

Informal jobs in nicaragua



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Nicaragua is a third world nation located in Central America. The capital of Nicaragua is Managua. It is the biggest country of the region with an extension of 129, 442 km². Nevertheless its population is small in comparison with its size, only 6, 071, 042 habitants, although some cities like the capital, Managua, and León are overpopulated.

Nicaragua has had hard knocks in its economic history, but also has had good times. In the 60's the economy of the country was good and increasing because of the industrialization but it started to decrease when people started to feel the oppression of the dictatorship. Also the economy was losing power because only the government and its allies had all the money; they were the largest owners of the industries while the rest of the population was poor. Then in 1972 the economy got worst because of the earthquake of that year which destroyed almost complete the downtown of the capital; many business and factories were destroyed so the production of the country decreased. In 1979 started the revolution (civil war) against the dictatorship Anastacio Somoza, causing a very low economic performance.

During the revolution people were fighting in the rural areas therefore most of the croplands were destroyed. This caused the production of food to decrease and due to the shortage between the demand and the supply the prices were forced to increase in order to contract the demand. Also the revolutionaries were recruiting men in order to have more power and fight against the National Guard, which was the president's personal army. The reclusion caused a lack of labor for the production of goods because they had almost all their people working in their guard. With this low production

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the inflation rate reached a percentage of 70% in 1979. The communist government of Daniel Ortega overthrew Somoza but they didn't do something good for the economy. They stayed in the power by imposing strength and controlling the imports and exports, so the other countries with different thinking couldn't export to Nicaragua because the government would not let their products come into the country.

Due the political and economic crises in those times, Nicaragua's external debt increased excessively, even more than its gross domestic product; being the debt impossible to pay. Since that time, government companies have been privatizing in order to reduce the external debt. Nowadays the economy has improved but there are still delimited works and unemployment creating a social-economic problem because many people have opted for informal jobs.

Informal jobs are a type of work that occurs mostly in developing countries, these are characterized by employments that don't comply with legal formalities. They are divided in two: wage employment and self-employment. In Nicaragua informal jobs are considered as people's works which are not in the formal sector of the economy. These jobs are not recognized by the INSS (Instituto Nicaraguense de Seguridad Social) which control the requirements and rights of workers, or are people who decides to work by themselves and they don't inscribe their business in the corresponded institution.

In Nicaragua 63% of the population is considered poor, of that 63% the 43% is considered extremely poor and the 20% is considered poor. The education

and sanitary conditions have increase but no too much, and almost the half of the population is unemployed. Half of the population doesn't finish their studies. The level of education sometimes is until 6th grade but in rural areas it hardly reaches 4th grade

Every company wants the best for its economy so they try to look for the best level of workers that they can have, that's why everybody needs a curriculum is they want a job in a formal company and have a good salary. The relation of this whit informal jobs is that in Nicaragua many people don't have a good grade of education and if they don't study a major they are not going to be able to compete for good works because their lack of knowledge is going to impede them get a work that another person with a major in that work knows how to do it. We see that every time it is more important for a person to study a major and get degrees in it because in that way they can win the competition against others and get a better job.

Unfortunately unemployment is everywhere and Nicaragua does not offer too many good works and they are many college graduates who are looking for a job or working in a different area of what they studied. When people don't even find a job in another area, sometimes they are forced to work in the informal sector and it get worst for people who don't have a major that's why we see a lot of immigrants working in our neighbor country of Costa Rica and The United States. Sometimes the companies get advantage of this situation paying less or disrespecting the rights of workers. However they are people who look these problems and they decide to have self-employment because they prefer to earn their own money and work hard for a better

future than feel their selves disrespected by someone else. In 2003 the INEC (Instituto Nicaraguense de Estadísticas y Censo) calculated that the amount of people working in informal Jobs according to their education was: 4% from college graduates, 27% from high school, 46% from primary and 23% from any grade of education.

