



# *Social and economic welfare of self-employed workers of juigalpa*

## **Jenny del Socorro Villanueva**

PhD in Economics, Lecturer in the Department of Economic and Administrative Sciences, FAREM-Chontales, UNAN-Managua.

*jenny.villa@unan.edu.ni*

## **Bryan Alexander Sandoval Villanueva**

Bachelor's Degree in Business Administration FAREM-Chontales, UNAN-Managua.

*bryansandova788@gmail.com*

## **Lizandro José Leiva Olivar**

Bachelor's Degree in Business Administration FAREM-Chontales, UNAN-Managua.

*lizandroleiva09@gmail.com*

## **Concepcion Mendoza Castro**

Master's Degree in Business and Institutional Administration, Professor of the Department of Economic and Administrative Sciences, Multidisciplinary Regional Faculty of Chontales UNAN-Managua.

*concepción.mendoza@unan.edu.ni*

Submitted on May 08th, 2023 / Accepted on December 13th, 2023

<https://doi.org/10.5377/rtu.v13i36.17631>

**Keywords:** Well-being (52), Education (15), Income (77), Health (9).

## **ABSTRACT**

**T**he main objective was to determine the social and economic well-being of self-employed workers in the city of Juigalpa. In the introduction, the state of the art is described, following the observational design methodology, not performing

manipulation of variables, of a descriptive type, with a quantitative approach, the instrument used was the survey, and said information was collected only once during the second semester of 2021, the final participants were 96 self-employed workers, which represented 5% of the population, the results as the discussion they focused on variables Education, health, housing, income, living conditions, well-being and quality of life. Concluding that social well-being prevails, due to the established public policies and the economic well-being product of the income generated from their economic activities.

## 1. INTRODUCTION

Territories are developed by the set of social and economic activities carried out by their inhabitants. The labor market, increasingly reduced by the economic and pandemic crises, has forced self-employed workers to carry out activities independently, and generate their income, leading to the search for the social and economic well-being of themselves and their families.

Well-being is a term associated with the physical and mental conditions that provide human beings with a feeling of satisfaction and tranquility. Likewise, Morales Navarro (1994) states that well-being is the situation in which we are when needs are satisfied and when it is expected that they will continue to be satisfied. Likewise, in the II Biennial Forum of Development Studies, they expressed that within the academy it is not a discipline, but rather constitutes theoretical, analytical, and empirical frameworks that depend on a multidisciplinary and multidimensional approach, to understand the process by which social groups, productive agents or territorial unit acquire capacity or quality to achieve a better or comprehensive level of well-being. (Real Academia Española, 2022) (Limas Hernández, 2014)

Academically, studies of well-being have been developed from various approaches: psychological, social, and economic. The study of well-being from the subjective psychological approach arose in the twentieth century, in ancient times the philosophers Aristotle, Plato, Confucius, and Seneca related well-being with “the good life”, “the virtuous life” and the “care of the soul” all under an individualistic order, giving way to research on happiness that since then continues to spread around the world. (Vielma & Alonso, 2010)

Similarly, Font (2018) conducted an essay on the Gross National Happiness Index as a complement to the limitations of traditional socioeconomic models: The case of the Kingdom of Bhutan, stating “per capita income continues to be the measure par excellence, the focus on happiness offers the possibility of understanding more deeply the sociodemographic characteristics of societies, inviting the design of much more effective innovative public policies” (p.130).

In addition, Carvajal Calderón et al. (2017), studied the socioeconomic determinants of labor informality and underemployment in the metropolitan area of Bucaramanga, Colombia, referring to invisible underemployment “are related to inadequate employment conditions that obey other limitations in the labor market, which restrict the capabilities and well-being of the worker” (p.61).

Consequently, Loor-Navas et al. (2021), studied labor informality, the social and economic well-being of workers in the construction sector, evidence of the situation of labor and social vulnerability, deficiency in access to housing, basic services, low income, activities with short durations.

In this sense, the purpose of this paper is to determine the social and economic well-being of self-employed workers in the city of Juigalpa, during the second semester of 2021. The aim is to describe a set of social and economic variables associated with well-being.

