

**Making it at the Margins:  
The Criminalization of Nicaraguan Women's Labor  
Under Structural Reform**

Alys Willman-Navarro

The New School University  
Graduate Program in International Affairs

To have been born a woman means:  
Putting your body at the service of others  
Giving your time to others  
Thinking only about others...  
To have been born a woman means:  
That your body does not belong to you  
That your time does not belong to you  
That your thoughts do not belong to you<sup>1</sup>

--From Daisy Zamora, *Ser Mujer* ("To be a woman")

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## **I. Introduction**

The myth of the domestic housewife remains hegemonic in development discourse, despite all evidence to the contrary. Now perhaps more than ever, women's work is done outside the home and, increasingly, outside the reach of the state.

Economic globalization presents women, as a subordinated group in global society, with new challenges and identities. In developing countries, high external debts and the accompanying structural reforms have placed disproportionate burdens on women as workers and household managers, without reducing the debt burden in any meaningful sense. At the same time, globalization gives rise to mobile, transnational networks dependent on female labor. In addition to the formal networks for manufacturing and services jobs, these include illicit trade in goods and services: the sex trade, drug trafficking and illegal migration of cheap labor. Women already constitute the majority of workers in the sex trade, are rapidly becoming a majority group in illegal labor migration, and have increased their participation in the drug trade. For women, these activities are survival strategies. For those who control the networks - and in the case of migration, for governments as well - they are means of making a profit.<sup>2</sup>

The experiences presented here formed part of an exploratory study of the increasing involvement of Nicaraguan women in both traditional and illicit survival activities under current structural reforms. Nicaragua is a relative latecomer to the processes of economic globalization, having entered into structural reform in 1990, nearly a decade behind many of its neighbors. The country is generally regarded to be the second poorest country in the Western Hemisphere, after Haiti, and one of the world's most highly indebted countries per capita. As part of its debt restructuring process,

Nicaragua has undergone 13 years of World Bank reforms. The Poverty Reduction Strategy (PRS) is the most recent of the reform initiatives, having taken effect in 2001.

Inserting these policies into the Nicaraguan context where women face significant structural barriers has had two major impacts. First, it further entrenches women into traditional gender roles, increasing their dependence on men. Second, it pushes women into informal and, increasingly, illicit networks to ensure their individual and families' survival.

The body of the paper is organized into six sections. First, I provide a conceptual framework by discussing progress and limitations in development theory and practical models, highlighting their failure to adequately address women's illicit survival activities. Next, I introduce the PRS initiative outlined in the Nicaraguan Poverty Reduction Strategy Paper (PRSP), followed by a discussion of the problems of inserting these strategies within the Nicaraguan cultural context where *machismo* is strong and women hold a subordinate status. I then examine the ways in which women's labor is traditionalized and criminalized as they pursue survival strategies on the margins of society, based on interviews with Nicaraguan women. Here I look at women's increasing dependence on men and their growing participation in illegal migration, prostitution and the drug trade. Finally, I draw conclusions for further study and policy recommendations.

## **II. Conceptualizing Women's Illicit Survival Strategies**

Economic globalization has fundamentally changed the way global structures operate, and the options available for making a living. The task of theorizing what all this means for women has produced a growing volume of literature on the role women play in

economic processes. Saskia Sassen<sup>3</sup> has divided this literature into three phases, two of which began some decades ago and continue today, and a third emerging phase dealing with current transformations still lacking a solid theoretical understanding. These are: first, the role of women in the transition from subsistence economies to monetarized systems, followed by the outsourcing of manufacturing labor from industrialized countries to developing country (female) labor.

The third phase seeks to understand women's changing role as they respond to macroeconomic constraints (high unemployment, national governments' diversion of resources for social spending toward debt payments or corruption, among others) and participate in growing mobile, international networks created by the globalized system. These networks increasingly include informal and illicit trades, specifically the drug trade, sex trafficking and illegal labor migration. The rise of these illicit networks is a direct response to growing demand for these services; women's growing participation in them indicates an increasing demand specifically for female labor.

There is a substantial body of theoretical work concerning the first two phases, with only a small part of it including a gendered analysis. Practical approaches to development have arisen out of each, some more effective than others. One significant limitation that will be discussed in this section is the failure of development theory to discuss women's involvement in illicit survival strategies. Generally, this literature has preferred to lump these activities into the informal sector, when it discusses them at all.

The following section provides an overview of development theories concerning the three stages, along with a gendered critique of development approaches related to

each phase. This conceptual framework assists in building an understanding of the third phase of globalization and women's role within it.

### **Shadow Work: The Invisibilization of Women's Labor**

The distinction between “developed” and “undeveloped” in dominant discourse grew out of existing ideas about Western (modern) vs. non-Western (traditional) peoples that had permeated Western thought since the Enlightenment. Presentations of non-Western women as primitive and oppressed formed a key part of the image of “traditional” societies in early theory.<sup>4</sup>

As several feminist critics of early development theory have noted, both dependency and modernization theory are rooted in the social constructions of gender differences.<sup>5</sup> Both depend on inherently masculine concepts of “rational” or “revolutionary” as ideals. Modernization theory places the modern, rational, industrial realm in opposition to the traditional, feminized, household. Similarly, dependency theory sets up a public/private dichotomy by segregating “revolutionary” ideals from the household realm of women's traditional labor, even as it appreciates the role that women's labor plays. Both impose a Western nuclear family model that regards women's household role as natural, and retain the public realm for privileged male use.

The implantation of a monetarized system, including cash crops and (male) wage labor, comprised the primary component of the modernization approach. It was here that the distinction between productive (male) and reproductive (female) activities sharpened. Social critic Ivan Illich called this female labor “shadow work.” In subsistence-based societies, women's labor in the home – sewing clothes, raising livestock – contributed

equally to the family livelihood. In the transition to a monetized economy, men entered paid jobs, leaving women to the unremunerated tasks of the home. In effect, women's shadow work subsidized male wage labor, as Illich describes:

“An unsentimental history of industrial work thus removes the blindspot of economics: *homo economicus* has never been sexually neutral; from the beginning he was created as a couple, as *vir laborans*, the workingman, and *femina domestica*, the hausfrau, *homo industrialis* was made.”<sup>6</sup>

The work of Esther Boserup<sup>7</sup> is perhaps better known for its early recognition of this dependence of the monetarized system on gender dynamics. Boserup's work on the sexual division of labor in agrarian societies was the first comprehensive study to delineate female and male productive responsibilities, noting that as newer technologies such as plows or irrigation systems were integrated into agricultural production, men took on more of the productive work while women focused on domestic activities. Boserup's analysis highlighted the invisibilization of female labor as modernization advanced. In rural areas, women were relegated to the household, whereas in urban areas women were pushed into informal markets while men gained access to wages and credit in the formal realm. This had the effect of increasing women's dependence on men. Indeed, Boserup's study directly challenged the dominant assumption that economic benefits would automatically trickle down to poorer groups, particularly women.<sup>8</sup>

#### *Women in Development (WID) Approach*

Boserup's work formed the basis for the first mainstream gendered approach to development, the Women in Development (WID) model. Greatly influenced by modernization and dependency theories, WID developed as a way to better integrate women into industrial processes. Its chief accomplishment was to recognize the sexual

division of labor as an explanation for the differential impacts of development interventions on men and women.<sup>9</sup>

WID's principal limitation was its assumption that the male experience of modernization – moving from traditional livelihoods to modern industrial wage labor – was generalizable to females, so that all would benefit equally as societies modernized.<sup>10</sup> What was needed, then, were economic opportunities to draw women out of the traditional household realm and liberate them from restrictive cultural norms. At its core, WID possessed an acceptance of social constructs, maintaining a public/private dichotomy and working within gender-biased structures. WID also continued the tradition of welfarist strategies that had begun with Western charities and relief aid, which had viewed women as the “poorest of the poor,” passive recipients of development programs rather than protagonists in their own development. The Western feminist movement of the 1960s, portrayed Third-World women as helpless victims of a ruthless patriarchal system, to be liberated by First-World feminist leaders.<sup>11</sup>

Various United Nations conferences held during this time generated a rich debate about the feminist agenda. Women from industrialized countries stressed gender equality, while developing country women focused on satisfaction of basic needs and women from socialist countries posited that equality between the sexes was already a reality.<sup>12</sup> Women from developing countries objected to the unfair portrayal as passive recipients of development strategies. Achola O. Pala argued that in Africa, women already played active roles in their family, community and national development and rejected the prioritization of development goals by outsiders.<sup>13</sup> These views all contributed to a more heterogeneous representation of women's issues and agendas.

