

CENTRAL AMERICA REPORT

7 February 2003

BELIZE

Chalillo Dam project clears crucial hurdle

- **Supreme Court gives conditional okay to dam that threatens 'biogem'**
- **Canadian company reaps windfall from electricity monopoly**

On December 19, 2002, Belize's Supreme Court handed a legal victory to the government and the Canadian company that wants to build a 50-meter high hydroelectric dam on the Macal River. Proponents claim the dam could double Belize's hydroelectric energy production and reduce dependence on foreign power, but environmentalists say the project would destroy pristine rainforest and threaten endangered species while providing little benefit to Belizeans. Chief Justice Abdulai Conteh ruled that construction could proceed once Belize's Department of the Environment (DOE) held public hearings on the project and considered the comments it received. On January 16, the DOE held a hearing that government officials say fulfills this condition and has removed the last obstacle to construction.

Dam Plans. The Chalillo project has pitted local organizations and international environmental groups against Belize's government and Fortis, Inc., a Canadian company that owns controlling stakes in Belize's electricity distribution and production companies (*Central America Report XXVIII 46*).

As Belize privatized its electricity industry in 1992, a company called Belize Electricity Limited (BEL) took over the state monopoly and retained exclusive rights to purchase and distribute energy in Belize. Fortis eventually purchased 67% of BEL and a 95% stake in the Belize Electric Company Limited (BECOL), the private company that provides most of Belize's domestically-produced energy.

BECOL owns the rights to Belize's only hydroelectric dam — the Mollejón dam on the Macal River, which currently produces 28% of Belize's energy. While the Chalillo dam itself would generate small amounts of energy, its primary purpose would be to increase production from the downstream Mollejón dam by increasing flow during Belize's dry season. BEL estimates that, with both dams functioning, hydroelectric energy production could double.

Fortis says the new dam is necessary to reduce electricity rates and eliminate a chronic dependence on energy bought from Mexico. Last year, Belizeans faced blackouts when the Mexican electricity distribution system experienced shortages and prioritized domestic distribution over selling energy to Belize. According to a company spokeswoman, BEL currently buys 57% of its energy from Mexico.

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Environmental Objections. Opponents have attacked the dam plans at a number of levels, including cost and safety, but the primary claim is that the dam will unnecessarily destroy an environmentally unique region and threaten Mayan archaeological sites.

"It would flood one of the wildest places in Central America," said Ari Hershowitz of the National Resources Defense Council, a Washington-based environmental group that has designated the Macal River Valley as one of the Western Hemisphere's 12 "biogems."

As part of a required environmental impact assessment (EIA), the British Natural History Museum was hired to evaluate threats to wildlife in the area. Its report recommended "highly" against building the dam "based on the rarity of the habitat to be inundated and the dependence on this habitat by several endangered species." According to the report, the dam would cause the loss of 80% of Belize's riparian shrubland and will probably "force the local extinction...of some species of internationally important conservation concern."

However, AMEC, the Canadian engineering firm in charge of assembling the final EIA, added a note to the museum's report stating that it contained "factual errors" and that the museum had failed to meet the terms of its contract. AMEC's EIA, while not specifically recommending dam construction, said that it would be the "most economical" option for the country.

The final version of AMEC's EIA has been one of the greatest points of controversy, since Belize's National Environmental Appraisal Committee (NEAC) used the AMEC EIA to grant final approval to the project in November 2001. An analysis by the International Union for the Conservation of Nature's (IUCN) claims that the EIA is inaccurate or incomplete in a number of areas.

Based on government approval of what environmental groups considered a flawed process, the Belize Alliance of Conservation NGOs (BACONGO) filed suit, claiming that the government had not followed proper procedures in approving the project. While the lawsuit set a precedent as the first environmental suit in Belizean history, the December 19 Supreme Court ruling has left BACONGO in a difficult legal position. The ruling largely supported the government process, conditioning construction only on public hearings.

The recent January 16 hearing in Cayo left Fortis feeling confident and dam opponents enraged. While the majority of speakers spoke in support of the dam, environmental activists denounced the event as a sham, carefully orchestrated by BECOL. Meb Cutlack, a columnist who is a leading voice against the dam, said the hearing was "taken over by BECOL." According to Cutlack, the head of Belize's professional engineering association admitted his presentation had been prepared for him by BEL.