The information obtained will help public policy managers and decision-makers. It will be a source of knowledge for students of economic sciences, as well as teachers and society, who wish to expand their knowledge about the subject addressed.

Finally, the article is structured by the following sections: Methods, detailing the types of research, approach, participants, and tasks, in the results and discussion the tables and figures obtained from the survey are presented, in the discussion the interpretation of the findings and comparison with other studies is highlighted, in addition to the conclusions and bibliography.

## **2. METHODS**

### **2.1. Type of research**

The research was carried out through the observational design, not performing manipulation of variables, of a descriptive type and considering what Mejía (2021) expressed, trying to provide information about the what, how, when, and where, related to the research problem, without giving priority to answering the “why” the problem occurs. As its name suggests, this way of investigating “describes”, not explains.

Similarly, the descriptive observational study, under the quantitative approach, allowed statistical analyses of the socioeconomic well-being of self-employed workers, information collected only once, during the second half of 2021. Its purpose is to describe variables and analyze their incidence and interrelationship at a given time. (Hernandez et al., 2014)

## **2.2. Materials**

The survey is the information instrument used to collect information, structured with general data and social variables: education, health, living conditions, well-being, and quality of life. In addition, the Economic variable: Income, contains a total of 28 closed-ended questions.

## **2.3. Participants**

The size of the population is finite because a clear number of those who are self-employed equivalent to 1931 is known, however, the final participants in this research were 96 self-employed workers. which represented 5% of the total population, workers who continuously seek the support of the government, through the projects developed by the Ministry of Family, Community, Cooperative and Associative Economy (MEFCCA), actively participating in local fairs to promote their products and services offered to the population, in addition to receiving continuous training to improve processes and access financing, Independently carried out and income-generating economic activities such as: carpenters, electricians, clothing vendors, shoe sellers, food processors, painters, builders, welders, turners, barbers and stylists.

## **2.4. Tasks and Methods**

Initially ,the survey was conducted with 25 self-employed workers who shared the same characteristics as the population under study. Next, reliability or internal consistency was measured through Cronbach's alpha coefficient, which is the simplest and most well-known form. Cronbach's alpha coefficient should be understood as a measure of the correlation of the items that make up a scale (Oviedo & Campos Arias, 2005). It was also obtained Result of .763 considered in the parameter of satisfactory, resuming According to Malhotra (2008), "this coefficient varies between 0 and 1 and a value equal to or less than 0.6 indicates an unsatisfactory reliability of internal consistency" (p.286).

On the other hand, the 96 participants who made up the sample were explained the purpose of the study, agreeing to answer the instrument without much difficulty.

Finally, once the instrument was applied, the information processing was carried out, using the SPSS Statistics 21 software for the design of the database, through the use of descriptive statistics, frequency tables were obtained, and graphs were elaborated through Microsoft Excel.

## **3. RESULTS AND DISCUSSION**

Self-employed workers (TCP) are defined by the Economic Commission for Latin America and the Caribbean (ECLAC, 2017) as all those independent workers whose remuneration depends on the benefits they obtain from the goods or services they produce and who do not hire another person or at least not continuously.

**Table 1**

Age of the self-employed

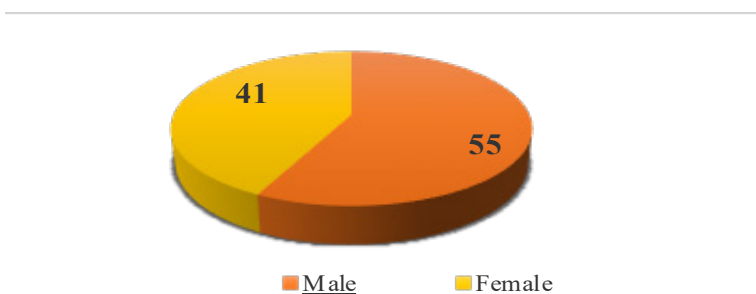
	Frequency	Percentage
18-22	15	15.6
22-27	15	15.6
27-30	16	16.7
30- more	50	52.1
Total	96	100

Note: Data obtained from Sandoval and Olivar (2021)

Concerning age, 47.9 percent of the self-employed are relatively young between the ages of 18 and 30, and only 52 percent of the self-employed are 30 years and older.

