua’s agricultural exports and 30 percent of total exports, rose steadily at an average annual rate of 22 percent between 1993 and 1998. However, the price dropped in 1999 from an average of U.S. $147/100 pounds to U.S. $107/100 pounds (World Bank, 2001). In April, 2003, the international price for coffee was U.S. $48/100 pounds which has had devastating consequences for the Nicaraguan agricultural sector (coffee prices listed on www.fao.org, April 4, 2003).
12 The top three agricultural exports represent about 40 percent of total exports (World Bank, 2001).
13 This is the average proportion of agricultural exports in total exports over 1993-1998 (World Bank, 2001).
traditional crops such as peanuts, sesame, melons, onions, and cut flowers, as well as other export products such as *maquila* goods (clothing), gold, and seafood (World Bank, 2001). Although traditional products such as coffee, meat, and sugar continue to top the list of Nicaraguan exports, the fastest growth is in non-traditional exports, which collectively accounted for over 46 percent of total exports by the end of the 1990s (WTO, 1999). Non-traditional production is promoted as an effective development strategy because it encourages diversification beyond a limited range of traditional agroexport products, helping countries to better adjust to trade shocks caused by fluctuations in global commodity markets. Support for the inclusion of non-traditional exports in development strategies has come from both neoliberal and alternative development scholars; however, there is growing concern among the latter group that non-traditional export growth under structural adjustment is replicating many of the problems that occurred under the traditional agroexport model (Brohman, 1996b; Kay, 2000). These problems include: increasing inequality, concentration of land and resources among a small minority, increasing dependence on First World markets that are subject to wide fluctuations, and the inability of small- and medium-scale farmers to effectively participate in non-traditional export production without state support (Brohman, 1996b).

Large commercial farmers and agro-businesses, which have considerable resources and links to international capital, were able to respond quickly to neoliberal macroeconomic policy and trade reform, and have subsequently benefited from the growing non-traditional export business (Kay, 2000). Although some small-scale farmers are engaged in export production through contract farming arrangements with commercial farms, the
future for the majority of small-scale producers is in question, entailing serious welfare consequences for the vast number of the world’s poorest people (Bryceson, 2000a). For most small- and medium-scale farmers, the export market is too risky and the technology required for non-traditional crop production is expensive and inappropriate for small-scale production (Kay, 2000). SAPs have exposed many producers to much greater risk by largely eliminating credit and input subsidies for small-scale production, and by reducing public investments in basic social and economic infrastructure, including training, marketing, and distribution systems. Long-established safety nets have disappeared, forcing many small-scale farmers to provide for their families by employing ‘survival strategies,’ such as migrating in search of work in order to diversify household income sources, or by fully returning to subsistence agriculture, instead of risking already meagre household consumption levels by competing against large-scale production in the non-traditional sector (Brohman, 1996b; Bryceson et al., 2000c; Keller-Herzog & Munachonga, 1997). The “semi-proletarian” sector of the population, which consists of producers who are forced to seek seasonal-wage labour in addition to farming to meet the basic needs of their families, has arguably been the most dynamic growth sector under structural adjustment (de Janvry 1981; Gereffi & Hempel, 1996; Kay, 2000; Otero, 1999). As long as national governments are largely powerless to implement policies that would help to ensure peasants’ survival as agrarian producers, the ‘functional dualism’ that has traditionally marked Central American development will continue to be a formidable barrier to broad-based economic growth.
3.2.4 Argument re Exclusionary Growth at an International Level

The exclusionary growth witnessed within Latin American countries also occurs at an international level because the world trading system, at least in relation to agriculture, tends to favour the industrialized countries. According to World Bank Vice President Ian Johnson, “developing countries are particularly badly hit by the distortions in global agricultural trade” (World Bank, 2002, July 23). He argues that the lack of access to First World markets makes it difficult for Third World countries to develop their agricultural export sectors, and the low prices caused by First World subsidization lowers the returns from the agricultural exports for which they do have market access\textsuperscript{14} \textsuperscript{15} (World Bank, 2002, July 23). Industrialized countries have employed their legal skills to maintain protection for their agricultural sectors, or to at least delay the dismantling of protective policies until the end of the ten-year period agreed upon at the Uruguay Round of trade negotiations. As a result, many small- and medium-scale farmers in the United States and Europe have so far been spared from competing directly with large-scale agribusiness, unlike their counterparts in Latin America, Asia and Africa (Bryceson, 2000b).

First World protectionism has significantly impacted developing countries by contributing to the decline in prices for their agricultural products, which in turn has contributed to staggering Third World rural poverty and increased wealth differentials between rich and poor countries (Bryceson \textit{et al}, 2000c). SAPs have stimulated and

\textsuperscript{14} In the OECD countries, agricultural subsidies in 2000 totaled more than $300 billion. Protectionism and subsidization have led to heavily distorted international trade in agriculture and artificially depressed prices for many agricultural products (World Bank, 2002). For example, cotton producers in developing countries face annual losses of approximately $9.5 billion as a result of subsidies benefiting rich countries (World Bank, 2002, July 7).
concentrated growth in the agricultural export sectors, and as a result, the exports have grown much faster than agricultural production for the domestic market (Brohman, 1996b; Kay, 2000). As more Third World farmers turn to production of a limited number of export products, developing countries are forced to aggressively compete with one another for market share in protected, and therefore limited, export markets. As a result, commodity prices have fallen in the face of market saturation, resulting in minimum income levels for developing countries, while industrialized countries have accrued savings from cheap prices for raw materials (Bryceson, 2000a).

The textbook theories of neoliberalism and SAPs generally ignore the fact that small-scale farmers are offered “take-it-or-leave-it” prices from agribusiness concerns that control the world’s markets (Abell, 1999). Bryceson (2000b, p. 309) comments that:

Family farms, particularly the very small, under-capitalized peasant family farms of Latin America, Asia and sub-Saharan Africa, are being sidelined rather than incorporated into agro-industry’s corporate drive for increasing market share. Environmental and developmental protest may move some

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15 The 48 least developed countries, home to 10 percent of the world’s population, have seen their share of the world’s exports decline to 0.4 percent over the past 2 decades, while the U.S. and the EU (which contain roughly the same number of people) account for 50 percent of world exports (Sweetman, 1999).

16 Many developing countries have difficulty diversifying beyond a limited number of export products because of their commitment to SAPs, which oppose “infant industry” protection and other interventionist policies that could foster conditions for diversification (Brohman, 1996b; Green, 1999). A lack of capital for investment also makes diversification difficult.

17 Several academics question the theory of ‘comparative advantage,’ arguing that developing countries are hardly in an ‘advantageous’ position in the international division of labour, where they are encouraged to produce and export low-value agricultural products and raw materials in exchange for value-added, manufactured consumer goods from industrialized countries. For example, for a small-scale coffee farmer to buy a North American export product, such as a sport utility vehicle, he would have to produce 250,000 pounds of coffee beans, which is virtually impossible for any but the largest coffee producers. Alternatively, he could share the purchase with 21 coffee plantation co-workers, which would entail saving the entirety of their paychecks for nine years (Abell, 1999).

18 Small producers generally assume most of the production risks, while the majority of their surplus is taken in the commercialization process. For example, a Central American coffee producer receives approximately 0.5 to 1 percent of the cost of a cup of coffee sold in a North American coffee shop. Most of the profit is extracted by coffee processors and exporters, transportation companies, other intermediaries, and North American retailers (Abell, 1999). Another study of Honduran mango exports found that local producers received only 3.1 percent of the final price in the U.S. (Brohman, 1996b).
agro-industrial corporations to provide ‘show case’ smallholder contract farming schemes, but peasant agrarian labour displacement – not absorption – is now the norm.

Peasant labour displacement, particularly on the scale that has recently been occurring, is contributing to the widening income gap between rich and poor countries. In 1870, the average per capita income in the wealthy countries was 11 times higher than that of the poor (Bryceson, 2000b). In 1960 the ratio rose to 38, in 1985 it was 52 (Bryceson, 2000b), and by 1994 it was 78 (Renzi & Agurto, 1997). Between 1985 and 1995 the GDP doubled in the ten richest countries, but fell by 30 percent in the world’s ten poorest countries, while the gap in income per capita between these countries grew from a multiple of 70 to 430 (Ugarteche, 1999). With 70 percent of the world’s poor employed in agriculture (World Bank, 2002), this trend is likely to continue unless the impacts of trade reform on the peasantry are addressed. For broad-based development to occur in developing countries, a fairer international trading system must prevail, and the protectionism practiced by developed countries must be addressed.

3.2.5 Alternative Strategies for Rural Development

Examining the many alternative strategies for development is beyond the scope of this thesis. However, it is possible and worthwhile to briefly examine some of the general, overriding theoretical concepts that should inform an alternative rural development framework.

Most analysts agree that future development for many developing countries is dependent on structural change that responds to the needs and interests of the majority rather than a
small elite (Brohman, 1996a; Bryceson et al, 2000c; Cavanagh et al, 1994; Green, 1998). However, although analysts argue that the continuing viability of the agroexport model has been seriously eroded by intractable societal and environmental problems that have become increasingly acute, they acknowledge that in regions like Central America there are no other economic sectors that can replace agroexports as a motor for economic growth, at least in the medium term. Therefore, selected agroexports must be included in a viable alternative development strategy, while the mechanisms by which the agroexport model operates must change to allow for more broadly-based and sustainable development (Brohman, 1996b). Rather than pursue growth at any cost, growth should be combined with other concerns such as sustainability and equity. This type of balanced development has eluded Latin America, but is characteristic, for example, of the successful Asian NICs (Green, 1996).

Several analysts agree that a viable and equitable road to rural development must, in most developing countries, include enhancing the market competitiveness of small-scale producers (Brohman, 1996b; Brown & Kerr, 1997b; Bryceson, 2000b). Many peasants are keen to diversify into non-traditional export production, which is evidenced in part by the large percentage of small-scale farmers that already produce traditional export crops, like coffee. However, their participation would be conditioned upon minimizing their risks to acceptable levels. Brohman (1996b) argues that this could be accomplished by designing export policies that would meet the specific needs of small and medium
producers. For example, credit, service, and marketing cooperatives and producer associations should be encouraged, especially to enhance technical and marketing expertise, while public investments should concentrate on basic social and economic infrastructure, such as rural health care, education, roads, and technical assistance programs that would allow living standards and productivity to increase without sacrificing international competitiveness. Comparative advantage should be based on alternative forms of rural organization, such as medium-sized farms and cooperatives, an increasingly skilled workforce, an expanded domestic wage-goods sector, and other factors beyond those rooted in the *latifundio-minifundio* complex. Brohman (1996b, p. 7) argues that state intervention is necessary, at least in the short term, to provide small and medium producers with “the conditions in which they can compete on global markets with larger producers,” such as access to credit, technical assistance, and marketing expertise. The state should treat agricultural diversification of small and medium producers as an ‘infant industry’ that is supported for economic, social, and political reasons. Similarly, the United Nations Economic Commission on Latin America and the Caribbean (CEPAL) advocates a ‘managerial’ state that works both in alliance with, and in regulation of, the private sector. While production is left to the private sector, the state intervenes in the economy to “move it to higher levels of technology and industrialization, training and caring for its population” (Green, 1996, p. 118). However,
an enhanced role for the state would require a shift away from the current emphasis on liberalization, which at present seems unlikely. Although World Bank policymakers address many serious rural problems in their reports, including the lack of credit available to small-scale producers and their exclusion from participating in growth sectors, they do not view their policies as contributing factors to these problems. Instead, they advocate highly localized poverty-alleviating projects, which many analysts contend do little to reverse the overall situation of severe poverty and marginalization (Strahl, 1996; Vilas, 1996).

3.3 An Analysis of the Uneven Impact of SAPs on Gender Roles

3.3.1 Background: The Expansion of Women’s Roles

In addition to impacting rural farmers’ abilities to provide for their families, SAPs have also impacted mothers’ abilities to care for their children. Studies from around the world indicate that women in developing countries have had to expand their roles considerably in recent years in order to ensure familial reproduction, while compensating for the effects of significant government cutbacks and other fiscal austerity measures (Babb, 1996; Bakker, 1994; Brohman, 1996a; Brown & Kerr, 1997b; Elson, 1995; Fernandez Poncela, 1996; Levison & Moe, 1998; Moser, 1992; Pitkin & Bedoya, 1997; Sparr, 1994). Under structural adjustment, women are often required to allocate more time to income generation and community management at the expense of caring and providing for their children. Interviews with women indicate that their time and energies are being pushed to the limit, causing them severe physical and emotional stress, and leaving them exhausted, which threatens the rights of their young children to survive, grow, and
develop normally. A mother’s absence, or her reduced supervision of the household, could have several potential costs for her children, including malnutrition, accidents, delinquency, and drug abuse (Pitkin & Bedoya, 1997). Mothers tend to provide a disproportionate share of financial and direct support to their children, making their marginalization an enormous cost to society because the process is intergenerational and passed on to their children (Folbre, 1994).

To identify and address the unnecessary hardships that SAPs may impose on women and their children, and to understand how the effectiveness of current economic reform is being jeopardized by increased female hardship, it is essential to understand how women participate in the economy and how they are affected by economic policies (Chavez Metoyer, 2000). Accordingly, this section first examines women’s central role in social reproduction, and explains how women’s productive and reproductive work is disadvantaged and devalued by the gender-bias that characterizes macroeconomic theory. This analysis is followed by specific examples of how SAPs have differentially negatively impacted women in the household and labour force, and how these negative impacts are transferred to their children.

Before examining these topics, it must be acknowledged that there is substantial cultural, social, and economic diversity among women, and therefore not all women are affected by economic policies in the same way. Intra-gender inequalities typically heighten the marginalization of poor, uneducated, rural, and indigenous women. Women with skills, higher education levels, and greater income-generating opportunities may be better
equipped to protect themselves and their families from severe economic, physical, and emotional hardship. This is not to suggest that poor and rural women are passive victims. As numerous authors note, women actively face the challenges placed on them, as they strategize and mobilize their resources to ensure their survival and that of their families and communities (Bakker, 1994; Chavez Metoyer, 2000; Naylor, 1999).

3.3.2 Social Reproduction and Structural Adjustment

An area of great concern in the development field is the significant and usually negative impact that SAPs appear to have on social reproduction. Broadly defined, social reproduction includes all factors needed to allow for the process of human productivity and development to continue. It refers to the social and material processes through which the labour force, or the human population as a whole, is maintained and renewed on a daily and intergenerational basis (Elson, 1995). This includes earning an income that is sufficient to allow individuals to take care of themselves and their dependents, and basic services such as health care, child care, and education (Vuorela, 1992). Essentially, social reproduction entails meeting the broad basic needs that are required to sustain and reproduce human beings and human communities.

Social reproduction occurs at many levels. Families, neighbourhoods, communities, and whole social formations are required to reproduce themselves by meeting their daily needs as well as those required for future generations. Family reproduction at the household level is the most basic level of reproduction because without healthy,
productive individuals it is difficult, if not impossible, to sustain, reproduce, or improve the productivity and quality of life in social formations, including communities and countries. This relationship between family reproduction and overall productivity highlights the interdependence between monetized production and the non-monetized reproductive economy (Elson, 1994). While social reproduction enhances human development in ways that promote increases in productivity in the monetized economy, earning a sufficient income in the monetized economy in turn allows individuals to meet many of their reproductive needs.

Despite the interdependence between productive and reproductive spheres, SAPs focus almost entirely on the productive economy. Neoliberal macroeconomic theory assumes that the maintenance and reproduction of human resources will continue to function adequately if resources are allocated in an economically efficient manner (Brohman, 1996a). Social services that are cut from state budgets are to be absorbed at the household level without any implications for the monetary economy. Diane Elson (1994, p. 41) comments that:

Current forms of economic policy reform that emphasize rolling back the state and liberating market forces give scant consideration to how this will impact on the ‘reproductive economy.’ There tends to be an implicit assumption that the ‘reproductive economy’ can accommodate itself to whatever changes macro-policy introduces, especially to withdrawals of public services and subsidies and declines in public-sector employment and to rises in prices and taxes.

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22 It also involves the creation and maintenance of ‘social capital,’ which includes various social relations and social structures that are important for individual and societal well-being. The impact of SAPs on social capital will be examined in Chapter VI.

23 Reproductive work contributes directly to the functioning of formal market relations by producing and reproducing labour power.
Because of this implicit assumption, many economists assess their policies by only considering changes that are reflected in real incomes or prices. As a result, the time devoted to the care and education of the next generation is excluded from the macroeconomic category of investment. The historical reluctance to see women’s work in the family as an economic activity, rather than a natural or moral responsibility, has devalued the process of social reproduction (Folbre, 1994). Furthermore, by omitting the reproductive economy from economic analysis, the social costs of SAPs may be vastly underestimated (Pitkin & Bedoya, 1997). This is especially true when considering the social costs for women and children who function primarily in the reproductive sphere.

‘Male bias’ is a relatively new and important feminist concept that exposes the lack of consideration in neoliberal macroeconomic theory for asymmetrical gender-based power relationships, an omission which generally disadvantages and devalues women and their reproductive work.24 The issue of male bias in economic policies is being increasingly addressed by academics, feminist economists, and civil society organizations (see Babb, 1996; Bakker, 1994; Bernia & Feldman, 1992; Birdsall & Sabot, 1991; Elson, 1994; Kabeer, 1995; Tanski, 1994). The male bias in policy reforms is far from being deliberately introduced by policymakers, but is instead the result of oversights and omissions caused by a one-sided concern with monetary variables. Although it is widely accepted that economic policy obscures the presence of both women and men, several analysts argue that when social actors are recognized, they are associated with a

24 According to Elson (1995, p. 1865), male bias disadvantages women in the following ways: 1) in accessing and controlling credit and land; 2) in the creation and dissemination of new technologies; 3) in acquiring health, strength, and skills; 4) in participating in decision-making processes; 5) in controlling infrastructural services and intrahousehold arrangements for the organization of both production of
masculine production paradigm that regards men as the main, if not the only, stable providers of family income. Consequently, the economic dimension of domestic and unpaid reproductive work is ignored25 (Bakker, 1994; Dalla Costa & Dalla Costa, 1999; CEPAL, 2000). Isabella Bakker (1994, p. 42) explains how SAPs are inherently male biased:

> It is not that macro policy reforms are deliberately designed to favour men. Nor is the key issue that male-biased social traditions prevent women from taking advantage of macro policy reforms that could work in their favour. The key issue is that macroeconomics has a one-sided view of the macroeconomy: it considers only the monetary aggregates of the ‘productive economy’... This one-sided view is a male-biased view, because the sexual division of labour means that women are largely responsible for the ‘reproductive economy’ as well as contributing a great deal of effort to the ‘productive economy.’

In addition to the assumption that social reproduction is automatic or ‘natural,’ SAPs also assume that individuals will automatically reallocate their productive resources in line with new economic incentives. However, relative to men, most women do not have the same access to, control of, or ability to move productive resources between different sectors of economic activity (Brown & Kerr, 1997b). Most women in Latin America are engaged in unpaid reproductive work such as child-rearing, subsistence agriculture, family healthcare, and household maintenance. As a result, they usually do not have independent entitlement to resources, and are instead largely dependent on others or welfare-state arrangements to meet their needs. Because of their reproductive commodities and the social reproduction of people; and, 6) in excluding women’s voices from the policy processes in which public expenditure patterns are determined.

25 Until recently, recognition of the reproductive work done by women was regarded only as justification for compensatory social policies. However, there is growing demand for the work of women to be given greater prominence in national accounts, in budgets, and in the design of economic policies. So far, there has been no significant progress in terms of gender-oriented policy, but the process of reflection and debate is an important development. To date, Barbados is the only country to report initiatives aimed at producing a budget designed to deal with gender differences (CEPAL, 2000).
responsibilities, women do not enter the market with the same resources and mobility as men, and therefore are generally unable to participate on equal footing\(^\text{26}\) (Bakker, 1994; Kabeer, 1995; Brohman, 1996a; United Nations, 1995; CEPAL, 2000). Consequently, the most effective and productive use of human and societal resources is lost due to inequality (CEPAL, 2000). Overcoming male bias in SAPs requires recognizing the interdependence of the productive and reproductive sectors of the economy and implementing broader human development targets in reform programs that reflect improved quality of life and social equity\(^\text{27}\) (Bakker, 1994).

3.3.3 Women's Roles Under Structural Adjustment

3.3.3.1 Women's Increased Reproductive Roles

Numerous studies suggest that SAPs have exacerbated inequality between the sexes in Latin America by disproportionately impacting women's roles in society (Brown & Kerr, 1997b; Hadded \textit{et al}, 1995; Espinosa, 1996; Fernandez Poncela, 1996). Several analysts have observed that women's reproductive roles have become increasingly burdensome in recent years as a result of cutbacks in social welfare spending and public programs. One principle of structural adjustment – not spending more than one earns – has historically been managed by women at the household level.\(^\text{28}\) Women are working longer and harder

\(^{26}\) Ingrid Palmer refers to the time that women spend on reproductive chores as a "reproduction labour tax" because it penalizes women from participating in other remunerative activities and because women supply a resource – the replacement of the present labour force – free to society. Market access is limited for women by the reproduction tax (cited in Bakker, 1994, p. 9).

\(^{27}\) This is the consideration underlying the construction of the human development index (HDI) created by the United Nations Development Program (CEPAL, 2000).

\(^{28}\) According to a study by Renzi and Agurto (1997) women in rural Nicaragua were responsible for 85 percent of the total amount of household time devoted to domestic work while men were responsible for 15 percent. Of the total amount of household time devoted to productive activities, women were responsible for 47 percent and men for 53 percent. The aggregated time invested in both activities indicates that women dedicate 68 percent of their time to both spheres while men dedicate 32 percent of their time.
days, in both market activities and the household, to make up for resources that are in short supply. They act as ‘shock-absorbers’ by curtailing their own consumption and increasing their workload to compensate for household income loss (Brodie, 1994). Women have responded to increasing costs and declining incomes by: seeking new sources of income; stretching household budgets; producing household goods ‘in house;’ purchasing less prepared, time-intensive foods; travelling longer hours to obtain goods and services at lower prices; walking to avoid higher transportation costs; and offering services like health care that are no longer effectively provided by the state (Brown & Kerr, 1997b; Elson, 1995; Haddad et al, 1995;). Collective strategies led by women, such as communal kitchens, consumer and housing collectives, day care centres, and cooperatives, have also proliferated in recent years in response to the economic crisis (DAWN, 1995).

A number of authors contend that the intensification of women’s reproductive labour has underpinned any success that structural adjustment may have had in contributing to ‘productivity’ and ‘efficiency’ (Bakker, 1994; Chavez Metoyer, 2000; Elson, 1994; Elson, 1995; French, 1994). Cutbacks to social services are a part of the effort to reduce government deficits and to free labour from the public sector for the production of exportable goods. A result of cutbacks has been a shift in social services from the paid to the unpaid economy, where women are making up for the shortfall of public services. For example, efforts to make hospitals more efficient have often led to earlier discharges of patients who still require time for convalescence. This transfers the burden of looking after patients from paid hospital staff to unpaid female relatives at home (Chavez
Metoyer, 2000). Additionally, some women have lost their jobs as nurses and teachers as part of the cutbacks and, at the same time, have been expected to absorb the effects of government cost-cutting measures by increasing their unpaid labour as caregivers. This shifting of costs from the paid to the unpaid economy is a significant hidden element of restructuring and adjustment, and suggests that productivity and efficiency gains may be vastly overestimated (Elson, 1991).

3.3.3.2 Women’s Increased Productive Roles

Despite significant job losses in the public sector, female labour force participation has increased rapidly in Latin America under SAPs. More women are looking for work outside the home to compensate for a husband’s job loss, less steady income, and a sharp fall in the purchasing power of family income. Studies document women’s labour force participation rates increasing in Costa Rica, Brazil, Chile, Argentina, Uruguay, Ecuador, Bolivia, Peru, and Nicaragua29 (Sparr, 1994; Renzi & Agurto, 1997; CEPAL, 2000). Although employment may represent a positive development for women previously excluded from economic independence, female labour force participation has been concentrated in marginal enterprises in the informal sector that provide little income and even less security.30 Additionally, informal sector jobs can be dangerous, unhealthy,
unpleasant, and socially unacceptable, dramatically diminishing the liberating effects of remunerated work for women (Green, 1998). The economic activities of the majority of Latin American women are restricted to the informal sector because of the decline in other alternatives, such as public sector employment, and because women are blocked from more stable and lucrative formal sector employment by discrimination and lack of skills and training (CEPAL, 2000). Also, informal sector work is often more easily combined with child care because it can often be carried out intermittently and on an irregular basis (Fernandez Poncela, 1996). The barriers to formal sector employment for women result in extreme labour market segmentation, with the allocation of most better jobs going to men and a small group of elite women (Browner, 1989). By increasing competition for formal employment and intensifying women’s reproductive roles, SAPs are likely contributing to the ‘feminizing’ of poverty. Although current macroeconomic policies may attract capital and increase women’s prospects of finding paid employment, this does not automatically promote or guarantee equality and equity (CEPAL, 2000).

SAPs have also negatively impacted many women in rural areas by changing the relative terms of trade for food. The removal of subsidies and credit has decreased the profitability of selling surplus subsistence production in domestic markets, and has encouraged women to grow crops for export instead. While women’s participation in

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31 Women with higher levels of education are gaining access to employment that is stable and well paid. However, they generally earn 70-75 percent of what men receive (CEPAL, 2000). On the whole, female labour in Latin America is still characterized by undervaluation and occupational segmentation. Most of the jobs being created are informal or substandard, and generally lack stability and social security coverage, while employment in the public sector, which has traditionally absorbed a large part of the female supply, is diminishing rapidly (CEPAL, 2000; Renzi & Agurto, 1997).

32 Women are still largely involved in the subsistence sector. Cash crops usually require working capital and significant land area, which are resources that men tend to dominate. Due to their limited resources, women are generally unable to provide collateral, which also limits their access to loans (Kabeer, 1995).
cash-crop production has increased, the devaluation of subsistence agriculture has reinforced women’s marginalization from wider economic processes and has weakened their ability to ensure household reproduction through food production (Brohman, 1996a). Also, although women have usually been unable to transfer their labour power to export production – which is an overall objective of SAPs – they have been pushed to supply more labour to both subsistence and cash-crop production, undoubtedly placing them under increased stress (Brohman, 1996a; Brown & Kerr, 1997b). As Diane Elson (1995, p. 1862) notes, “it is not necessarily a cause for celebration when women do transfer their labour to export cash crop production, for such a transfer may jeopardize other important objectives such as household food security.” In addition, analysts have observed that in some cases the income-generating ability of male farmers is increasing relative to that of women as a result of new incentives for cash-crop production. Haddad et al (1995) note that as women’s obligations increase to provide unremunerated labour for both household needs and to help in the production of cash crops, their time available to generate an independent income and to attend to other household needs decreases.33 This shift can negatively impact women and their children by decreasing female influence in other areas of the household, such as health and education.

Many women have had to take jobs in the seasonal and part-time cash-crop job market to supplement declining household incomes and to generate funds that they previously

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33 Male income-generating ability increases due to increased revenues for some cash crops. Women contribute a significant proportion towards agricultural production, but because cash-crop production falls under the male domain, they are excluded from controlling the revenues that they generated.
earned in the domestic market.\textsuperscript{34} In poor households particularly, there is a growing dependency on women’s incomes (Kay, 2000; Renzi & Agurto, 1997; United Nations, 1995). However, wages in the cash-crop sector are despicably low. The social obligation to pay a decent wage has never been met, partly because female subsistence food production has allowed agroexport capital to ratchet down wages to levels that are often insufficient to guarantee familial and social reproduction (Brohman, 1996a). Temporary workers are generally paid on a piece-rate basis, are not usually entitled to social security benefits, and have no employment protection (Kay, 2000). Furthermore, heavier workloads are imposed on women because they are often less politically organized than their male counterparts, and in many cases, their desire to fulfil their reproductive obligations forces them to work in unfavourable conditions to secure desperately needed funds for their families\textsuperscript{35} (Brohman, 1996a). This exploitation can have grave consequences for society as it jeopardizes women’s health and compromises their ability to fulfil their reproductive role.

3.3.4 Increased Instability Within the Household

Social reproduction is also being impacted by the rising number of female-headed households in Latin America. Several researchers have noted that poor households often

\textsuperscript{34} In many Latin American countries, permanent wage labour has declined, even in absolute terms, while in almost all countries seasonal labour has increased significantly. Two decades ago, two-thirds of wage labour was permanent and one-third was temporary. In recent years, these proportions have reversed in countries such as Brazil and Chile (Kay, 2000).

\textsuperscript{35} Female labour represents 70 percent of the workforce in flower cultivation in Colombia, 60 percent of the strawberry workforce in Mexico, 40 percent of the workforce in the tobacco industry in Honduras, and 52 percent of the workers in the banana industry in Jamaica. In Chile, women represent 52 percent of the seasonal workforce in fruit production. However, only 5 percent are permanent fruit workers (United Nations, 1995). Agro- and \textit{maquila}- industries largely employ female labour because women are believed to be more readily available for seasonal work, to be more careful workers, to have lower wage expectations, and to be less organized than men (Kay, 2000).
use male out-migration as a strategy to cope with increased financial pressure, which inevitably places a major strain on the integrity of the nuclear family, and particularly on mothers who are left to shoulder the full responsibility for familial reproduction (Brohman, 1996a). There is persuasive evidence to show that women-supported households tend on balance to be poorer than households with a primary male breadwinner (Brown & Kerr, 1997a; Browner, 1989; Chavez Metoyer, 2000; Folbre, 1994; Renzi & Agurto, 1997; Sparr 1994; United Nations, 1995). Women’s wages are generally far lower than men’s, which means that the households they head are likely to be worse off unless they receive compensating remittances or have fewer dependants (Folbre, 1994). Census data and household surveys from Brazil, Chile, Colombia, El Salvador, Guatemala, Guyana, Mexico, Nicaragua, and Peru show that families maintained by women alone are economically disadvantaged. In many cases, lower incomes are accompanied by substandard housing, unsafe drinking water, inadequate sewers, poor diets, and reduced medical visits (Browner, 1989; Chavez Metoyer, 2000; Green, 1998). Children’s education may also be jeopardized. In Brazil, for example, children living in female-headed households are more likely to drop out of school at an early age to contribute to household income (Folbre, 1994). Clearly, the potential for

36 Studies in Brazil, where 30 percent of households are female-headed, indicate that women are experiencing more mental health problems, are unable to cope with insufficient earnings, and have insufficient time to care for their children (Sparr, 1994).

37 There are some analysts who suggest that children might actually be better off in female-headed households because a far greater proportion of the income is spent on food and other essential goods for the children, whereas men typically retain a portion of their wages for their own personal use. Also, women who are faced with drunken, abusive, unemployed men in the home are likely better off without them, both emotionally and materially (Green, 1998). The World Bank (2001) states that in Nicaragua, female-headed households are less poor than conjugal households. However, this finding contradicts other studies conducted in Nicaragua, such as a study conducted by FIDEG (1994), which found that female-headed households are poorer.
detrimental impacts on children's education, health, and potential lifetime earnings are greater in female-headed households.

The increased financial pressure on a household also often imposes additional strains on relationships between household members. This may result in increased incidence of divorce, family breakdown, domestic violence, and child abuse and abandonment (Woodward, 1992). Duncan Green (1998, p. 12) observes that:

"Falling wages coupled with the rise of consumer expectations have made it impossible for men to play the traditional role as sole breadwinners for their families. As in Europe and North America, male unemployment has risen, just as more and more women have gone out to work, leading to an increased questioning of male power within the home and the loss of male self-esteem. Across the [Latin American] region, men have reacted to this loss of identity, not by taking on a greater role in the home, but by turning to the bottle, violence, and often by abandoning the family altogether."

Violence in the home undermines child survival and development by depriving children of the close nurturance, stimulation, and care that are necessary for healthy development. Healthy children, in every sense, are essential for a country's development. Therefore, the profound impacts of poverty and violence on a child's life also have profound impacts on a country's overall quality of life and economic development prospects. Children who are abused are often unable to build relationships of trust that are critical for their development, and have a much greater chance of growing up into abusive adults (Green, 1998). In many cases, abused children choose to abandon their violent homes for

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38 Abused children suffer from frequent bouts of depression and anxiety, and experience a considerable loss of self-esteem. In the long-term, abused children are more likely to abuse drugs, to become child prostitutes, to become adolescent parents, and to attempt suicide (Green, 1998; UNICEF, 2000). Violence against mothers also undermines child survival and development. In Nicaragua, the children of women who were sexually or physically abused by their partners are more likely to be malnourished and less likely to be immunized or to receive oral rehydration therapy for diarrhoea. A study in Leon, Nicaragua's second largest city, indicates that 33 percent of under-5 deaths, 16 percent of low-weight births, and 15 percent of
a life in the streets. While many survive, they face homelessness, malnutrition, ill-health, and various forms of abuse, severely limiting their opportunities to become productive and contributing members to society. Several researchers have observed that in the past twenty years, the number of street children has increased considerably in Latin America (Green, 1998; Woodward, 1992). The growing number of abandoned children suggests that current economic reform policies have increased the financial and psychological strains in many households to the ‘breaking point,’ and have failed to bring promised increases in living standards to the majority of the population.39

3.3.5 Future Directions
Because an economic decline in Nicaragua preceded stabilization and adjustment, especially due to the effects of the Contra War and U.S. economic embargo, it is not possible to conclude that SAPs are solely responsible for exacerbating poverty and inequality for women and their children, nor is it possible to speculate what women’s situations would have been like without SAPs. However, the fact remains that SAPs have been ineffective in raising the living standards for the vast majority of Nicaraguans and other Latin Americans and, as a result, women are under increasing pressure to enter the work force to compensate for declining household incomes while, at the same time, they have been pushed to increase their domestic work to make up for cutbacks to public

adolescent pregnancies are linked to living in an environment of domestic violence (World Bank, 2001). Clearly, violence places a considerable strain on Nicaragua’s limited resources. 39 Fernandez Poncela (1996) notes that, in Nicaragua’s case, incidences of crime, alcoholism, and prostitution declined in the early 1980s, and Managua became known as the safest city in Central America. However, today the situation is much different due to the country’s frustration at not being able to consolidate its revolution, the frustration of the ex-contras and other combatants who have not yet received land promised to them, and the frustration of the rising numbers of unemployed citizens. As a result, drug use has increased, the incidences of rape have increased, prostitution is expanding, and youth gangs engage
services. Neoliberal macroeconomic theory assumes that there is an unlimited supply of women’s unpaid domestic labour, and therefore it does not consider the impacts that SAPs appear to have on the reproductive economy and on women, whose surplus labour undoubtedly underwrites many of these policies. Although adjustment has resulted in somewhat mixed or contradictory outcomes for most women,\(^4^0\) the overriding argument in the development literature is that the time and energies of most women in developing countries are being pushed to the limit, and their ability to maintain their reproductive roles is being severely eroded under SAPs (Babb, 1996; Espinosa, 1996; Fernandez Poncela, 1996; Haddad et al, 1995; Pitkin & Bedoya, 1997). This has negative consequences for children who are heavily reliant on their mothers for a healthy living environment, nutritional and food requirements, and emotional and material support. Reductions in any of these factors can limit a child’s human resource development, which could in turn reduce his or her future success, happiness, and earning potential. Ultimately, any policy that negatively impacts the mode of social reproduction will especially negatively impact children.

Increasing women’s productivity and equality would provide the next generation with better prospects to become healthy, productive citizens, which would result in important social and economic benefits for all of society (Brown & Kerr, 1997b). Because of women’s social responsibilities for production and reproduction, DAWN\(^4^1\) (1995, p. in armed confrontations. My research also found that violence is an important issue in Nicaragua. Several of the Nicaraguans I spoke with were deeply concerned about the increase in violence in their communities.\(^4^0\) For example, while higher unemployment for men has made it increasingly difficult for women to manage their households due to reduced household income, employment opportunities have expanded for some women in free trade zones under SAPs (Chavez Metoyer, 2000).

\(^4^1\) DAWN - Development Alternatives With Women for a New Era – is a network of scholars and activists from developing countries who engage in feminist research and analysis of the global environment. DAWN
2002) advocates that they “must be at the centre of a reconceptualization of development.” However, women are blocked from realizing full and equitable citizenship by a rigid sexual division of labour, their almost exclusive responsibility for household work, and the almost complete absence of support services for domestic tasks such as child and health care (CEPAL, 2000). One step towards eliminating these barriers would be to alter the current debate surrounding the efficiency and cost-effectiveness of public services, and the subsequent need to restructure the public-private sector relationship, so that it encompasses a gender-aware approach. Bakker (1994) argues that a primary consideration for the restructuring of public-sector services should be the extent to which it would lessen the burden that women are asked to contribute before they can enter paid employment. The goal of a gender-aware approach would be to facilitate human resource development and would include alternatives from the viewpoint of the users of public services. Similarly, Elson (1995) also views gender inequality as stemming from women’s unpaid reproductive role and their lack of independent entitlements. She advocates that more equal gender relations are associated with women having greater control over resources. However, this requires a new articulation of production and social reproduction, and not simply helping women to participate more in labour and goods markets, or targeting them more often in social policies.

The World Bank (1997) states that it is committed to integrating gender concerns into all policies and programs. It acknowledges that its work in this area is still inadequate, but works globally and regionally, in partnership with other NGOs and networks, in Africa, Asia, the Caribbean, Latin America, and the Pacific on the following themes: Political Economy of Globalization, Political Restructuring and Social Transformation, Sustainable Livelihoods, and Sexual and Reproductive Health and Rights.
maintains it is improving. However, many analysts contend that, to date, most World Bank social policies have consisted of short-term and ineffective targeted programs. They argue that these ‘palliative’ short-term targeted programs, and the policy definition of women as a vulnerable sector, must give way to development policies that combat the structural roots of poverty and provide effective measures for fighting discrimination (CEPAL, 2000; Elson & McGee, 1995). If structural adjustment is to be sustainable, increased investment in social reproduction is required. While this concept is making inroads at the World Bank, it appears to be a long way from introducing a policy framework that prioritizes social equity and maintains a balance between economic and social requirements. Clearly, a great deal remains to be done in improving women’s access to economic, social, and cultural resources, as well as the decision-making processes that exert control over them (CEPAL, 2000).

3.4 An Analysis of the Uneven Impact of SAPs on Households

3.4.1 Background

Just as gender bias blinds many policymakers to the considerable economic significance of women’s reproductive roles, the view that household activities are also non-economic components of the reproductive economy obscures their economic importance. For example, future income and consumption levels of household members are influenced by the impact that household work has on their well-being. In the short-term, housework has a direct impact on household welfare by providing a better home environment, improved sanitary conditions, higher nutritional levels for a given expenditure on food, and better

42 Bakker (1994) argues that further empirical work is needed to fully reveal the state’s role in shaping or reducing women’s unpaid reproductive burden.
and safer conditions for children. In the long term, these factors impact health, child development, and educational attainment, all of which are important determinants of a child’s future income and consumption levels, and a country’s prospects for sustainable economic growth and development (Woodward, 1992).

Under SAPs, many households have had to reduce their consumption of electricity, water, education, health care, food, and clothing because they have been negatively impacted by higher prices for basic consumption goods and services, the removal of subsidies, cutbacks to social services, and job losses (FIDEG, 1994; Green, 1998; Vargas, 1998). However, not all households have been impacted by, or have responded to, SAPs in the same manner. This is also true for household members: men, women, and their children are usually differentially impacted by economic reforms.

This section briefly outlines how members of a household are differentially impacted by SAPs and then examines how different types of households are impacted by neoliberal macroeconomic reforms. Understanding how households respond to the challenges they face under SAPs reveals many of the hidden costs of adjustment.

3.4.2 Differential Impacts Within the Household

Orthodox neoclassical economic theory, which is the theoretical basis of SAPs, assumes that there is an appropriate and fair distribution of resources within households. Accordingly, the distribution of income and of non-working time between members of the same household is irrelevant because decisions are made by the whole household as a
single unit to maximize its own welfare (Woodward, 1992). However, in reality, this assumption rarely holds true. The lack of women's independent entitlement to resources, and the multiplicity of their roles, usually means that women work harder, longer, and for less money than do their husbands (Fernandez Poncela, 1996; Folbre, 1994; Renzi & Agurto, 1997). Changes in income, food prices, and public expenditures that accompany SAPs rarely affect all household members in the same way because decision making processes among household members are not jointly made and do not necessarily represent a maximization of the household's total welfare (Brohman, 1996a). By assuming fair intra-household distribution and equal decision-making power within the household, SAPs have, at a minimum, reinforced existing gender relations, and in many cases may have exacerbated women's oppression43 (Elson, 1991). This has negative implications for child welfare because mothers tend to provide a disproportionate share of financial and direct support to their children. Many studies indicate that a child's nutritional status depends less on overall household income than it does on the mother's income, because mothers tend to spend more of their money on food, basic needs, family health care, and educational needs, while fathers tend to spend more of their income on productive investments, consumer goods, and entertainment (Folbre, 1994; Browner, 1989). Therefore, changes in income can have greatly different social welfare implications for household members depending on the gender and age of the recipient.

43 As a result, policymakers are likely underestimating the costs that economic reform entails for the health, welfare, and development of women and their children. In order to accurately assess the impacts of economic policies on household members, policymakers must acknowledge that the majority of households often do not act as perfect units and do not always maximize benefits for all members.
3.4.3 Differential Impacts Between Households

In addition to differentially impacting members within a household, SAPs also differentially impact different types of households. There are many factors that influence how SAPs affect households, including income, size, demographics, gender composition, geographical location, access to land and services, health status, and the financial situation of the household prior to SAPs (Sparr, 1994; Woodward, 1992). Consequently, the impact and outcome of SAPs varies greatly from household to household. However, a large body of literature and academic research indicates a general pattern: the majority of low- and middle-income households are generally worse off after the implementation of SAPs, while the majority of high-income households are largely unaffected or better off after SAPs (Barkin et al, 1997; Cornia et al, 1987; Haddad et al, 1995; Woodward, 1992). By making it increasingly difficult for many low- and middle-income households to accumulate financial and human resources, SAPs will not reverse the slowness of processes of capital formation and economic growth that has historically plagued Latin America. Furthermore, harming the majority of its citizens, even in the short-term, could seriously jeopardize overall goals of sustained economic growth and development.

The ‘coping’ or ‘survival’ strategies that low-, middle- and high-income households adopt to confront the economic crisis largely determine the extent to which the household will be negatively impacted by economic reform policies. Examples of survival strategies include: drawing on savings, borrowing, changing jobs, migrating, intensifying labour and lengthening the workday, increasing the number of working household members, selling assets, and reducing food intake (Woodward, 1992). Some households employ
survival strategies that are outside of the legal framework such as selling drugs, joining gangs, illegally using public services, or engaging in prostitution (World Bank, 2001). While survival strategies often enable households to limit reductions in their overall consumption, they also may substantially reduce other aspects of welfare. For example, drawing on savings or borrowing reduces the net worth of a household and decreases economic security in the future. A change of occupation may entail taking a job that is unhealthy, dangerous, or psychologically damaging. Migration separates families and can result in the disruption of children’s education and a deterioration in the household environment. An increase in time spent working generally increases stress, reduces time available for child-rearing and food preparation, and often needs to be compensated by an increase in calorie intake. If the increased nutritional requirements are not met, there are likely to be significant medium- and long-term health effects for the individual. Finally, increasing the number of economically-active household members usually entails the entry of women and children into the workforce. This may reduce the time available for housework and education, particularly in the case of children (Fernandez Poncela, 1996; Green, 1998; Woodward, 1992).

Survival strategies are usually disproportionately used by poor households because of their greater vulnerability to economic shocks and because of their greater need to sustain already low consumption levels (Fernandez Poncela, 1996; Woodward, 1992; World Bank, 2001). A poor household may spend most or all of its income on essential goods and services such as food and housing. Often as much as 70 percent is spent on food alone (Woodward, 1992). It generally has limited ability to use savings or loans to off-set
reductions in income. Thus, any reduction in household income can have a critical effect on household welfare by reducing nutritional and health standards and overall living conditions. Essentially, poor households sacrifice the non-financial aspects of their welfare in order to maintain adequate levels of consumption in the face of tightening financial constraints. In contrast, a high-income household spends a greater proportion of its income on non-essential goods such as meat, processed foods, non-essential clothing, and leisure activities. Hence, if a high-income household needs to reduce its spending, the impact on its welfare will usually be more limited. Additionally, a high-income household often has high levels of human-capital skills that can be redirected to earn income in alternative markets (Woodward, 1992). The overall result is that poor households are usually much more substantially negatively impacted by SAPs.44

Some analysts suggest that SAPs differentially impact rural and urban households. However, unlike the literature on poor versus non-poor households, there is less agreement as to whether urban or rural households fare better under SAPs. On the one hand, researchers argue that a long history of inequality and rural marginalization in Latin America has left many rural households with fewer services and resources that could help mitigate some of the negative impacts of SAPs (Brohman, 1996a; Glasinovich & Salazar, 1998). Therefore, rural households, especially from the poor and middle classes, are disproportionately negatively impacted by neoliberal economic reforms. On the other hand, researchers argue that despite the inequality between rural and urban populations,

44 In recent years, many analysts suggest that SAPs have also hit the middle class hard. Green (1998, p. 22) writes: “white-collar jobs, especially in the public sector, have been cut, while the growing gulf between state and private provision in health care and education leaves parents with agonizing choices and an uphill struggle if they are to give their children a decent start.”
the peasantry as a whole appears to be better able to neutralize the effects of unfavourable economic policies.\textsuperscript{45} Cristina Espinosa. (1996) argues that economically diversified households, such as peasant households, are better able to maintain their overall level of consumption and well-being compared to more specialized households, such as urban households and rural wage labourers. While the arguments are mixed, it is clear that poor- and middle-income households in both rural and urban areas are struggling to make ends meet (Babb, 1996; Green, 1998; Pitkin & Bedoya, 1997; Vargas, 1998). Furthermore, while peasant diversification (especially via subsistence activities) may make some poor rural households somewhat less vulnerable than their urban counterparts, the lack of social services and employment opportunities in rural areas, combined with economic austerity measures, have translated into unsustainable survival strategies in many rural households.

3.5 Concluding Remarks

Children are a vital resource to communities and countries. They are the next generation of mothers, fathers, workers, leaders, and innovators. If their physical and mental development is compromised by fiscal austerity in the short term, then Latin American societies will be compromised in the long term. While SAPs may correct some macroeconomic problems, such as inflation, in the short term, analysts are becoming increasingly concerned with the potential long-term negative ramifications of neoliberal

\textsuperscript{45} Green (1998, p. 20) argues that in the past, the living conditions in urban shanty towns were generally better than those in the countryside. Infant mortality and malnutrition rates are lower and schools are more readily available in urban areas, which have been key factors in motivating millions of rural families to migrate to urban settings. However, he argues that sharp increases in urban poverty and cutbacks to state services have recently made "the dark side...of shanty towns, if anything, darker than rural areas."
economic reform policies on the process of social reproduction (Bakker, 1994; Elson, 1995; Fernandez Poncela, 1996; Green, 1998; Pitkin & Bedoya, 1997).

In order to accomplish a successful transition to adulthood, children require resources and support from their families, communities, and states. However, under the current cost-cutting environment of SAPs, children’s access to such resources and support is challenged. Parents have less time to nurture and supervise their children because they are required to invest more time and energy into income-generation activities (Pitkin & Bedoya, 1997). Cutbacks to health and educational services have negatively impacted service quality and accessibility, particularly for poor children (Green, 1998; Reimers, 1991). Rural livelihoods, especially for small-scale farming households, are challenged by economic liberalization policies and First World protectionism (Brohman, 1996a; Bryceson et al, 2000c). In sum, families and communities are finding it difficult to invest in the growth and development of children. The process of social reproduction is under considerable and increasing pressure. Frequent breakdowns are evidenced by the rising number of abandoned children, crime, and common violence (Vargas, 1998; Woodward, 1992).

