Negotiating Household Challenges and Opportunities.

Local Economic Development in León South East.

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Abstract

Based on different stages of quantitative and qualitative research conducted in León South East, Nicaragua; this thesis is a result of four months field research from February to June 2009. As a new and rapidly evolving urban extension to the geography of León city, the project exhibits interesting traits worthy of note on the part of other urban expansion plans in Latin America and beyond. Within the broad theme of local economic development, this thesis addresses the complexity of factors that affect the actions and agency undertaken by residents to generate income. With attention focused on the micro (household) level, the theoretical and conceptual frames employed and the analysis of results focus on the independent capacity of households to negotiate economic opportunities and challenges. Comprised of a majority low income family profile; households in León South East face a new geography that contains potentials but also new challenges in the stabilisation and establishment of income generating practices. The role of home-based economic activities is highlighted, and together with the existing theoretical approach to informality and flexibility in knowledge formation; an argument is posited that centres on the autonomous capacity of households to generate income in conjunction with the exercise of unique agency forms particular to this new urban space.

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List of abbreviations and terms

Currency: C$25 = €1 / C$ 20 = US$ 1.

AHP: Reparto Azarias H. Pallais.

Alcaldía: The Municipality (City Council) of León.

Arnecom: The maquilladora car parts factory located in Zona Franca.

ASH: Reparto Antenor Sandino Hernandez.

C2C: City-to-City Cooperation.

EU: European Union.

FSLN: Frente Sandinista de Liberación Nacional

Fundapadele: Fundación para el Desarrollo de León.

GIS: Geographical Information Systems.

HBEA: Home-Based Economic Activity.

INIDE: Institución Nacional de Información de Desarrollo.

INPYME: Instituto Nicaragüense de Apoyo a la Pequeña y Mediana Empresa.

INVUR: Instituto Nicaragüense para Viviendas Urbanas y Rurales. Government organisation overseeing all housing arrangements.

LED: Local Economic Development.

Lino Arguello: A reparto that has been newly built since 2004.

LSE: León South East.

MFI: Microfinance institution.

MS: Reparto Mariana Sanson.

NGO: Non-governmental organisation.

PEDM: Plan Estratégico de Desarrollo del Municipio de León.

PDEU: Plan de Desarrollo de la Expansión Urbana.

Las Poetas: The repartos of AHP, ASH and MS.

PPP: Public-private partnership.

Pulpería: Small grocery store normally located within the home.

Reparto: Each sector of LSE named after a famous poet.

SPSS: Statistical Package for the Social Sciences.

UN: United Nations.

UNDP: United Nations Development Programme.

Zona Franca: A factory zone within LSE in an economic free trade area.

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Summary / Resumen:

La princesa está bella,
pues ya tiene el prendedor
en que lucen, con la estrella,
verso, perla, pluma y flor.
- Rubén Darío: A Margarita Debayle

Desde febrero hasta mayo 2009 se realizaron un estudio de en un proyecto de expansión urbana que se ha presentado un debate dinámico desde los ochentas. León Sureste (LSE) ha evolucionado hasta convertirse en un proyecto integrado de la colaboración internacional, la construcción de la comunidad, marcos de conocimiento local, y la síntesis de los esfuerzos para incluir todos estos componentes en un auto-sostenible proyecto. Las ambiciones siguen siendo grandes, pero la determinación real para ver a través de un proyecto que tiene el potencial de liderar el camino para proyectos de vivienda de América Latina y el mundo.

Esta tesis es un producto de cuatro meses de investigación cualitativa y cuantitativa desde una perspectiva de la economía local. La complejidad de factores que podría dar lugar a un amplio conjunto de datos y resultados. Sin embargo la familia como la principal unidad de análisis, que ofrece una perspectiva y un conjunto de conclusiones orientadas hacia y centrarse en cómo las intervenciones afectan a los ocupantes de los hogares mediante directa, proyectos e iniciativas de propósito o por medios indirectos que se asimilan en la composición de la familia.

La decisión de investigar LSE desde este ángulo se hizo a la luz del objetivo concreto de LSE. Viviendas para familias de bajos ingresos en una situación suburbana no sólo es un reto para los organismos competentes involucrados, pero aún más para las familias que desean o que ya viven en LSE. Un tema a través de la tesis es un regreso a la perspectiva de los hogares. ¿Cómo perciben los hogares y asimilar los proyectos, iniciativas y cambios? A medida que la investigación evolucionó, el enfoque se hizo más clara en términos de la necesidad de que el investigador para comprender mejor y dar reconocimiento a la capacidad de los residentes de LSE a negociar sus trayectorias económicas.

Uno de los aspectos principales de la concepción, el inicio y evolución de la LSE es el intercambio y la puesta en común de conocimientos de diferentes fuentes internacionales y nacionales. La importancia de promover y mostrar carcasa de LSE es de importancia crucial, ya que tiene capacidad inmensa para ser un faro de las lecciones aprendidas de la ciudad a ciudad y de expertos a la cooperación local de conocimiento experto. Durante la investigación del campo se hizo evidente que una gran oportunidad de esta investigación es revelar la base de conocimientos de primaria informar LSE; la de los residentes y sus principales colectivos de la familia en el contexto de todos estos expertos y formas de conocimiento internacional. Se espera que este sea un aspecto y se ha puesto de manifiesto que sustentan los marcos conceptuales y teóricos.

Los capítulos uno y dos dar una visión del contexto geográfico de León y Nicaragua. El objetivo es una exploración sobre el perfil de la economía local y nacional de León y Nicaragua, respectivamente. Un aspecto clave y como se destaca en todo es que de los vínculos de León con otras regiones y ciudades en Nicaragua y de sus enlaces internacionales, tanto en América Central y más allá. Este es un componente importante en el desarrollo económico de LSE como el papel de las remesas y las inversiones son temas claves que enfrentan los hogares y los planificadores de LSE.

El capítulo tres entra en el marco teórico considerado para esta investigación. El capítulo se presenta la literatura revisada de la premisa de perspectivas geográficas a los de una base más teórica. El papel y el lugar de los conocimientos pertinentes a los hogares y la conceptualización de los organismos externos que influyen LSE son aspectos subyacentes a la tesis y sus conclusiones. Este aspecto se interpreta desde el contexto espacial contexto (el área urbana de LSE), los factores económicos, en particular los de las microempresas y la informalidad, y el papel que las ONGs y las instituciones de crédito desempeñan en LSE. Un peligro latente de las ideas iniciales de esta investigación fue el problema del exceso de la contabilidad de los diferentes actores involucrados en LSE. Este ha sido un aspecto importante en la realización de investigaciones en las entrevistas o por medio de cuestionarios, pero de nuevo, conservando orientado a las familias ayudó a mantener la investigación en primer plano pertinente importante.

Los autores principales que se lea para esta tesis discutida mucho sobre el papel de la informalidad en el desarrollo económico. Este era un aspecto importante utilizado para la tesis. La edad de LSE significa que había muy poco tiempo para el crecimiento del proyecto. Además, los residentes han tenido que desplazarse de su hogar estable y las condiciones económicas en un lugar urbano en la periferia. Si bien esto puede representar oportunidades, también plantea retos importantes para las familias jóvenes. La flexibilidad que los residentes de LSE usar para negociar su proceso económico es un tema central para esta investigación. La informalidad y flexibilidad en su mayoría existen en el ámbito social y la importancia de los puntos sociales que subyacen al desarrollo del conocimiento. El conocimiento de que los residentes de LSE han creado es muy importante para su capacidad de negociar y alcanzar nuevos horizontes económicos.

El capítulo cuatro profundiza en un modelo conceptual concebido de forma independiente y las hipótesis relacionadas con respecto a LSE. El modelo conceptual esboza una hipótesis de cómo las familias negocian sus trayectorias económicas. Los componentes que figuran en el modelo también es la base de investigación de la investigación en términos de las instituciones y la forma en que repercuten en LSE. En relación con este modelo las preguntas de investigación se centran en la primaria, aspectos tales como la geografía de LSE, las instituciones de género y de los organismos gubernamentales y no gubernamentales y planes. La pregunta central de investigación de nuevo se centra más en la perspectiva de la familia y deja un programa flexible de elaboración de las oportunidades económicas en términos de actividades y no fija las ocupaciones.

Las preguntas de investigación fueron los siguientes:

¿Qué actividades económicas existentes para los residentes de LSE?

-¿Hay suficiente planificación y realización de los espacios de las pequeñas empresas y microempresas con la pagina?
-¿Es la economía informal suficiente corriente en el mantenimiento de los ingresos del hogar?
-¿Qué limitaciones y oportunidades que los trabajadores nuevos y existentes hacer frente a?
-¿Las mujeres tienen igual acceso a la educación y las oportunidades de empleo?
-¿Existen vínculos del mercado con el centro de la ciudad de León, alrededor de los asentamientos rurales, otras partes de Nicaragua o en el extranjero?

Esto nos lleva al capítulo cinco que ofrece un debate general sobre las metodologías utilizadas y las ventajas, desventajas, deficiencias y alteraciones que se fue. El apéndice contiene más detalles específicos sobre cómo se llevó a cabo cada metodología.

Las metodologías de investigación utilizadas fueron inicialmente cuantitativas y cualitativas más

tarde en su enfoque. En la primera encuesta se llevó a cabo una línea de base con la intención de la muestra de 600 hogares. La encuesta se centró en preguntas sobre la familia, la composición de los hogares y los niveles de la educación. Los tipos de trabajo y los niveles de ingreso también se les preguntó en preguntas cerradas y abiertas. La encuesta también tenía algunas preguntas sobre los lotes y las casas y cómo se compraron estos.

Observaciones formales se realizaron con un equipo de estudiantes. Estas observaciones hicieron en cada reparto y registraron el uso de los lotes y tipos de casas. Para las actividades económicas, los diferentes tipos de domicilio suma a actividades económicas se han examinado y clasificado. Estas observaciones fueron utilizadas para elaborar los mapas y hacer una nueva muestra para las actividades económicas basada en el hogar (AEBH).

El inicio de actividades económicas basadas en la encuesta se hizo con 82 hogares. La encuesta se centró en la cantidad de ingresos que ganan, cómo se desarrollaron y qué habilidades y las inversiones fueron puestas en la actividad. Al realizar la encuesta, el tiempo extra se usó para tener una entrevista y una conversación más libre flujo con el propietario. Algunas de las conclusiones interesantes de este parte, que complementa los resultados cuantitativos.

Entrevistas semi-estructuradas fueron realizadas con diferentes ONGs, instituciones del gobierno local y otras personas involucrados. Estas entrevistas revelan información acerca de las diferentes agendas que influyen LSE. Se demostró que mientras que hay muchos actores involucrados, las diferentes perspectivas que importan a LSE parece ser diferente a la de los residentes de LSE.

El primer conjunto de resultados de la investigación en el capítulo seis frente a los principales indicadores económicos de la encuesta de referencia. Las cuestiones destacadas mostrar las tendencias principales y más importantes hacer una comparación a la investigación realizada en 2004. Las estadísticas generales muestran la mejora general en LSE o estabilización en la mayoría de categorías. El enfoque es de las diferencias entre los nuevos Repartos de Lino Arguello y Arnecom, de género, el papel de empleo de la planta de Arnecom y por encima de los niveles de ingreso promedio.

Hay dos planes principales para el desarrollo económico local de León y la LSE. El PEDM y PEDU. Cada plano detalle de planes específicos con proyectos centrados en o en LSE. Sin embargo, la realización de estos proyectos parece ser muy lento y algunos proyectos no podrán ser completados. La mayoría (59.2%) de las personas trabajan en la ciudad de León. La ciudad de León sigue siendo importante para sus mercados y la capacidad de los vendedores para vender sus productos a más clientes.

Las estadísticas importantes muestran una estabilización general de LSE. Sin embargo, el número de trabajadores en el sector formal aumentó de 45.2% en 2004 al 66.4% en 2009. El nivel de trabajo fijo también aumentó del 41.5% en 2004 al 52.4% en 2009. Estos son indicadores importantes en los hogares de LSE que puede estar experimentando y mejorando en general y la estabilidad en la generación de ingresos.

Las condiciones generales económicas para las mujeres parecen haber mejorado. La proporción de mujeres y hombres finalización de la educación de tercer nivel es de 57% al 43%, respectivamente. La proporción de mujeres que trabajan en el sector formal aumentó de 36.9% en 2004 al 48.4% en 2009. Sin embargo, la proporción de mujeres desempleadas aumentó de 26.9% en 2004 al 43.3% en 2009. A pesar de estas mejoras, en 2009 los trabajadores de más bajos ingresos en LSE eran mujeres. Los trabajadores con ingresos más altos eran hombres. Los resultados de la encuesta y entrevistas AEBH se detallan en el capítulo siete. Estos

resultados ayudan iluminar las principales conclusiones y el marco teórico junto con el modelo conceptual en términos de los hogares de la independencia en la negociación de sus trayectorias económicas. Las conclusiones se basan en comparaciones de base para que la investigación de 2004, pero más específicamente a las características existentes que revelan cómo las familias independientemente de negociar sus oportunidades económicas y crear una actividad generadora de renta primaria de la casa. Los dos mapas muestran algunas características interesantes y de cómo las categorías de AEBH se ven afectados por el nivel de consolidación de barrio o han evolucionado con el tiempo.

Las instituciones de préstamo que tienen clientes en LSE, cada uno trae una agenda diferente a la mesa de LSE. Los diferentes planes de préstamos pueden ofrecer flexibilidad para los residentes de LSE, no obstante las diferentes agendas detrás de cada una parece estar compitiendo unos con otros. No parece que la coherencia entre los diferentes organismos y la forma en que sus actividades pueden beneficiar a los residentes LSE.

El número de los hogares basado en las actividades económicas ha aumentado en cada uno de los cinco Repartos en la LSE. La mayoría son pulperías y el 70% de ellas eran propiedad de una mujer en 2004 y el 66% en 2009. 13.4% de AEBH se registraron en 2009. El proceso de registro y formalizar una AEBH implica el pago de impuestos, que para un hogar con ingresos limitados, puede alterar una importante fuente de generación de ingresos. Estar fuera formal de las normas profesionales que indican que una situación informal es un requisito o la preferencia por parte de los propietarios de AEBH habida cuenta de sus limitaciones particulares.

La razón principal para tener un AEBH era simplemente tienen otra forma de ingresos (26.8%), seguido por la necesidad de 'sobrevivir' (20.7%) y en tercer lugar, para pagar la comida y pagar facturas (13.4%). La mayoría de los AEBH son de pequeña escala y la generación de ingresos bajos. La mayoría (28%) de los propietarios dijeron que no recibían ingresos o que no existen beneficios obtenidos como todos los ingresos que se reinviertan en la compra de bienes para la pulpería. Un AEBH es una fuente de ingresos vital y también cumple una función social, que permite a los vecinos y la comunidad a reunirse.

Las principales conclusiones de la tesis están destinadas a reunir a las preguntas de investigación, sus respuestas y el marco teórico utilizado en la investigación. El resto de conclusiones sobre la premisa de que los procesos emprendidos por cada casa para entrar en actividades económicas viables es una empresa autónoma que puede volver a prácticas anteriores y bases de conocimiento. El desarrollo económico de LSE tiene sus aspectos económicos categórico y rígido, pero el aspecto del desarrollo humano es central en términos de la informalidad y el conocimiento social de las interfaces que forman los hogares para dedicarse a actividades generadoras de ingresos.

Si bien inicialmente procedentes de una dimensión económica, esta tesis se centra más en los componentes humanos y los aspectos que tienen y seguirán para informar el desarrollo de LSE. El peligro mayor o menor de categorización y la formalización de las diferentes formas de intervención humana y las instituciones suaves que el impacto de este proceso ha sido una consideración primordial en todas las partes. Además, las condiciones de LSE, en tanto que único en el contexto de LSE, tienen características que pueden aplicarse a otros contextos urbanos, en particular en América Latina.

La principal recomendación y conclusión es la necesidad de que los diferentes actores se reúnan de nuevo y redefinir lo que significa para ellos el proyecto de LSE y en particular, mantener los hogares de LSE en el centro de investigación.

Introduction

La princesa está bella,
pues ya tiene el prendedor
en que lucen, con la estrella,
verso, perla, pluma y flor.

The little princess is beautiful,
now that she already has the brooch
in which shines, with the star,
poem, pearl, feather and flower.

Rubén Darío: A Margarita Debayle

From February to May 2009 research was conducted in an urban expansion project that has been putting forward dynamic debate since the 1980s. León South East (LSE) has evolved to become a project comprised of international collaboration, community building, local knowledge frames, and the synthesising of efforts to include all these components into a harmonious self-sustaining project. The ambitions remain large but the determination very real to see through a project that has the potential to lead the way for other housing projects in Latin America and the world.

This thesis is a product of four months qualitative and quantitative research from a local economic perspective. The complexity of factors involved could have lead to an extensive set of data and findings. However the household as the main unit of analysis; afforded a perspective and set of conclusions oriented toward and focusing on how interventions affect household occupants through direct, purposeful projects and initiatives or through indirect means which are assimilated into the make up of the household.

The decision to investigate LSE from this angle was made in light of the intended focus of LSE. Providing homes for low income families in a peri-urban location is not only a challenge for the authoritative bodies involved, but even more so for the families intending to or already living in LSE. A theme throughout the thesis is a return to the perspective of households as to how they perceive and assimilate projects, initiatives and changes. As the research evolved, focus was made clearer in terms of the need for as a researcher to gain a better understanding and give recognition to the capacity of LSE residents to negotiate their economic trajectories.

As mentioned, one of the primary aspects to the conception, commencement and evolution of LSE is the sharing and pooling of knowledge from different international and national sources. The importance of promoting and show casing LSE is therefore of crucial importance as it has immense capabilities to be a guiding light from the lessons learned from city-to-city and expert-to-local expert knowledge cooperation. During the field research it became clear that a great opportunity from this research is to reveal the primary knowledge base informing LSE, that of

the residents and their primary collective of the household in the context of all these expert and international knowledge forms. It is hoped that this is an aspect revealed and has been underpinning the conceptual and theoretical frames.

Chapters one and two give a contextual geographical outline of León and Nicaragua. The focus is that of a sifting through to the local and national economic profile of León and Nicaragua respectively. A key aspect and as highlighted throughout is that of León's linkages with other regions and cities in Nicaragua and its international links both in Central America and further afield. This is an important component in the economic development of LSE as the role of remittances and investments are key issues faced by households and the planners of LSE.

Chapter three enters into the theoretical framework considered for this research. The chapter presents the literature reviewed from the premise of geographical perspectives to those of a more theoretical basis. The role and place of knowledge as relevant to households and conceptualising the external agencies impacting LSE is an underlying aspect to the thesis and its conclusions. This aspect is interpreted from the spatial context (the urban context of LSE), economic factors, particularly those of microenterprises and informality, and the role that NGOs and lending institutions play in LSE. An underlying danger from the initial thoughts behind this research was the problem of over-accounting for the different actors involved in LSE. This has been an important aspect in conducting research in interviews or through questionnaires, but again, retaining focus on households helped to keep the research in important relevant focus.

Chapter four delves into an independently conceived conceptual model and related hypotheses regarding LSE. The conceptual model outlines an assumption of how households undergo their economic trajectories. The components contained within the model also form the basis of research inquiry in terms of existing institutions and how they impact on LSE. In conjunction with this model the research questions focus on the primary aspects such as the geography of LSE, institutions of gender and assistive governmental and non-governmental bodies and plans. The central research question again is focused more on the household perspective and leaves a flexible agenda by framing economic opportunities in terms of activities and not fixed occupations.

This leads on to chapter five which provides a general discussion regarding the methodologies used and the advantages, disadvantages, shortfalls and alterations that were met. The appendix contains more specific detail regarding how each methodology was conducted.

Semi-structured interviews were also conducted with different NGOs, local government and other connected persons. These interviews revealed information about the different agendas that impact LSE. They showed that while there are many actors involved, the different perspective they bring to LSE seems to be different to that of the residents of LSE.

The first set of research findings in chapter six address the primary economic indicators from the baseline survey. The issues highlighted show primary trends and more importantly draw a longitudinal comparison to the research conducted in 2004. The overall aggregate statistics in LSE show improvement or stabilisation in most categories. Focus is drawn to the differences between the new repartos of Lino Arguello and Arnecom, gender, the employment role of the Arnecom plant and above average income levels.

The results from the HBEA survey and interviews are detailed in chapter seven. These findings help illuminate the primary conclusions and theoretical frame vis-à-vis the conceptual model in terms of households independence in negotiating their economic trajectories. The findings draw on basic comparisons to that of the 2004 research, but more specifically to existing characteristics that reveal how households independently negotiate their economic opportunities and create a primary income generating activity from the home. The two maps reveal some interesting characteristics and how categories of HBEA are affected by the level of neighbourhood consolidation or have evolved over time.

The number of home-based economic activities has increased in each of the five repartos in LSE. The majority are pulperías and 70% of them were owned by a woman in 2004 and 66% in 2009. 13.4% of HBEAs were registered in 2009. The process of registering and formalising a HBEA involves the payment of taxes, which for a household with limited income, may disturb an important source of income generation. Being outside formal / professional norms would indicate that an informal status is a requirement or preference on the part of HBEA owners in light of their particular limitations.

The primary conclusions of the thesis are aimed at bringing together the research questions, their answers and the theoretical framework employed in the research. The conclusions rest on the premise that the processes undertaken by each household to enter into viable economic activities is an autonomous undertaking which may revert to previous practices and knowledge bases. Economic development of LSE has its categorical and rigid economic aspects, but the human

development aspect is central in terms of informality and the social interfaces which form household knowledge to engage in income generating activities.

While initially coming from an economic dimension, this thesis focuses more on the human components and aspects that have and will continue to inform the development of LSE. The danger of over or under categorising and formalising the different forms of human agency and soft institutions that impact on this process has been a primary consideration throughout. Additionally, the conditions of LSE, while unique to the context of LSE, have characteristics which can be applied to other urban contexts, particularly in Latin America.

The primary recommendation and conclusion is that of the need for the different actors to come together once again and redefine what LSE means to them and in particular, keeping LSE households at the centre of enquiry.

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1 Contextualised Thematic Framework

1.1 Introduction

Ranked 110th in the Human Development Index (UNDP, 2007/08), Nicaragua remains a country classified as a middle to low income country. Its people and history have been shaped by processes of colonisation, political revolution and globalisation. As a Latin American country, Nicaragua represents a state that is making headway with regards to stabilised mechanisms of governance and representation on the world stage. The capital; Managua, is the dominant central administrative and commercial city with a disparate proportion of the population located in cities predominantly along the Pacific coast. For the purposes of this research, we will be focusing on the second city; León, and its urban planning initiatives vis-à-vis supportive economic opportunities for urban poor and these endeavours in light of Nicaragua's historical development and current political climate.

In relation to poverty levels, Nicaragua has quite a polarised series of poverty indicators. 'Severe poverty' (*pobreza severa*) is concentrated in the East coast of Nicaragua. Furthermore, a World Bank report (www.inec.gob.ni) has provided data regarding further urban-rural poverty disparities. According to their report; 70% of Nicaragua's rural population and 30% of its urban population are classified as poor. The urban – rural and regional divides provide for an interesting set of social dynamics and indicators which has lead to migration within and outside Nicaragua. Keeping these indicators in mind, a process of refinement on the road to realising León South East is necessary.

This introductory chapter is intended to set the generalised national framework and geographical context in which León city is situated. In addition, the historical context is an important one to bring about critical awareness in terms of how Nicaragua's history has led to the current state of its institutions.

1.2 Geopolitical context

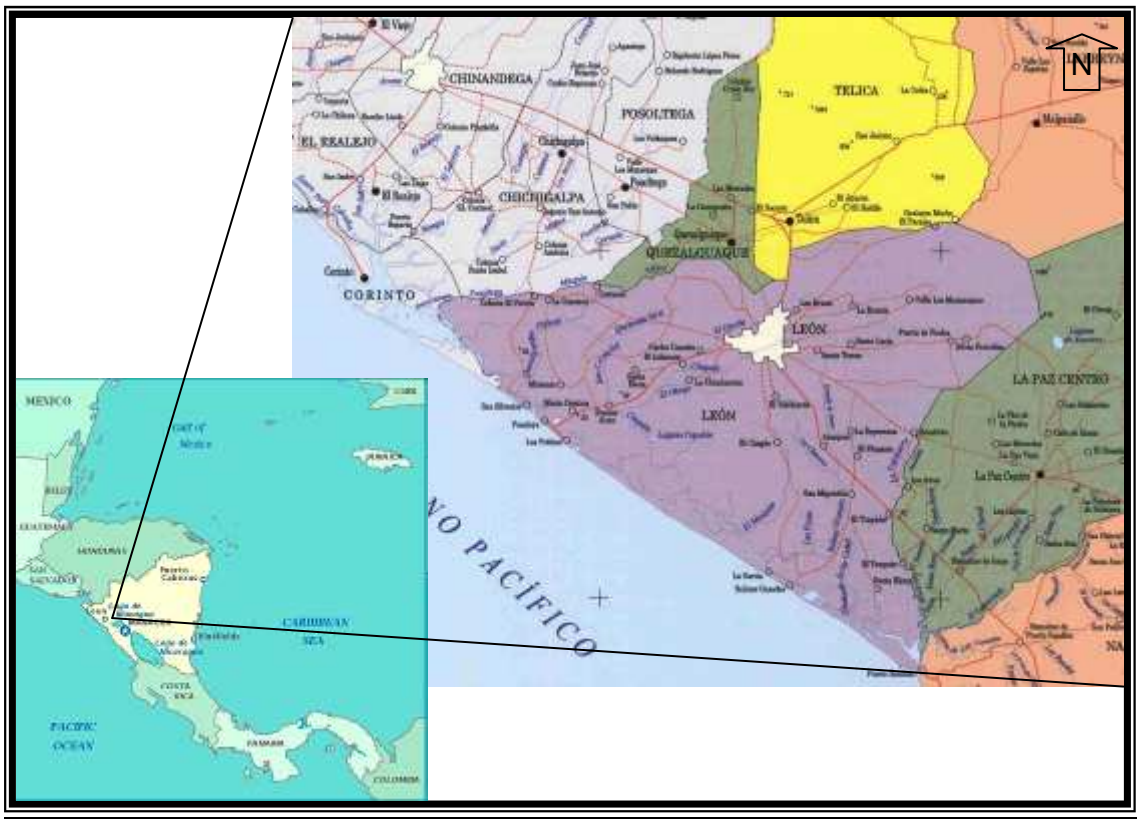
Located in Central America; Nicaragua shares its borders with Costa Rica to the South and Honduras to the North. The Caribbean and Pacific waters have provided valuable maritime access and livelihood opportunities along the coastal regions. Today the Pacific coast has opened up opportunities for tourism. The country is also comprised of two large lakes and a series of active volcanoes, which have also offered tourist activity potential and fertile soils for agricultural use (West and Augelli, 1989). On the other hand, its location along the destructive plate boundary of the Caribbean and Cocos plates has led to the country becoming prone to earthquakes. This has been a factor in urban sprawl, as housing in León, for example, cannot build above two stories (Bredenoord, 2005).

With a population of almost 5.8 million people of mainly ethnic mestizo origins, Nicaragua has maintained a stable population size without significant disputes over indigenous rights as has been the case in other Central American states (CIA World Factbook, July 2008). The majority of Nicaragua's population are Roman Catholic and about 20% practice Evangelical faiths. As a former Spanish colony, the majority of Nicaraguans speak Spanish and increasing competency in North-American English.

Nicaragua's infrastructure is very much concentrated along the Pacific zone with the Carratera Panamericana and Managua-León-Chinandega road networks being the dominant access routes. This factor has seen a concentration of Nicaragua's population in these areas and many people migrating to Managua (Massey, 1987). This clustering of infrastructure and related urban development has led to 80% of the country's population residing on the Pacific side (West and Augelli, 1989: 433). In the context of León, the main road connection to Managua has been a key economic development tool and in the Master Plan for León (1996) it has been identified as an important aspect when allocating spaces and zones for economic development activities.

1.2.1 Nicaragua and León

Plate 1A: Nicaragua and León department and city.



Source: León City and Department in Nicaragua (*Municipalidad de León*)

León Municipal area is 5702KM² in size and has a population of 480,000. León municipality is 862KM² and has an estimated population of 208,000.

1.2.2 Historical overview

Nicaragua's history has been one of the most turbulent and bloody in Central America. Since becoming a republic in 1838, the inheritance of a centralised government coupled with a civil legal system has meant that statute and until the 1990s, administrative procedure was premised on the establishment of territorial control, and what was to be replicated across Latin America; the slow evolution of regulatory frameworks. From 1911 to 1933, the United States affected virtual protectorate control over Nicaragua in an effort to safeguard its interests and geo-strategic planning. Following the removal of US Marines, Samoza Garcia and his son established a family dictatorship which ruled until 1979.

The gradual build up of disquiet regarding the extensive nature of corruption wrangling in Samoza's rule saw the Sandanista National Liberation Front (FSLN) form to counter and eventually overthrow the Samoza dynasty. However, in the early 1980s, extensive international disquiet grew when FSLN entered into diplomatic negotiations with Cuba. This was perceived as a threat on the part of the United States, and under Regan's tenure, the *Contrarrevolucionarios* or 'Contras', were funded and given arms through the Reagan administration. This led to bloody civil conflict in the 1980s and a resultant strain on the nation's development. The popular support for FSLN continued until 1990 when the FSLN lost elections but remerged later with Daniel Ortega resuming the role of president in 2007.

The turbulent history and resulting conflict has impeded the establishment of stable state and civil society institutions in Nicaragua. The underlying history and political strife has been an issue relevant in more recent Local Government elections (La Prensa, Nov. 2008). In the context of León it has been reported that the needs of the local population are very large, particularly in relation to the provision of housing, which is below that of the national average (La Prensa, Nov. 2008).

1.2.3 Current political situation and decentralisation

Being one of the last countries to engage in decentralisation processes (Nijenhuis, 2006), Nicaragua represents an interesting context in which its history of civil strife and colonial legacy has created a geo-political landscape laden with opportunities but more often lacking certain means in the realisation of pro-poor governance. For the remainder of this section, we will focus on León

Municipality vis-à-vis central government in Nicaragua's capital; Managua, local and international NGOs, multilateral intervention and the León South East (LSE) housing project aimed at involving residents in the planning and realisation in the creation of a new urban suburb.

Primary National Statistics (2008)

- 57% Urban Population of which
  - 59% are aged 15-64.
- Mean size of urban households: 4.5 persons.
- 89% of urban population can read and write.
- 75% of homes have access to electrical light.
- 57% have toilets.
- Remittances: 15% of GDP*.
- Unemployment: 3.8%*.
- Underemployment: 46.5%*.
- Textiles form 60% of Nicaragua's exports*.
- 3.6% economic growth (2006)*.