## **Phase Two: The Feminization of the Proletariat**

Three key factors coincided to determine the second phase of economic globalization: (1) the implementation of modernization development strategies urged women's movement into wage labor; especially in urban areas; (2) increasing economic interconnectedness facilitated the rise of multinational companies and their outsourcing of larger portions of low-skilled operations to international sites, primarily in developing countries, and; (3) the onset of the debt crisis and subsequent imposition of structural adjustment programs to reorient developing economies toward the export sector. All three of these factors impacted significantly on women's economic and social conditions and their options for making a living.

These three factors had the effect of mobilizing a sector of the female workforce that, in most cases, had previously remained outside the formal economy. In what has been termed the "feminization of the proletariat," these conditions created a new global class of female workers. However unlike other proletariat classes in "growth industries" in the past, this feminized work force is limited in its capacity to build a cohesive bargaining power, especially through traditional unionizing methods.<sup>14</sup> These limitations stem first from its condition as a female workforce, and second from its location in transient and ambiguously defined export processing zones. On a global level, cross-border organizing efforts have had some success in bringing these conditions to the public attention in the North, spurring several important movements for consumer responsibility, although their impact on corporate policy is still in question.

There is a substantial amount of literature on the impact of structural adjustment programs on women in developing countries, some of it linking their movement into low-wage jobs (mostly in export processing zones) to the problems of high unemployment and shrinking social services created and/or exacerbated by these programs. This work led to harsh criticism of structural adjustment plans and their subsequent replacement with other programs for debt relief, which although they have included additional spending to ease the social impacts of adjustment, have consistently failed to reduce national debt burdens in any meaningful sense.

*New Approaches: Vulnerabilities, Capabilities and Social Constraints*

Newer approaches arose to address the position of women during this second phase, progressively breaking with the public/private dichotomy and welfarist approach upheld by the WID model. Anthropologist Caroline Moser was instrumental in taking development policy, which tends to “stop at the front door,” into the private realm to explore the role of interfamilial relationships in determining household well-being. Her studies documented serious asymmetries in the contribution to and control over household resources along gender divisions. Based on this, Moser developed the concept of vulnerability to describe the responses of poor households to crises.<sup>15</sup> This approach takes a multidisciplinary view of well-being, relying on anthropology and sociology to describe relative depredation in terms of a person’s ability to confront economic crisis, incidence of violence and environmental concerns. Despite the negative connotation of the word “vulnerability” Moser focuses more on the assets of the poor, defined as: labor, social and economic infrastructure (human capital built through social services), productive assets like land and housing, household relations (pooling of resources among

family members) and social capital (community ties and alliances).<sup>16</sup> Survival strategies can be understood as actions to diversify and utilize this asset base. This characteristic allows room for diversity among women of different classes, ages and races, rather than lumping them together as in other approaches.

Within the vulnerability approach, women are understood as agents of their own development, actively mobilizing their assets to respond to crises or improve family welfare. This view of women as protagonists differs fundamentally from mainstream conceptions of women as passive recipients of welfare. It also breaks with these traditions by refusing to confine women to the household realm. As women mobilize assets, they may move into informal work or take formal jobs, delegating household responsibilities to other family members. They may migrate to urban centers or internationally when needed, and return when conditions improve. Thus there is more space in Moser's approach for mobile women, who may not necessarily be attached directly to the family realm.

The vulnerability approach addresses women's increasing involvement in the informal economy, highlighting their growing participation in informal "competitive, dead-end occupations with low pay and long hours."<sup>17</sup> Women's growing involvement in informal activities means they are more directly affected by the decrease in steady, formal work opportunities that tends to accompany structural reform, as underemployed men push into this sector. In Nicaragua, women now comprise 70 percent of the informal work force,<sup>18</sup> up from just 22.8 percent in 1980.<sup>19</sup>

In her analysis Moser does not directly address women's growing involvement in illicit activities such as prostitution or the drug trade, preferring to lump these together

with informal activities. As I argue below, these activities deserve separate attention, given the added risk of legal penalty, the specific use of the female body as an asset and the deep social stigma they carry.

Other models were also instrumental in taking the analysis to the household level to explore power relations and their effects on well-being. Amartya Sen's concept of "cooperative conflict" between male and female household members is one example. Rather than comprising a cooperative body, members of a household have conflicting interests and goals. Because they have fewer assets, women often have less bargaining power in negotiating these conflicts, so that some family members may be better off at the expense of others. This has been termed "secondary poverty" – where overall household income is above the poverty line, but some members are indeed "poor" because they have limited access to this income. Because of these power relations, the link between income earning opportunities for women and greater decision-making power is not as clear as mainstream policymakers prefer to believe.

Together with Martha Nussbaum, Sen developed the "capabilities approach" to development. This model includes a broad definition of well-being which transcends cultural and national barriers, including: the ability to think and reason based on an adequate education, to play and participate in recreation, to enjoy good health, to live with concern for and in relation to the natural world, to love and be loved, to make important life choices without interference, among others.<sup>20</sup>

As Sen has noted, the freedom to choose among different options must be seen not only in terms of the choices available, but also in terms of the constraints people face in their efforts to take advantage of new opportunities. The capabilities approach aims to

increase the capacity of the poor to overcome these constraints. With this concept, Sen moves away from simply providing a good, such as food, to the poor. For Sen, the importance of possessing a good is the increased capacity it offers a person – food translates into the ability to live a healthy life. Women’s employment is seen as a means to achieve the larger objective of gender equality, rather than an end in itself.

The capabilities approach was instrumental in integrating the concept of social justice into conceptualizations of development, a characteristic that distinguishes it from WID or NHE approaches. Along with the vulnerabilities approach, it also marks a shift toward a more positivist view of women as agents of their own development.

The principal problem with Sen and Nussbaum’s approach is that it assumes that once women are “liberated” from the constraints they face, they will automatically adopt a set of progressive, liberal values and behaviors. Nussbaum later went beyond the original description of the capabilities model to argue that her broad list of universal human capabilities should be the political goals of liberalism.<sup>21</sup> Nussbaum claims her ideal of a universal set of values overrides tradition and culture, which she sees as the primary barriers to women’s liberation. In addition, Nussbaum assumes her list applies to all women regardless of class, race, age or other important distinctions. Her imposition of these values on women generally has been called “Hegemonic Liberalism,” an ideal that threatens to become the same sort of repressive discourse it struggles against.<sup>22</sup>

For his part, Sen still largely restricts his analysis to achieving development objectives within the structures of gender constraints. His discussion of the benefits of women’s empowerment continues the separation of women’s issues from larger gender-biased structures. His work praises the documented decrease in infant mortality

associated with rising levels of female employment and literacy in India,<sup>23</sup> but it does not challenge the structures that assign women sole responsibility for children's survival. This approach can be damaging to the goal of increasing women's well-being, as it continues to consider women primarily as vehicles through which to deliver better services to children. According to this reasoning, the primary gain from empowering women is to help them to be more educated mothers and homemakers.