**Figure 1**

Sex of the self-employed



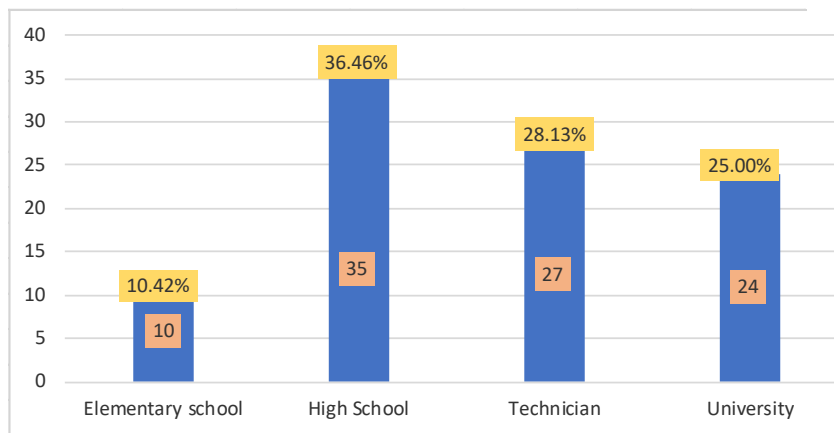
Note: The figure shows the age percentages of the self-employed Source: obtained from Sandoval and Olivar (2021)

Similarly, 55 of the self-employed are male and 41 are female.

About education as a variable of social welfare and determined as a priority, Article 121 of the Constitution of the Republic of Nicaragua (Law 192 of 1995) establishes that access is free and equal for all Nicaraguans.

**Figure 2**

Level of education of the self-employed.



Note: The figure shows the level of schooling of the self-employed Source: obtained from Sandoval and Olivar (2021)

The level of schooling completed by self-employed workers can be appreciated, 10.42 percent only studied primary school, 36.46 percent are high school graduates, 28.13 percent are technicians and only 25 percent manage to complete university studies.

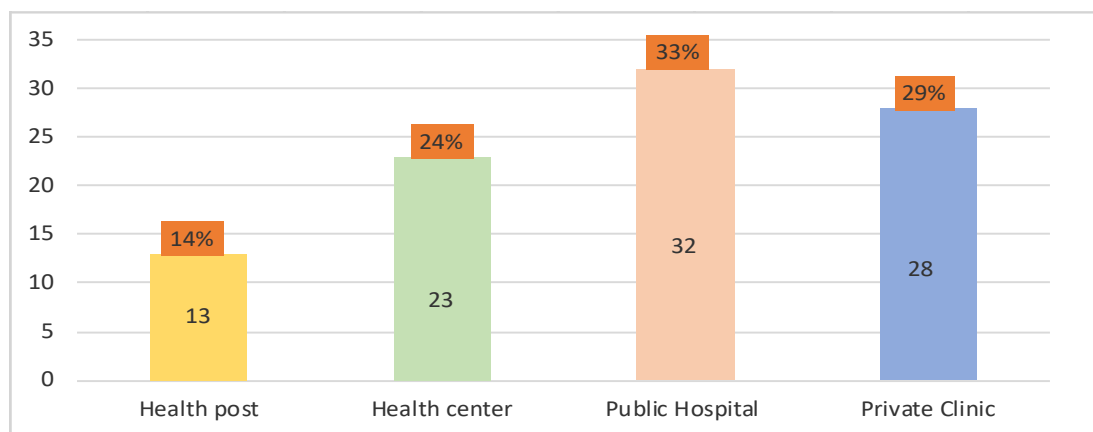
Similarly, the results of research carried out in other areas of study and demonstrated by Carvajal et al, in their 2017 econometric estimation, inferred that informal or underemployed workers in the metropolitan area of Bucaramanga, Colombia, are more likely to have a low level of schooling. Likewise, Rangel et al. (2017), the type of informal worker that predominated in the center of Maracay is the non-professional self-employed worker with 40.50%. In addition, Loo-Navas et al. (2021), show that 80% of workers in the construction sector have a low level.