There is strong consensus among alternative development theorists that neoliberal economic reform policies disproportionately impact the social reproduction of certain groups. In particular, there is considerable research that focuses on the uneven impacts of SAPs on small-scale farming households, female-headed households, women, and the poor (Babb, 1996; Brodie, 1994; Brohman, 1996b; Bryceson et al, 2000c; DAWN, 1995;
French, 1994; Haddad et al, 1995; Walker, 1997b). Children are the majority population in these groups. The youthful population of poor countries ensures that growing inequalities under SAPs will be perpetuated into the next generation. Unless strategies that confront the root causes of poverty and inequality are introduced, sustainable economic development will remain an illusive goal.
Chapter IV – Human Resource Development in Nicaragua: Education and SAPs

4.1. Background

After more than two decades of SAPs, the promise of sustained economic growth has not materialized; developing economies are not bouncing back from the temporary pain of fiscal austerity as quickly as the World Bank predicated (Robinson, 1997). The slow and difficult road to sporadic economic growth has highlighted the fact that a low human resource base is probably the most serious developmental constraint to developing countries (Behrman, 1996; Psacharopoulos & Arriagada, 1989). The World Bank is increasingly recognizing the importance of human resource development for economic development, social reform, and poverty reduction (Wodon, 2000). However, rather than re-examine SAPs and their often harmful impact on human resource development, the World Bank has responded by facilitating additional loans and aid for education and health projects to countries undergoing structural adjustment.

Broadly defined, human resource development relates to the education, health, training, and utilization of human potential for social and economic progress (Hallak, 1990, p. 1). Human resources are the knowledge, skills, competencies, and attributes embodied in individuals that help create personal, social, and economic well-being. Examples of key skills and personal attributes that are relevant to human resource development include communication, numeracy, intra-personal skills, and problem-solving. Essentially, human

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1 Human resources are also referred to as human capital. The concept of human capital can be traced to Adam Smith who included all the acquired and useful abilities of the population in a country as part of capital.
resources create the productive potential of the labour force (Healy, 2001). Educated and healthy workers are likely to be more productive than those who are not, resulting in increased productive potential of the entire economy (Woodward, 1992). Significant non-economic benefits can also result from investment in human resource development. Education, training, and learning can provide the basis for greater social cohesion and political engagement, better health, better parenting and care giving, and improved well-being (Healy, 2001).

The majority of Latin American citizens have historically had limited access to health care and educational opportunities, resulting in low and unequal human resource development across the region. Low levels of human resources have in turn contributed to high levels of income disparity, slow economic growth, and the weak performance of the Latin American economy in the past 20 years (Birdsall & Londono, 1998). A key factor that has contributed to the persistence of inequality and poor economic performance is the insufficient education of the majority of citizens (Londono, 1995). Despite a renewed commitment to education after the ‘Lost Decade’ of the 1980s, major improvements in the coverage and quality of education are not generally evident. Approximately one-third of the children entering primary school do not finish, a rate that

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2 Birdsall and Londono (1998, p. 121) write: “Driven by the increasing productivity of the initially poor, East Asian countries, which began the postwar period with relatively low asset inequality, were able to grow at high and sustained rates over more than 3 decades. In contrast, most countries of Latin America, with greater inequality of assets and presumably fewer opportunities for the poor, grew less. Low and unequal accumulation of capital in Latin America has slowed aggregate economic growth and has inhibited poverty reduction.”

3 Birdsall and Londono (1998) report that average schooling attainment in Latin America is two years below what would be expected given per capita income, a record barely better than that of sub-Saharan Africa and well below that of South and East Asia. At the beginning of the 1990s, workers had an average of 5.2 years of education, nearly a third less than would be expected for countries with the region’s level of development.
is twice as high as that of other regions in the world (Birdsall & Londono, 1998; Green, 1998). In 1998, only 54 percent of secondary school-age children were enrolled, leaving an estimated 20 million out of school, or still in primary classes (UNESCO, 2002). Recent poor educational performance is likely related to reductions in government spending in response to large deficits and structural reform. The "temporary" pain of fiscal austerity could ultimately undermine attempts to improve economic growth and living standards in Latin America by eroding an already limited human resource base.

This chapter is divided into three main sections. Section 4.2 provides theoretical and historical context. It begins by examining the importance of education for social and economic development. This is followed by a brief historical overview of the education system in both Latin America and Nicaragua during the last two decades. Sections 4.3 and 4.4 present and analyze the perceptions, opinions, and perceived problems that Matagalpan youth, parents, and teachers indicate they have with education. Section 4.3 examines the factors that impact access to education, and section 4.4 examines the factors that impact the quality of rural education.

4.2 Human Resource Development in Latin America

4.1.2 The Importance of Education for Social and Economic Development

Education contributes to the creation and maintenance of social resources and social reproduction. It is a precondition for economic, human, social, political, and cultural development. At a national or regional level, education contributes to improved economic and technological development, higher individual earnings, greater agricultural
productivity, and a more cohesive society.\footnote{Social cohesion is composed of the shared values and commitment of people to their community. Socially-cohesive communities work towards realizing collective goals (Healy, 2001).} Historical evidence indicates that not one of the presently industrialized countries was able to achieve significant economic growth before attaining universal primary education (Hallak, 1990). Similarly, virtually all of the newly industrialized countries achieved universal, or almost universal, primary education before experiencing rapid and sustained economic growth (Lockheed \& Verspoor, 1991).

In order for a country to successfully participate in, and benefit from, today’s global economy, high-level researchers, engineers, technicians, health-care practitioners, teachers, and other educated professionals are a prerequisite.

Improving the coverage and quality of education in Nicaragua and other agriculturally-based economies would lead to important economic benefits. Higher levels of education for farmers are associated with the increased likelihood of adopting technology, as well as improved access to agricultural extension and credit services, all of which are important and normally necessary for increasing agricultural yields (Brown \& Kerr, 1997a). Comparative studies of countries in the developing world have shown that four years of primary education increases the productivity of subsistence farmers by 8.7 percent (Hallak, 1990). Literate farmers are able to keep records and properly use agricultural inputs such as fertilizers, pesticides, and new seed varieties. Numeracy allows farmers to estimate the profitability of past activities and assess the risk of future plans. There are also non-cognitive aspects of education which allow farmers to think abstractly, receive new ideas, and recognize the relationship between technology and output (Lockheed \& Verspoor, 1991).
Education is the single most important determinant of welfare for rural households. More schooling is associated with lower probabilities of being impoverished and higher levels of household consumption (Wodon, 2000). Education also impacts equality. More evenly spread levels of human resources within a country are associated with greater income equality. A World Bank analysis (Arcia, 2000) of income distribution in Latin America indicated that, on average, differences in individual educational levels account for approximately 25 percent of total income inequality. The role of education as an explanatory variable for income inequality was twice as high as that of any other variable examined. Given the relatively great income inequalities and the associated high incidence of poverty in Latin America - particularly in rural areas and among disadvantaged ethnic groups - increasing and improving the provision and quality of education represent key mechanisms for reducing overall inequality and lowering the number of individuals living in absolute poverty.

Improving the education of women in particular can have substantial impacts on household and societal welfare. An educated woman is more likely to postpone marriage and childbirth, seek healthcare for herself and her family, have lower rates of sexually transmitted infections and HIV, and encourage educational goals for her children (Save the Children, 2001). Several studies have linked family health and child survival to

5 Numerous studies have confirmed that women without education generally have larger families than those with education. Although Latin America's fertility rate is high, there is great variability in fertility rates within and between countries. Poor countries, such as Bolivia, Haiti, and Nicaragua still have large families, particularly in rural areas, while families in Argentina, Chile, and Cuba are significantly smaller (Green, 1998).
maternal education. World Bank studies of 29 developing countries have shown that each year of schooling for mothers results in approximately 9 per 1,000 fewer infant and child deaths (Hallak, 1990). The risk of death for Latin American children with mothers who have had no schooling is 2.2 to 4 times higher than for those children whose mothers have had ten or more years of schooling (Pablo, 1979). Educated mothers with only one to four years of education generally experience infant mortality rates 30 percent lower than mothers without education (Psacharopoulos et al, 1997). Other studies have shown that educated mothers tend to provide better nutrition for their children and are better skilled at acquiring relevant health-related information to ensure optimum child care and healthier habits and lifestyles (Healy, 2001).

The educational attainment of mothers also has positive effects on the educational attainment of their children. In Nicaragua, a child with a literate mother has an increased probability of attending school by 20 percent (Arcia, 2000). Furthermore, the higher the educational expectations of parents, particularly the mother, the lower the probability of a child's drop-out from school. Children of parents with post-primary education are themselves more likely to complete post-primary education than are children of less educated parents (Healy, 2001). Educated parents generally have children with a higher level of cognitive development and their children are less likely to be working at a young age.

6 The positive relationship between female education and social indicators is highlighted in Save the Children's 'Mother Index.' In the ten top-ranked countries, the female adult literacy rates are 99 percent, infant mortality rates are lower than 5 percent, and 99 percent of all primary school-age children are enrolled in school. In the ten bottom-ranked countries, female literacy rates range from 13 to 38 percent, infant mortality rates are as high as 143 deaths per 1,000 live births, and on average, only 49 percent of all primary school-age children are in primary school (Save the Children, 2001).

7 This statistic is a regional average. There are also often sharp intra-country regional variations in social indicators. Some of the greatest differences in infant mortality rates occur between rural and urban areas.
age (Healy, 2001; Standing & Rodgers, 1981). Work can have adverse effects on the health and physical development of children, further depriving them of educational opportunities (Green, 1998).

Finally, education should not be justified solely on the basis of its effect on labour productivity and other economic and social indicators. Education can enrich people’s lives, make them better citizens, and foster greater personal happiness. Studies have shown that education is an important predictor of many forms of political and social engagement (Healy, 2001). It also has the potential to increase awareness of one’s rights. These are important outcomes for many developing countries where relatively new democracies are being challenged by staggering poverty and inequality levels, increasing violence and social breakdown, and widespread corruption in government and other public institutions.

4.2.2 An Overview of Education in Latin America

Latin America demonstrated a strong commitment to human resource investment, primarily in education and health, between 1960 and 1980. Beginning in the early 1960s, Latin America underwent a substantial quantitative expansion in education. Between 1960 and 1970, total school population grew at an annual rate of 6.1 percent, which

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For example, in Mexico, rural figures for infant mortality were up to 225 percent higher than for urban areas (Psacharopoulos et al, 1997).

Standing and Rodgers (1981, p. 40) note that there may be less need for children to be working in higher-educated homes, given that a higher education is generally associated with a higher level of income. However, they also note that better educated parents generally have high educational aspirations for their children. They conclude that parent ‘educational aspirations’ are important because “the educational effect has been observed even allowing for the influence of household income and other factors.”

Healy (2001) cites a study by Blanchflower and Oswald, published in 2000, that found that educational attainment is associated with greater happiness, even when controlling for family income.
outpaced the growth of the school-age population during that period (Reimers, 1990). The rates of increase in enrollment between 1960 and 1977 for primary, secondary, and higher education were 123 percent, 397 percent, and 682 percent, respectively. The lower growth rate in primary levels is primarily due to school attendance reaching saturation levels in many countries in the region (Gimeno, 1983). Major improvements in educational financing made the expansion of education possible. Between 1975 and 1980, education expenditure as a percentage of GDP increased at an average annual rate of 2.4 percent (Reimers, 1991). The convergence of strong government commitment with strong social demand for education explains the impressive explosion of school enrolment during this period (Hallak, 1990).

While Latin American countries made significant improvements in coverage, Green (1998) argues that the quality of education generally declined during this period. Government spending failed to keep up with the rising numbers of students, and insufficient attention was given to children once they were in the classroom. Problems with quality were exacerbated by the economic crisis of the 1980s. Average spending on primary education fell from US$ 164 per student in the early 1980s to US$ 118 by the end of the decade (Green, 1998).

SAPs encouraged further reductions in public spending and in many cases adversely affected the living standards of the region’s poor majority, which negatively impacted the demand for education (Hallak, 1990; Reimers, 1991). Budget cuts to education disproportionately impacted primary education, and contributed to a substantial
deterioration in the quality, efficiency, and equity of schools (Reimers, 1991). A sharp
decline in teachers' salaries resulted in an exodus of qualified teachers, and placed the
profession in the precarious position of becoming a 'last resort job' for those unable to
find work elsewhere (Green, 1998). Reduced government expenditure under SAPs also
led to new fees and other charges for parents despite the fact that, by law, education was
supposed to be free. Poor parents who are unable to pay school fees are often forced to
rely on their child's earning potential to cover school fees or to supplement family
income, which usually requires removing the child from school (Green, 1998;
Psacharopoulos & Arriagada, 1989). Even where governments have maintained their
commitment to education and have endeavored to protect education from severe budget
reductions, austerity measures have often compromised access, quality, and equity
(Samoff, 1994). Decreased quality and equity in education is evidenced by increased
enrollments in private schools serving middle- and upper-class families, and by increased
regional disparities between rural and urban schools (Gimeno 1983; Lourie, 1989).

Recent statistics for Latin America suggest that despite past gains in expansion,
improvements in both quality and access remain slow and insufficient. The educational
level of most Latin Americans is inadequate. In 1995, Latin America's workforce had an
average educational level equal to that which Hong Kong, Taiwan, Korea, and Singapore
attained in 1970. Perhaps more significant, the workforces of Indonesia, Malaysia,
Thailand, and the Philippines which, in 1970, had half the average years of education of
Latin America's workforce, have now passed Latin America's average (Londono, 1995).
Repetition and drop-out rates remain staggeringly high; the average primary student

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spends seven years in school but only passes four grades (Green, 1998). While nearly all Latin American children start school, persistent problems of repetition and drop-out mean that millions of present and future children will not achieve a full primary education, or even literacy, severely limiting their employment opportunities and overall welfare.\textsuperscript{10}

4.2.3 An Overview of Education in Nicaragua

The history of education in Nicaragua shares some common trends with that of the region, but it also boasts a unique history. While investment in education floundered in other Latin American countries during the “lost decade” of the 1980s, the Sandinista government protected real social spending, including educational spending, even while the war worsened and the economy shrank rapidly. Despite this economic collapse, several social indicators actually improved over the period, even as private consumption was falling.\textsuperscript{11} For example, primary-school net enrollment rose from 70 percent in 1980 to 80 percent in 1992, and major literacy campaigns led to an impressive increase in overall literacy rates (World Bank, 2001).

However, with the implementation of SAPs in 1990, Nicaragua also experienced declines in government funding for education (see table 1, appendix 1). The percentage of GDP allocated to education declined from 7.1 percent in 1990 to between 3.7 and 5 percent for the rest of the decade, except in 1999 when it rose to 6.1 percent (World Bank, 2001).

\textsuperscript{10} It is important to note that regional averages mask enormous variations between and within countries. For example, in Uruguay, enrolment rates for secondary school are 83 percent, while in Guatemala, less than 25 percent of students attend secondary school, and in Haiti, half of the country’s school-age children are not enrolled in school, and only 1 in 8 children completes primary school (Green, 1998).

\textsuperscript{11} Social investments often have a lagged impact. Therefore, statistics on Nicaragua’s educational sector in 1990s could reflect earlier investments made by the Sandinistas. Conversely, the impacts of budget cuts under SAPs may not yet be reflected in educational statistics and social indicators.
Between 1991 and 1996 the education budget increased from US$ 52.7 million dollars to US$ 53.3 million dollars. However, due to increased enrolment, the dollars allocated per student dropped from US$ 56.2 to US$ 45.1312 (MECD, 1999a). Primary net enrolment rates started to decline after 1992. Illiteracy rates are higher today than during the mid-1980s (MECD, 1999b).

In the last few years, education has fared relatively well within the overall social sector in Nicaragua, receiving an increased proportional allocation of resources compared to health and other social expenditures. This suggests that the government is serious about taking action to improve public education (Arcia, 2000). However, although Nicaragua devotes a higher share of GDP to educational spending compared to other Central American countries, its relatively small income base results in one of the lowest absolute levels of per capita and per student spending in the region (World Bank, 2001).

Some aspects of Nicaragua's education system improved during the 1990s, but substantial problems still remain. While literacy, pre-school enrolment, and repetition rates improved during the mid-1990s, primary enrolment rates stagnated and the primary net enrolment rate declined13 (MECD, 1999b). Recent efforts to improve the proportion of children in school have not kept pace with rapid population growth. Over one million school-aged children are estimated to be outside of the school system and this number

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12 Post-1996 aggregated expenditures per student are difficult to find for comparison. In 1998, the government spent US$ 41 per primary school student and US$ 32 per secondary school student. In 1999, these amounts improved significantly to US$ 58 per primary school student and US$ 36 per secondary school student (World Bank, 2001). This increase in per student expenditure is due to substantial donor financing which compensated for declining domestic financing. The World Bank (2001) notes that between 1993 and 1998 per capita spending of domestic resources declined sharply in real terms in both health and education.
continues to grow each year\textsuperscript{14} (Romero, 2000). While some children never enter school, others choose to leave. Only approximately 28 percent of those who enroll in grade one complete grade six\textsuperscript{15} (MECD, 1999c). This dismal statistic is unfortunately consistent with the meager educational levels of the population aged 25 to 59.\textsuperscript{16} In urban areas, only 15.8 percent of this group has 10 to 12 years of education. In rural areas, a mere 4.1 percent of the population aged 25-59 has 10 to 12 years of education.\textsuperscript{17} In addition to inadequate school coverage, problems such as poor teacher quality and poor student retention, especially in rural areas, continue to challenge the quality and equity of education in Nicaragua.

Painting an accurate picture of Nicaragua's educational system is difficult to do from statistics alone. While reports by the Ministry of Education, Culture and Sport (MECD) highlight areas of improvement in the last decade, educators and other professionals in the field are quick to question the validity of the MECD's statistics. Mariana Aburto, a psychologist in Nicaragua, was quoted in the national newspaper, \textit{La Prensa}:

\begin{quote}
The MECD doesn't know the reality of the situation. We see the reality. There are more drop-outs, more repetition, more delinquency. We have seen that the quality of education has decreased significantly (Morales, 2000, June 22).
\end{quote}

\textsuperscript{13} The primary net enrolment rate is the number of children in school, of the appropriate age, divided by the total number of school-age children in the population (MECD, 1999c).
\textsuperscript{14} The United Nations Population Fund website reports that 45 percent of Nicaragua's population under the age of 18 years does not attend school (Retrieved January 15, 2003 from: www.unfpa.org/focus/nicaragua/background.htm).
\textsuperscript{15} Drop-out rates for primary school increased slightly between 1994 and 1997. In grade one, 23.47 percent of students dropped-out in 1990. This decreased to 17.37 percent in 1993 but rose again to 23.71 percent in 1997 (MECD, 1999b).
\textsuperscript{16} According to the United Nations Population Fund, on average, Nicaraguan's spend 4.9 years in school. In rural areas, the average is 2.9 years (Retrieved January 15, 2003 from: www.unfpa.org/focus/nicaragua/background.htm).
\textsuperscript{17} This data is from Nicaragua's 1998 Living Standards Measurement Survey, which was listed on the CEPAL/ECLAC web site (www.eclac.cl). The data was retrieved November 18, 2002, however, the link on the CEPAL/ECLAC web site is no longer available.
Undoubtedly, collecting data is difficult in a country where many families leave their communities during the school year to migrate to other areas in search of work. However, Ms. Arbuto and other professionals are aware of this difficulty and do not challenge the ability of the MECD to collect data. Instead, they question whether the reality of Nicaragua's educational system under SAPs is being adequately reflected in national statistics. Do Nicaragua's present educational indicators reflect what will be the ultimate result of lower household income and changes in government spending made because of SAPs? Are there lagged positive effects of Sandinista investment? How long does it take for macro-economic reforms to influence educational and social indicators? The negative impacts of SAPs might not be adequately reflected in educational and social indicators for several more years, after the damage has been done.

Statistical evidence should also be interpreted with care because there are significant estimation problems, particularly in developing countries. However, strong patterns do emerge from studies. The remainder of this chapter focuses on the opinions and perceptions of Nicaraguan youth and their parents on how their lives have changed in the last 10 years with respect to education. Their opinions and perceptions highlight patterns. Specifically, they explain how education in Nicaragua has changed in recent years and identify major issues and problems that they face with respect to education. Although it is not possible to know how Nicaragua's education system would have fared without SAPs, their collective accounts provide evidence that SAPs are a contributing cause of decreased access to, and quality of, education.
4.3 Access to Education in Nicaragua

This section examines the factors that impact access to education for small-, medium-, and large-scale farming households, as well as female-headed households. In Matagalpa, the cost of education is perceived to be the most critical barrier to education by all household types. The first half of this section presents the perceived impacts of higher education costs. Specifically, it summarizes the data on farmers' perceived changes to their household situations with respect to education. The second half of this section explores how small-scale farming households have been differentially impacted by changes that have occurred under SAPs. While medium- and large-scale farming households generally identify 'cost' as their only major impediment to accessing education, small-scale farming households report multiple barriers to education, including distance to school and child work.

4.3.1 The Increased Cost of Education is a Barrier

Despite past efforts to expand coverage and access to education, many Nicaraguans believe that in recent years access to education has been compromised. A significant barrier to education is the increased expense of sending a child to school. Although primary school fees, which were introduced under SAPs to raise fixed education costs, have remained relatively low at 10 to 15 percent of household educational costs, the associated non-educational costs increased substantially during the 1990s (Arcia, 2000; World Bank, 2001). Uniforms, book rentals, other school materials, and transport costs are significant barriers to enrolment, particularly for poor families.18 In the 1980s,

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18 The rising cost of education is not exclusive to Nicaragua. It has been observed in other structurally adjusting countries around the world, such as Ghana and Zambia. Brown and Kerr (1997a, p. 87) report that
education was free, school materials were supplied by the state, transportation costs were subsidized, and policies on school uniforms were considerably more relaxed. By the end of the 1990s, the government had shifted several costs onto the household, including those of textbooks, classroom supplies, and teaching materials. The average family expenditure on education represented about half of the total cost of sending a child to public school\(^9\) (Arcia, 2000). Furthermore, significant cutbacks to education coincided with declining household income, making the cost of sending a child to school prohibitive for many poor parents.

All types of Matagalpan farming families identified the cost of education as their most significant problem with respect to accessing education (see table 2, figure 11). Female-headed households have arguably felt the duress of increased school expenses to the greatest extent. Some 80.0 percent of single mothers mentioned expense as a problem compared to 74.7 percent of small-scale farming households. Similarly, more small-scale producers identified expense as a problem compared to large-scale producer households. Expense appears to be a significant problem for both small- and medium-scale producers with, respectively, 74.7 percent and 71.1 percent of them mentioning it compared to 50.0 percent of large-scale producers.

In addition to identifying the cost of education as a considerable problem, all types of households identified higher educational costs as the most significant change in education in Ghana “the biggest complaint registered was the substantial increase in parents’ costs of educating their children. Where the fees have remained low, the non-educational costs of uniforms are considered prohibitive.”
after 1990 (see table 3). Interviews with small-, medium-, and large-scale farmers, as well as female household heads, indicated that the rising cost of education is a critical factor that influences their household’s overall situation with respect to education. However, while all household types identify the cost of education as a considerable problem, they are not all equally impacted by higher costs. Small-scale farming households and female-headed households generally perceived significant declines to their household educational situation at the outset of the decade. In contrast, large-scale farming households generally said that providing education to their children became more challenging later in the decade, between 1996 and 2000.\(^{20}\) This suggests that large-scale farming households were better able to initially protect themselves from adverse impacts of SAPs by employing various strategies such as selling non-essential assets, drawing on personal connections and social ties for loans or other assistance, and redeploying skills into more favourable labour markets.

4.3.1.1 Small-Scale Farming Households: Perceived Changes to Accessibility

Small-scale farmers commented that the increased cost of education impacted them immediately, beginning in 1990 with the change in government. Compared to their situation in the 1980s, 53.3 percent of small-scale farmers stated that their situation deteriorated between 1990 and 1995 with respect to education, and 92.3 percent of

\(^{19}\) The government covers approximately half the total cost to educate a child at the primary level, and the household covers the remaining 50 percent of expenses.

\(^{20}\) Compare tables 4, 6, and 8. While 53.3 percent of small-scale farmers indicated that education deteriorated in the first half of the decade, only 33.3 percent felt that it declined further in the latter half. The percentage of small-scale farmers that indicated improvement increased from 16 percent in 1990-1995 to 25.9 percent for 1996-2000. A similar trend is expressed in the data for female-headed households, although female heads were more inclined to say that education stayed the same in the latter half of the decade, rather than to indicate that it improved. In contrast, the percentage of large-scale farmers that
respondents described this period as generally negative for education\textsuperscript{21} (see tables 4 and 5, and figure 12).

When asked to reflect on the situation between 1996 and 2000, many small-scale farmers (40.7 percent) described their situation as “the same” as the 1990-1995 period (see table 4). Teofila, a mother of five school-age children commented that:

\begin{quote}
From 1980 to 1990 there was help for education. There were scholarships and the schools provided food. There was help with transportation costs. Now there is nothing of this. Now you pay. It has been the same way, all through the 1990s. Our situation is very precarious (Teofila: Interview #6, Quebrachal, March 13, 2000).
\end{quote}

Another mother said:

\begin{quote}
It's so difficult now, since the government changed. We have to find money for school fees, workbooks. In the 1980's it was free. For example, in my case, my son Javier cannot go to school anymore because we can't afford it. He made it to grade two and that is as far as he'll get. Now what will he do? Work (Julia: Interview #32, La Pita, May 29, 2000).
\end{quote}

Small-scale farming households have few resources to help offset the impact of higher costs. Therefore, the cessation of the Sandinista policy of free education resulted in immediate challenges especially for small-scale farming households. While several small-scale farmers indicated that their situation deteriorated further in the latter half of the decade, the majority did not distinguish between the first and last parts of the 1990s in terms of policy changes. From the small-scale producer perspective, the most dramatic

\textsuperscript{21} The farmers that negatively described education generally espoused strong negative opinions and expressed few positive views. While their personal household situation with respect to education may or may not have been affected, they spoke negatively about the overall situation of education in Nicaragua. In contrast, the few that spoke positively about the period expressed confidence in the educational system, and indicated that positive changes had occurred.
changes occurred in the early 1990s with the change from the Sandinista socialist to neoliberal agenda.

In contrast to medium- and large-scale farming households, the percentage of small-scale farmers that spoke positively about education increased in the latter half of the decade. Some 78.0 percent of small-scale farmers continued to describe education negatively during the 1996-2000 period. However, this is nevertheless a slight improvement from the 92.3 percent that spoke negatively about the 1990-1995 period (see table 5). While 33.3 percent indicated that their situation declined further between 1996 and 2000, 25.9 percent felt that their situation had improved with respect to education (see table 4). Although this may be somewhat encouraging, 15.7 percent of these small-scale respondents noted that their family's access to education improved because of assistance received from a non-governmental organization (foreign NGO) in the later half of the 1990s (see table 3). Their involvement with an NGO-sponsored assistance program is likely mitigating some of the negative impacts of government cutbacks that those poor households would otherwise experience. Also, in the wake of hurricane Mitch, reconstruction has occurred in some traditionally neglected rural areas. Several small-scale farmers applauded the construction of new schools, even if their poverty left them unable to send their children to school.22

22 Reconstruction has not resulted in greater school capacity. In 2000, La Prensa, the national newspaper, reported that since hurricane Mitch, the MECD repaired, replaced, and increased in size 533 schools in
4.3.1.2 Female-Headed Households: Perceived Changes to Accessibility

Like small-scale farming households, an alarming percentage of single mothers reported negative changes to their household educational situation in the early 1990s. Some 70.8 percent mentioned that their situation deteriorated between 1990 and 1995. In reference to the 1996-2000 period, 54.1 percent reported that their educational situation deteriorated further, while 33.3 percent said it stayed the same, and only 12.5 percent said it improved (see table 6, figure 13). A considerable percentage of female-headed households also reported important changes to the cost of education. Slightly less than half (47.8 percent) of single mothers noted higher educational costs between 1990 and 1995, and 37.5 percent indicated that costs continued to increase after 1995 (see table 3). Numerous female-headed households operate at subsistence or near subsistence level. Therefore, any increase to school fees can pose a considerable challenge to the accessibility of education.23

4.3.1.3 Medium-Scale Farming Households: Perceived Changes to Accessibility

Medium-scale producer households also generally perceived that education declined in the 1990s. The vast majority spoke negatively about the educational system in Nicaragua. Some 95.0 percent of medium-scale farmers indicated that 1990-1995 was a negative period for education overall, and 91.0 percent indicated the same for the 1996-2000 period (see table 5). The higher cost of education was also the most frequently mentioned change during the two periods. Some 30.6 percent of medium-scale farmers mentioned

Nicaragua. The government received $US 40 million in aid for this purpose. Despite this investment, the school infrastructure only increased by 1 percent (Morales, 2000, February 5).

23 Several female heads indicated that fees and other monetary requests present the greatest barrier to education. Many mothers indicated that they are shamefully prepared to send their children to school
that the cost of education increased in the early 1990s, and 33.3 percent noted a further increase in costs after 1995 (see table 3). Accessibility of education became a problem for a significant percentage of medium-scale farming households in the latter half of the decade, which may reflect the impact of higher costs. While 8.3 percent mentioned that accessibility decreased in the early 1990s, 25.0 percent mentioned that this also occurred between 1996-2000 (see table 3). In addition to higher educational costs, factors such as lower wages, low farming revenues, and deteriorating household financial situations likely also began to impact the accessibility of education for an increasing number of medium-scale farming families. In light of these significantly negative changes to education, a considerable number of medium-scale farmers reported that their personal household situation with respect to education deteriorated. Some 45.9 percent reported that their educational situation declined in the 1990-1995 period, and 45.9 percent said it declined further between 1996 and 2000 (see table 7, figure 14).

4.3.1.4 Large-Scale Farming Households: Perceived Changes to Accessibility

Large-scale farmers are also concerned about the growing challenges they face with education, although a lower percentage of large-scale farmers spoke negatively about education overall compared to medium- and small-scale farmers. Some 46.0 percent of large-scale farmers reported that 1990-1995 was a negative period for education overall, while 54.5 percent negatively described education during the 1996-2000 period (see table 5). Large-scale producers also identified higher costs as the most significant change to education during the 1990s. Some 36.8 percent of large-scale farming households mentioned higher costs in the first half of the decade, and 42.1 percent noted higher costs without adequate materials. However, if they are required to send money with their children, their children
between 1996 and 2000. Approximately 10.5 percent mentioned that education became less accessible in the early 1990s, and 21.1 percent said that access declined between 1996 and 2000 (see table 3). A slightly larger number of large-scale farmers perceived a general decline in education towards the latter half of the decade. While 29.4 percent noted a slight deterioration in their household situation with respect to education during the first half of the decade, 38.9 percent mentioned that their situation declined in the latter half. Of the 38.9 percent that reported decline, 22.2 percent described their situation as 'much worse' (see table 8, figure 15). These data suggest that declining levels of government support and investment for education are also impacting a significant percentage of large-scale farming households.

Three important themes are revealed by the data: 1) small-scale, medium-scale, large-scale and female-headed farming households identify ‘cost’ as their greatest problem with respect to education; 2) all groups share the general perception that education in Nicaragua deteriorated in the 1990s; and, 3) although the majority of respondents in all groups stated that their particular situations either deteriorated or stayed the same with respect to education, it appears that large-scale producers were able to mitigate the negative effects to a greater extent, particularly during the first half of the decade.

These findings are important. To date, the majority of the development literature has focussed on the plight of the small-scale farmer under SAPs and to some extent, has implied that large-scale farmers are more-or-less immune from many of the problems that small-scale farmers face due to the larger farmer’s higher levels of human and financial
capital. While some scholars suggest that the medium-scale farmer, or the rural middle class, has actually been the hardest hit by SAPs (Woodward, 1992), this debate has also generally excluded the large-scale farmer. However, contrary to the assumption that large-scale farmers are largely unaffected by the negative impacts of SAPs, the large-scale farming households surveyed in this study identified ‘cost’ as a significant problem, along with medium- and small-scale farming households.

Large-scale farmers expressed grave concerns about the state of education in Nicaragua. In addition to having deep concerns for their children’s education, they are also concerned for the education of less fortunate children, identifying the lack of access to education as an enormous problem and cost to society (Carlos Ruiz: Interview #22, Matagalpa, May 8, 2000; Fidel Rodriguez Rojas: Interview #14, Matiguás, April 6, 2000). Although, in the majority of cases, the large-scale farmer’s problem of ‘cost’ centered on the expense of private schools and universities rather than the cost of school uniforms and other primary-school materials, most large-scale producers, like medium- and small-scale farmers, expressed worry about their continuing ability to provide their children with quality education. They explained that the decreased profitability of their farming operations in recent years, coupled with rising costs of social services, transportation, and basic necessities, has made it increasingly difficult and stressful to ensure that their children receive quality education, particularly at higher levels. The fact that large-scale farming households are also struggling to maintain their levels of human resources suggests that SAPs are negatively impacting the social reproduction of broader sectors of the population than was originally perceived.
4.3.2 Accessibility: Differential Impacts for the Poor

Although large-scale farming households are facing new challenges, they have been able to protect themselves to a greater extent than small- and medium-scale farmers against the negative impacts of SAPs. For more than half of large-scale respondents, the increased cost of education was not great enough to require sacrifices in their lifestyles, or other aspects of their welfare. However, although the majority of large-scale farming households was not dramatically impacted by higher education costs, a significant percentage of large-scale farmers indicated a deterioration in their household educational situation. This occurred in the latter half of the decade, suggesting that the majority of large-scale farming households successfully insulated themselves from negative changes that impacted small- and medium-scale farmers immediately. Large-scale farmers likely drew on savings or accessed new loans to avoid significant changes to their standard of living. Furthermore, while an increasing number of large-scale farming households are reporting negative changes in terms of meeting their household education needs, in most cases, they have sacrificed non-essential aspects of their welfare. They have been forced to forgo some recreational activities, and other non-essential items to ensure their children’s education. In contrast, small-scale farming households have taken measures such as sacrificing already scarce quantities of food or forgoing medical advice for health.

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24 A higher percentage of large-scale farmers indicated that their situation was unaffected in the 1990s compared to small- and medium-scale farmers.

25 A greater percentage of small- and medium-scale farmers indicated deterioration in their household situations between 1990 and 1995. Some 45.9 percent of medium-scale farmers and 53.3 percent of small-scale farmers perceived that their situation declined compared to 29.4 of large-scale farmers. By the latter half of the decade, the perceptions of large-scale farmers were more in line with their small- and medium-scale counterparts. Some 45.9 percent of medium-scale farmers and 33.3 percent of small-scale farmers noted decline compared to 38.9 percent of large-scale farmers (see tables 4, 7, and 8).
problems. While it appears that, after a given period of time, SAPs negatively impact small-, medium-, and large-scale farming households to some extent, the already precarious situation of the poor means that they suffer disproportionately.

The disadvantaged position of the poor with respect to education is evidenced by the fact that educational opportunities are not equitably distributed in Matagalpa. When asked if all of their children attend school, 75.7 percent of small-scale farmers responded positively compared to 87.9 percent of medium-scale farmers and 100 percent of large-scale farmers (see figure 16). Overall, 22.2 percent of Matagalpan farming families with school-age children do not have all school-age children attending school. The majority of these children are from small-scale producer families. While the indirect costs of school supplies and school uniforms might force medium- and large-scale producer households to make sacrifices to ensure their children’s education, for many small-scale producer households these costs are simply unaffordable and their children may be required to completely withdraw from school. With fewer opportunities for education, the poor are often condemned to low-productivity work, low household income, and a new round of limited access to education.

The disproportionate impact of SAPs on small-scale farming households is evidenced by their identification of multiple barriers to education. In addition to cost, other significant barriers to education for children from small-scale farming households are the distance to school and the need for child work. In contrast, these issues went largely unmentioned by

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26 It is also possible that the economic situation in Matagalpa deteriorated to a level that was significant enough to compromise the livelihood of large-scale farming.
medium- and particularly large-scale farmers, who generally only identified ‘expense’ as a barrier to education. Medium- and large-scale farmers’ other concerns about education generally related to issues concerning educational quality.

4.3.2.1 Distance and Transportation are Barriers to Education

The issue of transportation is a good example of how SAPs inadvertently disproportionately impact the poor. In general, poor rural dwellers live farther away from the nearest school than do wealthier rural inhabitants. In many cases, small-scale farmers have been pushed onto marginal lands in remote areas, away from roads and other public services. In contrast, many large-scale producer households live in established communities near roads and transportation routes. In addition, some large-scale farmers own homes in nearby urban centres where their children live during the school year. Affluent families living in urban centres are able to organize politically to protect the level or type of education that serves them. This situation is evidenced by the fact that 15.3 percent of small-scale producer households in Matagalpa do not have a primary school in their community, while only 5.6 percent of large-scale producer households are without one. In addition, many rural schools do not offer all six grade levels. In order for many children from small-scale producer households to complete their primary education, they have to travel to a neighbouring community that hosts a primary school that provides all six grades. The end result is that higher transportation costs, caused in large part by the removal of former subsidies, have disproportionately impacted small-scale farming children who have to travel long distances to school and who are less able
to withstand higher prices for transportation. In addition to the cost of transportation, parents expressed concern about sending their children, particularly their daughters, on long unaccompanied treks to school. Also, many children walk several kilometers to school without having eaten breakfast, which has a negative impact on their concentration and learning. These concerns are evidenced by the fact that 24.4 percent of small-scale farmers mentioned 'distance to school' as a problem and only 5.6 percent of large-scale farmers identified this as an issue (see table 2).

Another issue of great concern to many small- and medium-scale farmers is the deficit of secondary schools in rural areas. In most cases, the distance to a secondary school is so great that rural students must move to urban centres in order to access secondary education. If a student does not have the option to stay with relatives, the cost of renting an apartment, buying food, and paying for school fees and materials is virtually impossible for almost all small-scale farmers and many medium-scale farmers. The high cost of secondary school leads to limited expectations of parents for their children’s education because of their inability to pay for higher education. As a result, children’s educational aspirations are often discouraged by their parent’s pessimism. Juan Carlos, a 19-year old youth living outside of the town of Matagalpa commented that:

The level of education in this community is very low because we are very poor. The school is from the first to sixth grade. Secondary school is in the city and there are no recreational centres here either. That is difficult for the youth. It’s not like the city. The reason why I stopped studying is because agriculture doesn’t support a costly education in the city. If you study in the city and you have no family there, you must pay for lodging, for food. It is too costly for a farming family. That is the principal problem.

27 According to the survey data from Matagalpa, 52.4 percent of small-scale farmers reported sending their children to primary schools that offer all grade levels compared to 85.7 percent of large-scale farmers (survey data from this research, 2000).
Juan Carlos’ statement is supported by the fact that, in 1998, approximately 62 percent of rural youth between the ages of 13 and 18 years old were not attending school.\(^{28}\) In comparison, 28.1 percent of urban youth of the same age were not attending school (Arcia, 2000). The Minister of Education, Julio César Andana Pérez, stated that the major problem for creating rural secondary schools is that Nicaragua does not have enough trained teachers. He also noted that once teachers are trained, it is difficult to retain them in rural areas\(^{29}\) (Julio César Andana Pérez: Interview #26, May 26, 2000). While the challenges of improving access to secondary education are very difficult, they are not insurmountable. After ten years of concentrating almost exclusively on improving access to primary school, the Nicaraguan government and international donors should try to expand their focus to address some of the barriers to secondary education, particularly if Nicaragua aims to be more competitive against an increasingly educated international work force.

### 4.3.2.2 Child Work is a Barrier to Education

Perhaps the most significant and disproportionate impact of SAPs on poor rural children is the increased incentive for child work. Many analysts have observed that SAPs have

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\(^{28}\) Similarly, a study conducted in Matagalpa in 1998 found that while 21 percent of boys and 26 percent of girls between the ages of 12 and 14 were still students, only 7 percent of boys and 9 percent of girls between the ages of 15 and 17 were students. Not surprisingly, only 8 percent of 14 to 19 year olds and 7 percent of 20 to 27 year olds said they had attended secondary school (Guevera et al, 1998). A World Bank document concurs that the poor lack access to secondary and higher education. Inequality in school enrollment increases as children get older and schooling levels rise (Wodon, 2000).

\(^{29}\) Mr. Pérez mentioned that the MECD in Matagalpa is administering a program to train secondary teachers with funds from the European Union. However, he noted that of the 600 teachers trained, 270 have already left rural areas and many aren’t teaching at all (Julio César Andana Pérez: Interview #26, Matagalpa, May 26, 2000). Low teacher salaries contribute to high turnover rates. The issue of low salaries will be examined later in the chapter.
caused an important change in the nature and rationale of child work: instead of being a socializing activity intended to impart skills, it has increasingly become a way to produce income for the household (Salazar, 1998b). Donald Muñoz, an employee of the Association of Rural Workers, noted this trend in Matagalpa:

*In my opinion, child work is 80 percent economic and 20 percent cultural. Before, all the kids worked to learn something, not to earn money. Now they go to earn money, not to learn. Is this good?* (Donald Muñoz: Interview #27, Matagalpa, May 26).

Although child work is not new in Latin America, structural adjustment has intensified child work and created a greater need for it by causing a decline in real household incomes and an increase in the cost of social services. Reduction in household income combined with increased school expenses have strongly reduced a poor household’s ability to sustain further losses by sending children to school. As poor households struggle under increased financial pressure, household tasks and maintenance become increasingly time consuming (see figure 17). Children’s assistance within the household is increasingly necessary, especially when parents are required to spend more time away from home in income-generating activities. (Glasinovich & Salazar, 1998; Green, 1998).

The discussion and analysis of child work is complicated somewhat by a lack of reliable statistics. However, certain patterns of child work are highly evident. The most pronounced pattern is that child work is heavily concentrated in rural areas and among poor families. In Nicaragua, for example, 68.2 percent of working children are found in

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30 Analysts argue that official estimates are unreliable and chronically understate the number of children involved in economic activity. For example, Vargas (1998, p. 47) notes that the Ministry of Labour in Nicaragua estimated that 20 percent of children aged 10 to 18 worked in 1996. However, according to the National Co-ordination of Non-Governmental Organizations, over 40 percent of children aged 13 and under were working.
rural areas (Vargas, 1998). In Ecuador, 60 percent of working children live in rural areas and in Guatemala 65 percent of working children are employed in agriculture (Salazar, 1998a). Historically, the need for labour power and the poor quality and coverage of schools in rural areas have encouraged child work. However, in recent decades, the decline of subsistence agriculture and the shift to wage labour has required many children to take over domestic chores when adult family members leave the household to seek wage employment. In addition, growing landlessness due to land concentration has also accompanied the trend towards a deepening of capitalist relations in rural development, pushing many poor children to take jobs in the cash-crop labour market to help generate household income (Standing & Rodgers, 1981).

4.3.2.2.1 Child Work and Education in Matagalpa

The relationship between child work and education is complicated. While work can have deleterious effects on schooling, without child work many families might not be financially able to send their children to school at all (Patrinos & Psacharopoulos, 1997). The cost of purchasing textbooks and uniforms and, increasingly, making payments to teachers, can create pressure for children to work. It is not surprising then, that after 'cost,' the second most mentioned problem by small-scale producer households in Matagalpa with respect to education is that their children are required to work. Some 36.7 percent of small-scale farmers explained that work complicated their children's access to school. In contrast, the issue of child work was not of pressing importance to medium- and large-scale producer households (see table 2).
The reasons why children need to work are complex. While the majority of child workers in Nicaragua come from poor families, not all poor children work, and not all working children are poor. Although poverty is clearly an important factor in child work, other factors include: gender, the quality of schooling, the availability of paid jobs, the need to care for younger children, and cultural reasons. In addition, many parents believe that work is part of their children’s education and many children actually want to work, a fact that is often overlooked (Green, 1998).

In Matagalpa, interviews with children and adolescents from small-scale farming households revealed that, generally speaking, youth want to work to help their household. If they have younger siblings, older children expressed a desire to help younger brothers and sisters attend school.31 If they attended school themselves, particularly at the post-primary level, they spoke about having to “take responsibility” for their school expenses (Yaneth: Interview #1, El Trentino, March 8, 2000). While many youths expressed a strong desire to work to “help out” their families, many others also noted they had to work out of necessity.

The majority of parents viewed child work, particularly household work, as a natural progression in their children’s development.32 However, if they identified work as a

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31 A study cited in Patrinos and Psacharopoulous (1997) indicated that the incidence of child labour increases with the number of siblings. Several parents in Matagalpa stated that they removed their older children from school to help care for younger children or to provide younger children with the opportunity to attend school.

32 Most parents did not view the daily 4 - 6 hours of household chores conducted by their children as “work.” In rural areas, it is difficult to define, or separate work from regular household activities. Conversations about child work only occurred when parents recognized it as a barrier to their children’s education – in most cases, their children had left school to work full-time around the house or farm, or, less commonly, to engage in paid work.
problem with regard to their children's education, they also generally indicated that their children work because they have to. Mariela, a pre-school teacher explained that:

> Parents today do not have the money to keep their kids in primary school. How is an unemployed father supposed to buy his child all the materials? Today, there are more kids wandering the streets and they learn bad habits. We have more kids in the street than before and they are turning into little business people in the informal economy. They have to work to help their families. (Mariela: Interview #18, Sébaco, April 14, 2000).

For many poor families, child work is an important element of their survival strategies. Children work after school in the field, they work during their vacations, and they often pick crops such as coffee to help maintain the family's standard of living. A survey of Central American families with sufficient access to food and basic services revealed that half of them relied on child work. Without working children, they would fall below the poverty line33 (cited in Green, 1998).

Numerous small-scale farming families in Matagalpa indicated that work complicates their children's access to education. Although the survey did not attempt to ascertain whether child work has increased or intensified since the application of SAPs, other studies provide strong evidence that child labour has intensified in Nicaragua and increased in several other Latin American countries.34 For example, Friedmann et al. (1995) noted that in Mexico, a larger proportion of children were either dropping out of school or postponing their entry into the next grade to enter into the workforce. In

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33 A study in Peru found that, on average, 14 percent of family income is contributed by working children (cited in Patrinos & Psacharopolous, 1997). However, while children's work is undoubtedly important to poor families, particularly on-farm and household work, research from other countries clouds the issue on the importance of children's income, suggesting that it only marginally affects the well being of the family (Green, 1998).

34 In this study, very few of the families surveyed had school-age children in both the late 1980s and late 1990s to offer any kind of comparison. Parents were asked in semi-structured interviews whether they felt
Ecuador, Maria Salazar (1998) noted that the number of working children increased by approximately 55 percent between 1982 and 1990. In Nicaragua, studies indicate that children are starting to work at a much younger age. In one study, almost all of the children of the families that were interviewed were working by seven years of age. However, when parents were asked at what age they themselves had begun working, the majority of respondents replied between 12 and 13 years (Guevara et al, 1998). A study by Pineda and Rosa Guerra (1997) also found that Nicaraguan children are entering the workforce at an earlier age, and argued that earlier entry into the workforce is related to SAPs.

4.3.2.2.2 Child Work Perpetuates Inequality

The inequitable distribution of resources in Latin America is reinforced by patterns of child work. Child work perpetuates inequality between rural and urban areas, poor and wealthy households, indigenous and white populations, and men and women. Generally speaking, the children of wealthier farmers are free to attend school on a full-time basis. In contrast, the children of poor farmers are frequently forced into the labour market to a greater extent (Glasinovich & Salazar, 1998; Psacharolpolous & Arriagada, 1989). Early manual work by poor children leaves them disadvantaged with respect to educational qualifications, and can potentially have adverse affects on their health, nutrition, and physical development.\(^{35}\) The probability of drop out and grade repetition increases that their children had to work harder today than in the past. The responses varied widely according to people's personal situations.

