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Interview: Nicaraguan President Daniel Ortega On 10 Years Of Sandinista Rule, Current Economic & Political Issues

by Deborah Tyroler

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[President Daniel Ortega has been the Nicaraguan government's top leader since July 19, 1979. If re-elected president in the February 1990 vote, he would continue as president until 1996. Ortega also coordinates the nine- member national directorate of the Sandinista National Liberation Front (FSLN). The interview was conducted by Marta Zamora and Sandra Garcia, and distributed in early July by the Regional Coordination for Economic and Social Research of Central America and the Caribbean (CRIES, Managua).]

Q: What is your perspective on the leadership experience of the FSLN national directorate? Ortega: We have managed to consolidate a collective leadership body...The more a decision is discussed, the more it is enriched. We are living through such tense and dynamic situations that rapid decisions are needed, but we always ensure that they are discussed beforehand. An important element of acting with wisdom is to guarantee that a decision is not left in the hands of just one person. This is not an experience unique to Nicaragua, but we have given it a different quality. The first part of every weekly meeting of the national directorate consists of making and reflecting on criticisms and self-criticisms... You cannot lose sight of the fact that some people run the risk of losing touch with reality when they have certain responsibilities and power... Q: What was the worst moment for the revolution in the past 10 years? Ortega: I would say there were two equally difficult moments...One was after the US invasion of Grenada in 1983, when US spy flights occurred, and our intelligence sources clearly indicated that there was a real danger of a US invasion. We had to deploy troops throughout the country and break up concentrations of military equipment and armored vehicles in the expectation of an aerial attack. This happened again in 1985. The other extremely tense moment was the arrival of Hurricane Joan in October 1988. Q: And the best moment? Ortega: Among the happiest moments was the rally on Aug. 23, 1980, when the literacy campaign was brought to a close. That was impressive: the youth joining together and teaching the people what they had always dreamed about reading and writing and receiving from these newly literate people their own personal social and economic experiences. It brought together the youth and the people from the barrios, the cities, and the countryside. The literacy campaign demonstrated the true dimensions of the quality of the revolution: giving of itself all the way. Q: Socialism appears to be experiencing a crisis. When you claim that the Nicaraguan revolution is socialist in orientation, what type of socialism are you referring to? Ortega: Socialism is not going through a crisis, but rather a process of global self-criticism. This is natural considering that the October Revolution is 70 years old, and the capitalist experience that was born with the bourgeois revolution is commemorating 200 years. This process of self-criticism ratifies the view that we Sandinista revolutionaries had when we started off: socialism is not a finished product nor a prescription to be applied mechanically. We defend the idea that socialism should be applied and moved forward according to the specific conditions of each society. We launched an experiment starting with an analysis of our own roots, historical values, and socio-economic characteristics, and of the Latin American and global geopolitical context in order to take the right steps to strengthen a revolutionary process that can take on a socialist character. We are trying
to strengthen this tendency without having anyone tell us that to be socialists we are obliged to do the same thing as the Soviets or the Chinese. In our case, the process involved a first stage in which revolutionary power had to be defended. The last ten years have been a prolongation of the fight against the Somoza dictatorship. Since then, we are up against US imperialism, but with the revolutionary forces in a better position, with power in the hands of the people. Power is at stake in this confrontation...