Thus a fundamental gap in Sen and Nussbaum's capabilities approach is a meaningful acceptance of women's agency. This would entail recognizing women's choices as legitimate even when they differ from the expected liberal-progressive ones. There is no space in the capabilities approach for women who have been empowered, through increased literacy and better health care, but who then continue to choose 'traditional' paths. How to explain, for example, a formally educated woman who decides to have three or four children and devote time to caring for them, at the expense of other less traditional opportunities? By excluding these women from their model, Nussbaum and Sen confuse the means of empowerment with the end of greater choice for women.

#### *Societal Constraints and Gender and Development (GAD)*

Nancy Folbre has expanded the debate over power relations to include various other constraints imposed according to race, class, age and sexual orientation, among others. In her discussion of societal constraints, she argues that the feminist emphasis on patriarchal power describes only part of the full story. Indeed, she projects, the constraints women face are not due to any conspiracy to exclude them, but to a series of

values, identities and interests that intersect and evolve. Folbre's view promotes a more holistic approach to gender issues by recognizing differences among women and by including men in gender analysis. For Folbre, the process of development can be understood as the evolution of conflict and cooperation among different groups. The payoffs from different alliances depend in turn on the decisions other individuals make, which are often hard to predict. Understanding these dynamics can help to answer questions about why some groups are better off than others. However Folbre offers few instructions for application of her model, noting that her work is intended to inform policy design, not to prescribe a particular policy framework *per se*.<sup>24</sup>

Perhaps the Gender and Development (GAD) theoretical model comes closer than any other in recognizing the need for change in the social constructions of women's role.<sup>25</sup> The GAD approach focuses on the social relations of gender and questions the validity of the social roles assigned to both women and men. Unlike previous approaches, GAD is not concerned with women *per se*, but with the social construction of gender roles, and the reasons why women are relegated to secondary and/or inferior roles. In its effort to understand women's contributions, GAD rejects the public/private dichotomy that has been used to justify undervaluing female labor.

Both the Folbre and GAD approaches are limited in their practical applications. At best they can be used to inform policy and practice, and there is some research to suggest that a GAD approach can lead to more sustainable projects. A 1987 evaluation by USAID of its work with women in development projects over the 1973-85 period identified three types of projects: (1) integrated projects that relied on gender-sensitive

designs to meet objectives; (2) women-only projects that tend to be smaller and labor-intensive for USAID staff; and (3) women's components in larger projects. The study found that projects that began with a careful analysis of the sexual division of labor and responsibilities, and had been structured to reflect the contexts in which women and men worked were more efficient in meeting project goals. In addition, the study concluded that projects which simply established income-earning opportunities for women were rarely successful in raising women's economic positions, clearly suggesting that other constraints were in place.<sup>26</sup>

### **Phase Three: The Criminalization of Female Labor**

The current phase of globalization can be characterized by six elements: (1) the persistence of a heavy debt burden in spite of debt relief programs; (2) the movement of male workers into sectors with a traditionally female workforce, particularly export processing factory jobs, as the relative attractiveness of these jobs increases; (3) the saturation of local informal markets; and (4) the constant and in some cases increasing demand for illicit goods and services such as drugs, prostitution and cheap labor ; (5) the increased dependence of national governments on these networks, particularly migrant remittances, for income and; (5) women's increased mobility through transnational networks for migration, drug trafficking and the sex trade.

Feminist theorists have begun to address these phenomena, but there is a long way to go. Current work on female migration patterns is underway to explore the impact of female mobility on gender dynamics and women's empowerment,<sup>27</sup> and on cross-border solidarity and identity formation.<sup>28</sup> One key question in describing the current phase

posed by Sassen is the identification of sites from which to study the globalization process from a feminist perspective.<sup>29</sup> In addition, the specificities of women's involvement in the illicit sector will need to be addressed. Further distinctions will need to be made between sex trafficking – the forced recruitment of primarily women for sex work, to which a growing amount of literature is devoted – and women's participation in prostitution. These activities must be understood in terms of women's mindsets, constraints and opportunities. The analysis must also consider the demand for these services: who are the clients and beneficiaries of illicit networks, and how can we work to equalize women's power relationships with them?

Perhaps as would be expected, development practice lags substantially behind theory in addressing these phenomena. Specifically, two important gaps have not been sufficiently addressed in the available models:

First, the various approaches do not sufficiently accept women's agency. That is, there is a tendency to exclude women who do not conform to the expected evolution with empowerment – formally employed, educated women with one or two children – or to at least treat them as exceptions. There is little treatment of women who do not conform to “traditional” roles – i.e. are not directly attached to families. For example, single, childless, female migrants are rarely considered in development strategies (excluding their economic value-added in the form of remittances), despite their rising numbers. The delay in international response to the rash of murders of young, mostly single female workers in Mexico's Ciudad Juarez is testament to the invisibility of these women and the urgent need to design policies with them in mind.

The rising numbers of female combatants in different conflicts around the world also fall outside the existing categories. While the female guerilla fighter has been romanticized in popular literature,<sup>30</sup> there has been little serious study into women's agency in conflict. As with female migration, women's reasons for participating in armed conflict are complex and not limited to economic motivations. Their involvement in these activities does merit economic consideration, however, given the impacts it can have on individual well-being as well as community and national development.

The second limitation of existing development models is that they do not explicitly address women's involvement in illicit activities. Instead, women's participation in prostitution and the illegal drug trade is treated implicitly within the category of the informal economy. These deserve separate treatment for three reasons:

First, while some informal activities may be illegal, in general laws prohibiting them tend not to be enforced. The plethora of informal economic activities,<sup>31</sup> especially in developing countries, are rarely disrupted by police. Illicit activities, however, are by definition criminalized and subject to legal punishment.

Second, while the vulnerability approach considers labor as a primary asset of the poor, it does not specifically address the female *body* as an asset. Because women have more limited access to material resources, they are more often than men forced to commoditize their bodies for income. While men may also use their bodies in prostitution and drug transport, their participation in prostitution overall is much less common. In the drug trade, men are generally better positioned to move up the hierarchy to relatively safer positions, such as directing local drug networks or working as pimps. Women also rely on their bodies and sexuality in more traditional survival strategies, when they enter

and maintain relationships with men to ensure economic security. Thus, unequal power relations between men and women add a dimension of economic survival to a romantic relationship, where a woman's body becomes a strategic asset.

Third, illicit activities are deeply stigmatized by society in a way that informal activities in general are not. Cultural ideas about women's proper behavior complicate this further, especially for women involved in illegal sex labor. Popular images of prostitutes or women in "underworld" activities maintain a mythology of excitement and, above all, conscious choice associated with these activities, even as they ostracize these women as whores or bad mothers. Women may thus hide their involvement in these strategies – making their work invisible as well as criminal.

In sum, the movement of women into illicit activities has been insufficiently addressed in development theory directly, and generally ignored in the dominant policy framework of the world's largest development agency, the World Bank. Theoretical approaches tend to address illicit activities within the category of informal activities, while the World Bank – rooted in modernization theory – tends to overlook them, or addresses them within other categories, such as HIV/AIDS prevention programs.

The following sections are based on a gender analysis of World Bank poverty reduction policies in Nicaragua, and an exploratory study conducted in January 2004 on the rising numbers of Nicaraguan women in the illicit sector. This study builds on previous research into the first and second phases of globalization as identified above. With this paper I aim to provide a basis to describe women's responses to the current phase, and identify themes for further research.

### **III. Poverty Reduction Strategy Papers: Policy Out of Context**

In response to heavy criticism of their policies, the World Bank proposed the Highly Indebted Poor Countries (HIPC) initiative in 1996, designed to help countries bring their debts to sustainable levels. Nicaragua entered the list of HIPCs in 2000 and completed the program in January 2004. The HIPC plan offered some relief on debt burdens, and mandated that resources freed up by this relief be used for poverty reduction programs. All HIPC countries were required to submit a PRSP detailing how the funds would be used.