A BEL representative present at the meeting described the tone as "overwhelmingly positive." One DOE official said that, though he didn't know the details of the report on the hearing, he considered the meeting to be "just a formality," adding that the project now "has no barriers."

In the meantime, BACONGO has appealed the Supreme Court ruling to Belize's Court of Appeals and has sought an injunction to halt construction while its case is heard.

Energy Economics. BECOL and Fortis say that they will work to mitigate any environmental effects but that there is always a tradeoff between environmental preservation and providing inexpensive energy. However, project opponents say that, environmental damage aside, dam construction simply does not make economic sense.

Belizeans currently pay an average of US\$0.18 per kilowatt hour (kwh) for their electricity, according to BEL, the highest rate in Central America. Chalillo would be the cheapest source of new energy, said Joseph Sukhnandan, BEL's chief engineer. He cites figures of US\$0.05 per kwh as the cost of the new energy. This would compare favorably to buying diesel energy (US\$0.065/kwh) or purchasing energy from Mexico (US\$0.035-US\$0.07/kwh). Environmentalists dispute these figures.

According to BEL spokeswoman Dawn Sampson, the dam is the best option for Belize. "Ultimately, the company is responsible. We have a mandate to provide energy at the cheapest cost possible," she said.

The environmentalists "believe we are very stupid people. Would you pay more for something if you didn't have to? We have identified the cheapest possible source. We have done all the studies...We have gone through every process that is required by law," said Sukhnandan.

But this logic - that it is in BEL's own interest to buy the cheapest possible source of energy - is less than watertight, say opponents, when you consider that Fortis also owns BECOL, the company that BEL would buy from under the arrangement. Fortis is essentially negotiating with itself and can then pass costs on to consumers.

"What is in Fortis's interest," said Hershowitz, "is [for BEL] to buy from BECOL at the highest rate possible." Since BEL is a monopoly, it can then pass on the high rates to consumers. The purpose of the dam, according to this analysis, is to shift BEL's energy purchases from non-Fortis owned suppliers in Mexico to Fortis-produced energy.

BEL counters that its purchases and rates are overseen by Belize's Public Utilities Commission (PUC) which looks out for the interests of rate payers. But critics say that the PUC rarely meets and has never served as a proper regulatory body.

As an example, they point to the most recent agreement, known as the Third Master Agreement, signed by the government, BEL and BECOL. According to an analysis by the National Resources Defense Council, the terms of the contract provide subsidies to BECOL that total more than US\$100 million. These subsidies, says Hershowitz, make the per kwh rate that BECOL will charge for the electricity equal to the rate it is currently charging for electricity from the Mollejón dam and more expensive than other options.

Fonseca and Electricity. The government has been a strong supporter of the dam and has only harsh words for

its opponents. Prime Minister Said Musa has made it one of the centerpieces of his administration, giving it prominent play in last month's 2003 budget address.

Ralph Fonseca, Minister of Budget Management announced that privatization would lead to decreases in electricity rates this year, but that the halt on Chalillo had prevented further rate reductions. "Obviously, it would have been better...if we could have built Chalillo. So those people who have stopped us from building Chalillo, I don't know how they sleep at night..But as the Prime Minister also said, we will build Chalillo," he told Belize's Channel 5 News on January 17.

The conflation of government interests - "we will build Chalillo" - with those of a private company that controls both electricity production and distribution suggests less of an oversight role for the government than a tight collaboration with Fortis. Indeed, Fonseca served as chairman of the state power distribution company the Belize Energy Board (BEB) in 1991 and was a leading force behind both the privatization of the electricity industry and the original construction of the Mollejón dam.

As Belizeans continue to pay high rates for their electricity, a debate has emerged on the wisdom of the initial privatization. Do the country's interests overlap with those of the private monopoly? Does it make sense for a small country like Belize to push for energy independence? And what does energy independence really mean when a foreign company controls both distribution, purchasing and domestic production? 

PANAMA

Media could favor third party bids

- **Press critical of both major parties**
- **Law passed to regulate media's role in politics**

With presidential elections coming up next year, the two major parties face little third party opposition. However, analysts point to media attacks on both parties as laying the groundwork for a possible alternative power bid. Corruption and nepotism have been mainstays of President Mireya Moscoso's administration, according to recent articles, but the press has also been hostile to the main opposition party, the Democratic Revolutionary Party (PRD). Faced with unremitting media criticism of political parties, Congress recently passed legislation to regulate the role that the media can play in politics.