Source: Institución Nacional de Información de Desarrollo (INIDE) 2008.
** Economic statistics: CIA World Factbook.*

Following the overthrow of the Samoza regime in 1979, the FSLN party gained parliamentary control and have been a major influence on political affairs in Nicaragua since. In 1988, Law number 40: *Ley de Municipios*, established fifteen intermediary jurisdictions with the eventual aim of deconcentrating administrative power to each jurisdiction. In 1997 a new law (Number 267) extended the competencies of each jurisdiction. However, the devolution of more responsibilities did not come with financial assistance in order to sustain and maintain the delivery of responsibilities (UNDP, 2007: 1.12-13). Because of this situation, local urban governments had to adopt limited projects aimed at targeting the urban poor. UNDP (2007: 1.14) has termed this scenario as a 'sub-utilisation' of the capacities and opportunities to combat poverty. Since the plans for decentralisation, the National Assembly has gradually allocated more funds to local governments (for example, Law No. 466 secures 10% of the national tax intake for local governments by 2010). This has also come with the gradual definition and allocation of government positions to help establish clear competencies for local governments. Different phases also incorporate programmes to tackle key issues affecting Nicaragua's poor. For example, 'Zero Hunger' (*Hambre Cero*) targets 75,000 families likely to be affected by malnourishment. The targeting process becomes manifest through local government via the national ministers for health and agriculture (UNDP, 2007: 1.36).

Despite the legislative and central government strategies it has been noted that many municipalities continue to be alienated. In particular, it has been illustrated that León is lacking sufficient bonds to Central Government (Bredenoord, 2005: 27). The legacy of centralised administrative bureaucracies assimilated through colonial institutions has also been acknowledged as an impediment to decentralised governance (Nijenhuis, 2006). Together with many other Latin American countries, a fear of a return to clientelism exists and could be exacerbated as local level representatives are invested with certain state powers (McCarney, 1996). This could occur in light of the current

government's national campaigns on the eradication of hunger, unemployment (*'Desempleo Cero'*) and the new loan scheme for small and microenterprises allocated through CPC committees; *Usura Cero* (Usurer Zero). From his research, Van Bochove (2008) has outlined the emerging clientelism that can come from local CPC members being vested with powers of deciding who are the recipients of government loans and who are to directly benefit from other government schemes. As well as referred to in his thesis, it also became apparent in our field observations and informal interactions, that certain disquiet existed with CPC community leaders in light of a claimed need to be politically aligned with the ruling FSLN party and resultant exclusion of community members that don't have such an affiliation.

Plate 1B: Desempleo Cero

Government poster campaign for 'Zero Unemployment' coupled with the promotion of a candidate for local government.

At this stage of Nicaragua's development, we should ask how residents are being represented in the processes being undertaken by a variety of actors. How is the knowledge and agency of poor residents being taken account of in light of strategic, goal oriented and often expert knowledge outcomes exerted by external actors (Long, 2001: 182-5)? Furthermore, the extent to which the private sector becomes involved would be interesting to monitor. There has been recognition of the potentials that the private sector can bring to the provision of services (Bredenoord, 2005). This is an interesting departure in decentralisation processes. In the context of LSE such involvement would be small scale, but large scale projects being coordinated by the private sector could be a new positive (efficiency, rational spending of funds) or negative (public resources become a profit oriented commodity) influence in any decentralisation process.

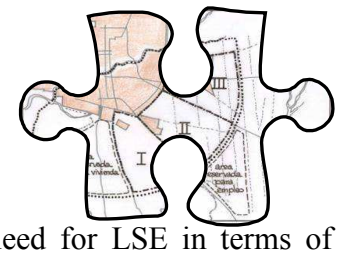
1.3 Conclusion

Continuing within the topic of political will, decentralisation processes in Nicaragua now face other challenges such as globalisation. Reconfiguring local power structures and national institutions is often couched in new forms of *governance-beyond-the-state* which can alternatively see market forces dictating the 'rules of the game' (Swyngedouw, 2005). Due to the comparatively young status of Local Government institutions in Nicaragua, there is a danger that private interests could override those of the urban poor. The issue of balancing such needs is often missing in related LSE policy and

planning documentation and the simple devolution of power and institutionalisation of participatory forums does not develop on potential problems and definitions of who has control of processes.

This, of course, remains a caveat to the Pan's Labyrinth that is decentralisation. In comparing the aspirations of UNDP and Utrecht Municipality with the infant stages of decentralisation in Nicaragua, there may well be two different approaches to the social reality of decentralisation in Nicaragua. Given the track record of the speed at which decentralisation processes have been pursued and the frustrations at funding provision, there appears to be diverging processes regarding the epistemological salience of decentralisation. Campbell and Vainio-Matilla (2003: 425) outline the need for knowledge of participation and involvement at the local level to be situated in social reality. The planning for LSE does outline the importance of involving local residents; however their actual inclusion is a process that can only be realised on a day-to-day basis, a process that must be acutely aware of all actors, their socio-economic and cultural background, and their interpretations of the civil society forums that are available.

Prior to decentralisation Nicaragua had undergone significant political strife and changes that dramatically altered the political landscape. Emerging from a period of dictatorship and resultant huge socio-economic disparities, the appropriation of power by the FSLN party had placed the poor in the political frame. However this also led to large scale donations on the part of the Government and later a dependency which may have inhibited an independent climb out of the country's current poverty level.



2 LSE in focus

2.1 Introduction

The national dynamics of Nicaragua have partly given rise to the need for LSE in terms of population, poverty indicators and rural-urban divides. Refining the regional elaboration further, it is important to ask what issues have given rise to the creation of LSE and identify the intended coordinated efforts of national and international partner organisations in its conception and realisation. The research conducted afforded a helicopter view of the different actors but also as students, the real results of their actions.

León is the government centre of the departments of León and Chinandega. The total population of the region was approximately 554,000 in 1984. León is an important centre in the region and offers several functions, including a university, a regional hospital and it offers various other market services (Bredenoord, 2005).

In the 1950s the city of León only accounted for 30,000 inhabitants. By 2001 it was expected to reach a population of 205,000. Most of this growth would be the effect of natural growth and migration from the rural parts to the urban centre (Bredenoord, 2005). The rapidly growing city was hardly capable of offering sufficient houses to their inhabitants. According to the municipality, the total numbers of dwellings in 1989 reached 23,000, averaging 6-8 residents in each house. Of these, 50% were in excellent condition, 35% were moderate and 15%: very bad (Bredenoord, 2005). According to Bredenoord (2005), the municipality was looking for possibilities to stimulate individual housing improvement by establishing a bank for building materials. In 1989 the municipality granted 1200 plots for the building of private houses to future residents. In 1991, another major housing plan allotted 1750 plots to individuals to build houses. In 1993 however, the total amount of applications for a rented house or a building plot was 6000 (Bredenoord, 2005). Fear existed that with these staggering numbers of new residents and the low offer of new plots, León could be submerged by slums.

2.2 León South East

Located at the South East of León, the project is the main residential part of the urban expansion plans for León city. The acquisition of this land has been strategically located along the main city bypass leading from Managua to Chinandega. Immediate access does not appear to be difficult; however internal movement along various types of road and streets is often made difficult during

and following the rainy season. The LSE housing project is located north of the main sites planned for varied economic use and additional housing development and is the first in a series of planned urban expansion developments.

One of the principal environmental limitations of Nicaragua is that of earthquakes. This results in low density optimally single storied houses. This means that the area of LSE is quite extensive when compared to the original boundaries of León city. The mixed use of the entirety of LSE has meant that rigorous planning objectives must be seen through. The construction of water pipes and drainage systems has been achieved through external cooperation. Despite this some shortfalls in securing adequate waste water drainage remain. Regardless of these issues, the project remains a model for Nicaragua and an exemplary model for external cooperation.

León household demographics:

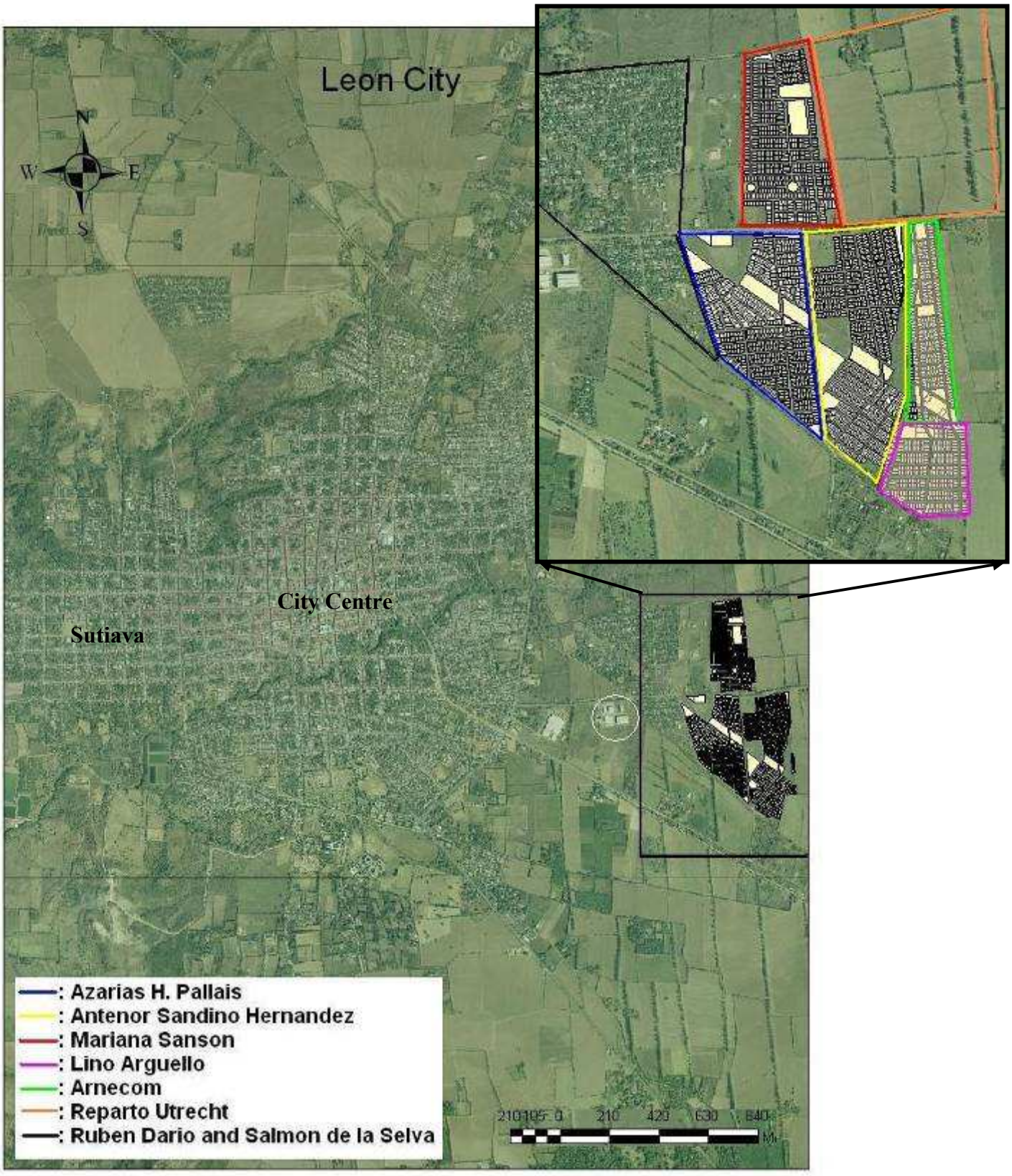
- 68.3% of Heads of Households identified as male.
- 62.3% of lot owners have ownership through title.
- 33.2% of males have attained second level education or above.
- 36.5% of females have attained second level education or above.
- 84.5% of León's residents can read and write.
- More than 50% of León's population have access to a bicycle.

Source: INIDE: Nicaraguan Demographic and Health Survey – 2008.

Plate 2A: Honesty and transparency

From its foundations, the LSE expansion project was founded upon values of openness and consensus, particularly from the community members.

Plate 2B: LSE aerial photo in relation to León



Source: GIS outputs 2009

The project area itself is divided into five neighbourhoods or repartos, namely; Azarias H. Pallais, Antenor Sandino, Mariana Sanson, (*'Las Poetas'*) Lino Arguello and Arnecom. Currently about 1800 houses have been built out of a total 3300**.** As can be seen from the map, the repartos are located beside each other and adjacent to a road connecting to the León by-pass. The five Repartos are also located beside the older and more established repartos of Ruben Dario, Salmon de la Selva and Alfonso Cortes. These areas were heavily assisted by government donations. Alongside the repartos is the economic area: Zone Franca (white circle on aerial photo) which is the factory space used by an Arnecom plant.

This chapter aims to highlight the strategic and planning components underpinning the LSE project and provide a brief description of the principal stakeholders involved and their related mediums for communication regarding the project. Completing this chapter with reference to community in LSE is important so as to maintain focus on the host population and the structures available to them feeding back into governmental and non-governmental organisations.

2.2.1 Social housing demand

The concept of social housing in LSE was based on municipal planning and self-help housing by families and the help of non-governmental organisations (NGOs). According to Bredenoord (2005), the idea was that the municipality should create the right circumstances for self-help housing by private actors. Families should construct their house, in successive stages, with the help of the municipality, the community or NGOs in this housing project. The broader idea behind self-help housing is that it empowers the poor to improve their own environment. It should create a greater appreciation of their possibilities and it should increase their emancipation and ownership. The concept of the house or dwelling is, according to Bredenooord (2005); a roof above ones head, personal safety, privacy, access to drinking water and electricity.

The call for a residential urban expansion project in León was derived out of a much needed additional urban zone for families in León and its hinterlands to initiate their homesteads. León's population growth and the desires of young families to commence the process of home making has placed extra demand on León as a city. The prospect of unregulated, unplanned slum-like development on the edge of the city was also an additional impetus to plan for a residential expansion plan to counter the establishment of illegal settlement formation. In the period 2004-2008 it was estimated that there was an a deficit of 5418 houses (PDEU LSE: 20).

One of the principal driving forces behind LSE was the provision of affordable housing for new residents. Having legally acquired a plot, residents could then avail of building materials from the Banco de Materiales, a building materials resource centre based in LSE. The size of plots also permitted a building area that afforded a scale house to be built and situated apart from other houses. This was in the remit of the Government's plans to afford dignified residential space to families. The Banco de Materiales was prospectively an important component in LSE's development. However it's current use and accessibility in terms of prices and credit programmes remains debatable.

The concept of social housing as applicable to LSE also has to contend with environmental and service factors. During the summer months, the area is exposed to intensive heat and in the winter; heavy rains. This means that, at either end of the extremes; dust, impassable roadways and clogged sewerage systems make the environment of LSE significantly more difficult to live in. Therefore meeting the demands of affordable and dignified social housing in LSE remains a challenge for residents and local government in terms of supplying and maintaining basic services and utilities. This thesis does not enter into an assessment of such services, but undoubtedly their quality impacts on local economic development.

2.2.1.1 The León Master plan

From 1994 to 1996 the municipalities of Utrecht and León focused on the establishment of a Masterplan incorporating the immediate rural fringes. The León Masterplan set out to orient the physical and spatial development of the municipality and created conditions for economic development (Bredenoord, 2005: 47). An important second goal of the Masterplan according to Bredenoord (2005) was to promote sustainable development of the urban and rural areas. For the immediate rural areas, this meant a struggle against erosion, implementation of new forms of management for agriculture, fishing and forestry and the creation of new development perspectives for a number of selected rural core areas. The sustainability approach for the urban areas pointed at:

- The creation of a sufficient number of new urban land developments, in or nearby the city.
- The development of preconditions for a city of the future, with an economic development and physical quality focus for residents and visitors.
- The renewal of cultural colonial architecture and the creation of a greener townscape.

From Bredenoord (2005): 47

From here we will especially focus on the urban part of the plan which has most to do with León South East project. The Masterplan made a calculation to asses the number of plots needed to combat illegal occupation. The plan included the need for economic development space in different segments of the labour market and it was anticipated that the municipality could offer land to entrepreneurs (Bredenoord, 2005). During the writing of the Masterplan it was already seen vital to expand the city rapidly with the increase of the urban population. As well as a demand for housing space, services like primary schools, health care and community centres were also needed (Bredenoord, 2005). Three different expansion areas were initially presented; one Southeast of the city, one North of the city and one South West (South East of Sutiava). In 1996, the first option was chosen by the municipality. By this time it was also projected that the demand for self-help housing plots would be around 1100 units per year.

LED Indicators:

- Out of 38,044 surveyed homes 4,436 (11.6%) had a commercial and 3,225 (8.4%) had an industrial activity in the home in León Municipality.
- Out of a surveyed 62,169 persons in employment – 17,341 (27.9%) were in temporary and 44,828 (72.1%) were in permanent employment.

VIII Censo de población y IV de Vivienda ***2005*** *– (INIDE)*

Aside from the technical specifications of the expansion plan, the main focus of our concern is that of sustainability. For the project to be successful and for there to be a long term future gains, a sustainable focus was employed throughout. For sustainability of the project to be realised, two principal factors are needed; namely built and occupied houses and local economic growth. Providing economic opportunities for residents was paramount to the success of the project. Aside from the spatial and social relationship LSE has with León city, additional realisation of spaces was needed. In relation to Local Economic Development, it was important to scrutinise at a policy and planning level the actual realisation of projects.

2.2.1.2 Strategic LED plans

León Municipality has outlined its intended economic development plans in two key strategic development documents; The Strategic Development Plan for León Municipality (*Plan Estratégico de Desarrollo del Municipio de León*) and the Urban Economic Development Plan (*Plan de Desarrollo Económico Urbana*). Additionally the Municipal development plan has a detailed, time specific action plan to complete certain projects. The plans, though thorough in their descriptions and elaboration, have not amounted to many realised projects in and around León.

The Municipality wide strategic development plan has set out aims to integrate and develop the semi-rural South East sector of León city. This is in line with the overall plans for LSE, through the construction of a bus terminal, promotion of materials to commence small industries, enhance capacity through small business promotion and an agency for employment. The plan also mentions the need to legalise and establish informal street vendor depots.

The León Urban Economic Development plan also mentions LSE in its overall ambitions. These are aligned with the earlier plans for LSE in securing space for large and medium to small scale economic activities (PDEU: 47).
The five main projects include:

- Reparto Utrecht: The provision of sufficient space for microenterprises to base themselves and expand in the area.
- The relocation of the cities main bus terminal to Reparto Utrecht. This plan is dependent on the building of a new city by-pass, which would surround LSE and continue connections between Managua and Chinandega.
- The formation of an industrial district for the processing and manufacture of leather. All plans for Reparto Utrecht remain tentative, by the end of May 2009, no land preparation of the area had taken place.
- The construction of a Farmer's Market, showcasing produce from other rural parts in León municipality. This has led to the construction of a supermarket and adjacent space to provide a market platform for rural produce. This project was primarily assisted by Oxfam and Spanish Cooperation.
- The construction of a Parque de Ferias. Intended to showcase small, medium and micro level industries. The location and construction of the Parque has yet to be confirmed within the parameters of LSE.

Plate 2C: Farmers' Market, LSE.

The sign at the entry point for the farmers' commercial centre. With EU, Oxfam and Spanish Development assistance, the location of a commercial centre showcasing produce from farmers within León department has met one of the urban economic development plans. For LSE residents it functions more as a regular supermarket.

Despite the detail and intended action points in each of these plans, their realisation remains another matter. In the results chapters these will be elaborated more, however at this point it is important to be aware of their potential to greatly enhance and invigorate LSE as an integrated urban zone within León city.

2.2.2 Principal actors

The project of LSE has had numerous governmental and civil society organisations involved in its design and gradual realisation. The description of each one in this section is also accompanied by awareness to the agenda that each organisation or strategy brings to LSE. There did not seem to be overt competing agendas in LSE, however priorities by different groups and civil society organisations may not be in harmony with or in general sync with project delivery in LSE.

2.2.2.1 NGOs

Since the beginning of LSE, a variety of NGOs have become involved in the building of houses, related finance schemes, construction of community centres and workshops. Their involvement is more notable on the ground in LSE and each one channels a great deal of resources into LSE.

One of the main NGOs involved is a local based NGO; Fundación para el Desarrollo de León (**Fundapadele**). Fundapadele has been involved in the project from its conception and have been the key stakeholders from a housing, local economic and community development perspective. Collaborating with *INVUR* (the national institute for urban and rural housing) and *Food for the Poor*, the organisation has been most influential in the construction of houses, replacing the self-help temporary structures that families had before. The houses are comprised of standardised set concrete slabs and zinc roofing and are the most frequent house type across LSE. The entirety of Reparto Lino Arguello is donated from the organisation. Additionally, the organisation has built community centres which double up as workshops, classrooms and training centres for people with physical impairments. Micro-credit schemes were also conducted in LSE in an effort to harness and develop microenterprise development. Overall, the organisation has greatly influenced LSE and without its assistance, the majority of homes in LSE would be of insubstantial materials. In interviews conducted with the organisation's coordinator; Doña Jilma, a clear commitment and focus was aimed toward the 'poorest of the poor.' From a researcher's perspective it was interesting to be exposed to a stakeholder perspective that was solely people and locality orientated. This was in marked contrast to the formulaic credit and housing provision schemes by other stakeholders. The current capacity of Fundapadele to remain

involved in LSE has been reduced, derived primarily from a lack of funding and negative experiences in credit provision.

The international NGO; **Habitat for Humanity** also operates in León. In LSE their operations were mainly comprised of housing credit schemes to assist families in the construction of their homes. The NGO operates and focuses in other areas of the city. In total 73 families were assisted by them. They also collaborated with the housing cooperative in Reparto Mariana Sanson; *Juntando Manos* to construct 35 houses. Currently they are not conducting projects in LSE, but focus on capacity building with their clients living in LSE.

Additional NGOs involved include **Caritas** which funds social housing construction in LSE. Collaborative credit arrangements, now mean that microfinance institutions such as **CEPRODEL** have also become involved. Credit arrangements no doubt vary and establishing the precise role of an NGO was often difficult in light of the differing actors involved.

The current NGO involvement in LSE is mostly limited to finance schemes as opposed to previous blanket donations. This is a marked change in the evolution of LSE and poses a question of the capacity of LSE plot holders and current residents to enter into financial schemes. There clearly exists an economic development imperative to ensure families gain stable income to avail of formalised credit arrangements.

2.2.2.2 Local Government

The principal guiding force behind LSE is the project office in the Alcaldía de León. Planning approval and infrastructure provision remain their responsibility, but the project office has also been a strong facilitator of external cooperation and a liaison between NGOs. This role is an important one and a first port of call for interested national and international actors in LSE. The technical (engineering, architectural and planning) aspect to LSE has also been controlled by the project office.

The Alcaldía of León has traditionally been composed of a Sandinista affiliated elected officials membership. This factor is important, particularly as we will see in relation to community organisation. The assimilation and implementation of national laws should be a smooth procedure in light of the current ruling national Sandinista party. However the capacity of the Alcaldía to institute and enforce laws may be limited.

The Alcaldía building in León is also home to a local economic development unit that works together with INPYME; micro, small and medium sized enterprises development body. This is an important space for the promotion of available employment, training of persons and establishment of cooperatives. It operates within the remit of the strategic economic development plans and alongside the office of the Parque de Feria.

As a reminder, one of the principal guiding forces behind local governance in Nicaragua is that of Law number 40: *Ley de Municipios*. This established fifteen intermediary jurisdictions with the eventual aim of deconcentrating administrative power to each jurisdiction. In 1997 a new law (Number 267) extended the competencies of each jurisdiction. However, the devolution of more responsibilities did not come with financial assistance in order to sustain and maintain the delivery of responsibilities (UNDP, 2007: 1.12-13). In more recent times, law N.O. 466 secures 10% of the national tax intake for local governments by 2010. This is an opportune time to outline relevant national policy affecting LSE.

2.2.2.3 National Government

As well as the legislative capacity of national government, the allocation of state funds and general political stability has been important for LSE. Through indirect means, the governments of Chamorro (1990-97), Alemán (1997-2002) and Ortega (2002-present) have instituted political climates and legislation that has affected the management of León's local government and economic development strategies.

Plate 2D: Pre-FSLN government poster.

A lot of notices are dotted around LSE with many stakeholder groups laying claim to particular aspects to the whole project. This notice is from the Government prior to the 2005 elections and changeover to FSLN.

An important national body overseeing housing is INVUR and as set out in the national housing law (Ley de Viviendas) has the task of increasing '*the access to homes in the countryside as well as cities with strategies and actions that permit Nicaraguan families to acquire a dignified and secure home with favourable conditions in the least possible time.'* The organisation collaborates with public and private institutions and together with Fundapadele has been an important funding resource for housing construction in LSE.

It is worthy of note that certain disquiet exists with the current government. The country's turbulent history and resulting conflict has impeded the establishment of stable state and civil society institutions in Nicaragua. The underlying history and political strife has been an issue relevant in more recent Local Government elections where the results were hotly disputed in civil protests (La Prensa, Nov. 2008). In the context of León it has been reported that the needs of the local population are very large, particularly in relation to the provision of housing, which is below that of the national average (La Prensa, Nov. 2008).

2.2.2.4 External cooperation

The development of LSE has been strongly dependent on the role of external cooperation with Utrecht Municipality, the EU and NGO-donor country facilitation of credit arrangements. The cooperation between partners from the North and the South has also become known as *Decentralised Development Cooperation*. In the case of the Utrecht-León twinning, the León Master Plan elaborates on the potential that a strong twinning arrangement can have for the city. Both municipalities work closely together to achieve principles set in the wake of the different UN and UN Habitat Agendas. Those of Vancouver, 1976, The Earth Summit in Rio of 1992, primarily focused on the concept of sustainable development and accepted in Local Agenda 21, Habitat-2, the City Summit of Istanbul in 1996 and the latest; Johannesburg in 2002, the World Summit on Sustainable Development.

Local agenda 21 determined that local governments should start a city-wide consultation process, to define what the joint vision of its inhabitants are on the desired future development of their city (Van Lindert in Bredenoord, 2005).

What these international cooperation agreements mean for LSE is a series of service and infrastructural projects without which the project could not cope to meet residential demand. The EU invested in a large water storage tank for the project and the related piping to and from residential premises.

2.2.3 C2C cooperation: The role of Utrecht Municipality

In addition to its assistance in the formulation of the León Masterplan, Utrecht Municipality has provided extensive financial and technical assistance to the LSE project office. The international framework, cooperative arrangements and knowledge transfers are the underpinnings to a commitment and shared vision on the part of Utrecht and León municipalities. Moreover, it has

been the dedication of staff in both municipalities that has lead to the realisation of the project. Routine missions by Dr. Jan Bredenoord and the Utrecht Municipality project office staff have ensured not only the provision of assistance, but also monitoring and feedback has ensured project efficiency.

As part of the overall LSE plans, the current phase of the project should see a lesser role played by Utrecht Municipality. The focus on sustainability should preferably, see full appropriation of the project on the part of León municipality. This transition phase, while ideal in its ambitions, will mark an important change in the administration and driving force behind the project. What will come of it is an issue that should be forefront in the minds of both local and international stakeholders.

2.2.4 Community self-organisation

The most important component to the development of LSE has been the intention that community self organisation would see through the organisation, representation and overall management of LSE. Central to the strategic vision and intended results in the León Master Plan is the aspiration to induce a participatory development process in LSE. Community development in LSE must account for the following issues:

- The relatively short time that residents have had to reside in LSE. Social capital and trust take time to build.
- The proportion of the population working in León or elsewhere, many only returning for short periods during the weekend.
- The number of empty lots in LSE.
- The role of women as home makers, mothers and very often; informal sector workers.
- The radically different profiles of Reparto Arnecom (assisted by Arnecom company efforts) and Lino Arguello (all donated houses targeting vulnerable and single mothers).

In relation to LSE and as an important part of its economic development, presence and representation are two important factors affecting a balanced and harmonious community development process. In her research te Molder (2006: 11) made explicit reference to the importance of representation and communication between all the different levels.

2.2.4.1 The role of CPC

CPC (Consejos del Poder Ciudadano) is a community / grassroots mobilisation model that was initiated in 2007 under Ortega's government. These citizen committees across Nicaragua are

intended to invigorate democratic participation in all sectors of governance and civil society, feeding into the national executive. Meetings between CPC representatives and government officials are held to identify the priority needs of the population at large. The model also has opportunities to liaise and work with government agencies such as INPYME (Website of the President of Nicaragua).

CPC has been well established in LSE. Each Reparto has at least five committee members, with one chairperson that has more direct contact with the elected officials for the respective district (*Gabinete Distrital* and *Gabinete Municipal*) in León. It was clearly noticeable that CPC has been well established in LSE and is the main link to Municipality officials. In our research, Reparto Arnecom had the most well established CPC committee. In other Repartos it was difficult to establish who the respective leader was and in many cases actual committee members were not forthcoming with their roles.

In addition to speculation that CPC is a partisan institution favouring the Sandinista party, scepticism regarding the objectivity and inclusion of all citizens has arisen (La Prensa, Dec. 1; 2007, Van Bochove, 2008: 30-1, 34, 41). One of the dangers CPCs may bring is the politicisation of community affairs and real livelihood needs. What should be an objective lobbying process and eventual policy making / execution process may be embedded with too much political clout and the resolution to service issues, for example, may become subject to political dealings that may not benefit the immediate community needs. This of course cannot be substantiated at this point, but what can be said is that from participatory meetings and group interviews; there is an explicit alignment of CPC in LSE to the FSLN party. In any case, a target group that needs particular future research attention is female residents in LSE. How citizen demands and concerns regarding economic opportunities and the extent to which the local and national governmental institutions take heed of and implement solutions to these needs, is another matter of future concern.

2.2.4.2 Participation :Substance V. Ceremony

The efforts on the part of Nicaragua's central government to develop legislation should be tested against the actual implementation and to what extent governance is being brought to Nicaragua's citizens. Bontenbal and Van Lindert (2008: 466) have noted the frustrations on the part of municipalities regarding the allocation of funds from Central Government in Managua in the context of LSE. This has partly led to NGOs and city twinning arrangements to mobilise and become involved in the LSE project. If we conclude that a measure of decentralisation is the

amount of funds and their related conditions allocated to a local government, we very much miss the core objective of participation. A more appropriate test in León, would be the measure of the extent to which target residents feel included, actually participate in neighbourhood/residential meetings and how León Municipality accounts for and brings forward or lobbies with this body of knowledge.

McEwan (2003) provides contributions which can be applicable to the context of LSE. The author's call to institutionalise participation offers a potential strategy to realise the basic needs and concerns of local residents (McEwan; 2003: 472). Facilitating private assistance and local stakeholder sentiment regarding new projects, could be a crucial void that León Municipality has filled. However, its future role is very much dependent on the legislative and financial provision undertaken by central administration in Managua. Fiscal and power related constraints encountered at the level of local government are not only confined to Nicaragua. Formalised decentralisation coupled with enhancement of civil society through participatory organs, requires political will and commitment, not just directives from multilateral institutions (McEwan, 2003).

