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OBSERVATIONS ON THE PARTICIPATION OF WOMEN IN THE  
GUATEMALA LABOR FORCE

By

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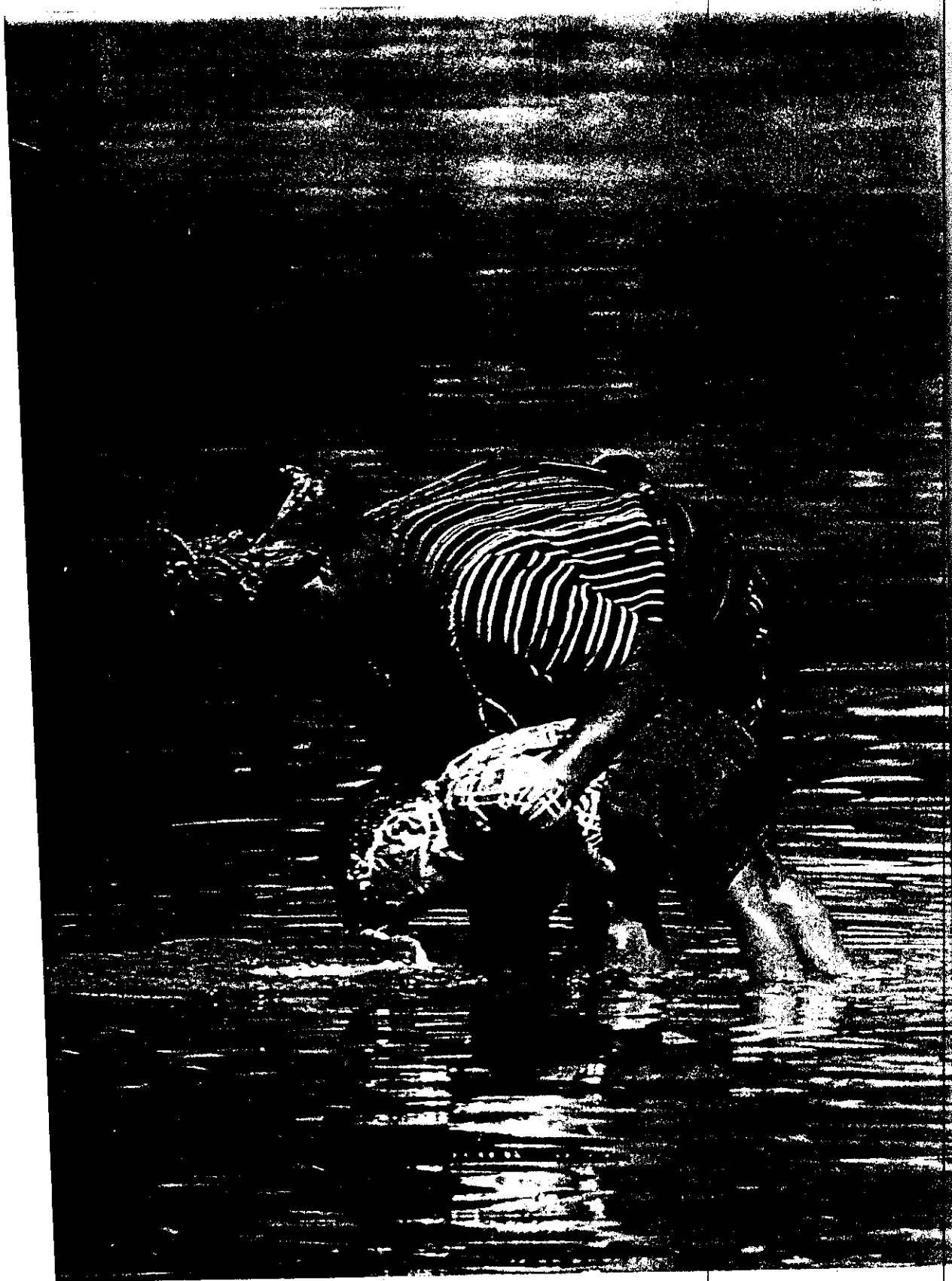
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## TABLE OF CONTENTS

		PAGE
	Acknowledgements	ii
	List of Tables	vi
	List of Figures	viii
<b>CHAPTER</b>	<b>INTRODUCTION</b>	
1.1	Objective of this study	1
1.2	Problem Statement and Objectives	2
1.3	Methodology and Data Collecation	4
1.4	General view of the Guatemalan Geography, Population, and Present Economic Situation	5
1.4.1	Geography	5
1.4.2	Population	7
1.4.3	Economic Situation	11
<b>CHAPTER II</b>	<b>WOMEN'S PARTICIPATION IN THE GUATEMALAN LABOR FORCE</b>	
2.1	General view of Guatemalan total Labor Force and Women's participation in it	19
2.1.1	Guatemala Total Labor Force	19
2.1.2	Influence of Macroeconomic Conditions on Women's Participation in the Labor Force	25
2.2	Women's Labor Force in Agricultural Sector	34
2.3	Women's Labor Force in the Formal Sector	50
2.4	Women's Labor Force in the Informal Sector	67

2.4.2	Women in Domestic Service	75
2.5	Women's Domestic Labor	81
2.5.1	Labor Force neither counted nor remunerated	81
<b>CHAPTER III GUATEMALAN DEVELOPMENT PROCESS</b>		
3.1	Women's major constraints to increase their participation in the Development Process	86
3.1.1	Social Class and Power Structures	87
3.1.1.1	Women's Rights and their role as Political Actors	91
3.1.2	Education and Fertility	99
3.1.3	Machismo and Marianismo Ideologies and Cultural Myths	112
3.2	Government Policies and Programs and their impact on Women's Present Conditions	116
<b>CHAPTER IV GOVERNMENT POLICIES TO INCREASE WOMEN'S PARTICIPATION IN THE DEVELOPMENT PROCESS</b>		
4.1	Government Policies to achieve Economic Growth	125
4.1.1	Policy to increase National Income, Employment, Consumption, and to improve Guatemalan Balance of Payments	129
	A. Fiscal Policy	131
	B. Monetary Policy	137
	D. Trade Policy	138
4.2	Possible Strategies to increase women's participation in Guatemala Development Process	143

CHAPTER V	SUMMARY OF FINDINGS	
5.1	Summary and Conclusions	157
5.2	Future Areas for Research	159
FOOTNOTES		161
BIBLIOGRAPHY		168
APPENDICES		172

## LIST OF TABLES

TABLE		PAGE
1	Guatemala: Marital Status of Women in the Urban and Rural Area	10
2	Guatemala: Gross Domestic Product, by kind of Economic Activity at Factor Cost	15
3	Guatemala: Productive Activities of the Economically Active Population by Economic Sector	21
4	Guatemala: Estimated Level of Labor Force Utilization	22
5	Guatemala: Evolution of Employment by major Productive Activities	24
6	Occupational Category of Women as a Percentage of all Workers	31
7	Guatemala: Percentage Distribution of Female Workers by Occupational Categories and Employment Status	33
8	Guatemala: Evolution of Employment by kind of Economic Activity	36
9	Guatemala: Size of Farm Units in 1950 and 1964	37
10	Guatemala: Total and Percentage of Total of Agricultural Imports and Exports, 1963-1972	40
11	Guatemala: Percentage Distribution of Women Workers by Economic Sector of Production	54
12	Guatemala: Manufacturing Production Indicators	57
13	Guatemala: Minimum Salaries by Occupational Category, 1970	59
14	Guatemala: Summary of Minimum Salaries by Occupational Category	61



15	Guatemala: Evolution of Industrial Salaries, 1967-1977	62
16	Guatemala: Women's and Men's Monthly Salaries, Guatemala City by Economic Sector, 1977	64
17	Average Number of Live Children by Level of Education	113
18	Mythologist Characteristics	117

## LIST OF FIGURES

FIGURE		PAGE
1	Map of the Geography of Guatemala	6
2	Population Piramid showing Economically Active Population by Age and Sex (Guatemala City, 1970)	26
3	Female Participation in Labor Force as a Percentage of Male Participation by Age group	28
4	Women Labor Force According to their Occupational Categories	30
5	Income Distribution in the Western Highlands	44
6	Average Annual Income of Male Heads of Household compared to Female Households' Heads	66
7	Distribution of Monthly Income for Professionals and Technicians, Fixed Salaries' Workers, and Domestic Servants	80
8	Percentage Illiteracy in Urban and Rural Areas, by Sex and by Country	101
9	Level of Education of Urban and Rural Women in Guatemala	103
10	Average Monthly Salary According to years of School and Sex	106
11	Economically Active Urban and Rural Women by Level of Education	108
12	Estimated Increase in life expectancy at birth between 1980-1985 and 2000-2005, by Country	110

CHAPTER I  
INTRODUCTION

1.1 Objective of this Study

This paper reviews data on participation of women in the Guatemalan labor force, discusses the implications of their work for development, and reviews the impact of selected government policies and programs on women's situation. Emphasis will be placed on reviewing women's participation in the labor force in the different economic sectors of the country. I argue that although women are active participants in the Guatemalan development process, most do not receive the benefit of development.

The objectives of this research therefore are:

- a) To review the present Guatemalan economic situation as an important influence on women's lives;
- b) To review existing literature and statistics in order to present, in a general perspective, the role of women as active participants in the Guatemalan development process and the major constraints to increase and improve their returns from participation in this process;
- c) To examine the implications of government policies and programs for the situation of women and to suggest some labor allocation strategies that will ensure that women participate actively in the development process.

It is hoped that this study will be useful not only as a guide to policy-makers and programs developers but will also be a challenge for other investigators to do more analytical studies

of some issues only touched on this paper.

## 1.2 Problem Statement and Objectives

Despite women's active participation in the Guatemalan labor force, until recently their roles has received little attention from international organizations and government policy-makers. Researchers from organizations such as the United States agency for International Development, Women International Development Office, the World Bank have analyzed in some detail different issues related to women, but they have failed to produce basic information related to women's participation in agricultural activities. Therefore, women continue playing the role of invisible farmers since statistical data are not available. In addition, some of these investigators examine women's constraints to participation in the development process in isolation from the country's economic, social, and political problems, as well as from men's issues, which are relevant for policy formulation. It is hard to separate women's programs from the country's national policies and programs.

Furthermore, most of the literature about women in Guatemala provides mainly a political points of view without any socio-economic data to allow one to test the validity of their analyses. One explicit study done by USAID/WID in 1980 is available, however. But this also does not present data related to women's participation in the agricultural sector.

Considering the hypothesis that women's participation in the Guatemalan labor force has increased over time, it is obvious that such participation has important implications for the

country economic development since women are active economic agents of the development process.

In the case of a developing country like Guatemala, where, according to Inforpress (1982:51) 35 percent of the population in 1981 was classified as "extremely poor" with a monthly income of less than US\$ 150.00 and 27.56 percent was classified as "poor" with a monthly income between US\$ 151.00 to US\$ 300.00, the major challenge for most women and men is still the satisfaction of basic needs and survival.

Women participate in the formal and informal sector activities because of poverty. But this is not the only reason. The opportunity set or lines of action open to poor and uneducated women in this society force them to join the labor force to survive poverty, hunger, and malnutrition. Men and women's participation in the Guatemala labor force largely reflects the conditions of their lives since work is not a choice but a necessity. Nevertheless, women's major problems are represented not only by low income and inadequate shelter, food, education, employment, and health but also by high sexual inequality which does not permit women to participate in high-level decisions, especially those which affect them now and in the future (Gallin Rita, class notes 872, 1986).

Reliable literature review of the participation of women in the Guatemalan labor force and its implications for development therefore is a crucial and indispensable tool for national and international planners. It can be an important instrument to reduce the margin of error in setting economic, social, and political goals and therefore minimize misallocation of resources

which results in an increase in poverty and hunger.

Furthermore, identification of possible alternative policies and programs are necessary to ensure women receive the benefits of development. Also, to examine the impact of government policies and programs on women's present conditions is an important issue to be considered. It is crucial to this study to show that women are active participants of the country development process. Without their participation, the Guatemalan development process will be constrained. However, most of the government policy-makers overlook the importance that women's participation in the labor force has in the global economy.

### 1.3 Methodology

This study attempts to situate women's issues in the socio-economic and political context of the country. In addition, it explains women's present conditions by inserting them in the social class structure and families to which they belong; women's life differences in the social context only make sense when the functions women perform in the formal and informal sector are taken into consideration. Their participation in those economic sectors is highly related to their position in the Guatemalan social class.

#### Data Collection

The statistical data used in this analysis were obtained mainly from the Guatemalan 1973 Census; AID/WID Final Report, 1980; World Bank tables, ECLAC/CEPAL tables, UNESCO and United Nations tables, and from compiled and written data produced by

the Caribbean Basin Information Project.

Historical and descriptive information were gathered from different sources such as books, magazines, newspapers, and social-economic studies. Some of these are in Spanish and others in English. An attempt has been made to include the necessary information concerning women's participation in the Guatemalan labor force. In addition, socio-economic indicators are taken into account to explain Guatemala present economic situation which affects women's conditions.

#### 1.4 General view of the Guatemalan Geography, Population, and Present Economic Situation

##### 1.4.1 Geography

Guatemala is situated in the northern part of Central America. It is bordered on the north and west by Mexico, on the southwest by the Pacific Ocean, on the east by Belize, and on the south and east by the Caribbean Sea, Honduras and El Salvador (see Figure 1).

The total area of Guatemala is 108,889 square kilometers (42,084 square miles) without Belize which was given its independence from Guatemala by the United Nations. Guatemala occupies an area approximately the size of the state of Louisiana and slightly larger than the state of Tennessee. The country is geographically diverse with great contrasts in climate. The land of the country basically includes high plateaus, high mountain ranges, tropical jungle, coastal plains, and a dry zone. The wide range of soil types and climates combined with the variety of

FIGURE 1





geographic areas, makes possible the production of any agricultural crop.

The Pacific Coast Plain is predominantly savanna interspersed mainly with forests. This area represent a strip ranging from twenty to forty miles along the southern edge of the country which, combined with the department of Izabal situated on the eastern Caribbean Coast, represents important coastal fertile zones for agricultural exports such as bananas, cotton, and sugar cane.

The highland areas, located in the central part of Guatemala, are the most heavily populated of the country. This region is characterized by many mountains, very little flat land, and a diversity of climates. The major products of the highlands are corn, wheat, beans, coffee, vegetables, and fruits.

#### 1.4.2 Population

The population of Guatemala is divided into three ethnic groups: Indians (54 percent), Mestizo mixed Indian and Spanish descent (42 percent), and Caucasian, including those of pure Spanish descent (4 percent).<sup>1</sup> A very small number of Black Caribs are located in Livingston and its environs on the Caribbean coast. According to the American University, Foreign Area Studies (Guatemala a country study, 1983:51), the Black Caribs are descendants of fugitive slaves and the Carib Indians of the Antilles.

According to the 1981 Guatemala's night population census, the country had a total population of 6,043,559. Its average annual growth of population was 3.1 percent for the

or seven years old but are not counted as a part of the economically active population. Most of the children drop out of school at early ages to help their parents in their activities, especially in the agricultural sector.

The high Guatemalan dependency ratio alerts us to the need for government policies in terms of food production, education (schools), health, and housing to respond to the needs of this large number of children who, in many cases, are the responsibility of single mothers who take care of them in addition to their household activities and/or as members of the remunerated labor force.

Marital status data about women over aged 15 years from the Guatemalan 1973 Population Census indicate that 28 percent are single, 63 percent are married or living in concensual unions, and 9 percent are widowed or divorced. More than 27 percent of the single females population care for children as mothers and as heads of households (Direccion General de Estadistica, 1973: tables 4 and 5).

Differences in the marital status of women exists in rural and urban areas. About 55 percent of urban women are classified as legally married or living in concensual unions in contrast to approximately 69 percent in rural areas. Single women in rural areas represent 21 percent of the total rural women over aged 15 years and old, which is smaller than the 35 percent in the urban area. The major concentration of single mothers, almost 50 percent, is located in Guatemala City, the principal city of Guatemala. More than 52 percent of the single female population (include widowed and divorced women) is also concentrated in this

city (AID/WID Final Report, 1980:15-16). The following table show the major classification of women's marital status in Guatemala according to the Direccion General de Estadistica, 1973 Population Census.

TABLE 1

GUATEMALA: MARITAL STATUS OF WOMEN IN THE URBAN AND RURAL AREA  
(IN PERCENTAGE)

CATEGORY/AREA	URBAN	RURAL	TOTAL POP
Single	35	21	28
Legally Married	33	28	30
Concensual Union	21	41	33
Divorced	1	1	1
Widowed	9	9	8

SOURCE: Direccion General de Estadistica, 1973 Censo de Poblacion, 1975. Tables 4 and 5.

### 1.4.3 Guatemala Economic Situation

The years from 1966 to 1973 were a period of dynamic economic growth in Guatemala. The average annual growth rate of the Gross Domestic Product (GDP) <sup>5</sup> at current market prices amounted to 6.0 percent for that period, twice that of the population growth rate <sup>6</sup>. As a result, per capita GNP growth was 2.1 percent (average annual growth rate). But the Guatemalan economic situation changed dramatically between 1973-1982 and the growth of the economy was low. The GDP average annual growth rate was 3.7 percent, only slightly above the population growth rate (3.1 %) (ECLAC/CEPAL, 1982: table 1 and 2).

The Guatemalan economy has experienced a recession since 1980, which worsened in 1983. The Gross Domestic Product dropped at a rate of 3.5 percent in 1982 and experienced a sharp contraction again (-2.1 %) in the year 1983. Production of goods and services fell, largely due to: (a) a 12.4 percent drop in the export of goods and services; (b) a 7.1 percent drop in gross domestic investment; (c) a 2.4 percent drop in private consumption, and (d) a 20.7 percent plunge in imports of goods and services (real terms) which weakened the production system. As a consequence, per capita real income and levels of employment reflected a continual decline. Some economists from ECLAC/CEPAL argue that the per capita gross domestic product declined to a level comparable with that of 1973.

The period of 1979-1982, opened with a dramatic rise in oil prices that sent inflation to inordinately high rates (9.9 percent). The most important characteristic of this period was a sustained weakness of the economy, pointed up by the level of

real GNP at the end of 1982. The years 1982-1984 were a period of stagflation (inflation increased while the rate of real output growth decreased). There was a sharp contraction of the business cycle in 1983 and the recession of 1980-1982. The inflationary bulge of the early 1980s was therefore due largely to special elements, principally energy prices and food prices. Thus, the Guatemalan economy observed a long period of relatively sustained dynamic expansion between 1950 and 1980, but the economic recession experienced during 1981-1983 resulted in a downturn equivalent to the loss of a whole decade of economic growth.

The effect was felt in different economic sectors. A tremendous reduction of -18.6 percent was observed in private capital formation and in the behaviour of private financial flows into the capital account of the Guatemalan Balance of Payment. Many factors contributed to the economic crisis, such as huge decreased net inflows of capital, unfavourable prospects in terms of job opportunities, lack of maintenance of agricultural plantations and industrial plants, limited opportunities for export of traditional products, and rapid increases in the unit price of imports (deterioration of terms of trade). In addition, two other factors leading to the economic crisis were the deterioration of the international financial market, which affected most developing countries' abilities, including Guatemala's, to obtain external financing; and the deterioration of terms of trade among the Central America countries, due primarily to the contraction of overall demand in the subregion and by the acute shortage of foreign exchange; most countries of

the region were forced to reduce their level of imports as a result of the lack of foreign currency.

The negative influence of these factors was reflected in the expenditure policy adopted by the government in 1982, which strengthened, rather than offset, the negative effect of the recessive factors on total demand. As a consequence of this financial and economic adjustment policy, government consumption expenditures in real terms decreased by almost 3 percent, while capital expenditures fell by more than 15 percent; thus the coefficient of total public expenditure decreased from 13.9 percent in 1982 to almost 13.5 percent in 1983. In January 1984, the Minister of Economy, Leonel Hernandez Cardona, acknowledged that Guatemala industry was functioning at 50 percent capacity, a reflection of the liquidity and insolvency problems of a large number of Guatemalan enterprises which were indirectly forced to work with excess capacity and low relative earning power (El Grafico, Jan. 1984). But the economic recession of Guatemala in 1983 was a product not only of national economic activity and policy, but also a result of the world economic crisis. A depressive factor was given by the economic, social and political tensions which have affected Central American countries particularly. Uncertainty and high risk in the economy prevailed essentially as a result of constant changes in government.

Guatemalan global demand and its major components decreased as a result of the adverse domestic and external factors in 1983. Private consumption was reduced as a result of the lack of a positive multiplier effect of government expenditures, increasing the level of unemployment, and by the drop observed in real

wages. On the basis of ECLAC data, private consumption in 1983 was lower by 11.6 percent than the value observed in 1980 and domestic fixed capital formation decreased to 10.3 percent in 1983 from 13.3 percent in 1981 as a percentage of GDP. From this data, it can be concluded that the demand shock in 1983 was a result of the contraction of its major components; essentially private and public investment, exports, and gross fixed capital formation. Therefore, an autonomous decrease in demand led immediately to the full negative multiplicative response of output. This macroeconomic principle was observed in the large contraction of the mainly productive activities. Agriculture, industry, and construction were most affected since they represented 27.8, 14.5, and 4.1 percent of GDP (at factor cost) respectively.

It can be seen in table 2 of Gross Domestic Product, by kind of economic activity at factor cost, that in the production of goods only mining had a positive growth rate since there was little expansion of petroleum production. Basic services such as electricity, gas and water, transport, storage, and communications, contracted. Nevertheless, other services, for instance, ownership of dwellings, community, social and personal services, and government services (defense expenditure) grew slightly. In contrast, imports of goods and services plunged by 20.7 percent in real terms. The coefficient of imports reached its lowest level during the past thirty years, which, in terms of economic development, represents a value below the national requirement for supply import components.

The Guatemalan economic situation improved in 1984 relative

TABLE 2

## GUATEMALA: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY AT FACTOR COST

	Million of Dollars at 1970 Prices				Percentage Breakdown			Growth Rates		
	1981	1982	1983 <sup>a</sup>	1970	1980	1983 <sup>a</sup>	1980	1981	1982	1983 <sup>a</sup>
Gross Domestic Product <sup>b</sup>	3 840	3 704	3 630	100.0	100.0	100.0	3.7	0.9	-3.5	-2.0
Goods	1 833	1 759	1 704	47.0	47.8	46.7	3.5	1.1	-4.0	-3.1
Agriculture	1 058	1 036	1 010	30.1	27.5	27.8	1.6	1.4	-2.0	-2.5
Mining	12	12	12	0.1	0.5	0.3	71.2	-36.4	5.2	2.2
Manufacturing	572	542	531	14.6	15.5	14.5	5.6	-2.5	-5.2	-2.1
Construction	191	169	151	2.2	4.3	4.1	3.8	16.0	-11.7	-10.7
Basic Services	218	208	204	4.4	5.8	5.6	6.8	-0.4	-4.9	-1.4
Electricity, gas and water	49	48	47	0.9	1.3	1.3	2.4	-0.2	-2.2	-0.9
Communications, transport and storage	169	160	157	3.5	4.5	4.3	8.2	-0.4	-5.7	-1.5
Other Services	1 792	1 752	1 740	48.6	46.4	47.7	3.7	1.7	-2.2	-0.8
Wholesale and retail commerce, restaurants and hotels <sup>e</sup>	1 026	972	943	27.5	26.9	25.8	2.1	0.6	-5.3	-3.1
Ownership of dwellings	193	198	204	7.8	5.0	5.6	3.0	2.6	2.6	3.0
Community, social and personal services	573	582	593	13.3	14.5	16.2	7.2	3.3	1.6	1.9
Governmente Services	306	318	326	7.0	7.6	8.9	10.6	5.8	-1.0	1.0

SOURCE: ECLAC, on the basis of official data.

a) Preliminary data

b) As the totals and individual activities were calculated separately, the sum of the former does not correspond exactly with the latter.

c) Except for ownership of dwellings, the figures include financial organizations, real state and insurance.



to 1982 and 1983. The Gross Domestic Product increased at a rate of 0.6 percent for that year. As a consequence, per capita GDP average annual growth rate was -2.2. But the country's economic situation changed dramatically in 1985. The economy again experienced a recession but less strong than that observed in 1983. The real Gross Domestic Product dropped at rate of 1.1 percent and per capita GDP experienced a sharp contraction (-4.0 %) (United Nations; CEPAL, 1985: 14-18).

According to United Nations data (CEPAL, 1985:30), in 1985 the Guatemalan economy experienced the most negative effects from the structural crisis observed in the last decade. Therefore, per capita GDP declined to a level equivalent to that of twelve years ago. The national income was highly reduced by the contraction of exports of goods and services FOB (-6.2 %) and by the reduction of interchange price relationship (terms of trade) from 79.8 price index in 1984 to 73.2 in 1985 (based on 1970 price index). In addition, the Guatemalan economic situation was worsened in 1985 as a result of the trade problems observed in the Central America region. Central America countries reduced their imports of Guatemalan products in order to equilibrate their balance of payments. This factor produced a high contraction of the industrial sector and interregional commercial activities, which resulted in reduction of exports of goods and services. As a consequence, a lack of foreign currency was felt in the country, which produced a reduction of imports of inputs, goods, and services (-8.5 %), which in turn hurt global production. Also, decapitalization of some agricultural and industrial sectors was observed as a result of the reduction of fixed capital formation.

The private consumption declined tremendously, which was reflected in the demand of basic products and in the considerable deterioration of the standard of living of the population. There was a moderate increase of salaries that produced a constant increase in general prices; which observed a average annual variation from 3.4 % in 1984 to 18.5 % in 1985. As a result, real salaries fell sharply observing a variation from -0.7 % in 1984 to -9.7 % in 1985.

The country's economic situation in 1985 was worsened by the government policy to decrease public expenditures in order to reduce the fiscal deficit. This action influenced negatively the private sector activities, which contributed to generate higher levels of unemployment.

National and international economists expected that the economic recovery of Guatemala would be very slow since the level of output adjusts gradually. But economic recovery will depend not on domestic management policy only, but also on economic recovery from recession in other countries, especially those with which Guatemala trades agricultural and industrial products, such as Central America, China, and United States. In addition, it is necessary for the present government to provide a more stable and peaceful environment to reduce risk and uncertainty for national and international private investment and tourist flows to improve the balance of payments (external public debt 1,405 millions of dollars). However, at the present time (1987), the country's stability is much better than the last five years. There is an urgent need to improve the welfare of the Guatemalan population, which under this economic situation is deteriorating.

