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NICARAGUA

PC for You and Me

President Daniel Ortega's efforts to implement a "direct democracy" and share his presidency with the poor through the creation of Councils of Citizen Power (CPCs) has divided Nicaragua and polarized the various branches of government, pitting the opposition-dominated legislative branch against the Ortega-dominated executive and judicial branches.

By mid-Dec, opposition lawmakers went as far as to suggest that the constitutional democratic order of the country was at risk, and turned to the international community for support.

On 10 Dec, Eduardo Montealegre, leader of the Nicaraguan Liberal Alliance, and retired Gen. Hugo Torres, a former revolutionary leader now with the Sandinista Renovation Movement (MRS), visited Pedro Voskobis, the country representative of the Organization of American States (OAS), to express their concerns about Ortega.

"Remember that Nicaragua is a signatory to the Inter-American Democratic Charter of the OAS, which means it is obliged to respect the constitutional order," Torres, formerly known as "Comandante Uno," said. "The president, in his plowing through of his personal and family political project, is damaging the constitutional order and violating the state of law."

Montealegre, meanwhile, added that the 52 opposition lawmakers, who have recently formed a coalition group known as the "bloc against the dictatorship," would send a letter to José Miguel Insulza, Secretary General of the OAS, to explain the severity of the institutional crisis to Nicaragua's democracy. Based on the reaction to that letter, the lawmakers will then decide whether or not to invoke the Democratic Charter, which would mean requesting international intervention due to a rupture of the country's democratic model of government.

The CPCs first started being organized several months ago in poor neighborhoods across the country. The CPCs are the centerpiece of Ortega's new "revolution in peace" by linking Sandinista-organized community groups to the executive branch. Ortega and his powerful wife, Rosario Murillo, who is heading the CPCs in addition to her full curriculum of other appointed government tasks, have said that the CPCs are a way to empower the poor by giving them a greater voice in government and allowing them to decide what projects need to be done in their neighborhoods.

Critics, however, claim the CPCs are confusing totalitarianism with democracy. “There is a distinction between citizen participation [in government] and the integration of citizens into the state,” said Liberal lawmaker José Paillas, head of the legislative judicial commission. “The first is modern democracy, the second is totalitarianism.”

The 52 opposition lawmakers, in a rare moment of unity, voted together on 20 Nov to sever the CPC’s ties to the executive branch. Ortega responded angrily, calling the opposition “neo-Somocistas—in reference to loyalists of the former dictatorship—and said he was going to be “obliged to govern by decree” if the legislature tried to get in the way of his government project.

Ten days after the National Assembly’s vote, Ortega and Murillo went ahead and launched the CPCs during a massive rally in Managua, while at the same time appealing to the Constitutional Chamber of the Supreme Court, where the president wields great influence among the Sandinista-appointed judges.

A week later, on 6 Dec, Ortega was vindicated when three Sandinista magistrates on the Constitutional Court met after working hours and without their Liberal counterparts to rule that the controversial CPCs are legally allowed to be linked to the government and can be organized as the president sees fit.

That decision was instantly decried as illegal by the president of the Supreme Court, a Liberal judge who said that the other judges of the Constitutional Chamber were not notified that the Sandinista judges were meeting to hand down a verdict on a motion that Ortega had brought before the court less than two weeks earlier. Other motions have been before the court for years, including an 11-month old motion on the legality of the ban on therapeutic abortion, during which time 90 women have died due to unresolved complications due to pregnancy.

As the CPC issue has heated up, so too has Ortega’s rhetoric. The president recently called those who oppose the CPCs “rabid dogs,” and has made other strange biblical references to Jesus being taunted and mocked as he was forced to wear a crown of thorns.

The CPC issue is also affecting other areas of government, such as approval of the ’08 budget, which the National Assembly was supposed to have prepared by mid-Dec. As state institutions such as the Supreme Court prove to be too highly politicized to rule on a matter such as the CPCs, the National Assembly is resorting to other pressure tactics, such as refusing to allocate a budget for Ortega’s projects, or even to pay the phone and electrical utilities in the unofficial presidential office, which is also Ortega’s personal home and Sandinista party headquarters.

Government Plans Oil Nationalization

After a year of tense relations with Esso Standard Oil, the Ortega government is reportedly in talks with the US-based oil company to discuss terms of a nationalization of the oil industry in Nicaragua.

Esso, despite owning the country’s only oil refinery and a majority of the oil distribution and storage facilities, has been unwilling to go along with the government’s plan to buy and refine Venezuelan oil. This has created a huge problem for the Ortega administration, which is unable to handle the oil that Venezuela has promised it.

Under the vague auspices of the Bolivarian Alternative for the Americas, Venezuelan President Hugo Chávez has promised to supply Nicaragua its entire demand for oil, or 10 million barrels a year. The government, however, does not have the capacity to receive the oil and has found an unwilling business partner in Esso.

This year only two-million barrels of Venezuelan oil were imported by smaller state oil company Petronic. Esso, however, has been totally uncooperative, leading to a temporary embargo of its facility earlier this year to offload 120,000 barrel of Venezuelan oil before turning the property back over to Esso (Vol. 26, No. 9).

Ortega has said that his government's plan to nationalize the oil industry is not the same as "confiscation," but the terms of the administration's proposal to Esso are still not public. The president has said that by nationalizing the oil industry, Nicaragua would be able to receive and process all of the Venezuelan oil to alleviate the energy crisis and lower gas prices at the pump.

IMF Still on Board

The International Monetary Fund (IMF) this week ratified its support for Ortega's government, amid talk of nationalizing the energy sector and a year-end inflation rate that could reach 16%—well beyond the single digit goals for the year.

Murilo Portugal, sub-director general of the IMF, traveled to Managua on 10 Dec to meet with Ortega and his economic team, and announced that the IMF considers that Nicaragua's economy continues to be on the right track, despite problems this year.

Ortega, a longtime critic of the IMF, said his government and the IMF have an "understanding" about where the Sandinista administration stands on issues such as poverty relief, social investment, solving the energy crisis and reactivating the productive sector. The president blamed his country's soaring inflation rate on uncontrollable external factors such as oil prices, as well as internal factors such as natural disasters.

Ortega took advantage of the meeting to criticize the IMF and "savage capitalism." Portugal listened to Ortega's criticisms and thanked the president for his honesty. He said that he and his team "normally hear support" from other governments, and that it was a "novelty" to hear criticism of the IMF.

Portugal also lauded Nicaragua's "great advances over the past years to consolidate macroeconomic stability" while "maintaining growth and improvement in social indicators." He said that the new government economic program was an "important opportunity" to consolidate the economy while making even greater efforts to reduce poverty and increase investment in key sectors such as energy, water, education and health. He said the IMF team would return in Feb to evaluate the situation then and to measure the longer-term effects of Hurricane Felix on the economy.

"I am confident in the ability to keep working in a continuous and productive way with the Nicaraguan authorities in their efforts to implement their economic program," Portugal said.

The IMF approved its program to support the Ortega government in Oct, after 10 months of negotiations.

—Tim Rogers