Critical Press. According to Rafael Bolívar Ayala, Assistant Dean of the School of Communications at the University of Panama, "The third party option is now being handled carefully by the media, but later they may push it with more zeal, because the printed press might prefer an alternative to the two traditional parties: the PRD and the ruling Arnulfista Party (PA)."

These family dynasties have not escaped criticism in the local press, said Ayala. What is apparent, he said, is that newspapers do not identify ideologically with the PRD and that they criticize the Arnulfista government forcefully, publishing stories on numerous acts of corruption and nepotism.

Ayala added that the media's spin could have a large impact on undecided voters in the next elections.

In a recent poll, less than 40% of those surveyed identified themselves as members of either of the two major parties (*El Panamá América* 17/1/2003)

Critics and Apologists. According to Ayala, the newspaper *El Panamá América* has been consistently critical of the government, even though its president and vice-president - Francisco Arias and Gilberto Arias - are nephews of Arnulfo Arias de la Madrid, the former president after whom the Arnulfista Party is named and the late husband of Panama's president Mireya Moscoso.

Another major daily, *La Prensa*, has also criticized both the government and the PRD. Its president, Federico Humbert, its director, Juan Luis Correa and its director of finances Maria García de Paredes, are all part of the same powerful Panamanian family.

A third critical voice has been the daily *El Universal*. After a consortium of 20 businesspeople bought 57% of its shares in September 2000, the newspaper ran a series of articles alleging that the Moscoso administration was controlled by "family clans."

The only pro-government newspaper in Panama is *La Estrella* de Panama, bought in May 2000 by pro-PA businesspeople from the agriculture, finance and automobile sectors. Its print run is limited to less than 10,000 copies and it is experiencing economic problems.

The slant is a turnaround from the 1980s, when *La Estrella* was linked closely to the PRD. Former PRD Vice-President Tomás Altamirano Duque directed the paper. When he left the post in 1995, the government stopped publishing official announcements in the paper, eliminating one of the paper's biggest revenue sources.

With elections coming up, the legislature approved two laws aimed at regulating media coverage of politics. One of the laws prohibits media outlets from charging different ad rates to different political parties. The second reform requires that any opinion survey published include the sponsor, the margin of error, the sampling method and the date carried out.

Eduardo Valdés Escoffery, president of the Electoral Tribunal, said that the new laws were aimed at avoiding favoritism in the coverage of politics 

With elections near, administration defends itself, attacks newspapers

- **Government accuses press of promoting opposition candidate**
- **Accusations of tax evasion pit government prosecutors and television stations against newspapers**

Three Guatemalan dailies have denounced the government for what they say is a campaign of harassment using fiscal and legal attacks and defamation in communication media close to the government. The government campaign could be the reaction to the continued publication of articles critical of the Guatemalan Republican Front (FRG) by the three newspapers. President Alfonso Portillo accuses the newspapers of favoring the political aspirations of a specific candidate and avoiding important topics like tax evasion on its pages. According to some analysts, the press is now paying a price for stepping into the vacuum of government oversight. Analysts say that, without negotiations, the situation between the administration and the press will only worsen as election campaigns draw near.

From all fronts. In October 2002, the newspapers *Prensa Libre*, and *elPeriódico* charged that the government and the FRG had prepared a campaign against the independent press intended to discredit repeated accusations of government corruption and to improve the official party's image before the 2003 general elections.

According to the newspapers, the campaign got underway in November when a group from the Superintendency of Tax Administration (SAT) arrived at the offices of *elPeriódico*. According to representatives of the paper, in its previous six years of existence, it had never been subject to a financial investigation or audit. Another team of auditors began investigating the finances of *Nuestro Diario*, owned by *Prensa Libre*.

In December, the director of *elPeriodico*, José Rubén Zamora, announced that he had received a subpoena to testify about investigations published by the newspaper. The report detailed the operation of powerful clandestine groups that operate in parallel to the government, and presented evidence that Attorney General Carlos de León was involved with a construction company accused of leaving projects unfinished.