About health, the General Health Act (Act No. 423 of 2002) establishes that Nicaraguans have an equal right to health. The state shall establish the basic conditions for their promotion, protection, recovery, and rehabilitation. It is the responsibility of the state to direct and organize health programs, services, and actions and to promote popular participation in the defense of health. Citizens must comply with the sanitary measures that are determined

On the other hand, Moreno (2008), in a research carried out for the Universidad de los Andes, defines that: "Health is a synthesis; of a multiplicity of processes, of what happens with the biology of the body, with the environment that surrounds us, with social relations, with politics and the international economy" (p. 95).

**Figure 3**

## Medical Centers for Health Care



Note: The figure shows the medical facilities required by the self-employed Source: obtained from Sandoval and Olivar (2021)

Another important aspect of social well-being is the health condition. It is noteworthy that 71 percent, equivalent to 68 self-employed workers, resort to public centers such as health posts, health centers, and hospitals to attend to health care, and only 29 percent, or 28 of them, go to private clinics.

Similarly, the study presented by Rangel et al (2017), highlighted that 82.7% of informal workers in downtown Maracay use public centers to provide health care.

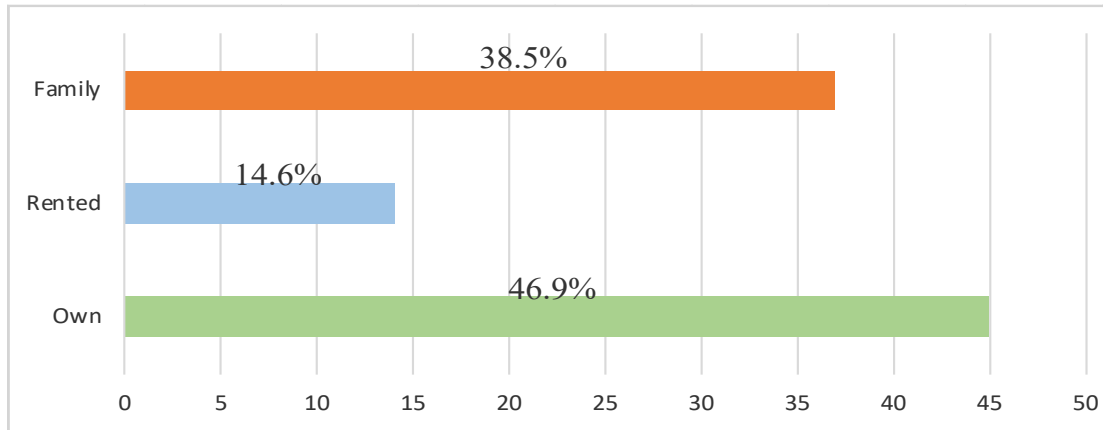
Continuing with the analysis of social welfare and housing, a place that houses families, the Special Law for the Promotion of Housing Construction and Access to Social Interest Housing (Law 677 of 2009) reflects that Nicaraguans have the right to obtain housing in a healthy environment under equal conditions. free and harmonious, without being discriminated against based on income, gender, race, and family status.

In turn, Godínez, et al. (2014) state:

Housing is the physical space that is part of the satisfaction of the basic needs that every individual should have. The United Nations Declaration on Human Rights states that everyone has the right to a standard of living adequate for health and well-being, including housing. (p. 82)

**Figure 4**

Self-employed workers live with their families at home



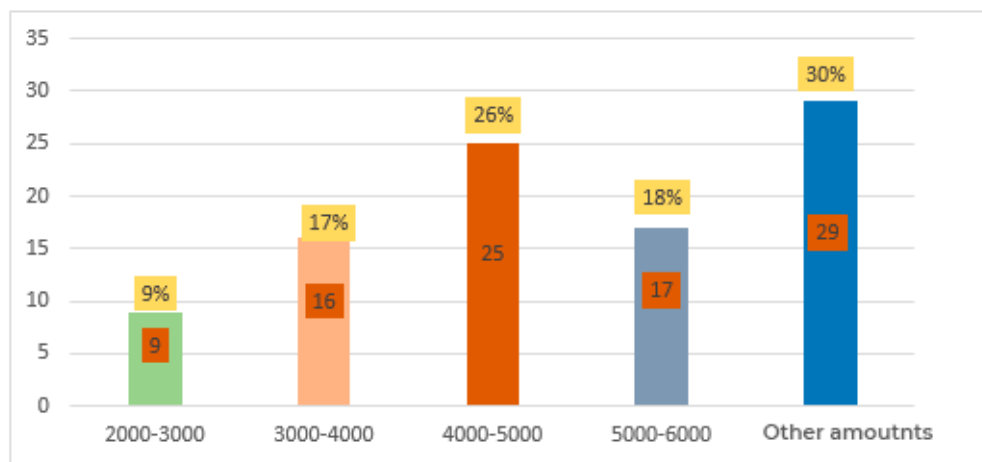
Note: The figure shows how self-employed workers live Source: obtained from Sandoval and Olivar (2021)