2.3 Conclusion

The aims of the LSE housing and community development project have been thematically situated in Bredenoord's (2005: 75) advancement for a *self-sustaining urbanisation process*. This process has come about with different levels of assistance and interrelated impact. Amidst all the different actors and stakeholders in LSE it is important to remain aware of the collaborations and lack thereof. The research process did involve significant discussions and routine re-evaluations of the role, responsibilities and current level of interest in the LSE project. As researchers, we were continuously exposed to sentiments on the ground regarding the different institutions. Weighing these sentiments against those of principal stakeholders was an important underlying aspect to the entirety of the research.

Interlinked with community development is the support gained from collaboration between the different actors involved in LSE. Having a sustainable outcome would therefore imply that the success of the project is dependent on a great degree of harmonisation of differing projects as outlined in the León Master Plan and subsequent documents. The degree to which consultation takes place with community members and leaders was also a central concern. Again, maintaining a retrospective reminder on the projects earlier ambitions helps to ascertain whether or not LSE lives up to it's pro-poor and self-sustaining aspiration. As a result an important consideration to

the research process was a continuous assessment of the role of the different actors involved juxtaposed to that of the primary unit of analysis; the household

Having described the broad institutional components to LSE we can move on to relevant theoretical concerns that reflect both the socio-economic needs and spatial context of LSE.

3 Theoretical Framework

3.1 Introduction

The current challenges facing LSE's development and economic situation have evolved over a geo-political time span and in connection with or isolated from macro and micro level spaces in urban and rural frameworks. The evolution of the project has assumed unique characteristics; nonetheless these characteristics can have similarity to new urban spaces in Latin America. This must of course come with a caveat in that general theoretical frames may ignore the specific institutional quality and veracity level that has been inherent in the project.

Before and during the field research period, the build up of a theoretical framework acted as a guiding force in conceptualising the planning stages of the research and in conducting daily activities, for example, appropriate questions in a given context. The relevance of such theory is neither exhaustive nor limited. However in order to maintain a coherent research dynamic it was important to be selective and constantly relate back to the key research questions.

As discussed, the role of decentralisation in Nicaragua has potential to open up new avenues for the empowerment and strengthening of civil society organisations. The capacity of these institutions to facilitate economic development processes is still at a young stage. The aspects touched upon in this chapter hope to encourage critical reflection regarding the access to and exchanges between different institutions. In this chapter an attempt will be made to refine and relate theoretical aspects to local economic development, microfinance, home based and microenterprises, and broader issues that can be employed from a livelihoods framework.

3.2 Local economic development

The theme of local economic development is very much linked to the broader theme of development from below in the aspiration to realise freedoms and capabilities. Participatory methodologies are emphasised together with the need to respect local practices and customs (Helmsing, 2003). Development interventions in the fostering of LED strategies should involve local stakeholders. The rise of Public-Private Partnerships (PPPs) in the efficient delivery of services is also a component to LED. In the case of León, such strategies are seen as essential for the viability and prolongation of LSE (Bredenoord, 2005). However the particular institutional setting of LSE poses challenges.

The broad reach of economic development theory is brought back to fundamentals by authors such as Ranis et al. (2000) and Birdsall (1993) who delve into the social impacts of economic development. The authors take a holistic approach in relation to economic policy and human development. Investments into education and health for example are necessary if an equal distribution of income and development is to be realised. Ranis et al. (2000) delve into their concept of a two chain model comprised of mutually reinforcing investments into economic and human development targets. Complementing Birdsall's (1993) capabilities enhancement with particular focus on poverty education; the combination of these positions affords an interpretation of economic development that should be equally distributed across populations and ensure improvement of public services as a whole.

In any effort to incorporate the views of stakeholders, the quality of institutions is of critical importance if planning, accountability and implementation are to effectively realise target strategies (Helmsing, 2003). Institutions act as stabilisers as knowledge and skills spread. According to Amin (2002) these stabilising processes occur in formal and informal networks, resulting in a series of agglomeration, consolidation and reciprocal effects. Therefore, successful economic development policies should ideally have sufficient formal institutional support to enhance the exchange of ideas and capital.

Linking this to the works of Sen (1999) broadens economic development to an enhancement of freedoms and capabilities. Arguably, it is the intended goal of any form of economic development to facilitate and enhance the opportunities and life quality of a population aimed at. In providing homes to low income families, the home can function beyond the realm of a basic need to the valuable site of security in terms of physical safety and a possible income generator during periods of variable and low external income generation. This is perhaps one of the splendours of Sen's ideas. Innovation takes hold when tangible freedoms and capabilities are provided or attained. However, it is this innovation that requires institutional support to enhance existing economic opportunities.

In the context of Nicaragua, legislation has only been recently developed and projects related to LED have only arisen in the last number of years (Espinoza et al., 2004). Furthermore, newly empowered structures of governance need to be considered amidst possible distrust and disregard for such institutions. The history behind local governance in Nicaragua has only evolved recently and how the residents of LSE perceive participatory strategies of LED inducement will be crucial to the success of such policies. León municipality has taken initiatives with the establishment of

a microenterprise development body and strategic plans. Decentralisation has afforded the opportunity of León Municipality to cooperate with its sister cities in the exchange of planning and technical expertise. This has greatly assisted in systematic, routine project evaluation and an overall enhancement of institutional capacity (Espinoza et al.; 2004: 164-8).

3.2.1 Urban linkages

The role of institutions and the accompanying socio-economic exchanges required to develop such institutions benefits from a consideration regarding the nature and role of periurban spaces. The institutions present in León have established themselves over time, while LSE has to commence new exchanges, ones that are very often connected yet distinct from the established institutional and economic practices of León city. Iaquinta and Drescher (2000) highlight the varying effects that the assimilation of periurban spaces into a city can have on the development of such areas. The merging of or distinctions between different institutional contexts, leads to characteristics that resultantly inhibit or enhance economic development. This is of particular relevance in relation to the informal exchange networks that can develop and merge with formal institutional practices. Formalised practices such as registration and the adherence to legal norms and standards can also be affected by the distinction in urban zones.

In the case of LSE, the inter-relationship between León city and the expansion parameters of LSE's residential zone were important considerations both in geographical and conceptual terms. For example, the ability of informal street vendors to access the market of León or access to employment centres was an essential component in the development of LSE. Therefore, spatial differentiation has lead to different institutions and their related appreciation. For example, the decision of a single-mother headed family to move to LSE may mean the loss of established social capital and the need to re-establish and negotiate new contacts with informal institutions.

3.3 Informality in economic development

The current socio-economic characteristics of LSE require consideration regarding the role of informality in its development. Having identified formal stakeholders, it is important to speculatively inform ourselves of the social dynamics underpinning the institutional and economic development of LSE. Social engagements in informal networks within, linked to and outside LSE are key networks informing LSE's economic development. The networks, linkages and flows of information and capital present in LSE are indicative of independent forms of agency that are shaped and dually influenced by social and economic conditions. Wilson (1995)

attunes awareness to the importance of informal structures and *convivial social networks* in neighbourhood development. These interactions, while not formalised, sanctioned or monitored by state bodies; represent an important negotiating framework for new families. In relation to micro and small enterprises, network formation and related exchange of knowledge is important in forming and maintaining a market niche. Community development in LSE is therefore a prospectively important component in its LED. The informal structures that are formed in the negotiation of an economic activity remain vital knowledge and resource tools for families in a low income category.

Needless to say the nature of informal networks present in LSE is culturally specific. The day-to-day realities of exchanges in networks are even more specific to gender, age and socio-economic status. For the purposes of this research, attention is paid to the role of women in household management vis-à-vis family member economic activities.

3.4 Microfinance and local microenterprises

Microfinance has long been promoted as a possible means to enhance the economic capabilities of low income families. Today in León, a wide variety of microfinance institutions (MFIs) exist, each one with its unique characteristics and projects, but almost all lending to groups of women. For this section a critical approach will be taken regarding the role of MFIs and whether or not they are on a par with the local context of León and the new demands of LSE.

Continuing within the awareness to informal social networks, the established specific processes and knowledge frames on the part of LSE residents' results from low income family units having moved to a new urban zone. Adams and Von Pischke (1992) highlight what the danger of applying a rigid prescription of loans and programmes to a population can do. The context specific risks in livelihood management and the use of a loan amidst other strategies should ideally be taken into account. However a presumption that clients will repay and use the loan effectively, often in tandem with capacity building, often ignores the stark reality that low income families have to face.

From an operations perspective, the demands an MFI has on loan recovery and meeting targets very often set by the organisation, may well ignore complex realities and difficulties faced by clients. Rogaly (1996) also highlights how impact is assessed in a given population, often that of loan recovery, client base satisfaction and attendance at additional capacity building classes, for example. This stands in contrast to the varied roles engaged by women, the presence of local

elites and their effect on loan use. From an institutional perspective, the prospect of an individual or group procuring long term debt stands in contrast to the informal institutions and livelihood strategies that they themselves cope with on a daily basis. For example, in the case of LSE, how do existing financial arrangements interact with a MFI loan?

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Plate 3A: ProMujer, León

The outside of a ProMujer office in León promoting 'easy credit' and credit to buy or for improvements for a house. ProMujer is a large MFI with operations across Latin America. Many MFIs exist in León and now have to compete with Usura Cero and banks such as ProCrédito that offer credit to individuals.

From a practical angle, the role that indebtedness has in impeding or stalling a family's economic development should be of key concern, particularly if individuals face precarious or abject periods of financial insecurity. More often the existence of intermediaries, in the form of multiple finances (e.g. savings and usury loans) or manual support demand extra compromise on the part of clients, the majority of whom are women. The loss of autonomy can therefore result (Vakulabharanam and Motiram, 2007) and the risks once posed may become exacerbated by such a lack of control over one's livelihood trajectory.

In concluding and as pertinent to the context of LSE, flexibility on the part of lending institutions needs to be employed. Not only from a community angle but from a case by case empathy can compromise be struck if indeed the intentions of such lending institutions are to enhance the economic capabilities of their clients.

3.5 HBEAs

Until now we have been discussing the wider social and institutional practice based influences on economic development. In an attempt to refine attention and illuminate the economic context of LSE amidst these influences, we will examine the role of Home-Based Economic Activities (HBEAs). HBEAs not only provide interesting insight into an under researched area of development geography, but their interplay with other economic activities (and the persons and spaces involved in these activities), and social and cultural conditions can bring forth a substantial understanding into the nature of LSE homes. HBEAs in terms of their frequency and

management can be viewed as primary indicators of the complex strategies and issues affecting LSE's economic development. Moreover the management of variable income sources, attainable assets and endeavours to harness opportunities available lends to a better understanding of LSE's economic development.

As mentioned, the importance of the home base interacting with other institutions is an important component in the generation of economic opportunities. Verrest (2007) emphasises the importance of linkages and wider agency in conjunction with a HBEA. In her research, the role of informal arrangements and formal state requirements was carefully considered in light of the internal domestic demands faced by HBEA operators. Related to this, it is important to outline a key feature of HBEA management; that of female management. Tipple (1993), Kellett and Tipple (2000) and Verrest (2007) all incorporated the importance of female perspectives in their research on HBEAs. This is an important departure point when conceptualising the role and growth of HBEAs amidst constraints posed by culture, institutions and the sourcing of opportunities amongst these issues.

3.5.1 The role of HBEAs

The home has primarily been a site of reproduction, with the family acting as the primary social bonding and catalyst tool. For low income families the home can often serve multiple functions and host social interactions beyond the immediate family. The presence of any type or scale of a HBEA affirms the additional productive capacity of a home. For many, this is an opportunity to earn additional income but the day-to-day dealings in a HBEA reflect a host of opportunities and exchanges which greatly facilitate community development, social capital and knowledge convergence. This indicates that the role of a HBEA moves beyond an income earner to an important site of context specific economic development, generating unique knowledge forms and social capital.

Coen, Ross and Turner (2008) elaborate on the flexible spaces that HBEAs eventually become. The social dimension to a HBEA is important as it represents an additional interface to external social agents. In one aspect also developed by Verrest (2007), the existence and provision of informal credit arrangements with neighbours represents a social tie based on trust. The potential for this to facilitate families in difficult times and initiate mutually felt reciprocity amongst community members is an invaluable tool when negotiating economic highs and lows.

As Kellett and Tipple (2000) point out, HBEAs are, more often than not; female headed. This can function in two ways. Empowerment of female heads of household can occur if their capacity to generate income, expand and manage their enterprise can be appropriated in a comparable manner to their male counterparts. Setting role models for younger generations can also occur. However, this approach can be too naïve. Strassmann (1986) and Kellett and Tipple (2000) stress the differentiation in income levels that can occur between males and female headed HBEAs. The second set of authors particularly highlight the danger of invisibility that female operators can become exposed to. Being restricted to the home and undertaking productive and family oriented reproductive tasks can also undermine the status of women in these positions and the limitations can expose females to extra vulnerabilities (Tipple, 2000). Authors on HBEAs have not addressed the role of manager versus that of controller in a domestic situation.

In periods of household stress, the alternation between a survival base and profit making asset, could readily prove helpful in coping with economic problems. Credit provision and sustained supply of food and other basic goods, provides insurance to shocks and stresses. This fundamental mutually reinforcing role of HBEAs can often present itself as a balancing tool and with careful management, guarantees income and safety nets. Income generated at this level may act as a crucial buffer to household shocks and stresses. However the awareness and prediction of such stresses is household specific. For example, when one source of income becomes temporarily or permanently redundant, the income from a HBEA is a means of seeing through times when income level threatens to aggravate the sustainability of a household.

3.5.2 The development of HBEAs

As well as being a neighbourhood interface, the amount of clients and capability to meet customer demand is a primary gauge of how a HBEA is developing. The importance of market linkages has been stressed by Strassmann (1987). In order for sustainable profit making to occur, the link to external markets plays a large role in sustaining reasonably priced product supply. The exchange of goods, frequency of customers and credit arrangements are dependent on social as well as monetary stabilisers. Very often these linkages are based on proximity to transport, markets and other public amenities as well as the age and degree of trust between different agents (Tipple, 1993).

Synthesising factors affecting HBEAs.

Neighbourhood development also guarantees a frequency of customers and sustained client base. Therefore the spatial expansion and population growth of a neighbourhood lend to a greater client pool. Additionally, the greater the number of permanent residents, the greater the customer frequency and familiarity to the HBEA. This is crucial for younger and lower skills based HBEAs and lends to a consistent and stabilised growth pattern that is particularly important to more vulnerable households. Correlations between urban growth and HBEA income could provide an important indicator. Consolidation according to Tipple (1993) is a process where not only space becomes filled, but the accompanying cultural trademarks assist in the growth and stabilisation of a productive household space.

It is with this opportunity comes the prospect of an enhancement of skills. In the exchange of knowledge and assets, skills enhancement can take place if the appropriate external linkages and reinvestment conditions exist (Tipple, 1993). Little recognition of the informal sector exists, but the upgrading of skills is a process dependent on neighbourhood population and institutional support that filters through to HBEAs. This establishes the importance of maintaining a holistic approach when conceptualising the role and development of HBEAs.

Central to the development of a HBEA is informality. A greater reliance on social relations and networks of trust in the exchange and sharing of assets is indicative of low income family neighbourhoods. For the management of a HBEA, the expansion and income generating process often correlates with the extent in which social bonds are nurtured and the place of a HBEA becomes an exchange site of knowledge, trust and mutual understanding regarding shared experiences (Coen, Ross and Turner; 2008: 332).

Informality stands in contrast to the results of Verrest (2007) whereby the formalisation of a HBEA through local council registration saw improved overall performance. However the constituent parts to these HBEA forms may differ in terms of gender and overall management. Particular to the case of LSE, the amount of lived in houses and built upon lots may also affect customer frequency.

3.6 Livelihoods and dualism

The sensitisation that the livelihoods framework brings to this research is worthy of note. Stresses, shocks, assets and agency are key concepts that have been latently employed since the consideration to undertake this research. These aspects are also underlying the conceptual model

used in this research. As a means of complementing and advancing the contribution from theorists on HBEAs, LED and urban economic linkages, the role that particular knowledge frameworks play in navigating particular economic contexts is valuable conceptual insight into household management.

The variable availability and merging of different economic activities requires flexibility on the part of agents forming livelihood strategies. Therefore a combination or blending of knowledge forms at an individual and household level is a necessary means of accessing and maintaining a sufficient income level for household survival. Jansen (2004) describes this as the differentiation between dominant and alternative knowledge forms and related practices in the enhancement of livelihood trajectories. From a dualist perspective, formal economic activities often run in combination with, alongside or juxtaposed to informal practices. In household management, income generation from formal sector employment must be viewed in terms of its relationship to that of the informal sector. From a geographical perspective, the assimilation of economic modernisation into localities and the home is context specific and is subject to transformation vis-à-vis the knowledge frameworks and established behavioural patterns of existing income generating activities.

Jansen (2004: 167) uses the term *cognitive justice* to bridge the gap between western and indigenous knowledge forms. The independent agency and assets utilised by a household are themselves constructs that constantly undergo changes in spaces where interfaces emerge. These interfaces are often sites where household members process and adopt new knowledge forms (e.g. skills, networks, and sources to fulfil basic needs) over time. At the complex interface of newly established urban areas, efforts on the part of formal institutions exist to enhance economic opportunities and in equal measure, efforts on the part of softer institutions, such as the household; exist to incorporate and modify existing livelihood strategies. Long (2001: 183-4) expands on the livelihoods component of agency in grounding its conceptualisation in terms of social constructivism. Knowledge emanates from social interaction and encountering other knowledge frames. It is at these social interfaces that the economic life world and strategies become devised and enhanced particular to individuals' needs. If we attempt to map out the social interfaces relevant to LSE, we are faced with the transfer of international and formal (state and NGO) frameworks in light of the informal and maybe even illegal knowledge transfers at a community, household and individual level.

3.6.1 Strategies and components in household management

Accommodating stresses and changes as we have learned involves a utilisation of and adapting to external and internal knowledge frames. Different household trajectories themselves pose challenges which are often exacerbated by insecure economic conditions. It is therefore essential that different or substitute trajectories exist to ease susceptibility to vicious economic cycles (Rakodi, 2002). As well as formal institutional frames the utilisation of networks, exchanges and trust gained from reciprocity in social reality have equal merit to those of normative, hard institution based knowledge structures. For example, a period of unemployment may see a household utilising the easily attainable skills it has in the immediate geography of the household to form a HBEA. For other households, this could be a primary livelihood trajectory that has been established over time and space through HBEA expansion.

From a practical dimension, a researcher in LSE should have at least awareness of these alternating cycles that are shaped by and reciprocally shape a knowledge frame particular to the household level. In attempting to interpret trajectories and awareness of knowledge frames employed, a household's constituent members enter into varying geographies that, when combined, form a unique culmination of strategies and means of utilising assets. Bromley (1988: 163) encapsulates these processes in the term *functional complexity.* This affirms the interplay of formal and informal processes, social interaction based knowledge forms, formal institutions and competing and complementary geographies. LSE is a fascinating example of households that moved independently and in such a short period of time, began to form new economic geographies and knowledge frames that require constant revision in periods of economic doubt.

3.7 Conclusion

As discussed, the function of a home is often multifarious. When applying the notion of place to the home, it is important to at least be aware of the differing and possibly conflicting meanings applied to place. The place of the home for a single mother in LSE may mean the opportunity to realise and enhance the nurturing of a family. On the other hand it could also be a restrictive place, whereby multiple roles impede the freedoms and capabilities of a mother, for example. Furthermore, the place of the home may mean little more than a base if a person or family has to migrate for large periods of time. In any case it is the combination of factors and economic trajectories that influence the cognitive development of a home place.

All authors selected for this theoretical frame have expressed the importance of flexibility when describing local economic development practices and its related factors. A home's multi-functionality can be an important safety net for households that experience seasonal or unguaranteed contract-by-contract income generation. The correlated networks and knowledge forms generated are subject to change and alterations that may not be legitimated by standard formalised means. Families that considered moving to LSE needed to undertake the accumulation of new strategy frameworks, adjustment of existing ones and perhaps the shedding of others. Household flexibility also implies the mediation of new geographical realms with regard to existing ones. What geographies become involved and what become ranked according to cognitive relevance is a matter for individual households having considered available strategic assets.

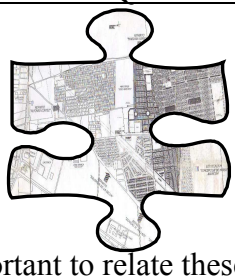
Whilst being a vague term, informality in economic development does assist in a grounded understanding of the rationale to negotiating and utilising formal and informal structures. Existing constraints and enhancers occupy contextual cultural and social frameworks that coexist with hard and soft institutions. Maloney (2004) draws particular attention to the unregulated, micro-entrepreneurial and often family based realm of economic development. *Being one's own boss* carries less fixed obligations to non-household institutions and *furthers the sustainable reach of informal contracting arrangements* (Maloney, 2004: 1160-1166). Small enterprises are anchored in social relations that occupy geographies involving the immediate exchange of goods and capital, the flow of information about a service or the agents directly benefiting from the activity. It is the build up of these various interfaces that lead to specific spatial economic outcomes subject to continuous alterations. Freedom of agency to accommodate changes and stresses is also easier attainable from a developed knowledge of and exercise of agency within informal arrangements (Verrest, 2007).

Knowledge frameworks also greatly influence the prospects of an individual and family. What is of relevance to LSE households is that the accumulation of knowledge regarding soft and hard institutions is an autonomous and unique process. The exchange of services, informal credit or demand for improved services are all subject to knowledge frames informing the know-how and potential benefit to be derived. This knowledge is not only particular to space and place, but also the disparate meanings applied by individuals in their own economic and social realities. The variety of institutions, interfaces and practices exist within unique, qualified geographies that are relevant to the different residents of LSE.

The implications of this set of theory from a geographical angle are important to dwell upon. Situated in an urban periphery, having multiple connections and flows, and differing levels of formal and informal economic activities; leads to a spatial context both influenced and ignored by processes of modernisation. These processes must be read in terms of three principal arenas pertinent to LSE:

- The status and role of women both in, proximate to, and away from the home. The geographies mapped out by female residents are only dealt with from a small-scale economic development viewpoint. However, it is the accumulation of these geographies eventually leading to certain trends that later impact on the socio-spatial development of LSE.
- The availability and reliability of basic services such as water, sanitation, transport and refuse collection greatly advance or negate the capability of individuals to utilise existing or access new geographies for economic activities.
- The interplay between formalised institutions, such as local government, and informal, often illegal processes, such as electricity tapping for example, lends to a dualistic geographical scenario. An important issue to consider here is the level of control on the part of either a community or public or private agency in restricting the use of this geographical space. The degree to which social control has been exercised in terms of registration, penalisation and softer control of family units is an influential dynamic in LED.

Having selected and attempted to geographically relate these theoretical frames to this research, it is hoped that awareness to abstract factors affecting the outcome of LSE's economic development have been illuminated and clarified. As the primary focus and unit of analysis is the household, particular focus to informality, flexibility and knowledge endeavour to reveal highly relevant features affecting the negotiation of economic development processes.



4 Conceptual Model and Research Questions

4.1 Introduction

Having delved into theoretical aspects affecting the make up of LSE it is important to relate these to an applicable contextualised framework from which we can inform a better means of conceptualising and targeting the various components involved in the research. With this in mind, this chapter intends to solidify the broad theoretical approach and explicate agents and forms of agency into an interconnected model, enhancing a capacity to visualise processes particular to LSE.

The premise of this research is that of the household. Relating the household to microfinance and local government institutions, for example, is best achieved in trying to trace the economic profile of a household and the institutions and issues that impact on it. This of course cannot be a definitive measure of comprehending the agency and issues involved, however the intention is to root understanding through a means allocating proportionate attention to the various components that impact on a household in LSE.

As well as aiming to sustain focus and attention to the context that is LSE, the central and sub research questions will also be discussed in this chapter. Steering the research to a key facet in the development of LSE required time before and during the research to confirm or remove any doubts regarding the importance of and established practices affecting the economic development of LSE.

4.1.1 Hypotheses

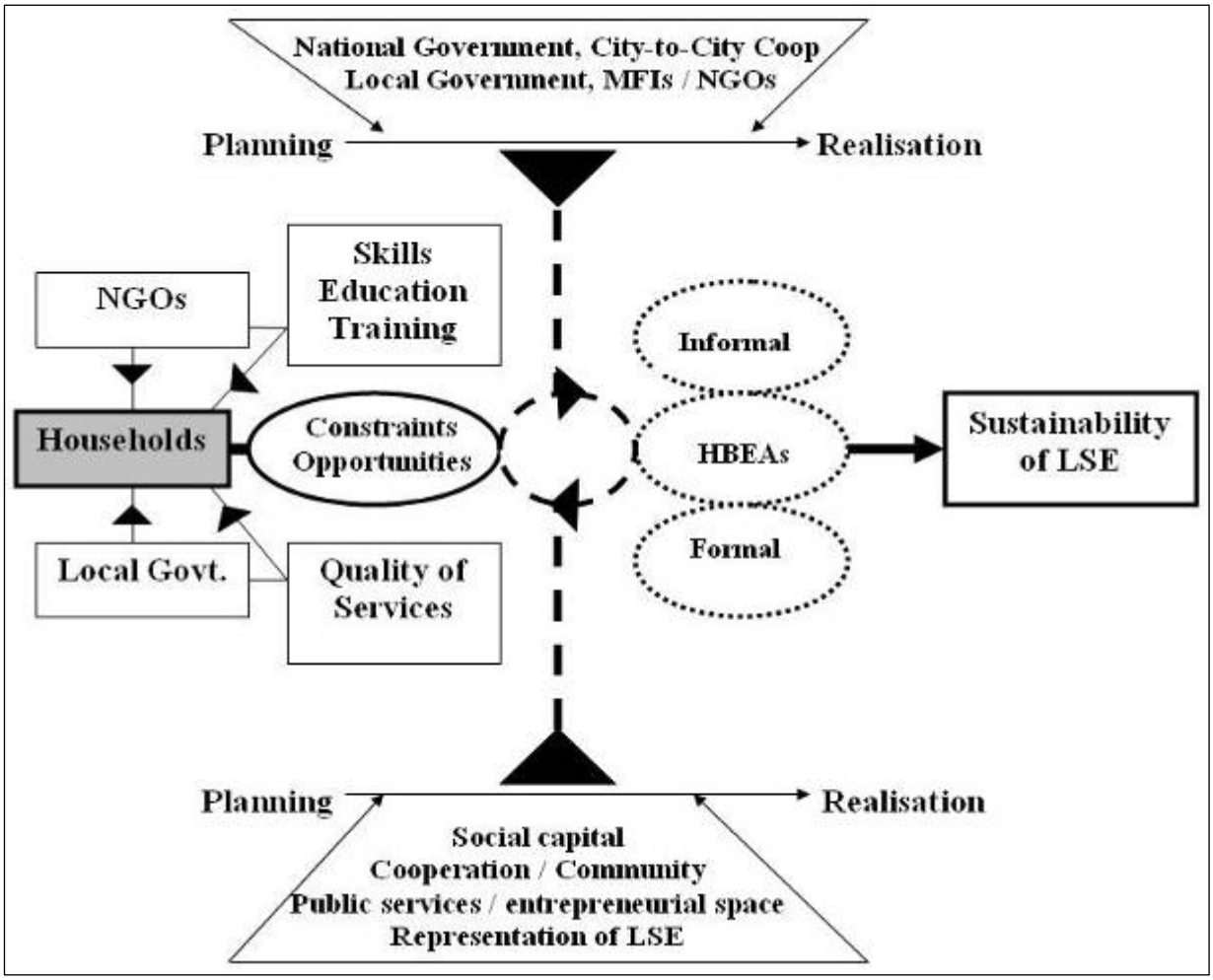
In line with the primary analytical unit of the household, the focus and concern rests on the strategies and considerations likely to be taken up by household members. This is of course a presumptive exercise and therefore cannot be accurate in determining household trajectories. Therefore the primary resolution of factors and issues affecting the economic development of LSE is the notion of *threshold*. Thresholds include impediments to earning stabilised or frequent income. Additional thresholds could also be illness and other health constraints affecting household members. These of course are particular to each specific household context. If a person or household surpasses the threshold this implies that they earn a relatively stabilised form of income.

Broadening this out to include wider factors affecting economic development, we must try to comprehend thresholds in relation to the institutions impacting on the enhancement of capabilities and opportunities. This of course is a filtering process that eventually impacts on the accumulated knowledge framework of individual household members. It is therefore necessary to interpret a threshold in light of institutionally established factors, external decision making and how these are perceived by individual members. For example, the decision to close a factory may be experienced differently through the indirect appropriation of impediments trickling down to children and elderly persons as filtered through the household and its primary income earners.

It is important to note, that a threshold is not merely a barrier or long term impediment. The term also implies that impediments can be overcome and many people can surpass their own particular obstacles. It is therefore necessary to view the concept as the accumulation of factors, external and internal decision making capacities and instituted cultural and organisational practices as per the household. This accumulation is also processed and filtered through the knowledge framework of households; informing and producing strategies that may have to be delayed or even reversed on progress made.

4.2 Conceptual model

Figure 4.1: Conceptual model



4.2.1 Conceptual framework

Beginning at the external (top and bottom enclosed arrow lines) external factors, formal and informal institutions are situated. These are placed into the model in a manner so as to highlight their impact on the threshold (central dotted line). Their impacts are filtered through into the threshold and have also greatly informed the planning and intended realisation of these plans. The planning and realisation of LSE as a whole, flows in the direction left to right in line with the central process in the negotiation of economic inputs and negotiation on the part of households. These external factors feed into the threshold (large top and bottom arrows) and emphasise their relationship to households. While guided by formal processes, their impacts influence the knowledge frameworks of members as specific to household contexts.

As highlighted, the primary unit of analysis and consideration is the household. This is also the primary departure point in the model. NGOs and Local Government greatly impact on enhancing

the economic circumstances of households through the provision of services and related skills and educational training. It is at this point that the household copes with economic constraints or opportunities through available assets and related strategy formation. This is a primary negotiating arena in attempting to cross or enter the threshold. The infrastructural pre-conditions that are set in place remain crucial enhancement tools in the negotiation of obstacles, such as distance and access, and LSEs position in the wider urban system of León.

Turning our attention right of the threshold line, the merging yet distinction between formal and informal employment is emphasised with primary regard to HBEAs. For households involved in this research, HBEAs were an income earner in relation to family members in formal and informal employment. Household members in either form of employment were also never guaranteed stability in either sector, therefore they are placed together but distinguished to highlight the negotiation and variability in sourcing employment.

