

# *MESOAMERICA*

*Volume 25, Number 5, May 2006*

---



## **NICARAGUA**

### **US Ambassador Meddles in Nicaraguan Politics**

On 5 Apr, US Ambassador Paul Trivelli sent letters to Nicaraguan conservative party leaders and presidential candidates, offering them financial and technical assistance, and proposing a primary election to unify the right-wing under one presidential candidate. A lack of interest in this strategy from the party leaders, however, abolished Trivelli's plan. These failed efforts were pursued to help guarantee the defeat of the Sandinista National Liberation Front (FSLN) presidential candidate, Daniel Ortega, and the Sandinista Reform Movement presidential candidate, Herty Lewites, in the 5 Nov election.

Ideas for right-wing unification surfaced amid allegations that Liberal Constitutional Party (PLC) leader and former President Arnaldo Alemán, who was granted "conditional freedom" on 30 Aug '05 after being convicted in '02 for stealing \$100 million from the government during his '97-'01 presidency, had manipulated votes in the party's primary election (Vol. 24, No. 10). It is believed that Alemán manipulated the results to uphold a deal with Ortega to place a weak PLC presidential candidate, José Rizo, in power in exchange for amnesty for Alemán if Ortega wins the presidency.

On 17 Apr, PLC party leaders met with Trivelli to discuss uniting the conservative parties; however, party leaders unanimously supported Rizo as their presidential candidate and ended negotiations. The following day, negotiations also failed with National Liberal Alliance-Conservative Party (ALN-PC) presidential candidate Eduardo Montealegre, ALN party members, and International Republican Institute representatives. After concluding the meeting, Montealegre and Trivelli characterized any alliances with the PLC as impossible as long as Alemán remains in control of the party.

Ortega responded to Trivelli and reminded him of the Vienna Convention that "expressly prohibits diplomats from interfering in internal matters of the country where they are assigned." According to Supreme Electoral Council (CSE) President Roberto Rivas, political parties are able to receive foreign money for training and technical assistance, but may not use that money for electoral campaigning. Trivelli described his actions as a response to the requests of Nicaraguan "democratic parties" for US support to maintain democracy. "This is part of my job ... whatever diplomat in whatever country may talk with the political parties, talk with the economic groups, and talk with the people of Nicaragua."

After Trivelli's 18 Apr meeting, he stated that the US "will continue pushing for unification." All alliances and their candidates (presidential, vice presidential and legislative) must be registered with the CSE by 19 June and no changes will be permitted following that deadline.

### **Transportation Strike Continues**

In consideration of the needs of Managua residents, bus drivers decided on 5 Apr to suspend their complete strike and return to providing transportation services at 50% capacity. Bus drivers are collectively demanding a subsidy of \$1.18 million a month or permission to raise fares from \$0.15 to \$0.18 to cover increasing fuel costs.

President Enrique Bolaños presented a two-law initiative to the National Assembly in mid-Feb to resolve the problem. If approved, the initiative would (1) allot \$2 million to reimburse bus companies the additional fuel costs in Feb and Mar, and (2) transfer the administrative responsibilities of the Transportation Regulatory Institution of Managua (IRTRAMMA) to the Ministry of Transportation and Public Works. The initiative to resolve the problem was to be discussed from 25-27 Apr in the National Assembly; however, legislators failed to reach a quorum on those three days. Rafael Quinto, president of the Regional Union of Collective Transport Cooperatives, reacted by threatening to restore a full work stoppage if a solution was not reached immediately.

Some bus cooperatives began charging a \$0.18 fare on 2 May, even though Francisco Alvarado, director of IRTRAMMA, expressed his objection to the measure. "We demand that the bus cooperatives respect the law," responded Alvarado. "[Those who] raise fares will risk the cancellation of their transportation licenses." IRTRAMMA fined bus drivers who continued to charge the unauthorized fare, threatening to suspend their licenses if they are caught more than twice.

The increased fare has sparked negative reactions from irritated passengers. On 3 May, a group of hooded young people entered a bus parked in front of the Managua Campus of the Autonomous University of Nicaragua; assaulted the bus driver; forced the 45 passengers out of the bus; and started a fire, aided by mortars and gasoline, that destroyed the bus. Luis Benavides Blandón, vice president of the National Union of Nicaraguan Students (UNEN), stated that, although UNEN opposes the increased fare, it does not support this type of violent action.