The poor get poorer and increase in number. Who gets what is critical to equitable and efficient development. According to data included in the document "We Continue Forever,"<sup>11</sup> five percent of the Guatemalan population received 59 percent of the total income and more than 50 percent of the population received only 7 percent of the country's total income in 1978. Subsistence living was almost the same in 1983 as 1953.

ECLAC's figures show that in 1983, the open unemployment rate for the economically active population was 8.0 percent.<sup>12</sup> Therefore, alternative policies to allocate the unemployed labor, are required in the country to achieve efficiency in the system.

Given this general view of the Guatemalan economy, it is clear that the general conditions in which women, as well as men, are living in Guatemala, are influenced negatively by the country's economic situation. Therefore, in the following chapters the participation of women in the Guatemalan labor force will be addressed and not treated as an isolated issue in the country's problems in order to make the analysis more dynamic and objective.<sup>13</sup>

## CHAPTER II

### WOMEN'S PARTICIPATION IN THE GUATEMALAN LABOR FORCE

Guatemala women, as women in all countries of the world (Capitalist and Socialist Systems), have entered the labor force but still retain domestic labor responsibilities. Men's unwillingness to share domestic responsibilities essentially reflects a social ideology which constrains women's ability to achieve equity with men. Nevertheless, although participation in the labor force represents for some women additional responsibilities, some argue that remunerated work leads to an improvement in women's status, income, and power.

14

#### 2.1 General view of Guatemalan total Labor Force and Women's Participation on it

##### 2.1.1 Guatemalan Total Labor Force

According to the World Bank figures, Guatemala's labor force in 1980 was almost twice as large as that which existed in 1950, representing an increase of 2.5 percent a year, reaching 2.1 million workers in 1980. The percentage of population of working age (15-64 years old) was 51 percent in 1965 and 54 percent in 1983. The average annual growth of the labor force for the years 1965-1973 and 1973-1983 was 2.9 and 3.0 percent, respectively, and is estimated to be 2.9 percent in the years 1980-2000. These rates are lower than the rates of population growth for these same years (3.0 %, 3.1 %), with the exception of the estimates for the period 1980-2000 in which the rate of population growth

is smaller (2.6 %) than the rate of labor force growth.

Table 3 contains data about the composition of the economically active population in 1970, 1980, and 1981. In that year, 29.6 percent of the total absolute population was economically active and 64 percent of the total population was under 25 years old.

It can be seen in Table 3 that the agricultural, forestry, hunting, and fishing sectors provided the greatest proportion of jobs (65.3 %); manufacturing accounted for 11.3 percent, and services 10.7 percent of the jobs available in 1970. These figures changed very little by 1980. Agriculture employed 58 percent of the labor force, manufacturing 14 percent, commerce 7 percent, other services (including government) 12 percent, and other sectors 9 percent of the labor force. In 1981, the distribution of the labor force was; agriculture employed 55 percent, manufacturing industry 21 percent, services 24 percent, and other sectors 24 percent, (see Table 3).<sup>16</sup>

Given that the estimated average annual growth of labor force for the period 1980-2000 is 2.9 percent, the work force in the year 2000 will include approximately 4 million people. To absorb this economically active population, it will be necessary to create approximately 180,000 new jobs per year, which is hard to do it since the level of unemployment is already high.<sup>17</sup>

According to ECLAC figures, however, open unemployment for the economically active population increased, from 5.2 percent in 1982 to 8.0 percent in 1983 (see Table 4).<sup>18</sup>

According to records of workers registered in the Guatemalan

TABLE 3

GUATEMALA: PRODUCTIVE ACTIVITIES OF THE ECONOMICALLY  
<sup>a</sup>  
 ACTIVE POPULATION BY ECONOMIC SECTOR

1970, 1980, 1981

ECONOMIC SECTOR	POPULATION TOTAL 1970	P E R C E N T A G E S		
		1970	1980	1981
Agriculture, forestry, hunting, and fishing	1 034 248	65.3	58	55
Manufacturing Industry	179 506	11.3	14	21
Services	178 543	10.7	12	
Commerce	98 819	6.2	7	
Construction Sector	41 099	3.2		
Transport, store and communications	33 845	2.1		
Mining sector	2 065	0.2	9	24
Electricity, gas, water and services	2 017	0.2		
No specified activities	11 770	0.8		
TOTAL	1 581 916	100.0	100.0	100.0

SOURCE: Problemas Socio-Economicos de Guatemala, Hector R. Rosada. Guatemala, August 1972.

a. The economically population included people between 7 to 65 years of age.

TABLE 4

## GUATEMALA: ESTIMATED LEVEL OF LABOR FORCE UTILIZATION

	1980	1981	1982	1983 a
Thousands of Persons				
Economically Active Population	2 182	2 250	2 320	2 391
Currently Employed	2 136	2 182	2 201	2 201
Technical requirement for full employment	1 503	1 481	1 430	1 394
Open Unemployment	47	69	120	192
Equivalent Unemployment	633	701	771	806
Total Unemployment	680	770	890	998
Percentages				
Economically Active Population	100.0	100.0	100.0	100.0
Employment	97.8	96.9	94.8	92.0 b
Technical requirement for full employment	68.8	65.8	61.6	58.3
Open Unemployment	2.2	3.1	5.2	8.0
Equivalent Unemployment	29.0	31.1	33.2	33.7
Total Unemployment	31.2	34.2	38.4	41.7

SOURCE: ECLAC, on the basis of calculation by the population and Employment Department of the Secretariat of the National Economic Planning Council, 1983.  
a. Preliminary data

Social Security Institute in 1983 the number of jobs decreased by 1.4 percent from those in 1982. The major decreases are observed in the construction (-33.8 %) and agriculture (-7.4 %) (including fishing and forestry). The number of workers in other economic sectors increased, however. For instance, the growth rate of employment in manufacturing and mining, commerce, and other services, was 5.5, 3.4, and 4.5 percent, respectively between 1982 and 1983 (see Table 5).

In general, the Guatemalan labor force is made up of unskilled, and frequently illiterate, workers. In 1982 most of the work force earned only US \$3.50 per day, which represents the official minimum wage. Nevertheless, in many departments of Guatemala, especially in the rural area, many workers only received one-half the minimum wage per day. These conditions apply mainly for men since women received wages lower than those for men.

The increasing rate of unemployment, the lack of available jobs, low level of minimum wages relative to the cost of subsistence, and high inflation rate, suggest that it will be impossible for a family to receive a minimum income to cover its subsistence needs. As a consequence of this factor, combined with poverty that already existed in the country, a diversity of problems may appear such as family disintegration, delinquency, prostitution, crime, and alcoholism. According to Stephen Kinzer from New York Times (Detroit Free Press, June 22, 1987:14A), crime has increased tremendously in Guatemala in the last two years of civilian government. Nevertheless, Kinzer argues that crime increased as a result of the elimination of the death



TABLE 5

## GUATEMALA: EVOLUTION OF EMPLOYMENT BY MAJOR PRODUCT ACTIVITIES

ECONOMIC SECTOR	1980	1981	1982	1983a	Growth		Rates	
					1980	1981	1982	1983b
a Thousands of Persons								
Total	755.5	591.0	609.1	600.6	-0.1	-21.8	3.1	-1.4
Agriculture	373.5	225.7	215.7	199.8	-0.3	-39.6	-4.4	-7.4
Manufacturing and Mining Sector	86.8	77.1	77.0	81.2	2.8	-11.2	-	-5.5
Construction	27.7	23.4	26.9	17.9	-34.5	-15.5	15.0	-33.8
Commerce	58.9	58.9	61.3	63.4	0.7	-	4.1	3.4
Other Services <sup>c</sup>	208.6	205.9	228.2	238.4	6.2	-1.3	10.8	4.5
Indexes (1975=100)								
Total	145.1	113.5	117.0	115.3				
Agriculture	143.6	86.8	82.9	76.8				
Manufacturing & Mining Sector	134.5	119.5	119.3	125.8				
Construction	132.7	112.2	128.9	85.4				
Commerce	154.1	154.1	160.3	165.9				
Other Services <sup>c</sup>	152.3	150.3	166.6	174.0				

SOURCE: ECLAC, on the basis of official figures.

a. Number of workers affiliated with the Guatemala Social Security Institute.

b. Preliminary data.

c. Public administration is included.

squads. Therefore, it is now less risky to be a thief. This author believes that his explanation does not reflect the actual causes of the problem such as those mentioned above.

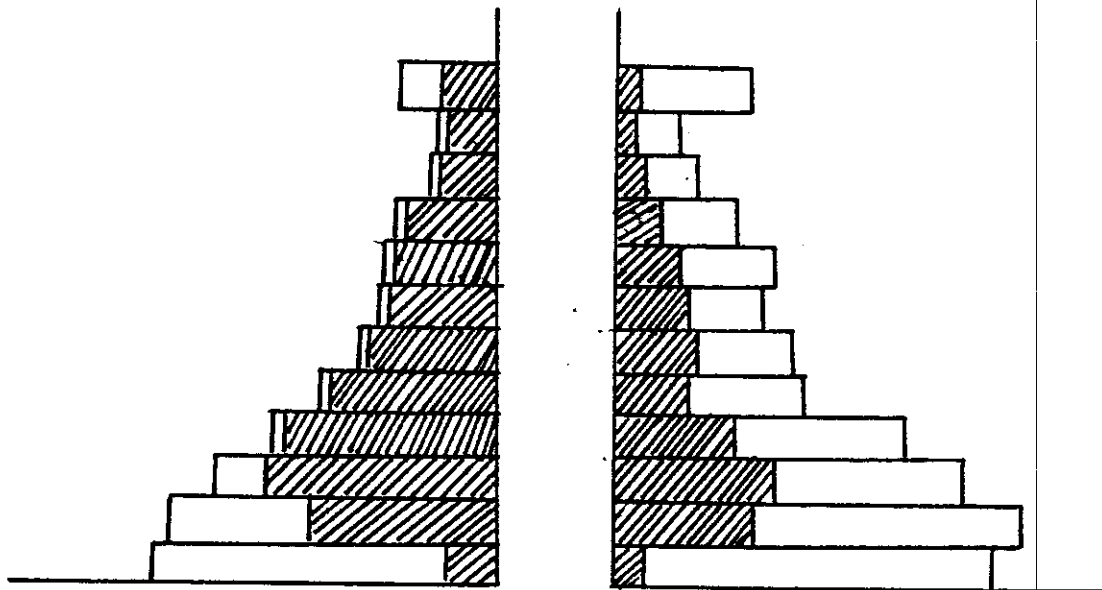
### 2.1.2 Influence of Macroeconomic Conditions on Women's Participation in the Labor Force

The participation of women in the Guatemalan labor force is conditioned by the macroeconomic conditions in which the country is situated. Thus, under conditions of high rate of unemployment and high rate of inflation, the percentage of women participating in the labor force is low compared to men since job opportunities available to women are lower than to men. There are many productive activities, however in which women participate which are not taken into account by census or other statistical data. In such cases, women are not considered a part of the general labor force but as dependents who do not generate goods and services.

According to the 1973 Guatemalan census, only 7.1 percent of the female population over 10 years old was classified as economically active, as opposed to about 70 percent of males over 10 years old. On the other hand, about 14 percent of women between 25-50 years old were classified as working, in contrast to 95 percent of men in the same age group. In Guatemala city, the most populated urban area of the country, 30 percent of women were considered to be economically active, as opposed to  
19  
about 70 percent of the male population. These figures show that the participation of women in the Guatemalan labor force is still  
20  
low in comparison with men (see Figure 2).

FIGURE 2

POPULATION PIRAMID SHOWING ECONOMICALLY  
ACTIVE POPULATION BY AGE AND SEX  
(GUATEMALA CITY 1970)



Male

Female



Total population



Economically Active population

SOURCE: Consejo Nacional de Planificacion  
Economica, Encuesta de Hogares sobre  
Recursos Humanos, 1978.

The female labor force in the formal sector mainly consists of young women. There is an inverse relationship of economically active women to men in terms of age. For instance, according to the 1973 Census, men's labor force participation at ages 15-19 was about 71 percent, in contrast to 24 percent for women's participation at ages 60-64 (see Figure 3).

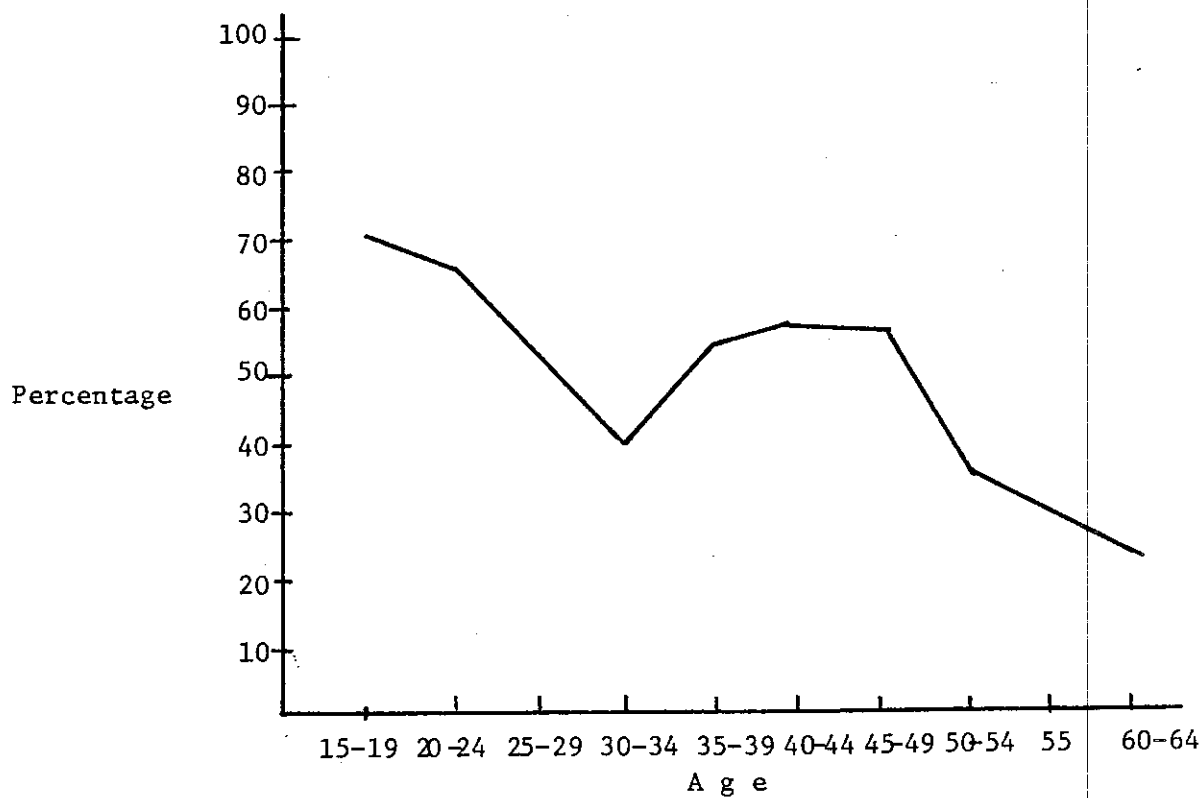
The agricultural sector (including fishing and forestry) is not included in the figure 3 since no data are available. An enormous number of women are employed in permanent or seasonal agricultural work, however (Alvarez Jose, 1977:43).

Guatemalan women lose many of their traditional roles as industrialization expands or new technology is acquired, and, in response, they take up work in domestic service, home industries, private and government services, seasonal agricultural work, marketing, and other activities of the informal sector. According to USAID/WID study, in most cases, women who have the opportunity to participate in the formal and informal sectors, experience a double burden of domestic unpaid work and wage labor. Large number of Guatemalan women who participate in the labor market, play three roles: unpaid domestic labor, social reproducer, and wage worker. These roles can be different in other countries in which men may help women in domestic activities and taking care of their children, which is not highly observed in most of the Latin American countries.

According to the 1973 Census, 39 percent of the female labor force was concentrated in services, 21 percent in crafts, 17 percent in sales, 12 percent in professional activities, 8 percent in clerical work, and 2 percentage in administrative/

FIGURE 3

FEMALE PARTICIPATION IN LABOR FORCE AS PERCENTAGE  
OF MALE PARTICIPATION BY AGE GROUP



SOURCE: Secretaria General de Planificacion  
Economica, Encuesta de Hogares sobre  
Recursos Humanos, 1978.

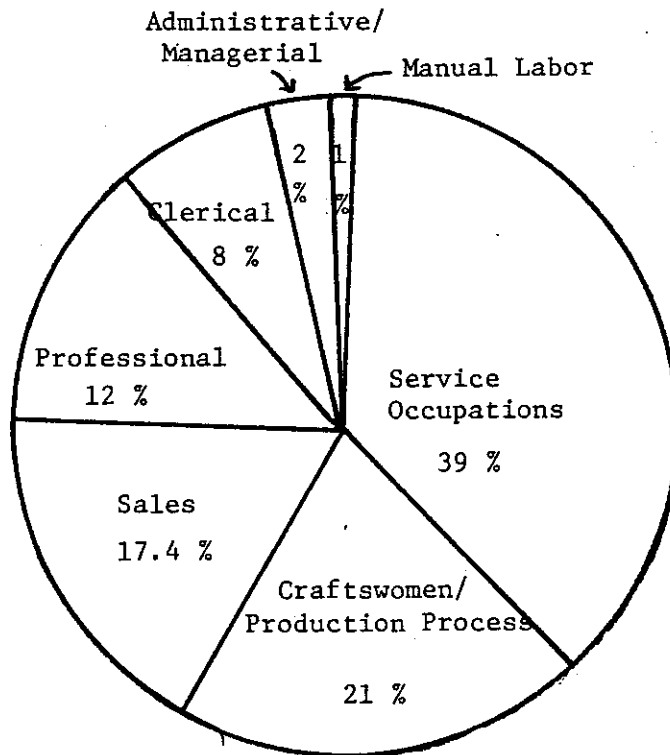
managerial occupations. Only 1 percent of working women were involved in manual labor (see Figure 4 which refers to the country as a whole but not as a percentage of all workers). Nevertheless, this author believes that the National 1973 Guatemalan Census, do not reflect the real figures since many women's productive activities in the rural area are not taken into account in these statistics, such as typical home weaving, handicrafts and ceramics activities, and agricultural production.

The data in table 6 show the percentage of all workers who are women by occupational category as a percentage of all workers. It can be seen women represent 30.1 percent of the total workers in the labor force. 66.1 percent of the labor force in the service sector is female; 40.5 percent is in professional activities. 35.1 percent is in sales, and 34.1 percent is in clerical occupations. These percentages relatively show sexual inequality in work positions since more than 81 percent of the labor force in managerial/administrative positions are men. Women are relegated to services and secondary activities in which they primarily hold low level positions. They do not have the opportunity to participate in high-level decisions since only 18.7 percent of the labor force in administrative or managerial positions is female. Further, the 40.5 percent of women in professional occupations mainly work as primary and secondary teachers. Nevertheless, it is important to point out that this is aggregate data that do not reflect differences between men and women in terms of education, skills, and specific type of job in defined occupational category.

Relating to location, a high proportion of female as a

FIGURE 4

WOMEN LABOR FORCE ACCORDING TO THEIR  
OCCUPATIONAL CATEGORIES



SOURCE: Guatemala, 1973 Census,  
table 22.

TABLE 6

GUATEMALA: OCCUPATIONAL CATEGORY OF WOMEN AS A  
 a  
 PERCENTAGE OF ALL WORKERS

(In Percentage)

Occupational Category	Total Country b	Percentage Female of Total Guatemala City b	Urban Areas	Rural Areas
Total Workers	30.1	38.9	33.5	20.5
Administrative/Managerial	18.7	15.5	18.8	17.7
Professional	40.5	38.6	40.6	39.6
Sales	35.1	43.2	42.6	17.1
Clerical	34.1	44.0	36.5	6.4
Transport and Mining	0.4	.0	2.0	0.3
Craftspersons/Prod. process workers	17.1	14.4	15.3	20.1
Manual Labor	7.2	69.7	8.7	4.7
Service Occupations	66.1	68.4	68.7	51.9

SOURCE: 1973 Population National Census. Guatemala, table 42.

a. Population over 15 years old.

b. Includes population 10 years old and over. Excludes unknown labor force (agriculture, forestry, etc.).



percentage of all workers in the country (33.5 %) is concentrated in the urban areas, particularly Guatemala City (38.9 %) in which women's major occupations are found in manual labor (69.7 %), service positions (68.4 %), clerical (44.0 %), and sales (43.2 %). On the other hand, in the rural area, the female labor force is mainly concentrated in service occupations (51.9 %), professional positions (39.6 %), and craftspersons/production process workers (20.1 %).

It is important to observe that women's participation in agricultural activities is not included in the 1973 Census. Since a high percentage of women in the rural area work in permanent and/or seasonal agricultural production, the data taken from the census can be biased and should be utilized carefully.

The data in table 7 show a percentage distribution of female workers according to occupational categories and employment status. The highest percentage of female workers is concentrated in the category salaried wage earners (67.6 %). Over one-quarter (27.9 percent) of the total female labor force are labeled as employed, a level which in most of the cases corresponds to the category of self-employed. Only 3.4 percent of female are unpaid family workers and 1.1 percent are employers.

According to occupational categories, the 1973 Census shows that 67.8 percent of women in sales, 62.5 percent in craftspersons and production process workers, and 56.7 percent in administrative/managerial, are self-employed. These high percentages may essentially represent small scale entrepreneurs, market sellers, street vendors, and general vendors, jobs which require little capital compared with the standard entrepreneurs

TABLE 7

GUATEMALA: PERCENTAGE DISTRIBUTION OF FEMALE WORKERS BY  
 OCCUPATIONAL CATEGORIES AND EMPLOYMENT STATUS <sup>a</sup>

(In Percentages)

Occupational Categories a	Employer	Employed	Salaried wage Earners	Unpaid family Worker	Total	%
Total Women Workers	1.1	27.9	67.6	3.4	100.0	100.
	(2 201)	(55 751)	(135 75 1)	(6 685)	(200 105)	
Administrative/Managerial	16.1	56.7	25.8	1.4	3 125	1.56
Professional	0.7	4.5	94.4	0.4	22 791	11.39
Sales	2.6	67.8	25.4	4.2	33 485	16.73
Clerical	0.3	0.9	97.9	0.9	14 033	7.01
Working/Mining Workers/Transport	-	58.9	35.3	5.8	17 166	0.01
Craftsmen, Prod. Process Workers	0.06	62.5	26.7	10.1	42 435	21.21
Manual Labor	0.3	4.7	94.7	0.3	2 626	1.32
Services	0.5	4.9	94.6	0.9	81 427	40.69

SOURCE: 1973 Censo de Poblacion. Guatemala, table 26.

a. Do not include women workers whose employment status was unknown.

in the country. Although the census does not provide this information, this author, according to her own experience, believes that this is the case. The census figures not only disguise the fact that women in all economic sectors work in less secure positions and earn lower salaries than men but they also ignore the work women do in agriculture and the informal sector e.g., domestic service, street sales, tortilla making, buying bottles. Therefore, the figures mainly describe middle and upper class female workers, since an enormous number of poor women work in activities not reported in official studies.

Guatemalan women constitute a marginal group in the society not only because their sex automatically discriminates against them in terms of working positions, but also because they are not taken into account by official census and surveys. However, small scale male occupations are also ignored. Most women (92.9 %), since official statistical data do not reflect women's work and their low wages, which in many cases represent the only income for the family such as the case of Guatemala City which according to AID/WID 1980 final report, has the major concentration of single mothers who are workers, almost 50 percent.

## 2.2 Women's Labor in Agricultural Sector

Guatemalan women participate actively in the agricultural sector; however, to define their major roles, it is necessary to fully understand how the basic economic system of the small farmer works. Also, it is essential to recognize the major characteristics and roles of agriculture in the economy.

Guatemala continues to be a predominantly agricultural

country since agriculture is the dominant sector of the economy. This sector including hunting, forestry and fishing, was the main goods-producing sector, contributing 27.8 percent of the Gross Domestic Product ( at factor cost) in 1983 (see Table 2),<sup>22</sup> and employing about 33.3 percent of the labor force (see table 8). Jose Alvarez estimates that, since 1953, farm produce supplied more than 80 percent of all exports and provided about 30 percent<sup>23</sup> of the materials processed by domestic industry. About one - third to one - half of the total population lives in the<sup>24</sup> subsistence agricultural sector.

Agricultural production is mainly divided into two important sectors: products for domestic consumption, such as corn, beans, rubber, cacao, wheat, rice, fruits and vegetables, sorghum, sesame, millet, cassava, potatoes, and hard fibers; and products for export, such as coffee, cotton, bananas, essential oils, sugar, tobacco, meat, and honey. Cattle raising represents an important part of the value of agricultural production and it is mainly targeted for the export market.

The use of natural resources in Guatemala is similar to that in other Latin American countries, such as El Salvador, Honduras, and Colombia. Nevertheless, agricultural activities are developed within a very rigid land tenure system. According to the agricultural census of 1964 (Table 9), approximately 2.1 percent of the holdings with more than 64 manzanas (110.72 acres of land), control more than 62.6 percent of the total Guatemalan land. On the other hand, 97.9 percent of the holdings (the sub-family and family holdings) with less than 64 manzanas, control only 37.4 percent of the land. Estimates from the USAID

TABLE 8

a

GUATEMALA: EVOLUTION OF EMPLOYMENT BY KIND OF ECONOMIC ACTIVITY

Economic Sector	Thousands of Persons				Percentage Breakdown			
	1980	1981	1982	1983 <sup>b</sup>	1980	1981	1982	1983 <sup>b</sup>
Total	755.5	591.0	609.1	600.6	100.0	100.0	100.0	100.0
Agriculture	373.5	225.7	215.7	199.8	49.4	38.2	35.2	33.3
Manufacturing & Mining Sector	86.8	77.1	77.0	81.2	11.5	13.0	12.7	13.5
Construction	27.7	23.4	26.9	17.9	3.7	3.9	4.4	3.0
Commerce	58.9	58.9	61.3	63.4	7.8	10.0	10.1	10.6
Other Services <sup>c</sup>	208.6	205.9	228.2	238.4	27.6	34.8	37.5	39.7

SOURCE: ECLAC, on the basis of official data.

a. According to the data given by the Guatemalan Social Security Institute - persons affiliated to it.

b. Preliminary data.

c. Public administration is included.