At the very end of the household rooted central continuum is the wider ambition to see sustainability in LSE. As well as being a central aspect to the plans of LSE, it is a collective ambition on the part of residents to see through a process that leads to stabilisation in living circumstances. Additionally, sustainability has been the guiding reference point for C2C cooperation. It therefore means that LSE as a collection of households with external assistance (knowledge and finances) can sustain itself as a viable, economically self sufficient residential urban area.

Advancing the concept of a threshold.

Having elaborated on the threshold and the external and internal factors, it is necessary to address the central circle of the model. As outlined in the theoretical framework, the role of flexibility will always remain a notion implying fluctuating and variable practices and outcomes. Negotiation of strategies and opportunities not only refers to flexibility, but also the return to previous economic activities or strategies. In the case of each household, the autonomy invoked in the management of household assets and how this relates to wider economic opportunities greatly impacts on the negotiation of economic thresholds at the household level. For example, the loss of employment in the nearby automotive parts manufacturing plant; Arnecom, may well see the return to temporary informal sector employment, a period of unemployment or the establishment of a HBEA. Irrespective of the decision taken, the loss of employment is also a loss of stabilised income and a return to consideration weighing up the constraints and opportunities applicable to that person. Furthermore if a person is engaged in informal sector or

seasonal employment they may have to revisit and assess their constraints and opportunities on a routine basis. In this regard, the threshold is a porous entity in which households negotiate between stabilised and insecure forms of income generation.

From the perspective of HBEAs the internal neighbourhood demand that exists impacts greatly on those households dependent or utilising this form of income for economic purposes. If the density or composition of a neighbourhood in LSE should decline, this may see a HBEAs return to start up positions or revision of earlier strategies. In research conducted in El Alto, Bolivia, Kranenberg (2002) highlighted mobility as a central factor that greatly impacts on the LED of neighbourhoods and peripheral urban zones.

In focusing and centring attention on flexibility at the centre of the model, it is hoped that the capability of a researcher to analyse the multiple factors affecting stabilised household management improves. In the context of LSE accumulated household consolidation leads to the eventual sustainability of LSE. Having armed myself with this key conceptual component in mind, it became easier to probe household members regarding their primary constraints and what strategies may lead to stabilisation of household income, therefore inferring the economic activities available. Gaining awareness to the flexible strategies employed also illuminates the vulnerabilities and different levels of exposure and protection mechanisms that households employ to face off vulnerabilities.

4.2.2 Principal concepts and related Operationalisation

As an exercise unto itself, the operationalisation of concepts was useful to engage with the prospective problems that could be faced during the research. The definitions provided endeavour to be applicable to the context of LSE and were delved further into the research period. The concepts will be discussed in terms of their importance to the overall research and then later by related theme.

The **household** was the main unit of analysis for this research project. It is by no means a clear cut house and predefined family structure, but a unit of varied sizes, ages, gender compositions and comprised of varied quantities and forms of capital. The pre-departure and in country planning problematised the concept of a household. In the pilot tests conducted of surveys it became clear that LSE households varied in structure. In some instances seasonal employees and remittance senders may return for periods at a time. Close and distant relations may take refuge from periods of economic instability. Households in an urban setting tend to accumulate in

neighbourhoods. Neighbourhoods in LSE are defined by proximity and organised along road networks and streets within each zone. While spatial proximity and sharing of resources and services may be taking place, the extent to which neighbourly ties and social bonds have developed vary. Time is the key constituent in fostering a sense of habitual neighbourhood practices. Measuring households in the context of neighbourhoods and generation of social capital was done through the longitudinal survey.

The facilitation of the LSE project cannot come without the support of **local government**. In the context of LSE the overarching governing body overseeing infrastructural improvements, service delivery and securing land tenure is the municipality; Alcaldía de León. The municipality is directly linked to the **National Government** in Managua which oversees the allocation of national funds and institutes the national laws. For both branches of government, policy document reviews and interviews elucidated further the successes and failures in the execution of policy and existing institutional strengths and weaknesses. Further to the macro level factors affecting LSE, the **stakeholders** involved encompass local LSE residents, local and national government, NGOs and the international or C2C actors from Utrecht municipality. All are in some way involved in **planning** procedures which aim to account for and include beneficiaries through **participatory** means. To what extent views of current and prospective local residents have been included is subject to debate and will be extrapolated further upon critical reflection.

More related to local economic development as filtered through to the household, the **constraints** and **opportunities** that a household negotiates, represent the material based capital forms, social capital and networks and infrastructural problems or positives they could encounter. These factors limit or progress a household's asset management or departure into stabilised economic activities. Central to this research are **home based economic activities**. As the phrase suggests, they are economic activities based in the home but of a varied nature. The production stages, storage of materials and possible selling of goods and services takes place from within the dwelling which is also utilised for habitation and shelter. Central to the daily operations of HBEAs is the possible role that **consolidation** has in fostering networks based on trust, sharing of skills and resources and pooling strategies of household to minimise individual household risk.

The role of **formal** and **informal** sectors and the alternation between the different sectors is a crucial outcome of household negotiation. For the purposes of this research, the formal sector is comprised of registered employees in contractual, stabilised income generation activities. The

informal sector is therefore comprised of unregistered employees sometimes in temporary / seasonal contracts and operating at an independent and micro / small scale level. Household flexibility means that in the negotiation of income generating activities, primary income earners may enter or leave each sector occasionally.

Figure 4.2: Primary examples of non-governmental institutions operating in LSE.

Sector	Example and role specific to LSE
NGOs	**Fundapadele** -The primary NGO involved in donating the majority of houses. Worked with INVUR and Saint Vincent de Paul to deliver houses to targeted poor families. **Habitat for Humanity** -Arranged credit and construction assistance to clients in LSE. **Caritas** -Small scale assistance in the construction of houses.
Microfinance Institutions	**Ceprodel** -Provided credit for house construction to clients in LSE. **León 2000** -Have clients in LSE. Provided credit not only for dwelling purposes and are a locally based MFI. **FAMA** **ProMujer** -Have clients in LSE.

4.2.3 Related theoretical framework

Having outlined the concepts and components involved we should briefly return to how this relates to the theoretical framework. The core of the conceptual model reflects the interchangeable and flexible status of household members' agency in gaining from an economic activity. Flexibility and informality in the theoretical framework constitute key aspects embedded within household economic activities. At this stage these concepts remain very broad, but they will later be used in the results of the issues and realities facing LSE residents.

4.2.3.1 Institutions and knowledge frameworks

As will later be addressed in the results chapters, the fusion and synchronisation between LSE residents and the projects of governmental and non-governmental institutions in LSE are of crucial concern to this research and an underlying aspect that informed the focus and planning of interviews. The context specific development of a knowledge framework that informs the exercise of autonomous agency on the part of LSE residents, in tandem with the intention to see benefits for LSE residents, should ideally be in harmony and grounded within the agency that has been learned from the accumulation of knowledge.

4.3 Central research question

The research questions posed have been formulated with the explicit intention of retaining focus on households. From the household perspective, answers can be derived from the agents that are most important in the LSE project. Additional understanding regarding the strategies that people employ in the management of the home also helped to complement the role and applicability of informal and formal economic activities.

The fixed research question with intended research outcomes runs the danger of ignoring the evolving demographics of LSE, the time it has taken for LSE to develop, the changing socio-political situation and the challenges relating to globalisation and the recent global economic down turn. Again, it is important to maintain awareness of LSE in terms of its regional, national and global context; an outcome of a series of collective and individual knowledge forms, resolutions and agencies.

Central Research Question:

What income generating activities exist for the residents of León South East?

The central research question acts as an overall guiding tool and a primary means of identifying activities from a household perspective. The sub-questions expose the general household situation further in line with the theoretical and conceptual frameworks. The sub-questions are also staged in such a way as to gradually narrow focus on to the micro level of the household.

4.3.1 Sub-questions

- *Has sufficient planning and realisation of small and microenterprise spaces occurred?*
- *Is the current informal economy sufficient in sustaining household income?*[1]
- *What constraints and opportunities do new and existing workers face?*[2]
- *Do women have equal access to education and employment opportunities?*
- *Do market linkages exist with León city centre, surrounding rural settlements, other parts of Nicaragua or abroad?*

[1] Informal economy includes home or neighbourhood based economic activities, unregistered and unwaged labour.
[2] For example; distance to work and access to markets, efficiency of local government in effectively delivering strategic plans for economic development, and security of plots, equipment and commercial establishments.

The first sub-question is an overall assessment and comparison of households to the Master Plan of 1996 and the policies pursued by local government since the initiation of the project. Bredenoord (2005) has outlined these spaces as integral and essential to the economic development of LSE. Whether or not they have resulted in economic activities or spaces to provide skills and education to LSE residents remains to be seen.

The second sub-question concentrates on an important component to LSE. Home based economic activities are operating in multiple dimensions and activities vary. By quantitatively comparing household incomes and expenditure it will be an initial step to gauging the successes or failure of operating a HBEA in LSE. However, it will be important to qualitatively address the question so as to understand household stresses and shocks which may occur periodically, e.g. seasonal changes, or how income levels may not be consistently derived from HBEAs. The arrangements households undertake to secure tenure and provide for household material, social and emotional needs, will no doubt vary and temporally fluctuate in some instances. Again flexibility in my perception as a researcher and in comprehending quantitative data is required.

The third sub-question aims to address wider institutional problems and / or solutions to these problems derived independently at the household level. Constraints manifest themselves at a physical and social level. Therefore empathy with household respondents and a substantial effort made to understand these problems and solutions is crucial at this juncture.

This leads us suitably to the gender based sub-question. Identification of women's needs and their role in household economic life is essential to include. Resultantly there needs to be an evaluation of the initiatives undertaken by local government and NGOs to target women and whether or not they have been included in participatory processes. Focus group sessions with women will permit a 'bouncing' of ideas, problems and solutions that are perceived by women in LSE.

The final sub-question can be asked at two levels. The first, that of formalised and routine or even available trade and exchange routes with markets outside of LSE. Clearly, this leads to an opportunity for consolidated neighbourhood activities or small enterprises to extend their activities and market reach. At the second level, the perception and potential of known or new markets through social networks is also worth determining. This question also permits LSE to be viewed in its spatial context and better comprehend external rural and urban spatial domains vis-à-vis the relatively young growth stage of LSE.

4.4 Conclusion

This chapter intended to provide guidance and an appropriate conceptualisation of the underlying assumptions, factors and theoretical underpinnings that have been considered and delved into for this research. The conceptual model is primarily concerned with a decoding of a household process that is comprised of many hard and soft factors and the household trajectory involved is a primary guiding route to attune awareness to the factors that impact on household decision making processes. In combination with the theoretical framework, dual reflection on both angles is intended to inform greater insight regarding the rationales and underlying principles of LSE household economics.

The danger of a conceptual model is the assumptions made and possible over-dependence on these assumptions. Assuming that households follow a generalised trajectory would not be in line with the theoretical framework employed. Having reviewed academic literature and previous research on this subject, identified and incorporated local agents, project literature and primary institutions and having seen and engaged with these tenets; it is strongly felt that the conceptual model and related research questions are suitable for this research. Of course the conceptual model and research questions are not exhaustive, but vigilant and reflexive consideration has meticulously weighed up the varying factors and it is hoped, provided a reasonably justified cognitive framework in which to interpret LSE.

A further caveat should be briefly mentioned. Remaining with this cognitive framework may also be too suggestive and presumptive of the complex agencies and knowledge frameworks exercised by LSE residents. The critiques that postmodernism provide regarding the dangers of fixed and rigid conceptualisations to the life world have gained merit and should be carefully considered. However, in an effort to resolve this and so as not get caught up in a relativistic obscurity, the next chapter regarding methodological approaches and considerations exacts contextualised focus on the agents and primary institutions impacting on the primary unit of analysis; the LSE household. It is therefore hoped, that as well as being an academic exercise, ample justice is given to LSE residents' independence and an under assuming of their agency and related knowledge frameworks; an opportunity to discover more as opposed to fixating on a conceptual and theoretical comfort zone.

5 Methodology

5.1 Introduction

The last two chapters have provided theoretical and conceptual considerations for the purposes of this research. In this chapter, each research methodology is outlined together with broader discussions that were considered during and after the field research period in LSE. The discussions seek to validate the decisions made and render more contextualised critical light on each approach, particularly if future research is to be conducted in LSE.

The specific organisation, design and execution of each approach are detailed in the appendix section. A weigh up of strengths and weaknesses is included in this chapter so as to justify problems and shortfalls which may have impeded the efficient execution of the methodologies employed. The time span involved was limited and for a comprehensive research project to be undertaken in LSE, significant factors would have to be considered. It is hoped that the strengths and weaknesses highlight these factors.

In reading the methodology section two primary aspects to the 2009 research need to be kept in mind; the household as the primary unit of analysis and the fact that a follow-up survey was required. Leaping between different institutions for the purposes of interviews and informal engagements constantly required revision regarding the purpose of and focus of the research. All too often the agenda of an individual or organisation could take focus away, however in conducting a questionnaire, interview or informal face to face contact, knowing when to prompt, orientate or cut off at appropriate moments proved crucial.

As time evolved so too did confidence regarding the strengths and appropriate changes needed to enhance the execution of a methodology. This was even necessary in the changes of day to day and interview by interview conduct. The approaches outlined are structured so as to refine attention to the focus of this particular research.

5.1.1 Approach and conduct in the field

A central issue that was routine in the day-to-day and periodic evaluations of conducting the research was that of our approach and conduct when operating as researchers. Binns (2006) emphasises reflection regarding researcher positionality and how this impacts on the local

population. For our research purposes, not only did this mean how we perceived ourselves or how we were perceived by LSE residents, but also our impact on residents and on the institutions that exert influence over LSE. This was a difficult process as evaluating how informal or formal we could be was not easy to gauge in light of the relatively fresh faced nature of our time in LSE and the stereotypes we needed to discard upon commencing the research.

More importantly, careful considerations regarding internal and external validity issues frequently arose. From a personal perspective these were derived from ethical considerations regarding the reasoning behind and approach to conducting certain methodological approaches. For example, the approach to asking a question regarding household income is often framed on our part; i.e. in Western terms. Asking this question to a female head of household beside or apart from her male counterpart may jeopardise her status or induce an answer not ingenuous to the particular household's circumstances.

Throughout the research undertaken, the extensive time spent weighing up different knowledge frames and resultant outcomes was a research exercise and process unto itself. The variety of contrasting and complementing knowledge frames was important to engage with, however, the danger from a researcher perspective was the residing and taking over advantage in the references and inferences derived from a key contact or crucial stakeholder. For example, the ready supply and willingness on the part of Fundapadele to share information and explicit opinions needed to be welcomed, but at the same time favouring one perspective over another would have placed the research in grievous imbalanced proportions.

Researcher and observer conduct

Before, during and after conducting this research the behaviour of us as researchers and those involved in the survey and observations, required consensus regarding our overall approach and conduct in the field and when dealing with residents and stakeholders. How to gauge formal and informal settings and provide measured, objective responses regarding the purpose of this research was essential to resolve from the beginning. Ensuring that the research population was fully briefed but also treated with the greatest of respect was equally important. Coordination of the formal observations, for example, not only involved logistical issues, but also the stressing of behavioural matters. For example, appropriate dress and proximity to homes when observing their use were discussed. The aim of these briefings was to ensure that future research projects and our results would not be skewed by mal perceptions of external researchers.

5.2 Qualitative and quantitative approaches

The intended merger of qualitative and quantitative approaches was intended to lead to a grounded initial conceptualisation of LSE from a holistic socio-economic standpoint. Time planning aimed at a period of an initial quantitative followed by a qualitative period in which both approaches would complement each other was the aspiration. Hulme (2007: 12) describes this as the capturing of strengths and overcoming of weaknesses inherent in each approach. However, the intended integration of both approaches required considerable planning and reviews regarding the extent to which these processes merge. The latter period of the research consisted of the bulk of the qualitative research, which for the limited time of research, allowed for deeper understanding and significantly improved conceptualisations of the particular meanings stakeholders and beneficiaries apply to the LSE project. The semi-structured approach employed in interviews permitted the opportunity to seize a prospect to ask other related questions and illuminate ideas that were established earlier.

Pilot testing of questionnaires and the preparation of interviews was crucial for the intended harmonisation of both approaches to take place. Of course, no amount of preparation replaced the need to instantly think on your feet and adapt demeanour, questions and structure as required of the context at hand. As well as being employed in the theoretical context, flexibility in methodological approaches was also necessary. This can be viewed at different levels. In the wider planning of the research, the harmonisation and related validity of the quantitative and qualitative approaches was adapted and had to be altered. For example, the appropriate use of open questions could reveal important information or put standard categories into disarray.

As researchers, our capacity to gauge appropriate responses and techniques was also a determinant of how successful an interview or questionnaire administration would be. For example, the NGO; Fundapadele was most receptive to having student researchers present while the initial response from Habitat for Humanity was caged and dismissive. Later follow up interviews and encounters with representatives from both NGOs required thoughtfulness in question techniques. The level to which we could probe and our demeanour so as to ensure a successful acquisition of information and maintaining good rapport required careful gauging.

The pitfalls of research in a developing country

The most important task in the execution of quantitative research is that of preparation. Preparation in terms of time needed, foreseeable obstacles and relevance of questions to the host population. This therefore requires good knowledge of the host area and population. Moving to a

developing country to undertake such a project requires a significant period of time to test and gain better understanding of the aforementioned factors. Looking back on the pre-departure and in-country preparation, additional time could have permitted greater awareness to the relevance of certain questions. However, despite this shortfall, the additional qualitative research should hopefully complement the entire research process.

The intended dual-affirmation of the methodologies employed often came under scrutiny. While we maintained constant reflexivity regarding our western perception on matters, local knowledge frames were no doubt in some way impacted by our presence and approach in conducting the research. Questioning the validity of conducting research in a developing country is an extensive and lengthy exercise, but for the purposes of the context of LSE, every effort was made to warrant objectivity yet ensure the common theme and overall objectives of the research were met.

5.2.1 Language

Having learned working Spanish in Spain, the adaptations required to Nicaraguan Spanish took considerable time. It was important to gain awareness to different grammatical forms and colloquial expressions. This was particularly relevant in the administration of questionnaires in LSE households. In contrast, respectful and formal grammatical forms were needed when engaging with stakeholders and NGOs.

Language use could also frame questions in a certain way that could skew answers and jeopardise the objectives of a particular question. This factor became apparent when piloting questionnaires and assessing the intended questions for an interview. Inevitably in a free flowing conversation, mistakes were made. Keeping questions general and probing on specific information mentioned during a narrative ensured less researcher prone error.

5.3 Baseline survey (See appendix for technical outline)

The longitudinal baseline survey preoccupied most planning and organisation time at the beginning of the research. The survey was the most demanding and important part of the research period, which aimed to do the following:

- Provide an overall socio-economic perspective of LSE in 2009.
- Compare the 2009 data to that of 2004.
    - Therefore contain as much comparable questions and related data to 2004.

- Gather opinion based data regarding the current status of community development, integration and the support of NGOs.

For the purposes of the research focus of this thesis, the importance of being selective cannot be stressed enough. In the process of generating the final questionnaire, alterations and omissions from the 2004 survey were carried out in consultation with our field supervisor and research team. The focus throughout was that of relevance. However, this was often in conflict with our explicit desires to maintain integral and key comparable components as much as possible. The outcome of lengthy discussions eventually led to a questionnaire (see appendix) that was of relevance and maintained as much equitable content to that of 2004 as possible.

Not only was selection pertinent to the questionnaire design, but data that will be later presented has also been selected so as to maintain relevance to the research questions. Omitting extra details from the 2004 longitudinal survey is regrettable; however the decisions were necessary ones if focus is to be maintained. One of the principle reasons for these changes was the acknowledgement of a changed LSE in 2009. Not only had this impacted on the particular sampling technique, but also on awareness that had grown from initial observations and informal interactions with household members. For example, the awareness of mobility was a particular concern, and therefore it was explained to all those on the research team to be aware of external sources of income.

The biggest impediment in the administration of the questionnaire was that of time. This posed a significant logistical barrier particularly with a contractual delay in obtaining the research support team. It led to a considerable worry that not enough time was available for the qualitative part of the research. Also, follow up visits to households were impeded by time factors. In any event, later decisions were made that led to a completed and suitably accessed follow-up research period.

Routine monitoring and debriefings were conducted with the team. At the beginning certain problems with question approaches were noted. These were mostly reflective of the approaches used by different members on the team. Data entry was conducted by one person on the team and it was difficult to maintain contact throughout until the very end.

5.4 Formal observations (See appendix for technical outline)

Due to the fact that the longitudinal survey was intended to target one third of all existing LSE households, it was decided to conduct formal observations of all lots and their respective use. The observations would account for the location and frequency of empty lots, lots for sale or rent and uninhabited homes. From the economic perspective the following were deduced:

- Pulperías (small scale grocery stores contained within dwellings). These were graded into three types.
    - **Type 1**: Small scale pulpería which sold no more than four goods.
    - **Type 2**: With four or more products for sale but without a separate formal construction attached to the dwelling, i.e. the primary living space was also used for the storage and sale of goods.
    - **Type 3:** With four or more goods for sale contained within a separate part of the dwelling. Often owners had constructed a separate room or outlet from which to sell their goods.
- Metallurgies / carpenter workshops: Houses or lots that contained spaces for metal crafts work and carpenter workshops.
- Workshops for the repair of shoes or clothing.
- 'Other.' These were activities present in houses or lots that were simply other services. They included book stores, persons that rented out chairs, photographers and telephone services. Services were broad but generally of a small scale nature.

It is important to note that these observations were conducted at street level. We succeeded in recruiting observers that were mostly international exchange students from the US, Norway, Germany, Austria, the Netherlands and Sweden. The training provided to the observers was crucial in dealing with this issue. It, of course would be grossly invasive and time consuming to enter each dwelling and determine its status and whether or not a particular activity existed or not. Ensuring respect for residents meant that observers (who were always in minimum teams of two) maintained suitable distance and were able to address any queries or concerns that residents may have.

Overall the observations went well. Training, briefings and being readily able to address any queries or doubts ensured greater smooth running of the technique. At the end of the observations spot checks were conducted to ensure that lot use / economic activity as entered on to the observation recording sheets matched those numbers as per the official Alcaldía maps.

This was crucial as the intended end result of producing maps required accuracy and attention to detail.

5.5 Interviews

As part of the qualitative realm of the research, interviews were conducted with a variety of different persons (see appendix list), primarily consisting of NGO based stakeholders. Interviews were composed of informal conversations and formal / arranged interviews. Irrespective of their form; planning and identification of key issues to probe at an interview was extremely important in extrapolating relevant and additional information. In order to affirm the combined qualitative and quantitative approaches, it was important to keep the primary data sets in the preparatory frame if relevance and a complementary reinforcing of both techniques were to be accomplished.

As part of a successful interview, it was important to pose previous sentiments, problem statements and beneficiary concerns to interviewees. This was in addition to the preliminary assessments and reviews of the project which we had accumulated as researchers. Exposure to on the ground sentiments regarding the actors and institutions involved was appropriately put forward to interviewees so as to decipher the knowledge and strategic frame they apply to LSE and its residents.

As this point it is important to mention the power involved in conducting an interview. This power involves the negotiation of different knowledge forms and frames that I as an interviewer impose / exclude or even evade in an interview. This is a responsibility which has the capacity to frame an interviewee in a certain way so as to render the interview void due to a lack of objectivity. Additionally, posing results and sentiments from project beneficiaries or comparable stakeholders may undermine confidentiality and / or influence future strategies on the part of the stakeholder involved.

5.5.1 Informal interviews and conversations

Informal conversations often happened by chance and probably occupy more the anthropological realm of any research period. Despite being ad hoc in nature, these interactions and exchanges illuminated a great deal of profound personal sentiments regarding the foundations and evolution of the LSE project. While opinions regarding the project were important, it was equally important to apply careful consideration of these opinions in light of other information and knowledge frames exerted or involved with the project.

At an informal level, the role of body language was important in an effort to display empathy with the interviewee. Simple issues of trying to be at or lower than eye level or maintain distance or proximity were important in establishing trust and identifying and / or sustaining limits. Cultivating empathy with an interviewee was central to the general informal approach. This was also important in conducting questionnaires. Empathy provided that space in which a person could confide and have trust in the knowledge that this information could prospectively contribute to and not undermine their livelihood prospects or professional integrity.

One of the primary strengths of informal interviews was the ease at which rapport and free flow of information could take place. This was most particular when conducting such interactions with LSE residents and over time allowed us as researchers to gain overall respect and rapport. However the primary constraint was time. Time is needed to cultivate trust and a sense of rapport to induce information flows. Very often, this constraint was the biggest impediment in negotiating flexible research realms.

5.5.2 Formal interviews: NGOs and Local Government institutions

The formal interviews conducted in León were suitably conducted at the end of the research period. This allowed for a cross check of provisional findings from LSE residents' perspectives and preliminary conclusions regarding the projects outcomes to date. Interviews were posed in a semi-structured format. Interviewees had access to the questions intended to be asked before the interview. These questions formed the primary guiding route to the interview, but gauging and executing appropriate prompts and interventions into additional points made was crucial to extract additional information and perspectives to illuminate the institutional practices influencing the residents in LSE.

In most formal interviews, particularly with MFIs, it was important to be prepared in terms of the background and working dynamics of the organisation. Questions regarding the purpose of my research were routine at this level and I answered in such a way as to highlight the explicit link and relevance of my research goals in line with the practices and ethos of the organisation. It was also noted how knowledge of the project and the different organisations involved was raised at more formal interviews. Again, preparation ensured a relatively smooth run and harmonised interview.

Another component guiding the success or failure of an interview was the pre face-to-face contact made earlier. In some cases visiting the organisation or person a few times and establishing my role as an independent researcher with genuine interest made it much easier to obtain an interview. Making a concerted effort to ascertain these informal contacts and networks was an important building block researching LSE. For example, in hindsight it was necessary to put extra time into establishing links with management personnel in Arnecom. However the time required and referral routes would have taken a long time.

5.6 HBEA survey

The sample for the HBEA survey was primarily drawn from the formal observations and constituted a purposive sample. This was due to the many factors that had become apparent during the four months in LSE. For example, the age, proximity to certain house density types, size and ownership composition of HBEAs affected the decisions in selecting HBEAs to be surveyed.

As well as generating statistics from the questionnaire, each question was intended to be a prompt for and initial probe into more substantive data. Additional notes were made of the comments and further reflections specific to each HBEA at hand. It aimed to provide an account of the economic profiles in light of livelihood opportunities focused on the narrative and experiences particular to each household.

As stated earlier the focus of this research on HBEAs allowed an illumination of the factors and agencies adopted in negotiating the economic opportunities available to LSE residents. The purposes of the survey were the following:

- As well as statistical, allow for an informal unstructured qualitative understanding of HBEAs, using the questionnaire as a spring board for further probing.
- Trying to incorporate as many questions from Anke op het Veld's HBEA survey in 2004. However, for the purposes of this research, considerable alterations were made as the focus was not primarily on MFIs.
- Within the confines of the sample, attain an overall profile of the factors that influence the purpose of a HBEA in light of wider local economic conditions.

The overall strength and enjoyable part of the survey was the rapport built with LSE residents. This furthered a more in-depth account of previous strategies, decisions made and future projections of each home. Providing a more comprehensive explanation and measured approach

allowed for a more informal conversation-type interview to be conducted. As well as demeanour and having obvious interest in the accounts provided, it was important to be selective and channel conversations in a manner that was both relevant to the research focus but did not undermine the autonomy of an interviewee's account of their experiences.

The most significant problem during the HBEA survey was the disparity between head of household and household manager. Upon approaching or entering a home very often a senior male established himself as the head and household manager. However, more often than not it became apparent that the management and actual household economic viability was conducted by women. Therefore it was important to frame answers or tease out answers from the perspective of the household manager; the majority of whom were women.

5.6.1 Closed and open questions

Survey questionnaires for both the longitudinal and HBEA studies were comprised of a combination of closed and open questions. Closed questions had the provision of set categories which were used to generate certain overall profiles. With open question the difficulty of analysis and providing a coherent, and singular finding required considerable revisions of questionnaires. The most important issue with open questions was the accounting of an answer or series of answers when provided and their accuracy in doing so. On the spot accounts could often be categorised into certain types and repeated answers established crucial overall findings. However, the danger arose in forming immediate assumptions and recording them as such. It was important to respect the autonomy of each household and evaluate each answer of its own accord.

5.7 Conclusions

The techniques involved, pros and cons, and contextual issues considered for this research involved a wide-ranged application of methodologies. The difficulty in synthesising this information and streamlining the approaches involved considerable time, team, dual and individual reviews. One of the primary difficulties is what is advocated as the strengths of the Q-squared approach; that of successively combining and carefully considering where appropriate inferences and comparatives can be made in the scientific affirmation of dualistic approaches. Within the time constraints, careful planning proved essential for such a prospective procedure to be conducted. In the following results chapters considerable cross checking of results and comparatives were considered in the conclusions made regarding the research questions.

In line with the theoretical and conceptual framework, researcher reflexivity was central in the negotiation and accomplishment of the methodologies employed. The different knowledge and strategic frames developed by the different stakeholders required continuous juxtaposing to that of households and their central economic stabilising processes, central to the conceptual framework. This line of enquiry, it is anticipated, provides a fundamentally more logical route focused on and accounting for the intended beneficiaries of the project.

Irrespective of the institution in which questionnaires or interviews were conducted, awareness to formal and informal power structures, particularly at the household level, brought reservations regarding the validity of respondent selection. Particularly the role of women cannot be underestimated. In the human sciences, the role of women is often posed and critiqued as historically unequal in which women occupy subservient realms exerting subordinate or at best disproportionate power forms over the household or an institution (Henshall Momsen, 2006). While this may be true, it was important to be aware of the subversive and undercurrent power exercised by women in sourcing and stabilising household economic prospects. Viewing power as exerted in an indirect manner and through covert means would require considerably more time to research at a qualitative level. However, for the purposes of this research and consistent with the flexible strategies at the household level, developing a line of enquiry with a respondent necessitated the querying of ‘who else is involved’ or ‘what are the other power factors involved?’

In synthesising these approaches and considerations, the selected results are directly associated with theoretically informed enquiry and in adherence with the conceptual model. Despite the pitfalls, initial reservations and admonitions outlined; all resources considered, the research results provide an objective and significant rendition of LSE’s economic status.

6 Preliminary results

6.1 Introduction

The combination of the methodologies outlined yielded a great deal of results and insight into LSE. One of the benefits of being a researcher at a student level was the ability to see perspectives without having already formed a frame that would have indirectly derived results favouring a particular standpoint. Every effort has been made to ensure that these results are revealed in terms of their economic dimension.