The World Bank describes PRSPs as “comprehensive, country-authored plans – prepared in consultation with civil society and other partners – that set out a country’s macro-economic and fiscal priorities to foster pro-poor growth, governance and sectoral programs, and ongoing and proposed poverty reduction policies.”<sup>32</sup> PRSPs were promoted not only as a change in strategy, but a change in philosophy at the World Bank – one that would prioritize the social impact of economic policies.

Unfortunately, reviews of different PRSPs for various countries show striking similarity among them, and no fundamental departure from the Bank’s modernization theoretical roots.<sup>33</sup> All prioritize macroeconomic growth and market-based solutions to provide the poor with more access to basic services. In addition to the original “first-generation” reforms, the PRSPs tag on a set of “second generation” reforms focusing on strengthening institutions and governance, and protecting vulnerable groups. The success of the second-generation reforms directly depends on that of the first set of reforms; that is, the allocation of resources toward reducing poverty depends on steady, high levels of macroeconomic growth. This growth in turn depends on higher levels of foreign

investment. Thus, PRSPs tend to focus on attracting investment to the most externally oriented sectors of the economy – usually the *maquila* (export processing, mostly textile factories) and tourism sectors.

PRSPs are not gendered documents. An independent audit of 13 PRSPs approved in 2002 found that only three specifically addressed gender issues, only two promoted women's rights and none engendered particular structural adjustment measures such as trade liberalization and privatization of public services. Eight applied an outdated WID approach, defining gender concerns as education for girls and reproductive health. The study concluded that by neglecting gender issues, these PRSPs implicitly reinforce existing unequal gender patterns and thus undermine development goals.<sup>34</sup>

### **The Nicaraguan PRSP**

Nicaragua presented its PRSP to the IMF and World Bank in January 2000. Rather than consulting with local groups, the government representative, in coordination with the World Bank country officials, wrote the document in English and sent it directly to Washington.<sup>35</sup> Although the government claims to have consulted with women's organizations, the document does not specify the numbers of men and women consulted, or indicate whether gender-related questions formed part of the consultation.

Like most PRSPs in various countries, the Nicaraguan government's strategy rests on four pillars: broad-based economic growth, investment in human capital, protection of vulnerable groups and good governance.<sup>36</sup>

The Nicaraguan PRSP covers a \$1.15 billion investment for 2001-05. As with predecessor World Bank programs, the main priority remains macroeconomic growth,

which takes up 42 percent of the resources. Most of this involves investment in the *maquila* sector – at present the only economic sector experiencing significant growth. The *maquila* sector accounted for \$420 million in exports in 2003, compared to only \$218 million for all other sectors combined.<sup>37</sup>

Other priorities include investment in infrastructure – particularly programs to complete privatization of the national water and telephone companies – and tourism, a nascent but growing industry in Nicaragua. According to the Nicaraguan Institute of Tourism, tourism was the second most important source of foreign exchange in 2001, representing earnings of \$110.5 million.

The second pillar of the PRSP is investment in human capital, which receives 33 percent of the resources. This area comprises investment in social services such as health and education. However, this number does not represent an increase in social spending – in fact levels have declined as a percentage of GDP and in per capita terms. In 1999, directly after Hurricane Mitch, a rise in international aid boosted social spending to 19 percent of GDP, what the World Bank called “unsustainable levels.”<sup>38</sup> In 2002 per capita spending on health was \$23.20 and fell to \$21.08 in 2003. The overall health budget fell from \$125.8 million in 2002 to \$121 million in 2003. Health spending as a percentage of GDP decreased by three percentage points from 2001 to 2003, and remains the lowest in Central America.<sup>39</sup>

Programs for protection of vulnerable groups receive 10 percent of total resources, and are aimed at strengthening institutions and programs for children, the handicapped, elderly and women. The good governance pillar was not part of the original government-authored PRSP, but was added later at the insistence of civil society groups.

It receives just 1.2 percent of the budget and finances the strengthening of the Comptroller's office and passage of laws to improve transparency.

### **Nicaraguan Women and the PRSP**

The word "women" appears 84 times in the 168-page PRSP document. Of these, 53 mentions refer only to women's reproductive role, primarily to reproductive health care, and 14 mention women as victims of violence and human rights abuses. Women are mentioned just 10 times in terms of their access to public services (equity) and only eight times as income-earners or heads of households. Thus, even a superficial reading of the PRSP demonstrates the consideration of women as victims, or objects, of development, rather than protagonists. The implicit definition of gender concerns as maternal health and girl's education strictly conforms to the narrow WID approach common to World Bank programs.

At the same time, the PRSP channels investment into the maquila and tourism sectors under priority of "broad-based economic growth." Both sectors rely heavily on female labor. This contradiction between considering women primarily as mothers and homemakers, and demanding their (cheap) labor to power the economy reinforces women's double burden, and does not recognize significant tradeoffs. In addition, the focus on the provision of employment in maquilas and tourism assumes men and women will have equal access to these jobs. Experience in other countries suggests that women will be given preference for maquila jobs initially, as they are more likely to accept the characteristic low pay and long hours. But as these jobs become more attractive relative

to other sectors, or working conditions improve, men move to appropriate these activities, pushing women to more marginal activities.<sup>40</sup>

Women are implicitly mentioned in the PRSP within the general category of the “poor,” under the headings “protection of vulnerable groups” and “investing in human capital.” In both, women are recognized primarily in their role as mothers. As Bradshaw has noted, the use of the word “protection” of vulnerable groups is problematic, since it proposes to protect women and children rather than take measures to reduce their vulnerability.<sup>41</sup>

In the “protecting vulnerable groups” focus on children’s health and education, the PRSP reinforces traditional gender constraints on women, by assuming that women will have the time and resources to bring them to the clinic, arrange for their school matriculation, buy school materials, and so on. In effect, the imposition of these demands presumes Nicaraguan women conform to the suburban, North-American model of middle-class housewifery. In the growing number of cases where mothers have migrated or have gone to work full-time, these responsibilities shift to grandmothers, older daughters or other female family members, increasing their workloads and possibly further compromising family well-being.

One oft-cited example is a pilot project that provided cash payments to Nicaraguan women in exchange for sending their children to school and taking them to health clinics for regular checkups. At first glance this may seem a positive way to increase school attendance and improve children’s health, while supplementing family income. However, these policies make several assumptions. First, while a woman may receive the cash, she may have little control over its use once she gets home. In addition,

giving resources directly to women may cause conflict in the household by bypassing the man's traditional role as provider – in many cases this conflict may outweigh other benefits. This pilot project was evaluated by the World Bank and “found to be well-targeted and effective in building human capital as well as alleviating income shocks.”<sup>42</sup> No recognition is made of women's key role in this “success,” or the burdens it places on them. If children receive the health and education services offered, it is because women have managed their time and material resources in order to ensure these outcomes, and often at great cost to the women themselves.

In addition to the four pillars, Nicaragua's PRSP contains three cross-cutting themes: environment, decentralization and equality. While a full discussion of all three is beyond the scope of this paper, it is worth noting that no resources are budgeted for “equality.”

In sum, without measures to address the impacts of macroeconomic policies or to ensure equitable distribution of resources from poverty reduction programs, women are simply used to power growth,<sup>43</sup> and as vehicles through which to deliver resources to children. Because the policies are not based on an understanding of how different groups – especially women – experience poverty, they cannot address the specific causes of that poverty. Instead, they exacerbate structural problems women face in Nicaraguan society. This pushes them out of the official realm – simultaneously entrenching them in traditional gender roles and displacing them into illegal activities – migration, prostitution and the drug trade.

