
Nicaraguan Developments

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FTZs and Women in Nicaragua: Exploitation or Empowerment?

by Rose-Marie Avin
long time WCCN supporter and
study tour participant

What does globalization imply for women in the world economy, especially for women in Nicaragua? Globalization, defined as an "increased economic interdependence and integration in the world economy" through the expansion of trade, technology, investment, and finance, affects the lives of men and women everywhere. It is argued, however, that trade has a different impact on women than on men, given the patriarchal structures of societies, discrimination, and the marginalization of women in the Third World. The question is: Does globalization reinforce women's inferior status, or does it contribute to their empowerment? Studies have shown that the impact is varied, complex, and multidimensional. In this article, I will discuss one important aspect of globalization: the rapid expansion of trade through the creation and proliferation of Free Trade Zones (FTZs), also known as "maquilas," and their impact on the socioeconomic conditions of women in Nicaragua.

Globalization is not a new phenomenon. It is a process that started after World War II as competition intensified between producers of labor-intensive manufactured goods in industrialized nations. Producers then shifted production to Third World nations to take advantage of their cheap labor force. These producers received considerable help from their respective governments, which changed their tariff policies to allow the goods assembled abroad to



*Two women working at a shoe factory in the free trade zone in Managua.
photo by Carrie Hirsch*

reenter their economies duty-free. At the same time, governments from a large number of Third World nations made it attractive for foreign capital to relocate in their countries by giving them tax incentives and by building the infrastructure needed for manufacturing. South Korea, Taiwan, Hong Kong and Singapore were among the first to set up FTZs. A large number of poorer Third World countries in Southeast Asia took up the strategy a decade later. Today, FTZs exist throughout Asia, Africa and Latin America. All FTZs seem to have two things in common: They are enclaves with no linkages to the rest of the economy and the vast majority of the workers are poor young women working for low wages under deplorable conditions. Moreover, many of these women have no labor rights since labor unions are sup-

pressed by the governments of these countries.

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In Nicaragua, factories operating under the FTZs model have increased considerably during the period 1991-2001. In 1976, Nicaragua had one industrial park, "Las Mercedes," with

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Celebrating Women's Progress and Success

In solidarity with many groups worldwide, WCCN has commemorated International Women's Day for the last five years. What is the origin of that celebration and why is that important for progressive organizations such as WCCN? I would like to remind us of two tragic events in US history that occurred at the beginning of the twentieth century. These important and interrelated events are bookmarks for progressive social movements and organizations worldwide. The first event was a massacre of workers in Chicago that resulted in the first commemoration of International Workers Day on May 1. The second was the tragic Triangle Fire in New York City on March 25, 1911 that took the lives of more than 140 working immigrant girls, and was one of the main events that resulted in the commemoration of International Women's Day on March 8.

International Women's Day represents an interesting mixture of celebrating and resisting. It is a celebration of women's progress and successes, a celebration that acknowledges women and the many roles they fulfill around the world. But this celebration is also an act of resistance against ignorance of historical struggles worldwide that helped to improve women's rights, living standards and working conditions. Resistance against the remaining injustices against women worldwide and resistance against the suppression of critical thought and alternative movements, which have supported women and workers' rights.

Current working conditions in the maquiladoras in countries such as Nicaragua show us that many gains on gender and labor rights can be reversed in the context of neo-liberal globalization. The historical connection between women's rights and labor struggles needs to be redefined today after a century of struggle, successes and defeats. WCCN has been celebrating International Women's Day in Madison for the last five years. The local-global connection has been an important characteristic in our celebrations. This year, WCCN has again invited a well known speaker from Nicaragua and a well respected local speaker to talk about the struggle for women's rights and emerging visions for an alternative globalization. Our annual participation in this celebration helps us to recreate an historical connection that is almost a hundred years old.

Happy International Women's Day to everyone!

Carlos Arenas
WCCN Executive Director

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This edition of Nicaraguan Developments was edited by Carrie Hirsch and Dwight Haase

Nicaraguan Developments is published by the Wisconsin Coordinating Council on Nicaragua (WCCN). WCCN is a nationwide, non-profit, membership-supported organization working in partnership with Nicaraguans to promote social and economic justice through alternative models of development and activism, principally through two primary projects: the Nicaraguan Credit Alternatives Fund and the US-Nicaragua Women's Empowerment Project.

WCCN was founded in 1984, building on the the sister state relationship established between Wisconsin and Nicaragua in 1964.

We welcome our readers' input. Please send comments or other correspondence to WCCN at: P.O. Box 1534 • Madison, WI 53701 • phone: 608-257-7230 • fax: 608-257-7904 • email: wccn@wccnica.org • website: www.wccnica.org

Evaluating NICA's Impact

by Dwight Haase
interim Loan Fund Manager

Although rich in culture and intellect, Nicaragua is impoverished economically. Its GNP per capita is \$430 and 50% of Nicaraguans live in poverty. Under such circumstances, families often rely on agriculture or resort to the informal sector to earn some subsistence. Such strategies require capital to buy inputs and supplies, but the disadvantaged have little or no access to commercial banks. At the same time, growing unemployment and underemployment fueled by structural adjustment policies has pushed more and more people into the informal sector to create their own jobs. However with limited resources and no access to credit, it was often barely possible for people to eke out enough to support their families.

