



## NICARAGUA LAUNCHES NEW PLAN TO FIGHT POVERTY AND PROMOTE HUMAN DEVELOPMENT

*By Teri Mattson and John Perry, Popular Resistance.  
September 2, 2021 / [CREATE!](#)*

Above photo: A local market in Malecón, Managua. Matyas Rehak/Shutterstock.

**Nicaragua launches a new plan to fight poverty and promote human development**

Ivan Acosta is Nicaragua's Minister of Finance and Public Credit, with responsibility for key aspects of government planning. In July, he presented the country's new "National Plan for the Fight against Poverty and for Human Development." This builds on the achievements of Nicaragua's Sandinista government since it returned to power in 2007 and sets out how they will continue if Daniel Ortega's government is returned at November's elections. Ivan Acosta is currently subject to personal US sanctions, along with many other Nicaraguan government officials and their family members.

Codepinks's Teri Mattson spoke to the minister in a Zoom call and asked him to explain the plan and its background.

### **The Sandinista government regained power in 2007. What conditions did it find when it returned to office?**

We need to remember what state the country was in at that time, something largely ignored in public debate. The truth is that when President Ortega returned to the presidency on January 10, 2007, he took charge of a country of blackouts, with electricity cut off daily.

Nicaragua had turned its back on its rural communities and on its Caribbean coast, on its indigenous people and its people of African descent. There was no public acknowledgement of the autonomous peoples in government policies. *Campesinos* (peasant farmers) and other producers had been left behind due to the privatization of the National Bank. No funding was being

provided, no credit. There were no rural roads. In many places there was no energy and no drinking water; social indicators such as infant mortality and maternal mortality rate were terrible.

Those 16 or 17 years of neoliberalism in Nicaragua after 1990 brought privatization of public services. In terms of education, the country was reduced to having only four grades in primary school. The healthcare system was also privatized. It was a country with no social programs, a lack of public investment and only 50% of the country with electricity, and even then with frequent blackouts because capacity to generate electricity was so limited. Out of the 2,000 kilometers of roads only 30 percent were in reasonable condition. There was a great deficit in telecommunications.

The country's poverty figures became the worst in Latin America. Just from 2002 to 2005, general poverty rose from 45 to 48.3 percent and extreme poverty reached 17 percent. This small country was heading in the wrong direction. Poverty was worsening and the neoliberal government was proud because they said that this would bring foreign investment. But there were not enough jobs and public investment barely reached \$270 million annually. There were no government resources, not even to provide primary school children with a glass of milk. So, the neoliberal model was a disaster and we put an end to that on January 10, 2007. Fortunately, we didn't face a pandemic in 2005 or 2006 because it would

have been very difficult to deal with such a situation given how public services had been destroyed.

### **How did things begin to change after 2007?**

It's important to talk about what the government of Nicaragua, under the leadership of President *Comandante* Ortega, has done to change the country's situation. So, in the first place, all social and public services have been de-privatized, to ensure free education and health care. Then, public and economic policies need to center on the poorest. The main priority has been the fight against poverty and extreme poverty. Successful public policies are not only those which make the economy grow or the foreign reserves grow or which ensure macroeconomic stability, but also those which ensure that most people's situation improves on a daily basis.

*Comandante* Ortega's government has more than doubled the kilometers of new road that have been built, vital for access to rural areas. But we also ensured that 85 percent of roads are in good shape and we are now the country with the best roads in Central America, even though we have the smallest economy.

From 2007, we began to build the most modern health care system in Central America by investing in technology, hospital infrastructure and physicians and healthcare staff. We also made rapid progress in providing water and sanitation. We went from 60 to 91 percent in urban sectors in terms of drinking water services. And we went from 30 to 57 percent, in terms of sanitation. Those are

issues which are relevant for people's lives, not only for the political and business minorities, but for the large majority.

I think that the most important change in direction by *Comandante* Ortega was making public education free at the primary, secondary and university levels. As from January 10, 2007, we ensured that 100,000 students went back to school by providing free education.

We also invested in rural communities: we created 275,000 *bonos productivos* for women members of families in rural areas (the process by which they were helped to raise chicken, cattle and pigs). We developed the *zero usury* program and granted more than 1,300,000 credits to women to help reduce the gender equality gap. The government also had extraordinary success in reducing the maternal mortality rate: it fell by 67 percent. We went from 95 women who died per 100,000 births to 35.

Those were huge challenges; by tackling them, the country became more equal. There was greater economic participation. We managed to increase livestock production by 75 percent and agricultural production by 85 percent. The size of the economy went from \$6.5 billion to \$13.7 billion in the span of ten years. But what's most important is how this growth was employed. We reduced general poverty from 48.3 to 24.9 percent and extreme poverty from 17.6 to 6.9 percent. These are extraordinary figures. This was achieved with social and political stability, consensus and dialogue, in a decade

characterized by social, political and economic progress that benefitted everyone.

