

# ***MESOAMERICA***

*Volume 24, Number 1, January 2005*

---



## **NICARAGUA**

### **Political Crisis Defused ... For Now**

In a surprising display of cooperation, President Enrique Bolaños, of the Alliance for the Republic (APRE) announced on 12 Jan that he and his two main political rivals, Sandinista Liberation Front (FSLN) leader Daniel Ortega and Liberal Constitutional Party (PLC) strongman Arnoldo Alemán, have pledged to work together on implementing proposed constitutional reforms in order to solve the current political crisis (Vol. 23, No. 12). The date set for the beginning of the dialogue is 19 Jan.

Last month, the National Assembly approved a plan designed to curb some of the powers currently enjoyed by the executive branch and place them under the control of the Legislative Assembly. Among the proposed reforms would be congressional control over cabinet posts, congressional ratification of all appointed ambassadors and a clear-cut protocol to impeach the president. The measure must be agreed upon in two different sessions of the National Assembly before it becomes law.

According to the compromise, the signatory parties intend to create a national consensus regarding the implementation of the proposed reforms. The compromise also included a guarantee from the opposition parties, which hold a huge majority over Bolaños' APRE party in the National Assembly, that Bolaños will be allowed to finish his remaining two years in office. The settlement capped months of political infighting between the legislative and executive branches where judicial rulings and counter-rulings, thinly veiled threats, and an increasing hostility between President Bolaños and the opposition-dominated National Assembly were reaching a boiling point.

Bolaños, who feared for his presidency, accused legislators of plotting a "congressional coup" and rallied international backing for his cause, finding support with US and Central American leaders. The Central American Court of Justice (CCJ), a court designed to solve regional disputes, also agreed with Bolaños and issued a ruling urging legislators to stop the reforms. However, the Nicaraguan Supreme Court ruled that the reforms could continue despite the CCJ's ruling because the National Assembly was acting within the limits

designated in the constitution, and that the CCJ had no jurisdiction over Nicaragua's internal politics.

In addition to legal challenges, the airwaves were full of threats during the month of Dec. Ortega threatened to "dismiss" Bolaños if he continued to plead for foreign help and considered Bolaños' talk of involving the Organization of American States in Nicaraguan politics as "tomfoolery." Not to be outdone, in a televised address to the country trying to explain his case, Bolaños stated that he would do whatever it took, "both the good and the bad," to maintain his presidency.

With tensions so high, it came as quite a surprise to many when Ortega and Bolaños appeared on 12 Jan with an announcement of a compromise. The accord was negotiated and signed in the presence of Cardinal Miguel Obando y Bravo and the United Nations representative in Nicaragua, Jorge Chediek, each of whom expressed their hope of averting a crisis. After the press conference, Ortega personally delivered the agreement to Alemán's ranch for his approval. Alemán is currently serving out his 20-year house arrest at his luxurious ranch "El Chile" for stealing more than \$110 million from state funds during his presidency ('97-'02).

### **Candidates Gear Up for '06**

Two prominent Nicaraguan politicians have announced their intentions to run for president in the Nov '06 elections, sparking both anger and relief from various sectors. The first announcement came in Dec, when the outgoing mayor of Managua, Herty Lewites, declared his candidacy to run on the Sandinista ticket. The second announcement came in early Jan when current vice-president José Rizo (PLC), signaled that he would campaign to represent the PLC during the elections, after he resigns from his post later this year. According to Nicaraguan law, Rizo must give up his job as vice-president a full year before the elections in order to run for the presidency.

Lewites angered many of his fellow Sandinistas, most of whom felt that he overstepped the bounds of his authority by not consulting party boss Daniel Ortega about his decision. Former President Ortega ('85-'90) has lost the last three presidential elections as the FSLN candidate, but has insinuated many times that he will again run for president, setting up a potential showdown between Lewites and Ortega for the FSLN nomination and the direction of the party. Three-time world boxing champion and incoming vice mayor of Managua, Alexis Argüello, has publicly called Lewites a "traitor" to the Sandinista cause and said that there is "no other man with more [political] capability than Daniel Ortega." Lewites brushed aside Argüello's criticism saying that he respects his personal opinion, but that it would not dissuade him.