Q: What has "perestroika" meant for Nicaragua? Ortega: The USSR is maintaining the same level of economic and military cooperation with us as before. The aid level has actually increased since companero [Mikhail] Gorbachev came to power. He has responded to the degree that there have been shortfalls by others. When Mexico stopped supplying us with petroleum in 1985, I took this up with Gorbachev, and the Soviet Union decided to provide us with 50% of the fuel we needed. We were able to cover the rest with cooperation from the German Democratic Republic, Cuba, Bulgaria, Czechoslovakia, Poland, and the Arab countries. Of course, perestroika brought about new ways of doing things and that leads to a new type of relationship with Nicaragua, although the USSR has always understood that our country needs cooperation and cannot participate in a normal trade relationship at this time. Q: What is this new type of relationship? Ortega: They are moving in the direction of business operations, compared to a previous emphasis on political objectives. Before, the political line was laid down and their companies implemented it. Now, with the business-style organization the Soviets are promoting, new forms of cooperation that we could not imagine back then can be encouraged and explored, on a company-to-company basis. Q: What has perestroika meant for Sandinismo in theoretical terms? Ortega: Sandinismo really has its own dynamic. We put forward the ideas of a mixed economy system and political pluralism as the correct way to creatively apply revolutionary theory to our reality. We are true marxists and not dogmatists... The movement centered around perestroika in the USSR is completely revising their whole economic, political, and social way of doing things. The movement has resolved to promote reforms of openness and democratization within an already established socialist state... The Nicaraguan process, while it is of socialist orientation, maintains that in order to guarantee the revolution at this time, in order to generate wealth and distribute it, a definitive peace must be attained. We are in a stage of overall defense of revolutionary power, calling on all social and economic sectors and opening economic and political space to forces that are opposed to revolutionary power and could even become the government through elections. Q: Speaking of elections, will the opposition ever unite in order to contest them? Ortega: Three groups are shaping up. One is of the extreme right totally controlled by the US, or the parties affiliated with UNO [United Nicaraguan Opposition]. We have other parties with more independent positions the Social Christians, the Conservatives. Finally, there are the parties with marked ultra-leftist positions. The gamut is pretty representative of the thinking in Nicaragua and of the expressions of US policy. The US is working to form this rightist coalition. Washington drew up a program, known as the "Blue and White" plan, and sent it to COSEP [Superior Council on Private Enterprise]. The program is aimed at reversing the gains of the revolution and "legally" taking land away from the people who have benefitted from the agrarian reform. Q: Can the danger of a "Panamization" of the February elections be avoided? Ortega: In Nicaragua we cannot talk about "Panamization" because the two situations are different. Nicaragua and Panama agree on clear Latin Americanist positions regarding the defense of sovereignty, but their social and economic projects and political proposals are different. We carried out a...socialist-oriented revolution, and since then have put forward the ideas of a mixed economy, political pluralism, and non-alignment. On Panama's agenda, the first point is the recovery of the canal and this is tied to the struggle for sovereignty. The US does not have the room here that they had in Panama to do whatever they want. The political and ideological
position of Nicaragua's social forces closes that space here... Q: What have been the toughest international pressures, besides those from the US? Ortega: The most difficult have always come from the United States: the trade embargo, the covert war, the intransigence of Reagan, the threat of intervention that they have never discarded... The United States applied serious pressure on the other Central American governments to isolate Nicaragua and break relations with us in order to be able to declare war on the basis of a call for help from these governments. The US put strong pressure on Honduras when Roberto Suazo Cordoba was president and Gen. Gustavo Alvarez was chief of the Armed Forces, on the Costa Rican government of Luis Alberto Monge, and on the government of El Salvador headed by Jose Napoleon Duarte. I believe Mr. Duarte when he says that the US military used El Salvador as a base for aggression behind his back. In spite of everything, the United States did not succeed in breaking Central American nations' relations with Nicaragua or having them declare us a threat to security. In other words, the US could not carry out a rerun of the Grenada experience, where the Caribbean countries asked for US intervention. Early on, the US used Argentina. Some in the Panamanian military helped out as well. The US was active everywhere, on other continents. The Iran-contra-gate scandal revealed that many governments were involved in these activities. Q: Is the Esquipulas peace process a dead letter? Ortega: Esquipulas has its ups and downs. A peak moment was when the agreement was signed in August 1987. Nicaragua gave it new life at the meeting in Costa Rica in January 1988 and again, together with Honduras in February 1989, when they accepted the plan to disband the contras. We are setting the date for the next summit. The scenario now includes a new government in El Salvador questioned for its policies of violating human