As most readers know already, WCCN has committed itself to helping to solve Nicaragua's economic woes in a just, sustainable manner. In 1991, WCCN began borrowing capital from socially responsible investors and relending it in Nicaragua to provide marginalized sectors with an opportunity to increase their income through entrepreneurship, and thus to move out of poverty. This endeavor became formalized as the Nicaraguan Credit Alternatives Fund (the NICA Fund) in 1998.

Since 1991, WCCN has lent out nearly \$10 million through several partner agencies - Nicaraguan non-governmental organizations (NGOs) that specialize in microcredit and other financial services. Through these partner agencies, WCCN currently is lending to about over 3,000 disadvantaged families in the northern, southern and central regions of Nicaragua.

Overall, the clients' repayment rates have been above 95% and the partner agencies have a 100% repayment record with WCCN. In this sense, the NICA Fund is a financial success; it shows that low-income families can and do repay business loans when those loans are packaged according to their needs. However, we still do not know the extent to which the NICA Fund is a social suc-

cess. In other words, WCCN and its partner agencies do not know just how much their credit services are helping Nicaraguans to empower themselves and to improve their own lives. Such matters are difficult to assess; they require in-depth research that the partner agencies cannot afford on their own. In fact, NICA's partner agencies have wanted to know this information for some time, but they have not been able to conduct such a study for themselves, because they do not have the time or money necessary to collect such data.

Therefore, WCCN has decided to take initiative to conduct its own impact evaluation. This will be done in collaboration with Fundación Internacional para el Desafío Económico Goblal (International Foundation for the Global Economic Challenge, or FIDEG), a Nicaraguan research institute. Meanwhile, WCCN's partner agencies will provide access to their archives and databases and they will help to arrange meetings with their clients. We will conduct interviews with a total of 560 clients. During the interviews we will ask about the economic status and general well-being of the clients and their families. We want to know not only about economic matters, but also we want to know if people's participation in microcredit programs and cooperatives helps to empower them and to build social networks.

We also will give the clients a chance to express their opinions and to share ideas about how WCCN and its partner agencies can improve their financial services to better address the clients' needs.

WCCN will present the findings to the partner agencies, the clients and to investors in North America. We also will share the information with practitioners and policy makers in other countries. We hope such presentations will encourage dialogue and collaboration among all stakeholders in the alternative credit sector.

The impact evaluation is scheduled to begin on April 1, 2002. It will last through the summer and WCCN will publish its findings around the end of the year.

WCCN's New Teammate

WCCN is proud to present our new Loan Fund Manager! His name is Jon Bishop and he will make a superb addition to the WCCN team. Jon comes to us with a global MBA from the Thunderbird School and much experience in Central America, including research on microfinance in Guatemala and fair trade coffee in Nicaragua. Jon also manages his own farm in Panama, which produces environmentally sustainable crops for local consumption.

Jon will arrive in Madison with his wife, Itzy, and 9-month-old son, Eric, on April 1. After two weeks of training with the interim Loan Fund Manager, Dwight Haase, Jon will take over and surely inspire the NICA Fund to new heights of excellence.

A Special Thanks to John Wade

The NICA Fund got off to an auspicious start this year, thanks to a \$15,000 donation from the Estate of John Wade. We are humbled and grateful for Mr. Wade's generosity and commitment to social justice. WCCN was just one of several organizations that he supported. We also are grateful to Mr. Wade's estate for their help in what surely is a very sad and difficult time for them.

Mr. Wade's donation will go into the NICA Fund's equity, which serves as an emergency reserve in case of any sort of unforeseen adversity.

WCCN Celebrates International Women's Day

by Nicole Page
WCCN student intern

WCCN's Women's Empowerment Project (WEP) recently held its fifth annual celebration of International Women's Day, on March 9th. This was a day off from the holiday's official date, but the event itself was right on target with the spirit and meaning. WCCN's celebration of International Women's Day unites women rights advocates from all countries of the globe to challenge divisions created by national borders as well as ethnic, linguistic and cultural differences. International Women's Day has evolved from its start in the beginning of the 20th century to become a worldwide focal point for promoting and demanding women's rights and participation in today's political and economic matters.

Following a welcoming introduction by WCCN Executive Director Carlos Arenas, the local teen group JABONGGIT, delivered an engaging twenty-minute skit that addressed the issue of verbal and physical abuse against women. JABONGGIT is part of a peer education project of Briarpatch and the AIDS Network. The teen group performs at community celebrations such as International Women's Day, professional conferences, foster care groups, parenting classes and local high schools around Madison, Wisconsin. After the performance, the audience participated in

an interactive discussion with the group's actors both in and out of character.