On January 16, Karen Fischer, the public prosecutor who heads the corruption division, demanded that Zamora present himself to testify personally. The same day, the head of the SAT, Marco Tulio Abadio accused Zamora of tax evasion and money laundering.

elPeriódico, *Prensa Libre* and *Nuestro Diario*, argue that Abadio accused Zamora even before the auditors had finished their job, and, in the case of *Nuestro Diario*, that the auditors tried to take accounting information out of the office, an action prohibited by law. Zamora also said that the citations to appear in court were purposely scheduled

at times at which it would be difficult for him to attend.

Zamora faces two criminal trials in cases presented by Jacobo Salán and Francisco Ortega Menaldo, two retired military men, now close advisors to Alfonso Portillo, whom *elPeriódico* has accused of having ties to organized crime.

The papers denounced the government before the Inter-American Press Society (IPS) on January 16 for what they see as government harassment through litigation, audits, and use of mass media sympathetic to the government, intended to ruin their reputations and discredit the independent press.

The subject of the press was mentioned in the third State of the Union address by President Portillo. Portillo charged that "the media companies are owned by private groups, that do not necessarily take public interest into account in the positions they take and in their reporting."

In the last few months, the president has launched accusations that the press is involved in a conspiracy with opposition candidate, Oscar Berger of PAN.

In January, after the press reported that Portillo had purchased a watch valued US\$30,000, Portillo replied that, "This is part of an electoral campaign in which the newspapers -- *elPeriódico*, *Prensa Libre*, and *Siglo Veintiuno* are involved...This is the way in which the media, which are completely biased and serve a certain political project, operates. The people who control the actions of the papers are the same people who have this political project, and who are annoyed by a president who will not bow to their directives."

In recent days, the confrontation has calmed. Auditors from the SAT dropped their charges against *elPeriódico*, and the office of the anti-corruption prosecutor accepted a letter from Zamora in place of his appearance. However,

the news companies' directors predict more confrontations in the coming electoral year.

Activism against Corruption or Partisan Politics? Zamora asserted that "there is an evident strategy to discredit the independent press. The government thinks that, in the electoral race, the press is his strongest opponent because we are playing partisan politics. This isn't true. We just denounce corruption, and this affects the governing party."

According to Zamora, accusations such as these from the FRG government are not new. "Since the transition from the Serrano government to the Arzu government, we have been accused of being partisan, of being spokesmen for drug traffickers, and of directing actions in the private sector.

"We've seen this before, but in different shades: Arzú tried to strangle us financially. The difference now is that we are faced with the specter of organized crime, that has been powerful since 1992. But whereas before it was a more or less unknown power, now it has come to light, and for the first time in our history, these groups have achieved their power through democracy, and are now playing with its survival"

"The comptroller general is attached to the executive branch, the attorney general's office is infiltrated and compromised by the parallel power groups. The judiciary, with its limited resources does not carry much weight, and we have a very marginalized Congress. In this context, what we do is valid."

For his part, Gonzalo Marroquín, the editorial director of *Prensa Libre*, said that "the press is not perfect, but neither is it as the government pretends. We are not political actors, we are news companies whose expressions can be more or less activist. These are valid positions, and part of the freedom of the press."

Marroquín, who is also the regional vice president of the IPS, concurred with Zamora that there exists a campaign of harassment and intimidation intended to lessen the prestige and kill the credibility of the press.

The designation of former Minister of Communications Luis Rabbé as a likely mayoral candidate is not a good sign for the relationship between the official party and the press as the elections approach. "Rabbé is just one more pawn in the scheme of credibility attacks. Soon, we will see an intense television campaign saying that the press lacks credibility, while at the same time trying to restore the credibility of Rabbé," predicts Marroquín.

The directors of the major newspapers denied that the press is inflating the image of presidential candidate Oscar Berger. "We don't make any of this up. We publish polls, and the polls the FRG does coincide with ours, only they don't publish theirs," asserted Marroquín.

"If Berger comes out on top of the polls it is because he is on top. The way we make our political assessments is the same as when Portillo was running for President. Then, the FRG agreed with us, and the PAN didn't and claimed we were backing Portillo. At the end of the day,

only the election results will tell," said Zamora.

According to recent studies, such as the one conducted by the organization DOSES, the press does not direct as much investigative attention toward the private sector, or powerful business groups, as they do toward the government. "Freedom of the press does not imply the obligation to publish. One can decide what is and what is not news," asserted Marroquín.