In addition, the data on housing highlights that 46.9 percent of self-employed workers have their own homes where they live with their families, 4.6 percent invest part of their income to rent housing, and 38.5 percent limit themselves to living in the homes of other relatives.

On the other hand, income is an element that contributes to the measurement of economic well-being, which is why Sarraín and Sachs (2006) state that the “sources of capital income are more varied, as they include the income of the self-employed, as well as interest income, rental income, and company profits” (p.29). Similarly, Figure 5 shows the revenue generated.

**Figure 5**

Monthly income of the self-employed



Note: The figure shows the income earned by the self-employed Source: obtained from Sandoval and Olivar (2021)



The monthly income received by self-employed workers varies according to the economic activity they carry out, with 9 percent earning between 2000 and 3000 córdobas, 17 percent between 3000 and 4000 córdobas, 26 percent between 4000 and 5000, and 18 percent between 5000 and 6000 equivalent to 1.27 minimum wage, and only 30. percent reported generating income in other amounts that they did not define.

In addition, research results shown by Carvajal et al, reflect that the majority of informal and underemployed people have labor incomes below 1.5 monthly minimum wages, similar realities in different territories and contexts.

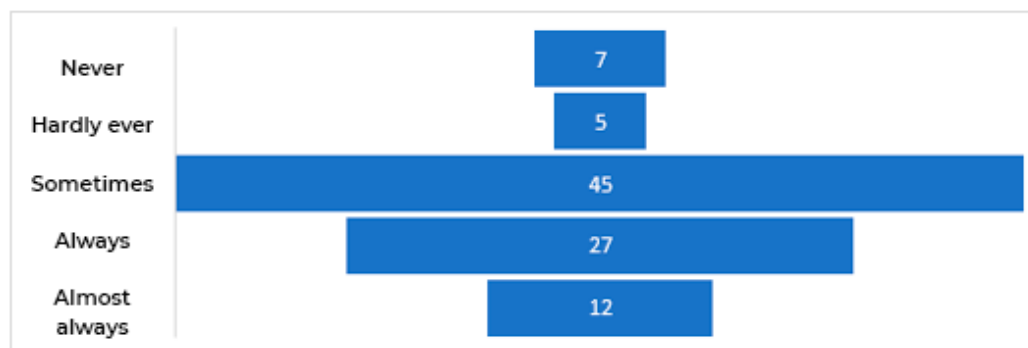
In terms of economic well-being according to Pedrosa (2017) is the situation of wealth that derives from a direct relationship between the variables of production, employment, and income distribution. In other words, economic well-being is the relationship between an individual's purchasing power and quality of life by earning a salary.

On the other hand, Osberg (as cited in Galicia, 2017) proposed:

Measure economic well-being through an index composed of four factors: effective flows of per capita consumption, national accumulation of productive resources, income distribution, and economic security of families; found good associations between the aforementioned index and the human development index, according to the UN, reputed as one of the best indicators of social well-being. (p. 21)