As well as the economic dimension, the interplay with the social realm is also important to delve into. The combination of these findings illuminates the greater importance of the interrelationship between LED and social conditions for low income households.

In selecting what results are most relevant, the danger of then framing results became apparent in the analysis of statistics. The survey provided an overall picture of the economic status of households, however not all aspects can be covered. A comparative table between the results of 2004 and 2009 is provided revealing some general trends. These trends and overall results provide a backdrop to LSE and its current situation and most importantly residential composition. This chapter therefore is a situational analysis of the current stage of LSE's evolution in an expanded urban spatial and temporal context.

The chapter begins with an outline of the general demographics of LSE and a provision of overall comparative results in table 6.1**.** The remainder of the chapter delves into a discussion of the results in an effort to shed critical light on what these results mean for residents and stakeholders involved in LSE. These results are initially quantitative but references will be made to relevant results to interviews and meetings had with residents and stakeholders and planning and project initiatives.

6.2 Longitudinal survey

The baseline survey reveals a great deal about LSE, but the challenge to the 2009 research was the accurate comparison between these and the 2004 results. One of the primary differences is that the 2004 survey covered Las Poetas and at which time reparto Mariana Sanson was only beginning. The inclusion of two distinctive repartos (Lino Arguello and Arnecom) revealed a

new aspect to what was traditionally LSE in its original form. In the comparative table these are included under column 2009 (b).

The shortfall from the intended sample of households surveyed (see Appendix I (a)) was also an issue which generated doubts as to the validity of the statistics generated. However, the outcomes outlined reveal overall stability in the comparatives. No major differences have been encountered. Despite this the percentage of uninhabited houses (13.1%) and non-respondents (23.1%) is a significant result in its own right. We may be able to deduce a whole range of issues from the sample realisation alone. For example, the demands on families to work outside LSE, even at weekends may result to the neglected state of houses. Additionally plots may also have been bought for speculation purposes. The reasons could be many and would require further research, but how the economic situation impacts on lots becoming this way is an aspect of my co-researcher's findings.

6.2.1 Comparative data to 2004 analysis

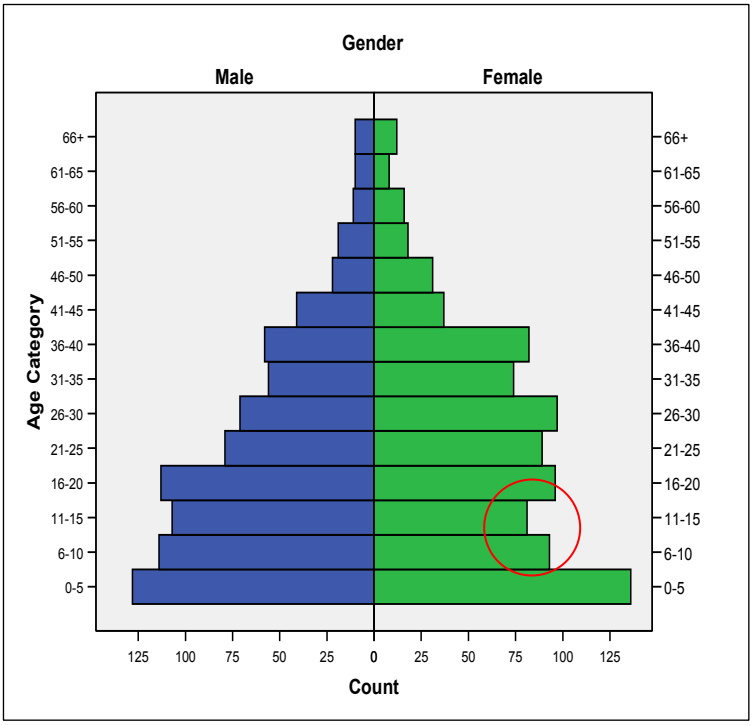
Table 6.1 outlines the primary socio-economic comparisons between Las Poetas and the cumulative outcomes for all five repartos in 2009. As can be seen, no abrupt changes in statistics have occurred but there are some changes that merit discussion.

Table 6.1: Comparative data in % of Las Poetas and including Repartos Lino Arguello and Arnecom (2009 B).

		2004	2009	2009 (B)	Comments
Female as head of household		51.2	56.1	53.6	2009 (b): 19.2 are single mothers.
Civil status*:	Married	36.9	32.2	37.9	* % of head of household.
	Partnered	38.7	40.2	38.9	The majority of whom are cohabiting.
	Single	17.9	18.8	16	
Place of work:	LSE / Zona Franca	27.7	25.1	30.3	
	León City	62.8	63.8	59.2	
	Outside León	9.6	11	10.5	
Employment:	Formal	45.2	66.4	67.6	
	Informal	54.8	33.6	32.4	
Type of income:	Fixed	41.5	52.4	55.1	
	Variable	57.1	46.4	43.7	
Education level:	Primary	8.3	9.5	8.6	
	Basic cycle	5.2	25.1	25.2	Completed around the age of 15.
	Secondary	4.3	9.1	10.1	Completed 'bachillerato'.
	Third Level	4.3	8.9	11.4	Including postgraduate.
Average monthly income		C$1328	C$2852.60	C$2864.61	Per working person in Cordobas.
Unemployment		5.9	6.3	5.8	
Remittances		6.6	10.7	10.4	
Salaried economic activity		57	53.3	53.6	
Persons saving money		10	21.9	21.8	
Community centre visited		76.8	35	28.4	
Reparto development:	Self-initiative	21.3	10.1	11.5	
	Municipality	10.3	27.9	24.9	
	Community Assoc.	14.5	24.8	21.6	
First resident in lot and house		91	85.6	84.3	
Contact with neighbours	A lot	48.9	32.8	35.6	
	Little	45	55.5	54.8	
	None	6.1	11.8	9.6	
Transport	Bicycle	49.1	65.4	66.5	2009 values merged as one.
	Car	3.7			
Number of HBEAs		61	147	217	Not % values.

6.2.1.1 Population

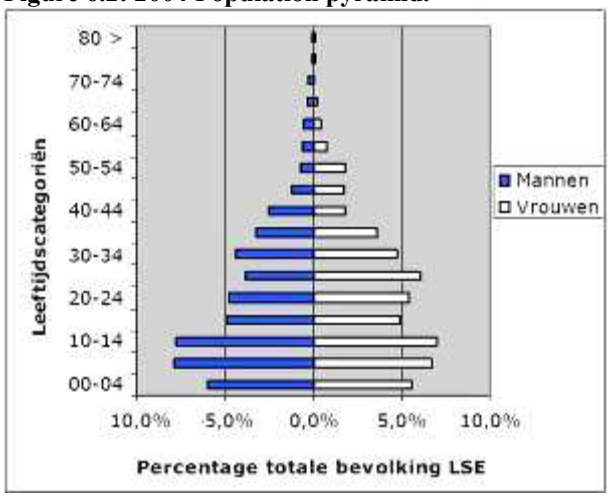
Figure 6.1: 2009 population pyramid.



Source: SPSS outputs: Baseline survey.

The current population composition of LSE is typical of the national projections of developing countries. 50.8% of the population are under 20 years old and 47.9% are under 20 years. The pyramid reveals a characteristic youth bulge of developing countries, indicating a high birth rate but with a short life expectancy. What is worthy of note (encircled) is the decline in the number of young females from the ages of 6 to 15. The number of females from 0-5 is higher than that of males yet they experience a more pronounced decrease from the ages of 6-15. Perhaps some of the reasons could be a high mortality rate or the relocation of females to other areas. The lack of an even decline up to the ages of 66 and above is possibly indicative of the migration of residents into and out from LSE. For example the age groups 16-20 and 36-40 both see an increase in frequency size from the previous age category. This could indicate the fluctuation of persons into LSE at these ages to commence families. It also correlates with the reason for moving to LSE being a process of becoming independent with their own families; 'independizarse.' The 2009 pyramid roughly corresponds with the expanding profile of the 2004 population pyramid.

Figure 6.2: 2004 Population pyramid.



Source: Anne te Molder (2005)

However the number of base (0-5) age group is less than that of the 2009 population. This could indicate the greater establishment of families in LSE who have their children in LSE. In 2004 the in-migration of families probably also saw an increase in the 5-14 age category as they accompanied their families. The decline in the 15-24 age categories in 2004 could also indicate the young age of families that had moved into LSE, now a more stabilised family development could be

taking place, with a more gradual age profile occurring from birth onwards.

6.2.1.2 Family composition

The number of females as head of households increased from 51.2% in 2004 to that of 56.1% in 2009 (53.6% including Lino Arguello and Arnecom). 40% of persons were identified as sons and daughters of heads of households and 6.7% as grandchildren of the heads of households. The percentage of heads of households married in 2009 was 37.9% with a further 38.9% identifying as being partnered in all LSE. Of those partnered it appeared that the majority were in an established cohabiting arrangement. This is an important issue from a socio-economic standpoint. It was noted that in many households the married or unmarried male partner would often be away working outside of León department. Cohabitation in LSE could therefore best be interpreted as the contribution made to household income. 98.2% of persons that were identified as the spouse of a head of household contributed to household income. When conducting questionnaires it was noted how family composition was rarely fixed. Very often family members that were not part of the nuclear family were residing in the house on a temporary basis. Seasonal workers would also avail of their relatives' homes and some would establish a makeshift workshop for wood and metal work. The economic profile of a family greatly affected its composition and in hindsight more time to conduct thorough qualitative analyses of LSE households could reveal a more substantive set of reasons for this trend.

At a focus group interview with LSE community leaders and in conversation with the local police coordinator, the issues of youth delinquency and domestic violence were brought up. The youth bulge indicates a large demand for youth activities. The working demands (hours and location) placed on parents means that for a large amount of the day children return from school to neighbourhoods

Plate 6A: Basketball court, LSE.

In April 2009 the construction of a basketball court just south of reparto Arnecom saw a huge accumulation of players and spectators at weekends and evenings. At the weekends, street vendors also began to sell their goods amongst the spectators. The LSE project office has put efforts into providing recreational zones. From observations these have clearly been successful in providing suitable spaces for sport and community activities and an outlet for young people.

with less adult aged supervisors. The number of empty lots they claimed allowed for antisocial activities and CPC committees have established community vigilance teams, however the community leaders said that time was needed to adjust to this initiative.

The Alcaldía has implemented and successfully constructed playgrounds and basketball courts. These have proved an important outlet for young people and a focus for community interaction.

The problem of domestic violence according to the leaders also went, by and large, unreported. Working partners who are unemployed or periodically unemployed due to seasonal labour seems to exacerbate the situation with personal frustrations.

6.2.1.3 Socioeconomic comparisons

Employment sectors

One of the most striking comparisons of the 2009 results is the increase in persons identifying as being engaged in formalised employment. Jumping to 66.4% from the 2004 level of 45.2%, reveals a trend that could lead to greater security of employment forms in the future. This is an interesting result particularly when we keep this in mind when analysing informal economic activities. We may be seeing the acquisition of formal sector employment in a household in conjunction with the utilisation of an informal income generating activity. In any event, it requires careful assessment in light of the frequency of low income households and the diversification of household activities which may change at different times of the year.

When asked to describe their employment (open question) respondents provided details about the material worked with and/or sold or the level they are at in an organisation. In the cases of informal employment, the majority classified themselves as sellers working within markets in León or at the street level. Domestic servants were also a frequently mentioned category. The reality for many of these workers is that they live within the household of their bosses during the working week and only return to LSE at the weekends. If children are present, very often a grandparent or other family members living close by would look after their children. All forms of informal employment are dependent on the security of children being maintained. During the administration of questionnaires it was very often noted how children present in a house would be from a few neighbouring houses as all adults in their homes were working. This neighbour or family-based arrangement was a very important one in freeing up a person capable of engaging in employment and introduces a very pertinent aspect to the economic profiles of low income families who would not be able to afford child care and a keystone to LSE's development. A

large proportion of women defined their work as a housewife, however on further scrutiny, an activity, such as tortilla production for sale, would often occur.

The vast majority of employment forms were low skilled and few explicit training courses were mentioned as being engaged with or relevant to a respondent's jobs. There also seemed little evidence of a pooling of resources or LSE level training programmes. In the community centre for AHP, individual computer training programmes existed.

Education

This brings us appropriately to education which also has some significant variations from 2004. The completed education for completion of the basic cycle (15 years) dramatically increased from roughly 5% to 25% in 2009. The frequency of those who completed secondary and third level education at least doubled in their 2009 figures. These are important trends in LSE and will likely influence its future development. A common felt assertion in LSE and León as a whole was that despite a person having high level education, the availability of employment to meet these skills was low. Therefore the large number of people who identified as drivers (more often taxi drivers) had a high level of education. These figures do not reveal the number of persons who identified as having no formal education (8.9% for all LSE in 2009).

Work locations

Very relevant to the geography of LSE were the locations of its working population. Overall no stark changes occurred from 2004-2009. The large (30.3%) share of people working in and proximate to LSE (Zona Franca – Arnecom) in the sample including repartos Lino Arguello and Arnecom (2009 (b)); is reflective of the number of workers residing in reparto Arnecom and working in the Arnecom plant. The rate of absorption and assimilation of LSE as a peri-urban area into León would appear to be largely dependent on employment being located close by. In the case of Arnecom's operations, an innovative as opposed to traditional employment centre offers an important merging point of LSE into León as a whole (Iaquinta and Drescher, 2000).

The continued majority of people working in León city is reflective of the importance of LSE's geography. It is very much a part of León municipality and as well as economic; social and family linkages are also maintained. The market ties with León city are important pull factors that have greatly affected workshops in LSE. Virtually all wood, metal and other craft-based workshops (male operated) stressed the disconnection from a previously well-established client base or the effort needed to maintain such links in León city.

Access to work places is especially important and an increase in vehicular transport was recorded. A very important resource for LSE is that of public transport. A bus runs from the area of Sutiava in Western León right down through LSE via Lino Arguello and back again. This service operates from 06:30 to about 18:45 at a cost of C$3 (€0.12) per journey. It conveniently stops beside the city's main market and bus station 'El Terminal' and León city centre. The service is very frequent with an average 15 to 20 minute cycle of buses passing. One of the primary complaints of LSE residents is the fact that there is no bus at night. Many people working late hours or into the night claim they cannot afford a taxi and that cycling home at this time poses many dangers.

The category 'outside León' includes persons working in Chinandega, Managua and persons working abroad (Costa Rica and US). Remittances are discussed in detail further on.

In their focus group, community leaders remarked how the economic pull forces of León city centre make LSE distinctive from León city. They would like to see LSE as an integral part of the urbanisation process and further the economic profile of LSE. The daily commuting of residents to the city centre, they claim, renders LSE lifeless for most of the working week.

Income types

Another significant change affecting household assets is the increase of persons with a fixed income. The increase was from 41.5% to 52.4% in 2004 and 2009 respectively.

Salaried activities decreased slightly from 57% to 53.3%. This could perhaps reflect the demands placed upon work places to secure an hourly rate of wages instead of fixed salaries.

The average monthly salary per working person in LSE is C$2864.61 (€114.50). In 2004 the average monthly salary of C$1328 equated to €66.40 (based on 2004 exchange rate). These averages must be viewed in terms of prices and inflation rates. What was often mentioned by LSE residents and HBEA owners was the nature of fluctuating prices for basic goods such as eggs and plantains. The seasonal availability places demands on a household's income. Speculation was often made in relation to the control of food prices on the part of large land owners.

Remittances

With an approximate increase by 4%, remittances in 2009 reflected growing importance as regards household income. The majority of people abroad and sending remittances are males. In some select households, very often the male would return on account of bad health or an accident in the construction sector, for example. While remittances offered an important and vital income generation strategy, there was a realistic recognition and awareness as to the vulnerabilities that such a strategy can bring. For example, a female headed household with a male partner working abroad was aware of the possibility that money might not come or income generation on the part of her partner might be postponed pending the sourcing of new work. Out of the households receiving remittances in 2009, 28% claimed themselves as saving money.

In some cases returnees had been met. Informal interviews with males who worked in the construction industry in Panama and Costa Rica outlined the general insecurity they faced with contracts and the current decline in construction. They were also aware that while they might return home with savings, their appreciation of the fact that these savings were finite and work needed to be sourced was made very explicit.

Income management

Another dramatic increase is that of residents' capacity to save. From 10% in 2004, the climb to 21.8% reflects a marked and very important change in household income management. From the perspective of a lending institution or MFI this prospectively reflects a client base with a greater capacity to return loans. The average saved per month was C$1132.

The capacity to save is also an important departure for LSE as a whole. If this finding is relevant for LSE in the years to come, the security base for LSE households could be increased and their capacity to enter formal lending or entrepreneurial arrangements could be further enhanced. During observations it was noted that certain households had constructed house extensions, for example a donated house with a self-constructed walled and roofed front that would act as a workshop or pulpería. These were normally done by households headed by middle aged or older persons with savings. Savings therefore reflect a significant component in the consolidation of households. In other scenarios, savings represented a guarantee of income when seasonal employment ceased or jobs became lost. In these cases, savings would normally be utilised within a year and reflect a household management system continuously buffering against external market demands. These reasons are of course speculative, but what can be ascertained is

that the increase of persons saving money reflects an emerging trend and possible opportunity for self-sustaining economic management or local economic investment into LSE.

6.2.1.4 Reparto differences: Arnecom and Lino Arguello (See appendix)

The new repartos of Arnecom and Lino Arguello both reveal characteristics different to those of Las Poetas. Reparto Arnecom was constructed to house Arnecom workers and Lino Arguello is a Fundapadele initiative comprised of donations to target the 'poorest of the poor[3].' These two repartos are composed of distinctive features but each participates in LSE in terms of the local economy and the CPC model of community organisation.

Reparto Arnecom

A striking difference of reparto Arnecom to other repartos is the 62.9% of persons identified as married and 22.6% partnered. From general observations, families in this reparto were by and large composed of a stereotypical nuclear family set up and on occasion with parents of heads of households also present. This greater frequency of persons in a fixed marriage arrangement may result from the overall stability in economic circumstances. 81.3% of income is fixed; 26.2% higher than the overall LSE average. The level of fixed income also correlates with the higher completion rate of education. 25.8% completed secondary school and 35.5% having completed third level education. These results are again, significantly higher than those of LSE averages.

A lesser proportion of females (35.5%) acting as heads of households was also recorded. As expected, the larger number of people working in the Arnecom plant has lead to 44.4% of people working in LSE and Zona Franca with 35.6% indentifying as working in León city.

These results generally orientate towards a higher income earning and more stabilised household set up. The average income of reparto Arnecom was C$3850 per month. This is likely to be reflective of the higher number of Arnecom workers living in this reparto with supervisory functions in Arnecom. The residents living in reparto Arnecom commute a shorter distance but tend to occupy more senior positions. The proactive nature and determination of their CPC organisation stood in dramatic contrast to those of other repartos. Arranging a series of community food schemes, a nursery and private security patrols organised at a fully participatory community level, are primary examples of a well functioning community model.

[3] As outlined from an interview with Dona Gilma of Fundapadele who described the referrals identified by Saint Vincent de Paul organisation.

Lino Arguello

An interesting comparison to reparto Arnecom is that of its Southern neighbour; Lino Arguello. In general the results revealed that Lino Arguello was in marked contrast to that of Arnecom and also revealing frequencies below average for the whole of LSE.

With 35.1% of residents identifying as being married and 48.6% as partnered, this stands in virtual opposition to the family composition profile of reparto Arnecom. Reparto Lino Arguello had a particular target for identified vulnerable single mothers and this relates to the finding that 60.8% of heads of households were women.

The level of fixed income is also less than the average at 45.8% and the average monthly income at C$2220. The vast majority of Lino Arguello's working population are working in León city (60.9%) with 30.1% identifying as working within LSE. The larger proportions of people working in León city were comprised of street vendors and domestic servants often being absent from the reparto during the week days.

These statistics would lend to the conclusion that this reparto is the most vulnerable. This vulnerability correlated with the frequency of uninhabited houses derived from formal observations which stood at 9.7% (38 out of 390 donated houses). From observations, questionnaires and informal interviews the lack of a fixed economic base and activities informed a more erratic profile in the general conceptualisation of Lino Arguello households.

Both repartos exhibit trends and characteristics above (Arnecom) and below (Lino Arguello) that of the three repartos contained within Las Poetas. The generalised situational contrasts from stability to vulnerability are now established components to LSE in 2009. The future for either Reparto however, does not have any particular guarantees. Reparto Arnecom is heavily dependent on the Arnecom plant continuing its operations in LSE or León. The extent to which partnership arrangements jeopardise or allow for flexibility in Lino Arguello households is also an interesting feature meriting future scrutiny. What the comparison explicitly reveals is that a link to an established routinised form of economic activity (Arnecom plant) stabilises a neighbourhood's profile and institutes services for the residents. Arnecom is however different in that housing was made available to Arnecom personnel that had gained good working standards and relationships with the plant.

6.2.1.5 Gender differences

An important part in this research addresses the gender differences in LSE socio-economic situation. Table 6.2 outlines some important proportionate percentage value comparisons of the categories outlined.

Table 6.2: Percentage ratio economic gender comparisons of Las Poetas and all repartos (2009(b))

		2004		2009		2009(b)	
		M	F	M	F	M	F
Occupation:	Work	56.1	43.9	54.8	45.2	55.1	44.9
	Unemployed	73.1	**26.9**	56.7	**43.3**	58.5	41.5
	Study	52.2	47.8	53.9	46.1	54.2	45.8
Place of work:	LSE, Z. Franca	35.5	64.5	31.5	68.5	33	67
	León City	59.9	40.1	59.4	40.6	62.5	37.5
	Outside León	73.7	26.3	79	21	74.7	25.3
Employment:	Formal	63.1	**36.9**	51.6	**48.4**	59.4	40.6
	Informal	47.3	52.7	60.7	39.3	53	47
Type of income:	Fixed	48.9	51.1	49.5	50.5	51.4	48.6
	Variable	57.9	42.1	61.1	38.9	60.2	39.8
Education level:	Primary	52	48	48	52	48	52
	Secondary	41.8	58.2	39.6	60.4	41.8	58.2
	Third level	46	54	43	57	48.4	51.6

Source: SPSS outputs: Baseline Survey.

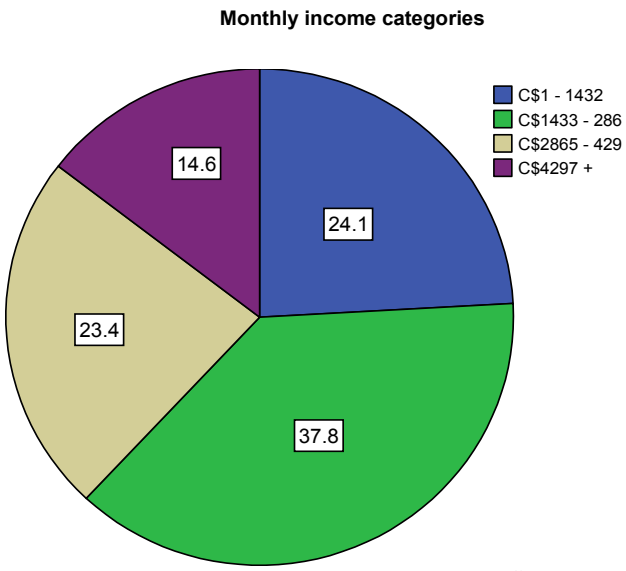
The tests conducted and presented in the above table reveal general correspondence to the male – female proportions of 2004. The overall completion rate of the different education levels is better on the part of females. The work location of approximately a ratio of two thirds of women within the LSE parameters reflects the traditional domestic sphere occupied by females. This two thirds ratio would also be comprised of HBEAs located within the home sphere.

In contrast, the values in bold reveal increased values for females in 2009. Of those unemployed, the ratio of women increased from 26.9% in 2004 to 43.3% in 2009 in Las Poetas. With the 2009 unemployment for Las Poetas standing at 6.3%, the increase of women identifying as unemployed could be due to a reduction in perceived status of their home-based duties. Another change for Las Poetas is the increase in the ratio of women engaged in formal sector employment. The change reflects a prospective trend which may see an almost 50:50 even split in the future. This would be an important socio-economic dimension to LSE and in line with the greater completion rate of higher education levels. The LSE project could foster female economic empowerment if their status remains central to future policy and planning.

6.2.1.6 Income categories

Using the average income (C$2864) as a threshold, income levels were place into four categories and frequencies were generated from the baseline survey (all persons generating an income) to ascertain the characteristics of each category and try to determine what conditions make an LSE resident generate income higher than the average. This provides an interesting set of data that helps to understand better the impediments and capabilities that enhance the capacity of an LSE resident to generate more income.

Figure 6.3: Four income categories.



Source: 2009 Baseline Survey.

As can be seen in Figure 6.3 the largest (37.8%) income category is income from C$1433 to the average income; C$2864. The lowest income level (C$1-1432) and the third category that surpasses the threshold (C$2865-4296) are almost in equal measure. The highest level category is also the smallest and has a larger range (C$4297 +).

Table 6.3 presents selected variable in their income categories and reveals stereotypical but certain trends particular to LSE that are worthy of note for future policy making.

If we examine gender ratios we can see that higher income generation is undertaken by a majority of males and lower income generation by that of females. This is an important initial finding as we go through the other variable values.

Lino Arguello (single mothers) shows an average reduction in income earned whereas reparto Arnecom shows an increase through the four categories. It would also appear that being single is an impediment to earning an income higher than the average (threshold). This highlights the particular vulnerability of single mothers in LSE and their capacity to sustain their households.

Understandably, a higher (third) level of education leads to greater income generation indicating the importance of skills and education for households in LSE. Greater formal employment, fixed and salaried income also correlates with higher income levels. However in each of these variables there is a slight decline from the third highest to highest income category. This may

indicate the importance and greater establishment of income generating practices that are independent and self-sustained.

In terms of LSE's geography, the further the distance a resident is from LSE / Zona Franca to earn an income, the higher the income to be earned. This is an important indicator and identification of the need to invest and source means of locating further employment bases in or directly connected to LSE. The ambitions of a fully habited and sustainable urban expansion plan needs to return to the original PEDU and PEDM as integral to the overall aspirations of LSE.

The comparatively low level of females in the higher income categories is an issue that also requires attention, particularly when education, income and work types are also included in the analysis. While the previous findings would indicate an overall gender equality, the capacity of females to earn equal income levels to their male counterparts needs to be at the forefront for LSE planers, particularly when there has been an increase (53.6%) in females identifying as heads of households.

Table 6.3: 2009 income categories and their characteristics in % values.

	Income category (Avg.: C$2864)			
	C$1 - 1432	**C$1433 - 2864**	**C$2865 - 4296**	**C$4297 +**
Gender: M : F	42 : 58	50 : 50	60 : 40	73 : 27
Reparto: ASH	23	28.4	26.7	28.6
AHP	25.2	22.5	26.7	23.8
MS	9.4	18.8	5.2	15.5
LA	33.1	17.9	20	13.1
Arnecom	9.4	12.4	21.5	19
Married/partnered	63.5	74.6	85.9	85.7
Single	27	21.2	10.4	11.9
Education: Primary	15	11.5	7.4	9.5
Basic cycle	22.3	32.6	25.9	22.6
Secondary	8.6	15.6	19.3	16.7
Third Level[4]	5	10.1	31.9	40.5
Work: Formal : Informal	40 : 60	69 : 31	84 : 16	76 : 24
Income: Fixed : Variable	32 : 68	58 : 42	73 : 27	60 : 40
Salaried income	34.5	57.1	68.1	52.4
Place of work: LSE[5]	41	31.8	25.9	16.7
León	51.1	60.4	62.2	66.7
O/León	7.9	7.8	10.9	16.6

Source: SPSS 2009 Baseline Survey Outputs.

[4] Including postgraduate studies.
[5] Including Zona Franca.

6.2.1.7 Community

The different aspects to community development in LSE are important to take account of, particularly in light of the increased number of females identified as being heads of households and the youth bulge which demands childcare arrangements. Community is also a primary base for social ties, trust and arrangements to form a primary base for households to engage in economic activities and begin networking (Wilson, 1995). As a result the decline in the percentage of persons identifying as having a lot of contact with their parents and increase in those distinguishing themselves as having little contact with their neighbours is a cause for concern.

This could prospectively give weight to the argument that a greater degree of individualism exists in LSE. As we will also see later, a primary finding of the HBEA results was that prospective MFI clients had a greater preference to lend as individuals. The relationship between community and economic development is an important one for low income households. Greater contact with neighbours can also offer readily available arrangements for child care and sharing of resources in times of material household stress.

The decline in community contact could result from certain failures in the CPC model or the young age of LSE families. The increase in the volume of uninhabited houses and the non-response rate in the survey are also indicative of households which are geographically distorted and as a result lacking in the time to build contact with neighbours. The demands placed on households' available economic trajectories are also reflective of additional strains on community development and the build up of social capital.

6.2.1.8 The role of Arnecom

Arnecom's operations in León and the location of its plant adjacent to LSE is an important component to the economic development of LSE. With 12% of LSE's employed residents working with Arnecom at the time of the survey, its operations remain a vital source of income. Arnecom's operations in Zona Franca also help to merge LSE with the city centre. Many León city residents also commute to the plant and in many ways the plant acts as a median point bridging the urbanisation process.

In light of the financial crisis and the troubled car manufacturing sector in North America, speculation had arisen at the time of the survey regarding the future of Arnecom in León. Reassurances were posted at its plant (see photo) but this does not alleviate the large number of

operatives that had been made redundant in the latter months of the research period. Arnecom has brought greater security to many workers; however it became apparent during the course of the surveys and in passing conversation, that contracts at the plant have always been variable. Previous workers would describe how they would be temporarily laid off at the plant for weeks on account of low output demands. As mentioned, residents at reparto Arnecom had normally gained a supervisory role on the factory floor. Despite this, the number of residents from this reparto being laid off had increased in the month of May, 2009.

Plate 6B: Arnecom notice

A notice in Arnecom's plant in Zona Franca reassuring staff that despite the global financial crisis, its Nicaraguan operations will not cease.

6.3 Conclusion

In comparing the overall results of the survey, generalised stability and certain economic improvements are in evidence. However, the decline in certain outlined findings is important to consider in the framework of LSE. How these will interact with the effects of the financial crisis, which was only beginning to be felt toward the end of our research period in León, will prove very relevant in the future profile of LSE households.

Returning to the shortfall in the survey sample as a finding in its own right in combination with the results outlined poses many questions. What are the people who were not present in their houses at weekend or weekdays doing? Are they saving money elsewhere to eventually return to LSE? Did they revert to their previous living arrangements to build up better economic security awaiting a return to LSE? These are just some ideas to what is an open and highly speculative question. But what the statistics reveal is that the general similarity between 2004 and 2009 results came from households that have ascertained some form of economic stability and developed an established knowledge frame to ensure livelihoods in LSE. If we use a socio-economic lens on the number of lot and house owners not present in LSE, we can assume that stability has not been attained and their particular knowledge to accommodate stresses in their livelihood trajectories have not been fully established.