#### IV. Putting the Policy in Context

“Women take any opportunity to work. We go to work washing clothes, ironing, cleaning houses, everything in the informal market. Prostitution is increasing too... Some are pushed to do it, because single mothers can’t make ends meet on the minimum wage.”

*Zoraya Sosa, Managua*<sup>44</sup>

The World Bank’s PRSP policy framework operates in a specific cultural and social context in any country. In Nicaragua, women account for half of the population, produce 40 percent of the national wealth and perform over 50 percent of the work in the industrial and service sectors.<sup>45</sup> Yet they own only 16 percent of the land,<sup>46</sup> and have less access to credit than men. Nicaraguan women have higher school enrollment rates for primary through tertiary school – 66 percent compared to 63 percent for men in 2001 – but their salaries are less than half those of their male colleagues.<sup>47</sup>

Women’s position in society owes much to the deep-seated *machismo* in Nicaragua. Like other colonized nations, Nicaragua’s conflicted mestizo identity rests on a history of rape and domination since the Spanish Conquest. Women have been subjugated to men, who have in turn been subordinated to an international hierarchy. Nicaraguan women’s identity is further defined by the particular brand of Catholicism that evolved there, involving an intense devotion to the Virgin Mary. Indeed, the country’s most important holiday is the Feast of the Immaculate Conception, *La Purisima*, evidence of a deep-seated cult of motherhood that idealizes the self-sacrificing mother.<sup>48</sup> First and foremost, women are mothers and wives. A woman who falls outside these traditional roles risks ostracism as a bad mother, or worse – a whore.

*Machista* society thus restricts the choices of Nicaraguan women - a Madonna or a whore - with no respectable position in between. As mothers, Nicaraguan women

assume the traditional role of household manager and primary caregiver for the children. But when money is tight, women venture outside traditional gender roles, taking formal factory jobs, working in informal activities such as taking in washing or selling food in the street, or illicit work in prostitution and the drug trade. In stepping out of the household realm, women directly challenge the *machista* dichotomy. Indeed, they walk a fine line to earn enough to feed their families, without being labeled a whore.

This strict public/private dichotomy explains in large part why even Nicaragua's revolutionary history failed to make room for women's interests. Women played a strong role in the violent overthrow of the Somoza dictatorship – a rebellion not only against Nicaraguan elites but also against the United States, which had propped up the 40-year dynasty. In addition to fighting alongside men on the battlefields, women ran safe-houses for Sandinista militants and served as messengers. However cultural factors run deep; even such revolutionary endeavors stemmed from very traditional motivations – first and foremost, women were protecting their children.<sup>49</sup>

In the 10-year U.S. backed Contra War that followed, women took leadership roles in the political arena, and the Nicaraguan women's movement quickly evolved to one of the strongest in Latin America. Still, the women's movement was never able to place its priorities on the national agenda even within the revolutionary Sandinista party. Like many leftist movements, the Sandinistas focused on “public” economic and trade issues. Women's interests – much more linked to their experiences as mothers and therefore part of the “private” household realm – were subordinated to the larger revolutionary agenda.

## **Macroeconomic Constraints**

The renewal of relations with the IMF and World Bank following the 1991 elections ushered in a series of Structural Adjustment Programs to Nicaragua. While the reforms did succeed in stabilizing inflation and facilitating a slight rise in GDP, they failed to address the structural causes of Nicaragua's economic crisis: high dependence on foreign financing, high levels of inequality and the lack of formal work opportunities. The initial conditions were particularly austere, focusing on the Washington Consensus policy package: privatisation, fiscal austerity, increasing reserves and financial liberalization.

In a second reform package, outlined in a 1998 Enhanced Structural Adjustment Facility (ESAF) agreement, the Nicaraguan government agreed to privatize the water, telephone and electric companies, raise tariffs for water and electricity by 1.5 percent each month, fire approximately 1,200 public employees each year, and privatize much of the banking system, among other reforms.<sup>50</sup> Periodic devaluations succeeded in controlling inflation. However prices continued to rise, as did underemployment, and social indicators worsened.

These reform packages have impacted Nicaraguan women's ability to make a living through three primary channels: rising prices, increasing cost for basic services and declining employment opportunities.

All of Nicaragua's agreements with the IMF have included periodic devaluations of its currency, which has driven up prices for imports. The córdoba was devalued five-fold in 1991 and by 20 percent in 1993<sup>51</sup> - Nicaraguan workers saw their purchasing power plummet by 40 percent in 1991 alone.<sup>52</sup> Throughout the 1990s the government

continued to devalue the currency by nearly one percent a month. As a result real per capita income actually declined by an average -0.1 percent over the 1990-01 period.<sup>53</sup> At the same time, the cost of feeding a family of four tripled from C\$736 a month in 1992 to C\$2,200 by 2001.<sup>54</sup> The widening gap between wages and the cost of living has put extraordinary pressure on women as household managers.

Cuts in social spending during the 1990s also took their toll on women: per capita spending on health services dropped from \$40 in the 1980s to \$11 by 1997 – the lowest in the region. Spending on education dropped as well, from 4.1 percent of GDP in 1990 to 3.1 percent of GDP in 1998.<sup>55</sup> As a result, social indicators worsened to levels not seen since the Somoza dictatorship. Poverty levels remained constant in urban areas, and by some estimates, worsened. By 1998, government estimates reported 47.9 percent of the overall population living in poverty (a slight improvement from 50 percent in 1993), but the overall number of poor increased by 200,000 during those years,<sup>56</sup> with rates of up to 77 percent in rural areas.<sup>57</sup> Civil society groups reported much higher figures of up to 88 percent nationally.<sup>58</sup> The gains of high levels of social spending during the 1980s quickly evaporated as debt service took priority. According to the World Bank's own figures, overall illiteracy rates rose from 18 percent in 1990 to 34 percent in 2000, and reached 46 percent in rural areas.<sup>59</sup> In 1994, 24 percent of school-aged children were not enrolled in school; by 1998, this number had risen to 53 percent.<sup>60</sup>

Declining health indicators are even more striking. According to the World Bank, 30 percent of children were malnourished in 2000, a number that remained constant since 1990.<sup>61</sup> Civil society groups put this number at 40 percent by 1998.<sup>62</sup> Maternal mortality

jumped by 59 percent between 1993 and 1998,<sup>63</sup> when one of every 100 fertile women risked dying in childbirth.<sup>64</sup>

Rising prices for basic services such as electricity and phone services have also adversely impacted the poor. These have direct impacts on the capacity to pay higher prices with declining real income. They also impact indirectly on the social capital available to the poor. Previously, many communities organized collectively to establish electric services and pooled resources to make payments. Privatization has individualized these services, so that as one woman noted, “Now, if we have a bad month or two, we lose the services completely and have to wait until we can make the back payments to get it restored.”

Perhaps the most damaging failure of successive reforms has been the inability to generate permanent employment opportunities for those pushed out of the public sector. Nicaraguan women entered the workforce in large numbers during the 1980s, filling jobs left open by men drafted to the war. In 1980, women represented only 22.8 percent of the overall workforce, but by 1990 accounted for 34 percent,<sup>65</sup> and 40 percent by 2000.<sup>66</sup>

In the 1990s, structural reforms mandated sharp cuts on public sector employment. Between 1990-93, the government fired 285,000 public employees, a decrease of 63 percent, mostly from privatization of state companies and demobilization of the armed forces. Industrial employment also fell from 106,000 workers on average during the 1980s to 86,000 in 1990 and just 60,000 by 1991.<sup>67</sup> According to independent analysts, the percentage of working age Nicaraguans who were under and unemployed rose from 20 percent in 1985, to 53 percent in 1991 and to 55 percent by 1993,<sup>68</sup> and remained relatively constant throughout the 1990s. For women in the agricultural sector,

the shift was especially harsh, due to privatization of state-owned farms and reductions in agricultural credit: of 15,355 permanent female farm workers employed in 1989, only 1,285 had permanent jobs by 1991, and 5,000 worked in seasonal labor.<sup>69</sup>

### **Gendered Modes of Economic Vulnerability**

The wide discrepancy between the work Nicaraguan women perform and their share of the benefits demonstrates their exclusion from official economic processes, and the invisibility of their role. The result is that, in times of economic difficulty, women suffer and survive in different ways than men do.