**With so much social and economic success during those first ten years, how do you interpret the violent anti-government actions which hit the country in April 2018?**

We concluded that 2018 was an expression of hate by some minorities given the progress the country was experiencing. The failed *coup d'état* had an impact that was equivalent to 52 hurricanes like Hurricane Iota that hit us in November 2020. The damage was so great that the failed coup attempt caused Nicaragua more severe damage than the global pandemic has done. Take a look at the figures: \$24 billion damage against \$4 billion. So, it's been six times more damaging and it especially hit the country's poorest people.

So, that was the context for how we developed The National Plan Against Poverty & To Promote Human Development.

**What are the goals of the new plan?**

The aims are summarized this chart. We have 12 objectives which basically express our hopes to fill the remaining gaps in our social and economic program. We've made progress, but we still need to reinforce our efforts to fight against poverty and to eradicate extreme poverty. No society should have extreme poverty (people living on less than \$1.25 per day).

## **What are the most important issues?**

Well, definitely macroeconomic stability, something that we have to continue working on. We are a country that has managed to develop solid and sustainable public finances, improving our balance sheet, reinforcing our reserves, having sustainable public debt, and laying the groundwork to attract more private investment to create the jobs that the country needs.

We also aim to improve the basic conditions for development by providing people with electricity, by building roads and bridges, by accelerating the provision of water and sanitation to the population, by ensuring strategic investment for the ports in the Caribbean, by attracting investment for a new railroad (and we hope that it can be electrical), with investment in tourism in the Pacific coast. We are fostering the agricultural livestock industry to create jobs, and at the same time we continue working on healthcare and education and to strengthen our gender equality strategy.

## **How is the Nicaraguan government tackling the gender gap?**

We are proud that this year the country is among the world's top five countries in gender equality – according to the World Economic Forum. Only four Nordic countries did better but we need to invest even more in bridging the gender equality gap and strengthen women's role because the country needs it. Women are 52 percent of the population and if they do not have equal participation then

it will be more difficult to develop the country. Also, we need to tackle the rural-urban gap and the gap between the minorities and the majority. We need to bridge all these gaps and create equality so that the country can develop faster and to do it in a balanced way.

### **Is climate change affecting the rural-urban gap and migration to urban centers?**

Another strategic aim is tackling climate change. We believe that we need to better manage our water resources, and we need to reforest as this is vital for the country's future. But we have to do this intelligently because the change agents are the more than 300,000 rural producers. We've noticed that positive effects in tackling climate change derive from successes in fighting rural poverty and in transforming the agricultural and livestock sector. If the rural sector becomes wealthier than that will be harmonious with nature because they can produce more in better ways, and that translates into better water, better forests, more diversification so that the rural economy can work better. That is essential.

### **How are you addressing the needs of indigenous and afro-descendent minority communities on the Caribbean Coast?**

I am from the Caribbean Coast myself. We have a strategy to make the Caribbean Coast a special development area given that it has always aspired to be the connection point between North America, South America and Europe. But we are one of the few countries

which have a Caribbean Coast with no ports. So, we are planning the construction of a port near Bluefields that will allow for the development of a region almost twice the size of El Salvador. We have recognized 23 indigenous territories and the Caribbean region is receiving investment it has never seen before: electricity, road connections, airports, hospitals to serve remote municipalities, rural energy (mainly solar) and water and sanitation to all municipalities. I think this is a great act of historic justice by the country towards the ethnic minorities who had been excluded for a long time until the 1979 Sandinista Revolution.

### **How do private investment and foreign investment advance Sandinismo?**

The country has taken a leap forward in the design, management and implementation of projects from bilateral and multilateral development financing, to the point where Nicaragua is the most recognized country by multilateral banks in terms of its accountability and use of funds. We've had enormous results. You can see them in reports by the World Bank, the Inter-American Development Bank, the Central American Bank for Economic Integration, and the European Investment Bank. We have an incredible record. If a country manages well, designs well, uses money well, and is accountable, then the number of projects grows rapidly. One example is that it has only taken eight years to bring electricity to the remaining half of the country, and it was the hardest job because we're talking about remote rural

areas. We've made similar progress in terms of roads, investment in production, and drinking water.

This creates a virtuous cycle because if a country performs well and creates a positive impact this is very important for foreign direct investment. If a business person comes from Australia or New Zealand, he or she doesn't know the country so they look at the most important economic indicators and the level of competitiveness of the country: whether the roads are in good condition or not, whether taxes are competitive or not, and if the country and the government are investing enough resources to make the country more competitive and attractive. So probably the business person takes a look at the IMF for central bank indicators, takes a look at the macroeconomic stability, fiscal discipline and the sustainability of economic and financial policies. He or she will also, surely, look at the legal safety and investment safety of any project they are contemplating.

