

Month In Review

Economy

On April 1, the National Assembly passed the revised 2009 national budget with 49 votes. The two vote majority came from Sandinista deputies and votes from the Nicaraguan Liberal Alliance (ALN). Constitutional Liberal Party (PLC) deputies walked out of the session. According to Sandinista Deputy Wálmaro Gutierrez, President Daniel Ortega cut US\$65.6 million from the draft he had sent to the Assembly in January based on a Central Bank projection that foreign reserves will fall US\$40 million by the end of the year. Gutierrez said that the government's intention was to maintain social sector spending [health and education] including salary raises for government employees which he said were still far from what was just but which were all the government could afford at this time. He said that the government might ask for further modifications halfway through the year.



The National Assembly approved a revised budget for 2009 on April 1.

Central Bank President Antenor Rosales said that the government was now expecting an economic growth rate for this year of between zero and 1%. The Central Bank also announced a credit line from the Central American Bank for Economic Integration of US\$200 million to help the national financial system confront any liquidity crisis.

The Agency for the Promotion of Investment in Nicaragua, also known as ProNicaragua, reported at the end of March that foreign direct investment in Nicaragua rose from US\$335 million in 2007 to US\$600 million in 2008. The figure for 2006 was US\$287 million. The steep rise in 2008 was attributed to investment in the energy sector. Javier Chamorro Argüello, director of ProNicaragua, said that while the international economic crisis could make attracting investment "more difficult," the goal is to maintain 2008 levels for 2009.

The Social Economic Observatory (OSE), on March 11 denounced the "great disparity between the price of the basic basket of goods," which Nicaragua uses as a measure of the cost of living, "and the minimum wage for workers." The OSE reported that in February the cost of the basic basket was US\$450 for a month for a family compared to the monthly minimum wage for agricultural workers of US\$70. Inflation in February was .58%, a considerable drop from the 1.52% inflation in February 2008, but higher than in January 2009. Accumulated inflation for 2009 is .64% for an annualized rate of 10.78%, a major improvement over the 18.35% during the same period of 2008.



April 28 will be the 22nd anniversary of the murder of Ben Linder by contras funded by the United States government.

Politics

Bayardo Izaba, director of the Nicaraguan Center for Human Rights (CENIDH), appeared before the Inter-American Human Rights Commission in Washington, DC, on Mar. 24 to express the concern of his organization about what it called an accelerating tendency in Nicaragua for the National Police to be subordinated to the interests of President Daniel Ortega. He said that the president is attempting to turn that institution into an instrument for repression. He said that the citizenry is resisting because it cost them such a great price to achieve a non-repressive force. To that he added concern about the fragility of democratic institutions in Nicaragua and the politicization of those institutions along with persecution of many civil society and human rights organizations. Izaba asked the Commission to make an on-site visit to Nicaragua to learn about the situation and urged the Commission to accelerate the cases filed previously by CENIDH with relation to the cancellation of the legal recognition of two political parties, the Sandinista Renovation Movement and the Conservative Party.

Enrique Quiñonez and Allan Rivera Siles switched their party designation from the PLC to the Independent Liberal Party (PLI) following former ALN leader Eduardo Montealegre. Prior to the reshuffling of right-wing delegates in the National Assembly, the PLI had no representation in the legislature. The newly minted PLI delegates will vote as part of the Nicaraguan Democratic Bench. They said that the PLC has maintained what they called “an eternal pact” with the FSLN and thus was not a true opposition party. Bluefields Mayor Harold Bacon Brokamp and several city officials embarrassed PLC leader Arnaldo Aleman by switching to the PLI after the former president announced that there would be no more desertions. A former PLC member who did not wish to give her name said, “There is a lot of unhappiness in the PLC because it is so close to the Sandinistas; that’s why we are going over to the PLI.”