TABLE 9

GUATEMALA: SIZE OF FARM UNITS IN 1950 AND 1964

Size Groups <sup>a</sup>	FARMS				LAND				FARMS			
	1950		1964		1950		1964		1950		1964	
	#	%	#	%	#	%	#	%	#	%	#	%
Sub-Family	308 073	88.4	364 879	85.5	533 131	14.3	641 631	18.6				
Family	33 041	9.5	43 656	10.4	500 830	13.5	650 072	18.8				
Multi-Family Medium	7 057	2.0	8 420	2.0	1 167	532	31.4	1260	818	36.6		
Multi-Family Large	516	0.1	389	0.1	1 519	339	4.08	896	216	26.0		
TOTAL	348 687	100	417 344	100	3 720	832	100	3 448	737	100		

SOURCE: Agricultural Census of 1950 and 1964.

a. In general the number of workers employed is directly related to the size of the farm. Therefore, The groups have been classified by the size of the work force and, consequently by the number of families which the holdings can support. The groups include the sub-family-sized farm, too small to support a family (which gives work for less than 2 workers full time a year); the family-sized farm, giving employment for from 2 to 4 workers full time; the multi-family medium, which gives employment for from 4 to 12 workers full time, and the multi-family large, employing more than 12 workers during the whole year.

Data related to size of the holding to the work force is not given by the census; therefore, holdings classification is:

i) The Sub-family is less than 10 manzanas (Minifundio).

ii) The Family holdings is from 10 to 64 manzanas

(Latifundio).

iii) The Medium Multi-family has between 64 and 1 280

Manzanas (Latifundio).

iv) The Large Multi-family has more than 1 280 manzanas(Lat.)

1 Hectar = 2.47 acres

0.7 Hectares = 1.73 acres = 1 manzana

Development Assistance Plan, 1978 indicate that of all farm families, 2 percent own about 80 percent of all agricultural land. The AID/WID final report for 1980 indicates, however that 80 percent of all agricultural land is owned by 10 percent of all farm families.<sup>25</sup>

Jose Alvarez from the University of Florida, estimates that over 98 percent of the Guatemalan farms have an area under 100 acres and occupied 28 percent of the land being farmed. In contrast, 41 percent of the farm land is occupied by only 0.1 percent of the total number of farms larger than 5,000 acres. The Guatemalan National Planning Council estimated that over 90 percent of all rural families were either landless or possessed insufficient land for subsistence in 1965. In addition, many Guatemalan maps related to potential land use show that the best agricultural areas of the country, in terms of high productivity, are occupied by large holders, and most small farmers live in mountainous zones, which should be forested or in areas of extremely low productivity which do not permit small farmers to produce food to survive the whole year. Nevertheless, the 1964 agricultural census of agricultural land showed that large land holding farmers owned land classified as not cultivable. Small farmers in the highlands by contrast, owned small plots which are tilled intensively for small yields, a result of overcropping and high levels of erosion.

On the basis of the figures given above, it can be seen that in Guatemala an extreme inequality in land distribution exists, making the productive expansion of agricultural commodities for domestic consumption difficult since it is small

farmers who produce food for domestic consumption. Therefore, the country has to import consumption goods, especially basic grains and cereals. It is likely that supply of food would possibly be expanded more easily with large farmers who mainly produce for export market. But effective demand would remain low because of low wages among such a large portion of the rural population. This situation affects not only women and men, but also entire families since there is little hope for members of poor families to gain access to additional land. Further, the government has to import basic grains to help small farmers who sell their agricultural products for low prices during the harvest season and buy their equivalent for high prices at other times. For instance, in 1982 Guatemala was forced to import 6 percent of the total merchandise imports in terms of food as a result of very low level of grain production. However, an alternative solution is that small farmers produce export crops and continue to import cheap food, but it is important to consider risk, uncertainty, and competition that exist in international markets. The U.S. Department of Agriculture <sup>26</sup> estimates that agricultural exports represented between 69 and 88 percent of total exports for the period 1963-1972, and agricultural imports contributed 13.4 to 9.2 percent of total imports (Table 10). Nevertheless, the Guatemalan agricultural sector is an important dynamic part of the whole economy, specially for improving balance of payments through exporting agricultural surplus; it has not received all the attention needed it in terms of production for domestic use. Agricultural credit, for example, is mainly concentrated in export products. More than 90 percent of the available credit



TABLE 10

GUATEMALA: TOTAL AND PERCENTAGE OF TOTAL OF AGRICULTURAL  
IMPORTS AND EXPORTS, 1963-1972

(MILLIONS OF U.S. DOLLARS)

YEAR	IMPORTS			EXPORTS		
	Agr.Abs. value	Agr. % of total	Total	Agr.Abs. value	Agr. % of total	Total
1963	22.9	13.4	171.1	135.2	87.8	154.0
1964	24.0	11.9	202.1	140.1	84.0	166.8
1965	25.2	11.0	229.0	156.6	84.3	185.8
1966	24.4	11.8	206.9	185.4	82.0	226.1
1967	30.1	12.2	247.3	140.6	69.0	203.9
1968	29.1	11.7	249.4	164.4	74.0	222.2
1969	24.3	9.7	250.2	186.3	72.9	255.4
1970	31.5	11.1	284.3	200.9	69.2	290.2
1971	31.3	10.3	303.3	198.5	70.1	283.1
1972	30.0	9.2	327.7	234.8	71.6	328.1

SOURCE: U.S. Department of Agriculture. A Statistical Review, 1963-1973.

was granted to cotton, coffee, sugar cane, and livestock production. Subsistence crops such as corn and beans, in contrast, received only 1 percent of total financing during the period 1960-1962. The data also indicate that more than 80 percent of the fertilizer used in the country is mainly concentrated in export products such as coffee, cotton, and bananas. This situation has improved during the last decade, however, since the government has tried to help small farmers through official institutions such as the Institute of Agricultural Science and Technology (ICTA) which estimates that 20,000 farmers have been exposed to the new technology. Also, international organizations such as AID and the World Bank, gave more financing to agricultural projects directed to benefit small farmers in terms of credit and other agricultural inputs. For instance, AID Project of Cooperatives in the Highlands.

The welfare of farmers (male and female) in the rural area has been seriously affected not only as producers and consumers, but also as part of the labor force. This situation is partially but directly influenced by the movement of macro-agricultural variables which have acted negatively on the whole economy. The product of the crop-raising sector has fallen since 1982 (ECLAC/CEPAL, 1983: table 3) as a part of the general economic recession experienced since 1980. Agricultural production experienced a sharp contraction (-2.5 %) in 1983 as a result of the reduction in the demand for agricultural products in the international market. The world situation before 1980 had suggested that the demand for Guatemalan farm products would increase since world consumption was increasing faster than

production. For instance, there was an increased demand for cotton, sugar, coffee, rice, and meat. Also, there was a rise in prices of some agricultural raw materials and products (coffee), and some minerals, which was mainly influenced by the increase in 1973 of oil prices.

In March 1973 the floating exchange rates system was adopted by the U.S. The high value of the dollar forced the Guatemalan government to devalue its currency, hurting the economy in the short run, especially in terms of international trade.

The period of 1979-1983, opened with a dramatic rise in oil prices that sent inflation spiralling to inordinately high rates. A supply shock was experienced in most economic sectors with the exception of mining sector. The most important characteristic of this period was a sustained essential weakness in the economy, pointed up by the level of GDP at the end of 1983 being contracted from the beginning of 1980.

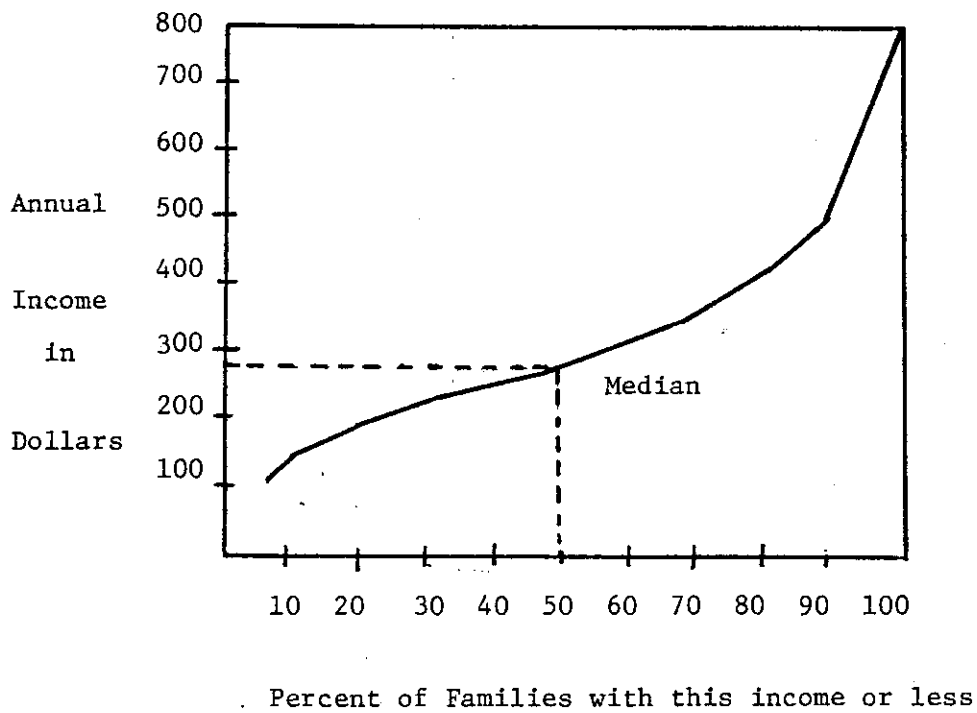
The shock of the supply of agricultural products influenced essentially by the reduction on external demand, climatic factors (strong wind and diseases), uncertainty, and violence, was expressed especially in a very low prices of agricultural products in the world market. Coffee, cotton, and bananas the main export agricultural products, experienced a large reduction in production. They observed negative growth rates in 1983 (-11.4, -34.6, and -35.0 percent, respectively). In contrast, basic grains production experienced reduction of the area sown, specially for beans, maize, and rice. Nevertheless, basic grains achieved high levels of production near self-sufficiency (see appendix I).

The importance of doing an economic analysis of the Guatemalan agricultural sector is because women's participation in the labor force is influenced not only by social class structure and sexual division of labor, but also by every important macroeconomic variable in a country. These macroeconomic data have direct bearing on women. For instance, wage rates determine the labor cost and possible income for a family or women workers, interest rates determine the cost of the loan to buy agricultural inputs, and prices determine the value of family level of consumption.

According to an AID/WID study, women agricultural workers are mainly concentrated in the western highlands. About 60 percent of the rural population is located in this area which comprises about 26 percent of the country territory. Women in the western highlands are part of the poorest Indian population, since 50 percent of the families in that area have incomes of less than \$277 per year. The income distribution figure clearly shows that 90 percent of families in the western highlands have an income of \$500.00 or less than this amount per year (Figure 5). These figures probably understate real rural income since there are other "microincomes" difficult to measure (sell eggs, pigs, chickens or weaving). According to Carlos Figueroa (El Proletariado Rural en el Agro Guatemalteco, 1976:65), small farmers (Minifundios) sell only small quantities of their agricultural surplus or animals for a price which does not cover all of their labor cost and other input costs because of an inadequate market information system. Therefore, the real income earned (taking into account input costs), is smaller than the

FIGURE 5

INCOME DISTRIBUTION IN THE WESTERN  
HIGHLANDS



SOURCE: USAID/WID Final Report. Washington, D.C.  
1980, p. 18

income that small farmers actually received if we consider time, capital, and labor cost. Thus, the economic situation of small farmers is worsened in the long run. This also is combined with the problem of fast population growth. There are some projections done by the World Bank that by the year 2000, the average density for the western highland will be 70 rural inhabitants per square kilometer. Such population growth on a finite land base will create problems with land use; there will be approximately 2.25 hectares of arable land per family, an amount insufficient to provide for a needs even if the land was distributed equally among the farmers. Population pressure, and the continued subdivision of farm lands will force many rural men and women to participate in the wage labor market or to migrate and enlarge the growing urban population. However, the economic situation of some will improve and will stimulate economic growth, but for others their conditions will be worsened in the city.

Women and men play different roles in the agricultural sector. But women always work as invisible farmers since there are not data available in the Guatemalan census and official research related to the female agricultural labor force. The majority of women in this sector are illiterate and a high percent are Indians, poorly integrated into national life.

The lack of job opportunities in the rural area, land scarcity and its low productivity, low incomes, and poor living conditions force minifundistas and agricultural workers to look for work in other departments (like States in U.S.) of the country, especially on the Pacific slope and in the coastal area, in which they help with the harvest of coffee, cotton, banana,

and other export products to supplement their income. Women not only migrate from one department to another to work beside men on the large plantations, but also to cook and take care of their children. Nevertheless, although women work in agricultural sector as much as and do the same job as men, they earn less than men's wage since there is a general belief that women's salaries only complement men's income. On the other hand, some women do not participate directly in harvest activities but they make tortillas or cook for single workers whose families are in other areas of the highlands (Carlos Figueroa, 1976: 68).

In other cases, men take up a part-time job's either in the cities or in the country side and their wives remain in charge of agricultural activities. <sup>31</sup> Because men have decreased their participation in agricultural activities or have given up farming their own plots to take up salaried employment in other rural departments or in the urban areas, the importance of women's involvement in small-holder agriculture has been increasing. Women, however do not spend all of their time only in food production; they participate in marketing activities, in domestic spheres, and other tasks important for the survival of the family.

According to this author's experience, women are not just housewives, but are responsible for the care of small husbandry and the feeding of livestock (goats, chickens, pigs, ducks, birds, etc.). Village women are also often the prime users of forestry products. They are responsible for wood collection, cutting branches which are not so heavy since men are responsible for the heavy stock. Women also develop activities, such as gathering

foods, medicine, thatch, dyes, and other forest commodities. In addition, they are responsible for the transportation of water from rivers, lagoons, holes, and other sources of water. Women also have to take care of the house and children. They have to cook, wash clothes and dishes. In most cases, women have to do all these jobs carrying their young children on their backs. When children reach school age, women have to wake up very early in the morning to cook for them. Nevertheless, most children in the rural area cannot go to school since their labor is needed on their family's small holdings. Children also accompany their parents to the large cotton and coffee plantations. They help to supplement the family income not only by participating in the harvest but also by doing domestic activities. According to AID 1980 report, 20 percent of the total labor force in the agricultural export sector is permanent and 80 percent comes from other zones of the country. Schmid (1973) estimates that 60,000 children and 130,000 wives accompanied male migrants to the plantations on the Pacific coast during the period 1965-66. Thus, there are few opportunities and alternatives for children in the rural area of the country. In some cases, they will, in their old age, receive small plots of land from a father to produce food for their new families. But in most cases, their only hope for the future is participation in the labor force.

In Guatemala more than 10 percent of women (see table 1) do not have husbands or live in male-headed households; many men have disappeared as a result of the process of violence in which the country has been embedded since 1978. Women, therefore head their own households and play important economic and social roles



in their communities. Most of the women in the rural and urban areas, participate actively in the country's economic development process, since they participate as housewives, mothers, and remunerated workers. Nevertheless, women not only have been an invisible part of the development of their country, but they are not taken into account as farmers in planning documents and in official reports. Therefore, women receive very little agricultural extension services. They face greater constraints to agricultural production than do men. Most of the women do not have access to credit since they do not own land, a requisite to obtain loans. Also, they may lack access to agricultural inputs since women, like other small farmers, do not have enough income available to buy them. In addition, women do not have access to agricultural training. They are able to learn new techniques and new methods for production, marketing, and consumption activities (use of agricultural equipment such as plow), but opportunities are not available. However, women's lack of agricultural education is mainly reflected in their lack of scientific knowledge in activities such as fertilizer use, time of planting and harvesting, spacing, crop protection, product quality, and marketing and transportation of products. However, international organizations and government agencies have increased the number of agricultural projects to allow more participation of women in those activities (Research Triangle Institute, 1980:7).

All of these barriers to women's productivity have been ignored by most government planners. Women continue to be viewed as housewives, even though they are active agents in the agricultural sector. To recognize the important roles that women

play in the development of the Guatemalan economy, it is necessary to adjust or change existing policies and to formulate new ones. The participation of women in the Guatemalan agricultural labor force, can no longer be ignored or made invisible. Women's participation in the process of decision-making that affects them is needed. They need not only to control their income and to decide how to use their income; women primarily spend mainly their money for food, health, education for their children, for the house utilities, and for saving in cases of emergencies.

There is an urgent need to do studies related to women in agricultural activities since there are not enough good macro and micro data available to help official planners adjust policies. However, this is not a justification to ignore something that is not invisible anymore in the country, which is that women play important and active roles in the food production and in the Guatemalan agricultural sector in general. It is biased to believe that the figure given by the 1964 Census that only 2.2 percent of the total women labor force was allocated in agricultural sector since the basic unit of production is not the individual but the family. Women's present situation is not isolated from small farmers general conditions. To increase the welfare of the rural family, it is necessary that agricultural sector of Guatemala experiences deep structural changes, such as a better distribution of the land and income, which would be achieved by formulating adequate government policy.

### 2.3 Women's Labor Force in the Formal Sector

The economy of Guatemala encompasses seven sectors. However, domestic food production, export crops, and industry represent the main economic sectors since transport, electricity, gas and water, construction, and services are classified as three major supplement sectors.

In the last two decades there has been a considerable increase in activities within the formal sector. Government policies and foreign investment provided the main incentive for developing mining and hydrocarbons, manufacturing and other sectors of the economy. Important attention has been given to the exploitation of the industrial activities, such as textiles, extractive industries, chemical, food processing, beverages, clothing, wood and products, construction, electrification, and other activities.

Guatemala's formal sector is in a process of development, specially industrial activities. This economic sector has been an important source of employment, an active generator of GNP, and a source of consumption and exports, and an essential building/block of the country's general economic development. In spite of these benefits, some writers such as Rousseau and Voltaire argue that the development of the formal sector produce also negative results. The historical socio-economic reactions observed for each country, showed in some cases, that the thoughts of famous thinkers, such as Voltaire and Rousseau, were no far of saying something true " industrial development has its own price." Industrial development implies benefits and costs for any society. On the other hand, Adam Smith's economic thoughts found

mainly a society in which a worker can be complemented or substituted by sophisticated machines which bring out high levels of production. It was the age of the huge capital investment and better utilization of driving force such as electricity and water power, minerals and metals, and vapor. In most of the economies all these elements of economic progress contributed not only to modify their internal organization, but also to introduce changes in the composition of international trade, and changes in the familiar system and social structure.

In the late 1950s and early 1960's, W. Arthur Lewis's model was an important source of new ideas about economic growth. Lewis posits that a country's economic growth is dependent on two dynamic sectors—a modern capitalist exchange sector and a indigenous non capitalist sector. Lewis' model clearly shows how the transfer of labor from the subsistence sector to the capitalist sector facilitated capitalist expansion through reinvestment of profits. Building on this idea, Johnston and Mellor argue that agriculture does not play a passive role in development, but makes a important contributions, therefore making this sector important for investment.

33

On the basis of these economic thoughts, it is easy to understand the important role that migration of large numbers of peasants, including women, played in the initial process of industrial growth. Nevertheless, it is essential to recognize that many of rural migrants lived in marginal zones.

The growing Guatemalan industrial process caused many small family enterprises such as handicrafts, pottery, and other activities, to fail. But many others come into business. This

failure, combined with employment expectations, contributed to the migration of rural population to urban industrial area. Nevertheless, the industrial sector or other sectors of the economy were not developed enough to absorb the large pool of unskilled agricultural labor surplus. In Guatemala, the migration of labor, mainly young women workers, from agriculture to urban areas represents a big problem since these sectors can not absorb the increase in urban population and people who leave agricultural sector. According to estimations by Fox and Huguet there will be an increase in the number of farmers (including subsistence farmers) from 810,480 to 1,540,000 (90 % increase) and increase of landless farmers from 157,104 to 300,0000 (91 % increase) in 1980. It is hard to imagine that all these rural people will be absorbed by the formal sector alone, especially the industrial sector, since employment in the urban areas increased by less than 1.8 percent during the years 1964 to 1973. To increase the welfare of these people who are living in precarious conditions, it is necessary to invest in agriculture in order to occupy the labor surplus and to avoid an increase in urban poverty; when agricultural labor migrates, the emigrants have to compete with urban workers, which affects wages and real income of urban workers. In the case of emigrant women who want to work in the formal sector, they not only have to compete with urban women workers, but also with the male labor force.

The data in table 11 show the percentage distribution of women workers according to economic sector of activity and residence. The figures clearly demonstrate that women are concentrated in services, commerce, and manufacturing, (55.4,

32.2, and 21.7 percent, respectively). There is a low participation of women in traditional sectors such as extractive industry (0.3 %), construction (0.5 %), transport (2.5 %), and electricity, gas and water (2.9 %). These activities remain under male domination.

According to residence, women's labor force is mainly located in Guatemala City (capital of Guatemala) since it is a place in which a majority of services and commercial activities are concentrated. Nevertheless, services achieve the highest percentage distribution in Guatemala City, urban, and rural areas, observing 59.8, 56.0, and 47.4 percent respectively. On the other hand, women workers in the manufacturing sector are essentially concentrated in the rural areas (23.3 %).

Table 11, as other tables does not include data for the agricultural and informal economic sectors. Therefore, the female labor force is underestimated in the 1973 official census. It is necessary to collect more complete data to reflect the country's real labor force conditions and to do better analysis.

Women continue to play an important role in artisanal production. No official data related to women's participation in these activities are available. According to Conrard and Annis's estimations (World Bank, 1977), backstrap weaving production created at least 18,500 full-time jobs or provided supplemental income to about 45,000 women in more than 100 Guatemalan municipalities. Women work hard in this kind of production. They need one or two months to weave a dress or blouse, but the return to their capital investment, inputs, and labor, is very low.

<sup>34</sup>  
Laurel Bossen points out that about 4.5 cents per hour is the

TABLE 11

GUATEMALA: PERCENTAGE DISTRIBUTION OF WOMEN WORKERS BY  
 ECONOMIC SECTOR OF ACTIVITY AND LOCATION  
 (POPULATION, OVER 15 YEARS OLD)  
 (In Percentages)

Economic Sector	Percentage Female of Total Workers			Rural Areas
	Total Country	Guatemala City a	Urban Areas	
Total Workers over 15 years old	30.3	37.7	33.6	20.7
Extractive Industry	0.3	7.7	0.	0.
Manufacturing	21.7	20.7	20.7	23.3
Commerce	32.2	39.0	38.0	15.9
Transport	2.5	5.4	3.0	0.6
Electricity/gas water	2.9	5.9	3.6	0.4
Construction	0.5	1.3	0.7	0.2
Services	55.4	59.8	56.0	47.4

SOURCE: 1973 Censo de Poblacion. Guatemala.  
 a. Includes population from 10 years old and over.

rate of return to weavers in the Mam area. Nevertheless, there are other areas of Guatemala in which the rate of return is about 40-50 cents per day.

According to 1980 AID/WID study, women weavers receive only 29 percent of the sales price in return for their skill and labor. In contrast, intermediaries and tradersmen receive 47 percent of total sales of commercial backstrap textiles for their labor and management skills. Approximately 24 percent of the sales price goes to material inputs.

This author believes that improvement in marketing conditions are necessary to increase the opportunity cost of labor for a skilled women artisan and to improve the welfare of the rural family.

It was indicated before that women also work in other activities of the formal sector. Economic pressure or choices are the major factors which challenge women to increase their participation in this economic sector. Nevertheless, the need for jobs for both men and women is great and the opportunities for jobs are few in the formal sector.

Industrial workers have been one of the groups most affected by the recession experienced by the economy of Guatemala since 1980. They live under conditions of high rates of inflation (11 to 13 %) and high rates of unemployment and underemployment. The welfare conditions of industrial workers are getting worse since the industrial sector was one of those greatly affected by the country's economic contraction. According to ECLAC and Guatemalan Bank's figures in 1983, the volume of sales of electric power to industrial consumers fell by an average of 3.8 percent, the



volume of cigarette production stagnated, beer production dropped by 14 percent, soft-drink production fell by 8.2 percent, and the volume manufacture exports to Central America dropped by 10 percent. Under these conditions, the total value added for the industrial sector fell by 2.1 percent (see Table 12). All these economic contractions were obviously the result of the reduction in exports and decrease of global demand of Guatemalan products.

Women's participation in the Guatemalan labor force is not isolated from these economic problems. For instance, in 1983, during one of the major economic recessions, open unemployment reached 8.0 percent of the total economically active population. There was a reduction in the number of jobs by 1.4 percent for the same year. Both men and women who left the formal sector activities, entered the underground economy since the informal sector represented the only alternative available for most of the poor urban families.

According to ECLAC's figures, the major economic formal sector affected by the economic contraction was construction. This is a male-dominated sector since the female labor force in this sector only represents 0.5 percent of all women workers. Construction employment experienced a contraction of 33.8 percent in 1983. Nevertheless, the welfare of women and their families was directly affected from by this contraction since the demand for low-cost housing increased and the supply decreased as a result of high cost of construction materials. In 1980, AID<sup>35</sup> estimates that the demand for housing had increased 1,000 percent since 1950. There is a figure that this demand was from about 1,000 units a year to almost 10,000 units per year. Therefore,

TABLE 12

## GUATEMALA: MANUFACTURING PRODUCTION INDICATORS

	1980	1981	1982	1983	Growth Rates <sup>a</sup>			
					1980	1981	1982	1983 <sup>b</sup>
Index of Manuf. Production (1977=100)	119.3	116.7	109.0	106.7	6.0	-2.8	-6.6	-2.1
Food Stuffs	121.7	117.8	109.6	...	7.3	-3.2	-7.0	...
Textiles	113.6	106.7	99.2	...	0.2	-6.5	-7.0	...
Clothing	109.3	105.0	100.8	...	-0.6	-3.9	-4.0	...
Chemical Products	117.6	112.8	104.9	...	6.0	-4.1	-7.0	...
Others	120.9	119.1	...	...	7.3	-1.5	-5.9	...
Other Indicators of Manufacturing Production								
Consumption of Electricity by Industry (units)	515,006	467,870	425,760	409,580	-5.6	-9.2	-9.0	-3.8
Employment (# of pers.)	83 066	73 683	73 851	...	1.6	-11.3	0.2	5.4

SOURCE: ECLAC, Economic Survey of Latin America and the Caribbean 1983.

a. The growth rates correspond to real, not rounded, figures.

b. Preliminary data.

the drop in construction employment not only affected men's socio-economic status and their family, but also men, women, and children from other economic sectors.