The economic crisis of the last 20 years has affected Nicaraguan women acutely. Economic vulnerability is now perhaps the most persistent challenge facing Nicaraguan women.<sup>70</sup> Though a given household may have several members who work, few can count on a steady income. A 2001 study found that in 57 percent of households, no member has a fixed income, and this rises to 70 percent in households headed by women.<sup>71</sup> This translates into food insecurity as well; of all the women interviewed in the study, 44 percent said they did not have sufficient food for the family that week.<sup>72</sup>

As household managers, women are much more likely to use resources to meet the needs of the family, rather than for personal consumption.<sup>73</sup> Social attitudes about the role of a self-sacrificing mother reinforce these tendencies. When money is tight, women forego medical treatment, take in extra work or even resort to begging in order to cover household expenses:

“If I get sick, or one of the children is sick, I can afford to buy one or two pills of the treatment, that’s it. If I’m sick, I work anyway. I can only afford food, not medicine.”

*Reina Sandobale (50), Managua*

Outside the home, many Nicaraguan women seek income-earning opportunities that are extensions of their household tasks – cooking, cleaning, ironing – mostly in the informal labor market. These jobs pay less than a formal job and are much less dependable. Still, many women consider this flexibility an advantage over their male counterparts:

“There’s no work, so my brothers can’t find jobs. It’s harder for men to find jobs. Women can work as maids; they can cook or wash clothes to make money. Men can’t do things like that. Imagine a man cleaning houses for money!”  
*Reina Urbina (24), El Sauce*

At the same time, Nicaraguan women often have little control over the resources available to them, particularly where a man is present. When women seek income-earning opportunities outside the home, this income is often seen as supplementary rather than complementary. Studies in Costa Rica, Honduras and Mexico have shown that in these situations, men tend to withhold up to 50 percent of their income from the shared household resources.<sup>74</sup> This results in “secondary poverty,” where overall household income is above the poverty line, but women and children within the household continue to live in poverty.

Macroeconomic constraints pushed hundreds of thousands of Nicaraguan women into the informal sector beginning in the 1990s. During the early years of reform, the informal sector acted as a safety net, absorbing workers from the reduced public sector as well as new workers without formal work opportunities. In 1980, women represented only 22.8 percent of the overall workforce, but by 1990 accounted for 34 percent,<sup>75</sup> and 40 percent by 2000.<sup>76</sup> By 2000, the government reported that 59 percent of working women earned their living in the informal sector, and 60.7 percent by 2002.<sup>77</sup>

Now, independent analysts claim 70 percent of Nicaraguan working women make their living in informal activities,<sup>78</sup> selling food or other goods, domestic work and, increasingly, illicit activities as well, such as prostitution and the drug trade. Still, even the informal sector is occupied mostly by men; women account for 41.2 percent of informal workers overall.<sup>79</sup>

## **V. Surviving on the Margins**

### ***Traditionalizing Women's Labor***

“Men don't see supporting their children financially as a responsibility. They think they are helping the woman out, doing her a favor. When the sexual relationship ends, so does his responsibility to her and the children. They say, 'I'm not giving her a cent, because it's over between us.'”  
*Zoraya Sosa, Managua*

Latin American soap operas, or *telenovelas*, are full of Cinderella stories. Young, pretty, female protagonists from the wrong side of town meet their princes – usually a corporate executive from an elite family. By the end of the series, the heroine succeeds in marrying her man and can now call his mansion her home.

This age-old survival strategy continues throughout Nicaraguan society, perhaps with even more drama. If a woman can't find a wealthy corporate executive, she will settle for a man with a steady job. This is not to suggest that partnerships and marriages happen only out of motivations for survival, but that power relationships do influence household dynamics. In most cases the extra income is enough to keep many women in precarious relationships for as long as they last, even when the romantic love relationship has ended. These traditional survival strategies are more common in rural areas, where strong gender role expectations put more pressure on women to have a man in the house.

Power relationships determine the nature of these situations – there is often a fine line between a woman’s use of her body and sexuality as strategic assets, and exploitation by her male partner.

Yajaira Sandobale has three children, one of whom lives with his father in northern Nicaragua. The other two, by different fathers, live with her in Managua. The youngest is the child of her current partner of 1½ years, who spends most of his time with a second family in another city. Over the past year he has sent enough cash for Yajaira to add on to her tiny house and keep the baby clothed and fed:

“I did well to get my *compañero*. He’s older and he makes steady money driving a truck... I thought about going to Costa Rica, I even went all the way to the border but I didn’t cross. I tried working in a *maquila*, but I only stayed three days. They mistreat you there and they don’t pay much, so it’s not worth it... But with my *compañero*, he sends us money and look, we fixed up the house.”

Another traditional strategy is the extension of the household to include relatives outside the nuclear family unit. This is especially common in female-headed households, where additional female relatives can share or take over household responsibilities, freeing up other women to work outside the home. Recent studies indicate that this survival strategy is common where income earning opportunities are scarce, but does not necessarily bring economic benefit to the household. In fact, if additional family members are children, household extension often further depletes the family resources and increases vulnerability.<sup>80</sup>

## **Criminalizing Women’s Labor: Illegal Migration, Prostitution and the Drug Trade**

### ***Women and Migration***

“A lot of women from the neighborhood go to Costa Rica or Guatemala, and look, they come back with stacks of money... Sometimes I think about going to

Guatemala because my son is there already. After just a year or so working there, I could fix up my house.”

*Reina Sandobale (50) mother of four, Managua*

A fifth of Nicaragua’s population (approximately 1 million people) now resides outside the country.<sup>81</sup> More women join the exodus every day. According to the International Labor Organization, the proportion of Nicaraguan women migrating internationally doubled during the 1990s, and now constitutes a phenomenon equally as important as male migration.<sup>82</sup>

Although some find their way to the United States and Europe, many – about 400,000 migrants – work in neighboring Costa Rica.<sup>83</sup> Most of them travel without documents through informal networks.

Of the Nicaraguan migrants in Costa Rica, eight out of 10 are young mothers.<sup>84</sup> Most will go for temporary stays, leaving their children with their own mothers or even grandmothers while they are gone. As women traveling without official documentation they are doubly vulnerable to abuse by employers or authorities, and more easily coerced into accepting lower paying jobs.

A woman’s choice to leave the country in search of work does not come easy. Traditional views of the female role present her with a contradiction: society tells Nicaraguan women that a good mother does not leave her children, yet the children’s well-being is what often necessitates her migration. A mother’s absence is felt most acutely by other female family members, eldest daughters and grandmothers, who must then take on the extra household responsibilities:

“The truth is, at first I was afraid to go... but I made myself do it out of necessity, because here in the countryside I could barely feed the family...As a mother you suffer – my heart was heavy because I felt I had left my children. It was hard on

my mother too, because she had to care for six grandchildren, two of mine and those of my sisters that had also left. It wasn't fair to her, so I came back.”  
*Rosa Maria Lazo, 22, Estelí, mother of two*<sup>85</sup>

The reasons for migrating are overwhelmingly economic, leading the United Nations to classify most Nicaraguan migrants as economic refugees.<sup>86</sup> In Costa Rica, minimum wages for different sectors are generally three times higher than those in Nicaragua.<sup>87</sup> Female migrants generally find work as domestic employees in Costa Rican households, where women can earn an average of \$150 a month as domestic workers, compared to only about \$60 in Nicaragua.<sup>88</sup> The economic benefit is significant – Nicaraguan migrants send home about \$600 million a year, an amount roughly equal to the country's annual exports.