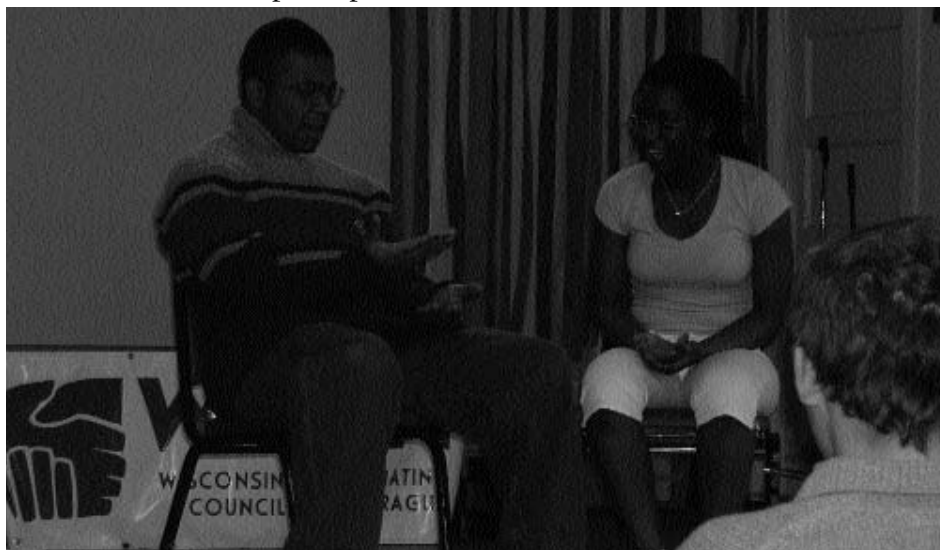
The following activity of the day was a "feminist roll call." There was an impressive display of representatives from local organizations that are striving to bring about positive social change for women. This celebration of International Women's Day provided the ideal venue for these groups to come together and bring awareness through numbers. Representatives from the following organizations participated in this activity: WCCN's Women's Empowerment Project, National Organization for Women (NOW), PAVE, MOSA, WORT, Rape Crisis Center, Planned Parenthood of Wisconsin, YWCA of Madison, Women's Transit Authority, Community Action of Latin America (CALA), Jews for Equal Justice, U.S. Out Now, Socialist Potluck, Hancock Center, and Domestic Abuse Intervention Services.

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for her firm belief that
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ment will not cease to fulfill
its objectives.*

WCCN was fortunate to have the opportunity to invite María Teresa Blandón to Madison for this event. María Teresa is the director of the Central American feminist program, "La Corriente", and one of the most well respected leaders of the Nicaraguan women's movement. María Teresa offered an historical account of the Nicaraguan women's struggles under Nicaraguan political regimes.



María Teresa Blandón (left) spoke at the International Women's Day event. Donna Vukelich (right) translated. photo by Marilyn Leffler



Teen group JABONGGIT performs at International Women's Day, photo by Marilyn Leffler

María Teresa noted that many of the advances women had made were set back in 1997, when the liberal government of Arnaldo Alemán took over. It was a time of increased poverty and the rise of maquiladoras, which spelled drudgery for many Nicaraguan women. Also during this time, women's issues were discussed publicly in a very negative and derogatory manner, which is reflected in the failure of the political powers to pass even one piece of legislation in favor of women. María Teresa spoke optimistically when predicting the recently elected Enrique Bolaños will begin to make positive improvements for Nicaragua's women. For María Teresa, International Women's Day is an empowering moment for her firm belief that despite so many disparaging setbacks, the women's movement will not

cease to fulfill its objectives.

Jane Collins, an anthropologist and University of Wisconsin professor of Rural Sociology and Women's Studies, expounded on María Teresa's thoughts by describing why she feels International Women's Day is important. For her it highlights international solidarity of women's groups, an age-old concept that allows women's groups to find common ground across differences.

Jane shared some findings from her current investigation on recent changes in the apparel industry. Unemployment forces women to compete for garment industry work to support their families, so worldwide, 80% of the garment industry workforce is made up of women. These women are largely underpaid and their skills are undervalued as mere "women's work."

According to Jane, women are often the target population of foreign importing industries since they are docile, complacent with low wages, and in many cases not unionized. Furthermore, there is no free time to organize when women are burdened by a double workday, which requires them to work full-time at the maquilas and then return home to their domestic responsibilities.

Rather than falling into the trap of competing with each other for jobs in the garment industry, Jane believes that women should build solidarity by establishing organizations that will support them. However, in so doing women not only need to seek protection of their rights as women, but also their rights as humans. In other words, women must be recognized as citizens before anything else.

Thanks to all our sponsors and advertisers of International Women's Day 2002. This event could not have happened without your support!

Money raised from this event will go towards a scholarship fund for a June study tour to Nicaragua.