Women's labor force is mainly concentrated in services (55.4 %), commerce (32.2 %), and manufacturing (21.7 %) (see table 11). These economic activities observed positive growth rates in 1983. However, the percentage growth rates in that year were smaller than those experienced in 1982. Guatemala's industrial sector has experienced a high growth rate during the last 30 years. Nevertheless, women's participation in the industrial sector has decreased. According to Chinchilla, on the basis of official data, the female labor force in this sector has been dropped from 28 percent in 1950 to almost 22 percent in 1973. AID/WID estimated that there was a real increase in the female labor force but this is mainly concentrated in services, especially in domestic activities. But those informal tasks are directly related to the formal sector activities in one or another way. Industrial homework is a classical example of this interaction. Nevertheless, official economic statistics are unable to provide significant data to analyze this dynamic interaction between a modern capitalist sector and a traditional informal economy.<sup>36</sup> This will be an important challenge for those who defend the Dual Theory to explain the interdependency existing among economic sectors of the Guatemalan economy.

Relating to women's salaries earned in the formal sector, the data in table 13 show minimum salaries for all workers in the country by economic activities, established by the Salary National Comision of the Ministry of Labor and Social Foresight

TABLE 13

## GUATEMALA: MINIMUM SALARIES BY OCCUPATIONAL CATEGORY, 1970

Occupational Category	Measure Unit	Sum in \$
Hotels	per day	1.52
	per month	45.00
Printing, editorials, and related activities	per day	1.84
	per month	55.20
Pre-Primary School teachers	per month	60.00
Primary School teachers in Guatemala City	per month	75.00
Primary School teachers in the rest of the country	per month	60.00
Primary Musical and Physical School teachers	per month	20.00
Urban Sector Secondary and High School teachers	per hour	1.00
Rural sector Secondary and High School teachers	per month	45.00
Aliments products	per day	1.60
	per month	48.00
Metallic Products	per day	1.60
	per month	48.00
Furniture and clothing production	per month	48.00
Rubber Products	per day	1.68
	per month	50.40
Construction and machinery repairs including electric and transport	per day	1.92
	per month	57.60
Leather footwear and related products	per day	1.52
	per month	45.60
Tannery	per day	1.36
	per month	40.80
Commerce	per month	40.80
Washing and Cloth cleaning	per month	46.50
Soda pop and alcohol beverages industry	per month	45.60
Movies and Theaters	per month	55.20
Textil Industry	per month	48.00

SOURCE: Hector R. Rosada. Problemas Socio-Economicos de Guatemala. 1972. On the basis of official figures.

in 1970. The table shows that Primary Musical and Physical School teachers, commerce, and tannery workers earned salaries between US \$20 and \$41 per month which represented the lowest salaries earned in the formal sector without including private and public administrative services and agricultural activities. In contrast, in 5.26 percent of the occupational activities, workers received the highest salaries between \$62 and \$81 per month. More precisely, primary school teachers in Guatemala City constituted the only group of workers who earned salaries of \$75.00 per month. Workers in 78.95 percent of the 19 occupational categories were paid salaries between \$42 and \$61 per month (see table 14). Some of the important activities in which workers earned middle salaries are for instance; metallic products, rubber products, construction and transport, pre-primary school teachers and primary school teachers in the rest of the country, and movies and theaters.

Combining table 11 (Percentage distribution of women workers over 15 years old) and table 13 (Minimum salaries by occupational category), it can be seen that women not only are concentrated in activities such as services, commerce, and manufacturing, but also they comprise the group of workers who earns middle and low salaries. Notice that minimum salaries figures correspond to 1970 and there is no breakdown of the data by sex and age for that year. Also, it is important to consider that these figures are almost 17 years old. They do not necessarily represent the country current situation. In addition, these figures are expressed in 1970 dollars, not 1987 dollars. Nevertheless, more recently data were not available related to salaries.

TABLE 14

GUATEMALA: SUMMARY OF MINIMUM SALARIES BY OCCUPATIONAL CATEGORY <sup>a</sup>

1970

(A) Minimum Salaries interval \$ per month	(B) # of occupational Category	(C) Percentage of the Total (B)	(D) Classification Category
20 - 41	3	15.79	Lowest
42 - 61	15	78.95	Middle
62 - 81	1	5.26	Highest
	19	100.00	--

SOURCE: On the basis of table 14.

In table 15 a description of the evolution of industrial salaries during the period 1967-77 is given. There was a total change (increase) in nominal salaries by 35.7 percent but real salaries contracted by -31.9 percent during that period due to high inflation. Therefore, the real buying power of a worker in the formal sector of Guatemala City fell by almost three-quarters compared to the figure at the beginning of the decade.

TABLE 15

GUATEMALA: EVOLUTION OF INDUSTRIAL SALARIES, 1967-1977

Year	Nominal Salary \$/hour	Real Salary \$/hour <sup>a</sup>
1967	0.401	0.427
1968	0.414	0.433
1969	0.433	0.443
1970	0.435	0.435
1971	0.435	0.437
1972	0.436	0.436
1973	0.392	0.340
1974	0.476	0.361
1975	0.460	0.306
1976	0.499	0.302
1977	0.544	0.291

SOURCE: INCAE. Analisis Empresarial Comparativo de los Sistemas Economicos. Cuadro 19. Guatemala City, 1980.  
a. 1972 dollars.

Important Indicator of the Table 15

Annual Rate of Change

Nominal: +3.04 %/year                      Real: -3.83 %/year

Total Change, 1966-1977

Nominal: +35.7 %                              Real: -31.9 %

Table 16 includes information about women's and men's monthly salaries by economic sector in Guatemala City for the year 1977. Both men and women earned very low salaries in domestic services, commerce, and industrial activities. But women received only 56 percent of men's average monthly salaries in industrial activities and domestic services and 45 percent in the commerce sector. These figures, like others given before, clearly show that women are not only concentrated in three main economic sectors, (3/4 of all female jobs), but that they also occupy low positions with salaries lower than those for men. In Guatemala City, as an overall figure, women's average salary expressed as a percentage of men's salaries is only 56 percent.

National and international writers who did research in Guatemala argue that one of the main causes of women's low salaries is that their incomes are only a complement to a husband's or family's income. Therefore, they are not the heads of households who have to respond to family responsibilities and needs. This perception affects negatively wage levels available to women in the labor force market by lowering them in comparison to men's wages. Nevertheless, official planners and owners of enterprises do not know that for women over 15 years old, 28 percent of the total are classified as single and more than 27 percent of the national single female population, care for the children as household head's whose salaries represent the major and maybe the only source of income to the family. To this figure it is necessary to add a 9 percent of women who are classified as widowed and divorced. Therefore, these data give



TABLE 16

GUATEMALA: WOMEN'S AND MEN'S MONTHLY SALARIES, GUATEMALA  
CITY BY ECONOMIC SECTOR, 1977

Economic Sector	(1) Men's Average Monthly Salary \$	(2) Women's Average Monthly Salary \$	(3) Women's Average Salary expressed as Percentage of men's (1/2 X 100) %
Agriculture	65	...	...
Industry	120	67	56
Commerce	170	76	45
Construction	112	...	...
Public Administ. and defense	183	152	83
Financial Services e.g. Insurance, banking	200	130	65
Basic Services e.g. water, elect.	154	168	109
Social Services e.g. hospitals	227	158	70
Domestic Services	63	35	56
Other Services	128	120	94
OVERALL	142	79	56

SOURCE: AID/WID Final Report 1980. Data derived from Encuesta de Hogares sobre Recursos Humanos, 1978.

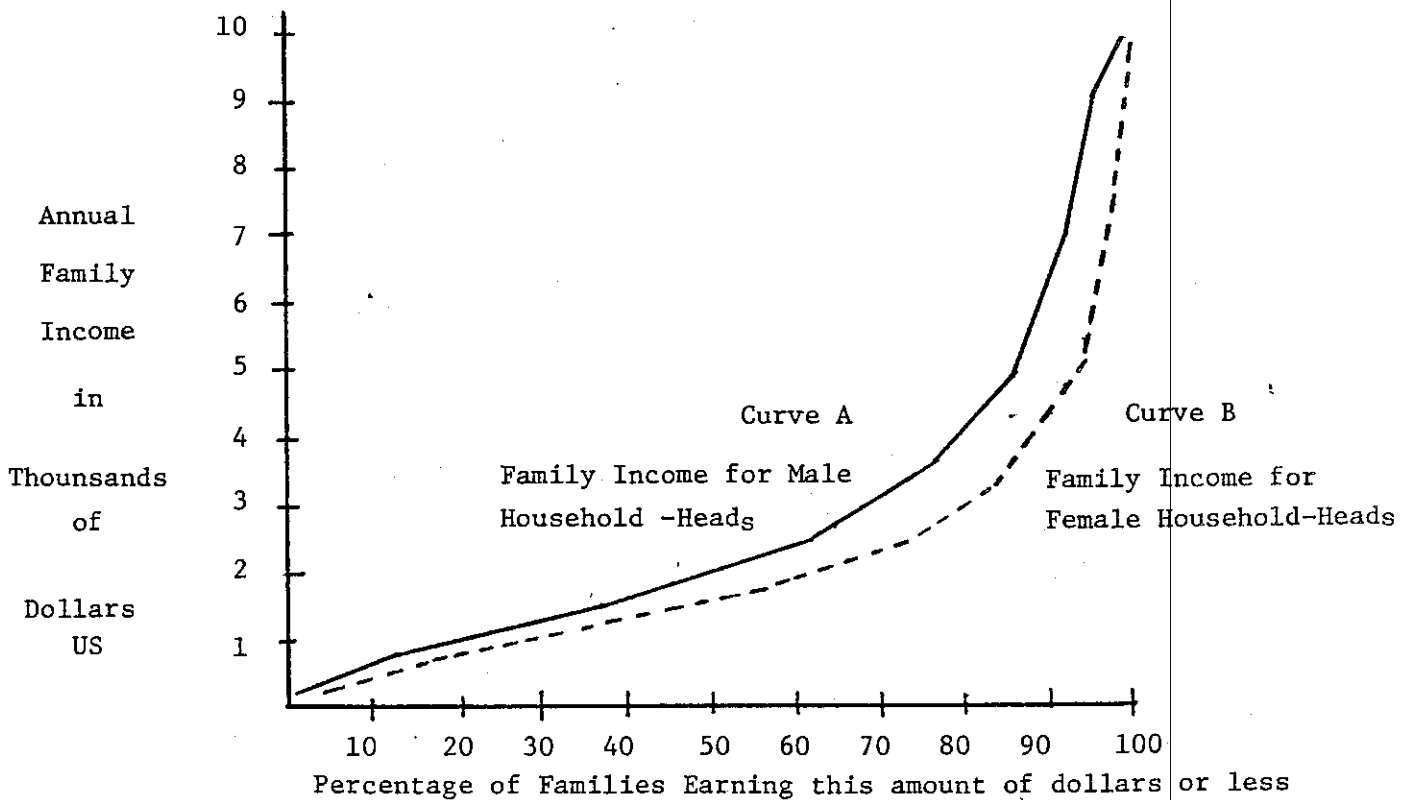
the evidence necessary to question the belief that women's salaries are a complement to family income.

The data in table 16 also show that women's average salary as a percentage of men's salaries, is high in social services (hospitals), public administration and defense, other services, and basic services (e.g. water, electricity, etc). However, according to the 1973 Guatemalan Census, only 2 percent of women labor force is administrative/managerial and 2.9 percent of total women workers (include population from 10 years old and over) is in electricity, gas, and water economic activities. Therefore, it is a small elite of women who are in high positions earning high salaries in the country, specially in Guatemala City.

Figure 6 represents family income for male and female households' head (Universidad de San Carlos de Guatemala, IIES, 1977). Comparing these two curves, it is easy to observe that families with male heads-of-household, earn higher annual incomes (curve A) than families with female heads-of household (curve B). Fifty percent of the families with male heads earned an annual income of US \$2,000 or a little more. By contrast, 50 percent of the families headed by women received an annual income of US \$1,500 or a little more. The percentage of families earning more than US \$9,000 annually, either male or female headed, was very low. These high annual families earnings, were mainly earned in positions such as administrative/managerial jobs (bosses) or high income self employed positions. It is a very small group of professionals, high rank military personnel, and capitalist owners of means of production, who control high levels of income

FIGURE 6

AVERAGE ANNUAL FAMILY INCOME OF MALE HEADS OF HOUSEHOLD  
 COMPARED TO FEMALE HOUSEHOLDS' HEAD  
 GUATEMALA CITY, 1977



SOURCE: Instituto de Investigaciones Economicas y Sociales. Ingresos y Gastos. Universidad de San Carlos de Guatemala, 1977. Some changes were introduced to the data, therefore some differences will exist with the original data.  
 Guatemala National currency is calle Quetzal: 1 dollar = 1 Quetzal

not only in Guatemala City, but also in a whole country.

#### 2.4 Women's Labor Force in the Informal Sector

During the last five years, the economy of Guatemala was under high inflationary pressures. According to the Bank of Guatemala (Boletín Estadístico 1979), the economy reached average inflation rates of 11-13 % per year. The cost inflation which contributed to 81 % variation of the consumer price index in October 1983, was a result of the higher import cost, which were financed by parallel market foreign exchange and as a consequence of higher prices established by the commercial sector in response to government new-added tax (consumer's tax). A higher tax rate (increased from 3 to 10 %), tended to depress market activity since it reduces the demands for gross investment, and consumption, as well as the supply of goods. These results follow because when people participate in more market activity, their tax liability increases. Therefore, a higher tax rate causes people to substitute away from market activities and toward untaxed activities, such as selling food on the streets, ironing, washing. Also, people shift their activities to the so called "underground economy", where they do not report their incomes, thereby avoiding the payment of taxes.

The number of people working in the informal sector of the country has increased tremendously in the last decade since levels of unemployment in the formal sector have been raised (see Table 4). However, there is considerable evidence that the informal sector grows even faster when the formal sector grows. Women workers in this sector also have increased in a

disproportionate number, especially among women who are heads-of-household or who are family breadwinners within male headed households.

For both rural and urban men and women, participation in the informal sector labor force is a necessity. Many of the workers see all these activities as the only way to survive. For many women this kind of jobs represents the way to supplement the scarce household economic resources since the opportunities to earn cash in other sectors is low. But for other women these activities represent the only income available for the family to survive. Women work in the informal sector mainly in activities such as; home weaving, selling fruits and vegetables on the market or on the streets, selling eggs or small animals, washing clothes, making tortillas, doing domestic services in other women's houses, participating in small artisanal production, and other activities. Some of these tasks are also developed by men, such as; market activities, domestic remunerated services, housing repairs, small artisanal production, selling fire wood and other silvicultural products.

No quantitative data are available to do a detailed analysis of women's participation in the labor force in the informal sector since these activities are not under government control. Nevertheless, a general view of the main informal sector activities will be given such as marketing and domestic service work. This author's experience and United Nations' data will be used to do this analysis.

#### 2.4.1 Women in Marketing Activities

The literature on women's roles in marketing activities indicates that marketing is an important income source for low-income urban and rural families. However, marketing does not represent a simple activity product of the environment in which it takes place. It is a dynamic, effective, and interventionist activity which one of the major roles is to promote efficiency in the distribution of goods and services and to create incomes as a productivity incentive.

In any society, socialist or capitalist, the transformation of the raw agricultural commodities produced by farmers into the foods purchased and eaten by consumers is one of the major functions of the food marketing sector. This, expressed in economic terms, relates essentially to efficiency, competition, and the best possible use of economic resources in obtaining agricultural products from farmers to consumers (market performance). Therefore, the marketing sector can be seen as a means to and an end, which dynamically contributes to society's basic objectives such as efficient economic growth, a more equal distribution of incomes, nutritional well being, and food security. Since marketing activities are important instruments which link production and consumption sectors, they can efficiently communicate signals of abundance and scarcity to policy and decision-makers. Nevertheless, this mainly depends on the structure of the market. Also, marketing as a source of productive activities, can generate many jobs, which directly can contribute to better income distribution, nutritional well-being,

and economic growth objectives. In addition, marketing represents an important element to provide signals to policy-makers relating to food shortages and an essential instrument to link international and national markets, thus the marketing sector contributes to improve food security through the design of integral and dynamic mechanisms. But to achieve these goals in a country like Guatemala, there is a need of active links among the productive functions of marketing, the role of the market as an arena of exchange, and the formation of food prices at which exchange takes place.

41

Marketing activities have been receiving more attention in the last decade. Nevertheless some writers, such as Henn (1983), consider that present means of supplying cities cannot respond to the needs of increasing population since they are inefficient. Other writers such as Arouna (1977), in contrast, suggest that the intermediary system is one of the most cost effective for moving small quantities of produce from widely dispersed areas to market places.

42

There is a general belief that market traders earn large profits since they receive seemingly high marketing margins, therefore intermediaries are responsible for high consumer prices. Nevertheless, some marketing studies such as the research done by the Research Triangle Institute in 1980, show that agricultural traders, in most instances, are not earning huge profits. Their market income depends essentially on the service that traders provide to consumers and on the number of trips the trader makes. Thus in many cases traders make about the same or

only slightly more than day laborers. The returns to marketing labor are close to the wage rate in agriculture. Many researchers have been shown through price analysis that marketing margins vary with the risks, capital, and labor related with different routes and market places. However, margins are small in certain areas because traders have cut their costs to the minimum sacrificing their own comfort. Other reasons that can produce low margins and low profits for traders are for instance; marketing is competitive, transport is sufficiently well organized and competitive that the small scale of trading operations does not increase costs, and there is not concentration of the market power. Thus, consumers get more benefits than producers and traders by having low consumer prices. Nevertheless, it is important to take into account that it is not possible in the case of Guatemala to make a general statement about the marketing margins and profits since there are not similar market conditions for all commodities. In most cases marketing conditions are opposite to those mentioned above. For instance, high transportation cost, produce is lost to spoilage, lack of quality control and standards, marketing of a big diversity of small quantity products, lack of a good infrastructure to transfer products from producer to consumer, etc. However, marketing activities not only represent a source of income and employment for traders and their families, but also they make possible the availability of the product to consumers in places in which are concentrated a large number of urban families with low level of income.



Women's participation in marketing activities is common in many peasant economic systems. According to Wolf (Peasants. Englewood Cliffs, N.J., 1966), women become involved in market trading when peasant families are unable to produce enough food to support themselves. Therefore, women's main activity in this sector is to turn small quantities of agricultural products, animal products, and processed food into barter or cash from their own home production or other areas. Nevertheless, this is not the only circumstance in which women become involved in trade. Women are not the only group who participate in the Guatemalan marketing sector. Men and children also play important roles as traders. They use the opportunity to sell their own or other produce to get some capital and savings not only to respond to their human needs, but also to acquire greater stake in retailing future produce. Nevertheless, in Guatemala, women form 50 % or more of the marketers, especially in activities such as selling clothes, charcoal retailing, selling fruit and vegetables, dry goods, etc. (Castillo F., 1982).

The reason women dominate some stages of food marketing and agricultural trading is that men are mainly concentrated in those marketing activities in which cash income, marketing margins, business turn over, and profits are higher such as fruit and vegetables wholesaling, shopkeeping, crafts, shoe wholesaling, fire wood and wood products, etc. Since men do not take child care as their responsibilities, they are able to engage in production, marketing, and trading activities in which risk and uncertainty are higher. They have more time available to carry

out these activities without family risk. They typically participate in wholesaling activities which involve long distance transport, handling, more product care, and higher costs. However, this statement does not necessarily imply that men do not participate in other marketing activities which are dominated by women.

In Guatemala men and women are the major active participants of the distributive sectors of urban, rural, regional, and national economies. Nevertheless, traders like producers, do not have enough incentives to increase voluntarily their market participation since in Guatemala food market prices are so high as a result of lack of market accessibility and storage facilities, high transport handling cost, lack of adequate information, and lack of consumer incentives.

The participation of women in marketing and processing activities is mainly concentrated in Guatemala City which represents the major trade place in Guatemala. This city has a high absorptive capacity owing to high incomes, concentration of the population, and high local demand. In many rural areas, local markets are essentially characterized by low absorptive capacity owing to low levels of employment and income, and limited local demand. Nevertheless, in the rural areas of Guatemala, specially in the highlands a large share of poor rural women contribute small but important cash quantities to family income by low-  
43  
volume sale and re-sale of agricultural commodities.

In Guatemala women participate in part-time, seasonal time, and full time market activities. In many cases, they are the

principal or sole income earner of their families since they are household heads. Like men traders, women who participate in marketing activities have very low levels of education since most of them start this kind of job a very young age. Nevertheless, most of them have enough experience to deal with marketing activities.

The female labor force in marketing activities respond essentially to social-economic pressures. They have to cover immediate and basic needs such as food, cloth, and shelter. A lack of better job opportunities force them to participate in activities in which income is very low. Nevertheless, marketing tasks allow them to meet immediate consumption needs and to reinvest small quantities of capital in new products.

According to the Food and Agriculture Organization of the United Nations (FAO, 1984: 5), women are concentrated in low margin marketing because of:

- a) The nature of women's home and maternal duties and responsibilities;
- b) The desire for a degree of autonomy, at whatever cost in self-exploitation;
- c) The pressure to survive and protect their children on whatever terms, at moments of family instability and crisis;
- d) The effective barrier to access, on equal terms with men to higher profit marketing such as lower initial resource base, lack of opportunity for the same formal service institutions, historical educational or legal inadequancies, cultural constraints, etc.

Women in Guatemala also receive low profits because government price control, the poor distribution system existing in the country, the big quantity of other women vending similar commodities, scarcity of income sources, and a low appreciation of women time opportunity cost that implies long hours in order to sell small quantities of produce. But many of these constraints are result of the historical Guatemalan process and of the present economic and political situation of the country. There is a need of improving men and women trade and marketing conditions. Government policies and private sector actions are needed to stimulate producers, traders, and consumers' participation in the Guatemala market economy.

#### 2.4.2 Women in Domestic Service

In Guatemala, as in many other Latin American countries, the participation of women and men in domestic service mainly reflects the persistence of a traditional labor market of huge dimensions which is essentially rooted in the colonial time as a product of the social-economic and political conditions prevalent in that period. Nevertheless, although men and women both work as domestic serants, women's position is more disadvantageous than men's. They not only earn less and are relegated to lower status job than men, but women also in this sector are substituted by men who can not find a job in the formal sector, forcing women to accept undesirable temporary jobs in the labor market. Nevertheless, domestic service is an activity mainly dominated by women since the colonial period.

Women's labor force participation in domestic service is an important issue to be considered by government planners since it has serious and important implications for development in terms of migration, wages, income distribution, sectoral/geographic economic activity, and population growth. Therefore, it is necessary to understand the process of development of this labor market in the historical and juridical reality of the servants' position in Guatemalan society.

According to AID studies (AID/WID, final report, 1980: 31), migrant women are mainly concentrated in Guatemala City, which observed an average population increase of 5.4 % per year for the period 1964-1973. Women mainly migrate to urban areas looking for work since remunerated employment opportunities for women in rural areas of Guatemala are very low. Therefore, there is a constant supply of female labor force from rural to urban areas, represented essentially by young, uneducated, and inexperienced women from the Altiplano and Coastal areas who, in their roles as maids, remain a cheap, readily-available market commodity to work for a low pay.

Todaro argues however, that migration is basically a response to rural-urban differences in expected, not actual, income (wages). Rational economic considerations move people to decide to migrate. He considers that the probability of obtaining job is inversely related to urban unemployment rate, then rural migration is greater than urban job opportunity growth likely while rural-urban wage differential is in urban favor. Imbalances in economic opportunities between urban and rural

areas, give as a result an inevitable high urban unemployment. Nevertheless, although Todaro is right in his argument related to imbalance in rural-urban economic opportunities, it is also true for migrant women working in domestic sector that in most of the cases they do not know what the wages are in the cities. Women, like men, are convinced by other people who go to the rural area to visit relatives or friends that life in the cities, especially in Guatemala City, is better in terms of remunerated employment possibilities, which are more restricted in the provinces than in the capital (expectations). Therefore, employment opportunities and continuous flow of migrants stimulate each other. Women, however, are slightly more inclined than men to migrate to the capital city since the demand for domestic servants by the middle and upper social classes people is relatively high. Therefore, women working in domestic service make other women better off by doing home tasks, taking care of children, and by earning relatively low wages. Unfortunately, for many middle class women who are heads of families to have a servant is a necessity not a luxury since they have to work to maintain a family, they need someone who can take care of the children and do home tasks. Abeles (Urban Poverty in Guatemala, 1980) refers to migration by pointing out that in the urban population female geographic distribution is distorted by the large number of women working in domestic service. In Guatemala City, neighborhoods with middle and upper income, concentrate higher percentage of females than the urban average, and in poorer neighborhoods the percentage is lower than the average due to the lack of female domestics who

are mainly concentrated in the first group.

According to some Latin American studies about migration, women migrate not because they do not have enough work to do in their countryside but because in most cases they are engaged in productive work without receiving any wage or when they do have earnings, they do not have control over them. Most of the earning decisions are made by a husband, son or a man relative when the husband is absent. Therefore, people's decision to migrate to the cities may be influenced by the need and desire of earning some cash to help themselves and their families, by the high expectation about wage employment opportunities in the cities, by the stimulus generated by migration itself since some people migrate and influence others to do it, by the existing demand of certain jobs such as domestic service, by the expected (not real) rural-urban wage differential, and by the lack of power and authority to control resources (land, technology, etc.) and earnings.

It is important to take into consideration all of the above factors when making development policies, especially since 35 % of the total non-agricultural female work force was employed as domestic servants in 1978, approximately 71,000 women, which reflects the important economic and social that this labor force plays in the whole economy. It is also necessary to consider that women working in domestic service in Guatemala City, represent a group with the lowest average monthly salary (U.S.\$ 35.00; 1970) in comparison with other economic sectors and men's monthly salaries (no including agricultural sector), see

table 16.