As long as work opportunities are scarce, the exodus of female workers shows no sign of slowing down. Sonia Agurto, Project Director of the International Foundation for Global Economic Challenge (FIDEG), says, “If you look at the numbers, our Economically Active Population (EAP) isn't growing, and it should be as our population grows. Only 40 percent of those counted in our EAP are women, because they are the ones leaving Nicaragua now. ... This is a phenomenon we've been seeing much more since 1998-99.”

Believing, as the popular saying goes “it is better to be exploited than excluded,” women entered the maquila, or assembly, sector *en masse* during the 1990s. As part of a focused strategy to capitalize on Nicaragua's comparative advantage of cheap labor (the cheapest in Central America, at 40 cents an hour in 2003)<sup>89</sup>, the sector has grown from just five factories housing 3,000 workers during the 1980s, to 62 factories with 52,000 workers in 2003.<sup>90</sup>

But in recent years, more men have entered the maquila sector, filling jobs traditionally held by women. The percentage of women workers remained relatively constant at around 80 percent throughout the 1990s,<sup>91</sup> but now appears to be decreasing. Experience in other countries, particularly Mexico, shows that in a prolonged economic crisis, the relative attractiveness of maquila jobs increases for male workers.<sup>92</sup> In Nicaragua, worsening economic conditions have coincided with improvements in working conditions in maquilas, after a decade of organizing efforts by Central America's strongest union movement. These phenomena draw more men to maquila jobs, displacing the female labor force.

Gladys Manzanares, a union organizer who worked in different maquilas for 10 years before being fired in 2000, says each day more men crowd the gates outside the Free Trade Zone, looking for work. "Yesterday I saw about 200 men and only about 15 women waiting to see about a job. They're coming from way out in the countryside to look for work now."<sup>93</sup> Gladys' son Moises now works in one of the maquilas.

### ***Prostitution***

"Women in my neighborhood look for any way they can feed their children – they work as maids, they sell food out of their homes and some work as prostitutes. Life is getting harder; the prices for food are higher now. And sometimes I come home in the morning from working in the street and I haven't earned a single córdoba all night. How do we do it? We give our children less when we have less. You can't give them what you don't have."

*"Lilia" (22), Managua*

Nicaragua's PRSP channels investment to the maquila sector and tourism, as a means to power the economy and create jobs. The tourism industry in Nicaragua is still in the infant stages, consisting of a few international hotels and one beach resort. But tourism creates few steady work opportunities for women, as Sonia Agurto, notes. "One

of the pillars of Nicaragua's PRSP is tourism," she says. "How do you prepare people to work in that? They're not bilingual; they don't have the skills to work in this formally. Women are finding their niche, and it's prostitution."

"Lilia" does not identify as a prostitute. She works days as a domestic employee when work is available. When money is tight, or around Christmastime when her two daughters begin asking what Santa will bring them, she relies on her "night work," for income. She tells her daughters she works in a restaurant.

Nicaraguans refer to women like Lilia as *mujeres de la vida alegre*, or "good-time women." The term implies not only that the women have chosen prostitution, but also that they enjoy it. In reality, for many women prostitution is an extension of their responsibilities as mothers. Lilia notes that, "Before I had children my life was much easier, and I didn't have to do this. Now I have to think of them first, to make things work for all of us."

Prostitution is one of the most high-risk means of earning income for Nicaraguan women. Aside from the clear risks to their health, operating in informal, illicit environments leaves women vulnerable to abuse and violence on the street, with little protection from police, who dismiss them as "looking for trouble."<sup>94</sup> Unlike other countries, the local sex trade in Nicaragua generally does not include pimps, although there are signs that with the rise of transnational sex trafficking networks, the involvement of pimps to recruit and control women is more and more common. On the streets of the capital, women organize informal groups for protection and to control prices. Their women's earnings range from just C\$10 (about 80 cents) per client at the

Oriental Market, about C\$100 (US\$6.50) at the international Princess Hotel, or up to C\$200 (US\$13) on the Masaya Highway, the wealthier part of town.<sup>95</sup>

New entrants to the sex trade market now find heavy competition. Perrine Delbury of the Samaritan Project, a shelter for sex workers in Managua, indicates that after peaking in the late 1990s, the sex trade market is now saturated. “I would say we have more women come in to the shelter now than four or five years ago, but less than two years ago. For one thing, you can only work this way until you’re 30 or so. And besides, there are just too many of them for them all to earn money.”

As an alternative, many young women have gone to work in massage parlors, a booming business in the capital. One 2001 study identified 25 such parlors in Managua,<sup>96</sup> and the main national newspaper featured an investigation of such parlors in early 2004. These venues use classified ads to recruit women between 18 and 30 years old. They charge between 100 and 500 córdobas (\$6.40 - \$32.50) per client, depending on the service, but must share half of this with the owner.<sup>97</sup> Services range from ‘simple’ massages, to erotic massages and sex.

The Nicaraguan sex trade has also spilled over to the borders and tourist spots. In June 1999 the two major Nicaraguan newspapers featured articles on the growing sex trade, in particular the trafficking of young girls to Guatemala and Costa Rica, countries with more developed tourism industries and booming sex trades. In most cases, young girls age eleven and older are lured with drugs or promises of work as models or waitresses. Once out of the country, they are threatened with deportation and prostituted. If they are caught by government authorities, they are treated as criminals rather than victims of trafficking, since they have violated migration laws.

Another national paper conducted a survey of 46 adolescents, and reported child-oriented sex tourism in the beach areas of Masachapa, Pochomil and Granada. Those interviewed claimed that young female street vendors are exploited as prostitutes to truck drivers crossing into Honduras. The report also contained an interview with Managua's Chief of Police, who mentioned the growing incidence of young girls and boys between 11-14 years old working as prostitutes along the highway routes into Costa Rica.<sup>98</sup>

### ***The Drug Trade***

Another niche for women is the growing drug trade. Nicaragua serves as a transport country for drugs produced in South America and sold in the U.S. and European markets. Weak legal institutions and enforcement capacity fuel drug trafficking – public officials often turn a blind eye or are involved in some way themselves. In 2001, the U.S. embassy publicly demanded that the head of Nicaragua's immigration office step down after he faced charges of facilitating the entry of undocumented immigrants and drugs.<sup>99</sup>

Women enter the drug trade principally as transporters, or *muleras*, running drugs across the border into Honduras or El Salvador. Various women's groups report that between 60 and 80 percent of women currently in Nicaraguan jails are imprisoned for running drugs.<sup>100</sup> According to Violeta Delgado, director of the Network Against Violence Against Women, they mainly work for family members. "These women, the *muleras*, are imprisoned for running drugs even though the police know they hardly ever own those drugs, and that behind them is a bigger criminal who put her up to it. Usually these women are the partners, or even mothers, of these men."

As *muleras*, women have much less bargaining power than men in the drug trade. Because they are at the bottom of the hierarchy, women receive much lower pay than men and rarely know those at the higher levels, even by name. When they are arrested, women are much less able to afford bail, to bribe corrupt officials, or afford a lawyer. They are also less likely to be able to implicate their superiors, a tactic which could help them bargain for a lighter sentence, or avoid jail altogether.

