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NICARAGUA

Ortega vs. Lewites: A Political Power Struggle

Since Jan, Herty Lewites, the former mayor of Managua and an aspiring presidential candidate, has demanded that the Sandinista General Assembly allow a primary election to select a FSLN candidate for the country's '06 presidential race. Lewites wants people to have the opportunity to choose, in a democratic election, the person who they believe is best qualified. However, Lewites, who leads former President Daniel Ortega in popularity polls, recently received a hefty political blow. On 26 Feb, in an attempt to diffuse Lewite's threat of undermining the will of the Sandinista General Assembly to elect Ortega as its presidential candidate, the FSLN delegates voted unanimously in an extraordinary session to remove Lewites from the party, along with his campaign manager, Victor Hugo Tinoco. During the meeting, a confrontation outside between Ortega and Lewites supporters left eight people injured.

About a week later, on 6 Mar, the members of the Sandinista General Assembly, in an extraordinary session, chose a willing Ortega as their presidential candidate. Nevertheless, Lewites, with support from the masses, plans to continue his fight to become president, even if he has to create his own party. In the meantime, the FSLN is trying to undermine the legitimacy of Lewites' campaign by accusing him of embezzling money from the citizens of Managua during his term as mayor. They are also prohibiting him from using FSLN symbols during any public gathering.

Teachers' Strike Ends

The participation of 30,000 public school teachers in a strike that continually gripped the nation's headlines ended on 18 Feb, allowing students to finally begin school three weeks behind schedule. The striking teachers came to an agreement with the government to raise primary school teacher's pay to \$112 a month and secondary teacher's pay to \$123 a month starting in Dec. Both salaries are still below the country's monthly basic cost-of-living index of \$126, but significantly better than the current abysmally low salary of \$70 and \$73 for elementary and secondary school teachers respectively (Vol. 24, No.2). Amazingly, only one teacher was reported injured during the strike.

The money to cover the teachers' pay raises could come from the salaries of the highest officials of the government if the National Assembly passes the Salary Regulation Law. Originally proposed in Nov

'03, the law requires a 30-40% cut in the monthly salaries of the president, vice president, magistrates, ministers, attorney general and representatives of the National Assembly. According to the daily *La Prensa*, the majority of government officials approve of the proposed law. Its sudden popularity appears to be due at least in part to the teachers' strike. The proposed monthly salaries are \$5,103 for the president, \$4,403 for the vice president, and \$3,500 for everyone else.

Julio Centeno Gómez, the attorney general, who currently receives a \$4,500 salary called the proposed law brilliant, stating, "I believe it is necessary to reach an agreement [based on] the social reality in which we live." President Enrique Bolaños agreed, but warned that during his years as president many officials had already experienced a substantial decrease in their salaries and that "there will be some professionals sacrificing a lot." The Minister of Education, Miguel Ángel, complains that his salary has already been lowered and he can no longer live decently on \$4,300 a month, let alone on what is proposed.

While some civil servants may leave the government to find other jobs to support their relatively luxurious lifestyles, the Secretary General of the Sandinista National Liberation Front (FSLN), Daniel Ortega, assured that there would be plenty of qualified people willing to take their places. "In Nicaragua there are thousands of experts and professionals, highly rated, who are unemployed, and who in the '80s graduated from the Soviet Union ... Scandinavian countries, Western Europe and Brazil," he stated.

While Nicaragua may be the poorest nation in Central America, the government pays its 91 members of the National Assembly more money than any other country in the region. In addition, the representatives receive free medical insurance, paid foreign travel and a \$500 monthly allowance for gas. The Salary Regulation Law, if passed, would free up almost \$8 million, more than enough to cover the teachers' pay raises.

However, on 4 Mar, in a new dramatic twist, the FSLN proposed a change to the Salary Reduction Law, which, if passed, would actually increase the salaries of all the representatives in the National Assembly by \$1,000, while keeping the proposed pay cuts for all the other high government officials, including the president. It is unclear at this time whether the majority of the representatives of the National Assembly support a salary raise or a reduction.