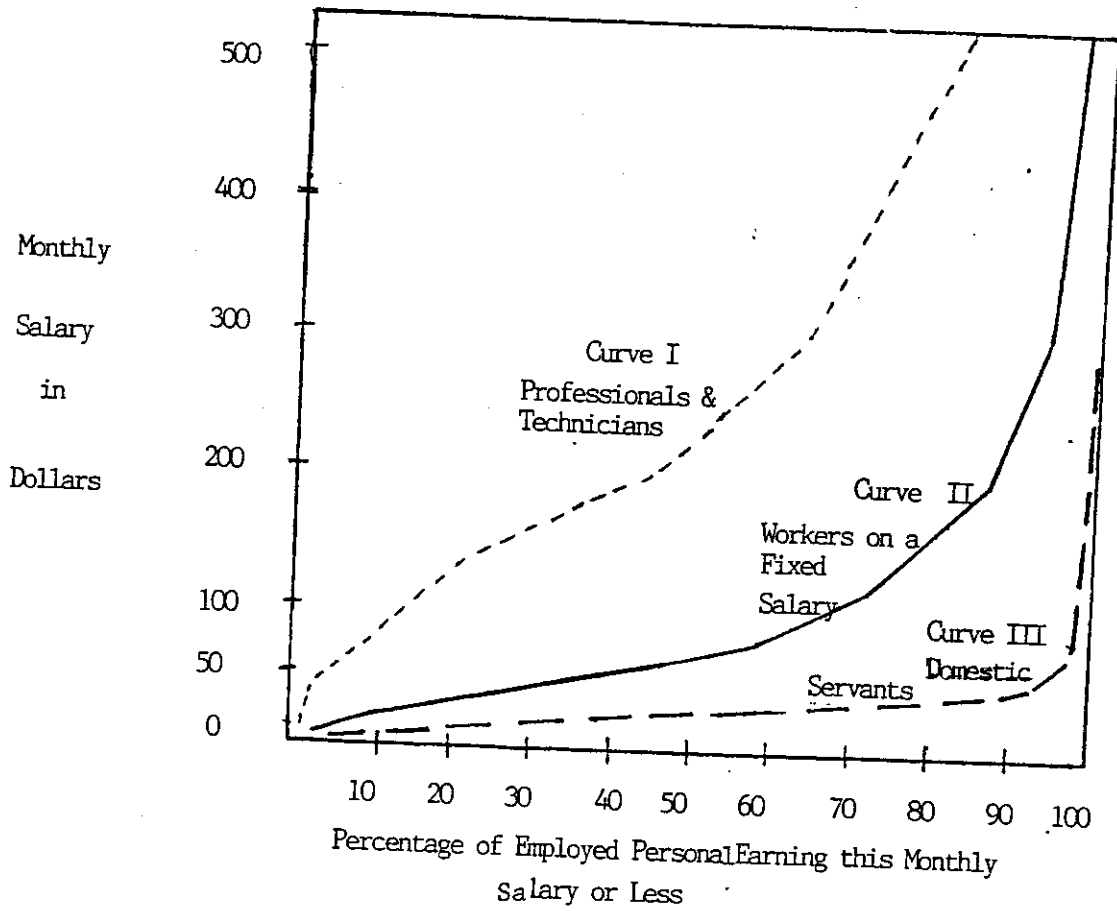
Figure 7 clearly shows the distribution of monthly income for professionals and technicians, formal sector workers with fixed salaries; and domestic servants. Curve III, which represents monthly salary distribution for domestic servants, shows that almost 90 % of all workers in this sector received monthly salary less than \$ 50.00. Women servants, however, earned only 56 % of men's average monthly salary (see table 16). Curve I on the other hand, shows that a little less than 50 % of professionals and technicians workers received monthly salaries less than \$ 200.00. Curve II which represents monthly income earned in 1977 by workers on a fixed salary, indicates that 65 % of all these workers received salaries less than \$ 100.00 per month.

A comparison of these 3 categories of workers shows that domestic servants earned relatively the lowest income among other groups in 1977. Nevertheless, in most of the cases, domestic servants do not have to pay for housing and food, which is provided by the person who contracts domestic service. Taking into account that a person needs at least \$ 0.68 cents every day to cover the cost of the food necessary to survive, and this is provided to a domestic servant, it gives a total of \$17.68 for 26 days per month of working since most of domestic servants take one day off per week. In addition, if we assume that a person in Guatemala City pays \$ 25.00 for a room to live, which is also giving by the contracter, then a domestic servant earns a total of \$ 92.68 per month. This monthly salary is very close to the



FIGURE 7

DISTRIBUTION OF MONTHLY INCOME FOR PROFESSIONALS AND  
TECHNICIANS, FIXED SALARIES' WORKERS, AND DOMESTIC SERVANTS



SOURCE: USAID/WID Final Report 1980. Washington, D.C., 1980.

monthly salary earned by 50 % of the workers on a fixed salary in 1977 in Guatemala City. Nevertheless, this is only an estimation, it is important to be considered to make this study a little more objective. Also, this dollar value (\$ 92.68) represents the opportunity cost of women as a labor force remunerated instead of staying at home doing the same job but as a labor force neither counted nor remunerated.

## 2.5 Women's Domestic Labor

### 2.5.1 Labor Force Neither Counted nor Remunerated

Women's participation in the Guatemalan labor force not only refers to those women who are working in the formal and informal economic sectors earning a monetary value as a pay for their labor force, but also includes those women who are at home, whose labor is neither counted nor remunerated.

Women's home activities and their roles in the family have been analyzed by different kind of economic and social theorists such as Radical and Liberal Feminists and Social Marxists. These theorists major argument is that women's emancipation<sup>49</sup> is primarily impeded by marriage and family economic constraints.<sup>50</sup> These scientists believe that in any class society, the sexual division of labor, which allocates all domestic responsibilities to women, is a critical factor in women's subordination since it does not allow then to participate equally in the productive labor market. Marxists consider women's domestic activities unproductive and the roots of women's subordination since they generate use not exchange values. Feminists believe that women's

reproductive responsibilities are the major factor maintaining women's subordination since they do not permit women to participate in public and political activities and in social production.

51

Considering Guatemala's social, economic, and political structure, Feminist and Marxist explanations mentioned above are not applicable to this country. The Marxist explanation mainly applies to a highly capitalistic developed society with high capital concentration. Therefore, this theory does not only analyze domestic service, but also fails to consider that for those societies with capitalist mode of production but with some remains of feudal relations of production, domestic jobs can not be considered unproductive. The commodity domestic labor force generates use values. Domestic activities have the capacity to satisfy a human need (use value). For instance, to cook food, to take care of children, to collect firewood and other forest products, to wash cloth, to take care of some animals, to carry water, are activities which satisfy human needs such as hunger, protection, caring, shelter, thirst. In addition, all these activities have an utility for a human being.

The Marxist explanation has failed to establish a dynamic interrelationship among relations of production, reproduction, and the perpetuation of social inequality (Stolcke Verena, Women's Labours. 1984:160). To take maternal responsibility as one of the major factors of women's subordination, is to see the effect and not the cause of the social problems. Further, the elimination of the existing sexual division of labor does not

necessarily means that women will have authority, power, access to extra-domestic roles, and autonomy to exercise control over their own lives, over others lives, and the latitude to make decisions that affect them. Therefore, it is unlikely that the incorporation of women into so called "productive activities" constitutes the solution to women's subordination.

In analyzing the Feminist and Marxist's arguments that marriage and family are the primary roots of women's subordination, it is important to consider how these terms are defined. A family is the basic unit in society having as its nucleus two or more adults living together and cooperating in the care and rearing of their own or adopted children. It is a group of individuals living under one roof or any group of people related by blood or marriage. Marriage is defined as the institution whereby men and women are joined in a special kind of social and legal dependence for the purpose of founding and maintaining a family. (Webster's Third New International Dictionary. 1963:301, 518). However, according to Rita Gallin (Gallin, 1987, personal communication) these are mainly Western-centric definitions. A family does not necessarily need to be integrated by two or more adults living together and cooperating in the care and rearing of their own or adopted children. Many single mothers with their children constitute families that are important part of the society. Therefore, the definition given by the Webster's International Dictionary does not fit in the actual conditions of any society.

Those two concepts--marriage and family--mainly represent two

social-legal institutions which, according to feminists, perpetuate sexual and social inequality. There is a hypothesis that these institutions were born out of men's need to control women's sexuality to prevent any doubt about the true paternity of offspring, thereby safeguarding the rightful transmission of property. These institutions are mainly utilized to reproduce propertied classes (Engels, 1972: 119).<sup>52</sup> This theory clearly reflects the existence of social-legal institutions to maintain women's current status quo. Nevertheless, it has failed to explain why/how the control of women through marriage and family is different from one class to another and also the ways in which a woman's class position affects the opportunity rates open to her (Stolcke V., Women's Labours: 164). The theory also has failed to analyze how these legal institutions protect children, men, and women from irresponsible parents. Nevertheless, in the case of Guatemala, it is true that marriage and the family contribute to women's subordination, to benefit a specific social class. On the other hand, many physical anthropologists argue that human pair-bonded long before concepts of inheritable property arose. Under all these conceptions, this study considers that women's domestic jobs are productive activities which have use value and generate utility. There is no major reason to undervalue these activities since they are contributing to the improvement of human life. Yet many women who have the opportunity to participate in the formal and informal sectors, experience a double burden of unpaid domestic work. There is a general belief that most lower and middle class women stay at

home enjoying their leisure time as in those high social class women. But in Guatemala, for most women of the lower social class, leisure time is a utopia. The economic situation of the country and the situation of their own social class, force them to look for alternatives to obtain some income to satisfy family needs. However, it is important to establish that men in poor socio-economic classes, also do not have too much time available for leisure since they take different jobs to supplement their basic income to satisfy the needs of the family.

To increase women's participation in economic sector activities, does not necessarily mean that women will be able to have authority, power, and autonomy to make decisions about their own lives and other's lives. Since many legal institutions, hereditary class privilege, social class interests, excess supply of labor, and other forms of human domination exist in any society, the subordination of men and women persist not only in Guatemalan society, but also in the whole world.

CHAPTER III  
GUATEMALAN DEVELOPMENT PROCESS

3.1 Women's Major Constraints to Increase their  
Participation in the Development Process

In Guatemala, as in many Latin America countries, the sexual division of labor and sexual inequality have not been eliminated. Although some improvements in women's position have been observed in the last decade, women's major role still is domestic, performing activities such as growing, processing, storing, and preparing food for the family, giving birth to and caring for children, storing, serving husbands, keeping house, and other support activities. Whatever power and influence women's have, therefore are centered in the home and affect only family decisions. Fundamentally, women have enormous power, in that they socialize the children of the society. This power can be used to socialize women to behave in a more egalitarian way. Nevertheless, women do not have the opportunity to participate in high-level decisions, especially those which affect them currently and in the future.

In Guatemala, women's participation and performance in the development process is mainly constrained by: (1) their lack of access to goods and resources; (2) predetermined internal and external social, economic, political, and institutional forces; and (3) the behavior of the members of the society as they are  
53  
influenced by all these forces.

To understand of these constraints better, it is necessary

to consider women's participation in the Guatemalan development process in the context of history. History is an important tool which can be used to explain why the social and power structures, machismo and marianismo ideologies, and institutional system, are some of the more important variables that constrain women involvement in the development process.

### 3.1.1 Social Class and Power Structures

Guatemalan social and power structures are very complex. Nevertheless, a general classification of those structures can be outlined.

The social organization of the country is defined by classes with different interests. There is a small elite which represents only one percent of the population. It is mainly composed of approximately 50 families who control a high proportion of all agricultural, commercial, and financial resources. These families are able to control about 50 percent of private finance, roughly 100 of the largest industries, and almost 20 percent of the production of coffee. This elite exercises a significant portion of social power through its control of key resources required for making or implementing decisions and through its authority deriving from occupation or position.

54

Another important part of the population is the middle class which represents almost 20 percent of the society (The American University, 1983:50). It is made up of educated professionals and businessmen (upper middle class) who have diverse kinds of investments and family finances, but not in the same proportion



as the elite. The middle class not only includes these educated people who have economic security, but also armed forces officers and military cadets who are part of the upper middle class. The members of this social class are also an important part of the power structure. They influence and control others through their control of resources, exercise of authority (position or occupation), and use of a combination of both, such as knowledge, control over jobs and morality, material resources, obligations, reputation and social standing, credit, etc. The power of these investments and other resources exercised by the elite and middle class is reinforced by their control of the political process. <sup>55</sup>

The lower class, the largest proportion of the society (more than 75 %), represents the poor group of the population in terms of level of income and general quality of life. In the 1970s those at the bottom of this group, received only 6 to 7 percent of the national income (The American University, Guatemala a Country Study, pp 50). During the period of 1980-1982, their situation deteriorated as a result of the high increase in inflation and unemployment and underemployment which contributed to the decline of per capita income. The lowest income group within this social class is comprised of the Western Highlands Indians who account for almost 70 percent of the Indian population (54 % of the total population).

The lower class, acting as a unit, could exercise social power and influence government and community decisions. Nevertheless, in most cases, these people do not use the one resource they have, organization. They do not have two other

major sources of social power, authority and the control of resources or combination of both.<sup>56</sup> It is clear on the basis of the Guatemalan historical process, that the lower class as power actors have no access to the main sources of social power such as authority and control of resources. Thus, their ability to control and influence others' behavior (social power) is highly limited.

Women's roles in the society are defined by their position in a social class and by the ethnic group to which they belong. Elite and upper middle class women are not forced to work out of economic necessity and they always have diverse choices available. For most of these women, the home is the center of their existence and they enjoy an active social life with close friends and in religious organizations. Although some upper class women control resources, they rarely participate in their husbands' economic and political activities. Their major power is concentrated in their authority over domestic servants.<sup>57</sup> Thus, the power of elite women is exercised only through the exploitation of other women. Women of the bottom middle class and lower class, in contrast, participate in the labor force (formal and informal sectors) out of a need to generate incomes that are essential for the subsistence of their family. Their economic situations force these women to contribute to the family's subsistence. Nevertheless, although women from these social classes participate actively in economic activities as wage workers, they are not able to control their incomes and to make high level decisions that affect them. Their husbands may, in

some cases, consult them about family decisions, but these women essentially defer all major decisions to their husbands. Nevertheless, this general pattern of sex roles and authority is less stressed in the Indian population, in which women have more access to the decision-making process. Their economic roles are so important in the production of food, development of the agricultural sector, and economy of their families as a unit that they are allowed a degree of power in the family economic decisions and outside decisions.

58

Under these rigid social and power structures, most men and women are highly limited in their ability to increase their participation in the country's development process. But women's situation is worse than men's since their participation in high level decisions is completely limited. The lack of access and freedom for people to control and influence policies and the country's major decisions, the lack of democracy to institute collective control, and the lack of access to authority and control of resources, are some of the major structural factors that limit the country's development. As James D. Shaffer elaborates,

59

A democracy can and must institute means for dispersing wealth and private power, providing an opportunity for broad participation in both wealth and political control. Those who oppose all policies designed to accomplish such dispersion fertilize the seed of destruction of the system....Thus, a democracy must find ways to institute necessary collective controls and discipline while

maintaining the basic democratic institutions.

It is important that those with wealth and power who can influence Guatemala's future policies consider that people who do not share those things are going to respond with violence in a moment of crisis or high pressure. A democratic private enterprise system has to be able to modify those forces that can destroy it. Modifying welfare and tax policies, programs, projects, education, civil rights, laws, and political process can contribute to the reduction of the concentration of wealth and power.

#### 3.1.1.1 Women's Rights and their Roles as Political Actors

According to the research done by the American University in the early 1980s (Guatemala a country study, 1983: 70) approximately 80 percent of the Guatemalans were Roman Catholic (nominally). Nevertheless, although most of the Indians share Catholicism's assumptions and rules, they keep their own beliefs and rituals inherited from their Mayan ancestors. Catholicism plays an important role in the population's life. It actively influences people's values, beliefs, behaviors, education, essentially those of the Ladino living in the cities. A simple example is that in the 1970s 55 percent of all Catholic secondary schools were in Guatemala City. <sup>60</sup> But, the impact church schools and the State on individuals' daily life is a little limited and the family plays a major role in the population's life. Nevertheless, the church influences the values imparted at home.

Women's rights and political participation are significantly

defined by the whole structure. Institutions such as religion, the law, and the family as well as norms, traditions, and values, are some of the important influential forces affecting women's lives.

Under the Guatemalan Constitution, women's rights are guaranteed. Title II, Chapter I, Article 43 of the Constitution establishes that all citizens are free and equal in dignity and rights. Discrimination by reason of race, color, sex, religion, place of birth, social or economic position or political opinion is prohibited. Any regulation, law or ruling contrary to this edict is declared null and void because it is unconstitutional.

Women have the same right as men to vote, to seek and to be elected to public positions according to the Constitution (amendment made in 1945). Voting is an obligation for those literate Guatemalan citizens who are eighteen years old. But only 47 % of the population was literate in 1981 and approximately 50 % of adult women were unable to read and write. About 30 % of the rural populace was classified as a literate (80% of the Indians were illiterate), and almost 70 % of the urban was literate.

Women under the law, have the right to manage their own interests, to acquire property, and to inherit goods and resources. Nevertheless, in practice this right is conditioned by the social structure, norms, and culture aspects.

Based on the Civil Code, women have the right to marry under different socially accepted forms such as civil ceremonies, church weddings, and common law or consensual unions.

Consensual unions, however represented more than one-half of all reported marriages in the mid-1970s (Guatemala a Country Study, pp 64-65). In addition, women can legally divorce, although divorce is socially censured, especially for those of the upper middle and upper class Ladinos. Nevertheless, those who are married by forming consensual unions separate without social stigma.

Guatemalan legal institutions thus give women rights, but they also contribute to the maintenance of women's status quo. For instance, the Civil Code gives women the right to add their husband's last name to their own; men, however, can not take on their wives' names. Also, the civil law categorizes a husband as the head of the family, as a center of authority and attention, and as a main representative of the family. This can be supported by the statement established in the Civil Code which states that family representation rests within the husband; he is obligated to maintain, protect and assist his wife who is obligated to assist him in case of mental or physical incapacity. Husbands have the obligation under the civil law to give part of their income for food to maintain their families (wives and children). But this amount is reduced if a women works. Both men and women spend their salaries to satisfy needs of the family; such as cloth, education, toys, food, etc.

The court system protects women in case of legal separation or abandonment. They have the right to receive part of the husband's income to support their children. Nevertheless, in most cases women do not use this legal right. Some of the major causes

of this are: their children are not legally recognized, women do not know their rights, the high cost of lawyers, and the court system which effectively fails to defend women's and children's rights (AID/WID, Final Report, 1980: 86).

Guatemala's legal system clearly shows a sexual division in the application of its laws. The Penal Code considers abortion, adultery, and infanticide as "feminine crimes" applied specifically to women. Women can be committed to prison for a period of three, two, and eight years respectively for committing these crimes. But these penalties are rarely applied in cases such as abortion which is not reported. On the other hand, the situation for men is different. They have the right to have extramarital affairs without being socially censured. But for women this is a crime which is highly socially censured and penalized by six months to two years in prison. In addition, men can kill their children, which is considered homicide rather than infanticide. In contrast to women, men can kill their children under mental stress and be considered not guilty. If the Constitution prohibits discrimination by reason of sex, why is it that the Civil and Penal laws do not guarantee equality in dignity and rights in cases such as adultery, killing, and the facto exclusion of women from owning land?. Why are sexual abuses such as rape, violation, and harrasment socially disapproved but officially not reported, even though they are legally considered crimes.

Most women do not report rapes not only because they are socially censured for being raped but also because they do not

find actually support in the law. In those cases in which men accept the responsibility for the rape, they argue that were drunk or were seduced by women. As a result of reported rapes, some men in the countryside decide to or are forced into marriage by the women's families. This pattern is not commonly observed in the cities where men can move to other places to avoid accepting  
62  
responsibilities for rapes they commit.

In this study, sex discrimination is considered an important problem that limits women legal rights. Nevertheless, according to Guatemalan lawyers (men and women), the major problem for equal and equitable enforcement of the law is not sex discrimination but a lack of knowledge about legal rights. Most individuals, especially those of the lower class, do not know that the law protects them in certain cases. Thus, they accept socially unjust treatments and inequality as a part of the system. Therefore, the law impinges unequally. Yet this is only a partial explanation; the lack of knowledge about basic legal rights is not the major cause of inequitable enforcement of the law. It is a symptom. Many Guatemalan know their legal rights but are afraid to denounce social injustice. In addition, most cannot afford to pay court fees and lawyers or they do not have friends or relatives in court positions. There is a general saying among the population "whoever pays the best lawyer and the highest court fees wins her/his lawsuit" (AID/WID Final Report, 1980, p. 86).

With the exception of some articles in Latin American Perspectives related to women's participation in the revolution



and a study done by San Carlos University in 1976, there is little material available about women's participation in Guatemalan political activities.

According to the Latin American Perspectives' article, women participate actively in the struggle movement. They have the same rights as men and their traditional exploitation is eliminated through the movement.<sup>63</sup> The article uses the experience of a Quiche Indian women and a Ladino rural worker to show that women can achieve equality with men, when they are working for the same cause. Nevertheless, the article does not give enough details and statistical data to test this statement.

The San Carlos University 'study shows the participation of Guatemala City population in the Presidential elections in 1974. Only 16 percent (48,955) of a total of 312,780 women voters, actually voted in those elections. Nevertheless, although only a few women voted in 1974, their number was higher in comparison to those who actually voted in 1966 and 1970 (less than 15 %).<sup>64</sup> The low participation of women in this kind of political activity can be explained by different factors.

First Guatemala women were not granted citizenship, the right to become part of electoral bodies, to be elected to public office, and to vote, until 1945. The amendment made to the National Constitution was passed in 1945 to guarantee these women's rights. Therefore, women's political experience in national level activities is relatively recent. During the period between World War I and II, however, women were able to vote in state and municipal elections and to incorporate

political parties.

Second, the Guatemalan Constitution limits the above rights. For instance, voting is considered to be an obligation, as well as a right, for those who are literate. Therefore, economic and social class structures are important factors influencing Guatemalans' political participation. Most of the women who participate in voting activities and supported political tasks, are highly educated middle and high class women from Guatemala City. In contrast, women of the urban and rural lower class do not show high participation in the political process since they are so busy in their duties, they are unaware of their rights, or they are constrained from voting by the Constitutional requirement of literacy.

Third, the participation of women in voting activities and their election to political office are highly constrained by traditional values, public opinions, beliefs, and the family. Nevertheless, it is important not to confuse cultural norms and values with actions that result from development schemes. But all these elements impose on women a stereotypical conception of the existence of sex differences. The machismo ideology limits women access to high political positions since there is a belief that politics is an area only for men. For instance the AID/WID Final Report, 1980, shows that in the last 35 years only 3 women have served as deputies from the total of 62 deputies in the Guatemalan Congress. In addition, the report shows that in 1980 only one woman held the position of Governor (of the Department of Guatemala), and out of a total of 12 council members in

Guatemala City's Council, only two were women. No women were found in higher authority positions such as ministers and vice-ministers in that year. Only one woman was a Congressional deputy, one percent of women were in autonomous organizations, and 25 % of women were in local municipalities.

66

The roles of Guatemalan women in the political arena are very few and limited. High political authority positions are mainly held by males. Women's participation in social, political, and female organizations, however, has increased during the last decade, but has had little social impact. Women mainly participate in international women's social service clubs, social service organizations, professional women's organizations, training organizations for women, confederations, federations, religious orders, private voluntary organizations and government institutions which allow women to participate in their programs. But according to AID/WID information, in almost all these organizations women have a little knowledge of Guatemala's process of development and of their roles and interests in such process. In addition, it is argued that most of women's programs emphasize traditional domestic activities such as cooking, sewing, weaving, and reproductive roles. But most of the urban and rural marginal group of women do not have access to these programs.

It is important for future policy to look for other program alternatives to help women by providing training in new areas that not only can represent a new source of income, but also can improve their social and political status, such as community

leadership, management techniques for small business, women's rights and roles, family planning, literacy, administration of family budget, agricultural and marketing techniques, and development of new industrial and technological skills. The private and public support of these programs must not be paternalistic but instead must emphasize and foster self help. The design and implementation of the programs must be done carefully since there is a belief among some groups of the population that women's programs are based on feminist or communist ideologies which can destroy the family, and thus they should not be promoted in Guatemala society. There is a need to disseminate information about the ways in which women actively participate in the country's development process since there is a general belief that women mainly stay at home relaxing and taking care for their children.

To change people's behavior is a difficult task in a society with deep beliefs and values. But the present and future generations of women should not take for granted what they have today and must look for new ways to improve women's lives and those of their families.