\(^{35}\) While working children can gain self-esteem, skills, and respect from their elders, they can also incur tremendous costs. Certain types of work negatively impact children's health. Children are more vulnerable to heat, long hours of work, and poor working conditions. Also, children are more likely to suffer workplace accidents because they tire easily and use machinery designed for adults. In domestic work, children also work long hours, carry heavy loads, and suffer many accidents (Green, 1998).
considerably for children that are engaged in work. A United Nations study found that boys in Latin America that start work between the ages of 13 and 17 complete on average 2 years less of education than boys who start work between the ages of 18 and 24. This translates into approximately 20 percent less wages, on average, over the course of their working lives. However, this study also found that the incidence of poverty in the households studied would increase by 10 to 20 percent if children did not work, demonstrating that poor families can ill afford such long-term considerations (cited in Green, 1998). Ultimately, access to high-paying jobs that require specific educational qualifications can only be effectively pursued by children from wealthy families, while children from poor families are confined to low paying, unstable work. The result is a cleavage in career structures, employment possibilities, and wages, which divides the labour market and accentuates social differences and inequalities (Standing & Rodgers, 1981). Sadly, the short-term relief that child work brings to poor households usually ensures future poverty.

In addition to economic impacts, studies have found that children who do not work have more positive perceptions about school, the economy, and life in general. Non-working children are motivated to attend school by reasons that are related to school itself and their interest in learning, giving them an advantage for school success. In contrast, working children tend to look at school mainly as a hope for attaining a better life. In Matagalpa, both youth and parents from small-scale farming households often equated school with “hope.” Yet working children, or children from poor families tend to drop out

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36 In Nicaragua, repetition rates for poor children in primary school are almost double those of the non-poor, which could be related to child work (Arcía, 2000).
and repeat grades more often than non-working students, and they tend to be over-aged for their grade levels (Pineda & Rosa Guerra, 1997).

4.3.2.2.3 Child Work, Education, and Gender

In addition to perpetuating financial inequality between classes, child work can also perpetuate the subordinate position of women in Latin American society. While boys are often employed outside the home, girls are largely required to assist within the home (Pitkin & Bedoya, 1997). Domestic work can weigh heavily on the lives of girls, making it difficult for them to keep up with their studies and in some cases, preventing them from attending school altogether. In most Latin American countries, there is a significant amount of girls who neither work nor study outside the home; they look after the home while their parents work (Salazar, 1998a). While official statistics are able to portray the pervasiveness of child work among boys, the fact that domestic work is not characterized as ‘work’ means that both the extent and impact of domestic work is vastly underestimated (Sanchez, 1998). The International Labour Organization estimates that the unpaid work by children performed for their families, particularly by girls, constitutes 80 percent of all child work (Green, 1998).

This differential treatment of female and male children, wherein girls are expected to help in the home while boys are permitted to develop themselves outside it, perpetuates the system of penalization for future generations of women (Pitkin & Bedoya, 1997). Women’s subordinate positions are maintained, from one generation to the next, through
their limited access to formal wage employment and their enormous responsibility of maintaining the family-based reproductive economy. Furthermore, the intensification of domestic work under SAPs that has negatively impacted mothers has also been passed onto their daughters. Even when they have a full-time job, daughters are expected to take a great deal of responsibility in the home. As women buckle under the pressure, social reproduction breaks down and future generations of adults are at a greater risk of being impoverished and in ill health.

However, despite the substantial burden of domestic work on girls, boys and girls in Nicaragua appear to have equal access to school, and recent national statistics show that girls are out-performing boys (MECD, 1999c). While some analysts argue that historically there have been more obstacles for girls to access the same levels of education as boys in Latin America, recent national educational statistics suggest that the tables may be turning in Nicaragua. In both rural and urban areas, and at all grade levels, proportionately more boys repeat grades and drop out of school. At the secondary level, more girls enroll than boys (MECD, 1999c). Data for the department of Matagalpa also show that, after 1995, girls had better retention rates than boys at the primary level. However, Matagalpan boys continued to have better pass rates at the primary level, contrary to national trends. A national study conducted in 1998 revealed that, in both rural and urban areas, girls had slightly more mean years of schooling than boys (Arcia, 2000). Furthermore, 32 percent of girls completed primary school that year compared to

37 For example, the World Bank reports that of the 75,000 children that work in Nicaragua, the vast majority are boys. It states that more than three times as many boys work than girls (World Bank, 2001). Clearly, the long-hours of domestic work performed by girls do not factor into official statistics.
38 Unpublished statistics from the Ministry of Education, Culture and Sports in Matagalpa.
27 percent of boys (MECD, 1999c). While the development literature has focused primarily on the situation of girls' education in the developing world, the greater success rates of girls in school in Nicaragua may be an indication that boys are being disproportionately negatively impacted by SAPs. Lower household incomes are increasing the incentive for child work, and boys are likely under increasing pressure to abandon school in search of outside remunerated work. Some analysts suggest that domestic work might be easier to combine with school, while farm work or wage labour, which is usually done by boys, may make completing school work more difficult, or may often require leaving school altogether (Green, 1998).

Despite the fact that the educational achievements of women have surpassed those of men in various countries of the region, more equitable access to the labour market or a comparable narrowing of the income and wage gaps has not occurred. CEPAL (2000) observes that women continue to occupy the most poorly paid and unstable jobs, and consequently have higher unemployment rates than men. Nor are they remunerated equally when they perform the same work as men. In addition, they are often the only persons responsible for meeting the day-to-day needs of their households and communities, especially in areas related to consumption and social reproduction, even though they have not, in most cases, attained an equitable position with regard to decision-making. CEPAL (2000) argues that the poor quality of education reinforces

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39 However, other analysts, such as Levinson and Moe (1998) argue that household work may in fact be less compatible than labor market work with schooling. Levinson and Moe analyze the time use of girls and boys in metropolitan Brazil in 1985 and find that, of the children who are not attending school, more are “non-working” than are working.

40 Another reason for boys’ lower success rates might be due to the rigidity and boredom of the classroom. According to Duncan Green (1998), children that work generally find it difficult to shift from being treated as an independent person with some respect in the workplace to the conformity of classroom dependence.
gender stereotypes, and that there is little linkage between women's education and employment in Latin America. For these reasons Lisa Catanzarite (1992) argues that the improvement of women's conditions lies not just in greater educational opportunities, but in the improvement of wages and the creation of more stable jobs for women. Unfortunately, the dramatic increase of women working in the informal sector and in other low-paying unstable work indicates that the opposite has occurred under SAPs.

A final point is that while many aspects of child work can negatively impact the human resource development of children, in some cases the right kind of work can impart valuable skills and allow children to grow into more capable adults. A job inevitably brings a combination of costs and benefits. Green (1998, p. 44-45) notes that many working children in Latin America are part of dynamic organizations, which are at the forefront of the child rights movement. In comparison, he argues that middle- and upper-class children are "slumped in front of the television, waiting for their lives to begin." In general, children from wealthy families in Latin America, particularly in urban areas, are given few responsibilities and are not expected to participate in household chores. In contrast, children from poor families play an important role in household maintenance and tend to be more actively engaged in their communities.

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41 On the one hand, a job can help put food on the table, pay for school fees, lead to increased respect within the family, and provide opportunities for learning. On the other hand, dangerous or full-time work can lead to long-term health risks and compromise a child's education.
42 I have also observed that working children are actively involved in labour and other social movements in Latin America. On May 1st, Labour Day, it is common to see children marching alongside adults in labour union parades.
43 Tobias Hecht, a U.S. anthropologist noted that upper-class Latin American children are nurtured, while poor children are nurturing — they help their mothers and their families by engaging in domestic work and wage labour (cited in Green, 1998).
4.4 The Quality of Education in Nicaragua

This section examines the factors that impact the quality of public education in Matagalpa according to small-, medium-, and large-scale farming households. First, a brief overview of the general quality of rural education in Nicaragua is provided. This is followed by the presentation and analysis of the perceptions and opinions of rural farming households with respect to the quality of education.

4.4.1 Rural Education in Nicaragua

For the last ten years, the Ministry of Education in Nicaragua has focussed on two primary goals: to improve the quality and the coverage of education (MECD, 1999b). Despite efforts, the quality of education continues to be of major concern, particularly in rural areas. Generally, the quality of rural schools is far inferior to that of urban schools and, as a result, the rural population is largely excluded from social progress.

4.4.1.1 Disparity Between Rural and Urban Education

Educational opportunities in rural areas fall notably short of those in urban areas. On the whole, only primary education is available in rural areas. Often, rural primary schools only offer up to grade four. The shortfall makes access to secondary and higher education extremely difficult for the rural population. As a result, the urban population has, on average, 6.2 years of schooling compared to 3.2 mean years in rural areas44 (Arcia, 2000).

Low rural educational levels are also related to high drop out and repetition rates. Of the total number of rural Nicaraguan children that enrolled in grade one in 1990, only 17
percent enrolled in grade 6 six years later. In contrast, 53 percent of the urban children who enrolled in grade one in 1990 enrolled in grade 6 six years later (MECD 1999a).

As a result of the disparity in quality between urban and rural schools, educational progress and the accumulation of assets across all classes are largely limited to urban areas. This reduces the average economic growth levels for Nicaragua and perpetuates extreme inequality. Furthermore, the underfunding of education, which has arguably been more acute in rural areas, has meant that the education available to the impoverished rural population has been of such poor quality that it is of little real benefit (Birdsall & Londono, 1998; Reimers, 1991).

In particular, the poor quality of rural schools limits an individual’s prospects of attaining literacy. In Nicaragua, there is a substantial literacy gap between rural and urban areas, which reflects a long history of rural marginalization and poor quality rural education. The 1995 census reported an urban illiteracy rate of 12.5 percent compared to a rural illiteracy rate of 43.4 percent (Nicaragua’s Report on the State of Children, 2000). In many parts of the developing world, literacy rates are significantly higher among men compared to women. However, in Nicaragua and most of Latin America, the literacy gap between men and women is relatively insignificant, although gaps continue to exist between older women, camepsinas and indigenous women, and the rest of the population (CEPAL, 2000, Stromquist, 1992).

44 1998 data.
According to the survey data from Matagalpa, the illiteracy rate remains critically high, at 52.7 percent. However, there is great variability between social groups. There are six times as many illiterate small-scale farmers as illiterate large-scale farmers. Some 57.8 percent of small-scale farmers reported that they are illiterate compared to only 9.5 percent of large-scale farmers. Only 9.4 percent of small-scale farmers reported having a grade six education, compared to 61.9 percent of large-scale farmers. Medium-scale farmers also fared better than small-scale farmers: 28.6 percent reported being illiterate, 20.0 percent reported being “a little bit literate,” and 51.4 percent reported having a grade six education (see table 9). Due to the significant variability in national literacy statistics, it is difficult to determine whether or not literacy rates have improved over time, or whether SAPs might be impacting literacy. What must be emphasized is that illiteracy among some social groups continues to occur, while other social groups are reaching progressively higher levels of education. Therefore, polarization is increasing, as pockets of illiteracy continue to exist, while the number of people with higher educational levels grow (Stromquist, 1992). Clearly, in Matagalpa, an individual’s ability to become literate is related to socioeconomic background.

Despite recent efforts by the Nicaraguan government to address the inequities between rural and urban education, many analysts contend that rural schools have suffered disproportionately during the structural adjustment process (Green, 1998; Reimers &

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45 A study conducted in 1998 by the Rural Workers Association of Matagalpa reported a 50 percent literacy rate (Guevara et al., 1998).
46 Another 32.8 percent of small-scale farmers claimed to be a “little bit” literate. A farmer is a “little bit” literate if he can sign his name (see table 9). Despite low literacy rates among small-scale farmers, only 3.3 percent mentioned the lack of adult education as a problem (survey data from this research, 2000).
47 The gender gap appears to be insignificant. Some 50.0 percent of single mothers reported illiteracy compared to 57.8 percent of small-scale farmers.
Tiburcio, 1993). Reimers and Tiburcio (1993) argue that urban parents, students, and teachers are typically more vocal, better organized, and live closer to the Ministry of Education. Their opposition and political pressure likely increase their share of a declining total pie, resulting in disproportionate reductions in the supply of resources to rural areas. Similarly, universities have more leverage, both political and technical, to increase their share of shrinking resources available for education, which further reduces the financial investment available for rural schools.48

4.4.1.2 Disparity Between Public and Private Education

In addition to the disparity between rural and urban schools, there is also considerable disparity between private and public schools. The quality in private schools is notably superior to that of public schools (see figures 18, 19, 20). La Prensa, the national newspaper, (Morales, 2000, May 5) reported that private schools have fewer students per class, better supplies and equipment, more sophisticated libraries, and more qualified teachers. In contrast, many public-school classrooms are overcrowded; lack desks, materials, and equipment; and have many unqualified teachers. Children in private schools are generally more positive about the future and have greater educational and career aspirations than do children in public schools. Juana Maria Buisting, a female medium-scale farmer in Matagalpa emphasizes the difference between public and private education:

*In the 1970s, the quality of public schools was excellent. The difference between private and public schools started to emerge in the early 1990s*

48 Many analysts, including education analysts from the World Bank, argue that Nicaragua’s government spends a disproportionate amount of its educational budget on higher education, which in turn disproportionately benefits the middle- and upper-classes who send their children to secondary school and university (Green, 1998; World Bank, 2001).
after the revolution. I’m not sure why – probably because of lowered investment – but the quality of public schools has really deteriorated. Yes, Somoza was terrible, but the quality is worse today. As a result, parents make huge sacrifices to put their kids in private schools. I have a domestic servant who realized that the quality of private schools was better when she compared what my daughter was learning in relation to her son. She decided to enroll her son in a private school and she works incredibly hard to keep him there. In private schools, they teach computers and emphasize the importance of learning how to use them. And, the teachers are better. The public schools don’t teach kids the same things that they learn in private schools (Juana Maria Buising: Interview #28, Matagalpa, May 26, 2000).

Due to greater resources, private schools offer significantly superior education, providing courses and training that meet world standards. Meanwhile, the prospects for attaining literacy in rural public schools are inauspicious. The poor quality of public schools effectively bars many of their students from later pursuing secure, high-paying careers.

Education is increasingly segregated according to class in Nicaragua, with upper-class and increasingly middle-class children attending costly private schools, while poor children attend under-funded public schools. In Matagalpa, 66.7 percent of large-scale farmers send their children to private schools. Slightly more than half (55.0 percent) of medium-scale farmers are also able to provide their children with a private education. Only 2.4 percent of small-scale farmers are able to make this sacrifice. Analysts warn that growing private-school demand will likely lead to further decreases in the quality of public schools. As wealthier students enroll in private schools, the political pressure to

49 In addition to a considerable difference in private-school access between social classes, there is also a significant difference in access between urban and rural populations. Private education is mostly accessed by children living in urban areas. Of the total number of students attending private schools in Nicaragua, only 14 percent are from rural areas (MECD, 1999c).
50 Survey data from this research, 2000.
51 Survey data from this research, 2000.
52 Survey data from this research, 2000.
maintain the quality of public schools could further diminish, thereby increasing the division between “elite” and public schools. Furthermore, reductions in funding for public schools and growing out-of-pocket costs for parents will increase inequalities as poor parents have fewer resources to contribute to the education of their children (Reimers, 1991). Education, which should be a great equalizer, is actually perpetuating cycles of impoverishment in Nicaragua.

4.4.2 Perceptions of the Quality of Education in Matagalpa
The poor quality of education was identified as a problem by 30.0 percent of rural farming households in Matagalpa (see table 2). Medium-scale farmers mentioned the problem of poor quality more frequently than any other household type. Some 34.2 percent of medium-scale farmers, 28.9 percent of small-scale farmers, and 16.7 percent of large-scale farmers mentioned poor quality. The issue of poor quality is likely of greater concern to medium-scale farmers, particularly compared to large-scale farmers, for two reasons: 1) in general, medium-scale farmers are in a financial position that eliminates some concerns surrounding access, allowing them to explore the impacts of poor quality; and, 2) almost half of medium-scale farming children attend public school where their education is compromised by poor standards. Although a comparable percentage of small-scale farmers also identified poor quality as a problem, the issues of cost and child work take precedence. Small-scale farming households spoke at length about economic concerns, such as buying school materials, uniforms, shoes, and food. Getting their

53 Joel Samoff (1994) argues that affluent families are able to purchase higher-quality private education, and organize politically to protect the level or type of education that serves them. In Nicaragua, there are now more private secondary schools than public secondary schools (unpublished statistics from the Ministry of Education, Culture, and Sport, located in Managua, 2000).
children to school and ensuring that they stay in school are immediate priorities and challenges for small-scale farming households. Additionally, small-scale farmers generally have low levels of education themselves, which might make it more difficult to judge the quality of schools their children attend. On the other side of the spectrum, school quality is likely of lesser concern to large-scale farmers because the majority send their children to higher-quality private schools. In sum, medium-scale farming households have fewer challenges accessing education compared to their small-scale counterparts. However, they have more challenges accessing private education than do large-scale farming households. Therefore, medium-scale farmers are in a better position to evaluate the impacts of poor quality on their children’s education.

The issue of poor-quality education appears to be less of a concern in female-headed households. Only 12.5 percent of single mothers identified poor quality as a problem compared to 28.9 percent of small-scale farming households (see table 2). Similar to small-scale farming households, female heads generally expressed concerns about their children’s access to education. The quality of education appeared to be of secondary importance - an issue that could be addressed after barriers to access have been largely eliminated. However, despite the fact that many women did not identify quality as a pressing problem, other indicators suggest that their children have been adversely impacted by the poor quality of rural education. Only 15.8 percent of single mothers reported that all of their children are in the right grade for their age, and only 31.8 percent of the children from single-mother households completed grade six (see table 10). The high repetition and low completion rates by children from female-headed
households suggests that, in addition to poverty, the poor quality, lack of relevance, and lack of flexibility of the rural school program influences their children’s success.\(^{54}\)

4.4.3 Problems With the Quality of Education

Matagalpan parents perceive that the quality of public education has declined recently, and are concerned with the lack of access to quality education by their children. Information from interviews and survey data reveal that the most pressing complaints about quality are: 1) the lack of educational materials in rural schools; 2) the poor quality of rural teachers; and 3) the ineffectiveness of the new autonomous school program.

4.4.3.1 The Lack of School Materials

The most common complaints about quality centered on the lack of materials in schools. Parents, teachers, and students explained that many schools lack desks, chalk, teaching supplies, recreational facilities, and educational materials such as books, pencils, and paper. A number of communities had schools in disrepair. Jorge, a 13-year old student commented:

*We don’t have enough desks. The school is falling apart. Everything in it is bad. There is no ceiling. When it rains we all get wet... We need a recreational centre. There is nothing. Not even a soccer field. We just play on the road* (Jorge: Interview #9, Nombre de Jesus, March 21, 2000).

Similarly, a teacher from a different community stated:

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\(^{54}\) The quality of education and poverty of the household clearly impact a child’s access to education. Only 32.3 percent of small-scale farmers said that all of their children (post-school) completed grade six compared to 75.0 percent of medium-scale farmers and 89.5 percent of large-scale farmers. Similarly, only 20.0 percent of small-scale farmers reported that all of their children are in the right grade for their age compared to 44.4 percent of medium-scale farmers and 70.8 percent of large-scale producers (see table 10). On the whole, small-scale farming households tend to be poorer than medium- or large-scale farming households. Their children also have very limited access to private schools. As a result, their children’s access to quality education is negatively impacted.
What we need are desks, educational materials, pencils, workbooks. We need a bit of food to help out those children that are malnourished (Maria del Carmen: Interview #32, La Pita, May 29, 2000).

Even in communities that had a new or renovated school, parents and teachers were quick to point out that although the new building was appreciated, there were few materials inside the school, rendering its purpose ineffective. In a similar vein, many teachers commented that while the government may be building some new schools, there are fewer children inside the schools due to the precarious economic situation in the countryside. There is strong sentiment in rural Matagalpa that, while it may be a step in the right direction, it is relatively pointless for the government to build new schools if it is not prepared to properly equip schools and to provide programs that would help families enroll their children in school.

The lack of educational materials is a significant concern to small-, medium-, and large-scale farming families. However, while small-scale farmers’ comments on quality were largely confined to concerns about the lack of materials and the poor physical state of some schools, many medium- and large-scale farmers also expressed deep concern with the quality of teaching. Although several small-scale farmers did indicate that there is a shortage of teachers in their communities, very few expressed concerns with teacher quality. In contrast, several medium- and large-scale farmers identified poor-quality teaching as a major constraint to the overall quality of education.

4.4.3.2 Poor Teacher Quality

The deteriorating state of the profession of teaching is an important topic in Nicaragua and is not confined to rural areas. It is a topic of national concern that often makes news
The most significant barrier to improving teacher quality is the abysmally low salaries that teachers are paid. Teachers in Nicaragua make approximately $US 60 to $US 70 per month and are the lowest paid in Central America\(^{55}\) (Morales, 2000, April 11; Morales, 2000, February 9). A basic "basket" of consumption goods, for a month, which contains 53 items of indispensable basic food products and clothing for a family of five, costs between $US 129 to $US 143. Therefore, Nicaraguan teachers can only purchase 40 to 45 percent of their families basic monthly necessities from their salaries (Morales, 2002, February 9). Elisa, a teacher and mother of six explained how difficult this is:

> I've been working for 16 years as a teacher and I make 950 cordobas a month ($US 67). I have six children. To eat for a month on 950 cordobas - it is impossible. I have to borrow food from stores - it's like credit. Each month I pay them back but I can't pay all that I owe. At times, I've thought of going to the city to be a domestic servant. They make much more than a teacher. A domestic servant! But who would I leave my kids with? I don't want to leave them behind, so I don't do it. So, I have to work for this 950 cordobas, which doesn't cover our monthly needs. It doesn't cover anything\(^{56}\) (Elisa: Interview #15, Matiguás, April 6, 2000).

Low salaries make it difficult to attract qualified personnel. In addition, the lack of materials and training provided to teachers make their jobs incredibly difficult. On average, 2,000 teachers desert the educational system annually (Morales, 2000, February 9). There is low morale in the profession, as well as reduced motivation and effectiveness, which impact school quality. In many cases, particularly in urban areas, teachers are forced to take second jobs, which often leads to increased absenteeism and

\(^{55}\) In comparison, teachers make approximately $US 174 per month in Honduras, which pays the second lowest salaries. El Salvadorian teachers are paid the highest, at $US 300 per month (Morales, 2000, February 9).

\(^{56}\) Elisa has a primary school education. She does not have a teaching certificate. She said that she received some teacher training from the Sandinista government in the mid-1980s. Since then, she has not had any career development opportunities.
reduced quality of instruction in the schools. In rural areas, qualified personnel are extremely difficult to attract. The best teachers generally migrate to more lucrative activities in urban centres. While it is somewhat more difficult to find a new job in rural areas due to the general lack of work, especially for women, many male teachers have abandoned the profession for more profitable work (Douglas Stuart: Interview #25, Matagalpa, May 19, 2000).

Nicaragua has a high percentage of unqualified teachers. Nationally, 22 percent of rural primary teachers and 62 percent of rural secondary teachers were unqualified in 1999.\textsuperscript{58} \textsuperscript{59} However, national averages mask great variability between regions. In Matagalpa’s rural areas, 82 percent of primary teachers were unqualified in 1999, which is a substantially higher ratio than the national average.\textsuperscript{60}

Although MECD statistics indicate that there has been an increase in qualified teachers over the last decade, the high percentage of unqualified teachers remains a significant problem, particularly in some areas of the country. Furthermore, the low status and low

\textsuperscript{57} Douglas Stuart Howay, a professor at the University of Matagalpa, noted that teachers do not have time to engage in extra-curricular activities with their students. They only have time for dictated instruction, which, in his opinion, is of little educational benefit because it is an unproductive way of teaching and it destroys student creativity and initiative. Furthermore, Stuart Howay noted that most schools have multiple school sessions. While dual use of a school building may make some economic sense, many buildings are used by three separate schools each day and are unable to accommodate pupils for more than a few hours a day. Therefore, there is little time for gym classes, after-school social activities, or after-school tutoring sessions (Douglas Stuart: Interview #25, Matagalpa, May 19, 2000). Other analysts have also observed the negative impact that the multiple school system can have on the number of hours that children spend in the classroom (Green, 1998; Hallak, 1990).

\textsuperscript{58} Unpublished statistics from the regional office of the MECD in Matagalpa, 1999.

\textsuperscript{59} Unqualified teachers do not have a teaching certificate. In some cases, they do not have the required years of education to teach. For example, some primary school teachers have not completed primary school themselves. In 1999, nationally, 11 percent of primary teachers and 46 percent of secondary teachers were unqualified in urban areas. Four percent of teacher’s did not report their status (unpublished statistics from
wage associated with teaching are making it increasingly difficult to attract top quality personnel (Douglas Stuart: Interview #25, Matagalpa, May 19, 2000). Despite this challenge, the MECD has recently implemented several new programs to improve the quality of education. The success of these programs is heavily dependent on the ability of teachers to successfully implement them. Examples of these programs include: automatic passes from grades one to four, decentralized schools, flexible school calendars, and a renewed emphasis on multi-grade classrooms. When the Minister of Education in Matagalpa, Julio César Andana Perez, learned that many rural teachers believe that the automatic pass program, which was implemented to improve repetition rates, is working against student learning, he responded:

If teachers are telling you that when you automatically pass a child, the child graduates knowing very little, well, this is because the teacher did not teach the curriculum properly for this program to work. We need to change the attitude of our teachers – we need to change their way of teaching. And, that doesn't happen overnight (Julio César Andana Perez: Interview #26, Matagalpa, May 26, 2000).

Despite the low quality of teachers in Nicaragua, Mr. Perez continuously emphasized the importance of teacher quality for the success of these new programs. He noted that teacher training is one of the major focuses of Nicaragua’s education plan. However, he acknowledged that there is very little money available for teacher training or for improving teacher salaries. According to the World Bank (2001), teacher quality is one of the key variables most strongly and consistently associated with the overall quality of educational services. However, its recommendation to cut-back on already limited

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the MECD in Matagalpa, 1999). In Matagalpa’s urban areas, 23 percent of primary teachers were unqualified in 1999 (unpublished statistics from the MECD in Matagalpa, 1999).

60 Unpublished statistics from the regional office of the MECD in Matagalpa, 1999.
educational budgets suggests that poor teacher quality will continue to be a substantial barrier to improving the quality of education in Nicaragua.

In order to improve teacher quality with limited financial resources, the World Bank (2001) recommends incentive programs to stimulate better teacher performance. It argues that higher salaries will not automatically yield better teaching. However, the example of the East Asian Newly Industrialized Countries (NICs) suggests that relatively high teacher salaries are important for ensuring quality education. Teachers have enjoyed much higher salaries and a higher socio-economic status in the Asian NICs than many countries elsewhere, including other Asian countries and some OECD countries. Presumably, this has been reflected in the high levels of teacher quality and student achievement that are evident in these countries. The strategy of high teacher salaries, coupled with other efficiency promoting strategies, such as targeting primary education before secondary and university education, has helped resolve the problem of developing knowledge and skills with limited resources in Asian NICs (Mundle, 1998).

In Nicaragua, the reverse is occurring. Teachers are paid poorly and a disproportionate amount of the education budget continues to fund university education. Moreover, the low quality of teaching wastes funds – high teacher turnover and the large number of students that drop out or repeat grades place an enormous financial burden on the system. In the end, the low quality of basic education constrains the quality of higher education, and threatens Nicaragua’s ability to compete economically with other countries (World

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61 OECD countries are those countries that belong to the Organization of Economic Cooperation and Development.
Bank, 2001; World Bank, 1999). Clearly, significant investment needs to be made in raising the quality of teachers. However, as Adriana Puiggros (1996) warns, teachers cannot be trained in isolation. The educational and professional levels of an entire society need to be raised in order to create teachers.\textsuperscript{62} Raising teacher quality in a country that has low educational levels is a considerable challenge. Under the current cost-reducing climate of SAPs, it could become insurmountable.

4.4.3.3 The Ineffective School Autonomy Program

The final major problem that parents identified is the lack of effectiveness of the autonomous schools program. School autonomy was introduced in Nicaragua in 1993. Matagalpa served as the pilot region. By 1999, almost half of Nicaragua’s rural schools had been converted to autonomous schools.\textsuperscript{63} Autonomous schools are the result of the MECD’s strategy to decentralize education by creating a larger role for families in their children’s education. The strategy of decentralizing education is heavily endorsed and promoted by the World Bank to countries undergoing SAPs to improve the efficiency and service delivery of their educational systems (World Bank, 2001; World Bank, 1999). Accordingly, both the World Bank and the MECD believe that by encouraging communities to assume important responsibilities in the investment, maintenance, and functioning of schools, school quality and efficiency will improve (MECD, 1999b). The objectives of school autonomy are: 1) to increase community participation in school

\textsuperscript{62} Nelly P. Stromquist (1992) advocates UNESCO’s two-pronged approach to literacy to raise educational levels in a country. There is an important relationship between primary education and adult literacy. Educational policies that only serve the young ignore the fact that their skills could be lost if their parents are not taught literacy at the same time. Parents who are unable to read are unlikely to create adequate reading environments for their children. It is therefore necessary to work at both the primary level and adult educational level to effectively raise educational levels.

\textsuperscript{63} Unpublished statistics from the MECD in Matagalpa, 1999.
management; and, 2) to increase local participation in school finance (Arcia, 2000).

School autonomy is supposed to solve several major problems with the public-school system, including: the slowness in appointing teachers for rural communities, the lack of commitment of teachers, the lack of involvement by parents, and the inappropriateness of current curriculum and learning methods for rural areas (Arcia & Castro, 1999).

School autonomy is not a popular concept with rural communities in Matagalpa. It’s unpopularity is strongly related to the introduction of voluntary fees which are used to increase teacher salaries and improve school facilities. While many educational officials maintain that autonomous school fees are both low and voluntary, the large majority of parents interviewed indicated that fees were not at all voluntary and several parents explained that their children had been turned away from school by their teachers when they were unable to pay their fees. In general, many parents felt that the government was not fulfilling its responsibility to provide education. Instead, it was transferring this responsibility onto the community. School autonomy was not viewed as an opportunity to have greater involvement and decision-making power in their children’s education. Instead, there appeared to be widespread confusion as to what school autonomy is and what school fees are used for.

The Minister of Education in Matagalpa, Mr. Perez, responded to these comments by emphasizing that school fees are voluntary. Mr. Perez added that if parents are unable to make cash payments, they could donate their time by offering to paint the school or to
help out in the classroom. He also noted that there is not an “established” school fee – parents are encouraged to pay what they can, whether it be 50 centavos or 50 cordobas. He admitted that there have been some challenges in administering school autonomy at both the municipal government and community level. As a result, the MECD in Matagalpa initiated ‘autonomy training programs’ with parents, teachers, and students, which began in 1998 (Julio Céasar Andana Perez: Interview #25, Matagalpa, May 26, 2000). Despite these efforts, there is significant confusion and a considerable lack of communication between the MECD, teachers, and parents on the subject of autonomous school fees and on the concept of school autonomy in general. This confusion is likely contributing to the unpopularity of the concept of autonomous schools.

A second concern with school autonomy is that it has not resulted in improved school quality. Studies conducted by the World Bank have indicated that while the decentralization of education in Latin America has sometimes resulted in increased access to schools, there is little evidence that the quality of school performance has improved (World Bank, 1999). To date, it appears that school autonomy in Nicaragua has mostly concentrated on obtaining community contributions for physical improvements to schools. There has been little attention given to bringing school staff and the community closer together, or to involving the community beyond school construction, maintenance, and paying fees. Furthermore, analysts argue that while responsibility for the schools has

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64 In autonomous schools, the fees collected help finance teacher incentive programs. Some respondents commented that teachers are motivated to collect as many school fees as possible to finance these programs, rather than to respect the ‘voluntary’ aspect of autonomous school fees.

65 The World Bank (2001) states that substantial improvements in accountability and local participation are required for Nicaragua’s school autonomy program. According to the World Bank, the lack of accountability is partly a result of the fact that expectations and requirements are not specified, information
been passed to the local level, adequate financial resources to sustain these schools have not (Carlos Ruiz: Interview #22, Matagalpa, May 8, 2000; Douglas Stuart: Interview #25, Matagalpa, May 19, 2000). Community workers, academics, and teachers in Matagalpa expressed concern that the transfer of school responsibility to local communities will result in more variability in the quality of education between prosperous and poor communities. Furthermore, they noted that rural communities in general have been hit hard by the economic crisis, and families that are struggling to make ends meet do not have the resources, time, or energy to make direct contributions to autonomous schools.

While the concept of greater parent and community involvement in education has merit, Douglas Stuart Howay, a professor at the University of Matagalpa, asked if school autonomy can be successful and functional in a society that does not have a democratic conviction (Douglas Stuart: Interview #25, Matagalpa, May 19, 2000). His question highlights the importance of evaluating, adopting, and adapting particular strategies, such as decentralization, according to the needs, conditions, and interests of individual countries and communities. The World Bank has pushed its blueprint for decentralization as the solution to Latin America’s education problems without considering the unique histories and conditions of each country. Nicaragua has faced considerable administrative challenges and probably does not have adequate human and

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66 Studies in Ghana, Africa have shown that one of the outcomes of structural adjustment and education reforms (decentralization) has been to accentuate differences in the quality of education according to village-level wealth (Brown & Kerr, 1997a).

67 Green (1998) also made this general observation in Latin America.
material resources to properly administer the World Bank’s decentralized program. As a result, the actual practice of decentralizing education has not matched the rhetoric.

4.5 Concluding Remarks

The greatest problem facing farming families in Matagalpa with respect to education is the cost of sending a child to school. Approximately 72.1 percent of farming families identified the cost of education as a problem. The second most pressing issue is that child work interferes with educational attainment. Some 33.0 percent of rural farming households in Matagalpa identified ‘work’ as a problem, or a barrier, for their children’s education. The poor quality of education is an equally pressing issue. Some 30.0 percent of rural farming households in Matagalpa identified poor quality as a problem (see table 2).

The supremacy of ‘cost’ as a problem is significant. First, it suggests that families are under pressure to get their children into school. If families cannot afford education, the long-term welfare of their children, and the long-term development aspirations of Nicaragua will both inevitably suffer. Second, the widespread concern with cost, which is an accessibility issue, may cause parents to overlook problems with quality. Many parents are consumed with getting their children into the classroom and therefore only pay cursory attention to what happens once their children are inside the school. The poor quality of teachers and the lack of educational materials means that even if children do

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68 Puiggros (1996) argues that decentralization needs to occur as part of broader development initiatives that have widespread popular support. Instead of implementing it in times of austerity, decentralization should take place during moments of regional economic growth, when money as well as responsibility can be passed to the local level.
have access to education, they are not guaranteed quality education. As a result, many students lose interest, repeat grades, or drop out of school. Furthermore, those that graduate may not have the requisite skills to compete effectively in the local or global economy.

All of the groups surveyed – small-scale, medium-scale, large-scale, and female-headed households – share many of the same concerns and problems, despite having considerable disparity in socioeconomic backgrounds. The survey responses and commentary from youth, parents, teachers, and community leaders in Matagalpa strongly indicate that young peoples' access to education is perceived to be increasingly compromised. The rising cost of social services, coupled with declining household income levels, is affecting access to education for children from all types of households, not only the poor. Despite this fact, small-scale farmers, which make up the majority of the rural population, tend to be disproportionately impacted by these problems due to their limited ability to withstand external shocks, such as the rise in prices for transportation and school supplies. As a result, the vast majority of Matagalpan families are forced by their precarious economic situation to focus on day-to-day survival, rather than on the long-term welfare of the next generation.

Although the plight of medium- and especially large-scale farming households may be less precarious than small-scale farming households overall, it should not be overlooked. Very few medium- or large-scale farmers spoke positively about their economic situation. The large majority expressed concern for their household welfare, and several
respondents reported declines in household welfare, particularly in the last half of the decade. As a result, providing quality education to their children has recently become more of a challenge. The division between rich and poor in Nicaragua is becoming even more demarcated as large-scale farmers downsize to medium-scale, and medium downsize to small - while large plantation agribusinesses and maquiladoras continue to benefit from access to international capital and international markets. A reversal in Nicaragua's past educational gains, which occurred especially in the 1980s under the Sandinista administration, will only enhance the process of widening inequality, and ultimately lead to greater instability and social unrest.

While it is clear that SAPs have played a role in negatively impacting access to education, it is difficult to determine the extent of that role. Projecting where education would be today without structural adjustment is difficult; perhaps the situation would be worse. However, the issue should not centre on whether adjustment is to blame for the decline in certain educational indicators or the decline in household welfare, instead, it should centre on whether adjustment can take any credit for improving human resources in Nicaragua (Reimers & Tiburcio, 1993). Fernando Reimers and Luis Tiburcio (1993, p. 53) address this point:

Deteriorating economic conditions, independent of adjustment, may account for part of this decline but adjustment has failed to redress

69 In an effort to determine whether SAPs are partially accountable for the deterioration in social services and living standards in Latin America, several studies have been conducted that compare the situations of adjusting countries with non-adjusting countries. A World Bank study found that twenty-five intensely adjusting countries experienced reductions in educational expenditure and in net enrollment ratios between 1980 and 1985, which contrasted with the trends in the same countries prior to adjustment and with other non-adjusting countries (Kakwani, 1990). Another study indicated that, between 1980 and 1988, adjusting countries in Latin America were more likely to show reductions in access to the first grade than were non-adjusting countries. Adjusting countries also made significantly less progress expanding access to primary education than non-adjusting countries (Reimers and Tiburcio, 1993).
that decline. Whether education has suffered because of adjustment, or in spite of it, the point remains that the deterioration of the human resource base poses growing challenges to the task of restoring long-term economic growth and social and political development.

While there is little doubt that Nicaragua’s educational system faces many challenges and requires innovative reform, analysts argue that SAPs have made it increasingly difficult for governments to devote the necessary resources to education and to address inherent inequities present in the system (Green, 1998; Reimers & Tiburcio, 1993). This is a particularly severe problem because, with approximately 53 percent of Nicaragua’s population under the age of 17, developing human resources is a fundamental requirement for the country’s economic and social development.

70 This data is from UNICEF, The State of the World’s Children, 2003: www.unicef.org/sowc03/tables/table5.html
Chapter V - Health Care in the 1990s: A Period of Decline

5.1 Background

In the last half-century, there has been remarkable improvement in child health around the world. In its 1993 World Development Report, the World Bank stated that global health conditions improved more in the previous 40 years than in all history. Rising incomes, medical advances, improved public health services, and the expansion of education are largely responsible for long-term improvement to health (Green, 1998). Over the last five decades, child mortality rates decreased globally by two-thirds, from approximately 300 to 100 per 1,000 live births. Average life expectancy rates increased from approximately 40 years in 1950 to 62 years in 1990. Children also have better protection from developmental delay, physical disabilities, blindness, and mental retardation (Heisler & Anderson, 2001).

Child health has also progressed significantly in Latin America. Governments across the region have concentrated their efforts on primary and preventative health care (Green, 1998). Mass vaccination and oral rehydration campaigns, and the expansion of potable water in the 1980s, greatly reduced the impact of communicable diseases. As a result, infant mortality decreased by slightly more than half between 1960 and 1993, from 107 to 45 deaths per 1,000 live births (Heisler & Anderson, 2001). Similarly, the under age 5 mortality rate declined from 45 to 16 deaths per 1,000 live births between 1960 and 1990 (Green, 1998). Latin America boasts the lowest under-five mortality rate in the
developing world,¹ and it also has the lowest proportion of underweight children (Heisler & Anderson, 2001).

Despite this progress, 1 million children continue to die every year. Seventy-five percent of these children die before their first birthday. Child deaths continue to occur from causes that are largely preventable, such as diarrhoea, malnutrition, and pneumonia (Green, 1998). The region’s failure to achieve child health indicators that are more in line with industrialized countries’ standards is largely due to its highly unequal society.²

Health resources are inequitably distributed across Latin America. A large proportion of the population does not have access to basic health services. Although Latin America has a long history of inequitable access to health care, the disparities in health indicators both among and within countries are becoming increasingly sharper. In 1960, the ratio of highest to lowest mortality rates among Latin American countries was 6:1. By 2000, this ratio had increased by 13 times to 78:1³ (Minujin & Perczek, 2001). While some Latin American countries have infant mortality rates that are approaching European levels, others have rates comparable to those found in Africa (Green, 1998). This level of disparity also occurs within countries. The decline in infant mortality has been confined to particular locales and social groups; infant and child mortality rates remain critically

1 However, Latin America’s under age 5 mortality rate is six times that of industrialized countries (Heisler & Anderson, 2001).
2 Nancy Scheper-Hughes, an American anthropologist who works in Brazil, notes the “modernization of child mortality.” Old child killers, such as infections diseases, which affected older children across all social classes, have been replaced by new killers, such as malnutrition and diarrhea-based dehydration. Both of these new killers are related to unclean water, bottle-feeding, and poverty. Scheper-Hughes writes “child death has retreated to the back streets, muddy roads and squalid hillsides of Brazil” (quoted in Green, 1998, p. 168).
high among the poor and in rural areas. For example, infant mortality rates vary between approximately 25 per 1,000 live births in Brazil’s industrialized south to approximately 74 per 1,000 live births in the impoverished north-east (Minujin & Perczek, 2001). Similarly, in Peru, the infant mortality rate is approximately 50 per 1,000 live births. However, in some Peruvian rural areas the infant mortality rate is as high as 140 per 1,000 live births (Heisler & Anderson, 2001). Variations in health indicators are often related to large differences between countries’ financial capabilities and commitments to health care. In Cuba, Costa Rica, and Panama, government investment in health is greater than 7 percent of GDP. In contrast, the governments in El Salvador and Guatemala only invest 1 percent of GDP in health (CEPAL, 1997).

Analysts argue that the growing disparity in health indicators among regions and social groups is a consequence of the uneven impact of SAPs (Chavez Metoyer, 2000; Green, 1998; Maurás Pérez, 2001; Minujin & Perczek, 2001). Cutbacks to health services under SAPs have had devastating impacts on child welfare, particularly for children living in poor households and poor communities. Poor households have been disproportionately impacted by higher private costs for health care, and declining household incomes, because they generally require more health care and have less ability to pay for it. Cutbacks have also negatively impacted the quality of public health care, and have led to

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3 The mortality rate between Latin America and the industrialized countries also increased from 3:1 in 1950 to 6:1 in 1996 (Minujin & Perczek, 2001).
4 A study conducted in Jamaica indicated that hospital admissions of children for malnutrition were strongly correlated to falling wages and higher food costs (Green, 1998). Similarly, in Mexico, the infant and pre-school mortality rate caused by malnutrition increased after 1982, when Mexico began adjustment, after years of steady decline (Friedmann et al, 1995).
5 The World Bank (2001) reports that, globally, the public sector amounts to 60 percent of total health spending and private sector financing constitutes the other 40 percent. In Latin America, the public sector
increased segmentation in the use of health care. While the poor seek health care from low-cost providers that are usually cash-strapped, understaffed, and lacking supplies, the wealthy increasingly select higher cost, better quality private sector providers (Almeida, 2001; Green, 1998; World Bank, 2001).

This chapter examines the impacts of SAPs on health care in Nicaragua. It is divided into three main sections. Section 5.2 explains the importance of health for social and economic development and provides a brief historical overview of health care in Nicaragua during the last two decades. Section 5.3 examines the perceptions and opinions of Matagalpan farming households on changes to family food consumption and nutrition during the 1990s. Section 5.4 examines the perceptions and opinions of farming households on the major changes that occurred to health care during the 1990s, and the major problems that they encounter with health care. Specifically, section 5.4 explains how farming households have been differentially impacted by changes to health care under SAPs. It also examines the different ways that small-, medium-, and large-scale farming households and female-headed households resolve health care challenges.

5.2 Health Care in Nicaragua

5.2.1 The Importance of Health for Social and Economic Development

Health care, like education, is essential to a country’s development. Better health can lead to improved productivity by reducing the number of sick workers. World Bank studies conducted in Peru and Jamaica show that absence from work due to illness results in a share of total health spending is only 49 percent. This means that Latin Americans have a greater responsibility to directly cover personal health care costs compared to the average global citizen.
in a potential loss per month of 2.1 to 3.1 percent of household income. This is a substantial loss for many households, considering that incomes are already perilously low (Woodward, 1992). Poor households, in particular, are highly dependent on maintaining adequate levels of health since many rely on manual labour for income generating opportunities. However, many poor families are confronted with insufficient or inadequate diets and frequent bouts of disease, which impact labour performance and can require medical attention. Improved health would allow families to use their economic resources for other purposes, such as increasing food consumption and adhering to better nutritional requirements, which would in turn positively impact labour productivity. It could also improve children’s performance in school, since poor health and nutrition reduce an individual’s capacity to learn (Vargas, 1998). Improving the access to and quality of health and educational services would lead to important social and economic benefits in Latin America.

In order to reduce inequality in Latin America, improving the health of marginalized populations is vital. Poor health among particular sectors of the population is a major contributor to poverty, inequality, and low productivity in Latin America. It can deepen poverty and inequality by removing the household breadwinner from the labour market, causing a drastic reduction in household income, and forcing families to incur high expenses for prolonged or expensive treatments (Almeida, 2001; Vargas, 1998). Accordingly, accidents and disease are capable of pushing households into poverty, particularly those that hover just above the poverty line. Poor health also perpetuates poverty; without optimum health, it is difficult for the next generation to break the cycle.

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6 The level of development in a country is, in turn, an important determinant of health.
of impoverishment. Low levels of health among the poor fuel high infant and child mortality rates, which contribute to high fertility rates, presenting a major constraint on poverty reduction. Recent fertility declines have been concentrated among the non-poor, which could reflect their greater access to health care, education, and sanitation services. The growing disparity in fertility rates between the poor and the non-poor will likely translate into growing income inequality, heightened reproductive risks, and other health risks for poor families (World Bank, 2001). If low levels of health persist among the poor, social and economic problems will most likely continue to afflict the region.

5.2.2 Overview: Health Care in Nicaragua

A major priority of the Sandinista government was to reform the fragmented, inefficient, and elitist health care system. The FSLN focussed on health planning and created regional health offices around the country. Community participation in both the planning and provision of health care was encouraged. Popular Health Councils were established to engage several mass organizations of citizens in decision-making, and in the provision of health care services. Citizens were involved in immunization campaigns, latrine construction, the construction of new clinics, and the dissemination of health education (Kampwirth, 1997). By 1983, the FSLN had increased the number of health clinics in Nicaragua to 532 from 43 in 1978. By 1988, the Sandinista government ensured that 80 percent of the population living in Managua accessed safe drinking water, a 30 percent increase from 1979 (Kampwirth, 1997). Health expenditures increased from 3.2 percent

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7 For example, a serious consequence of poor maternal nutrition is low birth weight in the newborn, which results in a greater likelihood of death in infancy or childhood, stunting, mental retardation, and chronic health problems (Save the Children, 2001). In the absence of considerable resources to assist their development, low birth weight children are often destined to continue living in poverty.
of GDP in 1980 to 4.9 percent of GDP in 1990 despite economic challenges (Govindaraj et al., 1995). While these accomplishments are noteworthy, by far the most significant change to health care was that health services and medicine became free (Walker, 1997a).

Because of the high value that the population placed on health care, the Chamorro administration made relatively few changes. Although the health budget was lower in the 1990s than it had been during the 1980s, the number of health personnel employed by the government remained relatively stable. ⁸ Notable changes to health care were the implementation of fees for services beginning in 1991, and movement towards the decentralization of services (Kampwirth, 1997). Efforts were made to maintain basic health priorities implemented by the FSLN such as ensuring primary health care services to mothers, children, and the poor. However, analysts argue that budgetary cuts by the Chamorro administration consistently reduced the economic opportunities and resources of the most vulnerable, decreasing their ability to access health services (Chavez Metoyer, 2000; Kampwirth, 1997).