Deputy Guillermo Osorno of the Christian Path Party which was allied with the PLC, and PLC Deputy Carlos Olivares both left the PLC and declared themselves independent. They have been voting recently with the FSLN. Thus, the never ending saga of shifting alliances among Nicaragua’s political class continues.

Rival marches in several cities resulted in clashes requiring police intervention on Feb. 28. A coalition calling itself Citizens United for Democracy (UCD) which has been accused of accepting money from the US Embassy, organized marches to protest alleged fraud in the Nov. 2008 municipal elections. The marches were also supported by opposition political parties. The National Workers Front (FNT), affiliated with the FSLN, organized rival gatherings as what they announced would be part of the kick-off to celebrate of the 30th anniversary of the Sandinista Revolution in July. There were clashes, including some injuries, in several cities, including Managua, Chinandega and Leon, but the gatherings proceeded smoothly in Masaya and Jinotega.

Poverty Reduction

On March 11, the National Assembly gave final approval to an affordable housing law which stipulates that, for purposes of making the down payment, employers must allow employees to draw on the current balance of the severance pay they earn for each year on the job. Mortgage interest will be subsidized by the government. Employers will not have to facilitate home purchase for more than 20% of their employees in any one year. The homes must be between 385 and 645 square feet in area, with a maximum cost of US\$20,000. The down payment would be about US\$1,000 and the monthly mortgage payment about US\$150 to be paid off in 25 years.

The law passed with votes from all political parties with provisos that no citizen movement or grouping will receive preference and all government subsidies must be included in the national budget. Supporters hope that it will reduce the nation’s 750,000 housing deficit. However, Jose Adan Aguerri, president of the



A Nicaraguan family learns to read under the “Yes, I Can” program.

Superior Council of Private Enterprise (COSEP), said that neither the government nor private business had the capacity at this time to make the law function as it was designed. He said that the requirement for businesses to turn over to workers their severance pay would decapitalize local companies.

In March President Ortega announced on Saturday that the Department of Carazo is the first department to be “free of illiteracy,” meaning that literacy now exceeds 95%. Ortega thanked Fidel Castro and Venezuelan President Hugo Chavez for their help in the new campaign at the celebration of the 29th anniversary of the 1980 Literacy Crusade which won a UNESCO award. To eradicate illiteracy the Ortega government has used the Cuban methodology “Yes, I Can” that teaches a person to read in only 65 days. Eighty Cubans and 33 Venezuelans who had helped in the Bolivian literacy campaign also worked with Nicaraguans in the Nicaraguan campaign. The “Yes, I Can” methodology enabled Bolivia to become the third state in the Bolivarian Alternative for Our Americas (ALBA) to eliminate illiteracy.

Ortega noted, “In January of 2007, when we returned to government after 17 years of neoliberal governments, illiteracy had risen to 35%,” from the 13% achieved by the revolutionary government. The goal is to reduce illiteracy below 5% in all departments by the July 19, the 30th anniversary of the Sandinista victory. Presently 56 of the 153 municipalities have been declared illiteracy free and the hope is that by June 30, all the rest will have completed the literacy campaign.

The Ministry of Agriculture and Forestry (MAGFOR) is preparing to begin the Agro-Food Emergency Program which will provide financing to 31,620 small farmers of basic grains in four departments with a grant of US\$7 million from the World Bank. MAGFOR Minister Ariel Bucardo said on March 21 that the government solicited international cooperation in May 2008 to respond to the food emergency and the increasing price internationally of food. Small farmers in Nueva Segovia, Matagalpa, Jinotega, and Boaco will benefit.

Women’s Issues

Rumors continue that Nicaragua’s Supreme Court will find the 2006 criminalization of therapeutic abortion to be unconstitutional in May. Court Vice-President Rafael Solis confirmed that a draft decision exists based on “the life of the woman, as much as the life of the child, is protected by the constitution.” Solis made reference to Vatican declarations of March 21 which criticized the excommunication of medical personnel in Brazil who ended the twin pregnancy of a nine-year old girl.