In contrast to Lewites, Vice-President Rizo met privately with Arnoldo Alemán, the head of the PLC, and 43 PLC legislators at Alemán's ranch. Rizo stated that he was not seeking the approval or support of Alemán, but "made his position known within the party like a good liberal" so that his party would elect him as the PLC's candidate. The last few weeks have seen Rizo stripped of many of his positions in governmental institutions by President Bolaños because of his support for the congressional reforms. In Dec, Bolaños removed

Rizo from the National System of Prevention and Mitigation of Disasters and the National Commission of Science and Technology.

The announcements by Lewites and Rizo came amid polling done by M & R Consulting in early Jan that indicated most Nicaraguans think that both Ortega and Alemán should retire from politics for the good of the country. Of the nearly 2,000 likely voters questioned, 84.3% of them believe that Ortega should resign from politics and let someone new lead the FSLN. The poll also found that 76.9% of Nicaraguans believe that Alemán is guilty of the crimes of fraud and money laundering and that he should serve his punishment of 20 years in prison.

### **Money Set Aside for Missiles**

In early Jan, the National Assembly allocated \$500,000 to maintain and protect the remaining 1,100 portable SAM-7s in the latest round of posturing about the future of the anti-aircraft missiles. In '04, 1,000 of the missiles were destroyed at the behest of President Bolaños and US officials, who feared that the missiles would fall into the wrong hands, such as drug cartels and terrorists.

However, many legislators, especially Sandinistas, felt that Bolaños was putting Nicaragua at a security risk in order to placate the US. Many legislators, both the PLC and FSLN, were also upset at Bolaños' decision to subvert their authority in matters of national importance. Opponents argue that the missiles offer some protection against a possible US intervention and give Nicaragua a response to its neighbor Honduras' superiority in modern aircraft.

Unfortunately for those who favor keeping the missiles, the problems of securing these weapons was recently displayed on 12 Jan, when a rusted SAM-7 was found in a Managua home. According to police sources, despite the weapon's poor condition, the two men had hoped to sell it. Investigators traced the weapon's serial number, however, it was never listed in army inventories. This incident has renewed concern about the dangers of the countless number of abandoned weapon caches buried by militants on both sides during the *contra* war.

### **Nicaragua Better off than 25 Years Ago?**

In his annual report to the National Assembly on 9 Jan, President Bolaños rhetorically asked his audience of lawmakers and special guests if the country is better off now than it was three years ago when he took office. His response was "definitely yes." In fact, Bolaños told the audience, "We are better off than in any moment in the past 25 years."

To back up this claim, Bolaños spoke mainly of economic improvements that have occurred in Nicaragua since his mandate began. He cited that the country's economy grew by 4.2% last year, the largest rate in Central America. He also noted that private bank holdings grew by \$31 million and that tax collections increased from \$485 million to \$726 million, bringing more revenue to state coffers. Bolaños credited the successes to international support and his macroeconomic policies.

In concentrating mainly on economic news, Bolaños was able to avoid criticism of his biggest problems of poverty and a growing money-laundering scheme. Figures from governmental and non-governmental organizations show that the already high poverty level has grown about 20% in the three years since Bolaños took office. In conjunction with growing poverty rates, 30% of the population and 10% of children ages 1-5 now live with chronic malnutrition. A recent report by the Inter-American Development Bank stated that Nicaragua was the fifth largest country for money laundering in the western hemisphere.

As he finished his speech, Bolaños reminded legislators that while enormous challenges still await the nation, the problems will “not be solved in one night or with magic or with populism.”

—*Cory Schott*