The general health of the Nicaraguan population declined in the first half of the 1990s. While decreased government spending contributed to the deterioration in the health of the population, increasing poverty and inequality played a substantial role (Kampwirth, 1997; Minujín & Perczek, 2001). High levels of sickness and mortality resulted from epidemics of dengue fever, malaria, and cholera, which regularly swept through Nicaragua in the

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first half of the 1990s. The revival of these diseases is often attributed to poor maintenance of basic services, such as potable water and sanitation systems, which generally fell under neglect because of adjustment-mandated budget cuts (Chavez Metoyer, 2000; Green, 1998). Malnutrition also made a comeback. A 1995 household study conducted by FIDEG found that 78 percent of urban households reported reduced food consumption (Chavez Metoyer, 2000). For many children, lower household food consumption was compounded by the fact that the majority of food programs, which provided nutritious meals through state day-care centres and schools in the 1980s, were eliminated in the 1990s (Chavez Metoyer, 2000; Green, 1998). A rapid reversal of many of the social and health improvements achieved by the FSLN occurred in the first half of the 1990s, resulting in feelings of frustration, anger, and despair for large sectors of the population.

The resumption of economic growth in the mid-1990s helped reverse some of the deterioration in health that occurred during the first half of the decade. The World Bank noted that the incidence of disease epidemics declined, and household food security improved after 1993. Infant mortality declined through the 1990s (see table 1), and most

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9 Duncan Green (1998) states that the deterioration of water and sewage systems contributed to the return of cholera to Latin America after a 60-year absence. In Matagalpa since the early 1990s, especially at the beginning of the rainy season in June and July, cholera has become a serious problem in both urban and rural areas. It especially affects poor families that do not have access to potable water and sanitary facilities.

10 Approximately 40,000 children benefited from food programs in 1988. By 1995, only 7,000 children were beneficiaries (Chavez Metoyer, 2000). Green (1998) reports that the end of food subsidies and feeding programs in 1990 resulted in a 15 percent decrease in per capita consumption of the national staples of rice and beans between 1990 and 1993. This coincided with increased malnutrition among children, particularly among the extreme poor.

11 The economic crisis, and new private costs for health care, made it difficult for many Nicaraguans to receive care when it was required. Studies conducted in 1992 and 1993 in the cities of Managua, León, and Granada revealed that the number of people forgoing medical attention increased considerably. In 1992, 25
health indicators continue to improve or remain stable. However, Nicaragua still has very high levels of infant and maternal mortality, a high prevalence of infectious and parasitic diseases, and pervasive malnutrition (World Bank, 2001). Twenty-five percent of children under the age of 5 are malnourished, and almost 12 percent of infants are born underweight (Mejia, 2001). Consequently, Nicaragua has the second highest infant mortality rate and under age 5 mortality rate in Central America.\(^{12}\) Furthermore, improvement in health has continued to be very unequal. Mortality rates are considerably higher in rural areas and among the poor. Even though extremely poor children report illness with 50 percent more frequency than non-poor children, they consult medical assistance 50 percent less (World Bank, 2001). Inequality in access to health care, and in attaining good health, is being accentuated under SAPs. While the intent has been to reform Nicaragua’s health care system so that it is more effective and cost efficient, the result has been an increasingly two-tier system, where the non-poor receive quality private care, and the poor are left with a decaying and underfunded residual state sector (Almeida, 2001; Green, 1998; World Bank, 2001).

5.3 Food Consumption and Nutrition in Matagalpa

5.3.1 Perceived Changes to Food Consumption

Providing adequate food to their families is a considerable problem for many households in Matagalpa (see figures 21 and 22). For small-scale farmers, achieving food security was a challenge throughout the 1990s. Some 46.4 percent of small-scale farmers reported percent of sick people did not receive medical care. In 1993, this percentage increased to 43 (FIDEG, 1994).

\(^{12}\) This data is from UNICEF’s The State of the World’s Children 2003, which includes a table of global statistics: \url{www.unicef.org/sowc03/tables/table5.html}.
that their family’s food consumption worsened in the early 1990s, and 47.0 percent noted a decline in the second half of the 1990s. Approximately 24.2 percent of those surveyed indicated that their situation improved between 1990 and 1995, and 27.0 percent noted improvement in the second half of the decade (see table 12). In general, those that expressed improvement cited two primary reasons: the greater availability of food in the 1990s after the end of the war and economic embargo, and an increase in yields due to successful agricultural training sessions provided to some small-scale farmers during the 1990s.\textsuperscript{13} Overall, it appears that the entire decade was challenging for small-scale farming households with respect to food consumption, with little marked differences between the 1990-1995 and 1996-2000 period. This probably reflects the reality of the poor; they have always struggled to ensure and maintain adequate food consumption in their households.

In contrast, medium- and large-scale farmers noted a significant decrease in their family’s food consumption in the latter half of the 1990s. While 38.5 percent of medium-scale farmers indicated that their situation deteriorated in the first half of the decade, 59.0 percent said their situation worsened in the second half of the decade. Some 28.2 percent of medium-scale farmers reported that food consumption improved between 1990 and 1995. However, only 7.7 percent expressed improvement in the second half of the 1990s (see table 13). Similarly, large-scale farmers also expressed a decline in their family’s food situation. While roughly half said their situation stayed relatively the same throughout the 1990s, 10.0 percent more large-scale farmers reported a deteriorating

\textsuperscript{13} The majority of the recipients of agricultural training sessions were affiliated with the UNAG, which provides training to small-scale farmers through its “Campesino a Campesino” program.
situation in the last half of the decade compared to the first half (45.0 percent versus 35.0 percent) (see table 14).

Female-headed households reported significant changes to food consumption. Some 44.0 percent of single mothers said their situation deteriorated in the first half of the decade compared to the 1980s (see table 15). By the second half of the decade, 64.0 percent of female heads indicated a decline. While 16.0 percent expressed improvement between 1990 and 1995, only 8.0 percent felt that their household food situation improved in the second half of the decade relative to the first (see table 15). The sharp rise in negative perceptions during the latter half of the 1990s indicates that, despite economic growth through the mid-1990s, single mothers found it more difficult to feed their families. In addition, although female-headed households are, on average, more economically disadvantaged compared to male-headed households, the data from female-headed households could nonetheless reflect a more accurate picture of food consumption in Matagalpa. Women are generally more sensitive to changes in family food consumption compared to men because food preparation is almost always the responsibility of women. Therefore, male respondents may be less informed of the considerable challenges that women face bringing food to the table.

Several serious and long-term problems can result from a family’s sustained inability to meet its dietary needs. Children are usually the most detrimentally impacted because they are less able to withstand periods of malnutrition. Furthermore, the early years of

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14 This data is from female-headed households that have no adult male present. The data from female-headed households that have an adult male present is similar. Also, women from male-headed, small-scale
childhood are a crucial time of physical and mental development. The intake of protein, vitamins, and essential minerals is critical for growth and development. For many young children, malnutrition causes permanent and irreversible damage to the body and mind. Infants who are malnourished are more likely to contract respiratory infections, diarrhoea, and other preventable diseases. Dietary deficiencies in early childhood can result in stunted growth, lowered immune systems, frequent and more severe illness, low productivity, learning disabilities, chronically poor health, mental retardation, blindness, and premature death (Green, 1998; Psacaharopolous & Nguyen, 1997; Woodward, 1992). Insufficient caloric intake results in reduced energy levels that can also severely affect a child’s ability to learn and play. Researchers have found that children who do not play regularly, or are rarely touched, develop brains 20 to 30 percent smaller than normal for their age (Heisler & Anderson, 2001). While dietary deficiencies present several serious long-term consequences to the individual, insufficient and inadequate food consumption within a population presents numerous long-term problems to society. Over the long run, poor health, poor nutrition, and limited learning opportunities for young children result in: reduced productivity of the workforce; increased public and private social sector costs; and greater social and political instability as a result of growing inequality, whether perceived or real, and subsequent demands for social justice (Green, 1998; Minujin & Perczek, 2001; Vargas, 1998).

farming households identified ‘lack of food’ as their second greatest problem after ‘poverty.’ Clearly, the issue of food consumption is of considerable concern to many women living in Matagalpa.
5.3.2 Food and Nutrition: Differential Impacts for the Poor

Although the survey results from Matagalpa suggest that medium- and large-scale farmers perceived greater declines to their food consumption levels in the 1990s than did small-scale farmers, national statistics show that the latter group is more affected by dietary deficiencies. Infant and child mortality rates and incidences of malnutrition are higher in Nicaragua among the poor rural population than non-poor and urban populations. In rural areas, where the population is mostly poor, the infant mortality rate was 54 per 1,000 live births in 1998 compared to approximately 40 per 1,000 births in urban areas (Mejia, 2001). According to the World Bank (2001), chronic malnutrition impacts approximately 36 percent of the extreme poor and 27 percent of the poor.16 In the north and central parts of Nicaragua, as many as 50 percent of children living in extreme poverty are affected. Conversely, approximately 10 percent of non-poor children suffer from chronic malnutrition.17

The higher incidence of mortality and malnutrition among the poor suggests that poor households are more vulnerable to critically low food consumption and nutritional levels.

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15 Early experiences influence the rest of children’s lives. In the first three years of life, children develop their abilities to think, speak, learn, and reason. They lay the emotional and cognitive foundations for their social behaviour as adults. (Heisler & Anderson, 2001; Save the Children, 2001).

16 Chronic malnutrition is associated with poor economic conditions, chronic or repeated illnesses, and abnormal nutrient intake (World Bank, 2001).

17 Nicaragua’s Report on the State of Children (2000) declared that chronic malnutrition and protein deficiency among children remained high and relatively constant throughout the 1990s. However, examining the incidence of malnutrition among different sectors of the population reveals worrisome trends. Chronic malnutrition increased significantly among the poor urban population (World Bank, 2001). Malnutrition is likely increasing in poor urban areas as a result of large influxes of rural inhabitants that abandoned the countryside for perceived better opportunities in urban areas, and have settled in densely populated slums with limited sanitation facilities. In addition, incidences of acute malnutrition increased among the poor and non-poor in both urban and rural areas (World Bank, 2001). Acute malnutrition indicates a loss of food due to a state of emergency, environmental disaster, or times when the family food supply is limited. The higher incidence of acute malnutrition among the non-poor supports the survey
Poor households are less able to maintain adequate food consumption and nutritional levels during times of crisis due to their limited ability to withstand any reductions to household income. Often, the survival strategies that poor households employ to deal with a crisis adversely impact their long-term welfare. For example, studies have shown that the removal of food subsidies under SAPs has caused many poor households to protect food consumption levels by substituting previously subsidized staple foods, such as high-protein cereals like rice and maize, with cheaper, less nutritious, and starchy alternatives, such as plantains and potatoes, resulting in a marked reduction in protein intake\(^\text{18}\) (Woodward, 1992). Another survival strategy is to increase subsistence output. However, exploiting already marginal land is unsustainable and generally results in adverse environmental effects. In Matagalpa, 36.0 percent of small-scale farmers identified poor soil and lack of land as a considerable production problem.\(^\text{19}\) While increased subsistence output may generate additional income and foodstuffs in the short term, it tends to reduce the productive and economic potential of the household’s assets in the future (Woodward, 1992). Ana Maria, a female farmer, was one of many Matagalpans who spoke of poor harvests:

"Today, my family is very large. As a result, there is very little food for all of us. The harvests have been very poor – we don’t get yields like we used to" (Ana Maria: Interview #7, Susulí, March 16, 2000).

\(^\text{18}\) In Latin America, the prices for starchy staple foods have decreased under SAPs as a result of their low relative value to their weight and bulk, and due to the limited number of international markets available. Conversely, the price of cereals has increased. Because rice is a tradable good, and is the primary staple of low-income households, these households are vulnerable to price increases and possible declines in protein intake. However, it is also possible that substitution can result in improved nutritional intake. For example, in Morocco, a 50 percent increase in the price of soft wheat after a subsidy removal resulted in a 12 percent decline in its consumption. Substitution favoured the nutritionally richer hard wheat. In other countries, such as Ghana and Somalia, the diet of the poor consists largely of non-tradable staples, and as a result, they were likely unaffected by subsidy removals (Haddad et al., 1995).

\(^\text{19}\) Survey data from this research, 2000.
These examples of survival strategies and their potentially harmful outcomes demonstrate how difficult it is for poor households to maintain decent nutritional standards and household welfare while confronting increased financial pressures and decreased government assistance. Their options are limited.\(^{20}\)

In response to the fact that poor households can be disproportionately and adversely impacted by some requirements of SAPs, the IMF and World Bank include compensatory measures in most structural adjustment programs to protect the poor. This is most often accomplished through “target programs” which select certain commodities and sectors of the population for subsidization programs. To date, the effectiveness of targeted subsidies has been limited and remains open to question (Stahl, 1996; Vilas, 1996; Woodward, 1992). The administrative costs, and the difficulty of identifying, targeting, and ensuring full-coverage of the poor make it difficult for such programs to be effective, especially in outlying and rural areas. For example, in Nicaragua, malnutrition continues to be high, despite substantial spending on nutritional programs, because the programs have not been “sufficiently targeted on the neediest” (World Bank, 2001, p. v). This is a common failing of many targeted programs across Latin America, affirming that targeted programs have generally not been a successful antidote to the ‘initial’ pain of structural adjustment for the poor.\(^{21}\)

\(^{20}\) In contrast, a high-income household spends the greater proportion of its income on non-essential goods such as expensive cuts of meat, processed foods, non-essential clothing, and leisure activities. Hence, if a high-income household needs to reduce its spending, the impact on welfare will be more limited. Additionally, a high-income household often has high levels of human resources that can be redirected to earn income in alternative markets (Woodward, 1992). The overall result is that poor households have the potential to be substantially more negatively impacted by subsidy removal and other policy changes under SAPs.

\(^{21}\) For example, a study conducted by UNICEF (Cornia \textit{et al}, 1987) found that the incidence of child malnutrition increased significantly in Jamaica between 1978 and 1985. Hospital admissions for child
In addition to being administratively challenging, World Bank target programs are also ineffective because they do not address the root causes of poverty and inequality. Instead, they offer palliative, short-term solutions to poverty through specific social policies that treat poverty as an isolated incident, rather than as a consequence of the economic system (Vilas, 1996). For example, the World Bank (2001) states that malnutrition in Nicaragua is largely a function of behavioural patterns, meaning that significant improvements in nutrition could occur quickly with targeted interventions to modify household behaviour. This statement ignores the fact that behaviour is driven by underlying reasons, like poverty. Vargas (1998) notes that many poor families have little choice but to conserve already cooked food in unhygienic conditions. Wood and carbon have become too expensive for many poor families, so they opt to cook with less frequency. Poor households lack access to refrigeration, clean water, and adequate sanitation facilities, which makes storing cooked food in hygienic conditions a considerable challenge. While teaching families better storage practices could prove worthwhile in some instances, more often than not their limited resources will make it difficult to ensure considerable success. According to Vilas (1996, p. 18), the current strategy of targeted programs does little more than act “like a charity, directing aid to the extremely poor, essentially putting out fires rather than helping people to get out of the hole of poverty.” To radically improve nutrition rates in Nicaragua, household poverty must be addressed in tandem with behavioural practices.

Malnutrition more than doubled during this time period. The sharpest increases occurred between 1984 and 1985, despite the introduction of a World Bank sponsored food program in July 1984. The 1990 World Development report acknowledged that the targeting of food subsidies in Jamaica was not effective because
While statistics show that the poor have traditionally been the most affected by inadequate food consumption, malnutrition, and vitamin deficiencies, the data from Matagalpa concerning medium- and large-scale producers should not be taken lightly. Their increasingly negative perceptions on household food consumption will likely be reflected by higher rates of malnutrition in the future if families are unable to meet basic nutritional needs. Data provided by the World Bank (2001) reveals that rising malnutrition rates among the non-poor is a reality. During the second half of the 1990s, acute malnutrition increased among the poor and non-poor in both rural and urban areas. This is alarming as it indicates that dietary insufficiencies are becoming a problem for broader sectors of the population.

According to the surveys from Matagalpa, the struggle to maintain food consumption levels appears to be increasingly difficult for medium-scale farmers (see table 13); many of these households hover above the poverty line. Medium- and large-scale farmers generally fall outside of the population that is served by government and non-government aid agencies, and World Bank target programs, leaving them to fend for themselves.

"some of the poor lost out because coverage was incomplete" (quoted in Woodward, 1992, p. 139). A decade later, food programs in Nicaragua were unsuccessful for the same reason.

22Acute malnutrition indicates a loss of food due to a state of emergency, environmental disaster, or times when the family food supply is limited. While chronic malnutrition is associated with diminished intellectual capacity, acute malnutrition tends to be seasonal, resulting in low weight for a given height (World Bank, 2001).

23 The rise in malnutrition rates under SAPs is well documented in several countries. For example, in Mexico, the infant and preschool mortality rate caused by malnutrition increased, beginning in 1982, when Mexico began SAPs, after years of steady decline. Children suffering from nutritional ailments represented 5.7 percent of the total number of diseased children in 1981. This percentage increased to 7.8 in 1982, 7.9 in 1983, and 12.4 in 1984 (Friedmann et al, 1995). In Jamaica, anemia among women screened at prenatal clinics almost doubled from 23 percent to 43 percent between 1981 and 1985 (French, 1994). When women are pregnant or lactating, any decline in their health can have spillover effects on their children. Studies
While large-scale farmers often have other means of generating capital, as well as higher educational levels, and important social networks and contacts to help them navigate through times of crisis, medium-scale farmers are comparatively ill-equipped to deal with many of the changes that are occurring under SAPs. As a result, some medium-scale farmers are joining the ranks of the 'new poor,' and their children's opportunities for healthy, productive lives are challenged.

5.4 Health Care in Matagalpa

Small-, medium-, and large-scale producers share similar views on health care. They identify the same problems with the health care system, and they share similar perceptions on how health care changed in the 1990s. Overall, farming households in Matagalpa are very negative about health care. However, in general, medium- and large-scale farming households perceived a greater decline in health care through the 1990s than did small-scale farming households. Female-headed households tend to be the most negative about health care, and perceived an even greater decline than did medium- and large-scale farming households.

5.4.1 The Major Changes to Health Care

All types of farming households identified the same major changes to health care in the 1990s, particularly during the first half of the decade (see table 16). The change most frequently identified in the 1990-1995 period by small-, medium-, and large-scale farmers was the lack of medicine available in health clinics. Some 19.0 percent of small-
scale farmers, 44.4 percent of medium-scale farmers, and 27.8 percent of large-scale farmers noted a lack of available medicine in clinics. Some 24.0 percent of single mothers also noted a lack of medicine. However, the lack of medicine was the second most identified change for female-heads. The most important change in health care for single mothers in 1990-1995 was the increase in cost, which was mentioned by 32.0 percent. Some 18.0 percent of small-scale farmers, 27.8 percent of medium-scale farmers, and 22.2 percent of large-scale farmers also noted an increase in the expense of health care in 1990-1995.

Medium- and large-scale farmers noted two changes that went relatively unmentioned by small-scale farmers and female heads. First, 25.0 percent of medium-scale farmers and 16.7 percent of large-scale farmers mentioned that the quality of health care services deteriorated in the early 1990s. In contrast, relatively few small-scale farmers and female heads mentioned a deterioration in the quality of services, suggesting that accessibility is a more immediate and pressing concern for economically disadvantaged households. In addition, 16.7 percent of large-scale farming households, and 11.1 percent of medium-scale farming households explicitly noted less government support as a major change to health care in 1990-1995. Small-scale farming households and female-headed households generally only alluded to the decline in government support by identifying specific policy changes, such as higher costs and less accessibility to medicine.

All types of farming households continued to identify negative changes to health care between 1996 and 2000. However, small-, medium-, and large-scale farming households
did so with less frequency, suggesting that for these households the most significant changes to the health care system occurred between 1990 and 1995. In contrast, single mothers identified changes to health care in the second half of the 1990s just as frequently as they did in the first half, suggesting that the entire decade was full of challenges and continuous negative change for these women.

Overall, a higher percentage of medium-scale farmers identified negative changes, suggesting that this group perceived a more dramatic change to health care in the 1990s than did other types of farming households. Medium-scale farming households are probably more sensitive to negative changes in the health care system because of their economic position. In general, medium-scale farmers do not have the financial or social resources of large-scale farmers. Therefore, they are less able to protect themselves from declines in the public health care system by purchasing quality private care. Furthermore, the combined impact of lower household incomes and higher health care costs has left many medium-scale farmers struggling to meet even basic health care needs. Although small-scale farmers are also struggling financially to meet higher health care costs, a significant proportion of small-scale farmers live in remote areas where health care services, transportation, and other basic necessities have always been limited. In addition, high levels of poverty among small-scale farmers have meant that this group has historically struggled to maintain good health and other basic needs. Unlike their medium-scale counterparts, several small-scale producers perceive their hardship to be relatively "the same."
5.4.1.1 Small-Scale Farming Households: Perceived Changes to Household Health Care

Despite the fact that access to quality health care has always presented a challenge to most small-scale farming households, overall, small-scale farmers are extremely negative about the current state of health care, with the majority indicating that their household health situation deteriorated in the 1990s. Some 85.2 percent of small-scale respondents negatively described the overall state of health care during 1990-1995, and 93.4 percent expressed negative views about health care during the second half of the decade (see table 21). Slightly more than half (53.2 percent) of small-scale farming households reported that their household health situation deteriorated in the first half of the 1990s compared to their situation in the 1980s (see table 17). In reference to the second half of the 1990s, 41.8 percent said that their situation deteriorated further, and 35.7 percent stated that their situation was the same as it was in the early 1990s. The percentage of respondents that described their situation as 'much worse' increased by 7.7 percent between the first and second half of the 1990s (18.8 percent versus 26.5 percent). In contrast, the percentage of respondents that indicated improvement remained relatively constant at 24.0 percent in the first half of the 1990s and 22.4 percent in the second half.

As a group, small-scale producers have the highest percentage of respondents that said their personal situation improved. This may reflect the fact that, after a decade of living in dangerous and isolated situations, the onset of peace brought immediate increased access to health care services for some rural families. Several small-scale producers

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24 Even though small-scale farmers did not identify specific changes to health care as frequently as medium- and large-scale producers, when they were asked to comment on their own particular household 'health situation,' the majority indicated that their situation deteriorated significantly.
explained that the war interrupted the delivery of supplies and as a result some communities were left without medical supplies. Families living in these outlying communities were often unable to travel to neighbouring health clinics because of heavy and dangerous fighting during the war. In other communities, scarce medical supplies were often reserved for injured soldiers. After the war ended in 1990, families were able to travel to neighbouring health clinics, and the delivery of medical supplies to previously cut-off communities resumed. These changes resulted in a considerable improvement to health care access for some Matagalpans.

Although slightly more than 20.0 percent of small-scale producers reported an improvement in their personal health care situation in both 1990-1995 and 1996-2000 (see table 17), only 6.0 percent said that health services improved in general in the early 1990s, and only 10.3 percent felt that services generally improved in the latter half of the decade\textsuperscript{25} (see table 16). While the end of the war may have yielded benefits within the household, small-scale farmers do not believe that the 'peace dividend' translated into substantially better quality health care services.

5.4.1.2 Medium-Scale Farming Households: Perceived Changes to Household Health Care

Medium-scale farming households appear to be even more discouraged by perceived declines in the health care system. When asked to comment generally on health care between 1990 and 1995, 93.3 percent of medium-scale farmers spoke negatively about

\textsuperscript{25} This 4.3 percent increase might reflect the fact that the percentage of small-scale farming households that received health assistance from national and international aid organizations increased from 2.1 percent in the first half of the decade to 7.3 percent in the second half (survey data from this research, 2000).
health care during this period (see table 21). The percentage of respondents with negative remarks about health care between 1996 and 2000 increased to 96.8 (see table 21). Some 55.3 percent of medium-scale farmers noted a deterioration in their household’s health care situation in the first half of the 1990s compared to their situation in the 1980s (see table 18). Some 50.0 percent noted a decline in the second half of the decade compared to the first half. The percentage of respondents that described their situation as ‘much worse’ increased by 13.1 percent (21.1 percent versus 34.2 percent) between the two periods. In contrast, the percentage of respondents that described their situation as ‘much better’ only increased from 0.0 to 2.6 percent. With only 13.1 percent of medium-scale farmers noting a slight improvement in their household situation in the latter half of the decade, it is clear that the government’s promise to deliver a reformed, more efficient, and better quality health care system has not materialized for medium-scale farmers under SAPs.

5.4.1.3 Large-Scale Farming Households: Perceived Changes to Household Health Care

Large-scale farming households also perceived a dramatic decline in health care through the 1990s. Some 93.8 percent of large-scale farmers spoke negatively about Nicaragua’s health care system in the first half of the 1990s, and 93.7 percent commented negatively on health care with respect to the 1996-2000 period (see table 21). While the general level of negativity with public health care appears relatively uniform across the decade, the percentage of large-scale farmers that said their own situation became ‘much worse’ increased from 16.7 percent in the first half of the decade to 50.0 percent in the second half (see table 19). In contrast, the percentage of respondents that felt their situation had
improved remained constant at 11.1 percent in the 1990-1995 period and 11.1 percent in
the 1996-2000 period.

The considerable increase in the percentage of large-scale farmers that expressed a
significant deterioration in their household’s situation likely reflects general feelings of
anxiety about their overall economic situation. It is unlikely that the situation became
‘much worse’ for 50.0 percent of respondents because of a deterioration in the quality of
care received, or for other service related reasons, because 68.4 percent of large-scale
farming households access better quality private health care (see table 26). Instead, many
large-scale farmers are preoccupied with the increasingly poor economics of farming and
their declining standard of living. It is becoming more difficult for large-scale farmers to
afford private care, and to guarantee that their families receive quality health care. The
fear of having to rely entirely on the public health system is a considerable source of
angst for many.26

5.4.1.4 Female-Headed Households: Perceived Changes to Household Health Care
Health care also became increasingly problematic for female-headed households. Female-
headed households perceived a sharp decline in health care in the 1990s. Some 85.0
percent of single mothers spoke negatively about health care with respect to the 1990-
1995 period, and 95.7 percent negatively described health care in the 1996-2000 period
(see table 21). Similarly, the percentage of single mothers who noted a deterioration in
their own situation also increased markedly. Some 56.0 percent of single mothers said
that their situation declined in the first half of the 1990s compared to their situation in the
1980s, while 20.0 percent said that it improved. In the second half of the decade, 64.0
percent of single mothers felt that their situation deteriorated compared to the first half of
the 1990s, and only 4.0 percent felt it improved (see table 20).  

5.4.2 Accessibility to Health-Related Services

In addition to sharing similar views on health care, small-, medium-, and large-scale
farmers access some health-related services, such as potable water and latrines, to
roughly the same extent (see table 22). Small-, medium-, and large-scale farmers access
potable water to relatively the same degree (50.0 percent, 48.7 percent, and 57.1 percent,
respectively), with some 7.1 percent more large-scale farmers accessing potable water
compared to small-scale farmers. Female-headed households also share relatively the
same level of access with 52.0 percent of single mothers reporting access to potable
water. However, single mothers report having considerably less access to latrines. Only
64.0 percent of single mothers said that they owned a latrine compared to 85.9 percent of
small-scale farmers, 87.2 percent of medium-scale farmers, and 90.9 percent of
large-scale farmers.  

The deficit of latrines among female-headed households likely translates
into more frequent bouts of diarrhoea-based illnesses and other sickness related to poor

26 Also, the high percentage of large-scale farmers that said their situation deteriorated could also reflect
high-levels of frustration. Several farming families which were interviewed were frustrated that they can
no longer afford private health care.
27 Female heads that have an adult male present in the household also indicated that their health situation
grew increasingly problematic through the 1990s. Some 59.0 percent said their situation in the first half of
the 1990s was worse than it was in the 1980s. Some 63.0 percent said their situation in the second half of
the 1990s was worse than it was in the first half of the decade. While 24.4 percent thought their situation
improved in the first half of the 1990s, only 9.7 percent felt that their situation improved in the second half
of the decade (survey data from this research, 2000).
28 The survey question concerning latrines is specific to the farm. Therefore, latrines in the urban
households of large-scale farming families were not counted.
sanitation. This might partly explain why children from single-mother households are more likely to not attend school due to poor health and disabilities. Some 20.8 percent of single mothers reported that their children's poor health is a barrier to school compared to 8.9 percent of small-scale farmers (see table 2).

A considerable gap also exists between small-scale and female-headed households on the one hand, and large-scale producers on the other, with respect to access to a health clinic (see table 23, figure 23). On average, members from small-scale and female-headed households must travel considerably longer distances to a health clinic compared to members from large-scale farming households (see table 22). This explains why 'distance' is identified as a problem by more than 10 percent of small-scale and female-headed households, while not one large-scale farming household mentioned it as a problem (see table 23).

Overall, farming households in Matagalpa are highly troubled by their lack of access to good quality, affordable health care. However, while all types of households appear to share similar views on the urgency and despondency of the situation, they differ in the ways that they are impacted, in the extent to which they are impacted, and in their methods to resolve their health-related problems. The remainder of this chapter examines these issues.
5.4.3 The Major Problems With Health Care

5.4.3.1 The Increased Cost of Medical Care and the Lack of Medicine

In Nicaragua, a visit to the doctor is free. However, patients must purchase medical supplies, such as syringes and bandages, and all prescribed medicines. Sometimes patients can purchase prescription drugs at public health clinics but usually they are required to make a separate trip to a private pharmacy due to the lack of supplies in most public health facilities.

The cost of medicine and other health supplies was identified as a problem by 29.3 percent of small-scale farmers, 27.8 percent of medium-scale farmers, 27.8 percent of large-scale farmers, and 56.0 percent of single mothers (see table 23, figure 24). Although the cost of medicine is a concern for many farming households in Matagalpa, small- and medium-scale farming households, and particularly female-headed households, seem to be disproportionately impacted by higher costs for medicine.

While the cost of medication may pose a problem to some large-scale farming households, they generally have more options to draw upon in difficult times such as borrowing money from friends and family, cutting back on non-essential household expenditures, and if necessary, drawing on savings or selling non-essential assets. However, the possible impact on all farming households of the removal of safety nets in Nicaragua should not be underestimated. Even large-scale households can face considerable decapitalization if costly medicines are required.
At the other end of the spectrum, poor small-scale farming families are often forced to forgo purchasing necessary medicines altogether, even relatively inexpensive ones, because they are simply unable to do so. The cost of medicine can push poor families into greater debt or force them to decapitalize by selling animals and other vital investments. As a result, for many poor families, the cost of medicine limits their use of health services. In 1998, 42 percent of Nicaraguan children that suffered from respiratory infections did not receive any medical assistance (Nicaragua’s Report on the State of Children, 2000). This statistic likely reflects the widespread sentiment among the poor that it is not worth going to the doctor if it is not possible to buy the prescribed medications. Jovana, a mother and farmer, described the futility of seeking medical advice:

_in our community, everything is worse. We have no health care. If you’re sick, you have to travel to Muy Muy, and sometimes they will attend to you and sometimes they won’t. Because we are poor campesinos, sometimes they don’t bother to treat you. If you are poor and have no money, there is no point in going because no one will help you. They’ll only look at you and give you a prescription. You have to buy the medicine and materials for treatment. So, what’s the point in going? Prescriptions are only for people with money. Before, during the time of the Sandinistas, we did not live like this. We would go to the health centre and we’d be attended to. If we needed medicine, we were given medicine. Today, you die if you don’t have the money to fight your sickness_ (Jovana: Interview #20, El Chompipe, April 22, 2000).

Alarming statements like this were expressed by numerous members of poor households in Matagalpa. Despair and frustration with the lack of access to medicine is widespread.

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29 The poor in Nicaragua spend roughly 80 percent of total household primary health care expenditures on medicine. This provides evidence that public expenditures on medicine, which apparently constitute 40 percent of the Ministry of Health’s budget, are failing to benefit users at the primary level (World Bank, 2001). Not one survey respondent in Matagalpa mentioned receiving any free medication at a public health facility – not even for children.
The potential impact of this frustration on children is particularly worrisome. If parents do not seek medical advice because they cannot afford the care they require, the long-term health and welfare of their sick children could be severely compromised.

In addition to the cost of medicine, numerous Matagalpans complained of the dire lack of medicines in rural areas. The lack of medicine available at rural public health clinics was, by far, the most frequently identified health care problem, with 87.9 percent of small-scale farmers, 88.9 percent of medium-scale farmers, 72.2 percent of large-scale farmers, and 84.0 percent of single-mothers identifying it as a problem (see table 23, figure 25). While the lack of medicine is clearly a pressing issue for all household types in rural Matagalpa, small- and medium-scale farming households, as well as female-headed households, are impacted to a more significant degree due to their greater reliance on the public health care system. Private health facilities are generally much better equipped than public health facilities. While a trip to the pharmacy still may be required, private facilities are stocked with medical supplies and basic medicines (Juana Maria Buisting: Interview #28, Matagalpa, May 26, 2000).

The first line of defence for poor families with health problems is to visit a health clinic located in their community or in a neighbouring community. For many families, the trip to the health clinic is long, arduous, and when transportation is required, expensive. Doctors at local health clinics commonly prescribe medicine that is not available at the clinic. This requires an additional trip, usually to a pharmacy in an urban centre, which increases the total cost of the medicine. If a patient has the required amount of money to
purchase the medicine at the local health clinic, the additional transportation costs may make it impossible to do so. Martin, a small-scale producer, described the difficulty of obtaining medicine in the countryside:

*With respect to health, almost everything has carried on in the same way. Even during the Sandinistas, we didn't have enough medicine here in the community. Today, we have a new medicine dispenser in the community, but there is nothing in it. We've been lucky that the community has been relatively healthy because there is no medicine here. You have to leave the community to go look for it*  
(Martin: Interview #10, Nombre de Jesus, March 22, 2000).

Small-scale farmers, single mothers, and other economically disadvantaged households are disproportionately impacted by the lack of medicine in rural areas because they lack their own means of transportation and the financial resources to cover unforeseen transportation costs. These costs have skyrocketed in recent years due to the removal of gasoline subsidies. Also, poor farming families are more likely to live on marginalized land in isolated areas, which makes public transportation more difficult to come by, as well as more time consuming and costly. Although large-scale farmers are also inconvenienced by the lack of medicine available in rural areas, the trip to an urban pharmacy rarely presents an insurmountable barrier.

The data from the survey indicates that the lack of medicine and the cost of obtaining medical supplies present considerable barriers for single-mother families. Nearly twice as many single mothers identified the cost of medical supplies as a problem compared to other household types (see table 23). However, although studies have found female-headed households to generally be more economically disadvantaged than two-partner households, and therefore more sensitive and vulnerable to increases in household
expenses, there is some debate among rural service providers in Matagalpa as to whether the health and welfare of children from female-headed households are disproportionately impacted by higher medical costs. Guillermo Mueles, a rural community worker in San Ramón, believes that children with single mothers are not disadvantaged relative to other poor households:

*I don’t think there is much of a difference between female- and male-headed households. In this region, practically all the households are headed by women. The company of a man in most cases is unhelpful. In some cases the fathers are responsible and help the household by looking for work and food while the mother looks after the domestic work. But our general experience has been that in the majority of cases, the person that assumes the welfare of the family as their responsibility is the woman. It is always the mother that resolves the problems and looks after the needs of the household. Only women go to the meetings held at their children’s schools. Imagine a man being there! For many of the children in this community, they never see their father’s face. For these reasons, I don’t think there is a difference in welfare between these households* (Guillermo Mueles: Interview #8, San Ramón, March 17, 2000).

Other community workers in Matagalpa shared this opinion, noting that high levels of alcohol abuse, domestic violence, and the *machista* culture in Nicaragua translate into harmful household situations for many Nicaraguan children (Blanca Lidia Torres: Interview #11, Matagalpa, March 27, 2000). In addition, even though female-headed households may be poorer, women are more inclined to spend their income on children’s health and educational needs. While income levels might be higher in two-parent households, part of that income usually goes towards male entertainment (Folbre, 1994). Therefore, the net expenditure on basic needs could be about the same in female- and male-headed households. However, while there may be potential and important benefits for children living in single-mother households, the fact that twice as many single

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30 See, for example, Brown & Kerr, 1997b; Browner, 1989; Chavez Metoyer, 2000; Folbre, 1994; Kabeer, 1995; Renzi & Agurto, 1997.
mothers identified the cost of health care as a problem suggests that there are also many potential dangers.\footnote{The high percentage of single mothers that identified cost as a problem might also be a more accurate reflection of the severity of the problem given that women tend to be largely responsible for accessing and}

Other research supports the finding that female-headed households are finding it increasingly difficult to access health services. A study conducted by FIDEG (1994) in the early 1990s found that the higher cost of health care in Nicaragua after 1990 resulted in reduced access for female-headed households. In 1991, 12.5 percent of all households surveyed did not receive medical care, with only slightly more female-headed households not receiving medical attention. By 1992, 27 percent of female-headed households reported forgoing medical care and by 1993, 56 percent said they did not access health care because they were unable to pay for health services. In comparison, 43 percent of the general population reported not receiving medical care in 1993. Given the fact that female-headed households are on the rise in Nicaragua, policymakers should invest considerable resources into examining how economically disadvantaged children will be ensured adequate access to health care. Currently, these children are largely excluded from the process of human resource development due to their poverty and limited accessibility to health and educational services, and are therefore at a greater risk of suffering from long-term negative impacts to their health and welfare.

5.4.3.2 The Poor Quality of Health Care

The deterioration in the quality of health care was the second most identified problem for small-, medium-, and large-scale producers, with 37.4 percent, 30.6 percent and 50.0
percent noting this problem, respectively (see table 23, figure 26). Some 24.0 percent of single mothers also noted the decline in quality, which was the third most identified problem by this group. Overall, large-scale producers mentioned the poor quality of health care more frequently than other types of households, suggesting that this issue is a more pressing concern for this group. The stark contrast between public and private health facilities in Nicaragua might generate increased awareness, or highlight the extent of the problem among large-scale farming households, who access private care to a much greater degree than any of the other household types. Also, presumably the issue of access is somewhat less pressing for large-scale farming households because of their higher average income level, which provides them with increased ability to purchase the supplies and medicines that they require. Accordingly, large-scale farmers can expand their focus beyond immediate access concerns to evaluate the impact of poor quality service delivery on their health care needs. For those large-scale farmers who are unable to afford private care, or who are finding it increasingly difficult to afford private care, the lack of quality in the public sector is of grave concern. Several large-scale farmers explained that cutbacks to health care in the 1990s have resulted in dangerously poor sanitation in hospitals, poor delivery of services, and poor quality personnel. They added that the low salaries paid to health workers, including doctors, makes it extremely difficult to improve service quality and coverage. 

Although the lack of quality was identified more frequently by large-scale farmers, it is also a considerable issue of concern among small- and medium-scale farmers, and female financing household health care.
heads. For many poor rural community inhabitants, the issues of quality and access to health care are intimately linked. Maria, an adolescent girl from the remote community of Quebrachal, describes how the poor quality of health care in her community effectively eliminates access to health care for Quebrachal residents:

They built a health centre in our community, but it has no purpose. No doctors come here and there are no medicines inside. All it is, is a statue. It serves no use. The doctor comes once every two months, sometimes once every month, and then he leaves the same day. If you’re sick and you go looking for medicine in the community, there isn’t any. You have to go long distances to find it because there is nothing here, not even an aspirin (Maria: Interview #5, Quebrachal, March 13, 2002).

While the government has invested in health and educational infrastructure in some rural communities, particularly as part of a reconstruction effort after hurricane Mitch, the resounding message from rural inhabitants is that public buildings are useless without adequate supplies and personnel. Despite new or renovated health care clinics, the perception among rural residents is that the quality of health care has declined dramatically in the 1990s. Only 9.1 percent of the farming population in Matagalpa noted that the quality of health care improved in the late 1990s, while 36.0 percent identified ‘declining quality’ as a problem (see tables 16 and 23). Furthermore, an astounding 88.3 percent identified the lack of medicine as a critical problem, which is a key issue for both the quality and accessibility of health care (see table 23).

5.4.3.3 The Distance to Health Care

The problem of ‘distance’ to a health facility predominately impacts small- and medium-scale farming households, and female headed-households. Distance was not mentioned as
a problem by any of the large-scale farming households surveyed. As a group, large-scale farmers tend to live in closer proximity to a health clinic compared to small- or medium-scale farming households. Only 29.2 percent of the overall farming population in Matagalpa reported having a health centre in the community where they live (see table 22). However, 72.7 percent of large-scale farming households have a health centre in their community (see table 22). The large disparity between large-scale farmers and the rest of the population reflects the fact that, in addition to owning agricultural property, most large-scale farmers have homes in rural towns or larger urban centres, where their spouses and children live for most or all of the year. Some large-scale farmers travel daily from their urban homes to work on their farms. Others stay and work on the farm throughout the week, spending weekends in town with their families. However, the majority of large-scale farmers live and work full-time in town, visiting the farm periodically to oversee the work of their hired farm operator and staff. Therefore, because many large-scale farming households live in rural towns, they generally live within closer proximity to health, educational, and other public facilities. In situations where large-scale farming families live on the farm, the majority own vehicles and do not depend on sporadic public transportation. Therefore, the time required to travel to the health clinic is considerably less than it is for neighbouring small-scale farmers who often have to walk or wait for transportation.

The lack of a health facility in the community and the long distance to the nearest health facility was identified as a problem by 13.1 percent of small-scale farmers, 11.1 percent of medium-scale farmers, and 11.4 percent of single mothers (see table 23). On average,
small-scale farming households and female-headed households spend the greatest amount of time travelling to a health facility. While 33.3 percent of large-scale farming households, and 36.3 percent of medium-scale households travel more than a half-hour to a health clinic, 55.3 percent of small-scale farmers, and 50.0 percent of single mothers require more than a half-hour to reach the clinic (see table 22).

The trip can be arduous for many sick patients who cannot afford transportation and must walk or travel by mule to the clinic. Claudia, a mother of five children, explains that transportation costs are a barrier to health care:

*Under the Sandinistas, treatment was free for children. Today, you have to pay and no one can afford it. Most of the time, we can't even afford the transportation to the health centre. If we walk, it takes us two hours. If we go by vehicle, it takes about one hour and costs 14 cordobas, which we rarely have. Instead, we usually use our own treatments, like lemonade for coughs, and aspirin for headaches* (Claudia: Interview #32, La Pita, May 29, 2002).

Other studies have also found that the poor are disproportionately affected by long distances to health facilities, and as a result, do not access medical care. A study conducted in Nicaragua found that 13.56 percent of the extreme poor cited distance as a reason for not seeking medical care for a child suffering from diarrhoea, compared to 7.5 percent of the poor and 0.0 percent of the non-poor (Gasman, 1995). The deficit of health care services in poor rural communities is not unique to Nicaragua. In Peru, approximately 60 percent of the poor travel more than 1 hour to obtain primary health care compared to less than 3 percent of the “better-off” (Green, 1998). The cost of transportation and the considerable amount of time required to travel by foot are substantial barriers for many Latin American families.
The 'distance barrier' demonstrates how difficult it is for families to break the cycle of poverty without some level of assistance to ensure access to basic services. Limited employment opportunities leave many families virtually at a subsistence level with few extra dollars available for trips to the doctor. Changes under SAPs have compounded and complicated the challenges faced by many poor families. For example, access to health care for poor families has been further compromised by the removal of subsidies for gasoline. At the same time, policymakers have failed to protect the poor from what was promised to be "short-term pain" with poorly designed compensatory measures that are too simplistic and uni-dimensional to address the multifaceted nature of poverty. Rather than address the underlying root conditions of poor health and poverty, compensatory programs often only address one aspect of the barriers that face the poor. For example, while subsidies for medicines can benefit the poor, they do little for the families that cannot afford to travel to the clinic.

5.4.3.4 Poor Maternal Health Services

The current state of maternal health in Nicaragua is poor. The number of maternity-related deaths is alarmingly high at 160 per 100,000 live births, with even higher numbers among rural women and adolescents (Mejia, 2001). For comparison, the number of

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33 In the last decade, maternal mortality increased in Nicaragua. However, some analysts argue that the rise in maternal mortality rates actually reflects improved record-keeping (Nicaragua's Report on the State of Children, 2000).

34 The maternal mortality rate is a strong indicator of women's general health, living conditions, access to quality medical services, and of social development in general. Many health care experts argue that, due to the under-reporting of deaths, the actual number of maternity-related deaths is much higher. The medical certification of cause of death does not always identify that the deceased was pregnant, or that the deceased had been pregnant within one year of the time of death, which leads to under-recording of maternity-related deaths (CEPAL, 2000).
maternity-related deaths is 29 per 100,000 live births in Costa Rica, and 8 per 100,000 live births in the United States. The average lifetime risk of maternal death in childbirth, or from pregnancy-related complications is 1 in 100 in Nicaragua compared to 1 in 490 in Cuba, and 1 in 7700 in Canada (Save the Children, 2001). The prospects for young children who lose their mothers are very grim. Children that loose their mother in childbirth are 3 to 10 times more likely to die before their second birthday. A mother’s death doubles, or even triples, the risk that her child will die before reaching 5 years of age (Save the Children, 2001).

Children can also be adversely affected by their mother’s health during her pregnancy. Poor prenatal care and malnutrition in mothers have been linked to low birth weight, hearing problems, learning difficulties, brain damage, and stunting in children. Currently, approximately 36 percent of pregnant women in Nicaragua are anaemic. It is estimated that eliminating malnutrition among expectant mothers would reduce disabilities among their infants by approximately one-third (Save the Children, 2001). To break cycles of poverty and ill-health, interventions are required early in a child’s life. Providing adequate pre- and post-natal care services could prevent many infant deaths and lead to significant improvement in children’s health and well-being. However, despite high rates of maternal mortality and inadequate maternal health care programs, coverage for women’s health programs was reduced in Nicaragua by 11 percent in 1995 (Chavez Metoyer, 2000). Ignoring the important link between mothers’ and children’s health can adversely impact a country’s long-term prospects for economic and social development.

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35 This data is from UNICEF, The State of the World’s Children 2003, which includes a table of global statistics: www.unicef.org/sowc03/tables.
Although the state of maternal health services is deficient in Nicaragua, this issue did not emerge in the survey responses or interviews. While there were no survey questions that specifically addressed maternal health, the questions were open-ended, allowing respondents to identify key issues of personal concern. The fact that virtually no respondents mentioned the lack of reproductive health care services could reflect a deficit of knowledge about women’s health and reproductive health issues. Marta, a family planning advisor in Matagalpa, explained that a substantial number of Nicaraguan women, particularly rural women, are uninformed about reproductive health in general:

_We see many women in our clinic who have never received a pelvic examination before. Most of them have two, three, or four children already. When we do examine these women, it is common for them to have two or three sexually transmitted diseases. There is a huge lack of knowledge among women, particularly in rural areas, about women’s health issues, how to access and use birth control, and other reproductive health issues_ (Marta: Interview #24, Matagalpa, May 12, 2000).

National statistics support Marta’s experience. Although the number of women receiving an annual pelvic examination increased slightly by 7 percent between 1992 and 1998, an alarming 72 percent of women did not receive a pelvic examination in 1998. The percentage of children born underweight increased slightly during the 1990s from 8.9 percent in 1992 to 9.6 percent in 1998, and the percentage of unwanted pregnancies doubled from 15.1 percent to 31.9 percent during this period. Not surprisingly, approximately 37 percent of the population was found to lack knowledge about family planning in 1998. An alarming 98.3 percent of the population lacked knowledge about the transmission of AIDS (Mejia, 2001). Clearly, Nicaragua faces many challenges in terms of lowering the fertility rate, improving women’s health and status in society, and
preventing the devastation that AIDS has caused in other parts of the developing world. Failing to address these challenges poses a considerable threat to the social and economic stability of the country. However, despite the significance of reproductive health issues, reproductive health and pre- and post-natal care have never received sufficient focus or investment in Nicaragua (Marta: Interview #24, Matagalpa, May 12, 2000). It is unlikely that this situation will reverse under SAPs as cutbacks to the health care system have made it increasingly difficult to invest in long-term prevention strategies.

5.4.4 Resolving Health Problems

While there is considerable agreement among small-, medium-, and large-scale farming households concerning the problems with health care, there are significant differences in the ways that these households deal with health-related problems. On the whole, small-scale farmers and female-headed households tend to resolve health issues with self-medication, while medium- and large-scale farmers opt to pay for health services at a private clinic. Some 47.4 percent of medium-scale farming households and 68.4 percent of large-scale farming households go to private health facilities, compared to 12.2 percent of small-scale farming households and 12.5 percent of female-headed households (see tables 24 – 27, figure 27).

