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Nicaragua: On Social Pact Among Labor Unions, Government & Some Private Employers

by Deborah Tyroler

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After 36 days of government-sponsored negotiations aimed at reaching consensus on socio-economic policy ("concertacion"), on the evening of Oct. 26 participants at the talks signed an agreement. The pact is to remain in effect for a minimum of six months. The National Workers Front (FNT), affiliated with the Sandinista National Liberation Front (FSLN), promised to exhaust all legal remedies before launching strikes. President Violeta Barrios de Chamorro's government promised to respect forms of property outlined in the nation's constitution, provide credits to agro-export producers and small- and medium-sized businesses, establish commercial banking without damaging state-run institutions, and to reduce the fiscal deficit in ways that do not affect employment. In addition, minimum wage legislation will be drafted based on the cost of 53 basic consumer goods and services. Private employers agreed to establish an employment bureau to assist in job relocation for public employees who quit voluntarily. Of the Superior Council of Private Enterprise's 35 member organizations, 13 refused to sign the agreement. The latter argued that the new accord did not clearly articulate that assets confiscated by the Sandinista government would be returned to former owners. In explaining COSEP's refusal to endorse the pact, Council president Gilberto Cuadra told journalists that "we cannot legitimate the barbarities committed by the Sandinista regime." Nevertheless, he added, COSEP will continue supporting Chamorro's "democratic government." On Oct. 28, after meetings with Presidency Minister Antonio Lacayo and army chief Gen. Humberto Ortega in Managua, former contra commanders announced support for social pact. At a press conference in Managua on Oct. 30, Cuadra accused President Chamorro of extreme weakness, since she caved in to the Sandinistas. The social pact, he asserted, does not create a climate of confidence for exiled Nicaraguans to return and invest, since they lack the right to demand the return of their property. COSEP vice president Ramiro Gurdian said, "We are not against President Chamorro," will not seek to promote stoppages of any kind, and plan to support all efforts to obtain foreign aid. Gurdian said that COSEP businesspersons were also disappointed in the government's failure to endorse reprivatization of the national banking system. However, he added, COSEP supports 90% of the agreement reached Oct. 26. (Basic data from Notimex, 10/27/90, 10/29/90; AFP, 10/26/90, 10/30/90)

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