The Catholic hierarchy denounced what they called a “political accord” to allow the decriminalization of therapeutic abortion and said that they would increase their pressure on President Daniel Ortega and on the National Assembly. Bishop Juan Abelardo Mata exhorted the justices to analyze the decision and urged “that it not be based on compromise or to respond to international forces or to balance between parties.” He said that the government says it is of the people, so it must protect the life of the people. He said that the bishops have begun to speak with President Daniel Ortega and the Supreme Court justices so that they “rethink what they are going to do.”

Martha Maria Blandon of the Feminist Movement said that her group has provided the government with information about cases where public clinic doctors have pressured women to carry to term anencephalic pregnancies (where the fetus has no brain and is thus unviable outside the uterus). This type of action, she stated, has caused couples to break up and psychological damage to the women.

March 8th, International Women’s Day, was celebrated in a variety of ways including an FSLN-organized march of several hundred in Managua. Speakers ranging from Managua Vice-Mayor Daisy Torres (FSLN), to representatives from the most humble neighborhoods called on all Nicaraguan women to claim their full rights and to take their due place in the social, economic and political life of the country. Several banners along the march route called for women’s rights to full birth control, and on the government to reinstate therapeutic abortion, reversing its controversial decision support its criminalization shortly before the 2008 presidential election.

Speakers spoke of the various government programs, especially free health care and schooling, Zero Hunger and Zero Usury, saying that they were beginning to free women from the traditional burdens of multiple work loads, giving them a measure of dignity and self-confidence previously denied them, and some chance of improving the lot of both themselves and their children.

However, in a statement showing the class divisions in the women’s movement, feminist Sofia Montenegro said, “These programs, Zero Hunger and the rest, are mere palliatives. What’s really going on here in Nicaragua is a retrenchment in women’s rights. We women need to get out into the workforce, to make our own way, not be tied even further to the house by having to take care of pigs and cows as well as our children.”

Celebrate the 30th Anniversary of the Sandinista Revolution
Work on Projects to develop Food Sustainability and Eradicate Malaria
ECHOES of SILENCE ECO-CULTURAL BRIGADE to NICARAGUA
JULY 14 - 29, 2009

Fight global warming and disease working on grassroots organic food and eco-drainage projects; sing with legendary Nicaraguan musicians; record radio shows with children living on Managua's city dump; dance the Zapateado. Live in a family community, sharing its daily life and working locally. Travel to Sandino's legendary North Country: learn about the model eco-community he founded; meet fair trade coops; join peasant farmers in pioneering water conservation and agroforestry projects. Spanish helpful, but not necessary. Reply to: echoespaul@tortillaconsal.com

International Relations

President Ortega chaired on Mar. 25 the XXV Summit of the Central American Integration System (SICA) in Managua. The goal of the meeting, according to President Martin Torrijos of Panama, was to "arrive at common positions in the face of the challenges that our countries face" with relation to the international financial crisis and the upcoming Summit of the Americas, April 17 - 19.

Nicaraguan Vice-Minister of Foreign Affairs Manuel Coronel announced that Nicaragua would return to trade talks in Brussels April 23-24 with the European Union after EU Commissioner Benita Ferrero-Waldner expressed EU willingness to discuss Nicaragua's proposal for the creation of an US\$80 million development loan fund, 90% of which would come from the European countries. The Central American countries are still not in agreement about the amount of the fund nor the amount that they should contribute to it. Nicaragua walked out of the meetings April 1 over the EU's refusal to include the development loan fund in the discussions.

On Mar. 30 four of the six Central American presidents and the Prime Minister of Belize met with U.S. Vice-President Joe Biden. Those who did not attend the San Jose meeting were Manuel Zelaya of Honduras (because of "agenda problems") and Ortega of Nicaragua who felt, as did some other political figures, that the SICA meeting should have been the venue for the meeting.