Continuing the Celebration

Continuing its tradition for International Women's Day, WCCN welcomed another Nicaraguan women's rights activist to Madison. María Teresa Blandón is well-known and honored in Nicaragua as well as the rest of Central America. Her personal motivation to make a commitment to the Nicaraguan women's movement is demonstrated by her work and exemplifies the purpose of International Women's Day.

Although her stay was brief, María Teresa visited several locations and delivered engaging talks to a wide variety of audiences. She presented information on how political, economic, and social issues have impacted the Nicaraguan women's movement. In addition to her presentation at WCCN's International Women's Day event, María Teresa delivered classroom lectures to UW-Madison and Ripon College students and participated in two radio interviews for Madison's WORT.

International Women's Day is one of WCCN's Women's Empowerment Project's (WEP) most important events of the year. By inviting María Teresa, it was WEP's goal to bring awareness to Nicaraguan women's issues. She warned that Nicaragua's democracy will remain incomplete unless gender equality is formally practiced, as it is established in the Nicaraguan constitution.

According to María Teresa, the solidarity of women is necessary, but it

is not enough to confront and promote changes in a discriminatory system. The goal of Nicaragua's women's movement is to critique the nation's currently impartial democracy and thus uncover hidden truths that will lead to new political, economic and social approaches for gender equality. María Teresa emphasized the importance of educating women and defining personal goals so that they can develop a strong and effective voice. In addition, it is necessary to define sexual violence as a crime that society must punish not just a domestic matter. Otherwise sexual abuse will continue to create extreme obstacles to equality. Finally, it is imperative to encourage people to transcend traditional gender roles by recognizing that women's political participation is just as valuable as men's involvement in domestic responsibilities.

International Women's Day is the ideal occasion to commemorate the efforts of María Teresa as well as all women involved in the Women's Movement in Nicaragua, the US and everywhere, with the hope that it will bring equality between women and men one step closer to realization. María Teresa believes there are hidden truths that have long kept women behind; uncovering them is the key to gender equality and will aid in the implementation of full-fledged democracy in Nicaragua and worldwide.



María Teresa Blandón speaks to a group of students at Ripon College on March 8, International Women's Day. photo by Carrie Hirsch

Bringing Home the Study Tour Experience

by Marilyn Leffler
study tour participant

The ten of us sat around the breakfast table listening intently to Donna Vukelich, WCCN board member and our translator, as she shared with us the story of Nicaragua. My mind kept going back to how I was going to "bring home" the experience. We had just introduced ourselves and I was wondering if I was really qualified to be a delegate on this study tour, *Grassroots Responses in the Global Economy*. Economics is not exactly a passion of mine, I am not an activist, and *cerveza* was about the extent of my Spanish. I thought my reason for being there, "see first-hand what I've read about," sounded comparatively weak as others expressed clear goals for the days ahead. But I was curious about Nicaragua and its people and the study tour sounded like a wonderful opportunity to explore it beyond what an ordinary tourist might experience.

The focus of the tour was on the impact of the global economy on Nicaragua. Among the challenges facing Nicaragua is the inability of small business owners and farmers to obtain loans, coffee prices that have dropped below the cost of production, and the maintenance of a source of revenue.

Nicaragua has responded to these challenges in several ways. One innovative response has been the development of alternative credit programs. As producers for global consumption, small businesses and farmers have found themselves unable to obtain credit through conventional sources. We met with representatives from the *Fundación José Nieborowski*, a micro-credit non-governmental organization located in the department of Boaco. Partnered with WCCN's Nicaraguan Credit Alternatives (NICA) fund, the *fundación* helps make credit available to those whose income is too low to obtain loans from banks.

In Comoapa, a small community east of Boaco, we received a first-hand look at the success of this pro-



A representative from PRODECOOP, a fair trade coffee cooperative, shows study tour participants when coffee is ready to be sold. photo by Carrie Hirsch

gram. The proprietors of several businesses that have received loans through the NICA Fund warmly welcomed us. Among our stops were a hotel, a bakery, a business that makes metal stirrups, and a store that sells woven goods. At every visit we were shown how the loans have enabled each of them to develop their business. Some also shared dreams of expansion through additional loans. It was wonderful to see the positive impact that the NICA Fund has had on their lives.

It was wonderful to see the positive impact that the NICA Fund has had on their lives.

With worldwide over-production of coffee resulting in plummeting prices - and with 27% of Nicaragua's total exports being coffee - Nicaragua is experiencing an economic crisis. Nicaraguans have responded to this challenge through alternative means of production and distribution. In

Estelí, a central point of commerce located on the Panamerican Highway, we visited PRODECOOP, an organization of 45 coffee cooperatives. Through "fair trade" (products priced at levels appropriate to the local economy, not the lowest price) they are helping coffee-growers get a higher price.