7 Economic opportunities

7.1 Introduction

The results of the previous chapter revealed primary evolutionary trends of LSE as a whole. In maintaining focus on individual households in LSE the results outlined in this chapter hopefully shed more light on LSE from the perspective of households.

The challenges faced by households are in no way fixed or can be categorised. The conceptual model and theoretical framework underpinning this research project emphasise the autonomous decisions made within particular acquired knowledge frames. The previous chapter focused on conditions and this chapter attempts to delve into the rationales made by LSE residents in negotiating their economic trajectories.

Maintenance of different actor perspectives also offers an opportunity to see if stakeholders have been formulating policies and offering services which meet the needs of LSE residents. The different agendas being brought into the LSE project will also be revealed and show the pull and push factors that residents have to negotiate.

This chapter is intended to narrow focus on the household. From the external institutions planning and implementing policies which affect LSE to the dynamics of households and how these policies are assimilated by residents. For this reason, HBEAs shed light on the management strategies of LSE households and their capacity or lack thereof to enter into formal economic arrangements. A greater degree of qualitative data and a discussion about this data in combination with case studies potentially extracts fundamental aspects to LSE which could better inform future policies.

7.2 León Local economic development plans

The PEDU and PEDM both outline strategic plans within specified time frames for the realisation of economic spaces and strategies. At the municipal level the PEDM sets out a detailed plan that actively includes the social dimensions and sustainable dimensions to its economic development plans. The sixteen programmes and the extensive list of projects are detailed in periods of execution beginning in 2004, from 2005 to 2008 and from 2009 to 2012. Many of these projects are prospectively located in or near LSE. The PEDU outlines five key initiatives in LSE, namely:

1) The construction of a new bus terminal in LSE.
2) The construction of a farmers market (*Mercado Campesino*) selling local farmers produce.
3) The allocation of space for the construction of productive homes at the microenterprise level.
4) Industrial district processing leather.
5) A Parque de Ferias to showcase local microenterprises.

The PEDM has unfortunately seen very little progress in its execution. In an interview with a key contributor to the plan; Carolina Polandon outlined how the plan was primarily a participatory means of identifying projects but the formulation of these projects has not been completed. A very important point made was the role of local government and NGOs. The C2C link with Utrecht allowed a strengthening of the capacity of the Alcaldía to see through the projects; however the reach of National Government over municipal affairs limited the competency of the Alcaldía. The role of NGOs therefore was important. Part of the PEDM was to identify relevant NGOs and their specialisation which could contribute to a project.

Another issue raised by Ms. Polandon was the fact that the PEDM was written by external consultants and may not be agreeable to the Alcaldía as a result. According to her, three issues continue to affect this and other such plans; the lack of finances, the lack of institutionalisation and the role of ownership. The institutionalisation of a project would give rise to its maintenance and attachment on the part of stakeholders. On the role of C2C links, Ms. Polandon further outlined that ownership should be on the part of the Alcaldía, NGO or entrepreneur. The danger remained that a C2C link could create over-dependency on the part of the Alcaldía.

In relation to the five projects of the PEDU, the *Mercado Campesino* has been the only project realised. Despite this the Mercado does not employ many from LSE, nor does it sell goods at prices equivalent to the means of LSE's low income families. The status of the Parque de Ferias remains tentative but speculation has arisen which indicates that an area for the Parque may be secured. The realisation of the bus terminal was planned to be situated in Reparto Utrecht. However this is also dependent on the construction of a new bypass along the eastern parameter of LSE, which seems unlikely. The productive homes plan however offers some potential in light of the realisation of Reparto Utrecht. Suitable space will be provided, but it is then up to entrepreneurs to relocate to Reparto Utrecht and establish their microenterprise there.

7.3 Institutional capacity

National institutions

The primary initiatives which filter down to LED in León are those of Usura Cero and INPYME. A review of Usura Cero's operations in LSE will be dealt with later. INPYME was established under Law 645 (*Ley de Promoción, Fomento y Desarrollo de la Micro, Pequeña y Mediana Empresa*) in September 2008. Its office in León is located in the South incorporated within the Ministry of Finance. INPYME León has the role of helping microenterprises in León. Credit arrangements are handled directly with the main office in Managua.

In an interview conducted with Rosa Dalia Martinez; coordinator of INPYME's operations in León, the limitations faced impede its operations. As INPYME is quite young, one of the primary issues it faces is its resources available to carry out projects in León. Ms. Martinez outlined how no projects exist in León and equipment in the office is lacking. In general, INPYME operations in León are limited by the lack of resources and finance being currently allocated. The body is still in its infancy stage and in time hopefully funding from Managua will see a more invigorated body to help microenterprises.

Many residents in LSE had heard of the body but many were also confused as to its relationship with Usura Cero. Often, residents who borrowed credit in groups from Usura Cero undertook capacity building and extra classes with INPYME and often referred to the combination of the two simply as a CPC initiative.

Local institutions

Within the confines of the Alcaldía, *Vivero Empresas* has been housed since 2005. This service offers training in craft and technical skills and capacity building classes for microenterprises. The service had a credit scheme, but with a two thirds default on loans; the scheme had to be stopped. The coordinator; Luz Esther Garcia, made an interesting statement which was reflected by persons working in or having experienced government loans schemes:

'Para ser la Alcaldía y dar crédito es absurdo.'

'To be the Alcaldía and to give credit is absurd.'

The statement reflects the high level of client defaulting when availing of state sanctioned loans. Perhaps this would reflect a dependency mentality on the part of borrowers.

One staff member in the office had very direct contact and experience with a variety of micro enterprises in León. Doña Gladys Martinez advocated for an improvement of manufacturing techniques and the formalisation of microenterprises. In relation to HBEAs, she saw the importance of separating the home from the enterprise. This correlated to HBEAs in LSE. Only type 3 pulperías were often located in an adjacent but distinct area from the home. Doña Gladys also mentioned the difficulties the Alcaldía operation faces with a lack of funding. Certain training programmes had to be cancelled as a result.

As outlined in chapter one, the gradual evolution of decentralisation in Nicaragua is gradually seeing more control of funding on the part of local government. However, the current demand is not being met and projects assisting entrepreneurs being run by the Alcaldía remain stagnant.

NGOs

One of the primary NGOs that had worked in LED initiatives in LSE, as well as the donations of homes, is Fundapadele. The shortage of viable work opportunities to assist the formulation of sustainable income led to the organisation lending money to LSE residents. However as with government loans; the organisation experienced defaulting on the majority of loans. The NGO also organised capacity building and skills (e.g. sewing, primary crafts) classes for residents but sufficient interest in these did not take place. The credit scheme was described as a '*farce*.'

Doña Gilma describes the organisation's experiences of LED initiatives in LSE in a negative way. As well as heard on frequent informal conversations, the donations / gift mentality has led to the many LSE residents being '*malas clientes'* (bad clients). The trust invested on their part into LSE residents was undermined and the conclusion that LSE residents were accustomed to no strings attached gifts led to a dependency mentality on the part of residents.

Fundapadele also collaborated with Food for the Poor to build a local crafts workshop which is now used by residents with physical disabilities. Further LED initiatives in LSE on the part of NGOs or governmental bodies seemed non-existent.

In general, remarks amongst apolitical stakeholders centred on previous government policies being accused of creating such a dependency and clientelist culture. NGOs face a challenge in counteracting this culture and in terms of collaborating with governmental, other NGO and local/community level bodies. The challenge therefore remains at policy-based and practical levels. Knowledge regarding certain governmental initiatives must meet the needs of low income

groups, however how these policies empower or simply temporarily address a problem depends on the degree to which beneficiaries can assimilate these into their knowledge frames.

Usura Cero v. León 2000 v. Banco ProCrédit

The provision of credit is an important tool that has been utilised by all different types of enterprises. In this section a brief description of three different lending models operating in LSE will be described in terms of the agenda they set forth. All three stand in contrast to each other and are an invaluable means of shedding light on the availabilities of credit forms in LSE.

Usura Cero has been well established in LSE through CPC committees. The governmental initiative provides low interest (around 4%) loans to groups of between five and ten people. The 'poorest', it was claimed, don't have to pay back the loan. As of May 2009 there were 5779 clients in León municipality. Capacity building classes are provided in different stages often managed through CPC. CPC committees also highlight the importance of repaying a loan. Some of the requirements in obtaining a loan are the cancellation of other loans and the investment of the loan into a microenterprise. The responsibility to monitor this is charged with CPC as well.

In an interview with Irasema Miranda (Coordinator of Usura Cero, León) it was explained that the term Usurer encompassed that of stereotypical informal usurers charging 20-30% interest and MFIs. The high level interest on loans deemed these organisations to be classified in the same category. In this regard, the organisation stood in contrast to the efforts of MFIs and had the legitimised backing of the State filtered down to CPC committees.

León 2000 is a long established MFI in León. They too have clients in LSE and have prided themselves as being a León established and local knowledge focused organisation. It provides credit to groups of borrowers at varied interest rates, depending on the size of the loan. In the context of microenterprises a needs analysis is conducted to understand the risks the enterprise faces and if additional support is needed in the form of advice, capacity building, skills training and / or accounting. In an interview with Raquel Maria Pastora (Strategic coordinator of social projects and enterprise development), the organisation stands in marked contrast to Usura Cero and what she claims León 2000 is free from; a political agenda and lack of transparency.

In administering questionnaires, it became apparent that Banco ProCredit had quite a few clients in LSE. The main identified reason for their popularity is the fact that they lend to individuals, and, as we will see later; there are distinct reservations on the part of LSE residents to borrow in

groups. The bank does not provide capacity building or technical / skills based classes to its clients.

Agendas

Irrespective of the nature of the agenda that each of the outlined institutions brings into LSE, one outcome of these different perspectives is that agendas appear to be competing in what they offer to prospective borrowers. Agendas are aligned with the current government and other agendas claim to operate without political affiliation and with transparency. The influence of national politics inevitably trickles down to LSE households. But one of the catalysts for this change is the functioning of CPC in LSE. On one occasion the CPC leader for reparto Arnecom explained how he was going to go around to each house and ask if they had membership to the FSLN party. When asked about the reason for this, he replied *'only to know.'* In light of these differences future policy makers and interventions in LSE must try to gain a better understanding of the context of LSE.

7.4 HBEAs

The HBEA survey was comprised of a sample size 82 representing over one third of the 217 observed. In the baseline survey; 33% of all households identified as having an activity in house to earn money. The descriptions of these activities would have classified the great majority in the pulpería type 1 category. Furthermore, these were largely unseen from a street level, i.e. no visible sign at the front of the house. The following sections provide an account and related statistics of LSE's HBEAs within the conceptual and theoretical framework.

7.4.1 Types and distribution

Table 7.1: Comparative quantity of observed HBEAs per reparto.

	Azarias H. Pallais	**Marian Sanson**	**Arnecom**	**Lino Arguello**	**Antenor Sandino H.**
Number of HBEAs **2009**	52	44	34	36	51
Number of HBEAs **2004**	46	2	N/A	N/A	13

Source: 2009 formal observations.

In table 7.1 we can see that the number of HBEAs has increased in each reparto correlating with the greater frequency of built plots in LSE.

Two maps of Las Poetas are attached which provide an outline of two different aspects to HBEAs in LSE. Due to technical problems with GIS, only the three repartos contained within Las Poetas were able to be revealed.

Plate 7A: Home-based workshop, LSE.

A makeshift carpenter's workshop and canopy beside a house in AHP. The owners of this house were often away from the house engaged in seasonal employment and had security concerns about a more permanent construction as a result.

The first map shows the location of the different types of pulperías, metallurgies, workshops and other HBEAs. Having reviewed the maps produced from the research of Veld (2005) and having visited those houses which did not appear to have a HBEA operating on the premises in 2009, an additional category reveals HBEAs which existed in 2004 but no longer exist in 2009. The reasons are outlined in the next section.

The second map shows the degree to which neighbourhood consolidation (built upon lots) may affect the extent to which pulperías develop. The greater the number of built upon lots, the greater the potential frequency of customers and therefore the prospective capacity of a household to expand its pulpería to meet customer demand. In some locations this can be seen, particularly with the low grade pulpería types located in reparto Mariana Sanson. In reparto Antenor Sandino, we can see a greater accumulation of Pulpería type 3 in the south. This is also adjacent to the fully built upon reparto; Lino Arguello.

7.4.1.1 Comparisons to 2004

Some general findings comparing 2004 to 2009 reveal overall similarity in HBEA conditions. For example in 2004, 30% of HBEAs were younger than 6 months and that figure stood at 31.7% in 2009. The majority of HBEAs are pulperías and their status varies with time and household income needs. As a house-based enterprise alongside domestic actors and activities, 70% of HBEAs were owned by a woman in 2004 and 66% in 2009. Despite the findings of Verrest (2007), formalisation through registration was not popular with owners in either 2004 (12% registered) or 2009 (13.4% registered). The similarity in these trends could be indicative of the lack of built upon lots sustaining customer frequency in LSE and the function of a HBEA as an extra, but not primary, means of earning income.

Case Study 7A.

This example of a HBEA is that of the most common variety (66%) in LSE; a female headed activity on a low level scale. Jesley sells cooked beans and firewood. Her adult daughter previously worked as a factory operative at the Arnecom plant. She has been conducting this activity for three years and despite the presence of her adult children and grandchildren in her home, she does this activity alone. Jesley's house was self built and is comprised of a single room with cloth separating two living areas. The cooking and preparation area is located at the back of the house with galvanised metal sheeting acting as a barrier to the elements. Jesley has felt that in the last two years it is harder to compete with the large number of, by now, very well established pulperías in her barrio. She would therefore like to compete with them by selling extra goods. But with a weekly income of 200 Cordobas (€8), which has to be used for reinvestments to purchase firewood and beans, this seems unlikely. It was observed that a large amount of smoke enters the dwelling and carbon stains were on the walls. One of the problematic areas of a HBEA is the potential damages to health. Smoke and carbon inhalation and even noise pollution from machinery can often create an environment not conducive to 'homemaking.'

One of the summary points of the 2004 research read as follows; "*Most activities are marginal and the way the enterprises are being run is not professional*" (op het Veld; 2005: 87). Veld's research in 2004 revealed that the majority of HBEAs were low skilled, small scale and not registered as in 2009. We need to critically evaluate this statement and decipher whether or not the same conclusion could be reached in 2009. The process of formalising a HBEA involves the payment of taxes, which for a household with limited income, may undermine a vital source of income generation. Existing outside formal / professional norms would indicate that an informal status is a requirement or preference on the part of HBEA owners in light of their particular limitations. From this, it could be implied that at the micro level of low income households, income generation is best conducted under the following circumstances:

- Self-managed microenterprises free from external demands and monetary levies.
- Informality plays a key part in the negotiation of household stresses and challenges.
- The ability to exercise autonomy over household management involving the making of necessary changes is easier to do at a household level.

One of the final field exercises completed in the HBEA survey was a visit to the HBEAs which appear to no longer exist in 2009. These are shown in the first map. The majority of these are in reparto AHP. The main reason for these HBEAs no longer continuing was due to the change of house occupiers or the house was uninhabited. The second most common reason was a downsizing in the capacity of the HBEA. This included a reduction in the number of products sold or the HBEA only functioning at weekends or at night time. These findings reflect one of the benefits and integral attributes of a HBEA. The capacity of a household to cease its functioning and the ability of households to reduce its operations in line with changing household conditions; reflects the informal nature of these activities.

7.4.2 General characteristics

In trying to ascertain the reason for a household to start a HBEA, a series of different questions were asked in relation to income and other sources of income. 61% of HBEAs in 2009 had another source of income from 'other work.' This correlates with the motivation behind HBEAs. The majority reason was simply to have another form of income (26.8%), followed by the need to 'survive' (20.7%) and thirdly, to pay for food and pay bills (13.4%). All in all these would indicate that a HBEA primarily acts as a buffer for a household's income profile and as a means of diversifying income sources.

Plate 7B: Pulpería type 3, LSE.

This type 3 pulpería in ASH was the largest observed and interviewed. It had a large product range and separated operations from the home. The family's average profit from the HBEA was C$600 per month. Another income also came from the household father who worked as a taxi driver.

The formal observations conducted found that out of a total 175 pulperias, 79 (45%) were of type 1, (i.e. sold four or less products and did not have a separate space within the home) and 64 (36%) were of type 2 (sold more than four products and also did not have a separate space in the home for the pulpería). The prevalence of smaller scale activities together with the motivations behind these activities being that of a build up of primary household assets would justify the informal characteristics and ease at which such an activity can be set up in or from the home from the perspective of low income families in LSE.

Table 7.2: Pulpería types and income of those making a profit.

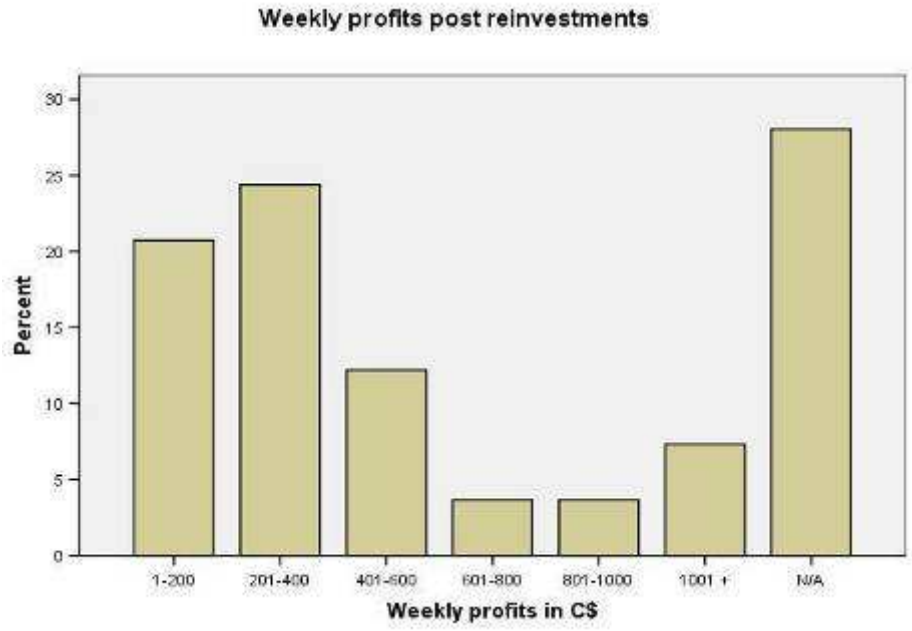
	Average weekly income
Pulpería 1	C$263
Pulpería 2	C$324
Pulpería 3	C$764

Source: HBEA Survey SPSS outputs.

In table 7.2 we can see that the average weekly income (post reinvestments) of pulperías increases with the size and degree of separation of the pulpería from reproductive home activities. The degree to which a pulpería becomes formalised (i.e. distinguished from and spatially separate from the home) varies considerably. The capacity of LSE low income families to do so also varies and is dependent on the presence of home dwellers and additional investments.

Leading on from this, questions regarding income from the HBEA were met with one very interesting response. The majority (28%) responded with an answer of zero or that there are no profits made as all the earnings have to be reinvested into buying goods for the pulpería. This is reflected in figure 7.1 at the bar N/A. When asked further about the reason for having a HBEA, many respondents pointed out to the fact that when reinvesting into the HBEA, food and other household goods which the family would use as well were bought. Many of the products bought for a HBEA would also be used in a household's consumption.

Figure 7.1: Weekly profits earned through HBEAs.



Source: SPSS Outputs 2009: HBEA survey.

This is a very important finding reflecting again the ad-hoc nature of informal transactions and management styles of LSE's HBEAs. As well as earning another income, it functioned as a

means of nutritional and general domestic sustenance. The rationale of setting up a pulpería from one's home is therefore a win-win option for low income families. This possible rationale for HBEA commencement is more often an important stepping stone into households' realisation of economic freedoms and capabilities. As in line with the central focus of the conceptual model; however small the scale or low the income generated, a HBEA can further a household's economic trajectory. If the loss of another or other income forms is experienced or if the HBEA experiences a low demand (79% of HBEAs surveyed experienced a seasonal decline in the wet season), then a household has to undergo a reassessment or reconfiguration of its trajectory, as illustrated in the centre of the conceptual model.

7.4.3 Current status of HBEAs in LSE

HBEAs in LSE are generally easily established. 65.9% of respondents had stated that within one month they were able to arrange the necessary space and have frequently visiting clients to their HBEA. The majority of HBEA owners purchased their goods in the main 'El Terminal' city market or very often from whole sale distributors that would pass through repartos quite often. The acquisition of goods and appropriation of space makes the HBEA a relatively straightforward process to generate income.

Social function

A very important function of HBEAs is the informal contractual engagements that HBEA owners can enter into with their established and trusted clients i.e. their fellow community members. 63.4% of respondents had given credit to their customers. However at one time or another, 38.5% of these lenders had problems with their clients repaying. This is an important informal arrangement which can only be done with knowledge gained from daily interactions at the community level. This implicitly also indicates a form of trust and generation of social capital which are best formed at the scale of neighbour to neighbour interactions.

Plate 7C: Separated pulpería.

This type 3 pulpería in MS is an example where the owners have separated the HBEA from the home. In most cases this is done with cloth or wood panelling to separate the domestic from income generating space. This action in HBEA development is often the only means of formalisation. The window and door grid irons are exemplary of the average efforts made by owners to prevent theft.

HBEAs in LSE also stay open longer. Residents working in León city, would mostly return well after 6pm, making it easier for residents to obtain food. The peak of client frequency was observed to be from 5:30pm onwards. At this time the children and other family relatives of pulpería owners were available to help with the higher client frequency. It is also at this time that neighbours would meet and interact with each other. In many type 3 pulperías an effort was made to put a roof or some form of a canopy outside the front of the HBEA and would frequently be a site for informal conversations to be had. In their research in Bolivia; Coen et al (2008) found that these informal interactions carried a great deal of importance in furthering informal social control and social capital within neighbourhoods.

Case study 7B

Rebecca (owner and operator of the ice shavings cart) is a mother and lives in LSE with a single mother and both their children (pictured). Her husband is away working in Costa Rica. She has been working as an ice shavings (raspados) vendor for 12 years. Starting the enterprise in the barrio in which she grew up in León, she later moved to LSE where she obtained a donated house and has continued selling raspados in LSE. Aside from her husband's income, which is increasingly infrequent, the raspados are the only source of income between the two mothers. Questions regarding income, expenditure and reinvestment were simply followed by; '*It depends, it's variable'*. The most difficult time of year is the wet season (June-October) when there is less demand and '*poverty comes in winter*.'

This type of HBEA begins in the home but customer transactions happen in the street. Observing Rebecca from a distance it was noticed that from street to street her mobile enterprise became a focal point for exchanges and conversation between neighbours, irrespective of raspados being purchased or not. In contrast to pulperías, this mobile enterprise allows for a separation of economic activity from, yet proximate to the home and knowledge of her children's welfare can still be maintained. Rebecca did say that her dream would be to have a pulpería in her home, but with such a low capacity to start such an endeavour from very limited income, the opportunity seems unlikely. On the other hand the separation of her work allows the home to remain more in the reproductive sphere. With limited space in her house, it allows for family space to remain that way.

7.4.4 HBEA development in LSE

The role that borrowing plays in LSE is of relevance to HBEA management. 57.3% of respondents had borrowed money. Of these 36.6% had borrowed from an MFI, 23.4% from a bank and 12.8% from family and friends. Only 6.4% of these borrowers identified as ever having a problem with repayments. In 2004, 40% of HBEAs accessed credit from MFIs, these formed an important part of Veld's (2005) research.

Despite this, the overall perception of MFIs was a negative one. The majority of respondents outlined their dislike of the requirements to obtain a loan and the high level of interest. In the interview with Doña Martinez, reference was made in relation to the need "*to keep eyes closed*" in relation to interest accrual from an MFI loan. Many cited their experiences with defaulters in group credit arrangements which then placed an extra burden on the other members. The MFIs operating in León ordinarily provide group loans and the majority of these are composed of an all female group. While all those interviewed outlined that flexibility is employed for 'riskier' enterprises the majority sought regular repayments. Their induction and capacity building programmes emphasised the importance of sustaining repayments and fostering good credit group relations. In the context of LSE households, the two different frames seem to exist within different knowledge parameters. In line with the criticisms employed by Adams and von Pischke (1992), and Vakulabharanam and Motiram (2007), it would appear that the needs, knowledge and asset limitations on the part of borrowers is not being sufficiently incorporated into the operational framework of MFIs and that assumptions regarding group credit schemes contrast those of their clients' realities.

Plate 7D: Type 2 HBEA.

This type 2 pulpería in MS is an example of where the reproductive and productive spheres coexist in the one home area – the kitchen. In this particular home, the food produce; oil, beans and rice are used for family consumption.

Informality

Low registration, family based, and the lack of community / cooperative group lending initiatives mean that HBEAs tend to remain an exclusively household income generating activity. Circumventing the reach of formal authorities and avoiding the risks that group lending brings means that to have another form of income acts more like a form of a defence mechanism for

households with low overheads. When conducting HBEA interviews, reservations and probing questions on the part of HBEA owners almost always followed the question about registration.

The experience and knowledge of households' exposure to seasonal variations and their capacity to deal with additional shocks and stresses has evolved to become particular to the case of LSE. What may seem as a lack of guidance and formalisation on the part of NGOs, local or national government, most probably reflects a knowledge gap between the actual barriers and limitations faced by LSE residents and the assumptions formed by external agents. This has been highlighted in the different approaches that lending institutions have in their LSE operations.

Case study: 7C

The family pictured were living in reparto Lino Arguello for one year when this photo was taken. They had acquired the property through a relative. The primary source of income comes from the father who works as an operative in Arnecom. The family had recently started selling ice and bolsitas (sweetened ice in small sachets) in what is a Pulpería type 1 activity. This is managed by the mother of the family who is based in the home during the day.

Their decision to start this activity came about with financial assistance from other family members to buy a fridge. Having this equipment allows the commencement of a HBEA but dually for family and HBEA use. The majority of their customers are children after school and mothers looking for ice. When asked what other products they would like to sell, the family wanted to establish a client base with the low cost goods that they currently sell from the fridge (bolsitas cost C$2 each and water is filled in plastic bags and put to freeze). It became clear that a decision to purchase and sell more products would be done when more income sources are more stabilised. While there was a sense of pride in having this activity, the family saw it as a means of simply having another income for the time being. With the (admittedly irregular) income from this small activity the head of the household explained how they were able to pay for daily expenses, such as food and school materials for their children.

Case study 7D

Alongside one of the principal entry points into LSE is a bicycle repair stand owned and operated by Donald, a married and cohabiting male, who lives close by in an older part of LSE with his wife. His wife sells vegetables at a market in León. At night time he stores the tools, chains and tyres in his home. Working Monday to Saturday, Donald takes home an average weekly income (post reinvestments) of 200 Cordobas (€8). As with the majority of HBEAs in LSE, the activity really was a supplementary means of sustaining a household income in relation to his wife's income.

The cost of bicycle parts are kept low thanks to his connections with one of the markets in LSE where bicycle parts are sold and he finds it easy to obtain credit. Donald felt that microfinance is really only available to women and despite his strong desire to expand and have more workers, he felt it unlikely to happen. Pre and post observations of Donald's enterprise not only revealed the prime location he has obtained in attracting customers, but also the annoyance it poses for female cyclists with routine wolf whistling being vented by him and his part-time colleague. In more recent times Donald has been approached by community leaders asking him to remove his business from the location as it is not a formalised plot and is technically part of the 'area verde' or green area.

For the few male owned and managed HBEAs or microenterprises in LSE, it was easier for men to separate them from the home. With child care and domestic duties traditionally maintained as female responsibilities, it was easier for male headed economic activities to be distinct from that of the home sphere, even if located close to the home.

7.5 Conclusion

This chapter outlined economic conditions and strategies of LSE households. Beginning with the interventions currently existing to a greater elucidation of household economic trajectories through HBEAs, the combination of general characteristics and comparisons to previous research helped to inform a deeper contextual understanding of LSE's current economic conditions.

The economic activities, based in LSE or in León remain low skilled. The majority work types were sellers at markets / in the street, domestic servants, taxi drivers and construction workers. Exposure to seasonality requires not only awareness but also viable strategies to ensure needs are met. These needs are particular to the household context at hand and in normative terms may be immediate, in terms of ensuring nutrition and basic access to public services. In any event, these

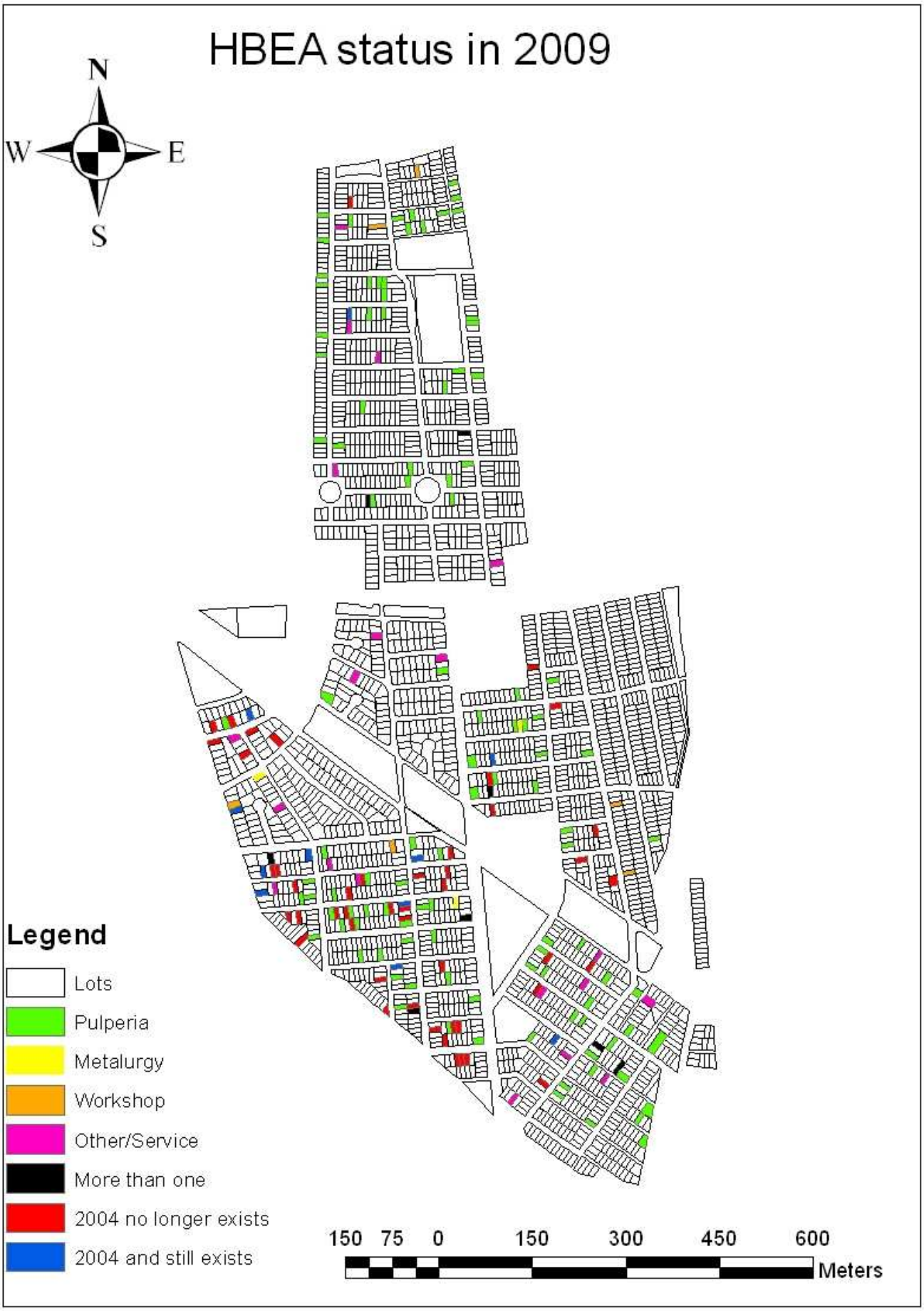
needs are defined in the knowledge frame learned by the actors involved. Households therefore employ a diversity of activities and this is why HBEAs were chosen to illuminate further the economic profiles of LSE households.