El Nuevo Diario and La Prensa ran stories that the Nicaraguan government has reached an agreement with the United States to destroy the SAM-7 surface-to-air missiles in its military arsenal. The Office of the Presidency issued a denial. The papers reported on an alleged March 12 memo signed by an official in Nicaragua's embassy in the US, Alcides Montiel, to Foreign Minister Samuel Santos that an agreement had been reached. Nevertheless, the official response from the Office of the Presidency stated, "It is not planned at this time to sign an accord between the government of Nicaragua and the government of the United States."

Presidential economic advisor announced that on April 2, government officials had met with representatives of the countries that are members of the Budget Support Group (Germany, Denmark, Finland, The Netherlands, Norway, Sweden, Switzerland, the United Kingdom, Japan, the European Union and multilateral financial institutions) and agreed that on June 12 they would decide whether or not to resume budgetary support for Nicaragua. The funds that the Budget Support Group usually lends Nicaragua each year to reduce its fiscal deficit were frozen at the end of last year due to opposition allegations of fraud in the November municipal elections.

The United States government decided on March 11 to continue the suspension of US\$64 million in Millennium Challenge Account funds for Nicaragua for another 90 days. US Ambassador to Nicaragua Robert Callahan said, "We are going to continue working on the three highways that are contracted, that is 68 kilometers of new highways in the regions of Leon and Chinandega, and we are going to continue with the rural small businesses, and with the technical assistance for small farmers in the same zone." He continued, "That, I believe, shows our commitment to the people of Nicaragua." With relation to the Nov. 9 elections, Callahan said, "The Nicaraguans have 90 days to resolve the problem, the doubts, about the elections. If the government can resolve this problem in 90 days, we will immediately renew the aid."



Ambassador Callahan said that work would continue on highways in Leon and Chinandega in spite of MCA suspension

Bayardo Arce, President Daniel Ortega's economic advisor, said that he considered "positive" the decision to continue the suspension rather than cancel the aid. He confirmed that MCA projects already under contract continue in the western part of the country.

The Foreign Ministry released a document entitled "White Book: The Reality of the Municipal Electoral Process of 2008 in Nicaragua" that lays out the government's position that the elections were not fraudulent. The document notes that 11,308 precincts participated in the elections at 4,047 polling places around the country. The results of only 45 precincts were appealed to the Supreme Electoral Council (172 were resolved by Departmental Electoral Councils). The CSE, in those cases, confirmed the decision of the lower tribunals. To read the entire "White Book" go to www.radiolaprimera.com/noticias/48893.

Miscellaneous

Several former banana workers have accused Dole Foods of attempting to bribe them to speak out against the lawyers Juan Jose Dominguez and Antonio Hernandez of California who have successfully represented banana workers affected by the pesticide Nemagon against Dole in the courts of that state. Jose Benito Vindel, who worked on a banana plantation in Chinandega from 1973 to 1979, said that he was visited six times by two foreign men he said were agents of Dole. Vindel said they offered him US\$60,000, US visas for him and his family, and work and housing in the United States if he would cooperate with them.

The Organization of American States (OAS) has asked the international community to help complete the removal of all landmines from Nicaragua this year. The call was made by Christopher Hernandez-Roy, director of the OAS Department of Public Security at the kick-off of a regional meeting with the title "Advances and Challenges to Achieving a Latin America Free of Antipersonnel Mines." He noted that Nicaragua has completed 98% of its plan for landmine removal and that he can see a time when all Central America is free of landmines.



Nicaragua Network celebrated its 30th anniversary in Washington, DC on March 21, 2009, with dinner and toasts (with Nicaraguan rum) by the executive committee, sister organizations, friends and supporters. Pictured above clockwise from the left are Katherine Hoyt, Nicaragua Network Co-Coordinator, Jenny Atlee, Quixote Center, Norwin Solano, Nicaragua Center for Human Rights (CENIDH), and Bayardo Izaba, CENIDH. Nicaragua Network was founded at a conference on Feb. 24,