PRODECOOP believes that the value and quality of coffee cannot be improved as it is processed - value and quality are inherent from the beginning. Its members are *fincas*, or small family farms, that produce high quality shade-grown organic coffee. The fair trade price of coffee for these producers was \$1.26/lb in January 2002 while the price of coffee on the open market was \$0.46/lb. These coffee-growers are seeing the quality of their product.

I was right about the study tour. It was a wonderful opportunity to see Nicaragua and experience first-hand many of the issues I had read about. And, having found a way to bring home the experience, I sit at my breakfast table sipping fair trade coffee knowing that I am helping a small coffee farmer in Nicaragua.

Globalization in a Land of Resistance

by Carlos Arenas
WCCN Executive Director

Plan Puebla-Panamá (PPP) is a set of transnational megaprojects related to: commerce, roads, tourism, electrical interconnection, telecommunications and environmental management. Mexican President Vicente Fox first unveiled PPP on November 30, 2000. The announcement was part of a very ambitious development plan for the South and Southeastern Mexico that would extend through all of Central America, as part of Fox's vision to promote economic globalization in the so-called *Mesoamerica* region. After Fox's announcement, multinational financial institutions gave their support, with the Inter-American Development Bank (IDB) acting as the main catalyst.

Geographically, PPP will cover seven Mexican states and all Central American countries, specifically focusing on the biological and cultural corridor known as *Mesoamerica*. This includes the most isolated areas of that region, where local communities have fostered and protected its biodiversity for centuries against all kind of conquerors - old and new.

According to the IDB, PPP's objective is "to empower the human and ecological richness of the Meso-America region, as part of a sustainable development that respects cultural and ethnic diversity". However, environmental organizations, such as ACERCA, have called the PPP "a counter-insurgency plan against indigenous peoples because of the land privatization where people believe in the collective use of land, cooperation and autonomy within the state".

In the case of Nicaragua, PPP impinges on the Atlantic Coast, known for its natural beauty and the cultural richness of its indigenous and Afro-Nicaraguan communities. The Nicaraguan component of PPP is of concern to these communities because PPP will promote the construction of a transoceanic dry canal. According to ACERCA, "the PPP proposes to link the trans-oceanic

megaprojects with the development of a north-south industrial and transportation structure".

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A Rich and Strategic Frontier

The *Mesoamerican* region contains the main Mexican oil fields and is one of the richest areas in biodiversity on the planet. After September 11, 2001, the resources for some of the projects included in PPP were affected by the economic crisis in the United States and the economic uncertainty that ensued. Meanwhile, *Mesoamerica's* strategic importance has increased since September 11. It seems that the geopolitical objective is to extend economic globalization to the border between Panama and Colombia, and to at the same time to protect their richness against the deterioration of the political situation in Colombia, Venezuela and Ecuador.

There is a natural barrier between Panama and Colombia, known as the Darien gap. It will be used as a natural break against any external threat to this economic dream. This gap historically has been a natural barrier that for centuries has blocked any kind of connection between South and Central America. The growing armed conflict in Colombia and the revolutionary political process in Venezuela, in addition to the unresolved political crisis in Ecuador, have convinced many U.S. strategists in Washington D.C. about the necessity to isolate North and Central America from the currently unstable Andean region. As a result, during the last several months the negotiation of a new free trade agreement between the United

States and Central America countries progressed from being a remote idea to an issue that apparently will be a reality in the coming months.

Owners and Administrators

According to the official line from PPP, indigenous and Afro communities living in the *Mesoamerican* region are called to participate in this grand development project. It is important to keep in mind that those communities are currently owners of the land where they live, maybe without legal titles that prove their ownership, but they have been there for centuries. The main offer that makes to nations and local communities is to become "administrators" - not owners - of local resources. For Central American governments, being an administrator means being able to implement their own projects for welfare, tourism, commerce, roads, electricity, and telecommunications.

For local communities, being an administrator signifies a long-term process of dispossession of their land and resources. This is because under PPP the owners of those lands will be transnational investors.

For local communities, being an administrator signifies a long-term process of dispossession of their land and resources. This is because under PPP the owners of those lands will be transnational investors. Thus, the communities in *Mesoamerica* will become administrators of someone else's environment and its biodiversity, but there will be little chance for the communities themselves to be owners. This is one of the main reasons behind the growing opposition to PPP.

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FTZs and Women in Nicaragua *continued from page 1*

11 factories producing mostly clothes for the United States market. With the arrival of the Sandinistas in 1979, however, the factories closed their doors and moved their operations someplace else in Central America. The electoral defeat of the Sandinistas in 1990 brought to power a conservative government more sympathetic to the free-market and free trade policies advocated by the World Bank, the International Monetary Fund and the United States Agency for International Development (USAID). With funds received from the World Bank and the Inter-American Development Bank, new industrial parks were created and the foreign investors came back to Nicaragua. The sector has exploded during the 1990s.