One of the principal conclusions from these findings is that from the perspective of LSE households a great degree of flexibility is employed on their part to sustain income. Despite the efforts of lending institutions and microenterprise development organisations, limitations remain and local knowledge frames in contrast to those of external organisations inform the economic choices made. The number of HBEAs alone suggests the importance of accessing more readily available means to quickly establish a viable income source.

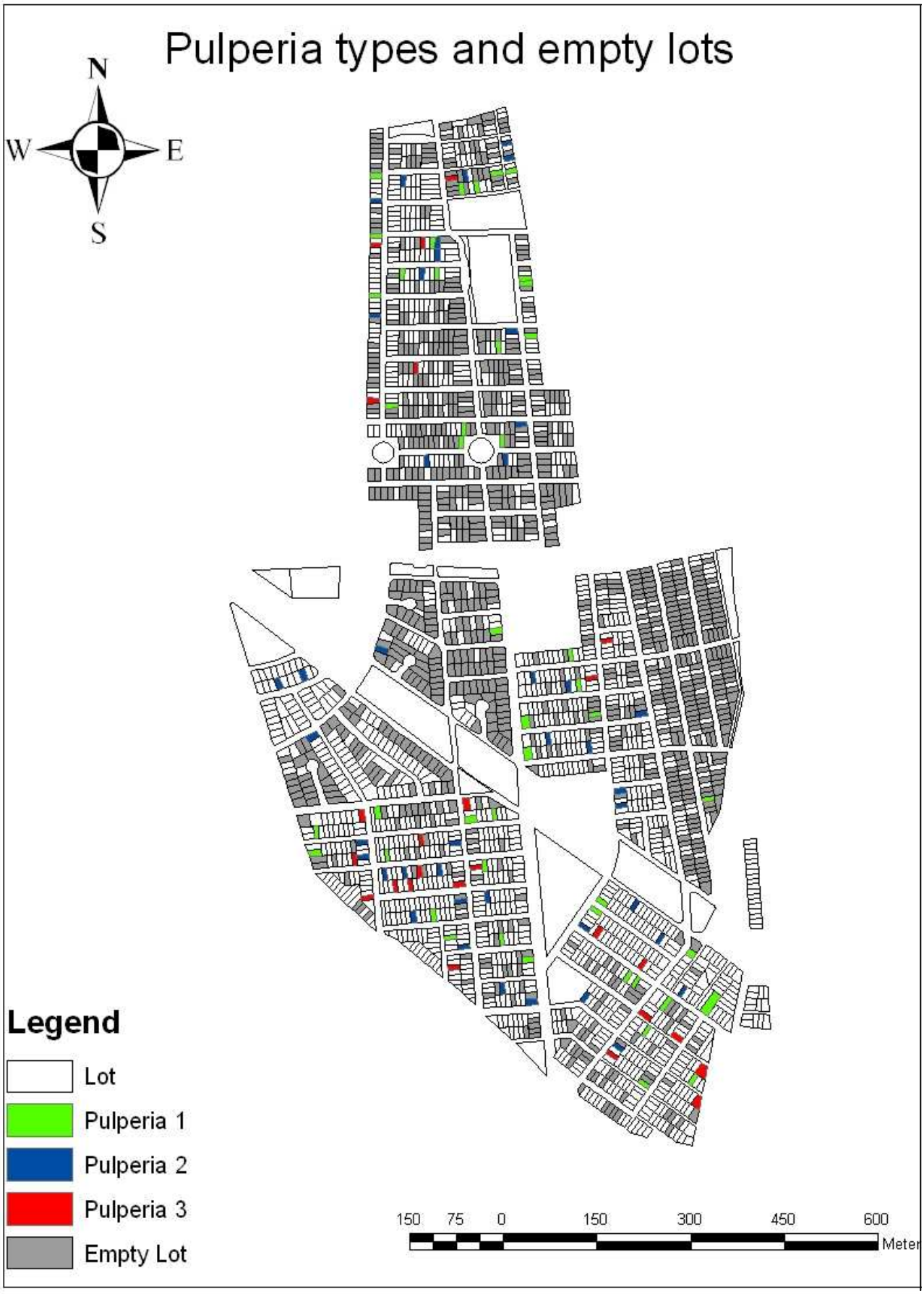
One of the many aspirations of NGOs and stakeholders involved was the hope that a routinisation of income generation would occur. However, as has been outlined, this aspiration rarely arises and has done so in only a select number of cases in LSE. This is also the primary component in the conceptual model of this thesis. The infrequent, informal generation of income coupled with strategies that have to be reflexive and flexible to cope with household stresses, means that a stabilisation of income generation is rarely succeeded in. The results obtained in the household survey give weight to these sentiments and reflect the autonomous exercise of specific knowledge frames applicable to the context of low income families. The criticisms and negative experiences of Fundapedele were summarised in the statement that being accustom to donations means that residents remain '*accustomed to being poor*' (Interview with Dona Gilma).

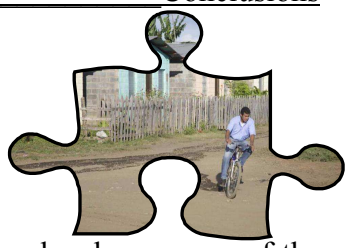
An interesting aspect to resolving the problems and building capacity in LSE was mentioned repeatedly in the focus group interview. Through CPC organisation and initiative building, a great deal of LSE based LED projects could come into fruition. However, it was felt that more time is needed for community leaders to adjust to the CPC model (which was introduced when the FSLN party came to government in 2005) and to effectively access the Alcaldía. Furthermore, their sentiment of not being listened to by the Alcaldía could be a further reflection of the infancy stage of CPC's capacity in LED strategies. In an interview with the architect and LSE project office manager, Enrique Lopez outlined how as local government the departments within the Alcaldía themselves are limited in their capacity to institute projects to enhance skills and develop economic projects. The conclusions outlined in the next chapter not only revise over findings but hopefully point to some solutions in using the knowledge frames of all the different actors.

Map 1: HBEA Status in 2009



Map 2: Possible relationship between Pulpería gradient and empty lots.





8 Conclusions

8.1 Introduction

Throughout the different stages of this research a concern with the micro level processes of the home was always at centre of critical enquiry. Revealing the context of the LSE home in light of external actors such as NGO, local government and lending institutions is hopefully better revealed from this research. The capacity of LSE households to assimilate all the influences, policies and actions is inevitably going to evolve. This evolution may lead to regression as opposed to intended progression, an aspect at the centre of the conceptual model informing this research and may be a factor to families moving away from existing homes in LSE.

Reading LSE's economic development in purely economic terms would have been a great injustice to the complexity of factors, predominantly social, that impact on a low income household's ability to negotiate opportunities and constraints particular to their profile. As integral to Birdsall's (1993) arguments; enhancing capabilities is central for economic development to inform human development. The sustainability of LSE is dependent on a reading of economic development in terms of its social and human dimensions.

This concluding section addresses the research questions and synthesises and furthers the conceptual, theoretical and results frames utilised in this research.

8.2 Research questions and their answers.

What income generating activities exist for the residents of León South East?

The activities for current LSE resident on the whole remain low-skilled and contracts remain variable for the most part. Working as domestic servants, construction workers, market and street vendors and the variable contracts in Arnecom means that the primary means of income generation reflect a maximum use of all available resources to LSE residents. The term activities is also more appropriate than 'jobs' as it reflects the informal and formal income and employment types that merge to make a household's economic profile.

The question is also better addressed in assessing what aspects make up the concept of a threshold faced by LSE residents. The lack of available employment must be read in terms of the temporary and ad-hoc contracts engaged in and the social networks formed which impact on a

progression past the threshold or a reverting to old strategies to maintain stability. Surpassing the threshold involves individual effort and conscious decision making on the part of LSE residents to negotiate opportunities in light of particular constraints faced.

The fusion of formal and informal activities

The potential for reciprocal exchanges between formal institutions and informal activities is dependent on the stabilisation between the two realms (Amin, 2002). The level at which formal institutions in LSE enhance the exchange of ideas and capital would indicate that an *agglomeration, consolidation and reciprocity* (Amin, 2002) of the formal established practices and institutions and informal, primarily socially derived knowledge frames, is lacking in the local economic development planning for LSE. The susceptibility of LSE residents to short term contracts and seasonal employment ensures that the importance of informal activities remain central to household economic sustainability and yet at the same time vulnerable to ad-hoc loss of employment.

Has sufficient planning and realisation of small and microenterprise spaces occurred?

Despite the plans for the Parque de Ferias, Reparto Utrecht and the projects outlined in the PEDU (excluding the Mercado Campesino), these initiatives remain tentative. Reparto Utrecht lots had, by May 2009, been selling very quickly. However whether microenterprises will commence operations in the lots provided remains to be seen. One obstacle is that of distance from the city centre. The reparto is at the furthermost east point of the city's urban expansion and linkages to external markets are crucial to its development. In this way the location of Arnecom and other prospective industrial operations nearby could be an important stepping stone for access to markets and encompassing urbanisation of León as a whole. This process would be central to the ideas of Iaquinta and Drescher (2000) overseeing the assimilation of peri-urban areas through assimilation and succession.

Is the current informal economy sufficient in sustaining household income?

In light of the diversification of household management strategies and different income sources, informal economic activities not only sustain but are an essential mechanism for low income households negotiating the particular economic constraints and opportunities in LSE. The means through which LSE households combine and take from informal economic activities reflects the particular flexible form of knowledge that has developed and been used to enhance the capabilities of low income families to secure a livelihood trajectory. The results reveal the continuing importance of the informal sector, and as argued instead of being a negative,

informality should be read in terms of its vital relevance in low income households sustaining a livelihood. The informal sector also reflects the immediacy to which households in LSE exercise independent agency over the assets and opportunities available to them.

What constraints and opportunities do new and existing workers face?

The increase in formal employment forms is a change that must be viewed in terms of the variable income levels in LSE. As well as this, aspects such as distance, variable contracts and seasonal work coupled with low skills invariably impact on the constraints faced by LSE residents. In the case of HBEAs, the lack of willingness to work with other enterprises or borrow money in groups is also a considerable constraint in fostering positive working relationships between microenterprises. The decline in the level of neighbour-to-neighbour contact also reflects a challenge to social capital and trust, which are an important backbone to routine informal economic activities.

An opportunity that is presented by its peri-urban location is the space available for micro or larger scale industrial activities. This is dependent on national and local government initiatives to bolster discussions and realisation of such ambitions. Potential investments need to be sourced and LSE promoted as an area for such investments if it is to be a viable and integral part of the city.

The differences between the policies of the lending institutions operating in León, also pose obstacles to workers and prospective entrepreneurs. The ease of getting credit on one hand, may affirm a clientelist situation, in contrast, hard to attain loans may not allow microenterprises with potential to grow. The current limitations of microenterprise development institutions also pose a constraint on LSE. On paper, INPYME has huge potential, but unless it is properly funded and put into motion collaborating with lending institutions, necessary state-based support for entrepreneurs may remain a paper-based initiative.

Do women have equal access to education and employment opportunities?

The overall comparisons of females and males indicate that on the whole, women do have equal opportunities. In saying this, an aspect to Nicaraguan society which was not addressed; machismo, inevitably preys upon the roles and freedoms of women in LSE.

In the employment arena women have greater prevalence in the domestic sphere. Whether as domestic servants in León city, housewives or HBEA managers these work spheres reflect

continued importance in sustaining household income. What may be seen as spatially restrictive or economically void is more likely to be at the centre of a family's economic endeavours. LSE as a means of purely providing lots does of itself offer productive as well as reproductive space for residents.

The combined percentage of female to male completion of secondary school or third level education is 54% to 46% respectively. The higher achievements of women in education are similar to general international standards and can only be seen as a potential promise for LSE's residents. Of course, the issue of what a person does or is capable of doing with their education is of most relevance. Future research should address this issue.

Do market linkages exist with León city centre, surrounding rural settlements, other parts of Nicaragua or abroad?

The predominant market base for LSE is that of León city centre. The operations of reparto Arnecom present a different linkage, one exclusive to its export ties with Mexico and the US / Japan. The assimilation of LSE into León as a whole and the overall rate of urbanisation in the sector (Iaquinta and Drescher, 2000) is reflective partly of the growth of these links to other markets and the utilisation of these links to inform household and local economic development. While the PEDU and PEDM plans propose to diffuse markets and install capacity in LSE, the political will to see this happen remains a vital and most pertinent issue.

8.3 The role of HBEAs in LSE

HBEAs in LSE maintain an important source of informal income. This income generation reflects the capability of residents to make the home a productive as well as reproductive asset. As well as this, the research of Verrest (2007) and Coen, Ross and Turner (2008), affirmed the social dimensions to HBEAs that underpin the informal nature of HBEAs. Establishing linkages with community members and sustaining social bonds is central to sustaining income generation through a HBEA but dually strengthens external linkages generating community building and social capital. The HBEA becomes a flexible place for the exchange of knowledge, trust and mutual understanding regarding shared experiences (Coen, Ross and Turner; 2008: 332) and for informal credit arrangements (Verrest, 2007). The home in LSE is therefore a dynamic site and primary starting point for household members to not only socialise but also gain exposure to viable and easily attainable means of income generation.

8.3.1 Diversification in household management

The decision to use a home for economic purposes is one that may be born out of necessity or as a measured risk reduction strategy that is independently derived out of an owner's knowledge framework. As well as HBEA-based, 61% of households derived another income source in LSE. The negotiation of formal and informal activities is a strategy indicative of an independent and autonomous means of household income management in which control is established on the part of a home owner. These substitute trajectories exist in tandem with those of normative trajectories as a means of reducing household susceptibility to shocks and stresses (Rakodi, 2002). Despite being unprofessional and lacking formalisation, these activities are particular to the flexible knowledge frameworks developed by low income households in LSE.

8.4 The capacity of supporting institutions

Having outlined the policies and different agendas that external institutions bring into or offer LSE, it is important to conclude that their capacity to assist residents should not be one of simple resource allocation but appropriate policies and resources relevant to the knowledge frames and targeted to the capabilities of LSE to utilise these resources. As argued by Adams and Von Pischke (1992) and Rogaly (1996); greater flexibility on the part of lending institutions to comprehend and substantively meet the needs of LSE residents is needed. The primary issue for the lending institutions operating in LSE is how loans are used in line with multiple income forms and informal activities. As opposed to rigid, assumptive policies and fixed means of measuring impact, focus should be on enhancing the capabilities of households to negotiate their current formal and informal income generating profile. For example, in a male and female (mother and father) headed household, the income generated from seasonal or infrequent contractual employment on the part of the male may be substituted by that of the informal activities of the female. However, in a period of unemployment on the part of the male and if the female were to succumb to illness, income is dramatically reduced and so too the capacity to pay loans. If an organisation is to enhance capabilities, the primary capabilities need to be understood.

8.5 Household thresholds and negotiating processes

With the household at the focus of this research, NGOs, local and national government, and the spheres of local, national and international influence, have also been addressed. At the heart of local processes in LSE, the household needs to be viewed in terms of its *convivial social networks* and informal arrangements impacting on the capabilities of households to negotiate challenges and formal network structures (Wilson, 1995). HBEAs offer a primary example of the

immediate use of available resources differentiated on productive – reproductive, gender and age specific terms. These interact with relationships based on trust, casual encounters and client patronage amongst the social networks. The construction of a knowledge base premised on social interactions is central to the existing and future capabilities of LSE households to surpass thresholds.

8.6 Strengths, weaknesses, opportunities and threats.

Instead of elaborating on the extensive array of SWOT issues to LSE, the most pertinent aspect of each will be outlined and suggestions towards probable opportunities / solutions are hinted at.

The primary strength of the project is the number of actors and stakeholders involved. Despite the reduction in NGO involvement and the phased out withdrawal of C2C assistance from Utrecht, the local and national actors involved have experienced and acquired a significant amount of knowledge of LSE to continue addressing problems which may arise in the future. At a community level the huge role that CPC could play in enhancing and collectively lobbying for the needs of LSE has yet to be realised.

Despite the amount and diversity of actors involved one of the principal weaknesses is the different agendas that these actors have. Unless a coming together of all parties involved occurs, LSE residents, national, local government, lending and NGO based institutions could continue to remain on different hymn sheets. This not only stagnates LSE but the lack of cohesiveness or even competition between these groups could reduce established competencies and capabilities of LSE households.

The principal opportunity therefore, is a coming together of like minded and involved persons to solidify and agree upon the direction of LSE. The planned phasing out of assistance form Utrecht Municipality should not be seen as a reduction in capacity, but an opportunity for the project to become locally appropriated has never been more vested with potential.

The main threat would echo that of its weakness but in addition the threat of not listening to or acknowledging the voice and particular knowledge frames of LSE residents would render the potential opportunities null and void. A truly representative CPC committee per reparto could do more to enrich LSE than external ‘expert’ knowledge. It is hoped that the central focus from the drawing up of the conceptual model to the generation of results attuned awareness to the current status of LSE residents.

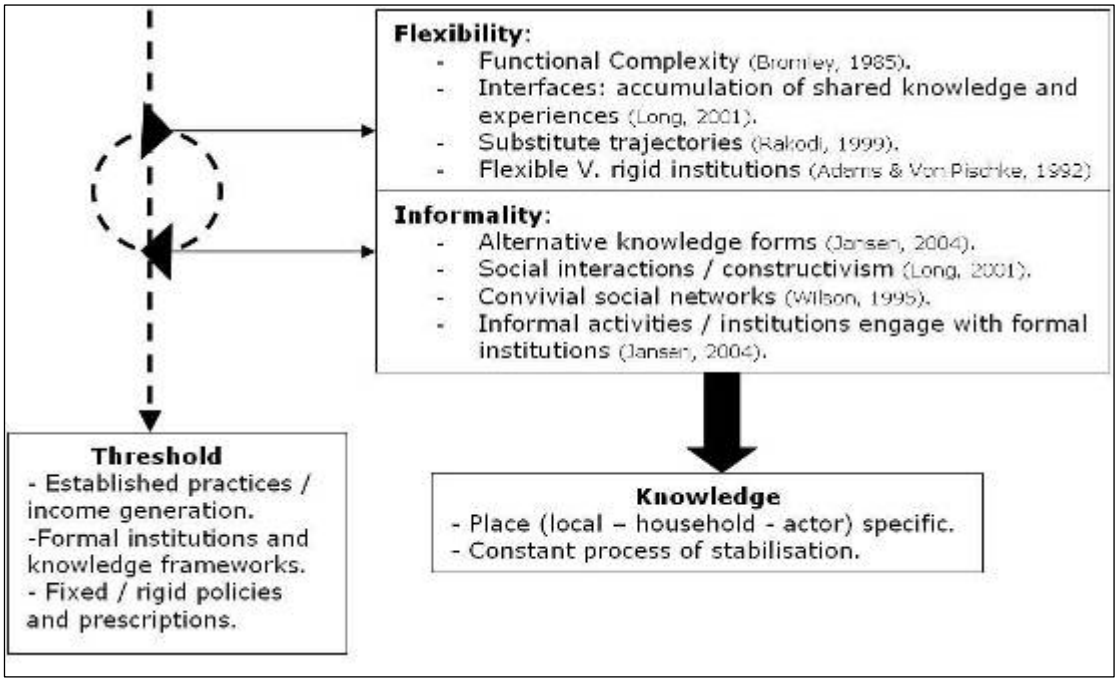
8.7 Flexibility and contrasting knowledge frames

8.7.1 The knowledge forms constituting LSE.

The variety of available and impacting knowledge forms even at the household level in LSE are at the core of this particular low income household context. In most cases they have been learned through social and informal economic interaction in León and spatially transplanted to LSE where families had to negotiate a new set of economic characteristics in a new spatial realm. Respect should be paid by researchers and policy makers to the autonomy of the particular 'expert' knowledge that households exercise when managing their assets. We can see that the LSE project is maintaining an overall constant in terms of aggregate statistics. Residents have to situate and exercise their knowledge frame amongst complementing, opposing but more often different knowledge frames that may be lacking sufficient local / household specific experiences or competing knowledge frames in the policy arena.

As well as giving further legitimacy to the people centred approach within development, it is important to acknowledge that independent 'developments' can often relapse to previous practices, whether temporarily or permanently, as a means of progressively coping with place and time specific barriers to human development. What Verrest (2007) sees as *'holistic knowledge accumulation'* is essential in avoiding risks and complemented by the notion of a retreat back from thresholds if the particular knowledge frame informs this decision. This is central to the conceptual model and is advanced further in Figure 8.1 where flexibility and informality (central to social interfaces) constitute a particular knowledge form that negotiate with other knowledge forms (whether formal or informal) (Long, 2001).

Figure 8.1: Advancing the conceptual model.



Informal economic institutions grounded in locally acquired knowledge are at the core of social interaction in low income neighbourhoods. The frequency, variety, different incomes earned and key community contracts in a HBEA have been used as primary examples through which a maximum use of space facilitates a household's economic needs. From the perspective of LSE households; if this activity were to be formalised and monitored by the state and given the quality of supposed supporting institutions, the existing strategies ensuring viable livelihoods may be impeded. Amin's (2002) account of the status of informality in development adds weight to the efforts made by households to stabilise the relationship between formal and informal institutions.

Flexibility is needed to cope with shocks and, more particular to LSE; seasonality, varied and short terms contracts, and declines in market demand. Not only does flexibility affect residents, a sensitisation is also required on the part of policy makers and stakeholders if they are to substantively comprehend and meet the needs of LSE residents. As outlined, the constraints faced by residents often result in a 'one step forward, two steps back' means of dealing with household shocks. Interventions that are to be put into effect must acknowledge this as a strength not a failure. For example, the failure of borrowers to repay credit to Fundapadele, lead to a massive reduction of its endeavours in LSE. Trust was lost and scepticism grew toward beneficiaries (as evidenced in interviews). The lack of initiative on the part of the Alcaldía was also being blamed. However, if Jansen's (2004) *cognitive justice* lead to efforts being made to

form a project that understood the capacity of LSE residents to assimilate the initiative and was collectively agreed upon by the Alcaldía, other NGOs and state bodies, then we could see an initiative comprised of less risk and a local knowledge frame to fit a local picture.

8.7.2 Perceptions of risks, stresses, opportunities and capabilities

In acknowledging the independent means through which households negotiate and appropriate means to generate income and as evidenced in HBEAs, we may also conclude that risks are perceived and processed in terms particular to a household. Birdsall's (1993) argument for a capabilities enhancement on the part of policy makers could be furthered by an additional awareness to the independent means through which households develop capabilities particular to their risks and needs. Through the engagement of informal networks and flexible strategies to deal with formal institutions and practices, LSE households have formed unique capabilities situated in a new and rapidly evolving geography. Policy should therefore get to grips with existing capabilities and strategies and seek a means of enhancing those which may or may not be capable of meeting a household's needs.

8.8 Time and space in the development of LSE

8.8.1 LSE in context of León and Nicaragua

LSE exists in the context of León, Nicaragua and the flows of people, goods and knowledge predominately with Costa Rica, the US and the Netherlands which inform its development. The two maps provided of HBEA status in Las Poetas are the results of residents' situated accumulation of goods and local expertise to commence such an activity from their homes. These are themselves dependent on the role of goods, and client income predominantly derived from León centre. If the complexity of economic trajectories which take place were to be mapped out, LSE would be at the centre of a dynamic array of house, street, neighbourhood, local, municipal, national and international interfaces.

Existing knowledge and the resultant actions informed by these frames lead to different trajectories which can be mapped out locally, nationally and even internationally. LSE not only creates a single new geography but a whole new series of individual geographies negotiating its economic development. However, a major challenge is about to impact Nicaragua and León; The global financial crisis.

From global to household crisis.

Discourse surrounding the impacts of 'the crisis' and how it would affect León and LSE residents in particular really only started to emerge at the end of May 2009. The infrequency of remittances was soon met by their stoppage and workers from Costa Rica began to return in large numbers. Further speculation regarding the status of Arnecom and the loss of jobs due to the decline in the automotive industry posed further demands on LSE. Inevitably the geographical reach of LSE will become more complex and with it, a change in the ways income is generated. The capacity of LSE households to negotiate these complexities will no doubt be put to the test.

8.8.2 Temporal evolution of LSE

In the time since LSE began and the foundation blocks laid, LSE residents have overcome challenges and assimilated institutional assistance in different ways. The movement of people and goods to and from León city centre (as evidenced in the household survey) and beyond is a fundamental dynamic underpinning its economic development. The time span involved has seen a great deal of processes which can be summed up as dynamic. The remaining empty lots, wider national and international economic statuses and local economic employment trends will no doubt render the future of LSE even more dynamic. New knowledge frameworks and interventions will emerge each applying a different time frame to tasks and strategies. Not only will households have to negotiate these changes, but local government and NGOs will have to reconsider targets and meet new demands in different time lines.

8.9 Relevance of this research for development as a whole

LSE's strength is currently also its weakness. Being composed of a lot of different institutions the results of their interventions have broad lessons for development generally. The human development paradigm can be applicable to the context of LSE. Instead of a prescription of economic remedies ascription should be sought, acknowledging the value and strengths that current informal activities and knowledge frames posses. This process is not easily attained, but research itself is a means of shedding light on all the issues.

Wider processes are inevitably impacting on LSE, however the planning and conception of this research has been focused on the spring board for economic development and catalyst for human agency; the home. If indeed the argument for a greater concern to a more human centred approach to development is needed, then the home should be at the centre. More attention needs to be paid to the home in developing regions symbolising two columns; the interplay of

reproductive and productive processes that support the nexus of knowledge and geography formation.

The previous and current interventions in LSE could be replicated in most low income urban areas. Similar economic development practices often think big and unless the micro scale is brought to the fore of LED initiatives, disparities will continue to emerge. For example, greater scrutiny on the part of microfinance schemes to ascertain why the opportunity of spreading loan risks is not as popular as conventional wisdom would dictate, may help to be more effective in LSE.

Localised ownership of LSE.

The primary grievance expressed by the LSE community leaders' focus group was that of a lack of consultation and collective decision making on the part of the Alcaldía. The importance of flexibility in conjunction with the differences between formal and informal practices has been expressed on the part of virtually all authors of the literature used for this research. In light of the unique vulnerabilities that households are exposed to and the flexible and independent appropriation of resources and knowledge to negotiate thresholds, it is important to be aware of the micro-level ownership and related independence that has been attained by LSE residents through the exercise of their agency. Household specific knowledge frames can be further conceptualised in terms of an ownership of their own development process and self-regulatory mechanism amidst the collective processes taking place in LSE as a whole.

Central to the ethos of LSE has been that of community development informing the future direction of LSE (Bredenoord, 2005). To what extent LSE communities have an ownership over their economic development should be an issue pertinent to future policy formation. The danger of becoming too relativistic in terms of how we view independent ownership and knowledge formation, and LSE's overall economic development could emanate from this standpoint. Affirmative action is needed by all policy makers to recognise and understand household negotiation and use this knowledge to inform more relevant and attributive instead of prescriptive LED policies.

8.10 Concluding remarks.

Progress in LSE can realistically only be achieved by comprehending better the economic realities and resultant knowledge gained through the experience of residents and lot owners. HBEAs are an example of knowledge outcomes to satisfy a context specific need. However

informal, low grade or unprofessional, the current activities are an essential component in LSE's economic development. This goes hand in hand with the young age of LSE. In trying to become independent LSE households have changed from the stable geography of established barrios in León to a new and rapidly evolving urban area.

The achievements to date should be furthered through determined political will and interest in the project sustained at a local and international level. Headway on the project can be made vis-à-vis a coming together of the different knowledge forms, each assessing and revising their role in a cohesive effort and recognition of the complexities negotiated by LSE households.

The challenge therefore remains to reignite the vision and aspirations of LSE.

Personal reflection and future research opportunities

Considering the time involved and the initial slow start to the longitudinal baseline survey, the outcomes are substantial enough to provide the latest snap shot in the evolution of LSE. In hindsight and if more time had been available a greater attempt at gathering more qualitative data from LSE households would have strengthened the conclusions of this research. The limited time only allowed a questionnaire with HBEAs, including the wider conversation with HBEA owners when conducting each questionnaire. However, if there had been more time I would have delved into a wider sample and allowed for a semi-structured interview to revolve around principal factors that became apparent after the baseline survey and interviews with external agents.

A further research opportunity would be to assess the legal frameworks that have been set in place and how these impact on microenterprise development in LSE and Nicaragua in general. The Nicaraguan legal landscape has set forward some potentially positive prospects for low income households, however the degree to which these remain lip-service or a real force in changing the prospects for the complexity of entrepreneur types remains to be seen.

Significant reservations and worries exist in relation to the future of LSE as a whole, particularly in relation to the number of empty lots in the project. However, despite these shortfalls the potential that still exists in LSE remains a very exciting opportunity and guiding light for urban expansion plans for other cities. With this in mind, considerable effort should be made to turn a new page so as to see LSE in its current form and how this will influence its future.