rights but it is the government with which we are obliged to continue promoting the process. The first point on the agenda is contra dismantlement. There is already an agreement by the foreign ministers to get the project moving. El Salvador is talking about a symmetry between the contras and the FMLN, but this is not possible. The meetings of the deputy foreign ministers made this clear. If El Salvador is going to act realistically, they must respect this agreement. We are in favor of the search for a negotiated solution in El Salvador. They have to find elements that will allow for reducing the gap between the positions of the government and the FMLN in order to strengthen the negotiating process. That's the order of the day: to search for negotiated solutions. This includes Guatemala where the revolutionary movement is calling for negotiations. The US will try to derail the process by using El Salvador so that the contras are not disbanded. This is going to be a very sensitive point, on which the US will have to be pressured to let the Central American governments act on their own. Q: We are experiencing a period of relative peace. Is it possible to once again talk about national reconstruction? Ortega: The US strategy to destroy the revolution with mercenary forces has been defeated, but the contra activity has not ended, nor has the threat of their reactivation. We have been unilaterally renewing the cease-fire month by month, but contra attacks from January to June have left 622 dead, counting civilians, soldiers from the army and the Ministry of the Interior, and contras. All are Nicaraguans, all are victims of US policy. There have been 278 wounded, mostly civilians, 32 civilian disappeared, and 181 kidnapped. In all, 1,113 victims. We have made efforts to limit defense spending, but it always takes a big chunk of the national budget and cannot change while this confrontation exists. Q: The war has been won in military terms, and the battle now is for economic recovery. What is the new production strategy and who are its protagonists? Ortega: We are attending to the problems of production with an economic program that has been in full swing since January. These measures were actually initiated in 1985, but we opted for maintaining social welfare projects and investments already underway instead of an all-out implementation. The severity of the crisis forced us to take the dramatic measures of February 1988 (currency reform) and others early this year. The measures have an International
Monetary Fund (IMF) profile, if you wish, but they do not adhere to IMF practices because we think about this plan in a political sense. The economy is affected greatly by the war, with a total over the years of $15 billion in direct and indirect damages and more than 55,000 victims. This is the most attacked economy in Latin America. I use the word "attacked," because all developing nations are attacked by the policies of the industrialized countries with market economies. CEPAL [UN Economic Commission for Latin America] states that the per capita income in Latin America is at 1968 levels, and that no way out of the economic mess has yet presented itself. The inflation indices in Brazil, Peru, and Argentina are hair-raising, and social explosions are cause for concern. In this context, the Nicaraguan economy has managed to survive in the most disadvantageous of conditions. The economic program responds to the political logic of strengthening the mixed economy and therefore, political pluralism. Many factors intersect: the elections which are moved up to February 1990 and the program of economic adjustments that strengthens the productive sector, in which there is a large number of private producers. The program demands some amount of sacrifice from everyone, but undoubtedly the most hard hit are the wage workers, followed by small industry and artisans. The least affected are the business owners, although of course they are also affected in the context of a policy of [US] aggression and a trade embargo that impact on the economy as a whole. Our economic program demands a restriction of public spending, and that provokes unemployment. It demands greater efficiency from private and state-sector producers which means that in ensuring profitability and productivity, they must get rid of their surplus employees. These measures cause unemployment in practically all economic sectors, but in the name of the majority interest in order to salvage the economy. The idea is to control inflation and create conditions to reactivate the economy. Our short-term objective is to avoid further economic deterioration, rather than great economic leaps forward. The effectiveness of our own policies are limited by pricing policies for export products imposed abroad. We must continue struggling together with the developing countries in order to change these international trade relations. Q: Many producers are highly critical of government economic policies. They have complained of uncertainties, that land expropriations continue... Ortega: The leadership of COSEP wants the revolutionary state to act paternalistically. Although they defend the capitalist system, when it comes to their own relationship with the state, they want it to guarantee their economic fortunes. We are attempting to enhance conditions providing stability for the producer, but we think that he has to run some risks. Producers involved in COSEP want the guarantee that Washington demands, which is to make the revolutionary government disappear and to establish a traditional capitalist system model. The US, opposition parties, and COSEP would only feel adequately supplied with guarantees in a capitalist system. As long as this does not exist, they are going to feel insecure. Here there is a class struggle which is expressed very clearly. They cannot have confidence