### 3.1.2 Education and Fertility

Guatemala's illiteracy rate is high (53% in 1981) in comparison with other Central America countries. According to official estimates, almost one-half of all Guatemalan adults could not read and write in the mid-1970s. More than 67 % of the agricultural and 33 % of the industrial labor force were

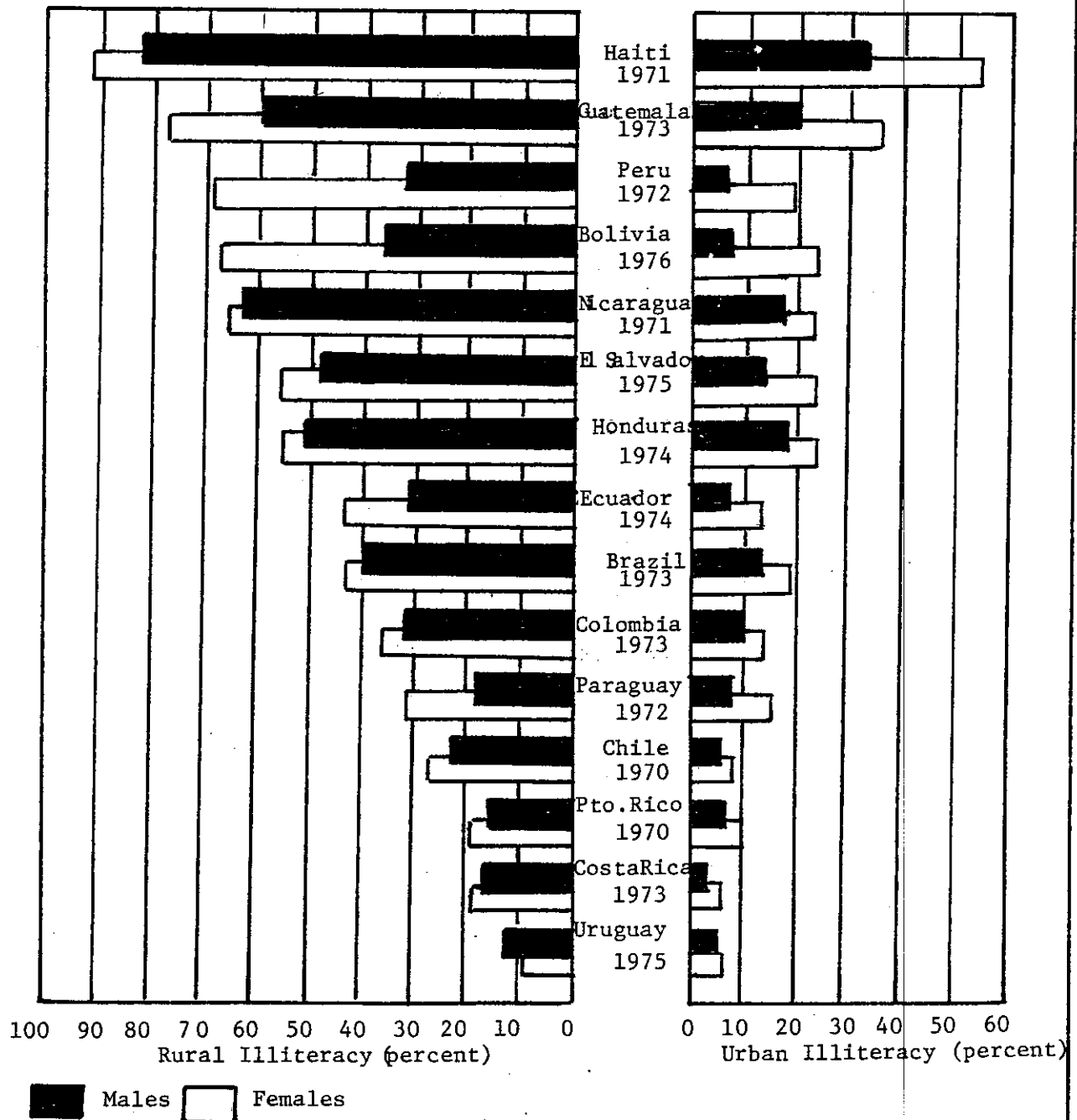
illiterate during that period. Rates of illiteracy are higher for women than for men and the gap is widening. In the mid-1970s, almost 60 % of adult women could not read and write and in 1973, almost 61 % of the women over 10 years in the country were illiterate.<sup>67</sup> Women in the rural areas are the least literate in the country. On the other hand, men are the most literate in Guatemala, especially those of the urban areas.<sup>68</sup>

According to UNESCO (Statistical Yearbook, 1983. Paris, pp 28), in 1973, 54 % of the population was illiterate, almost 80 % of the rural females were illiterate, and approximately 35 % of the urban women were illiterate. By comparison, 20 % of the urban men and 60 percent of the rural men were classified as illiterate (see figure 8).

Literacy rates in Guatemala are unequal according to ethnicity and classes. In the mid- 1970s only 30 % of the rural population was classified as literate, and most of these people were ladinos who have dominated through their knowledge of Spanish language. In the late 1970s almost 80 % of the Indians were classified as illiterate. They primarily constitute the lower class and are located essentially in the rural areas of the country.<sup>69</sup>

To illustrate further the inequalities in literacy among regions and ethnic groups, in the Departments of Alta Verapaz and Quiche in which 91 % and 86 % of the population are Indians, there are very low literacy rates, 14 % and 17 % respectively. Only 8 % of the Quiche women between 7 and 17 years old were literate.<sup>70</sup>

FIGURE 8  
 PERCENTAGE ILLITERACY RATE IN URBAN AND RURAL AREAS,  
 BY SEX AND BY COUNTRY



SOURCE: UNESCO. Statistical Yearbook, Paris, 1982.

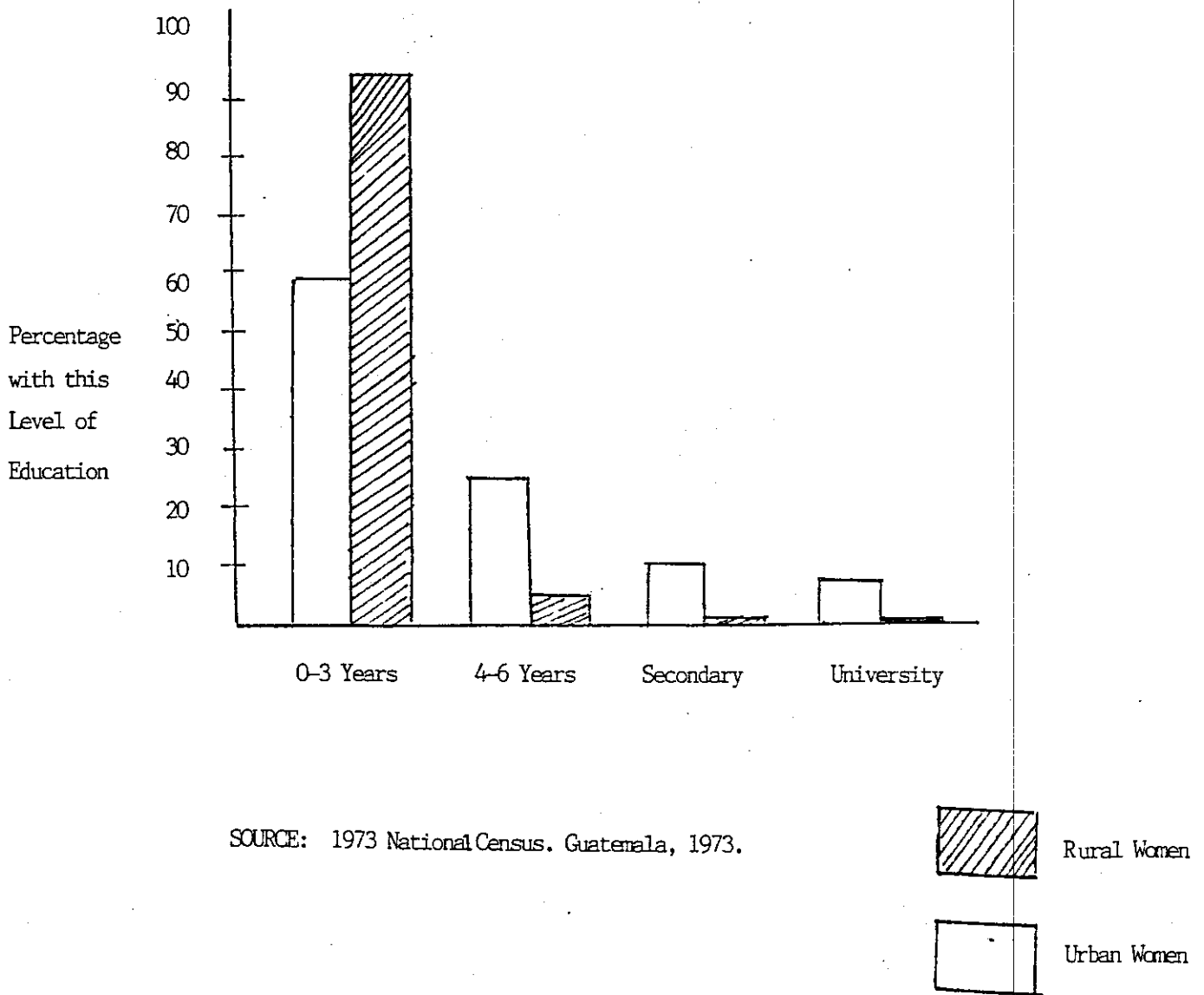
According to the 1973 National Census, about 60 % of urban women have had less than three years of school, approximately 8 % received certain level of university education, and only about 10 % have had secondary education. By comparison, only 0.004 % of rural women have had university education, and a mere one percent have had secondary education, and almost 94 % of all women in the rural areas have had less than three years of school. This can be better understood by looking at figure 9 which shows the percentage of rural and urban women according to the category or years of education.

It is important to stress that Guatemalan law guarantees equal opportunity in education for females and males, and also that the National Constitution condemns any type of discrimination. Nevertheless, men's and women's right to education are not equally exercised. Further, women living in rural areas of the country and women from the lower class are discriminated against more than other women. There are so many social structural factors that do not allow all females to obtain schooling. In addition, the portion of the government budget assigned to education is low, showing that education does not have a high value and priority in the country's development. For instance, in 1981, the educational budget did not exceed 15 % of total government expenditures. It appears that the government is placing more importance on enrollment of children at the primary level of education than on the secondary. However, the government budget allocated is not enough to respond to the needs of the entire population of both sexes. But it is important to remember

FIGURE 9 -

LEVEL OF EDUCATION OF URBAN AND RURAL WOMEN IN GUATEMALA

- IN PERCENTAGE -



SOURCE: 1973 National Census. Guatemala, 1973.



that government revenues has decreased as a result of the economic crisis lived in the country. Therefore, the budget for social programs was also reduced.

To improve the quantity and quality of Guatemalan education, it is necessary to expand the budget allocated to the educational sector and to analyze and revise expenditure distribution. It is important for the country to review educational programs at all levels of education and to encourage students to move to upper levels of education and to improve their status in order to guarantee the development of those professionals who will be responsible for the country's development. Government has to guide and promote higher education courses for women that allow them to participate actively in the country's general development, and at the same time to start the process of introducing new kind of jobs that would increase their participation. It is also important to develop women's skills through special training that will allow them to earn equal incomes to those of men. Unfortunately, there are no national data available to analyze the composition of girls and boys in school according to age. However, AID/WID study indicates that in the town of San Antonio Aguas Calientes (Seelve, 1979, Tables, Q 112-Q 112; Annis, Scatepequez, 1978, and San Marcos, 1979, unpublished data) at the younger ages there are less boys than girls in school but girls start to drop out from school by the age of eight or nine. This lower enrollment of boys may be due to their earlier entry into the labor force. But boys can continue in school since their parents expect them to have higher levels

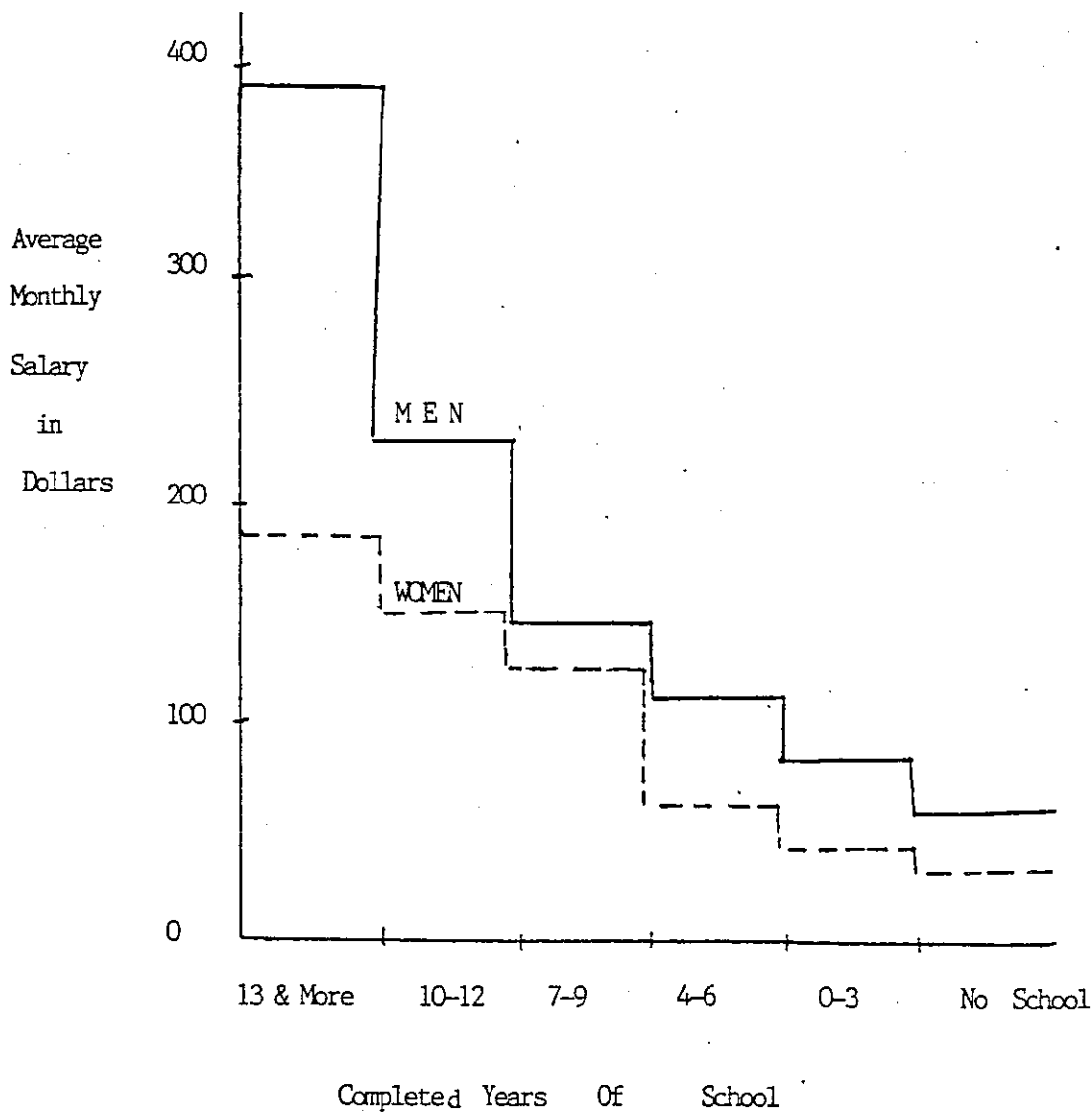
of education than girls. Most girls have to help their mothers in the home and with their other tasks, and, therefore, have to abandon school. The short period of formal education (3-4 years) received by some rural girls, does not represent a high level of learning since the educational quality is in general poor. The scarcity of educational material such as desks, books, blackboards, and chalk, and the lack of incentives to teachers, are some of the major factors responsible for the low quality of the education in these grades.

The importance of analyzing education in this research paper is that level of education has a high impact on people's lives. Women's present status is influenced by their level of education. Their level of income, rate of fertility, and their participation in the formal sector activities, are correlated to their educational level. This relationship is supported by data in the 1973 National Census. In addition, it is clearly supported by the information available in the AID/WID Final Report, 1980. According to this study, a woman is more likely to participate in the formal sector and to reduce the number of her children when she has more education. Women are able to get better jobs and higher wages when they have better education. But this does not imply that women with higher education receive the same wages as men. Women earn less than men, whose wages increase even higher than women's when their level of education increases. This phenomenon can be observed in Figure 10 in which the difference in wages between the sexes is shown.

Figure 11 shows the increase of participation of urban and

FIGURE 10

AVERAGE MONTHLY SALARY ACCORDING TO YEARS OF SCHOOL AND SEX



SOURCE: Encuesta de los Hogares, 1978. Graph 10

rural women in the labor force as their education increases. The figure also shows the large discrepancy levels of education between urban and rural women. Approximately 95 % of urban, and almost 27 % of rural, women with university education are economically active. Unfortunately, these data do not include women in agricultural activities since the 1973 National Census does not contain such a category.

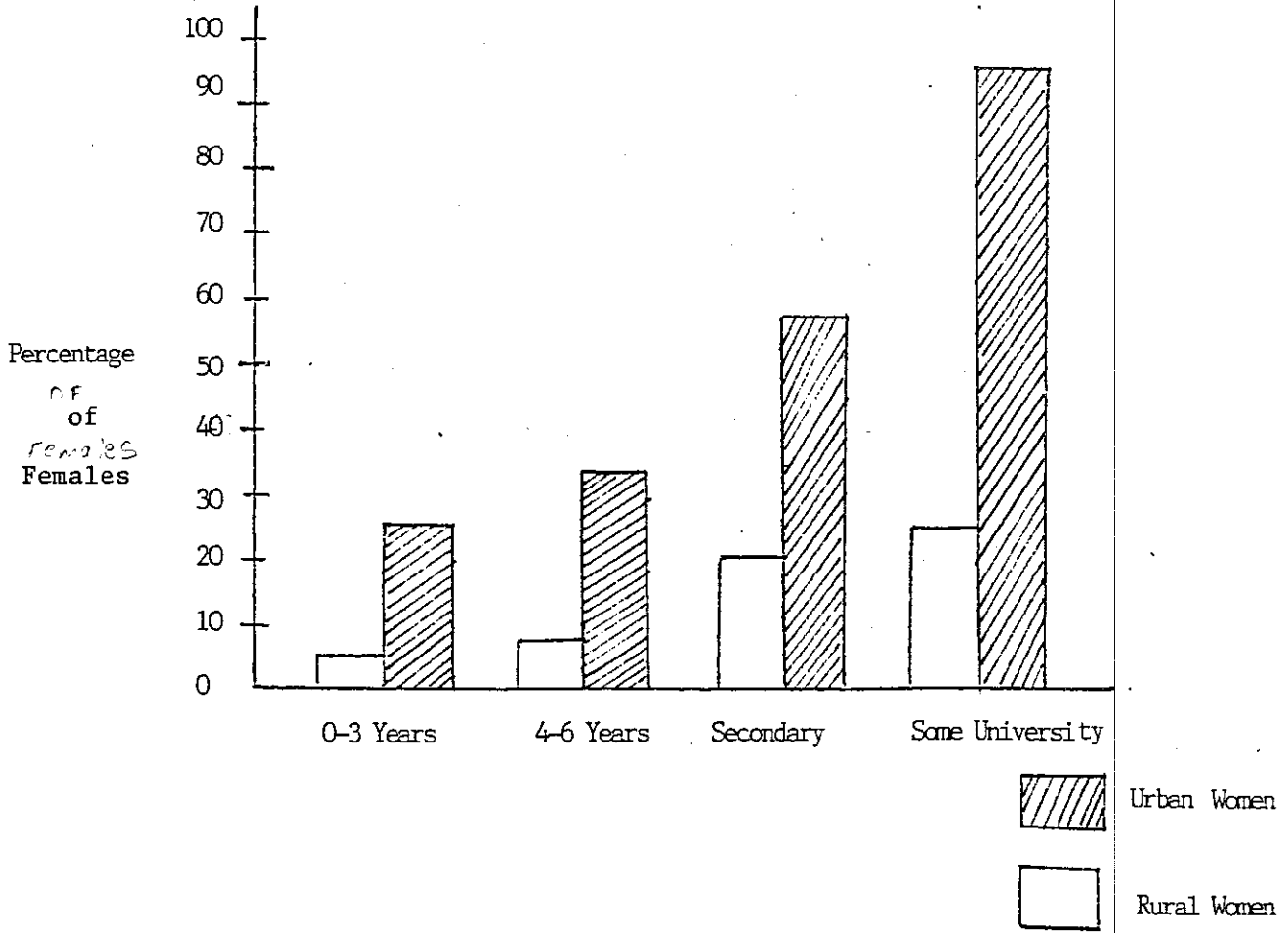
With regard to fertility, Guatemala's rate is high. For the period 1980-1985, the country observed a total fertility rate of 5.17.<sup>71</sup> This rate means that each women had an average of 5.17 children during her fertile period, in accordance with the fertility rates by age of the population under study who was not exposed to mortality risks from birth to the end of that period. The higher fertility rate was concentrated in women between 20-24 years old. However, in the country there is also a high infant death rate between birth and two years of age. In 1968-1969, there was a 144 infant death rate per 1,000 persons.<sup>72</sup>

According to some studies done by the Inter-American Commission of Women (CIM), there is a strong relationship between high birth rates, malnutrition and high mortality in the first years of life. Malnutrition is a factor which contributes to low-weight births, prolonged periods of infertility, or to incomplete pregnancies. These factors should decrease birth rates in the long run, however the number of pregnancies is high. With the basic knowledge, men's support, and economic resources, women can improve their health conditions and control their own fertility.

FIGURE 11

ECONOMICALLY ACTIVE URBAN AND RURAL WOMEN BY LEVEL OF EDUCATION

- IN PERCENTAGE -



SOURCE: Analisis del Sector de Educación en Guatemala, 1978.

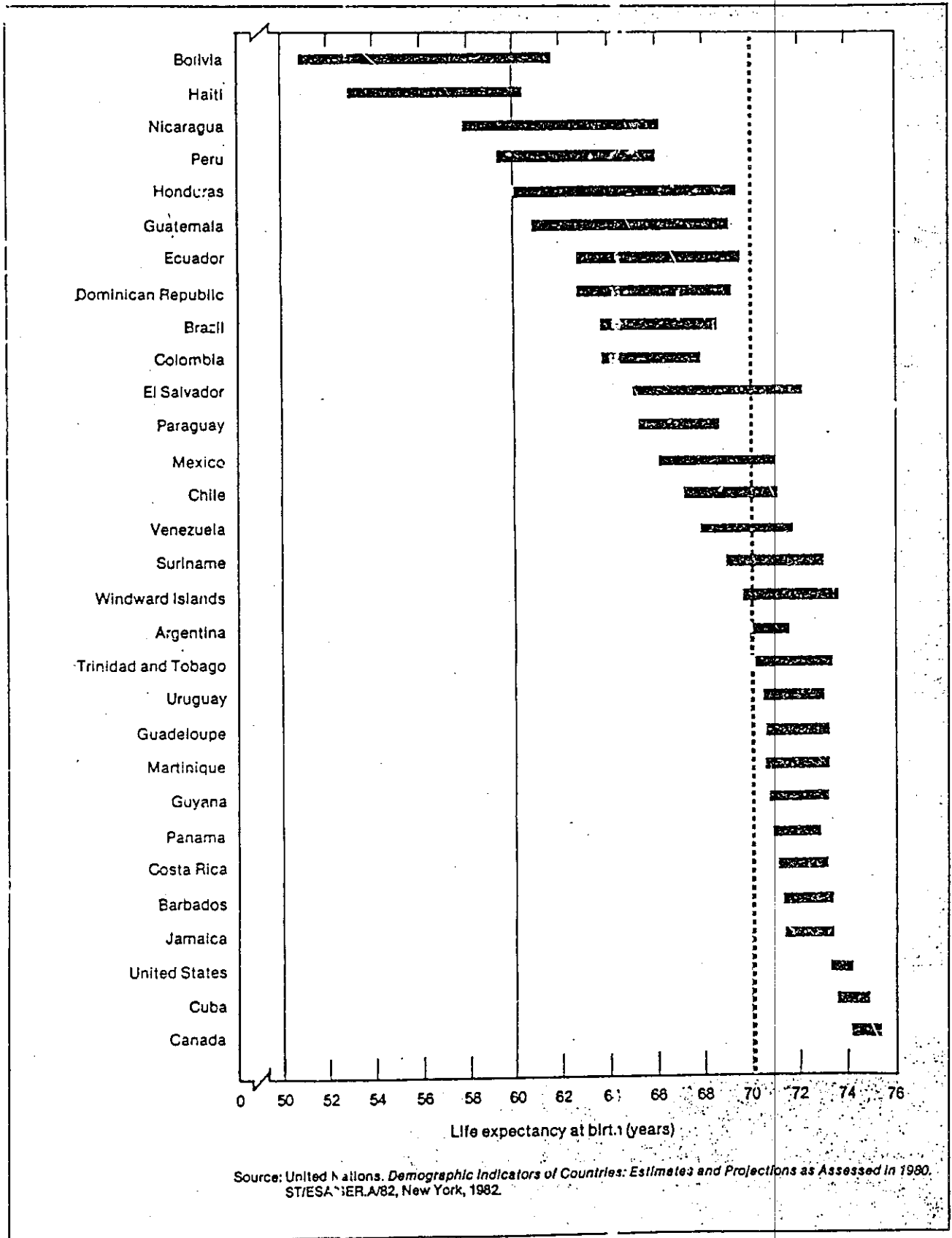
To alter women's natural fertility and to prevent unwanted births, the Guatemalan government has established family planning activities and programs. The major goals of these programs are: to protect the health of the child and mother, to allow the exercise of the human right to choose the number and spacing of one's children, and to slow down the growth of the population. However, the Pan American Health Organization argues that in most Latin American countries vertical family planning to control population growth is very different from maternal and child care programs. So, for example, there was only one obstetric bed per 10,000 population in maternity hospitals and 420.2 births per bed in those hospitals in 1973. In 1981 the infant mortality per 1,000 live births was 77 and the life expectancy for females was 61.0 years. Nevertheless, the United Nations estimates that the life expectancy at birth between 1980-1985 and 2000-2005, will increase from almost 60 years old to 69 years for Guatemalan population (see figure 12).

In Guatemala, most women do not have access to family planning services since there are few centers available around the country. But it is also important to note that many families look at procreation as a means to produce a labor force which can help to maintain family status or to help the family survive (Gallin Rita, 1986: class notes SOC 872).

It is necessary that the Guatemalan government and other social organizations recognize that women's fertility rate is related to health conditions, education, economic status, and other socio-economic factors that define their subsistence. The

FIGURE 12

Estimated increase in life expectancy at birth between 1980-1985 and 2000-2005, by country.



USAID/WID report shows that there is a negative correlation between birth rates and increased women's education. The data in table 17 clearly show that the average number of children per urban and rural women, decreases when the level of education received increases. Urban women with 3 years of education had an average of 4.2 live children and rural women an average of 4.15 children in 1973. On the other hand, rural women with a university education have an average of 1.6 live children and urban women an average of 1.15. Therefore, the more schooling that a woman receives, the more likely she is to reduce the number of her children and to participate in formal sector activities. It is important to guarantee, however, those women with high education do not continue to receive training in traditional secretarial, teaching, and business courses; in almost all Guatemalan universities most of university careers are highly sex - biased. To conclude discussion of the topic of education and fertility, this study includes a thought of Gordon (Young, Wolkowitz and McCullagh, 1981, pp 193):

Most "unplanned" pregnancies are partly wanted and partly unwanted. A frequent solution to ambivalence is passivity - not using contraception, or using it haphazardly. This is a rational response when no alternative is desirable. Those family planners who speak of irrationality, or women not understanding their own interests, do not themselves understand the problem. Self-determination can not exist if



none of the options is attractive. Reproductive options can not be separated from economic, vocational, and social choices.

(Gordon, 1977, p 408).

### 3.1.3 Machismo and Marianismo Ideologies and Cultural Myths

In Guatemala, as in most Latin American countries, the patriarchalist cultural system from which our occidental cultures come from, present women and men in a context of cultural myths. Nevertheless, human experience and actions have to explain within the context of their social, economic, political, and even religious structures.

There are two major ideologies that define the situation of women in Guatemala. The first is called Machismo, a cult of the supremacy that males maintain over females. This social superiority of men affects women's wages, social and economic, and political status, security from sexual abuse, levels of work and kind of job, and access and opportunities for education. Women's deprivation is not only a product of the general situation in which the country is living which also deprive men, but also is the result of the relations between sexes in which one sex is accorded a higher status than the other.