Today, the FTZ system consists of 12 industrial parks and the number of firms has increased from 8 in 1992 to 45 in 2001. Of the 45 firms operating in the FTZs, 14 are from Taiwan and 13 from the United States with the vast majority (73 percent) engaged in the production of clothes mostly for the United States market. The sector has also been the most dynamic in terms of job creation: The number of jobs increased from 1003 in 1992 to 38,792 in 2001. At the same time, the value of exports grew from US \$ 2.9 million to US \$ 230 million during the same period. While the sector contributed 7.5 percent of the value of total exports in 1994, its contribution reached 32 percent in 2000.

What has been the impact of such rapid growth on the socioeconomic status of women in Nicaragua? There is no doubt that the FTZs sector is an important source of employment for Nicaragua and for poor Nicaraguan women. It is estimated that 70 percent of the workers are young women with a low educational level, with about 50 percent being heads of households. For Nicaraguan women, having a job in the FTZs means not having to sell food and trinkets in the streets and also not having to leave the country to become maids in Costa Rica. The reality is that there are no jobs in other sectors in Nicaragua. In 2001, 58.8 percent of working age women were unemployed and underemployed, and of those who were employed 75.5 per-

cent worked in the informal sector—the employer of last resort.

While the FTZs have been a major source of employment for women, they have not created jobs that can bring women out of poverty and contribute to their empowerment. On the contrary, management in these factories pays low wages, provides difficult working conditions, and tries to suppress the women's labor rights. According to Sonia Agurto of FIDEG, a well-known research institute in Nicaragua, the average monthly salary in the FTZs is 850 cordobas (about 62 US dollars) higher than the minimum wage of 400 (29 US dollars) cordobas. However, the basic market basket for a family of five cost 2550 (185 US dollars) cordobas. It takes three persons working in a FTZ to buy the basic market basket. To make ends meet, many women work extremely long hours.

While the FTZs have been a major source of employment for women, they have not created jobs that can bring women out of poverty and contribute to their empowerment.

Working conditions are also difficult. There have been reported cases of physical mistreatment, as was illustrated by the revolt at Chentex during the mid-1990s. At Chentex, workers rose up because of poor working conditions and the fact they were not been treated with respect by management. They were treated like "cattle" as one former worker said. According to Gladis Manzaneres, former general secretary of one of the labor unions in the FTZs, one of the major problems is the difficulty of forming labor unions. Workers suspected of forming labor unions get fired and that can be a devastating blow for a female head of household. Furthermore, many women do not know the law and their rights.

It is obvious that the FTZs development model has not led to the transformation of women's lives through economic empowerment, but rather reinforces the conditions of marginalization of women in Nicaraguan soci-

ety. Job segregation from the outset gives women unskilled production jobs that are the poorest paid. Lacking access to on-the-job training, women are not moving up the job ladder and are not acquiring social and political power. One organization working to empower women is the "Maria Elena Cuadra," (MEC) a women's organization working to improve the human rights of women, especially of women in the FTZs. This organization provides scholarships for nontraditional jobs, has a small credit program for unemployed women, teaches women about their labor rights, and provides training for negotiation techniques. According to Sandra Ramos, the head of MEC, women need to have a consciousness raising that will empower them to take action but it takes time. The goal of MEC, then, is to create a space for reflection for the women of the FTZs so that they can achieve personal empowerment. Will that be the first step toward economic empowerment? Only time will tell.

Rose-Marie participated in WCCN's January 2002 study tour to Nicaragua. The study tour focused on grassroots responses to the global economy, and looked at the free trade zones in Nicaragua as one aspect of globalization. Many of the people and organizations that she mentioned, such as Sonia Argueto and FIDEG, and Sandra Ramos and Maria Elena Cuadra, were visited during the study tour.

WCCN Study Tour Scholarship Fund

Every year WCCN sponsors two delegations to Nicaragua. These delegations provide opportunities for people to see first-hand the challenges facing Nicaraguans on a daily basis. Our next study tour will be June 1-9.

WCCN likes to offer partial tour scholarships to low income people that would otherwise not be able to participate. If you would like to contribute to our *WCCN Study Tour Scholarship Fund*, please send your donation to:

WCCN • PO Box 1534 • Madison, WI 53701

Thank you!

Plan Puebla-Panama *continued from page 7*

A Land of Resistance

Hundreds of years ago, the peoples of the *Mesoamerican* region were divided by the creation of nation-states. New borders affected the communities, but those people found ways to adapt to the new realities and to survive despite the new divisions. Thus the *Mesoamerican* region has a long history of resistance to domination, defending their cultural and ethnic heritage. Some of that resistance was expressed in the 1980s with the resistance of the *Miskitos* in the Atlantic Coast of Nicaragua, which won the autonomous status of that region. In the 1990s, the *Zapatista* uprising in Chiapas, Mexico was the most important local struggle against economic globalization, but it was not the only one; *Mesoamerica* is endowed with many dynamic organizations committed to social justice.

