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Nicaragua: Government Confident Of Popular Support In Face Of Austerity Measures

by Deborah Tyroler

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Despite the Nicaraguan government's serious economic and political troubles, it remains confident of support by the majority of the Nicaraguan people. The announcement on Jan. 30 by President Daniel Ortega of new austerity measures, according to some analysts, is evidence of the government's confidence. In its Feb. 1 issue, the New York Times cited an unnamed US citizen with long experience in Central America: "There are only a handful of countries where you could even consider something like this. If you tried this in most of Latin America there would be riots in the street." The size of the cutback in government spending nearly half the overall budget virtually ensures that further hardship will affect all social sectors. The discharge or layoff of 35,000 public employees alone will directly impact on more than 1% of the entire population. This measure is equivalent to the sudden layoff of more than 2 million people in the US. The cutbacks guarantee that unemployment will sharply increase, and public services will further deteriorate. Members of the Sandinista directorate met in almost continuous session in the past month to discuss what could be done to remedy Nicaragua's teetering economy. In official statements, the plan that eventually emerged is theoretically composed of two parts: layoffs and cutbacks, and an effort to work out cooperative agreements among political, labor and business groups. Government officials have held a series of meeting with opposition businesspersons, and recently established agreements with cotton and coffee growers, cattle ranchers and the former owners of the country's largest sugar conglomerate in an attempt to establish a common interest in reviving production. (Basic data from New York Times, 02/01/89)

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