The second ideology is called Marianismo. Anne Simpson argues that this idea is drawn from the Catholic Church's image of the Virgin Mary who is held as a paragon of female virtue in

TABLE 17

AVERAGE NUMBER OF LIVE CHILDREN BY LEVEL OF EDUCATION

	S c h o o l i n g			
	3 years	4-9 years	10-12 years	University
Urban Women	4.2	2.15	1.4	1.15
Rural Women	4.15	2.15	2.15	1.6

SOURCE: AID/WID Final Report, 1980. Status and Needs of Guatemalan Women. Washington, D.C., 1980.

her purity and submissiveness. In this context, female show high obedience and service to men and family. This representation is a very strongly held value and belief in the society, and it influences women's attitudes and behaviors. For instance, motherhood is sanctified by the example of Christ's birth from a mortal woman (Third World Quarterly; El Salvador, 1983: 896).

Guatemalan society conditions women's lives through the creation of an "ideal" women who has all the characteristics of a feminine myth. Table 18 shows some of the major characteristics for an ideal man and woman. It can be observed that an ideal woman has to be soft, sweet, sentimental, pretty, a virgin, can cry, maternal, fragile, sacrificing, etc. On the other hand, an ideal man has the opposite characteristics and is hard, rude, cold, strong, independent, active, expert, can not cry, aggressive, valiant.

It is important to clarify that some of these myths have changed over time. The socio-economic situation in which women actually live are responsible for the maintenance, change, or modernization of these myths. For instance, a proletarian single mother has to change or forget some of these feminine characteristics in order to survive with her family in the system. She needs to be confident, active, stable, strong, valient, sacrificing, less feminine, and cry sometimes when she does not have food to feed her children or to pay family expenditures. A higher class and educated woman, in contrast, may keep some of the characteristics established in table 18 (soft, sweet, fragile, more feminine, etc.), but she may add others

different characteristics to those observed in a proletarian woman. A modern woman can believe that all these myths have disappeared. But what actually happens is that some of these characteristics do not strongly dominate her personality but they were readjusted or changed for others such as she is more expert, conqueror, polygamist, strong, not submissive, independent, confident, and active. It is important to establish that these characteristics do not apply to all Guatemalan women such as Indian women who are mainly influenced by Mayan culture.

Machismo and Marianismo ideologies are socially transmitted from parents to children in their every day relationship. Therefore, these myths are assumed by the population to be natural, inherent to the essence of a woman and a man, and not created by the culture. The actual existence of the myths is produced by their transmission of it from one generation to another through the socialization process. In a family, a son and a daughter learn who has authority, who talks and gives orders at home, and who has to obey and listen. Boys are taught to protect their sisters from other men and girls to obey first their brothers and then their husbands.

It is important that women continue their active participation in the development of the country, which is not recognized by many members of the society. Women have to be liberated from all these myths that the societal culture has created and which they have unconsciously assimilated through time. It is necessary that women change their system of values and beliefs in order to be liberated from these cultural myths. They have to start to

understand themselves and to be confident about the importance of their roles in the development of the country. It is time to believe that a woman comes into this world not to represent a "cultural ideal figure," but to represent a human being able to understand herself and to actively participate in decisions that affect her and control her life. It is necessary that women socialize themselves to behave in a more egalitarian way in the Guatemalan society.

### **3.2 Government Policies and Programs and their Impact on Women's Present Conditions**

This part of the study is mainly based on information provided in the AID/WID Final Report, 1980. More recent data are not available, and other studies, such as ECLAC/CEPAL, and the World Bank, contain no material about government policies and programs related to Guatemalan women. Therefore, with the scarce data available, this writer will try to analyze the major impacts that government policies and programs have on women's present condition.

The most important official document on which a government bases its actions is called the National Development Plan. This is an essential guide to government policies and programs in which planners focus government actions. Before 1979, none of these development plans had sections related to women's participation in Guatemala's general development. Possibly, planners were not knowledgeable about the important roles that women play in the Guatemalan development as invisible farmers,

TABLE 18

75

MYTHOLOGIST CHARACTERISTICS

FEMININE	MASCULINE
Affective Sweet, soft Intuitive Impulsive Careless Superficial Fragile Obedient	Intellectual Rude, hard Rational Planner Careful Deep Strong Dominant and authoritarian
Dependent Protected Shy Discreet Maternal Coquettish	Independent Valient Aggressive Daring Paternal Temperate and moderate
Seductive Pretty Not confident Passive Submissive Can cry	Conqueror Handsome Confident Active Not submissive Cannot cry
Sexual Morals	
Monogamist Virgin Faithful	Polygamist Expert Unfaithful
Social Existence	
From the house	From the world

SOURCE: Jorge Gissi Bustos. Guatemala, unpublished document, 1979.

as a labor force neither counted nor remunerated, as a labor force remunerated in the formal and informal sectors, as a generator of the labor force, and as mothers and wives.

It was not until 1979, that the four-year National Development Plan (1979-1982) <sup>77</sup> contained for the first time, a section that mentioned the integration of women into the country's economic development. Section 7.5, related to women, said:

Finally, within the area of social development, special attention will be given to those activities which will facilitate the incorporation of women into productive paid work in the home, as a first step, while complementary projects designed to facilitate women's carrying out paid work outside the home are implemented.

This statement not only does not say too much about women, but it also clearly shows the lack of knowledge of planners about women's roles. The statement refers to the incorporation of women in productive paid work inside and outside the home, when most Guatemalan women, for ages, have been part of the agricultural, formal, and informal sectors.

Section 7.5 gives priority to women's work at home which apparently reflects the desire of the government to maintain women's status quo by keeping them in traditional home activities. Yet, it is important to recognize that Guatemala is a country which does not have a high enough level of industrial development to absorb most of the unemployed labor force. Therefore, the

economic situation of the country has a high influence on women's job opportunities outside of home. In this context, it appears that section 7.5 of the National Development Plan was written as an complement statement or as an afterthought. Nevertheless, it does mean something for women the starting point of women's history. It was used as a key statement to present a bill in 1980 to establish a women's office in the Labor Ministry. But there is no information available to indicate that the bill was signed by the Guatemalan President.

The Government of Guatemala has public institutions which carry out programs related to women activities. Some of the major objectives of these institutions are:

- a) To establish development programs relating to the well being of the family and to find an adequate solution to its problems;
- b) To promote development in the community based on the principles of the National Development Plan;
- c) To promote rural cooperatives by training and distributing information related to cooperatives;
- d) To increase Guatemalan human resource capacity by training women in agriculture, industry, commerce, and service activities such as artificial flower making, industrial sewing, hotel and tourism services;
- e) To promote the development of nursery knowledge for people by training participants at nursery school;
- f) To make women knowledable of their capacity to participate in the general development of the country through the promotion



of activities which allow women to have equal rights and responsibilities in the society; and

g) to design women's development policy by the preparation of projects and increasing institutional capacity.

To accomplish all these objectives, the government has the following institutions:

1. Direccion de Bienestar Infantil y Familiar de la Secretaria de Asuntos Sociales de la Presidencia,
2. Departamento de Bienestar Social de la Secretaria General del Consejo Nacional de Planificacion Economica (SGCNPE),
3. Departamento de Orientacio, Capacitacion y Organizacion Comunal de la Direccion General de Desarrollo de la Comunidad,
4. Instituto Tecnico de Capacitacion y Productividad (INTECAP),
5. Instituto Nacional de Cooperativas (INACOP)
6. Oficina Nacional de Registro y Metodos para Auxiliares de Enfermeria.

In addition to these public institutions, there are other private organizations which deal with women's programs. However, an evaluation of all these organizations done by AID/WID shows that women's programs focus essentially on traditional domestic and reproductive roles. There is not a major interest in offering in-service training to women or in recruiting them into non-traditional activities. In addition, a huge number of urban and rural marginal women do not have access to these programs to improve their social and economic situation.

According to the evaluation, most private and government institutions do not build an evaluation component into the

programming process. There is a lack of knowledge of project design activities. Also, those organizations do not have a high commitment to the goal of helping women in activities that can secure an adequate level of income. The few programs they make available to women not only overlap and duplicate the functions for which the organization was created, but also they clearly show the lack of coordination of the program objectives among organizations. There is not too much interest among public and private organizations to coordinate activities that deal with women's programs. This perhaps is the result of having little knowledge about women's roles or little awareness of the total development process of the country or maybe there is high competition for financial resources among organizations. AID/WID researchers indicated that, in the case of the private sector, there is very little interest in and knowledge of the integration of women into the country's general development. This sector's activities are characterized by their paternalism. Some of their paternalistic activities are traditional assistance in welfare tasks, sewing and cooking training.

According to Women in International Development office (WID) viewpoint, in Guatemala there is not an strong organized group with enough resources and strong infrastructure to assume responsibility for women's activities and issues. The questions are: What is the impact of government policies and programs on women's present condition ? Why do all women not receive the benefits of the country's development, even though they are active participants in it ?.

Assuming that the findings of the AID/WID evaluation are objective and realistic, this writer considers that government policies and programs do not have a positive impact on women's present condition, but primarily attempt to maintain the female status quo. First, women who have the opportunity to participate in government female programs are defined by traditional roles. They are trained and prepared in skills that do not generate a high level of income, to make cakes, cook, sew, and to provide health care in markets which are full. Therefore, this training represents a way to increase women's roles in the society, but do not solve the actual problems. Further, since the capacity of these programs is limited most Guatemalan women do not have access to them.

Second, government policies are not oriented to transfer development benefits to women. Since there is a lack of knowledge about the active participation of women in the country development process, policy planning efforts have been oriented to reduce population growth and to implement welfare policy. According to AID/WID, these government programs are called "Women's Projects" whose major goal is to integrate women into the economic activities of the country, but they actually do not do it.

In the case of Guatemala then, it appears that development planners still identify women by their reproductive roles. They see the control of women's fertility as an important key to development since population growth rate is high in the country (3.1 %) - a view which ignores the actual problems that women

have. Nadia H. Youssef indicates, with respect to this issue, that:

Women first became situated in the overall context of development as a demographic concern. By emphasizing the inter-relationship between population growth, per capita income and economic development, demographers singled out women as reproducers to be a major problem in hindering increases in per capita income. Policy makers came to view women as a resourceful target group who could - if properly motivated - contribute to development efforts by limiting their fertility.

78

It is important to recognize that population in Guatemala is growing fast. Therefore, the government's policy of controlling population growth is necessary. But, it is not sufficient. This policy alone does not integrate women into the economic development of the country and does not have a great impact on women's lives because it does not change the status quo. On the contrary, this policy greatly affects those women whose survival depends on the number of children they procreate, for instance, rural women whose children are an important part of the family labor force.

Third, government policy and programs related to women do not deal with the major causes of female poverty. Women's present condition is the result of: (a) a long period of sexual discrimination that subordinates one sex to the other, (b)

women's lack of power to control their lives and to make their own decisions, (c) the lack of changes and enforcement of the law to guarantee equal women rights and responsibilities as men, (d) the lack of opportunities to improve their situation, (e) the existence of a class structure which does not allow equal rights and privileges, and (f) the country's general economic and political situation.

CHAPTER IV  
GOVERNMENT POLICIES TO INCREASE WOMEN'S PARTICIPATION  
IN THE DEVELOPMENT PROCESS

**4.1 Government Policies to achieve Economic growth**

Taking into consideration the fact that Guatemalan Gross Domestic Product had contracted during the period from 1982 to 1985 and considering that women are active participants of the country economic development, it is important to analyze possible alternative policies to achieve economic growth and to increase and improve women's returns from participation in this process.

The Guatemalan government has a large number of policy alternatives to combat economic problems. However, only some of the macroeconomic policies will be considered to solve some of the major problems of the country's economy. The policy's major objectives will be directed to increase national income, levels of employment and consumption, and to improve the balance of payments of the country by energizing public and private sector's activities. They represent key issues to improve Guatemalans present economic conditions and to increase women's benefits from the country development.

In macroeconomics there are many theorists who study economic growth and development, but each of them defines these concepts in different terms. For instance, Arthur Seldon and F.G. Pennance consider that economic growth essentially describes the expansion of the labor force, capital, trade, and consumption. Some important indicators of economic growth are: increase in

real national and per capita income. The concept of economic growth is focuses essentially on quantitative and technical measurements sacrificing other economic objectives. The base of economic growth is capital accumulation. In contrast, economic development describes not the quantitative measurement of growth of the economy, such as rate of per capita income, but the economic, social, and other kind of changes that help generate growth. Economic development requires changes in production techniques, social attitudes, and institutions. All these changes can help generate economic growth. The opposition and repression of change can probably destroy the possibilities of growth.

79

One major critic of economic growth theory is that a country can achieve economic growth by sacrificing the level of other objectives, such as economic and political freedom, equity, economic stability, workers needs and rights, and other objectives. Other writers such as Branson argues that the theory of economic growth generally deals with the economy's long-run trend, or potential, growth path. The long-run growth path is mainly defined by the rate of growth of potential output which is related to the rates of growth of the labor force and productivity; by the amount of accumulated capital per worker in the economy; and by the saving rate. On the other hand, the Department of Social Science of Michigan State University (Problems of Economic Stability and Growth, 1962:80-82) considers that the factors which have promoted growth as many, and complex in their interrelationships. Some of the most fundamental factors

80

are: population, natural resources, capital, and technology. It is from the application of human labor to natural resources that want-satisfying qualities are created in goods. Usually, in the production of goods to satisfy their wants people also make use of capital, the produced goods intended for use in further production. Thus land is improved and plant and equipment created, not for the immediate satisfaction of wants, but rather for the provision of capital facilities to produce still other goods.

Staatz and Eicher (Agricultural Development in the Third World, 1984:4) argue that economists have been concerned with development and growth since the mercantilists time. Two periods can be identified in the history of the development: (1) the era of economic growth and modernization in the 1950s and 1960s, and (2) the era of growth with equity since 1970. The first period mainly refers to development in terms of growth in average per capita output. The second period is more concerned to equity issues, such as employment, income distribution, education, nutrition, and other variables.

There is not general agreement among economists in defining growth and development concepts. Nevertheless, this author's point of view is that both concepts are important in formulating future government policies. Therefore, growth and development will be considered in this analysis. But the major goal of the government alternative policies will be center to achieve economic growth. Nevertheless, some economic development variables will be used in the whole analysis.



According to the American University research (Guatemala a country study, 1983:86-94), historically the Guatemalan government has maintained a small role in the economy. The country's economic and social development has left to private sector. Therefore, one of the major causes for the uneven and slow development of the economy and unequal income distribution is the inactivity of the government. This author believes that government never plays a neutral role in any economy. The Guatemalan government plays an important role in the country's economy through sanctioning the colonial power structure and enforcing contracts to reinforce the power of the current class structure. Nevertheless, this chapter will focus in some policy alternatives to make government actions more dynamic and to increase its participation in the country economic development.

The Guatemalan government can use national economic policy instruments to direct and stimulate the growth of the overall economy. The main goals of national economic policy can focus on the following aspects:

- 1) To increase the production of goods and services,
- 2) To supply employment for all who are willing and able to work,
- 3) To keep consumers, employees, and businessmen free to make private decisions,
- 4) To stabilize prices without undue inflation or deflation,
- 5) To provide economic security for the chronically, aged, disabled, and involuntarily unemployed,
- 6) To provide political stability to stimulate private

investment, and

- 7) To promote equitable income distribution among the members of the population.

To achieve these goals will be one of the major challenges of Guatemalan government. This writer believes that how well the economy performs with these goals will determine the fate of any political party and president.

According to McCalla, the primary tools available to policymakers for directing national economic policy and to achieve economic growth are fiscal policy (government taxation and spending), monetary policy (control of the money supply), and international policy (commercial policy and exchange rate). In this context, policymakers can use demand management policies and trade policies to make some changes in the economy through changes in aggregate supply and demand. Therefore, this study will consider some of these primary tools to promote country's economic growth and direct national economic policy.

#### **4.1.1 Policy to Increase National Income, Employment, Consumption, and to improve Guatemalan Balance of Payments**

It is important to analyze national income and national output not only because they represent the basis for discerning growth patterns in Guatemalan economy, but also because they are among the basic data employed in policy formation by government officials.

National income is concerned with the measurement of the

total output of a country and with the income received by the various factors of production (Dictionary of Economics, 1975:380).

According to Branson (Macroeconomic Theory and Policy, 1979:13-31), the National Income and Product Accounts, often referred to as NIA, are official measurements of the flow of product and income in the economy. National Income measures income received by factors of production, such as compensation for producing the final product. On the product side, the flow of goods and services currently produced by Guatemalan workers is measured by expenditures on these goods and services by consumers, businesses, government, and foreigners. These expenditures then become payments compensating the factors that produced output. Then, the income factors are disposed of in consumer expenditure, savings, tax payment, and transfer payment to foreigners. Thus, the gross national product (GNP) can be viewed in three different ways; measuring exactly the same flow:

- a) GNP measured by expenditure on final product;
- b) GNP measured by the type of income generated in production;
- c) GNP measured by the way this income is disposed of or used.

Combining a and c gives us the fundamental GNP identity which is important for macro or aggregate policy analysis. The identity is defined as follow:

$$C + I + G + (X-M) = C + S + T + R$$

a

c

These variables are defined as follow:

**National Product Side**

C = Consumption  
I = Private Investment  
G = Government Expenditures

(X-M) = Net Exports

**National Income side**

C = Consumption  
S = Savings  
T = Taxes

To make private and public activities more dynamic, it is important to take into account possible changes in GNP's variables; such as consumer, private domestic and government expenditures; net exports, savings, taxes, and transfer payments. These variables played a fundamental role in the contraction of the Guatemalan GDP during the period from 1982 to 1985. The decrease in aggregate demand had a decisive effect on the highly adverse behavior of the economy, especially those components such as private investment and exports. Therefore, to increase country's gross and per capita product and gross and per capita income, it is required to define policy that increase aggregate demand such as fiscal policy (tax and government expenditure policy).

**A. Fiscal Policy**

Fiscal policy refers essentially to the government's power to tax and spend to curb or stimulate economic growth. Fiscal policies major impact is on aggregate demand ( $Y = C + I + G + X$ ). The more important tools of fiscal policy are:

1) Tax Policy. This policy can be used by the government to achieve specific objectives beyond just increasing revenue

to operate the government. Also it can be used to stimulate economic activity by lowering taxes. According to Staileaf, tax cuts are used by governments for the expressed purpose of stimulating the growth of aggregate demand but this is not the ultimate goal of macroeconomic policies, it has been only a means. The main goal is to get the economy moving along a growth path and to hold the rate of inflation in check. A question is who benefits from tax cuts and who pays the cost of this policy.

One of the major causes of decreasing private investment during the period 1982-1985, was the continuous drain on domestic savings by flights of capital. Therefore, to provide incentives to private investment, a tax reform policy is needed. This policy will focus in reduction of import taxes on equipment and industrial raw materials and other inputs to increase private capital formation. Also, this policy will be directed to increase utilization of excess industrial capacity, which will allow to control inflation levels. A monetary and employment generation policies will be necessary to stimulate the utilization of excess industrial capacity. According to Leonel Hernandez, a Minister of Economy, the Guatemalan industry was functioning at 50 percent capacity in 1984, a reflection of the liquidity and insolvency problems of a large number of Guatemalan enterprises which were indirectly forced to work with excess capacity. Thus, a reduction in consumer prices of industrial goods will induce consumers to increase the demand for such goods and services. Nevertheless, political stability is required in the country to stimulate investment and to avoid the flight of capital. Industry

contributed 18 percent of GDP in 1981, the largest industrial sector in Central American countries (The American University, 1983:112).

According to the American University' study, Guatemala had one of the lowest tax bases in the Americas in 1981. Approximately 10.2 percent of GDP was coming from government revenues in 1983 (World Bank, 1986:224, table 23). Therefore, to compensate for government loss of revenues coming from import and consumer taxes proposed, an increase in personal income tax in a progressive way and property tax are required. This policy has to be combined with an increase in efficiency in the tax control and collection system, since a large number of Guatemalans fail to pay taxes. However, the tax reform policy has to be implemented very carefully to avoid decreases in consumption and gross investment demands. This policy may be politically unfeasible, but it represents a good alternative to increase government revenues and to stimulate economic growth.

2) Government expenditures. This policy has a substantial effect on both the level of activity in specific sectors and the overall level of economic activity. According to World Bank data (Central government expenditure, 1986:222, table 22), government spending accounted for 13.1 percent of the GDP in 1983, and had a tendency to increase over time. Government expenditures represent a direct source of demand for specific goods and services, therefore affecting the general level of employment and production. However, government expenditures for social programs have been cut to reduce budget deficit. This author believes that is not a

good policy since it mainly affects the poor segment of the population.

According to Branson, an increase in government expenditures generates a multiplier effect in the economy. Two types of public services can be produced. The first type provides utility directly to consumers; such as parks, libraries, education, health, etc. The second type of service is an input to private production; such as police service, provision and enforcement of laws, government sponsored research and development programs, fire service, aspects of national defense, and other regulatory activities. Therefore, an increase of government expenditures may imply an increase of both types of public services. These services represent the output of a government production function that not only generates a positive effect on utility during the certain period, but also will raise aggregate output by giving inputs to private production. Therefore, aggregate supply will raise, which may imply to utilize the excess Guatemalan industrial capacity and increase employment. The increase in employment will raise households' consumption that will have a multiplicative effect in the whole economy by increasing aggregate demand and supply of output. This expansionary policy may increase interest rate and inflation. Nevertheless, considering that industry is operating with 50 percent of excess capacity and not new investment in fix capital is required in the short run, this author believes that inflation may not rise. However, a policy to control interest rates is required to avoid people postponing their expenditures. This an important factor to

be considered since a high increase in the real interest rate and the direct substitution of public services for consumer spending will drop investment demand. Therefore, a temporary rise in government purchases will crowd out private spending if government will not control interest rate. It may be an increase on prices of some products, but this can be controlled by the government by using some of the tools of the monetary policy. Nevertheless, this effect will not happen in a permanent rise in government purchases since the real interest rate will not change. This is as a result that there is no reason to do anything unusual in the current period and there is an incentive to reduce consumption and leisure at all dates. Therefore, aggregate demand and supply will be roughly equal.

3) Financing Deficits. This represents another tool of fiscal policy. A budget is in balance when annual government expenditures are equal to receipts from taxes. According to the World Bank (Central government expenditures, 1986:222, table 22), Guatemalan overall deficit accounted for about 3.6 percent of the overall level of production (GNP). There are different ways to finance the deficits and the accumulated debt. But this will affect not only the expansionary effect of spending, but also the size of the money supply. The Guatemalan government can finance its deficit by:

- a) Increasing taxes,
- b) Selling treasury securities which reduces the money supply until the revenues from the sale are spent,
- c) Borrowing excess reserves from commercial banks. This will



produce expansion of money supply. If the treasury simply prints money to finance the deficits this directly raises the quantity of money in circulation,

- d) Borrowing money from the rest of the world. The result of this policy is to increase the interest rate. Why? Because government has to compete for funds with private industry.

The increase of interest rate as a result of the increase of the demand for borrowing money, can allow Guatemala to sell its assets to foreigners since interest rates increase. Foreign assets are less attractive than Guatemalan assets, therefore there is an inflow of capital to Guatemala. All these factors produce high interest rates and capital account surplus in the country's balance of payments. It is important to establish that the external debt of Guatemala is still relatively low, at least by comparison with that of the other Central American countries, and is favourably structured in terms of average interest rates and periods of maturities. Nevertheless, the external public debt has raised rapidly in recent years (19 % of GDP in 1983). The fiscal deficit went down from 3.8 percent of the gross domestic product in 1982 to 3.1 percent in 1983 as a result of the severe contraction in total expenditure.

Considering that one of the major goals of the government is to control inflation and to stimulate private investment, it is important to analyze all the positive and negative aspects of this policy before to be implemented since it may generate an increase in interest rate and inflation. Therefore, this policy has to be combined with other policies to achieve such goal or it

can be substituted for another monetary policy such as changes in the discount rate or setting interest ceilings.

## B. Monetary Policy

Monetary policy refers to managing the money supply and demand as a means of regulating economic activity. A major impact of this policy is on the quantity of money available for lending by banks and the level of interest rates. Monetary policy can be carried out using the following tools:

82

- a) It can change the proportions of member bank deposits,
- b) It can change the discount rate, which is the rate of interest at which member banks can borrow from the Central Bank,
- c) It can sell or buy government securities. Buying securities raises funds and lowers interest rates. Selling securities absorbs funds in Guatemalan economy and increases interest rates,
- d) It can use specific monetary tools setting the margin requirements on stock, setting interest rate ceilings on customer deposits in banks, and setting minimum down payments or the maximum length of loans on consumer purchases of durables.

The Guatemalan Central Bank has been unsuccessful in reducing the rate of inflation in the country. However, the Central Bank has been making small relative changes (expansion) in the money supply since the end of the year 1982. The monetary system was characterized by a lack of liquidity, due not so much

to a reactivation of the demand for credit as to the rapid absorption of deposits by the Guatemalan Central Bank through the stabilization bonds. But the monetary expansion was also influenced by the growth of the net international reserves. It was a enormous transfer of resources to the Bank of Guatemala through the stabilization bonds. A maximum interest rate on loans of 12 % was set and that on deposits at 9 %, was also established in 1983. The Bank of Guatemala has been supporting the banks of the system in their desire and efforts to adapt their portfolios to the debtors capacity to pay. This was mainly as a result of the financial difficulties facing by many Guatemalan enterprises (ECLAC, 1983: table 20)

However all those changes in monetary policy mentioned above, the main event in this field was to sign document to get a loan for US \$125 million from International Monetary Fund. However, some requirements for getting the loan were established such as to adjust programs, changes in fiscal policy, reactivate the export sector, gradually liberation of the adopted exchange policy, adopt a realistic interest rate policy, and to reduce the non-fiscal public sector deficit to 3 % of the product in 1984.

### C. Trade Policy

Guatemalan agriculture entered the international trade area mainly after the Spanish arrived. The prosperity of the country became intimately linked to the demand for and the price of its agricultural export products in foreign markets. The economy was highly successful in the 1840s when coffee, cotton, bananas,

sugar cane, and fresh beef were introduced. By the 1970's Guatemala began to provide incentives and promote agricultural exports and rediscovered its comparative advantage in the export market for major food and other agricultural products. Industry mainly developed during the mid-twentieth century and its major participation at the present time includes manufacturing, mining and utilities. However, even though Guatemalan industry was the largest sector in the Central American countries, its contribution to the GDP was not too high in 1981 ( 18 % of the GDP). Guatemalan agricultural exports in this historical process, became one of the bright spots in a deteriorating balance of payments, exports became a main determinant of economic development.