Plan Puebla-Panama cannot advance without a minimal consensus of the local communities. Those populations have been strengthening their interconnectedness - among

themselves as well as with organizations in the North. For example, last December in Managua some local organizations and NGOs - such as *La Red de Defensa del Consumidor* (Network for the Consumer Protection), the *Centro Humbolt*, and the *University of the Autonomous Region of the Nicaraguan Caribbean Coast* (URAC-CAN) - organized a press conference to make public their opposition to PPP. Currently, PPP is on the agenda of many progressive organizations in the U.S. working with Central America and, of course, it is on WCCN's agenda. WCCN will strive to promote a clear understanding of PPP's implications. As always, we will do so from the perspective of the people - not the multinational corporations.

For more information about "Plan Puebla-Panama", visit the following websites: <www.iadb.org/ppp> and <http://www.acerca.org/plan_pueblo_panam.html>

Fighting for Environmental Justice in Central America: Opposition and Alternatives to "Plan Puebla-Panama"

Silvia Arguello
Humboldt Center, Nicaragua

Wednesday, April 3 @ 7:30pm
Pres House, 731 State Street

Join Nicaraguan environmentalist Silvia Arguello for a talk and discussion on how the PPP affects Nicaragua and the rest of Central America, and sustainable grassroots alternatives to the corporate development model.

Sponsored by the Wisconsin Coordinating Council on Nicaragua (WCCN) and Community Action on Latin America (CALA)

Dorothy Granada Returns to Nicaragua

Many of you joined us this past October for a public presentation by Dorothy Granada, an American nurse living and working in Nicaragua. WCCN invited Dorothy to Madison as part of her North American speaking and fundraising tour. She spoke with us about her plight to help the community of Mulukuku in which she lived, and also how she went into hiding and was eventually forced to leave Nicaragua by President Aleman's government. Just last month, in February, Dorothy returned to Nicaragua after hearing that the new Nicaraguan government would welcome her return. Dorothy's return was possible because of intense international pressure, mainly by her incredible network of support in the United States.

Acting Locally- The CEDAW Campaign

As part of the 16 Days of Activism Against Gender Violence Campaign, a committee was formed to raise awareness about and push for the ratification of the Convention for the Elimination of all forms of Discrimination Against Women (CEDAW). In 1979, the United Nations adopted CEDAW, which is the first convention to comprehensively address women's rights within political, cultural, economic, social and family life. CEDAW sets up an agenda for national action to end such discrimination.

On February 12th, members of the CEDAW campaign committee held a press conference at the Assembly Parlor at the State Capitol. The press conference was intended to gain awareness for CEDAW. The press conference was a step in the right direction. All of the speakers, which included Katie Crawley from Senator Feingold's office, Sara Anstaett-Benedict from Representative Baldwin's office, Angela Rose from NOW and PAVE, and Cheri Dubiel from the Rape Crisis Center, delivered positive and encouraging statements.

In addition to the press conference, the committee initiated a Call-In Day that was held on February 14th. People were asked to call their state Senators and the First Lady Laura Bush and tell them the importance of the US ratification of CEDAW. We hope that these initiatives helped our Senators and the First Lady in their efforts to bring about US ratification of CEDAW.

Thanks to everyone who participated in these events and for your dedicated involvement to the CEDAW campaign!

NICA's Partner's: Financially Stable and Socially Responsible

by Dwight Haase
interim Loan Fund Manager

The NICA Fund aspires to foster a more just and sustainable economy in Central America. It does so by soliciting loans from North American investors and then lending that money to partner agencies in Nicaragua. Those partner agencies in turn lend to disadvantaged Nicaraguans. In order to ensure the success of this arrangement, WCCN must select financially stable and socially responsible partner agencies. This article elaborates on the criteria that WCCN uses to select its partners.

Financial Stability

For poverty-focused lending, financial stability is no easy task. This is especially true in Nicaragua, a nation buffeted about by the turbulence of the global economy on a daily basis. Even remote rural Nicaraguans feel the effects, as is evidenced by the recent influx of employed persons to urban centers following the international drop in coffee prices. Meanwhile, since WCCN's partner agencies are lending to the dispossessed, they generally cannot rely on collateral to ensure repayment, as would a commercial bank. But at the same time, those partners must repay WCCN so that WCCN in turn can repay its North American investors.

In the absence of collateral, the NICA Fund relies on other lines of defense to ensure that its partners are financially stable and reliable. The first and most effective line of defense is a well-managed program. Therefore, WCCN seeks partners that are well established and experienced. Good management also is reflected in an organization's human resource policies, including adequate training and support for staff, as well as performance incentives.

In addition to being well managed, the partner agency should have a high quality portfolio. For this reason, WCCN scrutinizes each potential partner's financial

statements (ie, balance sheets, income and expense statements and portfolio reports) before lending to that organization. WCCN continues to review those financial statements quarterly to ensure continued financial stability.

Another line of defense to ensure that WCCN's partners are financially stable is an adequate amount of capital to keep the organization solvent. Equity should be at least 15% of the organization's total assets. Furthermore, WCCN stipulates that each partner agency must keep a sufficient amount of loan loss reserves in case of defaults.