SAM-7 Missile Update

A US delegation led by Rose Likins, the acting assistant secretary for political and military affairs for the US State Department, met with Nicaraguan officials on 22 and 23 Feb to discuss the Nicaraguan government's progress regarding its promise to destroy an additional 600 SAM-7 missiles this year, particularly in light of the General Weapons Law (Vol. 24, No. 2). The recent passage of this law will likely delay the rate at which the Nicaraguan Army destroys the missiles, due to the FSLN's opposition.

Likins, concerned about recent reports regarding missiles falling into the wrong hands (Vol. 24, Nos. 1 and 2), stated, "Our concern is that this type of [missile] without adequate controls represents a major threat for the entire region and world aviation." She also expressed her concern regarding weapons and missiles that already may be in the hands of civilians.

Nicaraguan military officials and civilian authorities emphasized during the reunions with the US delegation that there is no possibility that a SAM-7 could fall into the wrong hands. As for the strong possibility that illegal weapons are already in the possession of civilians, the Minister of Defense, José Adán Guerra, reached an agreement with Likins that pledged US financial help if the Nicaraguan government implements a plan to find and confiscate those weapons.

At the end of her visit, Likins said the US efforts to have the SAM-7s destroyed are part of a plan to rid the world of unnecessary and dangerous weapons. To date, the US government has overseen the destruction of some 10,000 anti-aircraft missiles in other countries.

Textile Industry Remains Strong

In '04, the textile industry saw an increase in employment, investment and the number of corporations settling into the free trade zones of Nicaragua. Industry leaders expect this growth will continue into '05 as corporations continue to move their industries to Nicaragua, while abandoning other countries in the region due to increasing production costs. According to the National Commission of Free Trade Zones (CNZF), the *maquiladora* industry exported \$600 million worth of goods in '04, a 35% increase from '03. CNZF statistics also show that the number of corporations and the number of employees in the industry grew by 26% and 10%, respectively, during '04.

Despite the fact that, beginning 1 Jan '05, countries are no longer permitted by the World Trade Organization to impose quotas on the textile industry worldwide, Nicaragua will still be able to compete with China and other countries that hold an attractive labor market for multinational textile companies. Among the reasons the textile industry will continue to grow in Nicaragua include a relatively safe environment to set up shop, low labor absenteeism, cheap land cost and miserable wages, which are comparable to many parts of China. In terms of its exports to the US, shipping is also cheaper from Nicaragua than from Asian countries.

Nicaragua is also able to cut costs because it imports its fabric, thread and other supplies from Asia (rather than from the US), the only country besides Guatemala to do so, and the only country that would be able to do so if the Central American Free Trade Agreement (CAFTA) passes. Although the cost of electricity in Nicaragua is higher than in China, the textile industry is negotiating with the Nicaragua Electricity Company to lower the cost. By the end of the year, Nicaragua hopes to increase its employment in the textile industry to 90,000 people, up from 66,000 people at the end of last year. While many applaud the potential for an increase in employment, others are concerned that, as nations continue to compete for these jobs, the humane treatment of the workers will remain questionable, objectionable or deteriorate further.

Nemagon Victims Continue to Seek Compensation

Three thousand peasants marched into Managua on 2 Mar to demand that the government adhere to an agreement it made last year with them, which includes the payment of \$14 million in healthcare expenses to cover the damaging affects of the toxic pesticide Nemagon (Vol. 21, No. 11). Although Standard, Dole and Chiquita Brands are the corporations directly responsible for nearly 1,000 deaths that are attributed to the use of the chemical, they will not take responsibility for their actions and refuse to pay the hundreds of millions of dollars (in addition to the government's promise of \$14 million) that

Nicaraguan courts have ordered them to pay to compensate the victims that are still living (Vol. 22, No. 11). The producers of the chemical—Shell Oil Company, Occidental Chemical Corporation and Dow chemical—have been sued also.

The workers, including the Association of Western Banana Workers, plan to continue protests in Managua, at least until they get a positive response from the government.

—*Paul Lubliner*