In this context, Guatemalan agricultural export policy has taken on a new international dimension which has the same level of importance as domestic farm policy. However, there are some realities in terms of international markets and politics that have made the process of international policy significantly more complex and different than domestic policy. Guatemalan exports are not high to influence others world economies and international prices of agricultural and industrial products. Nevertheless, Guatemala's decisions on international trade and agricultural development policy issues, have been made over the past two decades on the basis of the following goals:

- 1) Create an environment for trading that facilitates exports,
- 2) Increase Guatemalan farm product exports,

- 3) Prevent agricultural and industrial imports from undermining Guatemalan farm and industrial policies, endangering the safety of Guatemalan food and industrial supply,
- 4) Assure supplies and promote exports through the coordination of trading activities with other countries,
- 5) Utilize agricultural, industrial, and other sectors' production of Guatemala to achieve foreign policy goals.

The order of these goals can be changed depending on the philosophy of the Guatemalan government. However, a modification in the order and priority can represent a tremendous impact on the result of policy decisions (Castillo F, 1982:5).

Guatemala's external transactions on both current the and capital account were seriously restricted during the period 1981-1983 and during the year 1985, in particular with respect to import capacity. Nevertheless, the balance of external transactions were improved in 1983. But according to ECLAC the data on the external sector and trade relations of the country with other nations, raised doubts in its reliability.

The value of exports of goods fell by 6.2 % in 1985 compared with an increase of 3.7 % in 1984. On the other hand, the value of imports of goods fell by 8.5 % in 1985 compared to an increase of 11.9 % in 1984 (United Nations; CEPAL, 1985:14). The drop in imports and exports affected all kind of goods, but it was especially notable in the case of external purchases of machinery, equipment and tools, and building materials. This reduction in imports clearly shows the high contraction of

private capital formation in the country. Also, the value of fuel imports declined in that period, especially in 1983.

The Guatemalan government can improve the trade balance and to achieve economic growth by stimulating agricultural and industrial exports and importing cheap food. However food domestic food production is important to guarantee food for consumers and to keep country's freedom from international market in terms of risk and uncertainty, the import of low price staple food has to be considered for future government policy. Export crops occupy much less area than basic foods, but they generate much higher value in the economy and employ high number of seasonal workers. The American University research showed that export crops generated more than double value than of basic foods in 1977. Some of the major causes of the difference were that export crops used better soils, higher technology, better use of fertilizer, pesticides, and other improved techniques. In contrast, most farmers producing basic food for domestic consumption did not utilize those inputs in that year, which is required to increase production for the local market.

The export sector experienced an average annual growth rate of 3.9 percent during the period 1973-84. Nevertheless, one of the problems of the country agricultural exports is the concentration in few export crops such as coffee, cotton, and sugar cane. There is a need for better trade policy to increase exports of other agricultural products such as cardamom, rubber, cocoa, flowers, essential oils, tobacco, and fruits and vegetables. All these products represent a high potential to earn

foreign exchange to improve the Guatemalan balance of payments. To increase government research and extension in those products will represent starting point to increase rural welfare since increase and improvement in production not only represent higher income for producers, but also higher levels of employment for agricultural workers. Therefore, a study of the present export tax structure is needed to see the possibility to induce agricultural exports by reforming tax system or by importing cheap inputs in case Guatemalan industry is not competitive in the production of those inputs. The country may be paying high domestic cost to save a unit of foreign currency by producing high cost inputs.

A policy to induce export agricultural products can have a multiplier effect on the country's economy since most of the owners of the farmland for export market, also control a large part of the Guatemalan industry, commerce, and financial resources (The American University, 1983:50). Thus, the development of agricultural sector would promote industrial and other sectors' development by transferring resources among economic sectors. However, the work of Kilby and Johnston suggests that the intersectoral effects would be much larger if land holdings were broadly held rather than concentrated in a few hands (Staatz, AEC 862, 1986). It is important to point out that the country's industrial and agricultural development still remained closely linked to the volatile world prices of primary commodities. The economic growth of the country depends highly on economic recovery from recession in other countries. To improve

the present trade relations with other Central American countries, it is necessary to reactivate the Central American Common Market which represents one of the major trade instrument for Guatemalan exports.

#### 4.2 Possible Strategies to Increase Women's Participation in Guatemalan Development Process

*It is possible to consider in the context that*  
Women's roles in the different spheres of the Guatemalan development process are necessary and important. *As a general believe that* But women do not receive the benefits of the country's development as much as men do. Yet, the most important issue is not whether women do or do not receive the benefits of development, but that the Guatemalan development process is highly constrained without womens' participation. Women are active agents in the country economic development and important participants of the country's general social life. Therefore, this study *will* give some suggested actions and strategies for future policy and programs to improve the country's current condition and to ensure women receive the benefits of Guatemalan development.

It has been shown above that women's current condition in Guatemala has been influenced not only by the historical process of development of the country, but also by its present economic situation. In addition, I pointed out that the general development of the country will be constrained without the participation of women in the different economic, social, and political spheres. A very small group of women enjoy certain



rights and privileges. For most of the Guatemalan women, class and sexual inequalities dominate their lives.

To increase women and men's participation in the Guatemalan labor force, the government has to formulate policies to stimulate economic sectors' development. This may increase the capacity of the country to absorb unemployed and underemployed labor and to improve the welfare of the population. This does not mean that the only way to improve family's present condition is by achieving first economic growth. Nevertheless, it represents an alternative solution if the present economic and political situation of the country is considered. Therefore, by stimulating the development of the country's economic sectors, new alternatives and choices can be available to women and the population in general to increase their benefits from that development.

In this context, to analyze the different economic sectors and natural resources available in the country, represents an important issue to increase women's economic participation.

Guatemala is a country rich in natural resources which are obviously important in economic growth. Government can stimulate not only industrial development to increase women's participation in the labor force, but also agriculture, forestry, fishing, mining, energy, and other economic activities. The development of these sectors will increase food production and cash crops, which can generate higher rural income. To reduce rural poverty, it is necessary to provide incentive that spur the growth of agricultural production. An integral part of development

strategies must be the reduction of input prices that farmers use by partial stimulation of industrial production or by eliminating trade barriers or industrial protectionist policies to allow cheap imports. Protectionist policies permit the appreciation of the real exchange rate (overvalue), but they discriminate against agriculture more during time of high inflation.

A reduction policy of farm input prices has to be combined with sectoral policies that maintain domestic farm prices of agriculture products above or very close to their world prices at country borders (Crawford, AEC 863, 1987: class notes). Increasing output prices relative to industry and decreasing the cost of modern inputs, may benefit farmers and encourage them to increase production. Therefore, the stabilization of farm incomes through price stability is a key to increase Guatemalan food production since it allows farmers to reduce risks. Nevertheless, a tax policy to promote the industrial production of cheap agricultural inputs is needed. It is important to ensure that small farmers have the same opportunities to get those inputs as large farmers do. But this sectoral policy has to be coordinated with marketing policy. It is also necessary to reduce margins charged by the parastatal marketing agency (INDECA). This government agency has to compete or coordinate activities with the private sector to work more effectively. Its major function must be to assist competition by: (a) developing efficient markets, (b) providing useful services, (c) establishing quality control and standards, (d) establishing adequate storage facilities, (e) providing information and technical advice to

producers, and (f)encouraging efficient trade by establishing differentiated pricing policy.

The Guatemalan government, through the information system, can help farmers, consumers, traders, and industrial users to expand and diversify their activities, by storing products, by utilizing capital markets, and by sharing risk through the establishment of contracts for purchase and sales, for instance, the use of international future markets (Riley, AEC 841, 1986: class notes). It is also important to consider a marketing policy that promote agricultural production by paying prices to farmers on the basis of the quality and characteristics of the product. This kind of policy would have high socio-economic impact in the rural economy since it mainly benefits poor farmers who according to the American University study (Guatemala a country study, 1983:108), had to sell basic grains (corn and beans) at low harvest prices, only to buy at higher prices later.

The government, however, can play an important role in distributing benefits not by subsidizing consumers but by reducing risk and stabilizing prices. However, a more active role for government means larger expenditures, which in turn required larger revenues. One strategy the government can use to increase revenues and to reduce risk is to stimulate exports by reducing export taxes. This policy will allow to hold larger amounts of foreign exchange reserves. Nevertheless, lowering export taxes will increase government revenues only if the price elasticity of supply is bigger than one, which is likely in the long run but not in the short run period. Also, government can use

international loans or international capital markets to increase  
its revenues as was indicated in the fiscal policy. 84

Taking into account that the country has a high rate of inflation (9.9 % World Bank, 11 % USAID), and assuming that the data giving by the Caribbean Basin Information Project is reliable about that 52 % of the Guatemalan population did not have at least US \$0.68 cents every day to cover the cost of the food necessary to survive, and the poor spend a large proportion of their income on food crops (staple food), it is also important to implement a policy to increase their benefits as producers, consumers or workers by developing other sector of the economy. In this context, women's participation in the labor force may increase by having equal access to jobs, credit, training, land, and other factor available to increase income and consumption.

Considering that consumers want to eat food even during the time it is not being harvested, the government can use the following mechanism to stabilize domestic prices. It can help the private sector to use government storage facilities to reduce their cost in order to shift the excess supply from harvest to nonharvest period. In addition, government agencies can increase levels of efficiency in carrying out their activities by improving the information system available to farmers and consumers or by improving communication channels among different markets. However, considering that public agencies have high transaction cost, in managing and maintaining storage facilities, it will be better that private sector assumes this responsibility to achieve more efficiency, high quality product, and lower transaction

cost. But if the government wants to have greater domestic price stability, it can utilize trade interventions. However this writer does not believe in trade barriers and interventions. The World Bank suggests that a country can use tariffs on imports of food crops to help to maintain domestic prices high in low price periods, and to use import subsidies can keep domestic prices low when the world prices are high (World Bank, 1986:88). The government, however, will need foreign exchange for imports in periods when prices in international markets are high. But Guatemala is experiencing a lack of foreign currency which makes this recommendation not reliable without a policy that generates foreign exchange such as through increased exports. In addition, the government has to reduce the high inflation at home instead of continuing to use exchange control policies that only generates black money market which accelerates the flight of capital.

The government also can play an important role in increasing food production and the rural income by buying and selling farmland. According to the American University (Foreign Studies, 1983:100), it was estimated that between 200,000 and 260,000 hectares of the equivalent of first-class soils were idle farmland in 1982. A policy to enforce the 1930s law to make farmland productive, can be established by government intervention. The enforcement of the law or an incentive would pressure or motivate private owners to make the land workable or to allow government to buy it and rent or sell it to farmers who would cultivate it. This action does not involve an agrarian

reform or land expropriation. It has to be negotiated with the owners of the land in order to make changes in the law. By using this policy instrument, government will not only develop a more competitive market for farmland, but will also increase food production for domestic or export market. Therefore, economic growth can be achieved by increasing the productive use of the natural resources of the country.

Considering that the country has to import consumption goods, especially basic grains and cereals, this policy would make the productive expansion of agricultural commodities for domestic consumption less difficult. Also, the increase in rural income would increase men and women's participation in the money economy, further increasing effective demand of industrial products. This linkage between agricultural and industrial sectors would develop other economic sectors; such as livestock, fishing, forestry, mining, transport, and energy.

Livestock is an important part of Guatemalan agriculture. In 1981, livestock accounted for 30 percent of the agriculture gross value (The American University, 1983:110-111). According to some experts from FAO, the cattle industry has high potential for domestic and foreign markets. It represents an important factor for country's economic development, which can increase employment and improve the population's diet. It is important to do some research on livestock for future policy development, especially cattle and pig production

Forestry is another important component of the country's agricultural production. It contributed almost 8 percent of the

gross agriculture production in 1981. Forestry also has high potential for economic development. The increase of production of forest products such as chewing gum, sarsaparilla, cinnamon, vanilla, camphor, timber and paper; would increase levels of income and employment. Nevertheless, according to some American experts, 90 percent of all wood cut in the country is mainly for firewood (cooking, coffee roasters, and kilns). Therefore, it is necessary to look at alternative sources of energy to reduce firewood consumption since the quantity of cubic meters of logs cut increased by almost three times from 1978 to 1979. If the consumption of firewood is reduced, the capacity of the country to develop other alternative uses for domestic or foreign markets increases. Thus, it is important not to underestimate the potentiality of this economic sector to promote economic growth. Nevertheless, there is a need to practice forestry on a sustainable yield basis rather than just cut down all the forest, as is currently done. Current expansion of forestry will be short-lived unless it is shifted to a sustainable yield basis.

Another potential development sector is fishing. Guatemalan fishing exports are mainly concentrated on coastal water by species such as snapper, mackerel, shrimp, and tuna. Nevertheless, fishing contribute less than one percent of the agricultural sector gross value in 1981. The development of this economic activity will not only represent a good source of protein for the population, but also can generate economic growth in the economy. The government and private sectors need to look at this sector as a potential source of future investment.

The country's economic development can increase by stimulating mining and energy activities. Mineral exploitation and energy consumption have contributed little to the economy in the past. Nevertheless, oil prices increased rapidly during 1970s that constrained the development of the country economic sectors; especially gasoline and fuels prices. According to the American University research, the cost of imported fuel increased in 1978 from US \$33 million in 1973 to US \$150 million in 1978. The imports of fuel and lubricants represented 22 percent of total imports in 1981. Nevertheless, oil prices decreased in international markets since 1986, domestic prices of gasoline and fuels still high in the country. Guatemala is an exporter of crude oil and an importer of refined products. To satisfy the country's needs for development, higher levels of crude oil production are required. The government can look for international contracts to increase research and exploration of petroleum sources. Also, it can consider the alternative to increase the capacity of the Texaco refinery, located in Guatemala, to process country's crude oil. This action would not only increase future alternatives of industrial and transport development, but also would represent a good source of employment and income. Nevertheless, it is important to establish that a refinery will not generate much employment. They are essentially capital intensive. Also, a refinery has to be competitive in the international market. In addition, government can implement a short run policy to import gasoline, fuel, and lubricants at lower prices; such as to trade those products with other



countries such as Mexico and Venezuela. Since these countries are located close to Guatemalan boundaries, transportation cost may be reduced.

Mining represents another important source for country development. The Guatemala's major deposits include copper, zinc, tin, nickel, antimony, lead, tungsten, marble, clay, feldspar, and limestone. According to Canadian experts, mineral exploitation represents a high potential source for Guatemala economic development, especially as a source of foreign exchange (The American University, 1983:115-119). Therefore, the government has another source to achieve country's economic growth and to improve the welfare of the population.

To achieve economic growth by making economic sectors more dynamic, is a good strategy. Nevertheless, all these policies have to be combined with marketing policy. It is important to establish marketing standards, quality controls, and to develop a packaging system to achieve more efficiency. In addition, it is required to improve the current transportation system to increase communication among different markets in the country. The government can develop marketing projects to improve the food distribution system.

To improve men and women current situation, different kind of economic policies are required. All the policies suggested in this chapter, will not only allow the country to achieve economic growth, but also will increase the possibilities to improve the standard of living of the Guatemalan population. Nevertheless, to make fundamental and enduring changes in women's lives, it is

necessary to introduce deep changes in Guatemala's socio-economic and political structures. Some strategies, however, can be used to improve the present situation of women in the country. First, women's roles in the country general development are ignored or underestimated by planners, decision-makers, and even by a large number of the population. Therefore, there is a need to increase people's knowledge about women's activities by collecting and publishing macro and micro data about women's roles. The government can encourage these activities by making changes in future national census and research. Women's activities have to be considered independent from the family to obtain an objective data. It is necessary to design and implement statistical programs that will provide a constant flow of data for planners and researchers.

Second, on the basis of the data and information collected, it can be established that discrimination against women in the Guatemalan labor market exists, especially in terms of wages and employment. Women only receive an average of 56 % of men's salaries; therefore, governmental actions are required to improve women's situation. It is necessary to enforce the law related to equal pay for equal work. It is important that the public and private sectors establish and apply equal employment standards and hiring requirements for men and women to reduce sexual discrimination in the labor market.

Third, taking into account that the Guatemalan National Plan 1979-1982 does not say too much about women's condition, it is necessary to establish policies, programs, and projects to

increase women's benefits. Women's programs and projects, however, have to be coordinated with the country development policies. Women issues cannot be isolated from the country's present problems and general development. Therefore, planners have to recognize the importance of women's participation in the total development of the country and to establish fundamental plans for women in future national plans.

Fourth, the USAID/WID evaluation shows that the private and public organizations dealing with women's issues do not have strong infrastructures and human and financial resources to assume great responsibilities. In addition, a large number of urban and rural lower class women do not have access to the programs offered to improve their condition. Therefore, it is necessary for these organizations to evaluate their programs, readjust their goals and objectives, coordinate activities among organizations, focus their programs in nontraditional fields, and expand their actions to marginal groups of women. To help women who are engaged in household and wage work, government organizations have to reduce the pressures on these women by improving and increasing day care centers, by reducing requirements to accept children in those centers, and meals preparation.

Sixth, to increase opportunities and training for women that do not separate them from men's jobs, it is important that the government ensure women equal access and opportunity to education. Women's higher education will contribute to improved family status and it will accelerate the country's general

development. It was shown in this study that more than 51 % of Guatemala's population are women and almost 62 % of the women over 10 years in the country were illiterate in 1973. Therefore, there is a need for formal and non-formal education for women that prepare them to compete in the labor market. Having access to new industrial skills, extension services, agricultural training, access to land and credit, and other non-traditional classes and techniques, will enable women to increase the efficiency of any economic sector of activities. Women and children in agricultural activities have been seen as invisible farmers, but it is time that training agencies recognize the importance of their roles in the development of the agricultural sector. By adjusting policies, women will no longer be invisible or be ignored. It is necessary to define educational programs that respond to market requirements. Broad literacy plans for both rural men and women should be implemented, especially in the area of Altiplano, in which the poorest group of the population with the highest rate of illiteracy is concentrated.

Seventh, to increase women's participation in the country's general development, it is important that women participate in the country's decision-making process. This allow women to increase political participation and to make the decisions that affect them in order to control their own lives.

Eighth, it is necessary to do ongoing reviews of women's roles in the global economy and to make changes in the law applicable to women. Women are discriminated against in the Civil and Penal Codes, especially in the laws related to marriage

responsibilities. The law in some cases protects women and children, but it is clear that it tries to maintain the women status quo. Yet, the law is justified by the existence of social values, beliefs, attitudes, and behaviors that together differentiate one social group from another, and discriminate against women.

Finally, men and women are highly constrained to increase their participation in the labor force by the economic recession experienced in the country's economy. The marginal participation of women in the economy constrain the development of the country. Therefore, the policies mentioned above are so important to improve men and women current situation.

CHAPTER V  
SUMMARY OF FINDINGS

5.1 Summary and Conclusions

It was demonstrated throughout this study that women play an important role in the economy of their families and in the general development of the country. In the rural area women work with their husbands and children cultivating the land to produce their food. Yet, because the subsistence family forms a basic unit of production and consumption, the participation of women in agricultural activities is underestimated and ignored by official surveys, statistics, and national censuses. Their participation in commercial agriculture enterprise activities is also ignored. Women and children help the men of their families or work independently in harvesting activities on coffee, cotton, and sugar cane plantations. The subsistence of the family in the rural lower class depends not only on the men's income generation, but also on women's and children's incomes. Furthermore, urban and rural women actively participate in market transactions as ambulant sellers, obtaining some cash from their crops and by buying and selling products.

Women's active roles are also observed in the formal and informal economic sectors. They work in domestic service as a remunerated and a non remunerated labor force. They obtain cash to respond to the needs of the family by selling on the streets, or by producing handicrafts at home for sale. In addition, women play active roles in the formal sector as wage workers. In many

cases their incomes represent the only financial source of the family's subsistence, especially for those who are single mothers or widows. Women also are important participants on the country's socio-economic development by acting as social reproducers of the labor force and by assuming responsibilities as mothers and wives. Their roles as domestic labor, neither counted nor remunerated, are important for their families and the society as a whole. The lack of job opportunities available to women forces them to stay at home in which the opportunity cost is not zero since they have a lot of work to do. Considering the current economic problems of the Guatemala, women reduce pressure on the government in terms of employment since they do not have to compete with men and other women for jobs. But the lack of jobs for all the unemployed labor force (men and women), represents for the country a waste of energy able to influence Guatemala's general development.

In conclusion women are active participants in the country's development process. Their roles are not limited to reproductive activities. Women, however, do not receive the benefits of the country's general development. Most government policies and programs are directed to maintain the status quo rather than to make deep changes which would ensure women receive such benefits.

Women's participation in the total development of the country is so important that without their presence in the different sectors of production and reproduction, the development of Guatemala will be constrained. Therefore, to improve their present status quo will not only benefit their families but the

whole society.

To improve men and women current situation, different kind of economic policies are required. Fiscal, monetary, and trade policy changes will not only allow the country to achieve economic growth but will increase the possibilities to improve the standard of living of the Guatemalan population.

## 5.2 Future Areas for Research

(i) To do a deeper study of women's participation in the formal and informal sector, especially in agricultural and marketing activities, represents a useful area for research. There was little statistical data available to do more in depth analysis in the research paper.

(ii) The principle of economic development to improve the welfare of the Guatemalan population have been applied by the government. Nevertheless, women and men of the low social class have received little benefit from the country's general development. It would be important to look at better political strategies to improve the current conditions of this group of the population. Therefore, a study in this area would be important.

(iii) This study focused on a data taken from books, country case studies, newspapers, magazines, census, international and national organizations' reports, and other data sources. If detailed information about current country economic situation



were available, better policies to achieve economic growth and to increase women's participation in the country's development process would be suggested. It is important that interested researchers focus their future studies on women's issues not isolated from the country's socio-economic and political problems.

(iv) This paper focuses in a general way on economic growth and equity issues. It is important to do more analysis of these issues and to better understand the linkages between these factors.

70. See Annis, Sheldon and Elena Hurtado. Improving Family Planning Programs in the Highlands of Guatemala. American Public Health Associations, Washington, D. C. 1978.
71. For more information on this point, see Latin American Demographic Center (CELADE). Boletin Demografico. Vol. XIII, No. 26, July 1980.
72. See Behm, H. La Mortalidad en los primeros anos de vida en Paises de America Latina, Series A, Nos. 1024-1032 y 1036. San Jose Costa Rica, Latin American Demographic Center (CELADE), 1976-1977.
73. See Pan American Health Organization. Scientific Publication No. 488. Health of Women in the Americas. Washington, D. C. 1985, pp 69-75.
74. Ibid. # 79. Scientific Publication No. 364, 1982.
75. It is important to clarify that these characteristics can exist for some groups depending of the social class and level of education. They may not apply for the whole population, but for some of them.
76. Op. Cit. # 24, pp 90-195.
77. For more details, see Secretaria General del Consejo Nacional de Planificacion Economica (SGCNPE). Plan Nacional de Desarrollo 1979-1982. Guatemala, Diciembre 1978, pp 147-a,b.
78. Op. Cit. # 48, pp 1-2.
79. See, Seldon Arthur and Pennance F.G. Dictionary of Economics, Oikos-tau. S.A. Edition Vilassar de Mar-Barcelona-Espana, 1975, pp. 166-167.
80. For more details see William H. Branson, Macroeconomics Theory and Policy, 2nd Edition. Harper and Row, Publishers, Inc. New York, 1979. Introduction to Growth Models, pp. 459-537.
81. For more details, see Agricultural Experiment Station. Division Agricultural. Simulated Farm Firm Growth and Survivability under alternative Federal Fiscal Monetary Policies; initial size, tenure and uncertainty conditions. Research Report P-848, May 1984.
82. American Journal of Agricultural Economics. Vol. 66, No. 5, Dec. 1984; Vol. 67, No. 1, Feb. 1985; Vol. 67, No. 2, May 1985; Vol. 67, No. 3 Aug. 1985.

83. The concept of natural resources includes all of the other elements of the geographical environment for which man has a use and which are not man-made - the soil and its fertility, the minerals, the water, the air, and the plant and animal life.
84. Problems of Economic Stability and Growth; Department of Social Science. The University College, Michigan State University; 1962, pp. 80-115.

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**APPENDICES**



APPENDIX I

GUATEMALA: MAJOR INDICATORS OF AGRICULTURAL PRODUCTION

					GROWTH		RATES	
	1980	1981	1982	<sup>a</sup> 1983	1980	1981	1982	<sup>b</sup> 1983
<b>Index of AgricProduction (b)</b>								
(1975=100)	118.3	120.0	117.7	115.3	1.6	1.4	-1.9	-2.0
Crop-Farming	112.4	113.9	...	...	1.3	1.4	...	-3.0
Stock-raising	127.5	128.4	...	...	2.2	0.7	...	4.0
<b>Production of main Crops</b>								
Coffee (c)	3 628	3 700	3 500	3 100	3.6	2.0	-5.4	-11.4
Cotton (c)	3 140	2 618	1 683	1 100	-8.7	-16.6	-35.7	-34.6
Bananas (d)	16 260	16 489	17 100	11 100	24.6	10.5	3.9	-35.0
Sugar-cane(e)	101	119	138	218	7.4	18.2	16.0	58.0
Maize (c)	20 602	21 000	23 900	23 900	0.8	1.9	10.2	0.1
Beans (c)	1 372	1 300	2 200	2 300	-11.2	60.3	69.2	4.6
Rice (e)	803	917	1 007	930	40.1	14.2	9.8	-7.6
<b>Indicators of Stock-raising Production</b>								
<b>Stock</b>								
Cattle(f)	2 374	2 498	2 609	2 719	...	5.2	4.4	4.2
<b>Slaughtering</b>								
Cattle(f)	323	325	338	382	...	0.6	16.9	13.0
<b>Other Products</b>								
Milk(g)	275	285	296	305	...	3.6	3.9	3.0
Eggs(h)	71	78	78	78	...	9.9	...	...

SOURCE: ECLAC, Economic Survey of Latin American and the Caribbean, 1983, table 4.

- |   |                         |
|---|-------------------------|
| a) Preliminary figures                    | e) Millions of quintals |
| b) On the basis of figures at 1958 prices | f) Thousands of heads   |
| c) Thousands of quintals                  | g) Millions of litres   |
| d) Millions of hands                      | h) Millions of dozens   |