Anti-Government Positioning. Iduvina Hernández, a Guatemalan journalist and press analyst, offered a different viewpoint. "I believe that the press is doing Berger a favor. By maintaining their anti-government position they are, in some clear and some not so clear ways, favoring Berger's candidacy."

When asked about the motives of the press, Hernández responded:

"Basically, contacts in the business sector of certain media, political and ideological convictions in the case of certain owners, and this is being discussed at the highest level between the media companies. If one were to sum up the political identification of the Guatemalan media, it would be basically conservative. And they identify more with economic conservatism than they do with the conservatism of the FRG."

As to the relationship between the press and the private sector, Hernández said: "Advertising plays a determining role. The offer of advertising space defines the existence or survival of the media companies. In this sense, the the business sector can define the growth, stagnation, or disappearance of a publication."

"In the last election campaign the press elevated the image of Portillo because of serious disputes between the Arzú administration and the media companies."

Hernández said that the alliance between the press and Berger could prove to be a determining factor in the elections for various reasons. "The three daily radio news programs maintain a political line almost identical to the written press, and the local news programs disseminate the information from the daily written press," she said.

The designation of Rabbé as the press secretary for the FRG campaign, according to Hernández, reveals that "the official party will maintain confrontational attitude with the press, and they need to avail themselves of the space that the television, for now, offers."

Nevertheless, continued the analyst, "At the end of the day, Rabbé is also an employee of Angel Gonzalez. Thus, the decision of which candidate the television media will endorse in the next elections depends on the Mexican businessman who owns the three major television channels in Guatemala, and he has never backed a loser."

Edmundo Urrutia, analyst for the Association for Investigation and Social Studies (ASIES), said "There is an aspiration on the part of the press to supervise the executive because, undoubtedly, there are no political parties capable of assuming this role in Congress" 

GUATEMALA

Hunger in the highlands

- **85% of children in San Marcos malnourished**
- **Government cuts aid in worst hit area**
- **Idle land opens spaces for agrarian reform**

Guatemala is classified by the World Food Program (WFP) as the Latin American country with the highest level of malnutrition. A famine situation in Chiquimula early last year made international news, but the slow suffering of thousands of families in other parts of the country goes unnoticed. The government sees fit to reduce the number of centers offering emergency nutritional treatment, even in the areas worst affected. The fallout of the coffee crisis is pushing marginal communities to question the system which has kept them on the edge of starvation for generations.

Barely Surviving. Edilsa Guillermo Miranda looks straight ahead with placid eyes, one of them clouded by a cataract that may be linked to acute malnutrition. Her limbs are puny, her arms hang loose at her side. Her head has just a thin covering of hair,

This four year old was brought by her Grandmother to the Comitancillo, San Marcos recuperation clinic in November, while her parents and siblings were working on a coastal coffee plantation.

“When she came in she couldn’t walk or talk,” said clinic worker Luci Gómez, “She weighed 14 pounds. At her age she should weigh 40 pounds.”

Edilsa is suffering from acute malnutrition, her minimal diet of corn tortillas lacking almost all of the basic nutritional requirements for normal growth. When she entered the clinic she was classified as ‘red’- meaning she was in immediate danger. Her symptoms showed that she was suffering from both Marasmus and Kwashiorkor, a mixture of illnesses only seen in the most extreme cases of malnutrition.

Mari Cruz Ochoa, nutritionist at the regional hospital said that this “mixed” malnutrition, which only appears in the most severe cases, is often seen in the San Marcos where Comitancillo is located.

“Babies should be eating fruit and vegetables from six

to eight months, but they are being fed coffee or sugar water in bottles,” she said.

According to the (WFP) chronic malnutrition in Guatemala is the worst in the Western Hemisphere, with 47% of children under five considered chronically malnourished. According to statistics from US-AID, that figure rises to 57% when only indigenous children are counted. In San Marcos health workers estimate that 85% of children can be placed in that category.

Doors Close On Nutrition. The municipality of Comitancillo is amongst the worst affected regions of the highlands. Despite the obvious need for a sustained effort to stop children dying from the lack of basic nutrients, Comitancillo’s nutritional recuperation center was closed in December, just 9 months after it had opened.