**Figure 6**

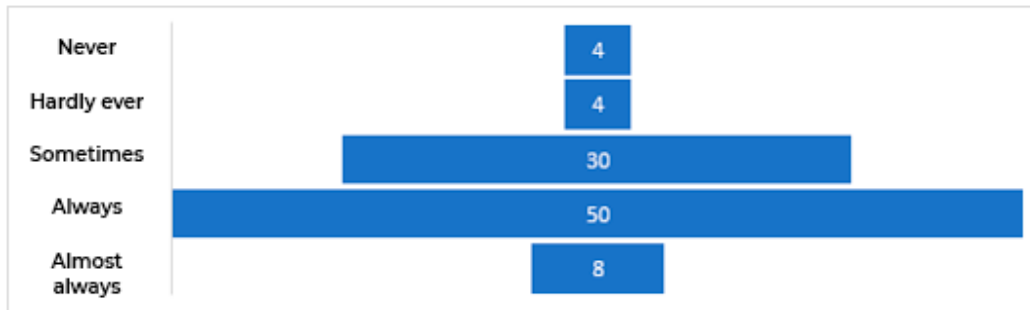
Monthly income satisfies your financial well-being



Note: The figure shows the income earned by the self-employed. Source: obtained from Sandoval and Olivar (2021)

Similarly, it is observed that 12 self-employed workers never and rarely have their monthly income satisfy their economic well-being, 45 workers sometimes and 39 workers always and almost always satisfy their economic well-being.

**Figure 7**  
Living Conditions



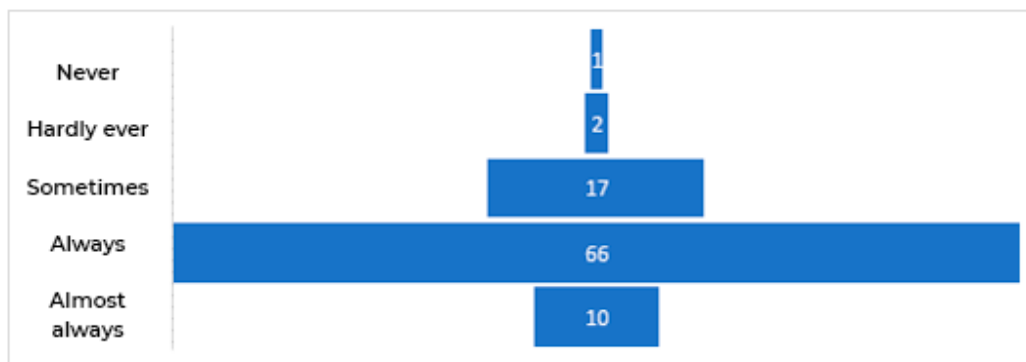
Note. The figure shows the living conditions of the self-employed. Source: Sandoval y Olivar (2021)

On the other hand, the relationship of the income obtained by the self-employed leads to determine their living conditions, it can be seen that 8 workers representing 8.4 percent never and rarely reach living conditions, 30 workers with 31.3 percent at some time and 58 workers representing 60.4 percent always and almost always have living conditions.

On the other hand, well-being is a term that depends on our perception, and the position of life in the context of the culture and value system that people live. According to Soler et al. (2016):

Survival and well-being have a personal and social dimension. That is, not only for me but also for the people I love. In this sense, it can be extended to the whole of humanity. Well, well-being cannot be measured so much in the possession of things that make our lives easier, but in the struggle, in the effort, and in the hope of achieving some of our goals. People who have a very low income and reach an average income significantly increase their perception of well-being. On the other hand, those who have an average income do not increase their perception of well-being in the same way if they reach a high income. (pp.24-37)

**Figure 8**  
Family Wellness



Note. The figure highlights the family well-being of the self-employed. Source: Sandoval y Olivar (2021)

That said, it can be observed that 3 self-employed workers never and rarely achieve family welfare, 17 sometimes, and 76 always and almost always have family welfare.