### **Health Strikes: FETSALUD Negotiated, Four Pro-Salary Doctors on Hunger Strike**

Representatives from the Federation of Health Care Workers (FETSALUD) and the Ministry of Health (MINSAL) negotiated a 16-point agreement on 6 Apr that terminated the 24,000-worker strike that brought hospitals to a near standstill since Nov '05. The Pro-Salary Doctors are continuing their protest, and four doctors began a hunger strike during the week of 23 Apr.

The 16-point FETSALUD-MINSAL agreement includes a 30% salary increase for all healthcare workers earning less than \$1,176 per year (16.25% in addition to the 13.75% allocated in the '06 budget), a guaranteed uniform for all workers, and an additional \$1.76 million to supply hospitals and health centers with medicine. MINSAL, as stated in the agreement, will also make medicine more accessible to the population by reducing costs and promoting generic drugs. The entire health sector will receive a

total of \$15.3 million. Negotiators reached an agreement at 2:30 in the morning, after 12 hours of discussion.

Negotiations between the two striking organizations (FETSALUD and Pro-Salary Doctors) and MINSA have developed separately because of the Pro-Salary Doctors' desire to keep their discussions apolitical, a reaction to FETSALUD's affiliation with the FSLN.

The Pro-Salary Doctors are demanding a 13.25% salary increase in addition to the 30% increase already awarded by the government (16.25% from the FETSALUD agreement and 13.75% from the '06 budget). Elio Artole, president of the Pro-Salary Doctors' Federation, expected to sign a final agreement with MINSA on 8 Apr and announced 11 Apr as the final day of the strike; however, what appeared to be the conclusion of the strike developed into further tensions between the Pro-Salary Doctors and MINSA. "The doctors will not conclude their five-month strike if our demands are not accepted by the government," responded Artole.

On 19 Apr, after a confrontation with police that resulted in the arrest of three doctors, the Pro-Salary Doctors shut down six hospitals for 24 hours as an attempt to pressure the government to concede to their demands and approve salary increases. When the government failed to satisfy the doctors' demands, one doctor began a hunger strike on 25 Apr in the Nicaraguan Red Cross headquarters. The following day, two additional doctors joined the hunger strike, and another joined them on 28 Apr.

Government officials blame International Monetary Fund (IMF) restrictions as an obstacle to increasing salaries by more than 30%. IMF loan packages depend on the maintenance of a budget that follows IMF requirements; limitations on public sector salary increases are instituted as a measure to limit inflation. Nicaraguan doctors currently earn \$150-\$300 a month and have the lowest salaries of all doctors in Central America. For example, even though Nicaragua and Honduras have a comparable per capita income, Honduran doctors earn three times more than their counterparts in Nicaragua. The Nicaraguan Central Bank reports the average minimum wage as \$75 a month and the cost of the basic food basket as \$162 a month. Nicaragua's 695 top government officials earn an average monthly salary of \$3,500, plus free vehicles, gasoline and insurance. These officials consume almost 1% of the GDP.

Since the beginning of the strike, infant mortality has risen 10% and maternal mortality has increased 6%. Doctors are only attending to the most severe cases, forcing citizens to seek care in private facilities, which the poor cannot afford.

At least 300 demobilized members of the Nicaraguan Resistance arrived at the Red Cross headquarters on 3 May in support of the hunger strike to pressure the government to approve the salary increase. On 5 May, 88 doctors were arrested and 22 were injured after National Police restricted protesting doctors from entering the office of the Ministry of Finance to demand negotiations.

### **Higher Inflation and Larger Trade Deficit Predicted**

National economists predict an increase in inflation and in the trade deficit as consequences of increasing petroleum costs in Nicaragua. IMF officials believe inflation will reach 8.8% this year, climbing 1.5% higher than official preliminary projections, but still lower than the 9.6% inflation reported for '05.

The government spent more than \$150 million for petroleum in the first quarter of '06, \$12 million more than in the same quarter of '05. According to the Center for Export Procedures, first quarter petroleum expenses were equivalent to the foreign currency earned by Nicaragua's six principle exports: coffee, beef, lobster, dairy products, peanuts and gold.

—*Jason Eichorst*