Self-medication was the most frequently mentioned solution to medical problems by small-scale farmers and female-headed households (see tables 24 and 27). Some 32.2 percent of small-scale farming households practice traditional medicine,36 and 22.2

36 Both women and men identified ‘traditional medicine’ more frequently than any other health solution. However, almost twice as many female heads mentioned using traditional medicine compared to men,
percent attempt to self-medicate by buying over-the-counter medication. Although many small-scale farming households are unable to afford private care, they also make considerable efforts to avoid local health facilities. Some 17.7 percent of small-scale farmers reported “skipping” their local health centre to attend a major health centre or regional hospital because the quality of services provided at the local facility is not worth the visit (see table 24).

Research by the World Bank (2001) shows that the cost to poor households of obtaining social services increased dramatically in Nicaragua in the 1990s. In addition, the use of health care facilities became increasingly segmented. Not only do the poor seek medical advice from public health centres, they are also more likely to be seen by nurses, pharmacists, community health workers, and other low-cost providers. In contrast, wealthier families consult physicians at higher-cost private facilities, spending almost six times more than the extreme poor per consultation (World Bank, 2001). Juana Maria Buisting, a medium-scale farmer, explains the benefits of private health care:

*Today there are private doctors. They charge only a little bit and their service is excellent. Almost everyone tries to get private care because the quality in the public health centres is bad. Whether it’s because there is no money, or because our government is a poor administrator of services, the fact is that there is no quality control in public health facilities* (Juana Maria Buisting: Interview #28, Matagalpa, May 26, 2000).

Cutbacks to health care have encouraged an increasingly two-tier system, leaving the poor neglected and frustrated with a run-down public health sector (see figure 28). The quality of services in the public system is compromised because the best health...
professionals are lured into the private sector, where they earn 70 to 100 percent more than their counterparts in the public health sector (World Bank, 2001). The growing divide between public and private facilities means that individuals who cannot afford private care are the most dramatically impacted by cutbacks to social services under SAPs. Recognizing this, many rural communities have taken the initiative to find their own solutions to their health needs by working closely with the country’s burgeoning NGOs, which are attempting to fill the vacuum left by the decaying public sector.37

5.5 Concluding Remarks

Cutbacks to health care under SAPs have made it increasingly difficult for most Latin American countries to address pervasive health care problems, particularly the problem of social exclusion from health services. Moreover, the weak managerial capacity of many Latin American countries to implement structural adjustment has been generally ignored by proponents of SAPs, leaving many countries with unresolved problems of low quality, limited access, and poor efficiency in their health care systems (Green, 1998). Even when governments include strategies to protect the poor, these strategies are often ineffective because of weak managerial capacity to ensure effective delivery. This is evidenced by the fact that the Ministry of Health apparently spends 40 percent of its

37 Some rural communities in Matagalpa have appointed a health representative, or brigadista, to work closely with NGOs. The brigadista attends health workshops, and brings her learnings back to the community. Many communities are learning new sanitation practices, as well as traditional, or alternative, medicine practices. The brigadista also supplies the community with basic medical supplies, including bandages and aspirin. Conversations with community brigadistas revealed that some communities are becoming increasingly self-reliant in terms of attending to their basic health needs, and are adopting health strategies that are inline with their income and isolation (e.g. herbal remedies that grow in the area). Another innovative health program in Nicaragua is the Child-to-Child program, which trains child health promoters to run workshops that teach other children how to care for their infant brothers and sisters (Green, 1998; Hart, 1997). Many health projects in Latin America used the child-to-child approach during
budget on medicine for the poor (World Bank, 2001), and yet none of the Matagalpans surveyed indicated that they had access to free medicine.

In addition, the survey data from Matagalpa casts doubt on the neoliberal premise that the benefits of economic growth 'trickle down' to the poor. According to the 'trickle down' theory, eventually only a small proportion of the population will be in need of public attention. For example, as the economy grows and new jobs are created, even poor, small-scale farming households will be able to generate a household income that will allow them to pay for primary health care services. However, data and information from Matagalpans indicates that the "trickle down theory" has so far amounted to an empty promise. Despite the fact that Nicaragua experienced economic growth during the second half of the 1990s, a significant percentage of farming households in Matagalpa perceived declines in the accessibility and quality of health care. Their testimonies confirm that until the structural inequalities of Nicaraguan society are dismantled and redistributive measures take place, poverty, poor health, and low education levels will continue to afflict the poor. Because access to political and economic power is confined to a well-educated and well-connected minority, the benefits of economic growth do not 'trickle down' to the poor. More importantly, the survey data from Matagalpa indicate that medium- and large-scale farming families, in addition to campesino families, have not benefited from renewed economic growth in the second half of the 1990s, suggesting that SAPs are negatively impacting larger sectors of the population than originally conceived. Until broader sectors of the rural population are included in the development strategies of

the wave of cholera outbreaks in 1992. Green (1998, p. 188) writes: "it could be argued that the prevention of a large-scale epidemic throughout the continent was achieved by its children."
the country, insurmountable barriers to social stability, economic development, and widespread prosperity will remain.
Chapter VI – SAPs and Social Capital: The Plight of the Rural Community

6.1 Background

Alternative development analysts are concerned about the potentially destabilizing impact of SAPs on political and social stability in Latin America. They argue that SAP-mandated changes such as subsidy removals, wage freezes, public-sector expenditure reductions, and price increases for public services and basic foodstuffs, have increased inequality by disproportionately impacting middle- and low-income classes. In turn, greater inequality has resulted in increased common crime, violence, and widespread social protest (Bakker, 1994; Fernandez Poncela, 1996; Green, 1998; Vargas, 1998; Vilas 1996). Analysts contend that recent instances of political upheaval and massive protest, which have occurred on a scale rarely witnessed in the region, are linked to neoliberal economic reforms¹ (Robberson, 2002; Roxborough, 1992). Rather than foster economic stability and prosperity, SAPs appear to be promoting instability and social breakdown.

In addition to highlighting the potentially destabilizing impacts of SAPs at a macro, or national level, analysts are also concerned with the destabilizing impacts of SAPs within households, communities, and various ethnic and cultural groups. The ability of particular groups and communities to reproduce themselves, such as the campesino class, is

¹ Roxborough (1992) argues that the uneven impact of SAPs has lead to three alternative political scenarios in Latin America: 1) political immobility, decay, and violence, as witnessed in Brazil, Colombia, and El Salvador; 2) regression of authoritarianism amongst chaos, instability, and violence, as witnessed in Peru, Guatemala, and Paraguay; and, 3) the rise of leftist governments committed to reversing neoliberalism, as witnessed in Venezuela with President Chavez, and in Brazil with the PT, or Worker's Party. In 2002, Argentina provided a recent example of widespread social protest against SAPs that resulted in political immobility and violence.
threatened by the adverse impacts that SAPs can have on the formation and maintenance of human and social capital (Bryceson, 2000b; Fernandez Poncela, 1996). Social capital is the resources gained through social ties, memberships of networks, and the sharing of cultural norms (Healy, 2001, p. 23).

Analysts argue that neoliberal policies have negatively impacted the ability of campesino families to socially reproduce their farming communities by reducing their ability to generate and accumulate social capital. The social capital of campesino communities is challenged by some of the survival strategies that these communities employ to protect themselves from the adverse affects of neoliberal economic reform policies. For example, common survival strategies such as migration, seasonal or part-time wage labour, and overburden of women's work have contributed to the erosion of the campesino way of life. With the shift towards seasonal and migratory labour, campesino farmers face a trend toward proletarianization, the physical departure of members from the community, and the disintegration of a strong communal identity (Bryceson et al, 2000c). In addition, the incorporation of additional family members into the labour market has led to changes in both the internal organization of the family, as well as in the socio-economic and cultural spaces that campesino families inhabit² (Barros, 2000). While some observers believe that the campesino class will continue to reproduce itself (Barkin, 1998), albeit in new and different ways, others suggest that neoliberalism could lead to the dissolution of the peasantry³ (Bryceson, 2000a). With no viable role for campesino families and

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² The incorporation of women into remunerated work has altered the patriarchal power structure, to some extent, within rural some households.
³ Nicaraguan analysts, such as Edy Tenorio from UNAG, and Adolfo Maar from the Ministry of Agriculture, argue that peasants will continue to survive simply because they make up a considerable
communities in the neoliberal economic model, analysts contend that small-scale farming families will continue to abandon their rural communities in search of other alternatives in Latin America's already overburdened cities (Dirven, 1995; Douglas Stuart: Interview #25, Matagalpa, May 19, 2000).

This chapter examines the impact of SAPs on the social capital of rural communities, particularly campesino communities. It is divided into two main sections. Section 6.2 explains the value of social capital for development, and then illustrates how the social capital of the campesino class in Matagalpa has been generally negatively impacted by SAPs. The following four issues are examined: migration, overburden of women's work, domestic and social violence, and social problems among youth. This is not an exhaustive list of how peasant communities have been affected. However, these issues dominated many discussions with rural Matagalpans and were identified as key problems impacting the campesino community. Section 6.3 examines Matagalpan youths' perceptions and opinions of their communities. Young people's opinions about the status of their community are a strong indicator of the health and viability of their community in the long term.
6.2 The Impact of SAPs on Campesino Communities

6.2.1 A Definition of Social Capital

There are many definitions and interpretations of social capital. The World Bank refers to Putnam's definition of social capital, which is "the associational ties built on horizontal cultural norms of identity, trust, and reciprocity" (quoted in Bryceson, 2000b, p. 316). However, Bryceson (2000b) notes that this definition does not include emotional ties of family, or vertical authoritarian or patronage networks of trust or reciprocity, which are often important components of campesino social capital. Although the interpretation of social capital is under debate and ambiguities and uncertainties exist in both the concept and research, social resources are associated with a wide range of non-economic benefits. They are also believed to be positively associated with economic growth and development (Healy, 2001; Portes, 1998).

Societies that have strong social capital are believed to have more democratic interaction and civic leadership, better sharing of information, and more efficient economies. In addition, such societies are believed to be more cohesive and harmonious, and are therefore more effective in mediating conflicts and realizing collective goals (Bryceson, 2000b; Healy, 2001). Trust and a sense of common purpose underline most social and economic activities. Therefore, social capital represents a key component of sustainable development.

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*changes, small-scale farmers will not be able to compete against large-scale and international production. This could lead to the eventual dissolution of the campesino class (Brohman, 1996a; Bryceson, 2000b).*
Individuals that are a part of resource-rich social groups benefit directly from close community bonds and social connections. For example, community bonds can facilitate and enhance the supervision and rearing of children because adults in the community know the young and assume responsibility for them. Partnerships between adults, teachers, and children, in tandem with broad social support for learning institutions, effectively promote and enhance the development of human resources. Later in life, social connections become vital to furthering an individual's social and career mobility. Also, there is evidence that improved social capital can result in a greater sense of personal belonging within a community, which positively impacts health and results in a greater sense of well-being (Healy, 2001; Portes, 1998).

In contrast, social polarization can undermine social cohesion and impair an economy's ability to react to negative economic shocks (Healy, 2001; Vilas, 1996). In communities where there is a deficit of social capital, social ties rarely reach beyond the community, depriving members from sources of information about employment and other opportunities elsewhere. It is also important to note that while the literature on social capital strongly emphasizes positive outcomes, "sociability cuts both ways" (Portes, 1998, p. 18). Trust, partnerships, networks, and solidarity within communities can result in negative outcomes among some social groups. Portes (1998) notes that Mafia families, prostitution, gambling rings, and gangs offer examples of how social capital can result in socially undesirable ends. Portes also notes that social capital can promote the exclusion of others. For example, if a social or ethnic group is successful in colonizing a particular sector of employment, members of that group may have privileged access to employment
or other opportunities. This negative consequence of social capital is frequently evident in Latin America where a small, wealthy, and predominately non-indigenous elite dominates the professional job sector and other important economic and political positions in society.4

6.2.2 Factors that Negatively Impact Social Capital in Matagalpa

6.2.2.1 Migration

Significant migration from rural to urban areas is not new in Nicaragua. The population has become increasingly urbanized over the last half century. In 1950, Nicaragua’s population was predominately rural, with only 35 percent of the population living in urban areas. In 1970, the urban population had increased to 47 percent. By 1990, 55.3 percent of the population was living in cities. Similarly, in the department of Matagalpa, there has been a rapid increase in the urbanized population. In 1971, only 20.7 percent of the population lived in urban areas. By 1995, the majority of the population, or 59.4 percent, was urban. Despite the fact that more than half the population lives in urban areas, Nicaragua’s economy and identity remains fundamentally agrarian (OIM, 1999).

Although current data is difficult to find, many rural inhabitants, researchers, and agricultural extension workers in Matagalpa state that rural dwellers are abandoning their communities at an alarming rate. They argue that the failure of the Nicaraguan

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4 Portes (1998, p. 15) identifies three other negative outcomes of social capital: 1) excess claims on group members; 2) restrictions on individual freedoms; and, 3) downward leveling of norms, where individuals that seek to join the middle class or mainstream culture are attacked and viewed as traitors. Another negative consequence of social capital that is commonly observed in Latin America is excessive claims on group members. Successful members of a social group are often approached by job and loan-seeking friends. Portes argues that promising enterprises can have their economic expansion checked by free-loading family members and friends.
government to provide rural areas with adequate physical, economic, and social infrastructure has pushed rural residents to migrate to the cities, or to other countries, in search of better opportunities. The growing deficit of employment opportunities and access to credit and other agricultural inputs has left small-scale farmers with little hope for the future. Bryceson (2000b, p. 317) writes that “the past 15 years of neoliberalism has rendered the rural population in Latin America highly differentiated and highly mobile.” With limited employment opportunities and increasing poverty, it is unlikely that the exodus from rural areas will slow down in the near future.

The migration of campesino inhabitants from their communities has profound impacts on campesino culture and way of life. First, the physical departure of members can lead to the disintegration of the community. According to Dirven (1995) young people - usually the most educated cohort of the population - abandon rural areas in the greatest numbers in Latin America. Interviews with Matagalpan residents corroborate Dirven’s assertions.5 Ramona Cruz Perez, a small-scale female farmer, noted that:

The majority of young people leave the community. They leave to find work. Some are in Costa Rica. A nephew of mine is there. He is there working because he cannot make a living here. What are you going to do here? And he completed all his studies. It cost him so much money and then, when he finished, there was nothing for him to do here, so he had to leave. Almost all the young people that become educated leave the community. There is no one here, only the teachers. There is no work! Nothing to do! Some young people are in the army, others are in the police force. Those are the only jobs for young people and there are a lot of them around (Ramona Cruz Perez: Interview #34, 5

5 In approximately half of the communities surveyed, community members indicated that the majority of youth migrate for work, at least seasonally. In the other communities, it was reported that relatively few young people leave the community. Interviews with rural residents indicated that young adults and young women migrate in the greatest numbers. Data collected from interviews and focus groups indicates that people who migrate (independently) tend to be at least 16 years of age. Those that leave the community permanently tend to be slightly older. However, children below 16 also migrated. For example, it appears that some young girls are sent to urban areas to be domestic servants.
San Ramón, May 29, 2000).

The migration of youth removes a vital part of the population from rural areas, leaving mostly older people and young children in the community. The absence of active adolescents and young adults can hamper attempts at dynamic forms of development (Dirven, 1995). Also, as governments are faced with demands from a growing and concentrated urban population, the decrease in the rural population may create less motivation and urgency for governments to provide and maintain important services and infrastructure in rural areas.

A second impact of migration has been the recent surge in female-headed households as a result of male out-migration. UNICEF (1995) estimates that some 11.0 percent to 19.0 percent of rural households in Latin America are female-headed. As male household-heads leave in search of work, women are left to shoulder virtually the full responsibility for familial reproduction (Brohman, 1996a). Often female-headed households experience greater poverty, which makes the task of reproducing the next generation more difficult. Comments from an interview with Maria del Carmen Espinosa, a single mother, illustrate the anxiety that female heads of household experience:

*I am alone. My life is worse because I am alone. The other women have their husbands to rely on, but I am alone and I have children as well. I cannot provide my children with an education. When you are alone, you have much greater problems. I am the head of the household and I have to think about everything. Some days we have nothing to eat, other times we have something. When we have something, I have to make it last* (Maria del Carmen Espinosa: Interview, La Pita #32, May 29, 2000).

Poverty can be especially devastating for female-headed households if communal supports are absent. Under SAPs, women’s workloads have increased, leaving them with
less time to carry out community work, and to develop and maintain collective relationships (Fernandez Poncela, 1996). A deterioration in community networks, relationships, and bonds can leave single parents without the necessary resources and support to properly raise children, which can negatively impact children's long-term development and welfare.

Third, migration can increase inequality. Alain de Janvry and Elisabeth Sadoulet (1996) argue that rural out-migration attracts more non-poor than poor, which raises the level of inequality between rural and urban areas. In Matagalpa, slightly more large-scale farming households reported that a household member had permanently migrated compared to medium- and small-scale farming households, which offers support to de Janvry's and Sadoulet's findings that the non-poor are more apt to migrate. Some 35.0 percent of small-scale farming households, 25.0 percent of medium-scale farming households, and 44.4 percent of large-scale farming households reported that at least one household member had left the community. More importantly, these data reveal that high percentages of small-, medium-, and large-scale farming households are experiencing migration, which suggests that the perception of a lack of opportunity in rural communities is shared by all classes and impacts all types of households.

Although migration is experienced by all household types, small-, medium-, and large-scale farming households invest in migration for different reasons and engage in it in different ways. Therefore, they are differentially impacted by migration. Information from survey participants in Matagalpa indicates that in most large-scale farming
households, and in some medium-scale farming households, the individuals that migrated were predominately adult children in pursuit of opportunities such as professional jobs or university careers. In some cases, medium- and large-scale farmers reported that their children were working or studying in the United States or Canada. This type of migration can be very beneficial to household members that remain in rural Matagalpa. Remittances from Managua, and especially North America, go a long way in rural Nicaragua. Furthermore, connections to urban and international centres are also helpful for accessing services, such as health care and financial services.\footnote{Survey data from this research, 2000.} Another positive outcome is that the household becomes diversified; all income earners are not dependent on the agricultural sector, which can be especially beneficial during times of economic crisis. Interviews with large-scale farmers that were facing bankruptcy revealed that they had already begun to employ connections and resources provided by their children, who worked professional jobs in urban areas.

In contrast, small-scale farming households usually employ migration as a survival strategy during times of great need and desperation. Of the small-scale households that reported migration, the majority stated that only one member left. Often, this member was either the male head, the mother, or a daughter. The male head of the household tends to migrate to other agricultural areas in Nicaragua or Costa Rica in search of temporary wage-labour. Although the work is seasonal, he can be gone for the better part

\footnote{For example, Omar Ulises, a large-scale farmer, explained that he uses his children's American credit cards to buy equipment, supplies, and inputs for his farming operations in Matagalpa. The interest rates on their credit cards are significantly less than the interest rate in Nicaragua (Omar Ulises: Interview #16, La Dalia, April 13, 2000). Another large-scale farmer mentioned that he travels to the United States on an annual basis to stay with his daughter and get a medical check-up (Rogelio: Interview #17, Sébaco, April 14, 2000).}
of the year. Women are also engaged in agricultural seasonal wage-labour, but a large number also migrate to Managua to work as domestic servants, which can cause population imbalances between the sexes in certain rural communities. While this type of migration can have economic benefits for the rural household, it can also negatively impact those who are left behind in the community. Because small-scale farming households are highly dependent on family labour, the migration of an adult household member leaves the remaining parent or guardian with the overwhelming responsibility of raising the children and working the farm. Often, one or more older children are removed from school to help fulfil the role of the missing adult. A loss of education and overburden of work for household members has the potential for several long-term negative ramifications. In interviews, numerous female-heads indicated that the absence of their partners made life extremely difficult and stressful.

Finally, migration impacts campesino families and communities by altering their cultural identity. High rates of in- and out-migration in campesino communities have given rural inhabitants wider experience of the outside world. This understanding of the world beyond the rural community has also been enhanced by the spread of television, which has brought consumerism within sight - but not within reach - of many of the rural poor (Green, 1998). The accelerating rate of migration out of rural areas has resulted in multifaceted, and in some cases, "transnational" peasant identities (Edelman, 2000).

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8 Martine Dirven (1995) argues that rural men appear to have stronger ties to the countryside than rural women. She notes that in 1990, there were 5.2 million more men than women in rural areas in Latin America.

9 Migration can also have negative consequences for the individual that leaves the community. For example, women who take work as domestic servants work very long hours for meager wages. They are isolated and often treated poorly by their employer. They can face serious psychological and adjustment problems. In some cases, they are the victims of sexual abuse (Green, 1998).
These new identities are replacing traditional peasant identities, which have been rooted to particular geographic locations. Although the Nicaraguan peasantry is widely regarded as more politically astute and better organized than other Latin American peasantries due to its revolutionary past, analysts are connecting increased peasant mobility to new confrontations and social movements in countries around the region. According to Edelman (2000, p. 14), today’s peasant is “at the forefront of unprecedented confrontations with governments, international agencies, and multinational corporations over a multitude of issues, including land reform, free trade, and biotechnology policies.”

In Nicaragua, globalization has made the campesino class increasingly aware of its precarious position within the world economy. Many agitated rural citizens are demanding a better and more equitable future from both their government and the international community.

Overall, migration results in both costs and benefits to those that migrate, and to the households and communities that they leave behind. However, large-scale migration has several worrisome potential outcomes. First, the exodus of peasants from their rural communities depletes the social capital within those communities, making it increasingly difficult for social reproduction at the community level to occur. This disintegration of rural communities inevitably results in greater migratory flows to urban areas. In most of Latin America, the areas receiving the migrant population are unprepared and unable to receive them properly (Dirven, 1995). There is a lack of infrastructure, housing, schools, and other important social and sanitary services. As a result, millions of rural inhabitants are now living in despair and frustration in urban slums. The sharp rise in urban poverty
and inequality, which coincided with large inflows of rural migrants, has placed numerous Latin American cities in a precarious ‘powder-keg’ situation. Consequently, the lack of attention given to peasant farmers in the neoliberal economic model is perhaps its greatest failure. Rural communities and small-scale agricultural production must be included in a sustainable plan for development. Their exclusion in the current model is arguably Nicaragua’s greatest barrier to political stability, a functioning democracy, and sustainable economic and social development.

6.2.2.2 Female Overburden

The issue of SAPs and female overburden is discussed at length in Chapter III. At this point, the connection between female overburden and the development and maintenance of social capital is examined.

Research on the impact of female overburden on social capital is mixed. While some studies conclude that the increased workload of women has lead to a deterioration in community work and communal ties, other studies point to positive new community developments.

Research conducted by Fernandez Poncela (1996) and UNICEF (1995) indicate that women have less time available to devote to voluntary work and community organizations. Fernandez Poncela states that increased anxiety and a lack of time has forced Nicaraguan women to withdraw from popular organizations, and sacrifice their social, political, and trade-union spaces. Similarly, UNICEF found that rural women’s
increased domestic work has left them with little time to participate in community organizations. Other research shows that women’s membership in associations can lead to greater bargaining power within the household (Kabeer, 1995). Therefore, a woman’s withdrawal could result in a deterioration in her bargaining power. This could reverse positive steps taken towards increasing women’s decision-making roles and reducing gender discrimination. At the community level, the retreat of women from public life can negatively impact the community’s ability to maintain social networks, work toward common goals, and ultimately generate social resources (Healy, 2001).

While many analysts argue that oppressive domestic roles are forcing women to limit their community involvement, there is also evidence that women are being pushed to take on greater communal work under SAPs. Blanca Lidia Torres, the director of SACPROA, an NGO that finances women’s co-operatives and micro-businesses in Matagalpa, argues that men are investing a greater amount of time searching for wage labour, which prevents them from participating in unpaid communal work. To resolve this, they send their wives as replacements, which increases women’s responsibilities (Blanca Lidia Torres: Interview #11, Matagalpa, March 27, 2000). In addition, research has linked social service expenditure reductions to women’s increased communal roles (Bakker, 1994; Molyneux, 2001; Sparr, 1994). To fill the void left by cutbacks, women are expanding their care-giving roles in areas such as looking after sick community members, cooking in communal soup kitchens, and assisting with child care.
While the research seems contradictory, it appears that women are being forced to make difficult choices as to how they will engage in community work. On the one hand, they are being asked to take on new unpaid work that was formerly the responsibility of their husbands and the state. On the other hand, they are being forced to prioritize their responsibilities and withdraw from those public activities for which they no longer have time. In some cases, this could mean abdicating important work in unions and women’s advocacy groups to fulfil their expanding reproductive roles, which decreases the strength of their organizations. Regardless of how women decide to balance household and community work, it is evident that their increasingly demanding workloads are making it difficult for families and communities to successfully socially reproduce themselves. Social breakdown is being expressed in a variety of ways, including an increase in the number of one-parent households, the intensification of child work, and a rise in common crime and violence.

Neoliberal theory has been criticized in the alternative development literature for its role in overextending women’s roles. Analysts claim that neoliberalism has theoretically contributed to female overburden by actively promoting the development of social capital as a key component of sustainable development, while falsely assuming that women are free and available to engage in this unpaid work (Molyneux, 2001). Although alternative development theorists also widely support the promotion of social capital in Latin America, they argue that the World Bank and other neoliberal institutions have encouraged the strengthening of social resources for the wrong reason.
In the absence of adequate social provision, NGOs and alternative development strategists viewed the strengthening of social capital as perhaps the only method to help secure food, health care, and improved housing services in poor communities. It was also promoted as a way to strengthen civil society, empower traditionally marginalized groups, and foster new avenues of social and political discourse. In contrast, the World Bank’s interest in community activism has been largely limited to its potential to remove the burden of delivering collective goods from the state (Molyneux, 2001).

Alternative development theorists also note that while the World Bank promotes the development of social capital, it has failed to sufficiently advise adjusting countries on how to assist the strengthening of social capital. By failing to support and invest adequately in the development of social capital, the World Bank and other neoliberal institutions have supported the view that unpaid self-help projects and voluntary sector work are natural extensions of women’s family responsibilities. These assumptions have resulted in an intensification of women’s work and have also lead to the failure of many community welfare projects due to the lack of support provided to overloaded and exhausted women (Bakker, 1994; Molyneux, 2001).

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10 International interest in the ideas of social capital and social cohesion arose in the 1980s, accompanying the growing concern over the social costs of SAPs. Maxine Molyneux (2001, p. 183) states that “in the Latin American context, many felt that social movements and community activism, rather than institutional politics and corrupt parties, had potential for creating new forms of sociability and generating trust.”

11 Women’s community work and responsibilities have also been taken for granted by many development agencies. As Molyneux (2001, p. 184) notes, the notion that women’s work includes providing for both the family and the neighbourhood has carried some force in Latin America “where a resilient tradition of community mobilization around basic needs provision involved a substantial proportion of women.” However, the failure of many community welfare projects led to widespread criticism in the development literature that women’s reproductive work should not be taken for granted, but should instead be examined as an effect of unequal social relations (Molyneux, 2001). Although World Bank literature advocates for
Although the development literature is laden with examples of deteriorating community structures and family breakdown, it is also full of examples of new community structures and initiatives that have emerged under SAPs. Positive new community initiatives have come forth as women and their communities turn to collective responses to cope with new challenges presented under SAPs. Across Latin America, collective strategies led by women, such as communal kitchens, credit co-operatives, consumer and housing collectives, and day care centres have proliferated in response to the economic crisis (DAWN, 1995). Community initiatives that are linked to larger social movements have resulted in several social benefits, including cleaner and safer neighbourhoods, greater awareness and understanding of domestic abuse and, in some cases, increased participation of children and youth in community development (DAWN, 1995; Green, 1998; Hart, 1997). For women and other marginalized groups, like the campesino class, collective action can break down past isolation and help link them to broader political currents in their societies (Kabeer, 1995).

The deterioration of old community structures, which in some cases has been accompanied by the emergence of new community structures, demonstrates the complex and mixed outcomes of SAPs. On the one hand, communities are under increasing pressure to meet their reproductive needs with limited assistance from the state. If they fail, social crisis and community breakdown can occur. On the other hand, the lack of government assistance and the threat of community breakdown has encouraged some communities to work collectively towards change. Vibrant new community initiatives

greater equality, World Bank macroeconomic reform policies do not take unequal social relations into account, and as a result, inadvertently discriminate against women.

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linked to broader social movements are creating a “new way of doing politics” and are providing the historically isolated campesino class with a stronger political voice (Brohman, 1996a).

In Matagalpa, both community breakdown and community regeneration are present. Interviews with Matagalpan women support the findings from other research that women are mentally and physically exhausted, and heavily burdened by their responsibility to reproduce and sustain their families. All of the women interviewed expressed having virtually no time for relaxation or amusement; they are the first to awaken, the last to go to bed, and they work constantly throughout the day. Marital breakdown, spousal abandonment, and alcohol abuse – particularly by husbands – are prevalent topics in interviews with women. Some women spoke of a ‘moral breakdown,’ noting that adolescents have become involved in gangs because of their parents’ lack of time to adequately supervise them, and the lack of opportunities available young people. Overall, the large majority of women expressed that their communities are challenged by rising poverty and the critical deficit of public services and safety nets to assist many in need.

While many rural women spoke of social breakdown, others shared stories of regeneration. In some Matagalpan communities, women have organized themselves into co-operatives and other collective partnerships to combat their poverty and address the lack of services in their communities. These women express optimistic views of the future and unyielding faith that, as a collective, they can overcome many adversities.
Catalina Roque, the President of the women’s co-operative in the community of El Chompipe, explained the importance of collective organization for personal progress:

We are making progress. I feel very happy and blessed to be a part of this organization and to have the support of this group of women. The most important thing is to be united. If you are united, you can help yourself. An individual cannot accomplish what the group can — we can help each other in various aspects and that is how we will survive (Catalina Roque: Interview #19, El Chompipe, April 22, 2000).

While the Nicaraguan population remains politically divided as a result of the decade-long civil war, some communities are coming together to overcome past differences and collectively fight the ill effects of neoliberalism. As witnessed in other Latin American countries, vibrant new community initiatives that are linked to non-governmental organizations and broader social movements are also growing in Nicaragua. In a number of cases, these initiatives are being led by women.

6.2.2.3 Social and Domestic Violence

Numerous analysts state that violence is on the rise in Latin America (Fernandez Poncela, 1996; Green, 1998; Vargas, 1998; Wodon, 2000). Poverty studies suggest that the increase in crime and violence is related to crowded housing, family breakdown, high unemployment, high secondary-school drop-out rates, and limited access to social services (Wodon, 2000). Some research suggests that violence against women has also increased (Fernandez Poncela, 1996). However, this is difficult to measure because domestic violence is usually under-reported. Therefore, an increase in reporting can be mistakenly interpreted as increased incidences of domestic violence.
The risk of being exposed to crime and violence is much higher among the poor. A study in Peru found that the poor were twice as likely as the rich to witness or be a victim of physical aggression (Wodon, 2000). The precarious situation of the poor is often linked to both the upswing in violence and their greater propensity to experience it. The World Bank (2001) notes that when faced with severe economic hardship and deprivation, poor households can either employ survival strategies within the legal framework, such as selling assets, migrating, increasing family labour, and relying on communal support, or they can employ survival strategies outside of the legal framework, such as selling drugs, joining gangs, illegally using public services, or engaging in prostitution. Micro-level studies have linked increasing despondency among the poor to dysfunctional behaviour and criminal acts. Fernandez Poncela (1996, p. 61) observed high levels of anxiety, depression, resignation, resentment, and unease about the future among the rural poor in Nicaragua. She argues, “In some way, depression, alcoholism and suicides may be consequences of the adjustment program.”

In Nicaragua, the prevalence and persistence of domestic and civil violence indicates that many households continue to face arduous economic and social stresses. Approximately 25 percent of Nicaraguan women experience domestic violence, and approximately 70 percent of these women suffer severe violence. In 50 percent of reported cases, the violent act was witnessed by children (World Bank, 2001). Highly segregated gender roles may be in part responsible for high levels of frustration and family violence in Nicaragua. The literature suggests that the lack of opportunities for men to fulfil their role as the primary earner of household income has generated feelings of low self-esteem,
anger, frustration, and helplessness. Over a given period of time, these feelings can erupt into acts of domestic or civil violence, particularly when alcohol is involved (Fernandez Poncela, 1996; Green, 1998; World Bank, 2001).

The cycle of domestic violence is often passed down through generations and represents an enormous cost to society. The long-term welfare and development of children from abusive homes is frequently compromised, particularly when children are the direct recipients of abusive behaviour. Sexual coercion and assault leaves many children with a severe loss of self-esteem and autonomy, which often translates into poor sexual and reproductive health decisions in the future. Early traumatic sexual experiences can later result in prostitution, teenage pregnancy, and unprotected sex with multiple partners. A study of child prostitutes in Central America revealed that half were initially abused by a male relative. Abused children are also more likely to become drug users, to attempt suicide, to become adolescent parents, or to become abusers themselves (Green, 1998).

Spousal abuse also negatively impacts the health and welfare of children. A study in León, Nicaragua’s second largest city, found that women who are abused have four times the probability of giving birth to low-weight babies (World Bank, 2001). Another Nicaraguan study revealed that adolescents that live in violent homes have twice the fertility rates of peers in non-violent homes, perhaps because they desire to have something of their own in a disempowered environment (World Bank, 2001). Children in

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12 This information on the effects of violence was retrieved on September 23, 2001 from the United Nation’s Population Fund: www.unfpa.org/gender/index.htm.
abusive homes often do not receive the nurturing and support that are necessary for them to grow into healthy adults. Quality parental involvement is important for a child’s development. It can help mitigate the effects of poor socio-economic status and enhance a child’s educational attainment (Healy, 2001). However, children in abusive homes are often deprived this support. The long-term social and financial costs of violence are enormous.

Academics, rural extension workers, and community leaders spoke of the high prevalence of domestic and social violence in Nicaragua. Many opined that the prolonged economic crisis facing many households has led to increased family breakdown, domestic abuse, and criminal behaviour. Carlos Ruiz, a sociologist, explained that:

*In the 1980s, you could go anywhere in Nicaragua, and you wouldn’t encounter any children working as shoe shiners. I’m telling you in all honesty that young shoe shiners completely disappeared in the 1980s. There was social justice. I really cannot remember having seen even one prostitute. Women and children did not need to sell their bodies to survive back then. People did not take marijuana or cocaine. Children were not working in the streets. Now, you see prostitutes, drug attics, glue-sniffing children, and tremendous social breakdown. It’s everywhere* (Carlos Ruiz: Interview #22, Matagalpa, May 8, 2000).

While the majority of the farming households surveyed did not openly discuss domestic abuse, several survey participants commented that social breakdown, crime, and violence are on the rise in Nicaragua. Fidel Rodriguez Rojas, a large-scale cattle farmer and the Vice President of the UNAG in the town of Matiguás, lamented:

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13 Another study conducted in Latin America and the Caribbean indicated that as many as 68 percent of incest victims reported being the victims of rape, or attempted rape, later in their lives (Retrieved on September 23, 2001 from: www.unfpa.org/report/report98/ppgenderbased.htm).

14 The United Nations Population Fund reports that crime has increased by 300 percent in the last decade in Nicaragua (retrieved January 15, 2003 from: www.unfpa.org/focus/nicaragua/newclass.htm).
Because of the lack of employment many young people are engaging in delinquent behaviour. Many young men are forming gangs all over the country. They are young thieves. And they take drugs and abuse alcohol—there is a lot of alcoholism. Oh, there are many social problems in Nicaragua. The situation is incredibly problematic (Fidel Rodriguez Rojas: Interview #14, Matiguás, April 6, 2000).

The sentiments expressed by Carlos Ruiz and Fidel Rodriguez Rojas are echoed by many other Matagalpans. Rising crime and social breakdown are important issues for men, women, and youth of various ages, ethnicity, and socio-economic backgrounds. Overall, the prevailing perception is that social instability increased through the 1990s. While many Matagalpans acknowledge that stability has eluded Nicaragua for decades, they argue that a ‘new war’ has emerged. Deepening poverty and inequality has, in many instances, led to family and community breakdown, which is attacking the moral and social fabric of their society.

6.2.2.4 Social Problems Among Youth

Latin American youth face many challenges, such as high unemployment, a lack of access to health care and education, divorce and family breakdown, alcohol and drug abuse, human rights violations, and rising crime and insecurity. A young person’s socio-economic status, ethnicity, gender, age, and residence may also present a unique set of challenges. While the problems that challenge youth are multifarious, the following three issues are widely discussed in the development literature: 1) lack of access to social services and employment; 2) youth crime and victimization; and, 3) adolescent pregnancy. These issues are described below.
6.2.2.4.1 Lack of Access to Social Services and Employment

The lack of access to social services, particularly to education, is linked to growing frustration and pessimism among children and youth in Latin America. Educators, psychologists, and youth workers argue that young people harbour feelings of extreme frustration and despair as a result of their inability to access higher levels of education and decent careers (Douglas Stuart: Interview #25, Matagalpa, May 19, 2000; Carlos Ruiz: Interview #22, Matagalpa, May 8, 2000; Morales, 2000, June 22). These feelings are compounded by government mismanagement, corruption, and the belief that youth do not have voice in society. A region-wide survey conducted in 1999 by UNICEF confirmed that the problem of disenfranchised youth is significant and widespread in Latin America. The UNICEF survey found that some 62.0 percent of Latin American youth, aged 9 to 18 years, had low confidence in their governments, and 67.0 percent believed that their country's social and economic situation would not improve in the future. Survey respondents identified six issues that governments should act on to help young people: 1) guarantee the right to education; 2) reduce crime; 3) reduce illegal drug consumption; 4) guarantee the right to health care; 5) guarantee the right to adequate housing; and, 6) respect the rights of children and adolescents. According to the UNICEF survey, young Latin Americans are most concerned about access to education and crime reduction.15 (Morales, 2000, June 22).

The lack of access to education is associated with youth involvement in crime and anti-social behaviour. Vargas (1998) notes that, in 1995, 45 million Latin American youth between the ages of 13 and 24 had a job or studied at a secondary school or university.
However, 56 million youth had no job and were not studying; they were looking for "something to do." That year 50 percent of reported crimes were committed by youth under 24 years of age. The poor quality of education, the lack of future employment and career opportunities, and the precarious economic situation of many households contribute to the withdrawal of many youth from school because they do not see the advantages that a costly education might bring. However, once they have left school, it is difficult for young people to find work. Youth unemployment is high; it represents half of the total unemployment rate. Because they have trouble finding jobs initially, young people have trouble finding better jobs in the long run, especially when they lack education and skills. As a result, many young people do not see hope for the future—regardless of their effort—especially in terms of securing a good job, so they turn to drugs, prostitution, and other criminal behaviour (Vargas, 1998).

6.2.2.4.2 Youth Crime and Victimization

While some young people become involved in criminal activity, a significantly larger proportion of the youth population is victimized by crime. This explains why combating crime was the second most important issue identified by youth in the UNICEF survey. In over half of Latin American countries, homicide is the second cause of death in 12 to 24 year-olds (Minujin & Perczek, 2001). Children and adolescents are also victims of sexual exploitation, gang-related violence, mistreatment, abuse, and abandonment. However, in many countries, violations against the rights of children and adolescents continue to receive relatively little attention. Government policies designed to protect children are not always enforced. Instead, the high incidence of violence and criminality is often blamed...

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15 Nicaragua was identified as one of the most socially insecure countries.
on a growing number of disenfranchised youth, and government efforts to resolve youth crime are generally limited to the use of force and punishment through the court system (Green, 1998; Minujin & Perczek, 2001).

6.2.2.4.3 Adolescent Pregnancy

Another issue of concern that predominately impacts young girls is the high rate of adolescent pregnancy. In Latin America, one-third of women under the age of 20 have given birth (CEPAL, 2000). In Nicaragua, the rates are alarmingly higher, where approximately 61 percent of women under age 20 had given birth by 1998\textsuperscript{16} (Mejia, 2001).

Adolescent pregnancies are concentrated among the poor. Teenage mothers often have to drop out of school and look for work to support their child, which significantly limits their prospects of escaping poverty. In addition, poor women, particularly adolescents, are disproportionately impacted by unsafe abortion, which can result in considerable health problems\textsuperscript{17} (CEPAL, 2000). Unless better information, services, support, and opportunities are provided to young women, particularly poor rural women, adolescent pregnancy will continue to be a substantial obstacle to gender equity and poverty reduction in Latin America (CEPAL, 2000; World Bank, 2001).

\textsuperscript{16} In Nicaragua, adolescent pregnancy increased from 58.2 percent in 1992 to 61.1 percent in 1998 despite the fact that the overall fertility rate declined (Mejia, 2001).

\textsuperscript{17} Given the difficulties of accessing contraceptive methods, abortion has become a major form of birth control in Latin America. However, abortion is often preformed clandestinely and in poor conditions. Therefore, it is a pressing health issue for Latin American women. In Mexico, abortion is the fourth most common cause of maternity deaths, and the third most common cause of hospitalization. In Colombia, approximately 74.5 percent of maternal deaths are the result of botched abortions (Franco, 1996).
6.3 Campesio Youth and the Future

In Matagalpa, the most pressing issues for young people appear to be the lack of access to education, employment, and recreational facilities. Every adolescent in each of the six focus groups identified the lack of access to education as a considerable problem facing youth. Migration, crime, corruption, and the status of their communities are other issues that deeply concerned focus group participants. Although adolescent pregnancy was not explicitly mentioned in any of the focus groups, it was observable in most of the communities visited.

6.3.1 Education

Education is widely perceived by youth as a way to improve one's life. Without education, rural youth argue that they are destined to become small-scale farmers, like their parents. Jaime Rodriguez, a 16 year-old boy explained how a lack of education leaves rural youth with limited options:

If I were able to study...if I had the opportunity, I would become a professional. But, because I have no money, I will be a farmer because that is all that is available to me. I have no other choice (Jaime: Interview #1, El Trentino, March 8, 2000).

Many of the youth expressed a strong desire to attain professional careers outside of the agricultural sector. Some of the careers mentioned included: psychology, business administration, accounting, computers, and agronomy. Despite their aspirations, all of the youth interviewed explained that the cost of education presents an enormous barrier to realizing their goals. In fact, many of the youth had resigned themselves to the fact that they would follow the path of their parents and become poor farmers or agricultural wage
labourers; their families could simply not afford the cost of education. However, others, like Yaneth, are still hoping to make it work:

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\text{My greatest worry is that I won't be able to study psychology because my economic situation won't allow it. It is a very expensive degree. Right now, I go to high school on the weekends so that I can help my family during the week. This helps. We must work to study (Yaneth: Interview #1, El Trentino, March 8, 2000).}
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Overall, the general sentiment expressed by the youth was that they must become educated and pursue professional careers in order to escape poverty.\(^{18}\) The youth indicated that there was no future in farming. Farming is perceived as gruelling, unstable, and unprofitable work. While rural youth place tremendous hope in education, they temper their expectations with realistic fears. Many youth expressed concern that, after pursuing an education, they would be unable to find professional jobs due to limited opportunities and high unemployment in Nicaragua.\(^{19}\)

### 6.3.2 Perceptions of Rural Life and Rural Communities

Despite the fact that most rural youth do not want to become farmers, very few expressed disdain or embarrassment about their agricultural roots. This contradicts other research that claims many rural youth in Latin America — and world-wide - have a poor self-image. For example, Bryceson (2000b, p. 311) argues that:

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\text{Rural youth relinquish their peasant identities as a way of distanc- ing themselves from the poor economic prospects of their agrarian homes and the social confines of traditional familial roles. Sometimes they}
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\(^{18}\) Youth that had dropped out of school years ago, and were already pursuing a life in farming independently from their families, explained that if they could have chosen a different work path, they would have.

\(^{19}\) Nelson, a 19-year old studying accounting, said “I am very worried that, with things the way the are in Nicaragua, with all the difficulty...well, I get so worried that I feel I can no longer study because the economic situation is so bad. My biggest worry is that I won’t find work when I finish my certification. If I don’t find work, it will be so difficult. This whole sacrifice that I’ve done will be in vain” (Nelson: Interview #1, El Trentino, March 8).
rationalize their movement in western terms, as an escape from the stultifying countryside and 'stupid peasant' ways. The disintegration of peasantries as local communities arises from this ideological fissure between the generations, as well as from the physical departure of its members.

Often, the media is partly blamed for generating poor self-image among rural inhabitants by perpetuating the idea that agricultural occupations are inferior (Dirven, 1995; Hart, 1997). While the media might play an important role in promoting the good “urban” life, many of the youth interviewed in Matagalpa appeared to be relatively unaffected by the notion that rural life is inferior. They expressed pride in their communities by inviting the research team into their homes, schools, fields, and animal shelters. One young man described rural living as “beautiful,” while several others said they wish to continue living in their rural community despite their desire to pursue professional jobs, which are generally confined to large urban centres. Although this seems a contradiction, these youth explained that they would like to become skilled professionals so that they can bring something back to their communities. Juan Luis, like many others, said:

For my part, I understand the situation of the campesino more than anything else. As a professional, at least I could look for a project and bring it to the community so that the campesino could help himself and improve his situation. Not all of us here can become professionals, even though we say that's what we want. But, if I become a professional I would help the poor campesino people - we suffer the most in this country. For example, an Agronomist could help the farmers. People that operate computers could bring technology to the countryside (Juan Luis: Interview #33, La Pita, May 29, 2000).

No focus group participants expressed shame in their community, or a desire to abandon it completely. Some youth stated that they would have to leave their community due to a lack of opportunity. Some declared that they would prefer to live in the city. However, in all focus groups, the participants agreed that they liked their communities. They believe
that their communities will continue to strive for improvement and will succeed in becoming better places to live. All of the youth indicated that, if they leave, they plan to visit their rural communities.

The subject of migration also revealed the strong connection that many focus group participants have to their communities, as well as their internal conflicts about leaving home. Adolescents often offered contradictory responses concerning migration. For example, early in the interviews, some youth expressed that they had migrated seasonally in search of work, or that they had older brothers or sisters who had left the community. However, when asked how many household members had engaged in migration later in the interview, they responded that no one in their family migrated. Their contradictions reflected strong ties to their community. They appeared to associate the word ‘migration’ with ‘permanently abandon.’ Therefore, in their view, no household member had left the community. Instead, they are in flux. This mobility is aptly described by Bryceson (2000b, p. 310):

Today’s peasants live in an urban-rural continuum with an indeterminate residential and occupational future, or are part of ‘multi-spatial households’ in which reciprocal support of members is given across geographical space. While dispelling isolation, these regularized commuting patterns tend to weaken the coherence of rural communities.

While Bryceson aptly notes that peasant mobility has, in many cases, weakened the cohesion of the community, it is also true that strong communal bonds and a close association with ‘the land’ have contributed to the enduring presence and resiliency of peasant communities. Although many of the youth interviewed will likely leave their communities some day, they do not express revulsion for rural life. Instead, their
identities appear to be strongly rooted in their communities. Therefore, it is not their
disdain for rural life that pushes them to the cities; it is their desire for a better, less
impoverished life that fuels their migration.

The connection that rural Matagalpan youth appear to have to their communities
represents a tremendous opportunity for development. Rather than accept that youth are
destined to leave their rural communities, and ignore their strategies and aspirations for
development, their visions should be incorporated into rural development strategies so
that they can productively contribute to the development of their rural communities, and
significantly improve their income and quality of life. According to Matagalpan youth,
migration has less to do with an abhorrence of the countryside, or a yearning for city life,
and more to do with poverty and a severe lack of opportunity. Furthermore, youth
expressed that migration is not just motivated by the fact that their families can hardly
survive in rural areas – they want to improve their station in life. Therefore, instead of
cutting back on education and other important services, the Nicaraguan government
should ensure that rural youth can access education. It should also promote and support
job creation and industrial development in rural towns and communities. An end to the
current flood of people out of rural areas would represent a substantial gain in social

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20 While these opinions may not be representative of all Matagalpan or Nicaraguan youth, it is possible that
Nicaraguan youth do feel a stronger sense of community and connection to their rural homes than do other
Latin American youth as a result of Nicaragua’s revolutionary movement. The Sandinista movement
encouraged grassroots activity among the historically repressed peasantry to build a country with a vibrant,
economically prosperous and socially cohesive rural sector. This vision did not end with the revolution and
has been passed down to the next generation. Many rural Nicaraguans argue that if the present government
listened to the peasantry and formulated a sound strategy for sustainable rural development, the small-scale
farmer could play an integral role in meeting Nicaragua’s longer-term development objectives.

