

4-7-1989

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Recommended Citation

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On Economic "concertacion" In Nicaragua

by Deborah Tyroler

Category/Department: General

Published: Friday, April 7, 1989

Economic "concertacion," or cooperation from all sectors of society toward laying the foundations for future economic development, is a topic of fierce debate in Nicaragua. Criticisms of the government's concertacion proposals are delivered by organizations and individuals from the far right to the far left. Excerpts from statements by government officials attempting to explain the concept of concertacion, and to respond to critics, appear below. President Daniel Ortega, March 10 address at a livestock fair: "...Nicaragua's problem is not one that the capitalists are going to solve. It won't be solved by giving the capitalists economic control again because then we would have to organize a revolution again, and we've already done that... "We are now moving toward a process of economic concertacion which has been underway for years. There's a private sector in our country which has...kept on working despite the aggression and tremendous political and social tensions that have emerged over the years. The tenacity and determination of those who have been producing rather than engaging in de-capitalization must be recognized. " ...But some producers dedicated themselves to decapitalizing. They went to the bank when credit was totally subsidized. We subsidized them for nine years. They would take out money, invest a part in their business, real estate, or farm. The rest they would exchange for dollars, used in speculation, or put in US banks or invested in other Central American countries... "The agrarian reform is not aimed at making the State into a landowner. It is aimed at giving land to the campesinos. Today, there are many more private producers than before the revolution. This is the work of the revolution giving land to campesinos in cooperatives or on an individual basis... "We have no limits on property here. Limits are set by productivity. If someone produces well on 5,000 or 10,000 manzanas [1 manzana = 1.73 acres], then they should work those 5 or 10 thousand manzanas...We're not opposed to this, we favor production. We do not put limits on property [ownership] as such as a policy. It is true that some efficient producers have been affected [by agrarian reform], but those cases are few and far between... "Concertacion is a reality, a fact of life in Nicaragua since July 19, 1979. There have been difficult moments... A lack of trust and insecurity has affected all concerned. Despite this situation and all limitations, the revolution is committed to a real space for producers...[T]he revolution guarantees it, and most producers have accepted the challenge of staying [and continuing their activities]. "Today, we are experiencing a new phase in which the war is moving onto a secondary level, total peace is on the horizon, and economic management efforts have become more important. Our...responsibility has to be greater, too. The costs we pay to raise and reactivate production will be lower to the degree that we are all willing to act cleanly, with honesty, with security. The costs will be higher if we do not act along those lines." Interior Minister Tomas Borge, interview published in Barricada, March 7-8: "...The objective of the [recent economic] measures has never been to solve the [economic] crisis. In order to resolve it, an essential ingredient is the definitive end to the aggression and its consequences. An end to the aggression is not enough to overcome the crisis, but its end is absolutely necessary to begin the process of resolve the crisis. "This is related to politics since political measures adopted are aimed at holding back the aggression and, in the final analysis, at overcoming the economic crisis. The results of political measures adopted now will be linked to ending the war. "The [economic] measures were not intended to be indefinite...Changing from one kind of economic policy measure to another does not mean a lack of ability to define