in a class which is their antagonist and holds the tools of power, just as the working class cannot have confidence in the capitalist system, or in capitalists who exercise power. Q: What is the future of economic "concertacion"? Ortega: The future of "concertacion" is to be found in the strength it may rely upon from the grassroots over the last ten years. Many producers that had never been organized by COSEP are now in the National Union of Ranchers and Farmers (UNAG), which is the patriotic option presented by the revolution. Others who were previously affiliated with COSEP have gone over to UNAG. There are many producers in the COSEP member organizations who do not accept its political proposals. This was apparent during their last assembly, when several regional leaders rejected the central leadership's plans to seek confrontation with the revolution. I would say that the COSEP directorate is looking to exacerbate the class struggle in its affiliates, but the audience for its message is dwindling. We are waging an ideological struggle with these people
in order to isolate them. On the other hand, the producers know that the government does not make
demogogic proposals and that is why the number of small- and medium-size producers has grown
since 1979. Thousands of campesinos who had no land before 1979 have benefitted from the agrarian
reform. They are organized in cooperatives and are aware of the benefits of the revolution such
as credit policies and incentives. They know that the bank will not foreclose on their land if they
can't pay their debts. It is necessary to be firm with those who try to weaken an important economic
program of national interest such as the economic recovery plan. We have taken necessary action
against those who try to sabotage production, call for production strikes, and generate mistrust. An
economic player acting this way is not interested in producing, and logic dictates that his property
should go to campesinos who have no land and want to produce. There is demand demand for
land throughout the country. We want to establish a land bank with the plots we are recuperating
from the war zones, with those provided by private producers, and with state properties. Q: Can
a project of popular hegemony be consolidated using market economy methods? Ortega: In this
program, workers are given priority. Producers are not neglected, but encouraged to participate
in the effort. Thus far, the response has been positive. It is true that the adjustment program has
an IMF profile, but all the economic elements, like technologies, are universal and can be applied
wherever it is necessary to do so. What is important is in whose interests it is done. Liberal
economic elements can be applied in a capitalist state, and we know whose interests they’ll defend.
And liberal economic elements can be applied in a revolutionary state, and we know whose interests
they’ll serve in that case. The objective being defended is the important issue, independently of
the instruments being used. This promotes confidence. There are, however, objective factors that
create insecurity...The workers complain because they are sacrificing the most while at the same
time, some producers hold counter-revolutionary positions and others are producing less than
they should. The contradiction obliges us to administer economic methods. In June, we decided
on a salary readjustment that the IMF would never have allowed if we were applying one of their
programs. When we decided on a 64% pay hike for teachers and health workers and a 50% increase
for public workers, when we exempt small industry from paying income tax, or give free milk in the
schools, we are going against IMF logic. We are applying the program in a flexible way so as not
to leave unprotected the sector that is the "raison d’etre" of the revolution: the workers. Our main
objective containing inflation has been achieved so far this year. In the past few months, inflation
has declined to below 20%. In June, inflation jumped to 62%. But we must take into account the
sharp devaluation of about 120%. Without the devaluation, inflation would have surely been held at
about 36%. Even with the devaluation, inflation has been relatively contained and we can state that
the cordoba-dollar exchange rate will not change in July. Q: However, concessions have been made
to some sectors... Ortega: The program has not been applied perfectly, but in a political way. When
flexibility with producers is necessary, we must be flexible, and the same goes for workers. We are
using a political logic, but there is a drawback: we cannot count on foreign financing due to the US
economic embargo, and its influence in blocking our access to the Inter-American Development
Bank, the World Bank, and the IMF, although we continue to have relations with them. European
cooperation is also low. The US is currently engaged in efforts to ensure the failure of our economic
program, and is making a fuss in the press. The State Department issued an economic analysis
based on observations made by Lance Taylor. They manipulate it and try to present the economic
program as a prima facie failure. They are also disparaging the electoral process. They want people
to think that if the economic program fails, the Sandinistas can handle the electoral situation only by
fraud. The US believes that Sandinismo will be victorious in the upcoming elections, and so they are
already trying to discredit the elections. Political and economic questions are mixed everywhere, but
here it is exacerbated by the confrontation between the revolution and the US. To the degree that the US strikes a belligerent pose, domestic players, like COSEP, the rightist parties, and La Prensa, will follow suit. When the US changes, we will see these people change as well.

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