21 In an interview, Juan Carlos, a 19-year old from a small rural community, said: “My worry is that I stay
here. Like this. I want to improve my life. I want a different life – more advanced, more developed. I don’t
need a lot of money, but I would like to work and improve my life” (Juan Carlos: Interview #33, La Pita,
May, 29, 2000).
capital to rural communities. As well, it would relieve an already overburdened capital city from accommodating more migrants. However, under the current neoliberal development strategy, youth's demands for greater access to social services and formal sector work will likely go largely unanswered. Presumably, large migration flows will continue.

6.3.3 Community Challenges: A Lack of Recreational Opportunities

While the focus group participants demonstrated a sense of pride in their community, they also voiced many complaints. The principal problem with their communities is the lack of services. In addition to the lack of education and health care facilities, all focus groups noted the deficit of recreational venues. Pedro Antonio, a 14 year-old boy, said:

We need work in our community and we need a recreational centre. Here there is no work, and there is nothing else! There is no soccer field, no place to play baseball or basketball. There is nothing! We always play games on the road (Pedro Antonio: Interview #9, Nombre de Jesus, March 21, 2000).

Both boys and girls identified the lack of recreational facilities as a problem. It is a problem particularly for adolescent youth. They argued that while younger children can entertain themselves by playing together, there are limited options for entertainment available to older youth beyond 'hanging out,' playing sports where possible, and playing with the younger children. Although none of the focus group participants explicitly tied the lack of recreational facilities to larger social problems, such as illegal drug and alcohol consumption, many participants identified substance abuse as an issue that they are concerned about. In one group, drug and alcohol use by youth was linked to
“boredom.”22 With few other avenues of distraction available to rural youth in poor communities, it is possible that some youth turn to alcohol and drug consumption to divert their thoughts away from the many challenges that face them.

Community centres and sport fields are, understandably, generally perceived as luxury or non-essential items in poor countries. However, although demands for food and education may come first, Guillermo Mueles, a project co-ordinator for a non-governmental education program, confirms that there is a strong social demand for cultural and recreational facilities in rural Matagalpa as well:

_There is no government, and very little non-government, support for sports, culture, and recreation. It is difficult for communities to find help with this because there is no help with education, or for day care centres, so there is even less support available for anything to do with recreation. It is called the Ministry of Education, Sport and Culture, but it has absolutely nothing to do with sport and culture. Our organization receives – no exaggeration – two or three requests a week from people who want culture. They want a dance instructor, a circus for National Child Day, or a special event for Mother’s Day. They want fiestas...they want cultural activities! But, there aren’t any. There is no financial support for this_ (Guillermo Mueles: Interview #8, San Ramón, March 17, 2000).

Recreational and cultural activities are believed to have benefits beyond physical health and pleasure. Participation, team-building, leadership skills, and sharing can be acquired in one context and used for a variety of purposes (Healy, 2001). Finding the dollars to allocate to recreation is undoubtedly extremely difficult in a poor country. However, investing in such activities, or at least supporting community initiatives, would lead to improved social capital, which in turn leads to several social and economic benefits. In the long term, facilitating the enhancement of social capital could save Nicaragua from

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22 In this case boredom does not only refer to the lack of “things to do” in rural communities. The youth also connected ‘boredom’ to having limited options for the future.
several costly expenditures. Attending to large social problems such as excessive drinking, illegal drug consumption, domestic violence, and large-scale out-migration present a considerable drain on limited resources.

6.3.4 Perceptions of the Future

Overall, youth offer a mixed view of the future. The majority of focus group participants spoke fairly confidently about both their ability, and their community’s ability, to “advance,” “move forward,” and “improve.” The most frequently identified problems by youth were hunger, a poorly educated citizenry, a lack of social and recreational services, unemployment, and gang-related violence. However, in general, the youth felt that “bit by bit, our community will overcome and resolve some of these issues.” This opinion was expressed most frequently by youth who were attending school. Carlos Ochoa explained that:

*I feel good about my future because I am learning something at school. I believe that my community will improve. I feel good about my community’s future too – that it will become a better place* (Carlos Ochoa: Interview #4, San Dionisio, March 13, 2000).

Older youth that had long since given up their studies also spoke fairly positively about their community’s future, or at least expressed indifference. However, this optimistic vision of the future dissipated quickly when the youth were asked to comment on their country’s future.

The general sentiment expressed in all focus groups was that Nicaragua’s future is uncertain. While most youth felt that Nicaragua could succeed with a new government, others were not sure that the situation would ever improve, even with a new government.
According to youth, corruption is both an enormous problem and a substantial threat to Nicaragua’s stability and aspirations for economic prosperity. When asked if Nicaragua has a future, Nelson responded:

Well, from where things stand now... we’ll have to see... There is too much, too much, too much corruption. You can’t believe in anyone! Only the rich are gaining ground. The poor, well, we’re going down (Nelson: Interview #1, El Trentino, March 8, 2000).

Similarly, Jorge declared that:

This president [Arnoldo Alemán] is corrupt and a liar. Why build a school without teachers and desks? He has done nothing. And he has not completed any of his promises. He says he is going reconstruct Nicaragua. Yes, maybe this is true for one part of the country, but for the other part of the country – our part – he’s throwing it in the garbage. With a good president, I think Nicaragua could have a good future. But with this one, no! (Jorge: Interview #9, Nombre de Jesus, March 21, 2000).

Others, like Yaneth, see no future for Nicaragua, regardless of a change in presidency:

In my opinion, there is no future for Nicaragua because only the corrupt parties will win. They will continue to take advantage and steal from the little resources that Nicaragua has. Never, ever again will there be a future for us, the poor people (Yaneth: Interview #1, El Trentino, March 8, 2000).

The frustration, cynicism, and lack of confidence expressed by young Matagalpans towards their government is disconcerting because it suggests that Nicaragua’s relatively new democracy, which should have led to greater political and social equality, has not rooted itself in Nicaraguan society. Instead, a wealthy elite continues to dominate politics and ignore the plight of the rural poor; a situation that has remained unchanged - except during the Sandinista revolutionary period - over the course of Nicaragua’s history.

Campesino youths’ opinions about the future, which are mixed and somewhat contradictory, highlight their exclusion from Nicaragua’s political, social, and economic
institutions. In general, the youth felt that their rural communities could improve in the future despite the fact that they saw little hope for the poor in Nicaragua. This contradiction suggests that rural youth view their communities as isolated or separate from the rest of the country. It emphasizes their disassociation and alienation with the national government. While none of the youth forecasted a bright future for their communities, they indicated that the collective will of the individuals living in their communities would lead the community “forward.” They also noted a proliferation of international aid and international NGOs in the country since the advent of hurricane Mitch. The youth look towards these international - rather than national - organizations as potential catalysts for development in their communities. They do not rely on their government for support or leadership.23

Overall, the youth argued that their communities would continue to endure and struggle for survival regardless of what occurred at the national level in Nicaragua. Although they indicated that the solution for a substantially better future rested upon a national government working in tandem with the rural poor, they also agreed that this solution was not on Nicaragua’s horizon. As such, they argued that the campesino class will continue to suffer at the hands of an unresponsive government. And, it will continue to endure in spite of it.

23 In many rural communities, campesino dependency on outside help is fuelled by their distrust of the government and the lack of local resources. With this in mind, some analysts argue that the future of development depends to a significant extent on NGO assistance. However, the NGO approach often portrays campesinos as ‘receiving’ development, rather than generating it themselves. Culturally, this type of development approach dates back to the colonial period (and patron/client relationships). It has been enhanced in recent times by authoritarian, top-down governments and development projects by NGOs and other international organizations that view the campesino as dependent. It must be emphasized that Matagalpan youth have several ideas on how to develop their communities. What they require are the
6.4 Concluding Remarks

Information from rural Matagalpans confirms the theoretical contention in the development literature that social capital can be negatively impacted by the survival strategies that households adopt in response to SAPs. In their fight to maintain adequate levels of consumption, households are often forced to adopt strategies, such as migration, that can compromise the strength of the community.

Matagalpan citizens are becoming increasingly focussed on meeting their basic household needs, and as a result, have less time to reflect on the needs of the community. As workloads increase under SAPs, rural households have less time and energy to devote to the maintenance of social relations, networks, and communal supports. In addition, some households are choosing to engage in illicit activities out of desperation, which can adversely impact social cohesion. Matagalpans spoke of social breakdown, and expressed concern about rising levels of crime and other social problems in both their communities and country. High levels of rural out-migration and domestic violence indicate that rural Matagalpan communities are lacking cohesion. Developing sustainable community development initiatives under these conditions is difficult.

Although household and community breakdown is evident, there are also examples of new community initiatives that have emerged under SAPs. Some resilient peasant communities have drawn on their communal roots to initiate new community projects, resources, and in some cases, the capacity, to bring their ideas to fruition. The most effective NGOs will work in support of rural communities, rather than ‘for’ rural communities.
such as marketing and credit co-operatives. Perhaps the most promising factor for rural development in Matagalpa is the relatively optimistic outlook of rural youth. Many young people expressed confidence that their communities will become better places to live. However, despite the fact that young people represent a powerful force for community development, their aspirations are often ignored by policymakers, which drives youth to search for opportunities outside of rural areas.

The lack of access to education and meaningful employment, in both rural and urban areas, presents considerable barriers to long-term growth and development. As youth become increasingly disenfranchised in Nicaragua, as with the rest of Latin America, the prospects for sustainable economic development and social stability deteriorate. Therefore, a long-term strategy for sustainable development must include the perspectives, aspirations, and strategies of youth. Including young people in the development process will help ensure that development strategies are responsive to broader sectors of the population and inclusive of the needs and priorities of the next generation. Moreover, excluding rural youth from the development process can foster anti-social behaviour, anger, frustration, and poor social cohesion, none of which bodes well for future development.
Chapter VII - Perceptions of SAPS: General Impacts on Farming Families

The three previous chapters examined the impacts of SAPs on specific aspects of social reproduction: education, health care, and social capital. This chapter examines the impacts of SAPs on farming households in general. The opinions and perceptions of Matagalpans on the following topics are presented and analyzed: 1) major household problems; 2) major changes that have occurred under SAPs; 3) reasons for the problems and changes; 4) proposed solutions for the problems; and, 5) perceptions of the future.

7.1 The Major Problems Facing Matagalpan Households

The most significant problem identified by farming households in Matagalpa is their general lack of money, or household poverty (see table 28). Other considerable problems include: lack of credit; lack of health care and education services; lack of food, land, and work; high production costs and low revenues; and high levels of debt. The importance and severity of these problems varies for each household type and according to gender.

7.1.1 The Major Problems Facing Small-Scale Farming Households

More than half of small-scale farmers and their wives identified poverty as the major problem facing their household. Husbands and wives also agreed that the lack of access to health care is their third greatest problem. However, beyond these two issues, men and women demonstrate significant differences in their perceived importance of other problems (see table 28).
The men of small-scale farming households emphasized productive problems, such as the lack of credit, inputs, and land, while their wives emphasized household problems, such as the lack of food, education, health care, and adequate housing.¹ For example, 46.7 percent of small-scale male farmers noted the lack of available rural credit, while only 21.1 percent of small-scale farming wives identified this as a problem. In contrast, 42.1 percent of women noted the lack of food for household consumption compared to 24.0 percent of small-scale male farmers. Women also place a greater premium on education. Some 42.1 percent of women identified the lack of access to education as a problem compared to 21.3 percent of small-scale male farmers. Men and women also differ in their perceptions of problems concerning work and land issues. Significantly more women identified the shortage of paid work as a problem, most likely as a result of their higher unemployment rate and their need to counter declining household incomes by securing employment. Conversely, more men noted lack of land as a problem, reflecting their central role in production (see table 28).

While small-scale farmers and their wives generally identified the same problems, the frequency with which each gender mentioned these problems highlights their segregated gender roles. Women tend to be more concerned about meeting the reproductive needs of the household. Problems such as poverty and a lack of access to social services place many women under tremendous stress as they struggle to meet basic household needs and ensure the process of social reproduction with access to only deficient resources. Women explain that productive problems, such as a lack of access to credit and land, contribute to

¹ Chavez Metoyer (2000, p. 39) also noted that women in Nicaragua “tended to cast the discussion in terms of how changes affected their families, whereas men were inclined to describe changes in their economic
the lack of resources available for familial reproduction. However, because their primary role is to ensure social reproduction, problems that are directly related to the reproductive process are paramount. In contrast, because men’s principal role is to ensure agricultural production, they tend to be more concerned about problems that impact production, such as the lack of access to credit and agricultural inputs. Many small-scale farmers explained that solving these productive problems would lead to greater household income and subsistence food production, which would help resolve some of the reproductive problems that they identified, such as their lack of access to health care and education.

7.1.2 The Major Problems Facing Medium- and Large-Scale Farmers

The most significant problems facing Matagalpa’s medium- and large-scale farmers largely relate to production. For example, both medium- and large-scale farmers are highly concerned about their general lack of money and credit, high levels of debt, and insecurity in the countryside. Indebtedness and insecurity are significant problems to medium and larger farmers but are not of similar concern to small-scale farmers. High levels of debt among medium- and large-scale farmers have lead to significant downsizing in the sector. Some 27.5 percent of medium-scale farmers, and 36.4 percent of large-scale farmers reported that they downsized their agricultural operations considerably during the 1990s (see table 28). In most cases, the reduction occurred because they were unable to repay their loans and the bank seized their properties.²

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² High levels of indebtedness among medium- and large-scale farmers stem from loans obtained in the early to mid-1990s. They have been unable to repay these loans due to a combination of rising interest rates and poor agricultural conditions. Not only have producer prices fallen, Nicaraguan farmers have also been negatively affected by a series of poor climatic conditions, including drought and hurricane Mitch. The problem of indebtedness is not confined to Nicaragua. Farmers are struggling with high debt loads in various countries around the world. For example, the “El Barzón” movement in Mexico, which is
Indebtedness among medium- and large-scale farmers will continue to be a significant problem. Several survey participants commented that they were desperately trying to stave off foreclosure.  

The problem of insecurity in the countryside also ranked high among medium- and large-scale farmers, with 28.1 percent and 25.0 percent, respectively, identifying it as a problem (see table 28). In contrast, a relatively small percentage of small-scale farmers (6.7 percent) noted insecurity as a problem. This is likely because medium- and large-scale farmers are wealthier and are therefore more often targeted by criminals. Kidnappings and livestock robberies continue to be serious problems in rural Nicaragua, particularly for the larger farmers.  

Medium- and large-scale farmers also identified non-productive problems facing their households. The lack of access to education was the most frequently mentioned. Some 28.1 percent of medium-scale farmers, and 25.0 percent of large-scale farmers raised concerns about the accessibility and quality of education. The increasing cost of private, public, and higher education, as well as the deterioration in the quality of education, essentially asking for debt forgiveness, involves many heavily-indebted rural producers and urban homeowners. 

3 For example, an interview with a medium-scale farmer was interrupted when a group of people arrived unannounced on behalf of the bank to list all items of value in the house and around the farm in preparation for foreclosure and auction.

4 After the war ended in 1990, the Chamorro government promised land to the former combatants, Contras, and Sandinistas. The government has not yet fulfilled this promise. In response, some of the former combatants have protested by victimizing medium- and large-scale farmers. This is one of the reasons that large-scale farmers have homes in populated rural towns. If they lived on their farm permanently, they fear that they would eventually be kidnapped or robbed. The government's refusal to deal with the insecurity in the countryside is a point of frustration for many large-scale farmers.
education, are making it difficult for medium- and large-scale farmers to ensure that their children receive a good education.

The second most frequently mentioned household problem was the lack of access to health care, which was mentioned by 15.6 percent of medium-scale farmers and 15.0 percent of large-scale farmers (see table 28). Some producers indicated that accessing quality private health care is less difficult than accessing quality education (Juana Maria Buising: Interview #28, Matagalpa, May 26, 2000). This might explain why a larger percentage of farmers identified education as a problem. Overall, medium- and large-scale farmers expressed the same general opinion as their small-scale counterparts: resolving their productive problems would lead to greater household income, which would in turn resolve some of their household problems.

In general, the problems of greatest concern to medium- and large-scale farmers relate to agricultural production rather than to human resource development and household reproduction. Because the majority of those surveyed were men, their greater propensity to identify productive problems could be associated with their primary role as the household ‘breadwinner.’ However, medium- and large-scale farmers identified household problems with less frequency than small-scale farmers. This suggests that the larger-farm households have less trouble meeting their reproductive needs. While this may be the case at the moment, the survey information reveals that the ability of medium- and large-scale farmers to effectively secure a livelihood from farming is challenged by low agricultural prices; high production costs; and a lack of access to credit, inputs, and
international markets. Furthermore, half of medium- and large-scale farmers noted that their household income is low, and a significant proportion mentioned that they are carrying high levels of debt. The notable number of farmers having economic and production problems may be an important warning that the larger producers in Matagalpa could soon also face greater difficulty meeting their household reproductive needs. Some of these farming households could fall into the ranks of the ‘new poor,’ resulting in even greater poverty in the countryside.

7.1.3 The Major Problems Facing Female-Headed Households
The most significant problem facing female-headed households is poverty, which was mentioned by 76.0 percent of single mothers, and 73.2 percent of female heads with partners (see table 28). These percentages are significantly higher than those for any other household type, suggesting that, overall, female-headed households are more impacted by poverty than other household types. Female-headed households also had the highest proportion of respondents identify: lack of opportunities for paid employment, lack of access to land, and lack of access to education. Again, these problems reflect a strong need among female-headed households to generate greater household income, and their limited opportunity to do so. Interviews with female heads revealed that, for many of these women, educating their children is their only hope for a brighter future. However, due to high levels of poverty, children from female-headed households often face considerable barriers accessing and succeeding in school. The lack of access to education helps perpetuate poverty from one generation to the next.
7.2 The Major Changes Under SAPs

7.2.1 Small-Scale Farming Households: Perceived Changes to Household Welfare Under SAPs

According to small-scale farmers, the higher cost of living is the major change that occurred during the 1990s. While only 2.7 percent mentioned this change in 1990-1995, 22.7 percent of small-scale farmers explained that the cost of living increased in the second half of the decade. Other changes that occurred in the 1990s, particularly during the first half of the decade, include: decreased accessibility to credit (11.0 percent mentioned this in 1990-1995, and 9.3 mentioned it in 1996-2000); decreased accessibility to public services, particularly health care and education (15.1 percent and 8.0 percent, respectively); and decreased government support (11.0 and 10.7 percent, respectively) (see table 29). In the second half of the decade, small-scale farmers also mentioned that opportunities for employment decreased (9.3 percent), and NGO-supported enhancements to the community and/or household increased (33.3 percent) (see table 29). Their main perceived reasons for these changes, particularly in the second half of the decade, are: decreased government support (37.5 percent in 1990-1995 versus 41.8 percent in 1996-2000), increased government corruption (4.7 percent versus 22.4 percent, respectively), and the dramatic rise in prices for basic necessities (4.7 percent versus 14.9 percent, respectively) (see table 36). As a result of these changes, 17.3 percent of small-scale farmers reported ‘feeling poorer’ in the latter half of the decade (see table 29).

Small-scale farmers reported that significant negative changes occurred during the early years of the decade. They explained that cutbacks to health care, education, subsidies, and credit services immediately placed many small-scale farming households in
increasingly precarious situations (Martin: Interview #10, Nombre de Jesus, March 22, 2000; Elisa: Interview #15, Matiguás, April 6, 2000). Despite the fact that during the war, many small-scale farming households endured great hardship, such as heavy combat in their communities, food and medical supply shortages, and a loss of family and community members, almost half claim that their situation became worse after the fighting ended. Some 47.3 percent of small-scale farmers and their wives said that their life was 'worse' between 1990 and 1995 compared to what it was during the civil war of the 1980s (see tables 30 and 31).

In the second half of the decade, life improved according to 40.5 percent of male small-scale farmers (see table 31). This improvement is linked in large part to the proliferation of primarily non-governmental assistance projects in Matagalpa following hurricane Mitch. These projects have apparently succeeded in mitigating some of the negative impacts of the economic crisis and SAPs, at least in the realm of production.5

Interestingly, their wives do not report such significant improvement in the latter half of the decade. The percentage of wives that said their lives improved remained unchanged at 23.7 percent between the two periods of the 1990s, despite the fact that a significantly higher proportion of households participated in assistance projects during the second half of the decade. Some 36.8 percent of the wives reported that their household situation was the same in the latter half of the decade as it was in the first, and 39.5 percent reported that it deteriorated between 1996 and 2000 (see table 30). The fact that women did not
corroborate the optimistic opinions of their husbands suggests that they were not the primary targets or beneficiaries of these projects, or that they simply did not perceive a significant change to their household situation as a result of their household's participation in a project.  

7.2.2 Medium-Scale Farmers: Perceived Changes to Household Welfare Under SAPs

Overall, medium-scale farmers reported dramatic, negative changes in the 1990s, especially between 1996-2000. Many medium-scale farmers perceived a considerable rise in the cost of living (18.8 percent in 1990-1995 versus 53.1 percent in 1996-2000), reduced employment opportunities (9.4 percent versus 15.6 percent, respectively), and reduced government support (15.6 percent versus 25.0 percent, respectively). A significant percentage of medium-scale farmers also reported decreased access to rural credit in both periods (34.4 percent and 37.5 percent, respectively) (see table 29). As a result of these changes, 43.8 percent of medium-scale farmers 'felt poorer' in the latter half of the 1990s (see table 29). The majority of medium-scale farmers identified the decline in government support as the most critical contributing factor to the deterioration in their standard of living (65.5 percent mentioned this as a factor during 1996-2000). Other significant contributing factors, particularly during the later half of the decade, included: the rise in prices for basic necessities and productive inputs (17.2 percent during 1990-1995 versus 31.0 percent during 1996-2000), the increase in government

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5 Some 33.3 percent of small-scale farmers reported that NGO assistance benefited the community between 1996-2000 (see table 29). In addition, 70.0 percent of the small-scale farmers that participated in NGO assistance projects indicated that their life improved as a result of their participation (see table 35).

6 This could also support the argument that benefits are not shared equally in the household. Please note that although 23.7 percent of small-scale farming wives identified 'NGO assistance' as a major change in...
corruption (0.0 percent versus 27.6 percent, respectively), and their declining access to credit (6.9 percent versus 17.2 percent, respectively) (see table 36).

Unlike their small-scale counterparts, medium-scale farmers expressed little optimism. The lack of optimism among medium-scale farmers suggests that they are more sensitive to the negative impacts of SAPs because they are generally not targeted by assistance projects and, for the most part, have a relatively acceptable standard of living to lose.7 Without the benefit of external assistance, medium-scale farmers are finding it increasingly difficult to maintain their standard of living. Many farmers report they are losing ground. Almost half (46.9 percent) of medium-scale farmers said that their household situation deteriorated in the early 1990s compared to their situation in the 1980s. Some 65.7 percent reported that their situation deteriorated further between 1996 and 2000, with 43.8 percent indicating that their lives became ‘much worse.’ Only 6.3 percent stated that their lives improved slightly during the latter half of the decade (see table 32).

7.2.3 Large-Scale Farmers: Perceived Changes to Household Welfare Under SAPs

The large-scale farmers, like their medium-scale counterparts, noted a profound change to their standard of living in the 1990s. Both groups reported a considerable decline in their situations from the first half to the latter half of the decade. The percentage of large-scale farmers that reported negative change to their household situation increased dramatically. Some 35.0 percent perceived negative changes in 1990-1995 compared to the late 1990s, this was a general observation that more NGOs are operating in the community (see table 29), and does not necessarily reflect impacts to the household.
65.0 percent in the latter half of the decade. Of the 65.0 percent that reported negative change in 1996-2000, 50.0 percent noted that their situation was 'much worse.' In contrast, only 20.0 percent perceived that their situation had improved 'a little bit' (see table 33). Additionally, the percentage of large-scale farmers that reported feeling 'poorer' doubled between the two periods. Some 15.8 percent ‘felt poorer’ in the early 1990s and 40.0 percent ‘felt poorer’ in the late 1990s (see table 29).

The major changes that large-scale farmers identified in the 1990s are: decreased access to acceptable terms of credit (26.3 percent in 1990-1995, and 25.0 percent in 1996-2000), decreased government support (21.1 percent and 20.0 percent, respectively), and the higher cost of living (10.5 percent and 40.0 percent, respectively) (see table 29). The majority of large-scale farmers indicated that the decline in government support was largely responsible for the deterioration in their standard of living during the 1990s (61.1 mentioned this as a factor in 1996-2000) (see table 36). They also identified other contributing factors, such as higher prices for basic necessities and agricultural inputs (11.1 percent in 1990-1995, and 27.8 percent in 1996-2000), reduced access to credit (16.7 percent and 22.2 percent, respectively), and government corruption (0.0 percent and 33.3 percent, respectively) (see table 36). Because of the dramatic rise in negative perceptions among large-scale farmers, it appears that initially they were not as negatively impacted by the changes that affected small- and medium-scale farmers at the outset of the decade. Perhaps initially they were able to protect household welfare by cutting back on non-essential household items, borrowing money, or drawing on savings.

7 The larger farmers are often not the beneficiaries of international assistance projects because of their better standard of living relative to the highly impoverished campesino class.
The sharp contrast between their perceptions of the first half of the decade compared to the second suggests that many large-scale farmers have exhausted their protective strategies and are starting to feel the negative impacts of adjustment.

Despite a dramatic rise in negative perceptions, in general, fewer large-scale farmers, in comparison to small- and medium-scale farmers, mentioned cutbacks to social services as a significant problem or change (see table 28 and 29). For the most part, it appears that large-scale farming households have so far largely succeeded in protecting themselves from the negative impacts of social service cutbacks. However, the survey data reveal that production levels of some large-scale farming operations have declined dramatically, which could eventually lead to declines in the quality of household health care and education. Although many large-scale farmers indicated that their quality of life decreased because they cut back on non-essential items, such as recreational and entertainment activities, an alarming percentage of large-scale farmers reported that their quality of life decreased because the bank seized all, or a substantial portion of their assets. Some 36.4 percent of large-scale farmers downsized their operations considerably.

Unsustainable debt levels are a problem for farmers in Nicaragua, particularly among medium- and large-scale farmers. Farmers have been impacted on several fronts. A considerable negative impact was the bankruptcy of the National Bank in the early 1990s. The National Bank catered to the agricultural sector and provided low interest loans throughout the 1980s. After its closure, financing options for farmers became limited to high-interest, usually short-term loans from commercial banks. While small-scale farmers were able to secure loans from the National Bank, the criteria of commercial banks has virtually eliminated loans to small-scale farmers. At the time of the National Bank’s closure, many farmers, particularly large coffee farmers, were in the middle of multi-year expansion plans financed by loans from the National Bank. The Bank disbursed a portion of the loan on an annual basis over a defined period of time. When the National Bank closed, loans were called prematurely, which left farmers unable to complete their expansion and realize a sufficient return on their investment. Many farmers are still struggling to pay back these loans. Other negative impacts include low commodity prices, international barriers to trade, inflation, and environmental problems. For example, the beef industry has suffered from declining prices, drought, and stricter international controls. The dairy industry was adversely affected by the closure of the pasturization plant in Nicaragua. Farmers are unable to pasturize their milk, and therefore cannot export it. The cotton industry was affected by substantial declines in commodity prices in the early...
during the 1990s (see table 28). Several other large-scale farmers advised that their future was uncertain due to extremely high interest rates, low commodity prices, and their considerable debt load. If bankruptcy continues to plague the agricultural sector, the health care and education of large-scale farming families could eventually be negatively impacted. 9

7.2.4 Female-Headed Households: Perceived Changes to Household Welfare Under SAPs

Female-headed households also reported significant negative change in the 1990s. Basic household needs became increasingly difficult to meet during the 1990s because employment opportunities decreased (12.0 percent mentioned this in 1990-1995, and 32.0 percent mentioned this in 1996-2000), the cost of living increased significantly (8.0 percent and 52.0 percent, respectively), and access to social services decreased (36.0 percent and 28.0 percent, respectively) (see table 29). As a result of these changes, the percentage of single mothers that identified their situation as 'much worse' doubled to 24.0 percent in the second half of the decade (see table 34). Some 28.0 percent reported 'feeling poorer' in 1996-2000 (see table 29). While many of the problems that female-headed households face are not new, the intensity of their problems and the percentage of households affected increased in the last decade.

Like other household types, female heads most frequently mentioned the decline in government support as the reason for negative change in the 1990s. Some 33.3 percent of

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9. 1990s, forcing many into bankruptcy. Hurricane Mitch also left many farmers in precarious situations. In several cases, entire crops and sections of land were destroyed. With no profits for that year and a reduced growing capacity, many farmers are at a loss as to how they will ever make the payments on their loans.
single mothers identified the lack of government support as a contributing cause to the negative changes in their lives between 1990 and 1995, and 37.5 percent identified poor government support as a factor between 1996 and 2000 (see table 36). The second most frequently cited reason was the lack of work (16.7 percent and 20.8 percent, respectively). A greater percentage of female heads mentioned the lack of work compared to any other group. Clearly, a priority for government and non-governmental organizations working with female heads should be to remove barriers and assist their entry into the formal labour market.

The positive impact of women’s participation in various development projects highlights the potential benefits that increasing and improving women’s labour market participation could bring. Some 68.4 percent of female heads that are involved in development projects indicated that aspects of their lives improved as a result of their involvement (see table 35). In most cases, the projects supplied women with training, credit, and other productive resources, enabling them to generate an income by producing for the market. While it is encouraging that the projects helped mitigate the impact of some of the negative changes that female heads identified, the large majority of female heads fall outside of these programs. For the majority of women who do not have access to credit, training, adult education programs, or other types of support, the 1990s was a decade of decline.

9Gustavo Toruno, a spokesperson for UNAG, stated that the seizure of agricultural properties is the equivalent of an ‘agrarian counter-reform’ that will lead to higher unemployment, poverty, and crime ("Gobierno Prepara,"1996).
7.3 The Primary Reasons for Negative Change

Overall, farmers in Matagalpa identified 'less government support' and 'government corruption' as the two most significant reasons for the negative changes that occurred in their lives between 1996 and 2000. Of the eight reasons cited by farmers, corruption increased dramatically in importance through the decade. It was hardly mentioned by farmers when referring to the 1990-1995 period. However, it became the second most frequently mentioned reason by small- and large-scale farmers for decreased living standards during the later half of the decade, and the third most frequently mentioned reason by medium-scale producers. Only 4.7 percent of small-scale farmers noted corruption during 1990-1995 compared to 22.4 percent for 1996-2000. Similarly, no medium- or large-scale farmers mentioned corruption during the 1990-1995 period. For the period between 1996-2000, 27.6 percent of medium-scale farmers, and 33.3 percent of large-scale farmers cited government corruption as a reason for the decline in their standard of living (see table 36).

The combination of reduced government support and rampant government corruption is fuelling frustration and anger among the rural population. While corruption is historically rooted in Latin America’s political structures, many Nicaraguans argue that the magnitude of corruption has increased exponentially in the last decade. Traditionally, a certain level of corruption has always been tolerated, even accepted, as part of politics. However, the recent flagrant abuse by politicians of their political positions has lead to greater awareness and sensitivity among Nicaragua’s poor of growing class polarization.

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10 Also, some of the initiatives provided female heads with greater access to social services and adult education.
and their increasingly marginalized position in society. Vukelich (1999, p. 25) notes that, in Nicaragua, the “rather fatalistic attitude of ‘everybody steals’ is, albeit slowly, undergoing a transformation to ‘everybody who steals is stealing from me.’” The poor argue that the government has largely abandoned and excluded them from social and economic progress. This has perpetuated widespread feelings of alienation. Campesinos refer to “us” and “them,” where “them” is the government and the wealthy class. Rogelio Ochoa Salgado, a small-scale farmer, said:

There is a lot of corruption at the government level. We have no confidence in the government. Development depends on a good government that would be impartial to all Nicaraguans. Right now I do not see much of a future for Nicaragua, particularly in the social aspect. The country is broke. We need a government that thinks about developing the country! There are big, big differences between the political elite and the masses (Rogelio Ochoa Salgado: Interview #3, El Naranjo, March 8, 2000).

Similarly, Pia Andano, a female basic-grain producer, said:

The difference today, like I’ve already said, is that the government that we have in power does not listen to the voice of the campesinos. It only listens to the voice of its friends, or the millionaires, but for us, the campesinos, no! Our voice is not heard (Pia Andano: Interview #21, San Marcos, April 23, 2000).

The uneasy relationship between the rural poor and the national government does not bode well for the development of political and social equality, a healthy and functioning democracy, or a socially cohesive society. A number of development analysts and citizens in Nicaragua commented that the combination of unbridled corruption and deepening poverty could very well lead to a second revolution.11

11 This sentiment was frequently expressed in interviews (Douglas Stuart: Interview #25, Matagalpa, May 19, 2000; Carols Ruiz: Interview #22, Matagalpa, May 8, 2000; Luis Blandino: Interview #30, Matagalpa, May 27, 2000; Jose Picado: Interview #35, Matagalpa, June 3, 2000).
Analysts have linked political corruption to neoliberalism by highlighting the fact that World Bank lending policies are largely determined by the political agenda of the U.S. administration, other Western powers, and allied Third World local elites linked to transnational capital (Brohman, 1995; Ruccio, 1991). Although the World Bank does not explicitly seek to support corrupt regimes, lending is facilitated to countries that are aligned with U.S. economic interests despite records of pervasive human rights abuses, corruption, and other undemocratic practices (Brohman, 1995). Such regimes can maintain power even if there is widespread disapproval from the electorate because of their affiliation with multilateral lending institutions. Citizens that are inclined to vote for a party that represents an alternative to the neoliberal agenda are quickly reminded of the potentially painful consequences that a reduction in international loans would bring. Lending is often drastically reduced or denied altogether to countries that are at odds with U.S. foreign policy (Brohman, 1995). In Nicaragua’s last election, the Sandinista party appeared positioned to win the national election. However, President George W. Bush’s claim that the Sandinista party is linked to terrorists, and his promise that a Sandinista victory would lead to Nicaragua’s classification as a ‘rogue’ state, as well as a potential embargo, likely contributed to the Sandinista Party’s eventual defeat.

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12 Although article IV, section 10, of the World Bank statutes stipulates that only economic influences can influence the decisions of the Bank and its representatives, the prohibition of looking at ‘political’ and ‘non-economic’ factors in the Bank’s operations has been systematically violated. Brohman (1995) notes that both the IMF and World Bank have been subjected to regular interference from the USA and other major Western contributors advocating ideological and geopolitical considerations. For example, during the 1980s, countries that were at odds with US foreign policy such as Cuba, Mozambique, Nicaragua, and Vietnam, had their lending programs reduced or discontinued. At the same time, lending was maintained or increased to countries aligned with US interests such as Chile, El Salvador, Guatemala, Cote d’Ivoire, and Zaire, despite undemocratic practices and poor human rights records.

13 Recently, the World Bank and other multilateral lending institutions have attempted to address the issue of corruption in recipient countries. As part of their loan conditions, they are asking recipient governments to increase their ‘transparency.’ However, some recipient countries view this as a way for lending countries to advance their geopolitical agenda. For example, if a lending country does not want to lend money to a
Because the neoliberal development agenda is linked to the ideological and geopolitical interests of the Western powers and transnational capital, the local interests of the popular majority in many developing countries are often not adequately addressed by their national governments. Even in situations where a national government aims to act in the interests of the poor majority, it will have limited success in doing so if these interests run counter to the West's agenda. World Bank loan conditions impose restrictions on borrowers. Thus, governments in developing countries are often unable to determine development policies according to local needs, values, and traditions for fear of losing access to desperately needed loans (Brohman, 1995). Instead, development strategies are determined by outside interests; the flow of knowledge is one-way and top-down, which precludes the exchange of development methods and ideas between the North and the South (Brohman, 1995).

In addition to the West's interference in World Bank lending practices, some observers also argue that neoliberalism is fundamentally at odds with democracy (Chavez Metoyer, 2000; Close, 1999; Roxborough, 1992). They argue that countries under authoritarian rule tend to have better success with SAPs because social opposition is more easily repressed.¹⁴ Close (1999, p. 128) notes that:

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¹⁴ The United Nations Development Programme (UNDP) argues that multilateral donors prefer to work with authoritarian regimes: "Nor have multilateral donors seemed to be overly concerned with such considerations [as democracy]. Indeed, they seem to prefer authoritarian regimes. They argue without batting an eyelid that such regimes promote political stability and are better able to manage the economy."
Governments that concentrated decisional power in the hands of an executive that operated with a high degree of independence from the legislature were the most effective in implementing SAPs. It seems, therefore, that applying a structural adjustment program might well conflict with the sorts of policies and practices that are needed to build constitutional democracies, particularly creating a strong and independent representative assembly that is able to hold the executive accountable for its actions.

The relationship between ‘progress’ in SAPs and authoritarian rule is also evidenced by the fact that, in some cases, democratically elected leaders have needed to assume an authoritarian style of leadership to counter social uprisings that resulted from the ill effects of SAPs. Also, some democratic countries, such as Bolivia, legislated SAPs by decree rather than by democratic consensus, forcing the neoliberal development agenda on its wary citizens. Rather than foster stability, SAPs may be a destabilizing force in many countries around the world, particularly to democracies. How long will citizens tolerate a development agenda dictated by outsiders, particularly when they perceive their lives to be growing steadily worse?

The frustration with the imposed neoliberal development agenda is highly evident in Nicaragua. There is considerable opposition to SAPs in the countryside because the neoliberal development strategy is widely perceived as contributing to increasing polarization. SAPs are perceived as a development strategy for “the rich,” “the millionaires,” “the bankers,” and “the politicians;” a view that has likely been fuelled by rampant corruption. Numerous survey participants from small-, medium-, and large-scale

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When Bangladesh and the Philippines ended martial law, their respective share in overall World Bank loans fell” (cited in Toussaint, 1999).

15 For example, in Ecuador in 1985, the government increased the price of gasoline by 67 percent and bus fares by 50 percent to reduce the budget deficit. The main trade union called for a two-day strike. Clashes
farming households lamented the fact that their government has no national strategic development plan. According to Ms. Jacinta Saenz, a director of the NGO ODESAR:\[^16\]:

*The impact of SAPs is completely negative because SAPs do not support the development of the poor and their communities. SAPs function in favour of the elite class. A neoliberal government does not work in favour of the poor, the dispossessed, or the hungry. It works in favour of big capital. It works to consolidate the power and dominance of neoliberal politics—it has no interest in working for the campesino sector. Our government operates like we are a developed country already. It invests in fancy water fountains for the capital. But what this government has at its base is a country dying of hunger (Jacinta Saénz: Interview #29, Matagalpa, May 26, 2000).*

The argument that more time is needed for adjustment policies to result in increased benefits to the poor would likely find little support in rural Matagalpa. Overall, those in the farming sector associate SAPs with advancing the interests of global capital and the local elite, and not the average citizen. This widespread sentiment has resulted in indifference to traditional democratic structures and processes. Several Matagalpans expressed that it makes little difference whether the Sandinista or Liberal party is in power because both parties will operate according to international interests and neither party will resolve their problems.

### 7.4 Proposed Solutions

All household types identify the same top three solutions for their problems: 1) increase international aid and development projects; 2) change the government and current government policies; and 3) increase access to low-interest, long-term credit.

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\[^16\] between police and protestors resulted in seven deaths. President Cordero managed to stay in power because of military backing (Toussaint, 1999).
7.4.1 Solutions Proposed by Small-Scale and Female-Headed Farming Households

Female-headed and small-scale farming households predominately look to international development projects and international aid to resolve their major problems. This likely stems from their marginalization and distrust of the national government. Rural development projects are often the only mechanism by which small-scale producers can access credit, training, markets, and other productive inputs. The high interest rates, numerous requisites, and inflexible terms of Nicaragua's banks make it extremely difficult and highly risky for small-scale producers to access loans. Although female-heads and small-scale producers identified that a change in government could bring a new set of policies, the widespread distrust and cynicism towards the government has led to resignation among small-scale farming households that a “government for the poor” is unlikely to return to Nicaragua short of another revolution. Therefore, the poor look towards international financial and technical support to bolster community development efforts and grassroots initiatives. They argue that projects that build capacity within their communities will help resolve their poverty and marginalization. However, several farmers involved in such initiatives commented that much greater support is needed. They explained that many projects serve only one need, such as providing lower-risk credit. While this can result in important benefits, it is not enough to elevate small-scale farming households from poverty. Instead, integrated services and strategies that assist farmers on several fronts, such as finance, production, and commercialization, as well as health, education, and other household needs are required (see table 37).

ODESAR works with campesinos in Matagalpa in the areas of production, financing, and commercialization.
7.4.2 Solutions Proposed by Medium- and Large-Scale Farmers

While medium- and large-scale farmers also view international aid and the expansion of development projects as possible solutions, the majority argue a change in government is necessary to resolve many of their problems. Medium- and large-scale producers are much more likely than small-scale farmers to condemn the government for the negative changes that occurred in the 1990s. For example, 61.3 percent of medium-scale farmers state that a change in government is necessary to resolve the current situation, compared to only 22.7 percent of small-scale producers (see table 37).

On the whole, medium- and large-scale farmers expressed a feeling of betrayal by their government. Many of these farmers were particularly badly hit during the civil war of the 1980s. Both the Sandinistas and Contras stole considerable amounts of livestock from the larger farmers to help sustain their armies (Ulises Alm: Interview #13, Matiguás, April 5, 2000). Farming was often impossible amidst the fighting. With the onset of peace in 1990, many medium- and large-scale farmers looked forward to replenishing their livestock and returning to full-scale production. However, the implementation of SAPs presented several new challenges that have ultimately led to significant downsizing and foreclosure in the medium- and large-scale agricultural sector. The dramatic rise in cost for agricultural inputs coupled with low commodity prices has virtually removed the profitability from farming for all but the largest agro-industrial operations (Bryceson et al, 2000c; Clemente Valdiva: Interview #12, Río Blanco, April 4, 2000). With little support from government and non-governmental organizations, medium- and large-scale farmers have been left to fight for their survival. Their increasingly precarious situations
have led to widespread demand for a change in the government’s current economic strategies. They are calling for a strategic and sustainable strategy for rural development in Nicaragua. Without this, some medium- and large-scale farmers argue that the liquidation of their farms is imminent.

7.5 Visions of the Future

The widespread frustration with the government’s neoliberal development strategy is reflected by survey participants’ views of the future (see table 38). Roughly half of Matagalpan farmers see little future for the country. Overall, medium- and large-scale farmers are more pessimistic about the future than small-scale farmers. Women tend to have more despairing opinions than men. Some 25.3 percent of small-scale male farmers, 15.6 percent of male medium-scale farmers, 30.0 percent of large-scale male farmers, and an alarming 40.0 percent of female-heads do not envision a better future for Nicaragua, under any circumstances. Another 20.0 percent of small-scale male farmers, 68.8 percent of medium-scale male farmers, 40.0 percent of large-scale male farmers, and 16.0 percent of female-heads do not see a future for Nicaragua if the current (neoliberal) government is not changed. While 53.3 percent of small-scale male farmers express some optimism for the future, only 15.7 percent of medium-scale male farmers, 30.0 percent of male large-scale farmers, and 36.0 percent of female-heads expressed the same sentiments. The frustration, anger, and despondency expressed by numerous Matagalpans do not bode well for rural development. In many interviews, farmers conveyed feelings of defeat. Plans to rebuild and develop the countryside after years of marginalization, war, and
conflict will be challenged by the lack of confidence in both Nicaragua’s leadership and its current development strategies.

7.5.1 Small-Scale Farmers: Visions of the Future

Small-scale farmers do not convey great optimism for the future. However, their vision of the future is buoyed somewhat by the expansion of development projects into certain parts of the Department. The increase in the number of development projects in the region since hurricane Mitch has resulted in a greater number of small-scale farmers coming into contact with such projects. In general, farmers that participated in development projects were more optimistic about the future than those who had not participated. In some cases, even when a farmer had not participated in a development project, he still predicted a positive future for Nicaragua because he and his community could become beneficiaries in the future. Therefore, the expansion of development projects is likely a contributing factor to the greater optimism among small-scale farmers. In addition to their prevailing confidence in development projects, small-scale farmers also exhibited fatalistic attitudes. In a number of cases, small-scale farmers forecasted that Nicaragua will have a better future because “it has to,” or “it can only improve.”

7.5.2 Medium- and Large-Scale Farmers: Visions of the Future

In contrast, medium- and large-scale farmers do not share the same expectations of non-governmental organizations. Because medium- and large-scale farmers are generally not

17 Some 70.0 percent of the small-scale farmers that participated in a project reported that their life improved to some extent as a result of their participation in the project (see table 35).
18 Some 21.3 percent of small-scale male farmers argued that Nicaragua will have a better future because of assistance from non-governmental organizations (see table 38).
targeted by development projects, their responses are presumably more reflective of the considerable negative change and duress that many households have faced under SAPs. Lack of outside support leaves the larger farmers with less hope for the future. Furthermore, although Nicaraguan culture tends to espouse fatalistic attitudes, medium- and large-scale farmers have generally not endured the marginalization and poverty of small-scale farmers. Therefore, they are slightly more prone to connect recent negative changes in their standard of living to specific government policies, rather than to view it as their lot in life, or as a consequence of general abandonment by the government.\textsuperscript{19} Overall, the larger farmers, particularly medium-scale farmers, are frustrated and unhappy with their government's neoliberal approach to development. The majority argue that a radical change in government policy is necessary for a better future.

7.5.3 Female-Headed Farming Households: Visions of the Future

Single mothers are the most pessimistic about Nicaragua's future (see table 38). Some 40.0 percent reported that Nicaragua has no promise for the future, under any circumstances. In comparison, 25.3 percent of small-scale male farmers responded that Nicaragua has no future. Some 36.0 percent of single mothers indicated that they had hope for the future. However, 16.0 percent of these women based their optimism on the expansion of international aid and project assistance. The greater prevalence of negativity among single mothers is likely a reflection of their poverty and abandonment. Not only do female heads feel abandoned by the government, they have also been abandoned by

\textsuperscript{19} Several small-scale farmers also identified specific policy changes such as the removal of subsidies for gasoline, credit, and inputs, and the cutbacks to health care and education services. However, in general, more medium- and large-scale farmers tended to connect their present situation to specific economic
their male partners. In several interviews, female heads conveyed their anxiety about the overwhelming responsibility of raising children on their own. Without an adult male present to assist with agricultural production and familial reproduction, female heads are burdened by their multiple roles as farmers, labourers, mothers, and household heads. The challenge of being a lone parent, combined with the lack of public assistance or safety nets, leaves many women with uncertain, despondent views of the future.

### 7.6 Concluding Remarks

According to farming households in Matagalpa, SAPs have compromised their ability to generate financial, human, and social capital, which has adversely impacted the reproductive process. The combination of lower household incomes, public sector expenditure reductions, and the removal of safety nets has placed many farming families and communities in increasingly precarious situations. All household types conveyed anxiety and deep concern for the future. Widespread frustration with the government and neoliberal development strategies is contributing to political and social decay. Rural Matagalpans are calling for a long-term, strategic rural development strategy, and an end to rural marginalization and alienation. The lack of attention paid to especially small- and medium-scale production in neoliberal growth strategies must be addressed if Nicaragua is to realize its development goals.
Chapter VIII – Conclusion

Analysis of the collective perceptions and opinions of rural farming households in Matagalpa provides evidence that the social reproduction of farming families has been negatively impacted by SAPs. The information presented in this thesis indicates that the farming household has been negatively impacted by fiscal austerity, which could result in permanent damage to the health and education of rural children in Nicaragua. Although the economic crisis and civil war of the 1980s compromised social reproduction and human resource development, the testimonies of rural Matagalpanos support the theoretical contention in the development literature that SAPs have led to further imbalances in the process of social reproduction.