Social Responsibility

Of course, WCCN is not only concerned with financial stability. We also want to ensure that our loans work to improve Nicaraguans' lives. Therefore, the NICA Fund seeks borrower agencies that can demonstrate that their social impact meets the NICA Fund's mission and values. WCCN especially is interested in partner agencies that lend to small agricultural producers, women and other persons typically excluded from commercial credit. Therefore, a substantial portion of each partner's portfolio must go to these persons in the form of small, manageable loans.

Furthermore, partner agencies must not be involved with any businesses that are abusive of workers' rights (ie, dangerous working conditions, long hours without breaks or unfair wages). Partner agencies also must not practice discrimination on the basis of religion or political affiliation.

WCCN has chosen its partners with much care and scrutiny, to ensure that they are both financially secure and socially responsible. We are proud of our partners and we believe that our investors here in North America can be proud as well, because their capital is helping to promote a more just and sustainable economy in Nicaragua.

WCCN lent \$1,700,000 to seven partner agencies in 2001. The table below summarizes our lending activities.

<u>Date of Disbursement</u>	<u>Partner Agency</u>	<u>Amount</u>	<u>Maturity Date</u>
March 1, 2001	Prestanic (3rd loan)	\$200,000	3/1/03
April 1, 2001	FJN (2nd loan)	\$200,000	4/15/03
June 1, 2001	CONFIA (2nd loan)	\$400,000	6/1/03
August 1, 2001	FDL (3rd loan)	\$300,000	8/1/04
August 15, 2001	CARUNA (2nd loan)	\$200,000	8/15/03
Sept 6, 2001	ACODEP (4th loan)	\$200,000	9/1/03
Nov 15, 2001	FAMA (2nd loan)	\$200,000	11/15/03
	Total:	\$1,700,000	

Adding other loans still outstanding from previous years, WCCN currently has \$2,100,000 lent out in Nicaragua. This money is benefitting over 3,000 borrowers, half of whom are women.

Weaving Prosperity

Señora Zeneida Hernández

Camoapa, Boaco

Borrower of Fundación José Nieborowski

This past January, the WCCN delegation visited several of NICA Fund's end borrowers in the city of Camoapa, which is in the department of Boaco. Boaco is served by the Nicaraguan micro-credit organization *Fundación José Nieborowski*. We had the opportunity to talk with several end borrowers and learned how a small loan can be an important resource to improve the quality of life of many people in Nicaragua. One of those end borrowers was Ms. Zeneida Hernández.

Ms. Zeneida Hernández received a loan for US\$750 from the *Fundación* to buy raw materials for her handicraft business. Having more raw materials allowed her "to have work all the time" and not sit idle due to lack of the materials. Ms. Hernández is a small-scale hand crafter. Among the crafts that she makes, are different styles of hats, purses, and baskets. She told us that the raw material she uses is a very special and fragile palm that is found locally, and can only be



Señora Zeneida Hernández, shows us the raw material that she uses to make hats, handbags, baskets, and other crafts. photo by Carrie Hirsch

used at night or very early in the morning. To help us to understand why this is so important, she showed us the palm after it had dried, and also when it was fresh and pliable. Ms. Hernández sells her products in the local market of Camoapa and in the market in Managua. She also sells them during different "ferias", or fairs, in the main cities of the country

throughout the year. She was very proud that our delegation visited her house, and we felt honored to be there and see the NICA Fund in action.

Yes, I Want to Support the Wisconsin Coordinating Council on Nicaragua

- Enclosed is my tax-deductible donation of \$ _____ to support the work of WCCN.
- Please send me further information about: Women's Empowerment Project
 Nicaraguan Credit Alternatives Fund (NICA Fund)
 Study Tours

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Upcoming WCCN events:

"Fighting for Environmental Justice in Central America: Opposition and Alternatives to Plan Puebla Panama"
Silvia Arguello, Humbolt Center, Nicaragua
Pres House, 731 State St.
April 3, 7:30pm

Annual Conference
WilMar Neighborhood Center, 951 Jenifer St.
April 26, 6:00-8:00pm

Study Tour to Nicaragua
"Women's Leadership and Social Change: The Role of Women in Nicaraguan Social Movements"
June 1-9

Celebrate Madison Festival
100-200 blks Martin Luther King Jr. Blvd. and Monona Terrace
May 11, 11:00am-7:00pm
(WCCN will be participating in this event)

Please contact WCCN for more information about these events • 257-7230

WCCN Study Tour of Nicaragua June 1-9, 2002

Women's Leadership and Social Change: The Role of Women in Nicaraguan Social Movements

Join WCCN for this inside view of Nicaraguan society through the lenses of their social movements, and the growing leadership role of women in those movements. The tour will provide an overview of Nicaraguan social movements, with a main focus on the women's movement.



graphic by Rini Templeton

Contact WCCN for more information.
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