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Election Campaign Begins Unofficially

by LADB Staff

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President Arnaldo Aleman unofficially kicked off the presidential election campaign in January delivering an attack on the opposition and calling for a united front to keep former President Daniel Ortega (1979-1990) out of office. In his final annual report to the National Assembly on the state of the nation Jan. 10, Aleman stirred up a heated response from the opposition. Both sides are now deep into calling each other thieves, slanderers, and liars. Much of the annual report was taken up with partisan politics looking forward to the presidential election in November. Aleman called for a "patriotic" alliance of "democratic forces" against the Frente Sandinista de Liberacion Nacional (FSLN), which has nominated Ortega to oppose Enrique Bolanos, presidential candidate of Aleman's governing Partido Liberal Constitucionalista (PLC).

Having taken Managua and several other major cities in the November 2000 mayoral elections (see NotiCen, 2000-12-07), the Sandinistas appear to be in a position to retake the presidency. Critics' attacks on Aleman's have increasing included suggestions that he has lost his way politically, and some suggest he has lost his way mentally (see NotiCen, 2000-08-24).

In October, Aleman admitted that his administration was "politically worn out" because of the opposition attacks. During the campaign leading up to the November mayoral elections, he told the daily La Prensa that, to govern, he had to swallow the "bitter medicine" of negotiating with Ortega. But, he said, there was no alternative. Critics of the deals that emerged from those negotiations say the two leaders divided power between their parties rather than advancing the interests of the country, but Aleman said it was the price he paid to "move the country forward." Despite the PLC-FSLN pact, Ortega has repeatedly threatened the president with political guerrilla warfare, even promising to yank him out of the presidential residence. Aleman has responded in kind.

In October, he devoted more than two hours to a radio assault on the FSLN and other enemies. He accused the media of slander for its exposes alleging corruption in the presidency and elsewhere in the government. He attacked former comptroller general Agustin Jarquin, recently allied with the FSLN. The Sandinistas are thieves, Aleman said, interested only in personal enrichment. The Partido Conservador (PC) is disorganized, and conservatives cannot even put their houses in order.

The administration of former President Violeta de Chamorro (1990-1997) was the most corrupt in recent times, he said. Aleman cites evidence of economic progress. In his address, Aleman listed the accomplishments of his administration. These include average annual growth in GDP of 5.4% since 1997; an increase in spending on social programs from US\$244 million to US\$400 million during the period 1996-2000; an increase in public investment from US\$345 million to US\$442 million; important foreign investment in housing, tourism, and energy; and the creation of 375,000 new jobs.

He said unemployment had dropped from 16% of the economically active population (EAP) in 1996 to 8.5% in 2000. Aleman mentioned examples of structural changes he had brought about such as the

closure of state banks and privatization of state properties. He said the Banco Central had pumped US\$150 million into the financial system, saving it from collapse after the recent failures of two banks, the Banco Intercontinental (INTERBANK) in August 2000 and Banco del Cafe (BANCAFE) in November 2000 (see NotiCen, 2000-09-28, 2000-12-21). The president also mentioned Nicaragua's advance toward final admission to the World Bank's initiative for Heavily Indebted Poor Countries (HIPC) and the savings it would mean in reduced debt service (see NotiCen, 2000-01-11).

Even while Aleman delivered his report, legislators from the FSLN as well as some dissident Liberals were preparing a written response challenging his claims. Deputy Leonel Teller of the Partido Liberal Nacionalista (PLN) called the report "an insult to the Nicaragua people." He said that it was full of lies, that the accomplishments Aleman had mentioned came from the mind of "a person mentally handicapped for governing Nicaragua." Sandinista Deputy Bayardo Arce said the claim about job growth was "a lie." He said that, using international standards for calculating the cost of job creation, 375,000 jobs would require an investment of US\$1.1 billion "which we have not seen anywhere." Arce said he accepted Aleman's figures on social spending, but said the increase was not the result of economic growth but of international donations following Hurricane Mitch in 1998. In citing the structural reforms, Aleman "didn't tell us about the effects that there is no credit for the producers, coffee growers do not have the wherewithal to harvest their crops, and there are new increases in the cost of electricity and telephone services," said Arce.

More than one Sandinista interpreted Aleman's call for help against Ortega's candidacy as a sign of political exhaustion. FSLN Deputy Edwin Castro said the report showed Aleman felt "defeated." Noel Vidaurre of the PC agreed that Aleman had shown he was worried about the "approaching defeat." "I think it was a speech by a defeated man who feels he is finished and does not see the future with clarity."

Economists interviewed by the daily *El Nuevo Diario* also challenged Aleman's rosy picture of the economy. Cirilo Otero said the social-investment figures were genuine but most of the money spent in the social sector went to infrastructure and not to poverty alleviation. While building schools and roads, the government spent only US\$13 per person on health during 2000. And most of the new jobs created were temporary, lasting only eight to 12 weeks, he said. Economist Damaris Cortes Pereira told the newspaper that Aleman failed to mention that much of the new investment capital came from loans that would have to be repaid by the taxpayers. "Macroeconomic statistics sometimes hide deceptive values such as when we say the country has increased its volume of exports, when that income benefits a closed circle."

Rumors say Aleman will resign

In a related matter, *El Nuevo Diario* reported Jan. 17 that sources close to the PLC are saying Aleman plans to resign in March. One source told the newspaper that Aleman was considering the move as a way to take over the party, run the country through Vice President Leopoldo Navarro, and pave the way for another run at the presidency in 2006. By resigning, he could transfer some of the blame attached to his administration to others while taking the party presidency away from Jose Rizo, who is now the PLC's vice presidential candidate. "We are sure that Aleman is not going to

allow Rizo to assume the presidency of the party and assume at the same time the vice presidency of the republic, of that we have no doubt," said one of the sources

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