Nowadays 79. 2% of homes in Nicaragua have people working in the informal sector; and in many they are the principal income for the family. This information was given by the recent survey prepared by the firm M & R, which by face to face interviews consulted 1, 600 people over 16 years in all regions of the country. The rural population forms the biggest amount of people working in this sector; the cause of this is almost in its totality due the education because in rural areas the education is difficult because the teachers have to travel through difficult paths where the communication is difficult and in some places it does not even exist yet, the students have to walk large distances sometimes confronting dangerous rivers in order to get education but sometimes it is impossible to get in some days because in winter because the lack of communication routes and the river flow increases don't let the student go to his destiny.

Informal jobs in urban areas:

Urban areas like Managua are characterized because you can find people from all the areas of the country that have come to the urban areas looking for a best future and good opportunities of work. Usually people from rural areas are the principal ones who emigrates to the urban areas looking for a best income but sometimes what they find is not what they thought. Due to

their lack of education people hire them just like gardeners, guards, and mates earning a low salary and sometimes they don't know their rights and are overexploited or they just do not denounced their bosses in order to don't lose their jobs.

In urban areas the biggest amount of informal jobs are seen in their local markets. Managua has 8 markets, being ' el Mercado oriental' the biggest market in the country and in Central America the new official data of the Corporación de Mercados de Managua (Commema) indicates that ' el Mercado oriental' is officially composed of 91 blocks. In these markets are estimated 35 thousand fixed traders and a similar amount of informal workers who works with baskets, wagons, and some ones who carry their products; these people are called itinerant workers. Meanwhile the itinerant workers work by themselves they are others who prefers to work for somebody else in the business of the markets, but the problem is that they also get in the informal sector because almost in all the cases they don't get a formal contract and they are not inscribe in the INSS. These markets have a committee named CONMEMA which collect leases but they don't collect any money from itinerant workers.

Also they are many people who decided to create their own business at home and they create a " pulpería", this is basically a minimarket where you can find basic things that you forgot to buy in the supermarket commonly normal goods and inferior goods. In Managua and Masaya you usually are going to find " fritangas" at night, fritangas are small restaurants where you can find typical food and their food is characterized for being unhealthy but delicious; the fritangas are not registered or controlled by the ministry of

health in the majority because they have emerged spontaneously and they are not famous enough to attract the attention of the institution, even though they are some others which comply with all the requirements and licenses. Actually fritangas have taken part of our culture and if you are a foreign you should try it when you visit Nicaragua.

In the semaphores you will see the different products that the itinerant workers sell to the cars since fruits of the season until covers for cellphones and exotic animals like parrot. Government institutions like the MARENA (Ministerio de Ambiente y Recursos Naturales) have taken rules against the sale of exotic animals but they are still people selling. Also they are people who are glass cleaners, so they wait the semaphore to turn red in order to start working but sometimes they don't get even a Cordoba. In these places we can even see the influence of child exploitation in informal jobs and homeless. Actually they have appeared women carrying newborn children and they ask for money to the cars and pedestrians, they do all these under the shining and hot sun of the tropic. They are other parents who came with their children to work and their children wait in the boulevard while the parents work, or they help their parents. The child exploitation also is reflected with parents that wait and watch their children since the boulevard, observing that they are working constantly either selling a product or begging.

Child exploitation is common in informal jobs because it is the only place where children can work. According to Nicaraguan laws their age don't let them work even they want to work because it is considered child exploitation so if they get a job in a formal business or company this can be demanded,

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meanwhile the informal sector is not controlled or regulated by any organization so they can work there with any problem while there is not an investigation. The situation in the semaphores is sad to see. Even though it has being show in national television programs and television reports, it is still seeing clearly that they are not changes and the situation continues.

Informal jobs in rural areas:

Rural areas have the biggest rate of informal jobs the causes are their level of education and the developed of the region. Because of the limited accessibility and the lack of infrastructure the economy activities are limited and it is based in agriculture and animal husbandry. In the most remote rural areas, people mostly harvest for their own consumption and the animal husbandry is scarce. Their income is only from the little amount of product that is left after they save enough products for consumption. The little money that they earn is used to buy clothes or a tool to improve their harvest. Commonly these people have only a cow and two chickens; although it is hard to believe they have learned to subsist just with that limitations some people continue doing it and they have family and are able to raise their children.