measures in the past, but that adapting new measures to a changing situation was required. In general, appropriate measures for each moment have been taken... "Economic concertacion cannot, nor should it, be understood as offering unilateral concessions, i.e., renouncing the class struggle. This is an objective factor; it exists outside our will. "It's logical that popular sectors have doubts about the economic conduct of the private sector, and that the private sector have doubts about what is being put forward by a revolution which represents popular interests. These doubts should be the theme of concertacion. If we could define concertacion, we would say it consists of discussing the historical mutual distrust that exists among those sectors, and coming to an agreement on some basic questions in order to rescue the country from economic crisis without having a particular social sector renounce its objectives... "There are no substantive changes [to the FSLN's policy of social alliances]. Rather, I would say the changes are of a tangential nature. What changes is the form and the context of the alliance. On the one hand, concertacion is a new form of alliance on the economic level, where ways of linking different economic sectors together are defined around a common objective. On the other hand, this new form corresponds to a new political concept of the transition from war to peace. The aggression worked against the functioning of the mixed economy and knocked off balance production and market relations that serve as a framework for the various socio-economic sectors. Reestablishing the economy therefore means reestablishing the relations between different economic actors. In the context of the revolution, this cannot be a spontaneous process, but instead is the product of a rational agreement among all sectors about the contribution of each to achieving the goal of economic stabilization... "Workers are putting more sacrifices on the table [of concertacion] for the sake of their historical objectives. They have shouldered most of the burden of the economic difficulties during the course of the revolution and I don't think this is a new historical phenomenon. Because they are the most directly linked to production, know the employer- owners best, and know the potentials, the real limitations and those invented by our enemies, they're the ones who should be the best prepared for concertacion and understand that their contribution is essential. They join together with the government which represents them in order to demand norms of behavior from business owners. Workers must act with...independence, examine their own interests, know how to distinguish between immediate and medium- and long-term interests. They must know that for the sake of medium-term interests, it is necessary to make some sacrifices, even to the point of making tactical retreats for the sake of strategic advances... "Theorists of scientific socialism got over the idea a long time ago that mercantile relations were only associated with capitalism, that they are alien to socialism... Market relations are objective phenomena. The idea is to employ them in a conscious way and avoid their blind operation. Market mechanisms are used by capitalism to reproduce its own system favoring dominant groups, just like socialism uses them for its own ends. Our society, which is not capitalist, and aspires to be a socialist society, cannot ignore these general economic laws. The key is knowing how to apply these instruments. Just like with a rifle, some pick it up to defend the interests of the most reactionary classes, but it can also be fired in the interests of the revolutionary classes. Economic mechanisms, too, are used to promote or extend given class interests..." Henry Ruiz, Minister of Foreign Cooperation. Interview published in Barricada, February 24-25: "...We have to say straightforwardly that these crucial moments in our national life demand that the people, especially salaried workers, are those who have to sacrifice the most. But we must also say that they are the ones who have the most interest in seeing the [economic] measures work in order to get a perspective on a solution to this difficult situation. "...[S]ome (workers) will be come out ahead: those in primary activities, profitable ones...We are clear about the need for a minimum wage. However, under the current circumstances we cannot set a minimum wage level, since it is defined

as 35% of what it costs to purchase a basket of 25 products...For the whole population to have access to this 35% as a minimum, we would have to at least triple the amount of money in circulation. Instead, we have opted for gradual adjustments that will be related to real possibilities based on production increases... "Stopping inflation and stabilizing prices are necessary preconditions to improving salaries and wage policies... "There are business owners [in Nicaragua] who, despite being 'blessed' with credits and the means of production, do not produce and get involved in other things. They complain of taxes, of paying double, without taking into account how the war is directly reflected in these fiscal matters because costs rise and production levels do not keep pace. Business owners have been affected, like everyone else. But they haven't been affected like the workers. That is why concertacion is necessary. Concertacion must put forward a framework of confidence. This is necessary...not just for the government because it's not just the government being affected but for the whole nation... "If we want development, everyone has to contribute to ending the war...The war makes ideological contradictions more acute. Certain sectors see a chance that the US will intervene, align themselves with this possibility and stop contributing to economic development. Democracy is spoken of...What will not be allowed is the free practice of interventionist politics as an expression of democracy. No government would allow it because such practice constitutes a betrayal of national interests. "I don't think concertacion is class conciliation, because everyone will still try to find the way to look out for number one. Workers will want higher salaries, business owners more profits, etc. But we all have to do our bit to contribute to the goal of stabilizing the economy." (Basic data from 03/22/89 report by Regional Coordination for Economic and Social Research of Central America and the Caribbean-CRIES, Managua)

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