In this way we've achieved important investments in mining and renewable energy as well as general investments in the agricultural sector. We also have one of the most successful systems of free trade zones in Latin America. It has doubled the number of jobs in the last few years, so we think that public investment together with macroeconomic stability and good economic indicators help investors to trust Nicaragua. But there is another variable in Central America: the Northern Triangle and on into Mexico is probably the most violent region of

the world which is not at war. So, in Nicaragua you find a place that's good for investment, with low crime rates and the safest country in Central America.

### **Is this why the Nicaragua economy remained open during the COVID-19 pandemic?**

The decision to keep the economy working back in April 2020 was the result of several different factors. In the first place, Nicaragua is a country which has a large, dispersed rural community, where the risk of infection is low, in many places with no dense urban areas. The second factor is a social and economic one. There is a large popular or informal economy in which people live on a daily basis from what they can earn in the markets, farms or in the transport sector; therefore, closing the economy would paralyze their livelihoods. The third element had to do with the fact that if 99.9% of countries decided to close then we didn't have to because we wouldn't receive people from abroad, and the fourth element had to do with the fact that we had strengthened the healthcare system.

You can take all the necessary measures: social-distancing, hand washing, wearing masks, but if your healthcare care system is not strong (something seen in many developing countries) it can collapse. Since 2007 we had invested enormously in new hospitals and extra staff working in health care. People had access to healthcare at their doorstep. Great changes were made. A voluntary health network was formed which

made five million household visits to the country's 1.3 million homes when the pandemic began. We made sure we had the ICUs, the ventilators, but also made sure that the country, apart from not getting the virus, could get the resources needed to continue working.

We were ready and we probably have the best family and community healthcare model in Central America. There are Caribbean countries with great healthcare systems, but we have the best one in terms of its response because our healthcare system centers on the epidemiological issues that many countries have ignored. There may be good hospitals which are great at treating strokes or cancer, but they have left their epidemiological policies aside as if it were something from the previous century.

Apparently we were right because a few months later all the other countries started opening their economies bit by bit. So, we managed to reduce the loss of GDP forecast by the IMF of between 11% and 14% to only two percent.

We've had extraordinary results. We're probably the Latin American country with the lowest number of virus cases and with the lowest fatality rate. We are quickly reactivating our economy. We are now recovering by five percent more than what was forecast for 2021. I think that the producers linked to agricultural exports should be given credit because we continued to export coffee, sugarcane, meat, seafood and beans to Central America.

If the economy doesn't work we won't have resources to continue reinforcing the healthcare system.

**Nicaragua is 80% food sovereign. How has this contributed to the National Plan?**

Our production policies reinforce exports, food security and making progress towards food sovereignty. In Latin America, even though many countries have an agricultural industry, Nicaragua is one of the countries in which most of what's on the table is produced nationally. Nicaragua is similar to Mexico in the sense that people eat rice, beans, meat and chicken in large quantities. Plantains as well. All of that is produced here: 80% of consumption is produced nationally. But what's important is to increase productivity so that we can fulfill the needs of the local market and also reach the markets in neighboring countries as is the case of our beans, our milk, and our cheese because that is what creates wealth for the rural producers and for the country.

We are the biggest meat producer in Central America and I think that in the future Nicaragua will be one of the benchmarks due to the quality and the safety of our meat. The southern United States, specifically Florida, is a great consumer of Nicaraguan meat. If we increase productivity, if we provide good technical assistance, that will ensure food sovereignty but also allow us to reach more markets in Central America, Mexico, the United States and Canada. That's why we talked about a Caribbean port because we don't sell much to Europe. We're also on the

Pacific and we don't sell much to Asia. We also don't export much to South America. Therefore, we want to achieve greater productivity in the agricultural sector, ensuring food security and sovereignty.

You can watch the entire conversation with Minister Ivan Acosta here:

[WTF is Going on in Latin America: Nicaragua Alleviates Poverty](https://youtu.be/yabonl-motM) [HYPERLINK "https://youtu.be/yabonl-motM"& HYPERLINK "https://youtu.be/yabonl-motM" Promotes Human Development](https://youtu.be/yabonl-motM)

**Teri Mattson** is the host of WTF is Going on in Latin America, a CODEPINK YouTube program and a current board member of The Marin Interfaith Task Force on the Americas. She has a 40 year history of Latin America activism including organizing and/or leading social justice delegations throughout the region.

**John Perry**, who translated and edited **this piece**, is based in Nicaragua and writes on Central America for The Nation, The London Review of Books, openDemocracy, The Council on Hemispheric Affairs, Counterpunch, NACLA and other outlets.