This chapter summarizes the analysis and arguments presented in this thesis. Section 8.1 responds to the research aims and objectives posed at the outset of this thesis. Although outlining an alternative strategy for development is beyond the scope of this thesis, Section 8.2 presents key priorities that must inform any theory or strategy for development.

8.1 Summary

8.1.1 The Major Changes to the Social Reproduction of Matagalpan Farming Households

A significant percentage of farming households reported that the process of social reproduction was negatively impacted during the 1990s because of overall declines to their standard of living. By the latter half of the 1990s, more than 35 percent of small-
scale farming households, and more than 60 percent of medium- and large-scale farming households indicated that their quality of life had deteriorated. All household types explained that social reproduction was negatively impacted by harmful changes to both productive and reproductive spheres. Although some changes were perceived to be more relevant by some household types compared to others, the following negative changes were widely identified by all groups: 1) lower household incomes and decreased household purchasing power; 2) public sector expenditure reductions; 3) lower nutrition and/or food consumption levels; and, 4) increased levels of stress, anxiety, and work. These negative changes are reviewed below.

Survey respondents reported that SAPs negatively impacted household income levels by negatively impacting production. According to Matagalpan farmers, agricultural production has been adversely impacted by: the reduction in the availability of credit; the elimination of subsidies for electricity, gasoline, and other productive inputs; and the removal of tariffs and other import restrictions, which allowed subsidized products from international producers (e.g. Mexico and the United States) to flood Nicaragua’s market. As a result, farmers in Matagalpa are finding it increasingly difficult to obtain an adequate household income from agricultural production. Household income levels and household purchasing power have also been negatively impacted by wage freezes, general layoffs and high levels of unemployment, the elimination of subsides on basic goods, and price increases for basic foodstuffs and public services. Lower household incomes have negatively impacted the ability of households to reproduce themselves and their communities. Parents and children from Matagalpa reported that by compromising
household production, SAPs have subsequently: decreased their access to health care and education services; intensified and increased the work burden for all household members, especially for women and children in poor households; increased incidences of family and community breakdown; increased levels of worry, anxiety, and stress in the household; and decreased household food consumption and nutrition levels.

Rural households report that public-sector expenditure reductions under SAPs have negatively impacted the quality and accessibility of health care and education services in Matagalpa. Budgetary resources have not kept pace with population growth, leaving the social services sector overburdened and underfunded. The introduction of user fees and the move towards privatization of services has compromised accessibility for a considerable number of poor rural children. In addition, children and adolescents from all household types are negatively impacted by declines in quality. All types of households expressed many of the same concerns and problems with health and education, despite having different socioeconomic backgrounds. Many Matagalpans noted that the poor quality of rural public education effectively bars its students from pursuing dynamic, high-paying careers. Similarly, poor sanitary practices in local health facilities and the lack of medical personnel, equipment, and medicines in rural areas compromise the health care and well-being of young Matagalpans. Although small-scale farming households tend to be disproportionately impacted due to their limited ability to withstand external shocks, such as the introduction of user fees, medium- and large-scale farming households also reported increasing difficulty in ensuring that their children
develop adequate human resources. This indicates that a significant proportion of the population is having greater difficulty ensuring the process of social reproduction.

Some farming households explained that food consumption and nutritional levels were negatively impacted in the 1990s by the elimination of subsidies for basic foodstuffs, the rise in prices for basic household products, and the decline in household incomes. More than 40 percent of small-, medium-, and large-scale farming households and female-headed households reported that food or nutritional levels declined in their households between 1996 and 2000. Several serious and long-term health problems can result from a household’s inability to meet its dietary needs, particularly for children, who are less able to withstand periods of malnutrition. Traditionally, the poor are more affected by dietary deficiencies. The fact that a considerable number of medium- and large-scale farming households from Matagalpa reported declines to household food consumption and nutritional levels is alarming, as it indicates that dietary deficiencies are becoming a problem for broader sectors of the population.

Matagalpans of all ages and backgrounds reported increasing household levels of stress and anxiety. The poor economic situation has challenged the ability of households to meet their basic needs, which has generated feelings of depression and unease about the future. All household types indicated that workloads have intensified as household members struggle to maintain their standard of living under SAPs. While some survey respondents reduced entertainment and recreation in an effort to counter declining household incomes, the majority employed survival strategies such as selling key assets,
increasing the length of the work-day, and increasing the number of wage-earning household members, thereby reducing other aspects of welfare. The intensification of workloads is arguably the most significant change to the sphere of social reproduction. Under SAPs, the government’s role in assisting the process of social reproduction has been systematically off-loaded onto the household, and especially onto women. The burden of ensuring familial reproduction in the context of fiscal austerity, which has significantly eliminated safety nets and public-sector support, has overwhelmed many rural households and subsequently compromised their ability to maintain household health, education, and food-consumption levels.

8.1.2 Changes to Children’s and Adolescent’s Access to and Use of Education and Health Care Services

The majority of survey respondents reported mostly negative changes to children’s and adolescent’s use of public services in the 1990s. In particular, both parents and youth reported that, for the most part, the quality and accessibility of health and education services declined. While some respondents indicated that quality and accessibility to public services improved with the onset of peace in the 1990s, this was not a widely shared view. Instead, small- and medium-scale farming households, and female-headed households, expressed particular concern about government cutbacks to health and education, and the implementation of fees for services. The survey data reveal that accessibility to school is a considerable concern for children from poor households. Both parents and children from small-scale farming households explained that the introduction of school fees and the transfer of costs for books, school materials, and teaching supplies from the state to the household has negatively impacted children’s access to education.
Although children from higher-income, large-scale farming households have generally been less impacted by higher costs for primary education, the decline in the quality of public education has motivated an increasing number of parents to enrol their children in private schools. For those families that are unable to afford private education, the poor quality of teachers and school facilities is a considerable source of angst. Similarly, the deterioration in the quality and availability of medical care in rural areas has encouraged a rising number of households to seek private health services. As a result, the use of health care has become increasingly segmented; the financially able select higher cost, better quality care, while the poor are left with an underfunded residual public-health sector.

The decline in accessibility to good quality health and education services for a significant number of rural children and adolescents in Matagalpa has negative ramifications for the process of social reproduction. The development of human resources is a key component of social reproduction. If households are not able to guarantee minimum levels of health and education for their children, the next generation of adults invariably suffers. Human resource development is not only necessary for improving productivity, economic growth, and development, it is also essential for the creation and maintenance of social capital, democracy, tolerance, and equity (Minujin & Perczek, 2001).

8.1.3 The Differential Impacts of SAPs

According to the research from Matagalpa, the impact of SAPs on social reproduction can be differentiated according to both gender and class. However, the significant finding
of this research is that almost all rural classes are struggling to maintain household consumption levels under SAPs. There is an assumption in the development literature that, although the poorer classes have been negatively impacted by SAPs, the neoliberal model at least works in favour of the larger producers. Neoliberal economists justify negative impacts to the poor by maintaining that the added pain of fiscal austerity will be short-term, and that the poor will prosper in the long-term as the benefits of economic growth in some sectors ‘trickle down’ through the entire population. However, the large percentage of medium- and large-scale farmers that reported significant negative impacts to both household production and reproduction in Matagalpa raises the question as to whether SAPs have led to enhanced productivity and greater economic returns for any rural producers. If – as the data from Matagalpa suggests - the negative impact of SAPs on social reproduction extends beyond the impoverished population to virtually all rural classes, the long-term developmental aspirations of Nicaragua will invariably be compromised.

Not only are larger producers struggling to maintain household consumption levels, medium- and large-scale farmers collectively reported greater negative change to their household situation compared to small-scale farmers. Although a considerable percentage of small-scale farmers also noted declines to their standard of living in the 1990s, they collectively perceived less negative change. This is likely because small-scale farming households have historically endured high levels of poverty. Households that have a long history of deprivation may not perceive significant negative change to their lives, as
they already have a poor standard of living. Even though the FSLN made considerable policy changes in favour of the poor, the civil war largely offset positive changes for many poor households. In addition to the influence of poverty on perceptions, some small-scale farmers’ perceptions were positively influenced by the benefits of their participation in development projects and the expansion of NGOs into the region.

In contrast, medium- and large-scale farming households experienced significant declines in their standard of living because their earning potential as agricultural producers declined under SAPs. According to medium- and large-scale producers, the combination of high interest rates and low commodity prices significantly reduced revenues. This has been compounded by the fact that Nicaragua’s markets are flooded with subsidized import products from protected First World markets. Fernando Mansell, a large-scale producer, expressed the sentiments of many producers:

*We have practically no access to long-term credit and limited access to international markets. Production costs are very high and the people in Nicaragua are very poor. The poverty impacts the domestic market – poor people consume very little of what we can produce. Also, it is difficult to compete against subsidized imports in our domestic market* (Fernando Mansell: Interview #31, San Isidro, May 28, 2000).

While many large producers spoke at length about the negative impact of neoliberal policies on agricultural production, a substantial number also indicated that reproductive aspects of the household were subsequently negatively affected by reduced household income and public-sector expenditure reductions. In particular, large-scale farmers expressed concern about ensuring their children’s access to quality education, particularly

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1 Haddad, Brown, Richter and Smith (1995, p. 882) argue, “low utilization of these [social] services makes the poor potentially less vulnerable to the social sector spending cutbacks likely to accompany stabilization.”
at higher education levels. If high incidences of foreclosure continue in the large-scale agricultural sector, the number of households reporting negative change to human resource development, and to the social reproduction of the household, will inevitably grow. The fact that most Nicaraguan farmers cannot compete effectively, due largely to First World protectionism, suggests that instability will continue to plague the country as people abandon the countryside in potentially crisis proportions.

Although medium- and large-scale farming households perceived considerable declines in their living standards through the 1990s, small-scale farming households continue to be disproportionately impacted by certain macroeconomic reforms due to their limited capacity to withstand external shocks. Consequently, women and children in poor farming households tend to be more negatively impacted by public-sector cutbacks than women and children in wealthier farming households. Specifically, women from poor households are disproportionately impacted by public-sector expenditure reductions and other austerity measures because: 1) poor households spend a greater proportion of income on essential goods and services, and have limited ability to use savings or borrow to off-set reductions in income; and, 2) poor households are generally unable to afford

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2 It is noteworthy that this survey was conducted before the coffee crisis, which began in 2001. The crash in the international price for coffee led to more foreclosures among medium- and large-scale farmers and greater poverty in rural Matagalpa. Therefore, if this survey were to be repeated today, it is highly probable that the responses from farming families would be even more negative.

3 In general, women are differentially impacted by SAPS because of the sexual division of labour. Women are responsible for administering the household on a daily basis, which means that they are disproportionately impacted by subsidy reductions to health care, education, electricity, public transport, and basic foodstuffs because they are responsible for ensuring that household needs are met despite the limitations. The conflict and anxiety over what to eliminate from household budgets frequently lead to an intensification of domestic work (Bakker, 1994). This often occurs in a context of greater demands on their time for increased participation in the remunerated labour force, placing women under the 'double burden' of both domestic and paid work. While many men have also been required to increase the length and intensity of their workday, women's dual responsibility for production and reproduction ensures that they are disproportionately negatively impacted by SAPS.
hired help, particularly for domestic purposes. Because they have limited options to cut back on non-essential goods and services, poor households often engage in survival strategies that intensify women’s work. In contrast, high-income households spend a greater proportion of income on non-essential goods and services, and are therefore able to reduce spending without compromising access to essential goods and services or by sacrificing non-financial aspects of welfare, such as increasing women’s workloads. Additionally, the vast majority of high-income households in Latin America employ domestic servants to assume household chores and responsibilities, which releases the women of these households from the considerable and overwhelming workload of poor women. Women from high-income households are also less likely to be engaged in unhealthy, strenuous, or dangerous informal sector work because high-income households often have higher levels of human capital skills that can be used to earn income in the formal labour market. Interviews with women in Matagalpa revealed that women from all household types are anxious about their household economic situation. However, women from poorer households, and particularly female-headed households, reported being overwhelmed and exhausted by their responsibility to meet household needs.

4 For example, a high-income household can protect its access to private health-care services by cutting back on the purchase of processed foods, non-essential clothing, and entertainment activities. Also, high-income households are more likely to invest in technologies that reduce the amount of time spent in domestic work. For example, electric stoves reduce the amount of time spent searching for firewood. Similarly, accessible potable water, or on-farm wells, reduce the amount of time spent walking long distances to fetch water.

5 While women and girls are generally responsible for meeting increased levels of domestic work under SAPs, young boys can be differentially impacted as well. The sexual division of labour means that boys are generally engaged in agricultural work, which may be more difficult to combine with school work. Therefore, although young girls are heavily burdened with their responsibilities in the home, they may actually have better access to school compared to their brothers, who work outside of the home.
Similarly, the education and health of children from low-income households are also disproportionately impacted by public-sector expenditure reductions and other austerity measures. For example, a common survival strategy for poor households is to increase the number of economically-active household members, which often intensifies the household work of children or entails their entry into the workforce. In Matagalpa, significantly more small-scale farming households identified 'child work' as a barrier to school success compared to other household types. SAPs have increased the incentive for child labour in poor households by causing a decline in real incomes and by increasing the expense of sending children to school. The combination of reduced household income and increased school expenses reduces a poor household’s ability to sustain a further loss by sending children to school. In contrast, primary education is not as significant a financial investment for prosperous families. As a result, high-income households are able to sustain much greater losses of income before having to remove children from school (Woodward, 1992). Similarly, because a poor household spends most or all its income on essential items, a reduction in household income often results in reduced food consumption levels. The opportunity to cut non-essential food items does not exist for many poor households. As a result, children from poor families are disproportionately impacted by nutritional ailments and deficiencies. In the end, poor health and nutrition, and low educational qualifications can restrict access to jobs, especially during times of high unemployment, maintaining poverty levels for impoverished groups. Therefore, child work and poor health contribute to the intergenerational perpetuation of poverty and accentuate social differences and inequalities over time (Standing & Rodgers, 1981).
Matagalpan parents from all classes expressed concern that cutbacks to social services would help perpetuate poverty and inequality in their communities.

While the precarious situation of poor households makes them less able to withstand external economic shocks and reductions to household income levels, it must be re-emphasized that virtually all classes in rural Matagalpa report significant declines to their standard of living. Many large-scale farming households appear to have exhausted their protective strategies, such as drawing on savings or borrowing, selling non-essential assets, and cutting back on purchases of non-essential household items. Like their small-scale counterparts, some large-scale farmers are now adopting survival strategies that negatively impact non-financial aspects of household welfare, such as removing children from private school or higher levels of education, reducing the number of visits to the doctor, or decreasing nutritional intake. The finding that small-, medium-, and large-scale farming households are struggling to some extent under SAPs reveals that a greater number of people are being negatively impacted by adjustment than originally anticipated. Even if the effects of adjustment are reversed in the end, long-term damage may have already occurred. If the ‘short-term’ effects of SAPs result in prolonged declines in nutrition, health, or education, this can negatively impact the long-term well-being of those affected. Furthermore, if adjustment results in the erosion of Nicaragua’s human resource base, the productive potential and rate of economic growth of the country will be reduced.
The World Bank recognizes that the anticipated positive outcomes of SAPs (e.g. sustained economic growth and subsequent 'trickle down' benefits to the entire population) have yet to materialize, and the negative impacts of SAPs are being extended from the 'short term' into the long term. It has responded to this criticism by tacking targeted poverty-alleviation programs on to SAPs. Poverty-alleviation programs provide targeted compensatory measures to the poor in an effort to protect already marginalized populations from the potentially devastating impacts of fiscal austerity. However, the effectiveness of poverty-alleviation programs has been limited and remains open to question (Stahl, 1996; Vilas, 1996; Woodward, 1992). The administrative costs, and the difficulty of identifying, targeting, and ensuring full-coverage of the poor make it difficult for such programs to be effective, especially in outlying and rural areas. Furthermore, poverty-alleviation programs generally do not target the middle- or upper-classes, leaving medium- and large-scale farming families to fend for their own survival.\textsuperscript{7}

The survey data from Matagalpa reveal that medium- and large-scale farming families, in addition to small-scale farming families, are finding it increasingly difficult to meet their basic needs. In some instances, particularly in the case of medium-scale farming families, these rural families are joining the ranks of the 'new poor.' Because poverty-alleviation programs only offer palliative, short-term solutions to poverty through specific social policies that treat poverty as an isolated incident, rather than as a consequence of the economic system, the negative impacts of poverty and inequality will inevitably continue to plague the social and economic progress of Nicaragua (Vargas, 1998). Instead, the World Bank should address the root causes of poverty and inequality, and create

\textsuperscript{7}Due to the assumption that the poor are largely negatively impacted by fiscal austerity, strategies for poverty-alleviation, or protection from the adverse impacts of SAPs, have primarily targeted the poor and
programs that will facilitate the entry and participation of broad sectors of the population into larger social and economic processes.

8.1.4 Potential Long-Term Consequences

The potential long-term consequences of neoliberal development strategies on youth, social reproduction, and the long-term development goals of Nicaragua are significant. This thesis focussed on the impacts of SAPs on human resource development and social capital, which are key components of social reproduction. Therefore, rather than attempt to explore the myriad of ways that SAPs can impact long-term development and welfare, this section will limit the review to the following long-term impacts on human and social capital: 1) long-term impacts to children’s health and productivity; 2) impacts to democracy and social equality; and, 3) impacts to social stability, including crime, domestic violence, and rural disintegration.

8.1.4.1 Impacts to Children and Adolescents

The potential long-term consequences of neoliberal development strategies on Nicaraguan youth are significant. The data from Matagalpa reveal that families and communities are finding it increasingly difficult to ensure the process of social reproduction. This means that opportunities for children and adolescents to acquire health, education, and other human resources are deteriorating, which limits their ability to secure productive employment in the future and threatens their long-term health and well-being. By creating barriers for children’s human resource formation, SAPs are depriving Nicaragua from increasing its long-term economic growth and productivity.

excluded the non-poor.
Failing to invest adequately in children’s education and health can limit a country’s ability to compete in international markets where comparative advantages are increasingly defined by productivity based on scientific and technological advance (Salazar, 1998a). Furthermore, for a country to achieve national independence, democracy, and social stability, and to eliminate external dependencies, a population with scientific, technical, and analytical knowledge and skills is necessary. Children are the adults, parents, and workers of the next generation. Investment in youth is a requisite for economic and social development. By reducing standards of health and education among children, structural adjustment at best undermines its effectiveness and may well be counterproductive.

This thesis illustrated that SAPs generally impact rural Matagalpan children by negatively impacting the institutions upon which they depend. Children rely on their mothers, households, and communities for a healthy living environment, nutritional and food requirements, and emotional and material support. Macroeconomic theory assumes that there is an unlimited supply of unpaid domestic labour and therefore does not adequately consider the impacts of SAPs on the reproductive economy. As family and community members - and women in particular - increase their time and energy in domestic and paid work to compensate for declining household incomes and cutbacks to social services, their ability to care for children is compromised. Additionally, children are often adversely impacted by household survival strategies that can result in reduced protein consumption, the intensification of child work, and seasonal migration which interrupts the school year. The incorporation of young children into the labour market is a
strong example of how short-term austerity measures can have long-term consequences. Although policymakers did not intend to increase incentives for child work, or to decrease household food consumption, the negative impacts of SAPs on the ability of farming households to generate and sustain an income subsequently lead to declines in non-financial aspects of household and child welfare.

In addition to relying on their families and communities, Nicaraguan children also rely on their government to support their human resource development. Government subsidies and the public provision of key social services help ensure that all children have access to quality education, health care, and childcare. However, as part of cost-cutting measures under SAPs, the Nicaraguan government has reduced public expenditures and privatized social services. The data from Matagalpa reveal that public-expenditure reductions and privatization have negatively impacted the reproductive process by increasing the cost of services, resulting in decreased accessibility, particularly for low-income households. In addition, Matagalpans report that the quality of services has declined as a result of reduced expenditures. Over the long-term, poor quality and unequal access to social services perpetuates poverty and inequality, and reduces the productive potential of the population. The erosion of the human resource base in Matagalpa suggests that Nicaragua's productive potential will decline and attempts to improve economic growth and living standards may be effectively undermined. Although public-sector expenditure reductions are a central part of SAPs, SAPs do not require governments to reduce expenditures on health or education.\(^8\) The Nicaraguan government and its international

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\(^8\) Haddad \textit{et al} (1995) note that Pakistan's adjustment program contains provisions for maintaining expenditure growth in education and health care.
lenders would be well advised to reassess the current cost-cutting strategy for social services to ensure that children have access to quality primary health and education services.

8.1.4.2 Impacts to Democracy and Social Equity

Low levels of human resource development also threaten the democratic process and contribute to high levels of political corruption. Corrupt governments thrive in countries that have low educational levels because its citizens are generally less able to critically analyze and assess campaign platforms and to separate hollow campaign promises from realistic platform issues. Many Matagalpans expressed betrayal by their government and explained that their elected officials rarely comply with their campaign promises. Some survey participants were swayed to vote for President Alemán, despite his horrendous track record of corruption as mayor of Managua, because he promised to reconstruct a bridge in their community and appeared personally to have the financial resources and connections to do it. Rather than assess the requirements for a strong plan for the country, rural inhabitants with low education levels generally consider only their communities, which makes ‘buying’ their votes relatively easy for unethical politicians. In sum, political freedom, impartiality, and equality before the law are threatened in countries where great inequalities in education, wealth, and income exist (Molyneux, 2001). Under these conditions, the prospects for long-term social and economic development are limited.
8.1.4.3 Impacts to Social Stability

In addition to negatively impacting the lifetime opportunities for children and the productive potential and long-term development prospects of rural Nicaragua, SAPs are also in part responsible for the rise in social instability. High unemployment rates, particularly for young people, result in ‘discouraged worker effects,’ where people abandon the fruitless search for work and become involved in intermittent, marginal work or idleness, as well as crime or semi-legal activities (Standing & Rodgers, 1981). Young people without hope sometimes express their frustration in anti-social ways, contributing to increases in crime, violence, and gang-related activity in Matagalpa. Rising instability is not only a local phenomenon; it also has global implications. Terrorism, kidnappings, and the drug trade can be linked to poverty and inequality. In reference to the destructive wars initiated by the Tamil Tigers of Sri Lanka and the Shinning Path of Peru, Bryceson (2000b, p. 314) writes:

What these inarticulate and desperate struggles share in common is their occurrence in rural areas where peasantries are in the process of disintegrating, and alternative economic livelihoods are lacking. Under these circumstances, recruitment of young combatants is rarely a problem. The war solves labour displacement in an immediate sense - the combatants have a livelihood, and often a lucrative livelihood, as long as the war continues.

The disintegration of rural livelihoods and the subsequent rise in common crime and violence has reduced living standards and negatively impacted the general welfare of the population in Matagalpa. In addition, social instability threatens democracy and the economy. Foreign investors are reluctant to invest in countries that lack stability.

In addition to increased levels of crime and violence, the breakdown of social capital can also result in anti-social behaviour, such as excessive drinking, drug abuse, and domestic
violence. Substance abuse and domestic violence negatively impact the welfare of the individuals concerned, as well as the whole of society. The impacts of violence, particularly towards children, undermine development by depriving citizens of the right to physical and mental health, and the nurturance and care that are necessary to build relationships of trust that underline most social and economic activities (Healy, 2001).

Rising levels of common crime, combined with the significant percentage of the Nicaraguan population impacted by violence and alcohol abuse, suggests that increasingly the country's limited revenues will need to be diverted towards solving large social problems.

Finally, Nicaragua's stability is also threatened by increasing polarization between rural and urban areas. Public-sector expenditure reductions under SAPs have led to further declines in rural social services that were already inadequate and under-funded. Moreover, the growing and large urban population makes it political suicide to ignore the infrastructure and service needs of urban areas. Therefore, when governments are faced with difficult decisions of what to fund and where, the needs of rural inhabitants are often overlooked. Several survey participants in Matagalpa indicated that some of their family members had abandoned rural Matagalpa for a better future in the city. In particular, young people indicated that to pursue a career outside of farming, they must migrate to an urban setting. The exodus of rural inhabitants from rural to urban areas places the urban areas under tremendous pressure. Cities are often unequipped to deal with the considerable number of rural migrants, which means that newcomers are confined to urban slums that can be havens for disease, dangerous housing, and criminal activity. As
the poor and uneducated become increasingly concentrated in urban locations, cities become 'hot spots' for clashes, rebellion, and uprisings. Meanwhile, the exodus of inhabitants from rural areas, especially of young people, depletes human resources and social capital in rural areas, leading to economic and social decay which fuels further migration. As governments become increasingly focused on the needs and challenges of large urban populations, their presence in rural areas declines. In Matagalpa, the lack of government security and investment has resulted in the rise of gangs, criminal activity, and social and economic insecurity. If this remains unchecked, it will not bode well for long-term development.

8.2 Priority Strategies for Development

Outlining an alternative strategy for development is beyond the scope of this thesis. However, this section presents and describes three general elements that should inform a sustainable approach to rural development: 1) including and investing in children and youth; 2) improving the status of women; and, 3) increasing the productivity and human resources of agricultural producers. Outlining general elements or principles for development is conducive to building strategies for development. Alternative development strategists widely agree that no single model of development can be applied to all countries. Instead, general elements of a sustainable development strategy should be

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9 Robinson (1997, p. 40) writes that after 1990 in Nicaragua “widespread rural immiseration and the government’s policies of squeezing the peasantry spurred renewed military conflict in the countryside. Although the old Sandinista-Contra antagonisms played a part, the new rural conflict, including land invasions, spontaneous violent clashes, and even organized warfare in some areas, reflected the emergence of class polarization and class-based conflict in the countryside. Spontaneous outbreaks of individual and collective violence as well as pandemics of street crime, prostitution, and drug addiction unraveled the social fabric and replaced the sense of collective solidarity that had characterized the 1980s revolution with a disturbing social anomie and political apathy.”

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formulated and put into practice according to the needs and interests of local people (Brohman, 1996a).

### 8.2.1 Including and Investing in Children and Youth

Solutions to deal with poverty, inequality, and social inclusion require a development approach appropriate to the needs and interests of the majority in Nicaragua (Brohman, 1996a). The need for community development must be emphasized. Community initiatives must be linked to broader social movements in the country. Development should be redefined from the bottom-up to meet local conditions and enable rural communities to define the goals and processes of development. To this end, children's participation in community development initiatives must deepen and broaden, providing children with opportunities to participate in decisions affecting their lives.

Involving children in community-based organizations and community planning is an effective way of improving public participation in development, particularly in the long term (Hart, 1997). Alternative development analysts are increasingly calling for the greater participation of children and youth in the development process (Green, 1998, Hart, 1997). Young people are no longer viewed as passive receivers of development. Instead, they are seen as active participants in the struggle for a better future, along with adults. Duncan Green (1998, p. 4) argues:
The view of children as passive, helpless creatures in need of protection, education and health care has dominated official thinking at the government level and within organizations such as the UN for much of this century. One afternoon spent in the company of children from any poor community soon dispels the fundraisers' portrait of the silent, suffering victim, and in recent years a new approach has started to gain ground. Children are increasingly being seen...[as] human beings with their own ideas and experiences and their own inherent human rights. While these rights include the more traditional conceptions of the right to protection or education, they also include previously unacknowledged rights, such as freedom of expression and the right to a voice, at least in the decisions which directly affect children.

Green's assertion that children are active participants in their own development and in the development of their communities is corroborated by Margarito Espinozo, the President of the Ramón García cooperative in the community of El Trentino in Matagalpa. He explained that:

*The children in this community look after themselves and they work together, using their own abilities to tackle their problems. They are very dynamic and have their own governing structure. They offer theatre presentations to various communities and they earn the money to cover transportation costs. They also travel to different communities to help. They are children with lots of ideas and perspectives. Poverty blocks many youth from going to school. It is not uncommon here to see the children organizing fundraising activities so that they can buy the poorest children school supplies and books. They also lacked a space to play sports but the older children created a sports field and they organize sports activities. They are very capable and very creative* (Margarito Espinozo: Interview #2, El Trentino, March 8, 2000).

Children and youth are an untapped resource of ideas and energy. Providing opportunities for their direct participation in community development initiatives would yield several long-term benefits, including increased support for the formation of human and social capital.
Although no examples of children directly participating in the planning or decision-making processes of community development projects were observed in Matagalpa, children are actively involved in these projects; they assist with the building of wells and other infrastructure, work in the fields, and attend community meetings. In most cases, their participation is viewed by adults as part of their domestic or community chores, and children tend not to be recognized for their potential contribution to community development. Therefore, NGOs should take a leadership role and create opportunities for young people’s participation in research, planning, and decision making in community organizations, as well as help build the capacity of community organizations to include and ensure representation of the entire community in their development efforts.

Literature on Nicaragua reveals that several innovative youth-driven initiatives are emerging around the country (see Green, 1998; Hart, 1997). The child-to-child approach to health promotion is a notable example of how children can contribute to community organization and development. Roger Hart (1997, p.17), an analyst and advocate of youth-driven initiatives, argues that in many cases such initiatives may be more successful than traditional approaches to development because “children are more receptive to change and less integrated into the existing economic system and social

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10The child-to-child approach includes annual workshops that enable children from different regions to meet and share experiences from their local community child-to-child projects. Roger Hart provides the following example of how the child-to-child program operates. A team of children from Managua identified the following as priorities in their community: unemployment, economic problems, lack of adequate affordable schools, lack of a health centre, lack of organization in the community, dirty ditches, unclean water source, streets in need of repair, and black water in ditches. The children prioritized these items and concluded that the lack of community organization was at the centre of all the problems. As a way to begin looking at the problem of ‘organization’ the children decided to organize themselves and others to clear the garbage (Hart, 1997). Other examples of youth-driven initiatives in Nicaragua include a youth-run radio station in Esteli, theatre troupes, and school councils (Green, 1998; Douglas Stuart: Interview #25, May, 19, 2000; Margarito Espinozo: Interview #2, El Trentino, March 8, 2000). According
order. They do not see the many barriers that might prevent change from being achieved.” Hart also notes that children’s participation in community initiatives exposes them to democratic processes, which will make them more likely to act as democratic facilitators. Furthermore, children may be elevated to a higher level of social and political consciousness as they learn about the inequitable distribution of resources in society (Hart, 1997). Instilling democratic conviction in children in Nicaragua should be an important component of a plan for sustainable development. Increasing the level of knowledge, understanding, and practical experience of political processes, democracy, and human rights throughout broad sectors of the population is necessary to help eradicate rampant corruption and the domination of an elite class over the popular majority.

In order to involve children in the planning and implementation of development strategies, both as young people and as future adults, investing in their human resource development is essential. The key role of knowledge in stimulating economic growth and social development has been widely recognized by economists and others (Healy, 2001). Human resource development should be a basic objective of economic development because it enables people to expand their abilities and improve their productivity. Increasing human resources across the population is necessary to combat poverty and create a more equitable and sustained development process (Behram, 1996). Given the relatively large income inequalities and the associated high incidence of poverty in Nicaragua, any strategy for sustainable development must include programs for

to Douglas Stewart, school councils are virtually non-existent across the country and could represent a new element in school governance.
substantial human resource investment, particularly for the poor. As Elson (1995, p. 1864) notes, “sustainable structural adjustment requires investment in social reproduction, not merely the transfer of labour from nontradables”. Enhancing the skills and knowledge of the enormous pool of marginalized rural inhabitants is a tremendous developmental task, which highlights the importance of targeting children’s human resource development. Over the long term, investments in children’s human resource development will yield positive results. Children’s access to primary schooling and basic health care are a foundational requirement for development. The importance of promoting human resource development by ensuring access to quality education and health services for children and youth cannot be over-emphasized (Bryceson, 2000b).

8.2.2 Improving the Status of Women in Society

Improving the status of women in society is also a key priority for development. Not only does gender discrimination negatively impact social capital by limiting trust and hindering family relations, it is also economically inefficient (Elson, 1995; Healy, 2001). Women work in both the productive and reproductive spheres. However, their lack of access to resources, independent entitlements, and equal pay means that total national output, as well as women’s income, is constrained (Elson, 1995). The fact that women generally do not have the same access to resources as men ensures that women make up a greater percentage of the poor. Women’s marginalization presents an enormous cost to economic growth and social development because mothers in Nicaragua tend to provide a disproportionate share of financial as well as direct support to their children. Studies
show that improving women’s health and education yields substantial long-term benefits because their children are more likely to succeed in school, have better nutrition and health, and are exposed to healthier sanitation and household practices (Hallack, 1990; Healy, 2001; Pablo Terra, 1979; Psacharopolous et al, 1997; Save the Children, 2001). Moreover, educated women are more likely to postpone marriage and childbirth (Save the Children, 2001). On a large scale, educating greater numbers of rural women could decrease the considerable burden of a rapidly increasing population. Although there has been considerable movement towards involving women in development in both mainstream and alternative strategies in the last two decades, analysts contend that, more often than not, women are still not involved in the planning and decision-making processes of development. Instead, women are perceived as a ‘vulnerable’ sector that is targeted by short-term palliative projects (CEPAL, 2000; Elson, 1994; Elson, 1995). Therefore, efforts to improve women’s status in society must continue. A central element of this effort is to make greater investments in social reproduction. This would help combat the structural roots of gender discrimination and establish a balance between social and economic requirements for development.

8.2.3 Increasing Productivity and Human Resources Among Agricultural Producers

Agricultural production is the central driver of economic growth in Nicaragua. It is the principal occupation of rural inhabitants, particularly of the poor (World Bank, 2001). Therefore, a viable road to rural development lies in enhancing the market

\footnote{Elson (1995) cites a pioneering study published by Tzannatos in 1992, which demonstrated that if gender discrimination in patterns of occupation and pay were eliminated, total output, as well as women’s income could increase considerably.}
competitiveness of agricultural producers. Due to their absolute numbers and high levels of poverty and marginalization, attention should focus on increasing the productivity and competitiveness of small-scale farmers. However, as the Matagalpan survey data reveal, large-scale farmers are also struggling to compete in the global economy. Therefore, rural-development initiatives should be inclusive of all sectors, allowing for broadly-based, integrated, and sustainable development. At an international level, a fairer trading system that addresses the prevailing unfavourable terms of trade for developing countries and the protectionism practiced by industrialized countries must be implemented.

In order to enhance the productivity and competitiveness of Nicaraguan farmers in agroexport production, risks must be minimized to acceptable levels, particularly for small-scale farmers. This could be accomplished by allowing initial state support for the creation of credit, service, and marketing cooperatives, and technical assistance and training programs. Rather than remove itself entirely from the private sector, the state should play a role in helping farmers become competitive by treating the agricultural diversification of small- and medium-scale producers as an ‘infant industry’ that is supported for economic, social, and political reasons (Brohman, 1996b). Although production should be left to the private sector, the state should play a ‘managerial’ role in ensuring that its citizens have access to technology, training, health, and education, which would allow living standards and productivity to increase without sacrificing international competitiveness\(^\text{12}\) (Brohman, 1996b, Green, 1996). An important role for

\(^{12}\) Brohman argues (1996, p. 330): “The state should be asked only to do what it can do best and should stay out of other areas. Nevertheless, it can take important measures to promote development of both the private sector and society at large. While there are normally costs involved in state interventions, unfettered markets often exact even higher costs, especially among marginalized groups in polarized societies.”
the state is to redistribute resources, which would help reverse growing inequalities in Nicaragua. Redistributing wealth, which can be accomplished by various methods including tax reforms, land reform, and subsidized social and credit services, is a priority for development, especially in a highly polarized society like Nicaragua.\footnote{The redistribution of resources must occur before economic growth. Neoliberal economists believe that resources will be distributed through the ‘trickle down’ process of economic growth. They overlook the fact that people can also be excluded from access to resources in a ‘free market context’ (Brohman, 1996; Jansen, 2000).}

A sustainable strategy for rural development would also recognize that singular agricultural development efforts to raise campesinos’ standards of living will not suffice. This effort must be complemented by strategies aimed at equipping rural inhabitants with skills and knowledge that will allow them to earn an income outside of the agricultural sector. Bryceson (2000b) notes that neoliberalism is marginalizing peasants from commercial agricultural production at an alarming rate. Therefore, peasants are becoming increasingly reliant on labour opportunities outside of rural agriculture. She argues:

[Peasants] need literacy, numeracy, knowledge of the national language, and various occupational and computer skills that will give them the means to command sufficient income for themselves and their families, as well as to raise the overall level of labour productivity in their respective countries (2000b, p. 319).

Capability enhancement through investments in social reproduction and human resource development is vital for sustainable and equitable development. While the requirement to raise the human resource base in Nicaragua is challenging for a heavily-indebted country, this serves to highlight the critical importance of adequate social investment in children. Without it, the opportunities and living standards of future generations will continue to be undermined.
Advocating a greater role for the state in the promotion of human resource development, the redistribution of wealth, and the enhancement of productivity and competitiveness appears fruitless in light of the current neoliberal context. However, although neoliberalism advocates the removal of the state from market processes, Walker (1997b) highlights the contradiction of the pure market approach. He argues that pure neoliberalism is impossible because there is always some government involvement and manipulation in economic and development processes. Referring to the introduction of SAPs in Nicaragua, Walker (1997b, p. 300) states:

So the question was not whether there should be manipulation, but on whose behalf that manipulation should be done. Instead of placing near-absolute faith in the domestic elite and foreign investors, it seemed that Nicaragua’s government might have been better advised to have used limited credit and other resources to nurture the large ‘reformed sector,’ peasant cooperatives and private farmers who received land during the Sandinista period, and small and medium-sized urban entrepreneurs. favouring those numerically important, potentially very productive sectors might have been good for both the economy and future democracy.

Under neoliberalism, state involvement and manipulation inevitably does occur. However, state policies generally favour the interests of large capital, foreign investors, and the domestic elite. Rather than continue to favour these interests over those of the poor majority, Nicaragua’s economic policy should be more fine-tuned to its social and economic reality (Walker, 1997b).

8.3 Concluding Remarks
To ensure that broad sectors of the population are included in the process of development and that economic growth is combined with social equity, the mainstream, neoliberal
strategy for development must give way to broader, integrated, and more inclusive strategies of development. Development should be redefined from the bottom-up to meet local conditions (Brohman, 1996a). Neoliberal theory, which views economic factors as the dominant aspects of development, and argues that social processes conform to a universal logic, must be rejected in favour of strategies that incorporate social, political, environmental, and philosophical factors into development in addition to economic factors. A move in this direction would entail bridging the gap between development theory and practical application by including the thoughts and experiences of both local knowledge and field workers in development theories (Brohman, 1996a). It would also entail creating a more comprehensive definition of productivity that would take into account the need for conserving human and natural resources, and that would measure productivity in terms of effectiveness in meeting human needs rather than in terms of generating macroeconomic growth at any cost (Elson, 1995). Development strategies will not be viable unless they incorporate environmental sustainability, equity and participation, and effectiveness in raising living standards for the majority (Cavanagh et al., 1994). The current dichotomies of mainstream development, which include 'market versus the state,' 'centralization versus decentralization,' and 'inward-oriented growth versus outward-oriented growth,' should give way to development strategies that consider the particular conditions of individual countries. The choice over which strategy to use must depend on local objectives and the particular setting. In sum, there is no single model of development.
Although SAPs have imposed welfare losses on rural farming households in Matagalpa, this does not mean that Nicaragua should not engage in structural adjustment. There is no denying that developing countries require substantial reforms, that governments cannot consistently overspend, or that markets have a key role to play in development. One of the most beneficial aspects of the neoliberal agenda is its focus on reducing state waste and inefficiencies. In addition, it should be noted that public-sector cutbacks are not always detrimental to social and economic development, and large public-sector investments are not always necessary for social and economic development. However, excessive cuts in key areas can yield long-term, negative results, particularly in countries that have high levels of poverty and polarization. Although it is not possible to definitively conclude that SAPs are responsible for growing poverty and inequality, the fact remains that SAPs have failed to increase economic growth and living standards for the majority of rural Nicaraguans. Furthermore, it is clear that the Nicaraguan government’s commitment to social development has declined considerably under SAPs. A decline in human and social capital invariably presents long-term barriers to sustainable economic growth and development.

Both neoliberal and alternative theorists and analysts increasingly view investments in social reproduction and human resource development as central elements in economic growth strategies. The World Bank has also recognized that the ‘free market approach’ has its downfalls. Michael Walton, a Director at the World Bank, publicly stated that the role for government in economic development must be re-evaluated, particularly in terms of its commitment to social development (Gaudin, 1999). World Bank documents and
publications now advocate country-specific strategies that incorporate the needs of women, the poor, and other marginalized groups into development strategies (e.g. World Bank, 1997). While this is encouraging, the World Bank appears to be a long way from introducing a policy framework that would prioritize social equity and maintain a balance between economic and social requirements. For rhetoric to move into reality, the World Bank will be required to abandon its social policy of short-term targeted programs in favour of long-term strategies that attack structural causes of poverty. Only then can concrete progress towards the goal of sustainable economic and social development truly begin.
APPENDIX 1 - TABLES
Table 1 – Central Government Spending in Nicaragua on Education, Health, and Debt Service as a Percentage Share of GDP

<table>
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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>2.4</td>
<td>5.5</td>
<td>7.1</td>
<td>3.7</td>
<td>4.7</td>
<td>4.3</td>
<td>4.3</td>
<td>5.0</td>
<td>4.8</td>
<td>6.1</td>
<td>6.3</td>
</tr>
<tr>
<td>Health</td>
<td>1.6</td>
<td>4.9</td>
<td>6.6</td>
<td>4.5</td>
<td>4.7</td>
<td>4.5</td>
<td>4.3</td>
<td>4.0</td>
<td>3.7</td>
<td>5.1</td>
<td>5.7</td>
</tr>
<tr>
<td>Debt Service</td>
<td>0.7</td>
<td>2.7</td>
<td>0.0</td>
<td>2.8</td>
<td>9.6</td>
<td>8.6</td>
<td>7.1</td>
<td>9.0</td>
<td>8.5</td>
<td>7.0</td>
<td>5.2</td>
</tr>
</tbody>
</table>


Table 2 – Education Problems for Farming Households, According to Household Type: Percentage of Households that Identified Problems, 2000

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Child Work</th>
<th>Poor Health</th>
<th>Poor Quality</th>
<th>Distance</th>
<th>High Cost of University</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-Scale</td>
<td>74.7</td>
<td>36.7</td>
<td>8.9</td>
<td>28.9</td>
<td>24.4</td>
<td>2.2</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>71.1</td>
<td>2.6</td>
<td>5.3</td>
<td>34.2</td>
<td>7.9</td>
<td>21.2</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>50.0</td>
<td>0.0</td>
<td>0.0</td>
<td>16.7</td>
<td>5.6</td>
<td>22.2</td>
</tr>
<tr>
<td>Single-Mother</td>
<td>80.0</td>
<td>29.2</td>
<td>20.8</td>
<td>12.5</td>
<td>25.0</td>
<td>12.5</td>
</tr>
<tr>
<td>Female Head w/ Partner</td>
<td>82.9</td>
<td>30.0</td>
<td>12.5</td>
<td>10.0</td>
<td>35.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Overall</td>
<td>72.1</td>
<td>33.0</td>
<td>8.7</td>
<td>30.0</td>
<td>21.4</td>
<td>3.9</td>
</tr>
</tbody>
</table>
### Table 3 — Perceived Changes to Education, According to Household Type: Percentage of Households that Indicated Changes during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th>Higher Cost</th>
<th>Poor Quality</th>
<th>Less Accessible</th>
<th>Better Quality</th>
<th>Better Access</th>
<th>NGO Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-Scale</td>
<td>25.9</td>
<td>20.5</td>
<td>6.2</td>
<td>2.4</td>
<td>6.2</td>
<td>3.6</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>30.6</td>
<td>33.3</td>
<td>5.6</td>
<td>8.3</td>
<td>8.3</td>
<td>25.0</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>36.8</td>
<td>42.1</td>
<td>5.3</td>
<td>5.3</td>
<td>10.5</td>
<td>21.1</td>
</tr>
<tr>
<td>Single-Mother</td>
<td>47.8</td>
<td>37.5</td>
<td>8.0</td>
<td>0.0</td>
<td>4.3</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

### Table 4 — Percentage of Small-Scale Farming Households that Indicated Changes to Household Education during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>29.3</td>
<td>22.2</td>
<td>-7.1</td>
</tr>
<tr>
<td>A little worse</td>
<td>24.0</td>
<td>11.1</td>
<td>-12.9</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>53.3</td>
<td>33.3</td>
<td>-12.9</td>
</tr>
<tr>
<td>The same</td>
<td>30.7</td>
<td>40.7</td>
<td>10.0</td>
</tr>
<tr>
<td>A little better</td>
<td>14.7</td>
<td>21.0</td>
<td>6.3</td>
</tr>
<tr>
<td>Much better</td>
<td>1.3</td>
<td>4.9</td>
<td>3.6</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>16.0</td>
<td>25.9</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.
Table 5 – General Perceptions About the State of Education in Nicaragua during the 1990s, According to Household Type

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>% Farmers that said period was positive for education</td>
<td>% Farmers that said period was negative for education</td>
</tr>
<tr>
<td>Small-Scale</td>
<td>7.7</td>
<td>92.3</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>5.0</td>
<td>95.0</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>54.0</td>
<td>46.0</td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 6 - Percentage of Single-Mother Households that Indicated Changes to Household Education during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>50.0</td>
<td>33.3</td>
<td>-16.7</td>
</tr>
<tr>
<td>A little worse</td>
<td>20.8</td>
<td>20.8</td>
<td>0.0</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>70.8</td>
<td>54.1</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>12.5</td>
<td>33.3</td>
<td>20.8</td>
</tr>
<tr>
<td>A little better</td>
<td>16.7</td>
<td>12.5</td>
<td>-4.2</td>
</tr>
<tr>
<td>Much better</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>16.7</td>
<td>12.5</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 7 - Percentage of Medium-Scale Farming Households that Indicated Changes to Household Education during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Much worse</td>
<td>24.3</td>
<td>21.6</td>
<td>-2.7</td>
</tr>
<tr>
<td>A little worse</td>
<td>21.6</td>
<td>24.3</td>
<td>2.7</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>45.9</td>
<td>45.9</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>27.0</td>
<td>37.8</td>
<td>10.8</td>
</tr>
<tr>
<td>A little better</td>
<td>27.0</td>
<td>13.5</td>
<td>-13.5</td>
</tr>
<tr>
<td>Much better</td>
<td>0.0</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>27.0</td>
<td>16.2</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.
Table 8 - Percentage of Large-Scale Farming Households that Indicated Changes to Household Education during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>0.0</td>
<td>22.2</td>
<td>22.2</td>
</tr>
<tr>
<td>A little worse</td>
<td>29.4</td>
<td>16.7</td>
<td>-12.7</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>29.4</td>
<td>38.9</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>58.8</td>
<td>50.0</td>
<td>-8.8</td>
</tr>
<tr>
<td>A little better</td>
<td>11.8</td>
<td>11.1</td>
<td>-0.7</td>
</tr>
<tr>
<td>Much better</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>11.8</td>
<td>11.1</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 9 - Literacy Rates According to Household Type, 2000

<table>
<thead>
<tr>
<th></th>
<th>Illiterate</th>
<th>Partial Literacy</th>
<th>Completed Grade 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-Scale</td>
<td>57.8%</td>
<td>32.8%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>28.6%</td>
<td>20.0%</td>
<td>51.4%</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>9.5%</td>
<td>28.6%</td>
<td>61.9%</td>
</tr>
<tr>
<td>Single Mother</td>
<td>50.0%</td>
<td>27.8%</td>
<td>22.2%</td>
</tr>
<tr>
<td>Overall</td>
<td>52.7%</td>
<td>29.7%</td>
<td>17.6%</td>
</tr>
</tbody>
</table>