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Appendix

I) Baseline survey

a) Sample and technique

It was decided that a total sample of 600 questionnaires would represent a sizeable amount of the 1000 families officially resident in LSE. Doing much more interviews would not have necessarily increased the validity of the results, particularly as we did not have a accurate prediction of the response rate or the availability of people before we started the questionnaires. 600 questionnaires would also maintain validity when non-response was high. Another rationale to a third of all LSE households being selected was the limitation imposed by time. It would not have been possible to visit (and revisit three times non-response households) all or even half of the existing households.

The list of constructed houses provided by the LSE project office was the latest fully updated version at the time of research. Therefore this was used to determine which houses were built and therefore included in the sample. Acknowledging the fact that the list was almost one year old; some newly constructed houses are therefore not in the sample.
The two other neighbourhoods included in the sample were Lino Arguello and Arnecom. Lino Arguello is also built within the parameters of the LSE project and therefore part of it. The neighbourhood differs from those of Las Poetas because the lots are bought by an NGO called Fundapadele. They built the houses and donated most, if not all of the houses to very poor families, not capable of buying plots in LSE. All plots have been built upon (checked by field visit) and the number of houses has been extracted from one of the maps we obtained through the project office.

The last neighbourhood included in the sample was that of Arnecom. Also this neighbourhood differs from those of Las Poetas, because the plots here were originally bought by Arnecom. Arnecom also constructed the houses in which only their employees live. During field visits and through observations we were satisfied that all plots were built upon. Though the Alcaldía possessed the maps with the plots, these lots were not numbered as were those of the other repartos. Arnecom had bought the land of the Alcaldía and built houses for their employees. The Alcaldía therefore had little to do with the development thereof. We used the maps and numbered the lots ourselves.

To establish equal inclusion of all neighbourhoods in the sample we decided to use a cluster sample in which all neighbourhoods have an equal representation according to their share of houses in the total sample population. In table A1 an overview of the total number of houses present in the different repartos, their percentage of the total population and the number of questionnaires taken in each reparto is presented. This last figure is obtained by taking the percentage of each neighbourhood on the total number of questionnaires, 600.

Table A1: Cluster Sample

Neighbourhood	Number of houses	Percentage of houses compared to the total number of houses present in LSE	Number of questionnaires
Arnecom:	269	14.9%	89 (+1)
Lino Arguello:	368	20.3%	122 (+1)
Azarias H. Pallais:	421	23.2%	139 (+2)
Antenor Sandino:	477	26.3%	157 (+2)
Mariana Sanson:	276	15.2%	91 (+1)
Total	1811	99.9%	598

The second requirement was composed of a systematic sampling technique. In order to be equally representative, a random starting point (lot number) was chosen for each different neighbourhood. In this way we potentially avoided the error of periodicity. After this starting point, every third house on the list was visited. This number was found by dividing the total number of houses by the number of questionnaires in each neighbourhood.

b) Shortfall from intended sample

The shortfall from the intended 600 sample size was a disappointment in the longitudinal survey. In general there were two major constraints on our sample. Firstly the shortfall from the intended sample of 600 and secondly time, the latter influencing the former. After we had derived our sample, a time plan was made including reparto completion dates. In total we had allocated a minimum of five weeks to get all the questionnaires done. One week was left free in case major problems would arise in completing the work. Beforehand we had decided to visit each house three times if non-response occurred. This was also based on the policy of the students who did the 2004 baseline study before. They had visited the houses three times as well before noting them down as non respondents. Visiting a house three times also seemed achievable and in line with the research given the time we had. When no one was at home we came back the next day. If, on that second occasion, no one answered either, we visited the house a couple of days later. The second or third time the would be visited at the weekend, in the hope that people would not be working. When no person was present at the designated house a third time, the questionnaire remained unanswered for that address. Questionnaires were administered from seven in the morning to one o'clock in the afternoon and from two o'clock until six o'clock in the evening. After that hour it was dark and for safety issues we could not stay any longer. In table A2 you can see the final breakdown of the uninhibited ('deshabitada') houses, empty lots and response rate. In total 79 of the houses we visited were 'deshabitada'. These houses were mostly fully constructed but not occupied. From the outside it seemed that people were living there but in fact, for whatever reason, it was unoccupied. In some cases houses 'deshabitada' could also be nearly finished or in such a bad condition people could not live in them. In the table we can also see that

the total amount of finished questionnaires is 375. The number of encountered empty lots was eight. Both types are errors in the sample because the sample was based on a list which noted the built houses in LSE. The eight empty ones were more than likely just mis-observed during previous Alcaldía observations. The houses 'deshabitada' however were more difficult to distinguish. On the outside they appeared to be inhabited but they were not. When these houses were visited neighbours were asked whether someone was actually living in the house or not. Out of a total sample of 601 we got 462 'responses'. The remaining 139 in the sample consists of the people who were not at home during the three times we visited and are therefore the non respondents. In the third column the percentages are given of the different variables. The final response rate of the whole sample was 62.4%. Houses 'deshabitada' add up to 13.1% and the amount of non respondents was 23.1%. This means that almost a fourth of the population in the different repartos of LSE are not present during the week or weekend day period.

Table A2. Output characteristics of the sample.

Reparto	Total	Realised	Inhabited	Uninhabited	Empty Lots
ASH	160	140	109	31	7
Mariana Sanson	92	64	52	12	1
Arnecom	123	73	62	11	0
AHP	141	94	78	16	0
Lino Arguello	122	91	74	17	0

Table A3: State of the houses

		Frequency	Percentage
Valid	Uninhabited	79	13.1%
	Inhabited	375	62.4%
	Empty lots	8	1.3%
	Non respondents	139	23.1%
	Total	601	99.9%

Source: Questionnaire LSE 2009

The second constraint was that of time. The intended four to a maximum of five weeks was also the maximum amount of time we could use for the first part of the research. Three weeks had been lost at the beginning of our research due to formal approval regarding the contract of the research team. In order to have ample time for the individual part of the research allocating more time to collect more questionnaires was not possible. We did discuss the prospect of generating a new sample. From a methodological and logistical perspective however, given the fact that the sample would be dually representative for the whole population, a new sample would probably contain the same shortcomings. Additionally the contractual limitations would have meant an extension or commencement of a new contract. Despite these shortcomings a representative sample was achieved and, though non-response was high, it is also an indicator of the mobility of LSE residents.

c) Questionnaire

Universiteit Utrecht

Facultad de Geociencias – Geografía Social

Encuesta para el censo de hogares

Febrero – Mayo 2009

Jarko Tijssen – Conor Flavin

Datos de encuesta

Número de encuesta:……

Fecha:……/……/2009

Nombre del encuestador:.....

Nombre del encuestado:……

……

Número de lote:……

Número de casa:……

Barrio / Reparto:……

Más casas por lote? No / Sí.

Cuantos personas viven en el lote? …….

Más familias por lote? No / Sí, Cuantas:……..

1. ¿La persona es jefe del hogar? Sí / No
- Si no, donde está.....?
2. ¿Cuál es el sexo del encuestado? F / M

Observación

La casa fue construida por un ONG? Sí / No / NS

¿Cual ONG?……. (nombre completo)

Características de la vivienda / Uso de materiales

Piso	**Paredes**	**Techo**
Enladrillado	Ladrillos/bloques	Madera
Tierra	Prefabricadas	Tejas
Embaldosado	Madera	Zinc
	Metal	Plástico / cartón
	Plástico / cartón	Nicalit

Condición de la calle:tierra / calle grava

Pórtico: Sí / No

No	Nombres	Apellidos	Sexo F ó M	Edad	Estado civil	Relación	Educación	Ocupación	Condición De Actividad	Categoría de Trabajo	Donde Trabaja?	Temporal/ Fijo	Tipo de Ingresos	Contribución Al Hogar?	Ingresos X mes
1.															
2.															
3.															
4.															
5.															
6.															
7.															
8.															
9.															
10.															
11.															
12.															
13.															
14.															
15.															
16.															
17.															
18.															
19.															
20.															
21.															
22.															
23.															
24.															
25.															

Estado civil	Relación	Educación	Ocupación	Condición De Actividad	Categoría de Trabajo	Donde Trabaja?	Temporal/ Fijo	Tipo de Ingresos	Contribución Al Hogar?
1. casado 2. divorciado 3. viudo 4. madre 5. soltera 6. ajuntado 7. otro..	1. jefe 2. esposo / a 3. hijo/a 4. abuelo / a 5. yerno / nuera 6. padres / suegros 7. nieto / a 8. Sobrino / a 9. otra,……	1. Sin instrucción / analfabetito 2. Alfabetizado 3.Primaria incompleta 4.Primaria completa 5.Secundaria incompleta 6. bachillerato completo 7. Técnico / universitario. 8. Masters completo	1. trabaja, que tipo exacto 2. desempleado, por cuanto tiempo 3. ama de casa 4. estudia 5. otra, es decir....	1. patrón / propia empresa 2. cuenta propia 3. asalariado 4. trabajo familiar sin remuneración	1. formal 2. informal	1. LSE 2. Zona Franca 3. León Cuidad 4. Otro Municipio 5. Managua (La capital) 6. Otro parte de Nica.. 7. Extranjero, donde?	1. fijo 2. temporal 3. estacional	1. fijo 2. Variable 3. comisión de corredor 4. salario a destajo	1. sí 2. no

1. ¿Qué tipo de trabajo tiene?

   .....

La vivienda

2. ¿Cuántos años ha vivido en esta casa?

   ……..

3. ¿Dónde vivía usted antes de mudarse aquí?
   a. En León Sur Este (¿cual reparto?)…….
   b. En la ciudad de León (barrio/reparto):……
   c. En otra localidad del Municipio de León (comarca):……
   d. Otro municipalidad de León……
   e. Otro Departamento de Nicaragua: ……
   f. Otro país: ……
   g. NS
   h. NR

4. ¿Desde que obtuvo el lote, cuando empezó construir a su casa?

   .....

5. ¿Cuál fue el motivo principal para mudarse a LSE?

   ……

   ……

6. Su familia más cercana (hijos/as, hermanos/as, padres) donde vive:
   a. En León Sur Este (¿cual reparto?)…….
   b. Otro barrio de león
   c. Otra comarca del municipio
   d. Otra ciudad
   e. Otro país
   f. Más de uno……..

La casa, el lote y alrededores de la casa

7. ¿Tenencia de la casa?
   a. Propietario
   b. Alquilar (Sigue a pregunta 12)
   c. Cedida por servicio (ejemplo: cuidador de casa)
   d. Gratis
   e. Otro……

8. ¿Tiene título de propiedad? Sí/No
   a. lo compró a LSE Alcaldía
   b. de otra persona)
   c. El titulo está en trámite
   d. no

9. ¿El lote en que viven es
   a. Donado
   b. Pagado

c. Esta pagándolo por …… C$ por mes
d. Esta alquilándolo por ……C$ por mes
e. Otro, es decir……
f. NS
g. NR

10. ¿Cómo financió su lote?
    a. Yo mismo / he ahorrado dinero
    b. Con ayuda de mi familia / amigos
    c. Con ayuda de una organización de financiamiento, cual organización
    d. Con ayuda de un ONG
    e. Otro es decir……..
    f. Más de uno……..
    g. NS
    h. NR

11. ¿Tuvo problemas con financiar el lote?
    a. Sí, cual…….
    b. Algunas veces…….
    c. No
    d. NS
    e. NR

12. La casa en que viven es
    a. Donada
    b. Donada con mano de obra propia
    c. Pagada
    d. Esta pagándola por ……C$ por mes
    e. Esta alquilándola por……C$ por mes (Sigue a pregunta 18)
    f. Otro, es decir……
    g. NS
    h. NR
    i. Donado con ayudante pagado

13. ¿Cómo ha financiado su casa?
    a. Yo mismo / he ahorrado dinero
    b. Con ayuda de mi familia / amigos
    c. Con ayuda de una organización de financiamiento
    d. Con ayuda de un ONG
    e. Otro es decir……..
    f. Más de uno…….
    g. NS
    h. NR

14. ¿Tenía problemas con financiar la casa?
    a. Si cual……
    b. Algunas cual……
    c. No

15. ¿Usted es el primer habitante de este lote y esta casa?
    a. sí, (sigue a pregunta 18)
    b. no
    c. NS

d. NR

16. ¿Quién vivió aquí antes de usted?
    a. Familia
    b. Amigos
    c. El dueño de la casa
    d. Desconocidos
    e. NS
    f. NR

17. ¿Por qué le han dado este lote a usted?
    a. Tienen otra casa en León
    b. Se mudaron afuera de León
    c. Tenían mas lotes en LSE
    d. Servicio familiar / de amigos
    e. Otro es decir……..……..
    f. NS
    g. NR

18. ¿Está satisfecho con los servicios en su calle?
    a. Sí
    b. No. Si no, cual servicio en particular…….

19. ¿Su familia tiene un medio de transporte?
    a. No
    b. Sí, bicicleta / caballo / carro / motocicleta/……
    c. NS
    d. NR

Organización social en LSE

20. ¿Tiene un círculo de amigos en LSE?	Parte nueva	Parte vieja	No
21. ¿Tiene contacto con sus vecinos?	Mucho	Poco	No

22. ¿Cuándo tiene problemas económicos dentro su familia, como soluciona?
    a. Dentro la familia
    b. Con apoyo de vecinos
    c. Con apoyo de amigos
    d. Instituciones finánciale
    e. ONG
    f. Otra ……
    g. Más de una…….
    h. NR
    i. NS

23. ¿Usted visita la casa comunal?
    a. Sí, para……
    b. No

24. ¿Se siente seguro en su reparto?
    a. Si, completamente
    b. Si, está bien
    c. Mas o menos
    d. No mucho
    e. No es seguro

25. ¿Según usted, cual es la mejor manera de desarrollar su reparto? Es por……
    a. Iniciativa propia
    b. Por la municipalidad
    c. Por la asociación comunal
    d. No puedo
    e. Otro,……
    ……
    f. NS
    g. NR

Otros ingresos

26. ¿Tiene otros tipos de ingresos en su hogar (que no ha dicho antes)?

    a. Agricultura urbana
    b. Remesas, de……(personas),
       C$ ……por mes (cuánto)
    c. Migración estacional
    d. Ayuda de ONG
    e. Ayuda de familia / amigos
    f. Alquilar habitaciones / casas
    g. Pensiones
    h. Otros, es decir……
    i. NS
    j. NR

27. ¿Están todos los ingresos en dinero o también en especie?
    a. Solo dinero
    b. Solo en especie, es decir……
    c. Combinación de dinero y en especie, es decir……
    d. NS
    e. NR

28. ¿Usted ahorra dinero?
    a. No
    b. Sí, más o menos ……C$ por mes
    c. NS
    d. NR

29. ¿Hay actividades para ganar dinero en su casa?
    a. No.
    b. Sí
        - Que tipo……..

- ¿Donde vende sus mercancías?

  a. En la casa
  b. Ambulante (en la calle)
  a. En el mercado
  b. En el centro
  c. Otro, es decir…….

- ¿Cómo obtuvo el capital fundamental para empezar con estas actividades?
  a. Lo ahorró
  b. Lo prestó al banco
  c. Lo prestó a la familia / amigos
  d. Obtuvo en crédito (de donde…….)
  e. Más de una.
  f. Otro, es decir…….

- ¿Sus niños ayudan con esas actividades en la casa?

  a. No
  b. Sí

29. ¿Qué son las necesidades por su familia mas o menos importante?

	Muy importante	Importante	Más o menos Importante	No muy importante	No es importante
1. Seguridad en el reparto					
2. Vivir cerca de su familia					
3. Servicios básicos					
4. Proximidad al centro de león					
5. Encontrar trabajo					
6. Transporte					
7. Financiamiento					

31. ¿Usted tiene comentarios?

……

……

……

II) Formal observations

a) Technical specifications

Conducted over a six day intermittent period, teams of international exchange students volunteered to assist in observing the use of lots in each reparto. Teams went in minimum of two after thorough briefings and addressing of any questions or confusions they may have had. Observers were allocated specific areas and given maps and observations sheets from which to mark and establish their location in each reparto.

Each team followed the road and street networks and observed lot and house use from this level. Volunteers were briefed on the importance of decorum and keeping an appropriate and respectful distance from people's property. Following along their route, observers noted empty lots, lots for sale, and lots for rent, uninhabited houses as well as the economic activities and in particular the pulpería gradient (outlined in the methodology chapter).

The decision to grade pulperías was based on long established preliminary observations of pulperías. Many depended on distributors with limited produce, while others had secured means of obtaining extra goods. Grading the pulperías was also a means of understanding how developed a pulpería was and later draw comparisons between them.

The week after the observations was comprised of spot checks of some areas to ensure accuracy in recording lot and house use. Overall no mistakes had been encountered other than minor misreading of lot numbers on maps.

III) HBEA Survey

a) Sample and technique

The decision to undertake a purposive sample of HBEAs was done in line and time with the body of observed research knowledge that had been accumulated up to that point. From the observations all observable HBEAs consisted of graded pulperias, metallurgies, carpenters / other craft workshops and other services. These formed the 217 sample size across the five repartos. Within the time available, the initial intention was to administer surveys to a third (72) of these. Proportionately conducting surveys in all five repartos meant that 14.4 surveys would have to be conducted in each reparto.

With each reparto consisting of a 14 HBEA target sample, the decision to select three type 1, 2 and 3 pulperias respectively, two metallurgies, workshops and other services each; was assumed to be adequately representative of each HBEA type and reparto. The decision to derive the sample from the observations and not the longitudinal survey came from the typology format applied to HBEAs.

The decision to include what HBEA in its respective category was based upon established knowledge from informal and formal observations and earlier informal interactions and conversations with these HBEA owners. Proximity was also a factor. For example; Ensuring that three selected type 2 pulperias in one reparto were objectively included was carefully considered so as to avoid spatially clustered HBEAs, include newly built neighbourhoods and include sections of repartos with different characteristics (e.g. self-built or donated homes, more expensive and larger lot types etc.). The intention was to account for HBEA types consisting of and in areas with

different characteristics so as to be able to compare and draw an understanding of the different threshold barriers and form of community interaction present.

Additionally during observations, some interesting features were noted with some HBEAs – e.g. high frequency in customers, isolated location, high level skills needed (pharmacies), and because of these, efforts were made to include them in the sample. Every effort was made to ensure that pulperias were equi-distant and evenly dispersed across each reparto map. The reason for this was to ensure that the different community dynamics were captured in the questionnaire.

Toward the end of the administration of the HBEA questionnaire a process of word of mouth snowballing took place in relation to street vendors which eventually brought the entire sample up to 82. Having met a number of street vendors, they in turn pointed out other homes of street vendors which normally operated and were approached on Sundays.

Table A4: HBEA Sample (-3 street vendors from Salmon de la Selva)

Reparto	Lot number
AHP	14, 121, 145, 179, 190, 297, 309, 320, 350, 382, 427, 454, 484, 493, 507, 531, 584, 619, 640.
ASH	54, 84,123, 177, 272, 311, 332, 393, 442, 456, 461, 472, 568, 633, 882.
MS	52, 110, 152, 188, 276, 342, 398, 479, 535, 602, 606, 644, 751, 759, 772, 832.
Lino Arguello	6, 13, 23, 57, 78, 105, 117, 167, 203, 224, 243, 279, 289, 344, 391.
Arnceom	27, 64, 71, 87, 101, 113, 116, 125, 159, 194, 258, 278, 288, 304.

b) 2009 - 2004 HBEA situational comparatives

In addition to the survey, the HBEAs present in Anke op het Veld's 2004 research were placed on to a list, compared to the HBEAs that were not observed / visibly present in 2009. The HBEAs that did notexist in 2009 were visited and asked about the status of the HBEA that had been surveyed in 2004. The majority of these were in Reparto AHP.

Table A5: HBEAs in 2004, not observed in 2009.

Reparto	Lot number
AHP	370, 402, 412, 429, 431, 445, 457, 469, 482, 500, 520, 525, 571, 575, 596, 618, 656, 657, 669, 673.
ASH	11, 95, 240, 252, 281, 341, 375, 407.

c) Questionnaire

Universiteit Utrecht

Facultad de Geociencias – Geografía Social

Encuesta de empresas

Abril – Mayo 2009 Conor Flavin

Datos de encuesta

Número de encuesta:…… Fecha:……/……/2009. Nombre del encuestador:.....

Nombre del encuestado:……

……..……..

Número de lote:…….. Número de casa:……

Barrio / Reparto:……

Categoría de la empresa:…… Registración formal: Sí No

---

1. ¿Quién es el dueño / la dueña de la empresa?

a. Hombre
b. Mujer
c. Mas dueños;……hombres y / o…….mujeres.

2. ¿Su hogar tiene otros tipos de ingresos?

a. Otro trabajo (……)
b. Remesas (De donde:…… Cuantas:……..……)
c. Migración estacional
d. Ayuda de ONG
e. Ayuda de familia / amigos
f. Otros (……)

3. ¿Por cuánto tiempo ha tenido esta empresa?

a. Menos de 6 meses.
b. Menos de 12 meses.
c. Menos de 18 meses.
d. Menos de 24 meses.

e. Menos de 48 meses.
f. Mas de 48 meses (es decir……)

4. ¿Qué motivó a formar la empresa?

……

……

5. ¿Cuánto dinero necesitó para comenzar con su empresa?

…….

6. ¿Ha prestado dinero alguna vez para su empresa?

a. Sí
    a. De familia / amigos
    b. Del banco(s) (Es decir……..……..)
    c. De microfinanciero (Es decir……)
    d. De un usurero
    e. Otro (Es decir……)
b. No (Pasa a pregunta 8)

7. ¿Tenía problemas con los reembolsos?

a. Sí (…….……..)
b. No

8. ¿Cuánto tiempo necesitaba para establecerse[6] en su comunidad?

…….

9. ¿Tenía limitaciones o problemas con el establecimiento de su empresa?

……

10. ¿Quién trabaja con usted? (familia, amigos….)

……...Cuantos hombres:……Mujeres…….……

11. ¿Qué hacía usted antes de empezar con esta empresa?

a. Tenía otra empresa (……)
b. Tenía otro trabajo (……)

[6] Realizar la empresa y tener clientes con frecuencia.

c. Trabajaba en otra empresa (mismo sector: sí / no)
d. No tenía trabajo
e. Este es mi primero tipo de trabajo
f. Siempre he tenido esta empresa
g. Otro, es decir……

12. ¿A quien usted vende sus productos / ofrece sus servicios?

a. Individuos / a la comunidad
b. Otras empresas ((Ej. Vendedores)……..……...)
c. Empresas de fabricación
d. Para otros lugares / exportación
e. Más de uno……
f. Otro

13. ¿Hay una temporada baja o/y alta durante el ano?

……

14. ¿Quién son la mayoría de sus clientes?

a. Madres casadas / ajuntada / con pareja
b. Madres solteras
c. Hombres
d. De edad mayor
e. Jóvenes
f. Más de uno……..

15. ¿Usted da crédito a sus clientes?

a. Sí (Cuantas personas……..)
    a. ¿Había problemas con los reembolsos? Sí / No

    ……
b. No

16. ¿De donde usted compra sus materiales básicos?

a. El Terminal
b. Otros empresas en LSE
c. Otro (es decir……..)

17. ¿Cuanta paga cada día / semanal / mensual para estos materiales básicos?

…….

18. ¿Desde empezó su empresa, los precios han aumentado?

a. Sí (Explica……)
b. No

19. ¿Cuánto gana cada semana con su empresa (ganancia) ?.....

20. ¿Qué compra con los ingresos de su empresa?

…….

21. ¿Usted(es) ahorra(n) dinero?

a. Sí (Cuanta…… Cada semana / mes / día)
b. No

22. ¿Necesitó equipos especiales para comenzar su empresa?

a. Sí. Que tipo(s)……..
   ¿Usted obtuvo crédito para comprar los? Sí / No…….....
b. No

23. ¿Según usted, su empresa es bastante accesible para sus clientes?

a. Sí
b. No (Por que……)

24. ¿Usted quiere aumentar su empresa?

a. Sí
b. No. (Pasa a pregunta 26)

25. ¿Cómo quiere aumentar su empresa?

…….

26. ¿Sus clientes tienen mas demandas / quieren mas mercancías?

a. Sí (Ej……)
b. No

27. ¿Usted ha participado en alguna cooperativa o ha trabajado con otras empresas en LSE?

a. Sí (Ej……)
b. No

28. ¿Usted ha participado en cursos de gestión / administración / mejoramiento de sus habilidades?

a. Sí (Ej……)
b. No

29. ¿Usted tiene información o sabe sobre proyectos o iniciativas de la alcaldía / gobierno / instituciones de microfinanzas?

a. Sí (EJ……..…..)
    - ¿Ha participado en ellos?
        a. Sí
        b. No (Por que…….……)
b. No.

30. ¿Hay algo mas que quiere decir o usted tiene comentarios (incluyendo opiniones sobre microfinanciero / bancos / mas servicios)?

……

……

IV) List of interviews

- Alcaldía LED office: Luz Esther Garcia…….…...13th May 2009
- Alcadía de León: Enrique Lopez……13th May 2009
- Centro Comercial Campesino (Farmer's Cooperative in LSE)…….….13th May 2009
- Doña Maria Felicitas; Arnecom Clothing Cooperative ……..…17th May 2009
- Faniz Jirón Valenzuela. President of Cooperative Juntando Manos …...…22nd April 2009
- Fundapadele: Doña Jilma ……..……..17th April and 15th May 2009
- Habitat for Humanity: Claudia Rodriguez ……...14th April 2009
- INPYME / Alcaldía Vivero Empresas: Gladys Martinez ……4th May 2009
- INPYME: Rosa Dalia Martinez …….15th May 2009
- Las Poetas Police Coordinator……22nd Feb 2009
- León 2000: Raquel Maria Pastora ……4th and 22nd May 2009
- LSE Community Leaders Focus Group ……11th May 2009
- ProMujer: Patsy Mayorga ……18th May 2009
- Reparto Arnecom Community Leaders ……27th April 2009
- Tomas Domaire (former mayor) ……..27th April 2009
- Urban Planning Office of León: Carolina Polandon ……24th April 2009
- Usura Cero: Irasema Miranda ……...18th May 2009

Informal:
Arnecom Planta 2 Manager.
Dr. Bert Van Den Broele (León based engineer).
Dr. Jiovani Valle (Dept. of Social Scienes, UNAN).
Dr. Ricardo Rueda Periera (Vice-rector for external relations, UNAN).
Indiana Barrantes and Giaconda (Utrecht C2C representatives).
Loan representative: Banco ProCredit.
Programa de Servicios de Desarrollo Empresarial (PROSEDE) León representative.

V) Results and tables

Appendix V Part 1: SPSS Outputs for Repartos Arnecom and Lino Arguello.

Reparto Arnecom

Estado civil

	Frequency	Valid Percent	Cumulative Percent
Casado	39	62.9	62.9
Viudo	1	1.6	64.5
Soltera	7	11.3	75.8
Ajuntado	14	22.6	98.4
Otro	1	1.6	100.0
Total	62	100.0	

Tipo de ingresos

	Frequency	Valid Percent	Cumulative Percent
fijo	39	81.3	81.3
variable	8	16.7	97.9
salario a destajo	1	2.1	100.0
Total	48	100.0	

Cabeza de familia sexo

	Frequency	Valid Percent	Cumulative Percent
Feminino	22	35.5	35.5
Masculino	40	64.5	100.0
Total	62	100.0	

Lugar de Trabajo

	Frequency	Valid Percent	Cumulative Percent
León Sureste	11	12.2	12.2
Zona Franca	38	42.2	54.4
Leon Ciudad	32	35.6	90.0
Managua	5	5.6	95.6
Otra parte de Nic	4	4.4	100.0
Total	90	100.0	

Reparto Lino Arguello

Estado civil

	Frequency	Valid Percent	Cumulative Percent
Casado	26	35.1	35.1
Divorciado	3	4.1	39.2
Viudo	1	1.4	40.5
Soltera	8	10.8	51.4
Ajuntado	36	48.6	100.0
Total	74	100.0	

Tipo de ingresos

	Frequency	Valid Percent	Cumulative Percent
fijo	27	45.8	45.8
variable	32	54.2	100.0
Total	59	100.0	

Cabeza de familia sexo

	Frequency	Valid Percent	Cumulative Percent
Feminino	45	60.8	60.8
Masculino	29	39.2	100.0
Total	74	100.0	

Lugar de Trabajo

	Frequency	Valid Percent	Cumulative Percent
León Sureste	14	23.7	23.7
Zona Franca	5	8.5	32.2
Leon Ciudad	36	61.0	93.2
Otro municipio	1	1.7	94.9
Managua	1	1.7	96.6
Extranjero	2	3.4	100.0
Total	59	100.0	

Appendix V Part 2: HBEA Survey tables

Gender of owner

	Frequency	Valid Percent	Cumulative Percent
Hombre	21	25.6	25.6
Mujer	54	65.9	91.5
Mas duenos	7	8.5	100.0
Total	82	100.0	

Length of time with HBEA

	Frequency	Valid Percent	Cumulative Percent
Menos de 6 meses	26	31.7	31.7
Menos de 12 meses	15	18.3	50.0
Menos de 18 meses	3	3.7	53.7
Menos de 24 meses	10	12.2	65.9
Menos de 48 meses	16	19.5	85.4
Mas de 48 meses	12	14.6	100.0
Total	82	100.0	

Registracion

	Frequency	Valid Percent	Cumulative Percent
Sí	11	13.4	13.4
No	71	86.6	100.0
Total	82	100.0	

Reason to start a HBEA

	Frequency	Valid Percent	Cumulative Percent
Sobrevivir	17	20.7	20.7
Pagar comida o/y gastos	11	13.4	34.1
Tener un (otro) ingreso	22	26.8	61.0
Falta de empleo	11	13.4	74.4
Continuar su trabajo	4	4.9	79.3
Otro	17	20.7	100.0
Total	82	100.0	

Weekly income

	Frequency	Valid Percent	Cumulative Percent
1-200	17	20.7	20.7
201-400	20	24.4	45.1
401-600	10	12.2	57.3
601-800	3	3.7	61.0
801-1000	3	3.7	64.6
1001 +	6	7.3	72.0
N/A	23	28.0	100.0
Total	82	100.0	

Tine needed to establish HBEA

	Frequency	Valid Percent	Cumulative Percent
Menos de un mes	54	65.9	65.9
Menos de 3 meses	16	19.5	85.4
Menos de 6 meses	4	4.9	90.2
Otro	8	9.8	100.0
Total	82	100.0	

Credit given to customers

	Frequency	Valid Percent	Cumulative Percent
Sí	52	63.4	63.4
No	30	36.6	100.0
Total	82	100.0	

Lenders to HBEA owners

	Frequency	Valid Percent	Cumulative Percent
Familia / amigos	6	12.8	12.8
Banco(s)	11	23.4	36.2
Microfinanciero	17	36.2	72.3
Usurero	2	4.3	76.6
Otro	9	19.1	95.7
NR	2	4.2	100.0
Total	47	100.0	
Non-lenders	35		
Total	82		