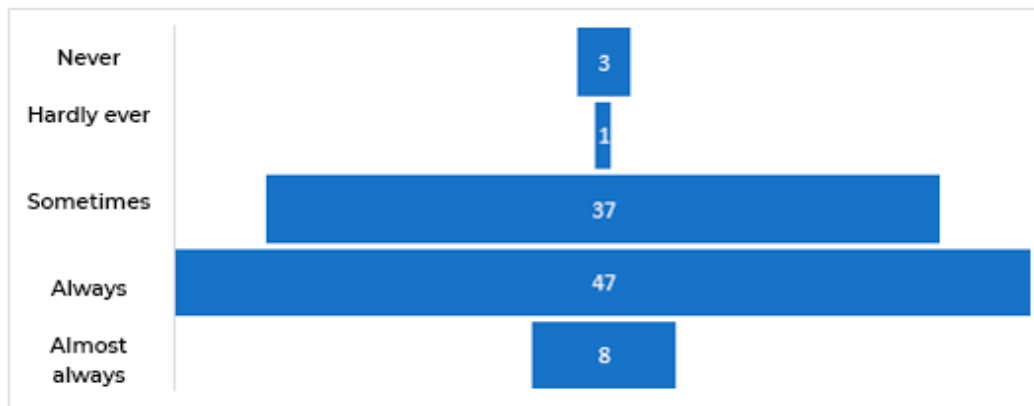
The term quality of life coined by Louis Davis in the 1970s, according to Chiavenato (2018):

Quality of life at work is an individual's perception of his or her position in life, in the context of his or her culture and value system, and in terms of his or her goals, expectations, norms, and meanings. It is a very broad set that includes physical health, psychological state, personal beliefs, social relationships, and relationships with the environment. (p.178)

In addition, Hernández points it out as a “substantial condition for full human development, it is a polysemic construct and of concrete and feasible applications in the various social contexts, from that versatility it directs aspects that go from the educational, generic, family, age, territorial” (p. 10). (2017)

**Figure 9**

Quality of family life



Note. The figure highlights the family well-being of the self-employed. Source: Sandoval y Olivar (2021)

According to the quality of family life, it is observed that 4 self-employed workers never and rarely reach it, 37 workers sometimes and 55 workers always and almost always have family quality of life.

#### 4. CONCLUSIONS

When addressing well-being from the social point of view of self-employed workers, it is concluded:

Regarding education, 75 percent of the students have completed primary, secondary, and technical education, and the other 25 percent have completed university education.

Similarly, health is a priority where 71% demand medical attention in public healthcare centers: health centers, health posts, and hospitals.

In addition, 46.9% have their own home that guarantees them a safe shelter, however, 53.10% have not yet been able to acquire their homes, having as an alternative to rent or ultimately live with their relatives.

As a result, the variables described allow us to infer that self-employed workers achieve social welfare, from education and health, because the public policies coming from the Nicaraguan state contribute to these public services being free. In addition, there are housing projects where they can carry out procedures to obtain such housing.

Similarly, economic well-being was measured through income, varying according to the economic activity carried out by the self-employed workers, so 50 generated income from 2000 to 5000 córdobas, 17 had incomes greater than 5000 córdobas and 29 did not define them. They acquire part of their food and pay for other basic services that are extremely necessary. However, inflation and the cost of living are elements that can deteriorate their low-income level. As a result, 57 self-employed people never, and sometimes attain economic well-being.

Therefore, when measuring well-being considering the variables of quality of life and living conditions, it is concluded that the vast majority of self-employed workers achieve well-being. This, in turn, is evident that it does not occur only in Juigalpa, but also in other territories, which includes other countries, according to what has been expressed by researchers already mentioned.

Finally, it is relevant to continue with the analysis of the variables that contribute to demonstrating the social and economic well-being not only of the self-employed but also to apply to workers in other economic sectors. A limiting aspect was that the research is cross-sectional and it was not possible to assess the social and economic indicators over time, therefore, it would be relevant to consider this longitudinal research design and expand the sample size to cover 100% of the entire population.