Table 10 - Percentage of Households that do not Report Repetition and Primary School Drop-Out, 2000

<table>
<thead>
<tr>
<th></th>
<th>All Children are in Correct Grade for Age</th>
<th>Children Completed Grade Six</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-Scale</td>
<td>20.0</td>
<td>32.3</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>44.4</td>
<td>75.0</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>70.8</td>
<td>89.5</td>
</tr>
<tr>
<td>Single-Mother</td>
<td>15.8</td>
<td>31.8</td>
</tr>
</tbody>
</table>

Table 11 - Infant Mortality Rates, Nicaragua - 1980-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>79.80</td>
<td>47.00</td>
<td>35.71</td>
</tr>
</tbody>
</table>

*Measured in deaths per 1,000 live births
Table 12 – Percentage of Small-Scale Farming Households that Indicated Changes to Household Food Consumption during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>22.2</td>
<td>25.0</td>
<td>+2.8</td>
</tr>
<tr>
<td>A little worse</td>
<td>24.2</td>
<td>22.0</td>
<td>-2.2</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>46.4</td>
<td>47.0</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>29.3</td>
<td>25.0</td>
<td>-4.3</td>
</tr>
<tr>
<td>A little better</td>
<td>24.2</td>
<td>27.0</td>
<td>+2.8</td>
</tr>
<tr>
<td>Much better</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>24.2</td>
<td>27.0</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 13 – Percentage of Medium-Scale Farming Households that Indicated Changes to Household Food Consumption during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>10.3</td>
<td>48.7</td>
<td>+38.4</td>
</tr>
<tr>
<td>A little worse</td>
<td>28.2</td>
<td>10.3</td>
<td>-17.9</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>38.5</td>
<td>59.0</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>33.3</td>
<td>33.3</td>
<td>0.0</td>
</tr>
<tr>
<td>A little better</td>
<td>28.2</td>
<td>5.1</td>
<td>-23.1</td>
</tr>
<tr>
<td>Much better</td>
<td>0.0</td>
<td>2.6</td>
<td>+2.6</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>28.2</td>
<td>7.7</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 14 - Percentage of Large-Scale Farming Households that Indicated Changes to Household Food Consumption during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>0.0</td>
<td>30.0</td>
<td>+30.0</td>
</tr>
<tr>
<td>A little worse</td>
<td>35.0</td>
<td>15.0</td>
<td>-20.0</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>35.0</td>
<td>45.0</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>50.0</td>
<td>45.0</td>
<td>-5.0</td>
</tr>
<tr>
<td>A little better</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Much better</td>
<td>5.0</td>
<td>0.0</td>
<td>-5.0</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>15.0</td>
<td>10.0</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.
Table 15 - Percentage of Single-Mother Households that Indicated Changes to Household Food Consumption during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>20.0</td>
<td>44.0</td>
<td>+24.0</td>
</tr>
<tr>
<td>A little worse</td>
<td>24.0</td>
<td>20.0</td>
<td>-4.0</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>44.0</td>
<td>64.0</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>40.0</td>
<td>28.0</td>
<td>-12.0</td>
</tr>
<tr>
<td>A little better</td>
<td>16.0</td>
<td>8.0</td>
<td>-8.0</td>
</tr>
<tr>
<td>Much better</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>16.0</td>
<td>8.0</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 16 – Major Changes to Health Care: The Percentage of Households that Identified Changes to Health Care during 1990-1995 and 1996-2000, According to Household Type

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Lack of Medicine</th>
<th>More Expensive</th>
<th>Less Government Support</th>
<th>Deterioration in Quality</th>
<th>Services Improved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>24.1</td>
<td>14.5</td>
<td>19.4</td>
<td>5.6</td>
<td>2.7</td>
</tr>
<tr>
<td>Small-Scale</td>
<td>19.0</td>
<td>14.4</td>
<td>18.0</td>
<td>5.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>44.4</td>
<td>11.1</td>
<td>27.8</td>
<td>11.1</td>
<td>5.6</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>27.8</td>
<td>16.7</td>
<td>22.2</td>
<td>16.7</td>
<td>11.1</td>
</tr>
<tr>
<td>Single-Mother</td>
<td>24.0</td>
<td>24.0</td>
<td>32.0</td>
<td>0.0</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 17 – Percentage of Small-Scale Farming Households that Indicated Changes to Household Health Care during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>18.8</td>
<td>26.5</td>
<td>+7.7</td>
</tr>
<tr>
<td>A little worse</td>
<td>34.4</td>
<td>15.3</td>
<td>-19.1</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>53.2</td>
<td>41.8</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>22.9</td>
<td>35.7</td>
<td>+12.8</td>
</tr>
<tr>
<td>A little better</td>
<td>21.9</td>
<td>20.4</td>
<td>-1.5</td>
</tr>
<tr>
<td>Much better</td>
<td>2.1</td>
<td>2.0</td>
<td>-0.1</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>24.0</td>
<td>22.4</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.
Table 18 - Percentage of Medium-Scale Farming Households that Indicated Changes to Household Health Care during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>21.1</td>
<td>34.2</td>
<td>+13.1</td>
</tr>
<tr>
<td>A little worse</td>
<td>34.2</td>
<td>15.8</td>
<td>-18.4</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>55.3</td>
<td>50.0</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>34.2</td>
<td>36.8</td>
<td>+2.6</td>
</tr>
<tr>
<td>A little better</td>
<td>10.5</td>
<td>10.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Much better</td>
<td>0.0</td>
<td>2.6</td>
<td>+2.6</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>10.5</td>
<td>13.1</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 19 - Percentage of Large-Scale Farming Households that Indicated Changes to Household Health Care during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>16.7</td>
<td>50.0</td>
<td>+33.3</td>
</tr>
<tr>
<td>A little worse</td>
<td>50.0</td>
<td>5.6</td>
<td>-44.4</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>66.7</td>
<td>55.6</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>22.2</td>
<td>33.3</td>
<td>+11.1</td>
</tr>
<tr>
<td>A little better</td>
<td>5.5</td>
<td>11.1</td>
<td>+5.6</td>
</tr>
<tr>
<td>Much better</td>
<td>5.6</td>
<td>0.0</td>
<td>-5.6</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>11.1</td>
<td>11.1</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 20 - Percentage of Single-Mother Households that Indicated Changes to Household Health Care during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>20.0</td>
<td>48.0</td>
<td>+28.0</td>
</tr>
<tr>
<td>A little worse</td>
<td>36.0</td>
<td>16.0</td>
<td>-20.0</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>56.0</td>
<td>64.0</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>24.0</td>
<td>32.0</td>
<td>+8.0</td>
</tr>
<tr>
<td>A little better</td>
<td>20.0</td>
<td>4.0</td>
<td>-16.0</td>
</tr>
<tr>
<td>Much better</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>20.0</td>
<td>4.0</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.
Table 21 – General Perceptions about the State of Health Care during the 1990s in Nicaragua, According to Household Type

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% farmers that said period was <strong>positive</strong> for health care</td>
<td>% farmers that said period was <strong>negative</strong> for health care</td>
</tr>
<tr>
<td>Small-Scale</td>
<td>14.8</td>
<td>85.2</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>6.7</td>
<td>93.3</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>6.3</td>
<td>93.8</td>
</tr>
<tr>
<td>Single-Mother</td>
<td>15.0</td>
<td>85.0</td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 22 – Percentage of Households that have Access to Potable Water, Latrines, and Local Health Facilities, According to Household Type, 2000

<table>
<thead>
<tr>
<th></th>
<th>Potable Water</th>
<th>Latrine</th>
<th>Health Centre in Community</th>
<th>Distance to Health Centre &gt;30 mins</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-Scale</td>
<td>50.0</td>
<td>85.9</td>
<td>27.0</td>
<td>55.3</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>48.7</td>
<td>87.2</td>
<td>48.7</td>
<td>36.3</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>57.1</td>
<td>90.9</td>
<td>72.7</td>
<td>33.3</td>
</tr>
<tr>
<td>Single-Mother</td>
<td>52.0</td>
<td>64.0</td>
<td>16.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Female Head with Partner</td>
<td>53.7</td>
<td>75.6</td>
<td>22.0</td>
<td>-</td>
</tr>
<tr>
<td>Overall</td>
<td>-</td>
<td>-</td>
<td><strong>29.2</strong></td>
<td><strong>53.8</strong></td>
</tr>
</tbody>
</table>
Table 23 — Major Problems with Health Care: The Percentage of Households that Identified Problems with Health Care during 1990-1995 and 1996-2000, According to Household Type

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Too expensive</th>
<th>Lack of Medicine in Health Centre</th>
<th>Poor Quality</th>
<th>Distance/Lack of Local Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-Scale</td>
<td>29.3</td>
<td>87.9</td>
<td>37.4</td>
<td>13.1</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>27.8</td>
<td>88.9</td>
<td>30.6</td>
<td>11.1</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>27.8</td>
<td>72.2</td>
<td>50.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Single-Mother</td>
<td>56.0</td>
<td>84.0</td>
<td>24.0</td>
<td>11.4</td>
</tr>
<tr>
<td>Female Head w/ Partner</td>
<td>46.3</td>
<td>82.9</td>
<td>26.8</td>
<td>19.5</td>
</tr>
<tr>
<td>Overall</td>
<td>30.6</td>
<td>88.3</td>
<td>36.0</td>
<td>11.7</td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 24 — Small-Scale Farming Households: Proposed Solutions to Resolve Health Care Problems, 2000

<table>
<thead>
<tr>
<th>Solution</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional medicine</td>
<td>32.2</td>
</tr>
<tr>
<td>Self-medicate</td>
<td>22.2</td>
</tr>
<tr>
<td>Avoid local clinic</td>
<td>17.7</td>
</tr>
<tr>
<td>Private clinic</td>
<td>12.2</td>
</tr>
</tbody>
</table>

Table 25 — Medium-Scale Farming Households: Proposed Solutions to Resolve Health Care Problems, 2000

<table>
<thead>
<tr>
<th>Solution</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private clinic</td>
<td>47.4</td>
</tr>
<tr>
<td>Traditional medicine</td>
<td>10.5</td>
</tr>
<tr>
<td>Self-medicate</td>
<td>7.9</td>
</tr>
<tr>
<td>Sell assets/borrow money</td>
<td>5.3</td>
</tr>
</tbody>
</table>
Table 26 – Large-Scale Farming Households: Proposed Solutions to Resolve Health Care Problems, 2000

<table>
<thead>
<tr>
<th>Solution</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private clinic</td>
<td>68.4</td>
</tr>
<tr>
<td>Avoid local clinic</td>
<td>10.5</td>
</tr>
<tr>
<td>Sell assets/borrow money</td>
<td>5.3</td>
</tr>
<tr>
<td>Traditional medicine</td>
<td>5.3</td>
</tr>
</tbody>
</table>

Table 27 – Single-Mother Households: Proposed Solutions to Resolve Health Care Problems, 2000

<table>
<thead>
<tr>
<th>Solution</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional medicine</td>
<td>44.0</td>
</tr>
<tr>
<td>Self-medicate</td>
<td>28.0</td>
</tr>
<tr>
<td>Private clinic</td>
<td>12.5</td>
</tr>
<tr>
<td>Borrow money</td>
<td>12.0</td>
</tr>
</tbody>
</table>

Table 28 – Major Problems Facing Farming Households According to Household Type and Gender of Respondent: Percentage that Identified Problems, 2000

<table>
<thead>
<tr>
<th></th>
<th>Small-Scale Men</th>
<th>Medium-Scale Men</th>
<th>Large-Scale Men</th>
<th>Single Mothers</th>
<th>Female Head w/ Partner</th>
<th>Small-Scale Wives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of Money/Poverty</td>
<td>54.7</td>
<td>50.0</td>
<td>50.0</td>
<td>76.0</td>
<td>73.2</td>
<td>63.2</td>
</tr>
<tr>
<td>Lack of Credit</td>
<td>46.7</td>
<td>65.6</td>
<td>55.0</td>
<td>28.0</td>
<td>24.4</td>
<td>21.1</td>
</tr>
<tr>
<td>Lack of Education</td>
<td>21.3</td>
<td>28.1</td>
<td>25.0</td>
<td>48.0</td>
<td>58.5</td>
<td>42.1</td>
</tr>
<tr>
<td>Indebtedness</td>
<td>9.3</td>
<td>37.5</td>
<td>35.0</td>
<td>8.0</td>
<td>73.0</td>
<td>5.3</td>
</tr>
<tr>
<td>Lack of Food</td>
<td>24.0</td>
<td>12.5</td>
<td>10.0</td>
<td>36.0</td>
<td>39.0</td>
<td>42.1</td>
</tr>
<tr>
<td>Lack of Health Care</td>
<td>32.0</td>
<td>15.6</td>
<td>15.0</td>
<td>28.0</td>
<td>31.7</td>
<td>34.2</td>
</tr>
<tr>
<td>Insecurity</td>
<td>6.7</td>
<td>28.1</td>
<td>25.0</td>
<td>8.0</td>
<td>2.4</td>
<td>2.6</td>
</tr>
<tr>
<td>Lack of Land</td>
<td>16.0</td>
<td>3.1</td>
<td>15.0</td>
<td>20.0</td>
<td>-</td>
<td>7.9</td>
</tr>
<tr>
<td>Experienced Major Downsize</td>
<td>3.0</td>
<td>27.5</td>
<td>36.4</td>
<td>4.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lack of Work</td>
<td>12.0</td>
<td>9.4</td>
<td>10.0</td>
<td>36.0</td>
<td>-</td>
<td>23.7</td>
</tr>
</tbody>
</table>
Table 29 - Perceived General Changes According to Household Type: Percentage of Households that Identified Change, 2000

<table>
<thead>
<tr>
<th></th>
<th>Less Credit</th>
<th>Fewer Public Services</th>
<th>High Cost of Living</th>
<th>Feel Poorer</th>
<th>Lack of Work Support</th>
<th>Less Gov’t Aid</th>
<th>Life is just Better</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>90-95</td>
<td>96-00</td>
<td>90-95</td>
<td>96-00</td>
<td>90-95</td>
<td>96-00</td>
<td>90-95</td>
</tr>
<tr>
<td>Small-Scale</td>
<td>11.0</td>
<td>9.3</td>
<td>15.1</td>
<td>8.0</td>
<td>2.7</td>
<td>22.7</td>
<td>9.6</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>34.4</td>
<td>37.5</td>
<td>18.8</td>
<td>18.8</td>
<td>53.1</td>
<td>21.9</td>
<td>43.8</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>26.3</td>
<td>25.0</td>
<td>5.3</td>
<td>10.0</td>
<td>10.5</td>
<td>40.0</td>
<td>15.8</td>
</tr>
<tr>
<td>Single Mother</td>
<td>8.0</td>
<td>4.0</td>
<td>36.0</td>
<td>28.0</td>
<td>8.0</td>
<td>52.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Small-Scale Wives</td>
<td>7.9</td>
<td>0.0</td>
<td>39.5</td>
<td>18.4</td>
<td>5.3</td>
<td>44.7</td>
<td>13.2</td>
</tr>
</tbody>
</table>

Table 30 - Percentage of Small-Scale Farming Wives that Indicated Changes to Household Welfare during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>18.4</td>
<td>23.7</td>
<td>5.3</td>
</tr>
<tr>
<td>A little worse</td>
<td>28.9</td>
<td>15.8</td>
<td>-13.1</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>47.3</td>
<td>39.5</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>28.9</td>
<td>36.8</td>
<td>9.9</td>
</tr>
<tr>
<td>A little better</td>
<td>21.1</td>
<td>21.1</td>
<td>0</td>
</tr>
<tr>
<td>Much better</td>
<td>2.6</td>
<td>2.6</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>23.7</td>
<td>23.7</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.
Table 31 - Percentage of Small-Scale Male Farmers that Indicated Changes to Household Welfare during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>16.7</td>
<td>24.3</td>
<td>7.6</td>
</tr>
<tr>
<td>A little worse</td>
<td>30.6</td>
<td>12.2</td>
<td>-18.4</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>47.3</td>
<td>36.5</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>22.2</td>
<td>23.0</td>
<td>0.7</td>
</tr>
<tr>
<td>A little better</td>
<td>29.2</td>
<td>32.4</td>
<td>3.2</td>
</tr>
<tr>
<td>Much better</td>
<td>1.4</td>
<td>8.1</td>
<td>6.7</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>30.6</td>
<td>40.5</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 32 - Percentage of Medium-Scale Farmers that Indicated Changes to Household Welfare during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>18.8</td>
<td>43.8</td>
<td>25.0</td>
</tr>
<tr>
<td>A little worse</td>
<td>28.1</td>
<td>21.9</td>
<td>-6.2</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>46.9</td>
<td>65.7</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>28.1</td>
<td>28.1</td>
<td>0.0</td>
</tr>
<tr>
<td>A little better</td>
<td>25.0</td>
<td>6.3</td>
<td>-18.7</td>
</tr>
<tr>
<td>Much better</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>25</td>
<td>6.3</td>
<td></td>
</tr>
</tbody>
</table>

Data collected between February and June 2000.

Table 33 - Percentage of Large-Scale Farmers that Indicated Changes to Household Welfare during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>5.0</td>
<td>50.0</td>
<td>45.0</td>
</tr>
<tr>
<td>A little worse</td>
<td>30.0</td>
<td>15.0</td>
<td>-15.0</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>35.0</td>
<td>65.0</td>
<td></td>
</tr>
<tr>
<td>The same</td>
<td>25.0</td>
<td>15.0</td>
<td>-10.0</td>
</tr>
<tr>
<td>A little better</td>
<td>25.0</td>
<td>20.0</td>
<td>-5.0</td>
</tr>
<tr>
<td>Much better</td>
<td>15.0</td>
<td>0.0</td>
<td>-15.0</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>40.0</td>
<td>20.0</td>
<td></td>
</tr>
</tbody>
</table>
### Table 34 - Percentage of Single-Mother Households that Indicated Changes to Household Welfare during 1990-1995 and 1996-2000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much worse</td>
<td>12.0</td>
<td>24.0</td>
<td>12.0</td>
</tr>
<tr>
<td>A little worse</td>
<td>40.0</td>
<td>16.0</td>
<td>-24.0</td>
</tr>
<tr>
<td>TOTAL WORSE</td>
<td>52.0</td>
<td>40.0</td>
<td>-24.0</td>
</tr>
<tr>
<td>The same</td>
<td>32.0</td>
<td>36.0</td>
<td>4.0</td>
</tr>
<tr>
<td>A little better</td>
<td>16.0</td>
<td>24.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Much better</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>TOTAL BETTER</td>
<td>16.0</td>
<td>24.0</td>
<td></td>
</tr>
</tbody>
</table>

### Table 35 - Impact of NGO Assistance on Household Welfare According to Single Mothers and Small-Scale Farmers, 2000 (Percent Response)

<table>
<thead>
<tr>
<th></th>
<th>Single Mothers</th>
<th>Small-Scale Farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Improved</td>
<td>57.9</td>
<td>45.0</td>
</tr>
<tr>
<td>Life Improved Only</td>
<td>10.5</td>
<td>25.0</td>
</tr>
<tr>
<td>Slightly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL IMPROVED</td>
<td>68.4</td>
<td>70.0</td>
</tr>
<tr>
<td>Life Improved Only</td>
<td>5.3</td>
<td>3.8</td>
</tr>
<tr>
<td>During Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life Did Not Improve</td>
<td>26.3</td>
<td>26.3</td>
</tr>
</tbody>
</table>

### Table 36 - Perceived Reasons for Major Changes in the 1990s According to Household Type, 2000 (Percent Response)

<table>
<thead>
<tr>
<th></th>
<th>Less Gov’t Support</th>
<th>Less Work Available</th>
<th>Less Credit Available</th>
<th>Higher Prices/ Cost of Living</th>
<th>Corruption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-Scale</td>
<td>37.5</td>
<td>41.8</td>
<td>3.1</td>
<td>3.0</td>
<td>9.4</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>6.1</td>
<td>65.5</td>
<td>10.3</td>
<td>20.7</td>
<td>6.9</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>38.9</td>
<td>61.1</td>
<td>0.0</td>
<td>0.0</td>
<td>16.7</td>
</tr>
<tr>
<td>Single Mothers</td>
<td>33.3</td>
<td>37.5</td>
<td>16.7</td>
<td>20.8</td>
<td>4.2</td>
</tr>
</tbody>
</table>
Table 37 – Proposed Solutions According to Household Type, 2000 (Percent Response)

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Foreign Assistance</th>
<th>Change Government Policy</th>
<th>Improve Access to Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-Scale</td>
<td>49.3</td>
<td>22.7</td>
<td>18.7</td>
</tr>
<tr>
<td>Medium-Scale</td>
<td>41.9</td>
<td>61.3</td>
<td>48.4</td>
</tr>
<tr>
<td>Large-Scale</td>
<td>35.0</td>
<td>55.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Single Mothers</td>
<td>48.0</td>
<td>32.0</td>
<td>12.0</td>
</tr>
</tbody>
</table>

Table 38 – Visions of the Future According to Household Type and Gender of Respondent, 2000 (Percent Response)

<table>
<thead>
<tr>
<th>Household Type</th>
<th>No Future At All</th>
<th>No Future With This Government</th>
<th>There is a Future</th>
<th>There is a Future With Foreign/NGO Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-Scale Men</td>
<td>25.3</td>
<td>20.0</td>
<td>32.0</td>
<td>21.3</td>
</tr>
<tr>
<td>Small-Scale Wives</td>
<td>28.2</td>
<td>15.4</td>
<td>20.5</td>
<td>28.2</td>
</tr>
<tr>
<td>Medium-Scale Men</td>
<td>15.6</td>
<td>68.8</td>
<td>6.3</td>
<td>9.4</td>
</tr>
<tr>
<td>Large-Scale Men</td>
<td>30.0</td>
<td>40.0</td>
<td>20.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Single Mothers</td>
<td>40.0</td>
<td>16.0</td>
<td>20.0</td>
<td>16.0</td>
</tr>
</tbody>
</table>
APPENDIX 2 - FIGURES
Figure 1 - Map of Nicaragua. Adapted by permission of ESRI.
Figure 2 - Map of the Department of Matagalpa showing the municipal regions (municipios) visited during the course of this project (February - June 2000). Adapted by permission of ESRI.
Figure 3 – Rural Matagalpa
Photograph taken in the municipio of San Ramón.

Figure 4 – The Town of Matagalpa
Figure 5 – The UNAG Office in Matagalpa

Figure 6 – Mr. Luis Blandino Conducting a Survey Questionnaire in the Community of Quebrachal, Matagalpa
Figure 7 – Mr. Luis Blandino Conducting a Survey Questionnaire in the Community of San Marcos, San Ramón

Figure 8 – Luis Blandino (centre) and Jane MacKimmie Skeans Visiting with a Campesino Farmer in the municipio of Terabona
Figure 9 – Mural in León
The peasant farmer depicted in the mural is crushing an image of Somoza.
Figure 10 – A Second Mural in León
This mural is located beside the mural shown in Figure 9. The peasant farmer depicted in this mural is crushing an image of Uncle Sam.
Figure 11 – Education Problems for Rural Farming Families in Matagalpa, 2000: Overall Sector Response

Figure 12 – Small-Scale Farming Households: Changes to Household Education during 1990-1995 and 1996-2000
Figure 13 – Single-Mother Households: Changes to Household Education during 1990-1995 and 1996-2000

Figure 14 – Medium-Scale Farming Households: Changes to Household Education during 1990-1995 and 1996-2000
Figure 15 – Large-Scale Farming Households: Changes to Household Education during 1990-1995 and 1996-2000

Figure 16 – Percentage of Households with all School-Age Children Attending School, 2000
Figure 17 – Young Matagalpan Boys Herding Cattle

Figure 18 – Rural School in a Remote Community
Figure 19 – Typical Public Rural School
The school shown in this photograph receives funding and support from the central government. The school shown in Figure 18 likely receives little support from the government and is instead largely maintained by the community.

Figure 20 – Private School in the Town of Matagalpa
Figure 21 – Changes in Family Food Consumption during 1990-1995: Percentage of Households that Indicated Change

Figure 22 – Changes in Family Food Consumption during 1996-2000: Percentage of Households that Indicated Change
Figure 23 – Percentage of Households with a Health Centre in the Community, 2000

Figure 24 – Percentage of Households that Identified Cost of Health Care as a Problem, 2000
Figure 25 – Percentage of Households that Identified Lack of Medicine as a Problem, 2000

Figure 26 – Percentage of Households that Identified Poor Quality Healthcare as a Problem, 2000
Figure 27 – Proposed Solutions to Health Care Problems According to Household Type, 2000 (Percent Response)

Figure 28 – Typical Rural Health Facility
Survey Questionnaire – English

Part I – General Information

1) General Information:

Date:
Name:
Municipality:
District:
Community:
Number of children:
Total number of people living in the household:
What size is your farm?
Total number of people that left for other places to find work:

2) Do you belong (or have you belonged) to some kind of organization or project?

3) Between 1990 and 1995, did you receive some kind of benefit or service from a project (e.g. credit, marketing, training, health, education, other social services, etc.)? If yes, from which organization and when?

Between 1996 until today?

4) Did your life improve, to some extent, as a result of your participation in this project? If so, how?

Part II – Social Aspects

1) Where do you get your water?

2) Do you have a toilet?

3) Is there a health centre in your community?

4) How much time does it take for you to travel to the health centre?

5) What are your principal problems in terms of accessing medical attention?

6) Did these problems change between 1990 and 1995?

Between 1996 and today?

7) How do you resolve family health problems?
8) With respect to health, how did your family situation change between 1990 and 1995?
   Much Better  A Little Better  The Same  A Little Worse  Much Worse

   Between 1996 and now?
   Much Better  A Little Better  The Same  A Little Worse  Much Worse

9) Did your family’s food consumption change between 1990 and 1995?

   Between 1996 and today?

10) With respect to food consumption, how did your family situation change between 1990 and 1995?
   Much Better  A Little Better  The Same  A Little Worse  Much Worse

   Between 1996 and today?
   Much Better  A Little Better  The Same  A Little Worse  Much Worse

11) Is there a primary school in your community? Is there a secondary school?

   If there is no school, how much time does it take to get to one?

12) Do all of your children go to school?

<table>
<thead>
<tr>
<th>Child</th>
<th>Sex</th>
<th>Age</th>
<th>Last Grade Completed</th>
<th>Are they continuing to the next grade?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

13) If some of your children are not attending school, why?

14) What are your principal problems with education?

15) Did these problems change between 1990 and 1995?

   Between 1996 and today?

16) How did your children’s situation change, with respect to education, between 1990 and 1995?
   Much Better  A Little Better  The Same  A Little Worse  Much Worse

17) Between 1996 and today?
   Much Better  A Little Better  The Same  A Little Worse  Much Worse

18) Can 4WD vehicles and trucks drive on the roads in your community? All year round? Only during summer?
19) Can cars and light trucks drive on the roads in your community? All year round? Only during summer?

**Part III – Production**

1) How many people in your family work on your farm?  
In which activities do they work?  
Did this change between 1990 and 1995?  
Between 1996 and today?

2) How many people in your family work away from the farm to make money?  
In which activities do they work?  
How much are the paid daily?  
How much time of the year do they work off-farm?  
Did this change between 1990 and 1995?  
Between 1996 and today?

3) Do you have non-family workers on your farm? If so, how many?  
How much time, each year, do you employ non-family workers?  
How much do you pay them?  
Did this change between 1990 and 1995?  
Between 1996 and today?

4) How did you acquire your farm?  
Purchased/Owned  Family Farm  Inheritance  Rent (for how much?)  
Agrarian Reform: cooperative  collective  individual

5) How long have you owned your farm?

6) Do you have title to your farm? If yes, for how long?

7) How is your farm principally used?

<table>
<thead>
<tr>
<th>Use of Land</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td></td>
</tr>
<tr>
<td>Pasture</td>
<td></td>
</tr>
<tr>
<td>Woods</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

8) What crops do you cultivate on your farm (e.g. corn, beans, millet, coffee, bananas, plantains, fruits, vegetables, etc.)?

<table>
<thead>
<tr>
<th>Crop</th>
<th>Cultivated Since...</th>
<th>Area 1990</th>
<th>Area 1996</th>
<th>Actual Area</th>
<th>Production 1990</th>
<th>Production 1996</th>
<th>Actual Production</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9) What are the major reasons for changes to the type of crops and the production of each crop?
   During 1990 to 1995?
   During 1996 to today?

10) Do you have livestock on your farm?

<table>
<thead>
<tr>
<th></th>
<th>Number of animals in 1990</th>
<th>Number of animals in 1996</th>
<th>Actual Number of Animals</th>
<th>Area of Pastures 1990</th>
<th>Area 1996</th>
<th>Actual Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Livestock - Meat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large Livestock - cheese and milk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Livestock - pigs</td>
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<tr>
<td>Small Livestock - chickens</td>
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</tbody>
</table>

11) What are the major reasons for changes to the number of livestock between 1990 and 1995?
    Between 1996 and today?

12) What are your principal problems with production?

13) Did this change between 1990 and 1995? How?
    Between 1996 and today? How?

14) What benefits/assistance did you receive with respect to production between 1990 and 1995? From which organization or project?
    Between 1996 and today? From which organization or project?

15) With respect to production, how did your situation change between 1990 and 1995?
    Much Better   A Little Better   The Same   A Little Worse   Much Worse
    Between 1996 and today?
    Much Better   A Little Better   The Same   A Little Worse   Much Worse

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16) To improve production, what are your principal needs?

17) In your opinion, how could you acquire these needs (e.g. cooperatives, collectives, associations, projects, other forms)?

**Part IV – Marketing**

1) How much of each crop is for personal consumption? How much of each crop do you sell, and for how much?

How much of your livestock is for personal consumption? How much do you sell, and for how much (meat, cheese, milk, pigs, chickens)?

2) With respect to marketing your crops, what were the principal changes, if any, between 1990 and 1995?

Between 1996 and today?

3) What were the principal problems with marketing your crops between 1990 and 1995?

Between 1996 and today?

4) Did these problems change during 1990 and 1995?

Between 1995 and today?

5) What benefits/assistance did you receive with respect to marketing between 1990 and 1995? From which organizations or projects?

Between 1996 and today? From which organizations or projects?

6) With respect to marketing, how did your situation change between 1990 and 1995?

Much Better A Little Better The Same A Little Worse Much Worse

Between 1996 and today?

Much Better A Little Better The Same A Little Worse Much Worse

7) To improve marketing, what are your principal needs?

8) In your opinion, how could you acquire these needs (cooperatives, collectives, associations, other forms)?
Part V - Financing

1) Do you have credit? Have you ever had credit? From where? How much credit have you received? For what crops or activities? What is/was the interest rate?

2) With respect to financing, what were the principal changes between 1990 and 1995?
   Between 1996 and today?

3) What were the principal problems with respect to financing between 1990 and 1995?
   Between 1996 and today?

4) What benefits/assistance did you receive with respect to financing between 1990 and 1995? From which organizations or projects?
   Between 1996 and today? From which organizations or projects?

5) With respect to financing, how did your situation change between 1990 and 1995?
   Much Better    A Little Better    The Same    A Little Worse    Much Worse
   Between 1996 and today?
   Much Better    A Little Better    The Same    A Little Worse    Much Worse

6) What are your principal needs for credit? (What do you use it for, and how much do you need)?

7) In your opinion, how could you acquire this credit? Which way would be best: as an individual; through cooperatives, collectives, associations; or, other forms? In your community, is there a group who could manage a credit organization?

Part VI – General Questions for Men

1) With respect to your life in general, what major changes occurred between 1990 and 1995?
   Between 1996 and today?

2) With respect to your children’s lives, what major changes occurred between 1990 and 1995?
   Between 1996 and today?
3) In your opinion, what are the principal reasons for the changes between 1990 and 1995?

Between 1996 and today?

4) In general, how did your life change between 1990 and 1995?

   Much Better   A Little Better   The Same   A Little Worse   Much Worse

   Between 1996 and today?

   Much Better   A Little Better   The Same   A Little Worse   Much Worse

5) What are your principal problems in life?

6) Did these problems change between 1990 and 1995?

   Between 1996 and today?

7) In your opinion, how could these problems be resolved?

8) Do you believe there is a future for your country?

Part VII – General Questions for Women

1) With respect to your life in general, what major changes occurred between 1990 and 1995?

   Between 1996 and today?

2) With respect to your children’s lives, what major changes occurred between 1990 and 1995?

   Between 1996 and today?

3) In your opinion, what are the principal reasons for the changes between 1990 and 1995?

   Between 1996 and now?

4) In general, how did your life change between 1990 and 1995?

   Much Better   A Little Better   The Same   A Little Worse   Much Worse

   Between 1996 and today?

   Much Better   A Little Better   The Same   A Little Worse   Much Worse

5) What are your principal problems in life?
6) Did these problems change between 1990 and 1995? Between 1996 and today?

7) In your opinion, how could these problems be resolved?

8) Do you believe there is a future for your country?

Survey Questionnaire – Spanish

I – Datos Generales

1) Datos Generales:
   - Fecha:
   - Nombre de la familia:
   - Municipio:
   - Comarca:
   - Comunidad:
   - Numero de hijos:
   - Numero total de personas viven en la casa:
   - Que tamano es su finca?
   - Numero total de personas que se han ido a otros lugares para buscar trabajo:

2) Pertenecen (o han pertenecido) a alguna organizacion o proyecto? Por cuanto tiempo?

3) De 1990 hasta 1995 recibieron algun beneficio o servicios de un proyecto (e.j. crédito, comercialización, capacitación, salud, educación, otros servicios sociales, etc.)? De que organismo y cuándo?
   - De 1996 hasta hoy?

4) Han mejorado su vida en alguna manera como resultado de su participación en este proyecto? Cómo?

II – Aspectos Sociales

1) De dónde se abastecen de agua?

2) Tienen letrina?
3) Hay un centro de salud en su comunidad?

4) Cuánto tiempo lleva para llegar al centro de salud?

5) Cuáles son los problemas principales que tienen en cuanto a acceso a atención médica?

6) Cambiaron estos problemas de 1990 hasta 1995?
   De 1996 hasta hoy?

7) Cómo han resuelto los problemas de salud en su familia?

8) En cuanto a la salud, cómo cambió la situación de su familia de 1990 hasta 1995?
   Mucho Mejor  Un Poquito Mejor  Lo Mismo  Un Poquito Peor  Peor
   De 1996 hasta hoy?
   Mucho Mejor  Un Poquito Mejor  Lo Mismo  Un Poquito Peor  Peor

9) Cambio la alimentación de su familia de 1990 hasta 1995?
   De 1996 hasta hoy?

10) En cuanto a la alimentación, cómo cambió la situación de su familia de 1990 hasta 1995?
    Mucho Mejor  Un Poquito Mejor  Lo Mismo  Un Poquito Peor  Peor
    De 1996 hasta hoy?
    Mucho Mejor  Un Poquito Mejor  Lo Mismo  Un Poquito Peor  Peor

11) Hay una escuela en su comunidad? Primaria? Secundaria? Si no, cuánto tiempo lleva para llegar a la escuela?

12) Se van todos los hijos a la escuela?

<table>
<thead>
<tr>
<th>Hijo</th>
<th>Sexo</th>
<th>Edad</th>
<th>Ultimo Grado</th>
<th>Continua?</th>
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</tbody>
</table>

13) Si algunos no asisten, porque?

14) Cuáles son los problemas principales que tienen en cuanto a la educación?

15) Cambiaron estos problemas de 1990 hasta 1995?
De 1996 hasta hoy?

16) En cuanto a la educación, cómo cambió la situación de sus hijos de 1990 hasta 1995?
   Mucho Mejor   Un Poquito Mejor   Lo Mismo   Un Poquito Peor   Peor

17) Se puede pasar vehículos de doble o camiones en los caminos de su comunidad? En verano solo? Todo el año?

18) Se puede pasar carros o camionetas en los caminos de su comunidad? En verano solo? Todo el año?

III – Producción


2) De su familia, cuántas personas trabajan afuera de su finca para ganar dinero? En cuáles actividades? Cuánto están pagados por día? Por cuánto tiempo del año trabajan?

   Cambio de 1990 hasta 1995?
   De 1996 hasta hoy?

3) Hay gente afuera de su familia que trabaja para usted? Cuánta gente? Por cuánto tiempo cada año? Como se pagan?

   Cambio de 1990 hasta 1995?
   De 1996 hasta hoy?

4) ¿Cómo obtuvo su finca?
   Propia   Familiar   Heredada   Alquilada (Cuánto pagan?)   Reforma agraria: cooperativa colectivo Individual

5) Por cuánto tiempo la han tenido?

6) Tienen título o escritura de su finca? Desde cuándo?
7) Cuáles son los usos principales de su finca?

<table>
<thead>
<tr>
<th>Uso de la Tierra</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agrícola</td>
<td></td>
</tr>
<tr>
<td>Pastos</td>
<td></td>
</tr>
<tr>
<td>Bosques</td>
<td></td>
</tr>
<tr>
<td>Otros</td>
<td></td>
</tr>
</tbody>
</table>

8) Que cultivos tiene su finca (e.j. maíz, fríjoles, millón, ajonjoli, café, banano, platano, tipos de frutas y hortalizas, etc.)?

<table>
<thead>
<tr>
<th>Cultivo</th>
<th>Desde Cuándo</th>
<th>Área 1990</th>
<th>Área 1996</th>
<th>Área Actual</th>
<th>Producción 1990</th>
<th>Producción 1996</th>
<th>Producción Actual</th>
</tr>
</thead>
</table>

9) Cuáles son las razones principales para los cambios en términos de los tipos de cultivos y en la producción de cada cultivo? De 1990 hasta 1995?

De 1996 hasta hoy?

10) Tienen ganado en su finca?

<table>
<thead>
<tr>
<th></th>
<th>Cabezas en 1990</th>
<th>Cabezas en 1996</th>
<th>Cabezas Actual</th>
<th>Área en pastos 1990</th>
<th>Área en pastos 1996</th>
<th>Área Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ganado Mayor – Carne</td>
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<tr>
<td>Ganado Mayor – leche y queso</td>
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<tr>
<td>Ganado Menor – cerdos</td>
<td></td>
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<tr>
<td>Ganado Menor – gallinas</td>
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</tbody>
</table>

11) Cuáles son las razones principales para los cambios en el número de cabezas en ganado mayor y/o menor de 1990 hasta 1995?

De 1996 hasta hoy?

12) Cuáles son los problemas principales en cuanto a la producción?
13) Cambiaron estos problemas de 1990 hasta 1995? Cómo?
   De 1996 hasta hoy? Cómo?

14) Que beneficios recibieron en cuanto a la producción de 1990 hasta 1995? De cuáles proyectos o organismos?
   De 1996 hasta hoy? De cuáles proyectos o organismos?

15) En cuanto a la producción cómo cambio su situación de 1990 hasta 1995?
    Mucho Mejor  Un Poquito Mejor  Lo Mismo  Un Poquito Peor  Peor

16) Para mejorar la producción, cuáles son sus necesidades principales?

17) En sus opiniones, cómo se queda abastecer estas necesidades (cooperativas, colectivos, asociaciones, proyectos o otras formas)?

IV – Comercialización

1) De cada cultivo, cuánto es para autoconsumo? Cuánto venden y a donde (maíz, fríjoles, millón, hortalizas, etc.)?
   
   Ganado Mayor:   carne
                   leche/queso

   Ganado Menor:   cerdos
                   gallinas

2) En cuanto a la comercialización de cada cultivo cuáles eran los cambios principales de 1990 hasta 1995?
   De 1996 hasta hoy?

3) Cuáles eran los problemas principales a la comercialización de 1990 hasta 1995? 
   De 1996 hasta hoy?

4) Cambiaron estos problemas de 1990 hasta 1995? Cómo?
   De 1996 hasta hoy? Cómo?

5) Que beneficios recibieron en cuanto a la comercialización de 1990 hasta 1995?
   De cuáles organismos, proyectos, etc.?
De 1996 hasta hoy? De cuáles organismos, proyectos, etc.?

6) En cuanto a la comercialización, cómo cambió su situación de 1990 hasta 1995?
Mucho Mejor Un Poquito Mejor Lo Mismo Un Poquito Peor Peor

De 1996 hasta hoy?
Mucho Mejor Un Poquito Mejor Lo Mismo Un Poquito Peor Peor

7) Para mejorar la comercialización, cuáles son sus necesidades principales?

8) En sus opiniones, cómo se pueda abastecer estas necesidades (cooperativas, colectivos, asociaciones, o otras formas).

V – Financiamiento

1) Tienen crédito? Han tendido crédito? De donde? Cuánto y para cuáles cultivos o actividades? ¿Qué es la tasa de interés?

2) En cuanto al crédito, cuáles eran los cambios principales de 1990 hasta 1995?

De 1996 hasta hoy?

3) Cuáles eran los problemas principales en cuanto al crédito de 1990 hasta 1995?

De 1996 hasta hoy?

4) Que beneficios recibieron en cuanto al crédito de 1990 hasta 1995? De cuáles organismos, proyectos, etc.?

De 1996 hasta hoy?

5) En cuanto al crédito cómo cambió su situación de 1990 hasta 1995?
Mucho Mejor Un Poquito Mejor Lo Mismo Un Poquito Peor Peor

De 1996 hasta hoy?
Mucho Mejor Un Poquito Mejor Lo Mismo Un Poquito Peor Peor

6) Cuáles son sus necesidades principales de crédito (cuáles cultivos, ganado, etc. y cuánto cada uno)?

7) En sus opiniones, cómo se pueda llegar este crédito? En que forma sería mejor (individuo, en cooperativas, colectivos, asociaciones, o otras formas). En su comunidad, hay un grupo que pueda manejar la organización del crédito para que puedan recibirlo?
VI – Preguntas Generales – Hombres

1) En cuanto a su vida en general, cuáles eran los cambios más importantes de 1990 hasta 1995.
   De 1996 hasta hoy?

2) En cuanto a la vida de sus hijos en general, cuáles eran los cambios más importantes de 1990 hasta 1995?
   De 1996 hasta hoy?

3) En su opinión, cuáles son las razones principales por estos cambios? De 1990 hasta 1995?
   De 1996 hasta hoy?

4) En general, cómo cambió su vida de 1990 hasta 1995?
   Mucho Mejor  Un Poquito Mejor  Lo Mismo  Un Poquito Peor  Peor
   De 1996 hasta hoy?

5) En cuanto a su vida, cuáles son los problemas principales?

6) Cómo cambiaron estos problemas de 1990 hasta 1995?
   De 1996 hasta hoy?

7) En su opinión, cómo se queda resolver estos problemas? En qué forma?

8) Se sienten un futuro en el país?

VII – Preguntas Generales – Mujeres

1) En cuanto a su vida en general, cuáles eran los cambios más importantes de 1990 hasta 1995.
   De 1996 hasta hoy?

2) En cuanto a la vida de sus hijos en general, cuáles eran los cambios más importantes de 1990 hasta 1995?
   De 1996 hasta hoy?
3) En su opinión, cuáles son las razones principales por estos cambios? De 1990 hasta 1995?

De 1996 hasta hoy?

4) En general, cómo cambió su vida de 1990 hasta 1995?
   Mucho Mejor  Un Poquito Mejor  Lo Mismo  Un Poquito Peor  Peor

De 1996 hasta hoy?

5) En cuanto a su vida, cuáles son los problemas principales?

6) Cómo cambiaron estos problemas de 1990 hasta 1995?

De 1996 hasta hoy?

7) En su opinión, cómo se queda resolver estos problemas? En qué forma?

8) Se sienten un futuro en el país?
Interviews Cited

Yaneth: Interview #1, El Trentino, March 8, 2000.
Jaime: Interview #1, El Trentino, March 8, 2000.
Yaneth, Nelson, and Jaime are youth from small-scale farming households. They were interviewed together, as a group, along with 5 other youth.

Margarito Espinozo: Interview #2, El Trentino, March 8, 2000.
Margarito is the President of the Ramón García Cooperative in the community of El Trentino.

Rogelio is a small-scale basic grains farmer.

Carlos is a youth from a small-scale farming household.

Maria: Interview #5, Quebrachal, March 13, 2000.
Maria is a youth from a small-scale farming household.

Teofila: Interview #6, Quebrachal, March 13, 2000.
Teofila is a campesina and mother.

Ana Maria: Interview #7, Susulí, March 16, 2000.
Ana Maria is a small-scale farmer.

Guillermo is the coordinator for an NGO that specializes in assisting small-scale farming households with education.

Jorge and Pedro Antonio are youth from small-scale farming households. They were interviewed together.

Martin is a small-scale farmer and the community representative to the UNAG through the Campesino a Campesino Program.

Blanca Lidia Torres: Interview #11, Matagalpa, March 27, 2000.
Blanca is the director of SACPROA, an NGO that provides women with credit.

Clemente Valdiva: Interview #12, Río Blanco, April 4, 2000.
Clemente is a large-scale cattle rancher.
Ulises Alm: Interview #13, Matiguás, April 5, 2000.
Ulises is a medium-scale cattle rancher.

Fidel Rodríguez Rojas: Interview #14, Matiguás, April 6, 2000.
Fidel is a large-scale rancher and the vice president of the UNAG in Matiguás.

Elisa: Interview #15, Matiguás, April 6, 2000.
Elisa is a mother, and an elementary school teacher in a remote, rural community.

Omar Ulises: Interview #16, La Dalia, April 13, 2000.
Omar is a large-scale coffee and vegetable farmer.

Rogelio: Interview #17, Sébaco, April 14, 2000.
Rogelio is a large-scale vegetable farmer.

Mariela: Interview #18, Sébaco, April 14, 2000.
Mariela is a pre-school teacher.

Catalina Roque: Interview #19, El Chompipe, April 22, 2000.
Catalina is the President of a woman’s cooperative in El Chompipe.

Jovana is a mother, grandmother, and small-scale cattle rancher, as well as a member of the woman’s cooperative in El Chompipe.

Pia is a small-scale farmer.

Carlos is a sociologist living in the town of Matagalpa.

Edy is an economist and rural analyst who works at the UNAG.

Marta: Interview #24, Matagalpa, May 12, 2000.
Marta is a family planning advisor.

Douglas Stuart is a professor at the University of Matagalpa.

Mr. Perez is the Minister of Education for the department of Matagalpa.

Daniel works for the Association of Rural Workers, and conducts research in rural Matagalpa.

**Juana Maria Buisting:** Interview #28, Matagalpa, May 26, 2000.
Juana is a mother, a medium-scale farmer, and the director of a network that assists small-scale farmers with marketing.

**Jacinta Saénz:** Interview #29, Matagalpa, May 26, 2000.
Jacinta is the director of ODESAR, which is an NGO that assists small-scale coffee farmers with financing and marketing.

**Luis Blandino:** Interview #30, Matagalpa, May 27, 2003.
Luis is a UNAG employee and worked as a research assistant for this project.

**Fernando Mansell:** Interview #31, San Isidro, May 28, 2000.
Fernando is a large-scale vegetable and rice farmer.

**Claudia:** Interview #32, La Pita, May 29, 2000.
**Julia:** Interview #32, La Pita, May 29, 2000.
**Maria del Carmen Espinosa:** Interview #32, La Pita, May 29, 2000.
Claudia, Julia, and Maria del Carmen are all campesina mothers. Maria del Carmen is a single mother. These women were interviewed together, as a group.

**Juan Luis:** Interview #33, La Pita, May 29, 2000
**Juan Carlos:** Interview #33, La Pita, May 29, 2000.
Juan Luis and Juan Carlos are youth from small-scale farming households.

**Ramona Cruz Perez:** Interview #34, San Ramón, May 29, 2000.
Ramona is a small-scale coffee farmer.

**Jose Picado:** Interview #35, Matagalpa, June 3, 2000.
Jose is a deputy for the FSLN.

**Adolfo Maar:** Interview #36, Matagalpa, June 6, 2000.
Adolfo is from the Minister of Agriculture in the department of Matagalpa.
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