## **VI. Conclusions**

### **Policy Recommendations**

The previous sections have attempted to initiate a discussion about women's involvement in traditional and illicit survival strategies under structural reforms. Feminist theory is just beginning to explore women's evolving role in the globalization process, with promising literature on female migration patterns and sex trafficking. Development models and policies lag far behind. As presented here, the World Bank policy approach continues to insist on the Northern housewife model for women in developing countries, and does not address women's labor in illicit sectors at all. Of the alternative approaches discussed, those of Moser and Folbre come closest to accommodating women's agency in the illicit sector by considering women's labor and mobility as important assets for survival and by allowing space for women's agency in building alliances with different groups. However they still fall short in their exclusion of these highly stigmatized activities from their analyses. A more effective set of policies will discard the Northern housewife model, and begin instead with a meaningful understanding of women and their survival methods.

In spite of changes and improvements in strategies to address poverty, a growing number of women remain outside the policy framework. The preceding analysis demonstrates the need for more targeted policies to address the barriers women face.

A fundamental flaw in the PRSP approach is that it functions within the macroeconomic policy framework that severely restricts women's ability to make a living. First and foremost, these constraints will need to be addressed through deeper analysis of the impact of privatization, deregulation and changes in the labor market on women's livelihoods. The evidence to date shows women take on a disproportionate share of the burden of rising prices for basic goods and services. Changes in the labor market also impact women negatively as they are pushed out of formal jobs to informal or illicit activities.

In particular, the inability of successive reforms to create steady employment opportunities at livable wages needs urgent attention. Without decent alternative work opportunities, women are unlikely to be drawn out of the illicit sector. As one women's organization noted: "We tried a rehabilitation program for women night workers, and we did skills workshops with them. But after a few weeks they were upset with us. They said 'now that you've taken me off the street, what do you expect me to do? I have to feed my children.'"<sup>101</sup>

Under the PRSP overall levels of social spending have increased. However the evidence presented here shows that these resources are not reaching those groups who could most benefit from it. Here, policy will need to be informed by a greater understanding of how resources are distributed within households, in order to better target women and children in secondary poverty. Also, policies to provide affordable

childcare are needed to ease women's household burdens and better ensure service delivery to children.

Further, strategies need to be based more on needs identified by communities, rather than the top-down approach of the PRSP. Greater participation of civil society groups in designing poverty reduction strategies is an important step. However policy must go even further to the community level, using tools for participatory planning.

### **Points for further research**

The experience presented here raises several important questions about Nicaraguan women's responses to the limitations and alternatives presented by the twin pressures of structural reform and expanding global networks. While there is a growing body of literature underway to examine the causes, patterns and consequences of transnational migration, much less is known about drug and sex traffic networks, especially regarding the role women play.

To date, there has been no significant study of Nicaraguan women's shift into illicit survival strategies, due in large part to the social stigma surrounding these activities. Data on women in the sex trade and drug trafficking is scarce, and most evidence is anecdotal. These phenomena will need to be understood more clearly if they are to be addressed appropriately. Specifically, the general absence of pimps in the Nicaraguan local sex trade should be explored further for the insights it can offer about the motivations and mindsets of female sex workers.

Equally important, the demand side of illicit markets will need to be explored in more detail, particularly regarding the sex trade. The social and economic power

structures that allow men to exploit female sex workers are a fundamental part of the equation. Further work should examine the demographic profiles of male clients and the conditions that facilitate their activities.

The internal hierarchies and workings of these networks deserve more attention as well. In some cases these networks could be sources of social capital, in others they are means of exploitation. The experiences presented here raise important questions about why and how women participate in illicit networks. Studies should explore how gender dynamics play out in the recruitment and maintenance of illegal drug and migration hierarchies, especially as women make up a larger proportion of participants. Further information about women's motivations and their role in these networks could help explain why efforts at "rehabilitation" through skills training, for example, often fail.

Another missing piece concerns the various ways in which national governments profit from female labor in illicit networks. Again, while there is substantial analysis on the benefits of migrant remittances to national economies, little hard economic analysis has been done on the (mostly indirect) benefits of illicit trade to local and national governments, especially where female participants are concerned. Women outside the formal sector save the government money in social spending, as they fend for themselves. Governments clearly benefit indirectly as women take on the role of safety net for their families at home, ensuring their children's health and education at any cost. Similarly, tendency of local government officials to "look the other way" when it comes to illicit operations suggests they too profit from these networks. These incentives will need to be better understood in order to direct policy.

In sum, it is time for development theorists and planners to accept women's traditional and illicit survival strategies as legitimate means of mobilizing their asset base, and to work to understand these strategies better. This means putting aside moral stigmas about women's use of their bodies and labor as an asset. It also means breaking with the public/private dichotomy to make visible the many overlapping realms in which women labor outside the reach of the state.

Alternative approaches have moved "beyond the front door" to explore women's experience in the household, but not all women can be understood there. Feminist development analysis and practice must be mobile, venturing out to the streets, back alleys, brothels and borders, to see women and their diversity of experiences as a point of departure.

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<sup>1</sup> Daisy Zamora, "Ser Mujer," excerpts translated by Donna Vukelich in "In My Country of Water and Fire," in Anne Barstow, *War's Dirty Secret* (Cleveland, Ohio: The Pilgrim Press, 2000).

<sup>2</sup> Saskia Sassen, "Counter-Geographies of Globalization," in Kriemild Saunders, *Feminist Post-Development Thought* (London: Zed Books, 2002).

<sup>3</sup> Saskia Sassen, , *Op. Cit.* 91.

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<sup>6</sup> Ivan Illich, *Shadow Work* (Salem, New Hampshire: Marion Boyars Inc., 1981) 23.

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<sup>13</sup> Achola O. Pala, "Definitions of Women and Development: an African Perspective," in Wellsley Editorial Committee, *Women and National Development: Complexities of Change* (Chicago: University of Chicago Press, 1977).

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<sup>17</sup> Moser, 1996, *Op. Cit.*, 4.

<sup>18</sup> Fundación Internacional Para el Desafío Económico Global (FIDEG), 2004.

<sup>19</sup> Nicaraguan National Institute for Statistics and Census (INEC), [www.inec.gob.ni](http://www.inec.gob.ni)

<sup>20</sup> Martha Nussbaum, "Human Capabilities," in Martha Nussbaum and Jonathan Glover, eds. *Women, Culture and Development: A Study of Human Capabilities* (Oxford: Clarendon Press, 1995), 83-85.

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<sup>23</sup> Amartya Sen, *Development as Freedom* (New York: Anchor Books, 1999) 189-203.

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<sup>30</sup> Donna Vukelich, "In My Country of Water and Fire," in Anne Barstow, *War's Dirty Secret* (Cleveland, Ohio: The Pilgrim Press, 2000).

<sup>31</sup> In many developing countries, the informal sector generates an estimated 20-40 percent of GDP. See Jacques Charmes, "The Contribution of Informal Sector to GDP in Developing Countries: Assessment, Estimates, Methods, Orientations for the Future," Fourth Meeting of the Delhi Group on Informal sector Statistics, Geneva 28-30 August 2000.

<sup>32</sup> World Bank 2003, HIPC Fact Sheet, [http://www.worldbank.org/hipc/hipc-review/Fact\\_Sheet\\_mar03\\_.pdf](http://www.worldbank.org/hipc/hipc-review/Fact_Sheet_mar03_.pdf)

<sup>33</sup> UNCTAD, *Economic Development in Africa: From Adjustment to Poverty Reduction: What is New?* Geneva, 26 September 2002, 6.

<sup>34</sup> Elaine Zuckerman and Ashley Garrett, "Do PRSPs Address Gender? A Gender Audit of 2002 PRSPs," Gender Action, 2003, [www.genderaction.org](http://www.genderaction.org).

<sup>35</sup> Bretton Woods Project, "Local Leaders Criticize PRSP," Newsletter. [www.brettonwoodsproject.org/update/21/2110.html](http://www.brettonwoodsproject.org/update/21/2110.html).

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<sup>42</sup> World Bank, "Country Assistance Strategy for Nicaragua," March 13, 2003, 10. This project is to be expanded based on the evaluation mentioned.

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