**WORK CITED**

- Carvajal Calderón, A. N., Cárdenas Hernández, L. Y., & Estrada Cañas, I. (2017). Socioeconomic determinants of labor informality and underemployment in the metropolitan area of Bucaramanga, Colombia. *Equity and Development*, 1(29), 53-82. <https://doi.org/https://doi.org/10.19052/ed.417>
- ECLAC. (2017). Considerations for increasing the participation of self-employed workers in contributory social protection systems in Latin America. United Nations Santiago.
- Chiavenato, I. (2018). *Human Talent Management*. McGraw-Hill Publishing.
- Font, N. (2018). The Gross National Happiness Index is a complement to the limitations of traditional socio-economic models. The case of the Kingdom of Bulan. *Journal of Social Sciences*, 6(10), 121-132.
- Galicia, F. A. (2017). Quality of life in organizations, families, and society. Autonomous University of the State of Morelos. Editorial Juan Pablos
- Godínez, R. E., Curiel, A. A., & Gill, L. R. (2014). Housing and its impact on health. *Revista Ciencia*, [https://www.revistaciencia.amc.edu.mx/images/revista/65\\_4/PDF/VIVIENDA.pdf](https://www.revistaciencia.amc.edu.mx/images/revista/65_4/PDF/VIVIENDA.pdf).
- Hernandez, J. (2017). Quality of Life, Social Inclusion and Human Well-being. UNERMB
- Hernández Sampieri, R., Fernández Collado, C., & Baptista Lucio, M. d. (2010). *Research Methodology*. McGraw Hill Publishing House, Education.
- Law on Partial Reform of the Political Constitution of the Republic of Nicaragua. Official Gazette of Nicaragua, No. 124, 4 July 1995. [http://legislacion.asamblea.gob.ni/normaweb.nsf/\(\\$All\)/927804DC295D0A E 5 0 6 2 5 7 3 0 8 0 0 5 6 D A 6 D ? OpenDocument](http://legislacion.asamblea.gob.ni/normaweb.nsf/($All)/927804DC295D0A E 5 0 6 2 5 7 3 0 8 0 0 5 6 D A 6 D ? OpenDocument)
- General Health Law, Official Gazette of Nicaragua, No. 91 of 17 May 2002 [http://legislacion.asamblea.gob.ni/Normaweb.nsf/\(\\$All\)/FF82EA58EC7C712E062570A1005810E1? OpenDocument](http://legislacion.asamblea.gob.ni/Normaweb.nsf/($All)/FF82EA58EC7C712E062570A1005810E1? OpenDocument)
- Space Law for the Promotion of Construction and Access to Social Housing. Official Gazette of Nicaragua, No. 80, 29 April 2009. <http://legislacion.asamblea.gob.ni/normaweb.nsf/b92aaea87dac762406257265005d21f7/40fc19c963eeca6a062575c80075b195? OpenDocument>.
- Limas Hernández, M. (2014). New routes to social, economic and environmental well-being: II Biennial Forum on Development Studies. D - University of the Republic. <https://bv.unir.net:2769/es/lc/unir/titulos/93052>

- Loor-Navas, F. V., Murillo-Mora, M. K., & Cusme-Rodríguez, A. E. (2021). Labor informality, social and economic well-being of workers in the construction sector. *Science Mastery Scientific Journal*, 7(4), 289. <https://doi.org/DOI: http://dx.doi.org/10.23857/dc.v7i6.2331>
- Malhotra, N. K. (2008). *Market Research*. Pearson Education Publishing.
- Mejia, J. T. (2021). *Descriptive research: characteristics, techniques, examples*. Retrieved from <https://www.lifeder.com/investigacion-descriptiva/>
- Moreno, G. A. (2008). The World Health Organization's definition of health and interdisciplinarity sapiens. *Revista Universitaria de Investigación*, 95.
- Morales Navarro, J. (1994). Society and Well-being: The concept of Well-being. 27, 603-611.
- Oviedo, H. C., & Campos Arias, A. (2005). Approximation of the use of Cronbach's alpha coefficient. *Colombian Journal of Psychiatry*, 34(4).
- Pedrosa. (2017, June 03). *ECONOMIPEDIA*. <https://economipedia.com/definiciones/bienestar-economico.html>
- Rangel, R., Borge, A., & Fernández, M. (2017). Health and social security of informal workers in the centre of. *Workers' Health*, 25 (1), 37-51.
- Royal Spanish Academy. (2022, June 24). Retrieved from <https://dle.rae.es/bienestar>
- Soler, J. L., Aparicio, L., Diaz, O., Escolano, E., & Rodríguez, A. (2016). *Emotional Intelligence and Well-Being II: Reflections, personal experiences and research*. Editorial Universidad San Jorge.
- Vielma, R. J., & Alonso, L. (2010). The Study of Subjective Psychological Well-Being: A Brief Theoretical Review. *Educere*, 14(49), 265-275.