Gómez does not know if she will be able to continue her work for much longer – at the moment she is only permitted to help the children that were already on her books when the center closed. However she is not convinced that the need has gone away.

When asked what will happen to the children if they are not treated, she said simply, “they will die.”

The Comitancillo recuperation center was officially closed because not enough parents brought their children in for treatment. The reluctance of parents to bring their children from the remote hamlets surrounding Comitancillo, up to 8 hour walk away, also reflects a culture of fear about dealings with the state and with foreign doctors.

Gómez said that for every child that came to the center many more remain in the villages. “Closing the center does not solve the problem,” she said. “Another strategy is needed.”

According to the WFP, of the 58 recuperation centers that were operating in Guatemala last year, only 11 remain in 2003. San Marcos and Huehuetenango both had eight centers last year, the highest number in the country. In San Marcos four were closed and officially converted into distribution centers.

Ochoa said that she had recommended that the center in Comitancillo, recognized as the worst hit of all the San Marcos municipalities, should not be closed.

Dr. Manuel Zeceña, director of the government’s nutrition program, recognized that the situation was unsatisfactory, but said that lack of funds meant that they had no choice but shut the centers.

“They [central government] assigned us nothing, we had to make cuts,” he told us. He said he had requested extra funds, adding that if the budget were increased the centers would be reopened.

Change Is In The Air. Poverty is nothing new in this remote stretch of the Guatemalan highlands. Pushed off their traditional lands by successive reforms, families try to scrape a living from tiny plots. Invariably they are unable to produce enough to feed themselves and annually mi-

grate to the coastal foothills in search of work picking coffee. This system has for generations provided a pool of cheap labor for the large coffee farms on the South coast.

Recent events, however, are pushing this semi-feudal system, known as the *latifundia*, toward the point of collapse. A drop in world coffee prices has caused many of the larger plantations to halt production, reducing the number of workers needed.

Low rainfall in 2001 badly affected the already meager corn production in the highlands, taking many families to the edge of starvation. Despite slightly better yields this year, many families have not been able to recover. The WFP is concerned that recent frosts will cause further crop losses.

Dr. Zaceña accepts that for the people of the highlands the coffee price collapse is at the root of the present crisis.

"Their way of life is migration to harvest coffee. Now they have no source of work and no money to buy food," he said.

The closure of farms means that families are traveling ever-greater distances in the search for employment.

Local leader, Silvino Godinez, said that people travel as far as Honduras in the search for work.

Competition for jobs means lower wages, and a whole family might earn as little as US\$2 for a day's backbreaking labor.

According to the WFP, the situation may be about to get worse. "It is predicted that the really critical period will start in February [the end of the coffee harvest], when the few employers no longer need a work force to maintain the plantations," said a recent WFP situation report.

With no substantial rise in coffee prices predicted for the foreseeable future, rural organizations are increasingly demanding structural changes to the *latifundia* system. The occupation of a series of idle plantations by landless families, at the risk of sometimes-violent reprisals from the plantation owners, has brought the situation to national attention.

At the end of last year a coalition of rural agriculturalist, church and human rights groups successfully lobbied the government to declare a national emergency for the coffee crisis. After lengthy negotiations the government put forward a wide reaching plan to not only distribute food to crisis hit communities, but to help landless families purchase land abandoned by struggling plantation owners (*Central America Report XXX 3*).

In San Marcos, the organizing work of the diocese of Bishop Alvaro Ramazzini, is opening eyes in remote communities to the possibility of change.

"We are making alliances with *colonos* on the South coast, supporting their fight for land. Our goal is to be able to buy land on the coast so that we don't have to migrate for work," said Godinez. *Colonos* are landless workers who traditionally live permanently on one plantation

Predictions of the collapse of the *latifundia* are now often heard, both from small farmer groups and large land

owners.

Whether the government proposal will be converted into concrete actions remains to be seen, but it is abundantly clear that to do nothing is not a viable option. While a guided dismantling of the current system may bring minimally acceptable living conditions to thousands of families, an unregulated collapse will benefit no one ☹

NICARAGUA

Media play both hunter and prey

- **Political interest groups try to intimidate journalists**
- **Media ally with Bolaños to push case against Alemán**

Harassed by groups supporting former president Arnoldo Alemán and struggling to defend press freedom, the Nicaraguan press has devoted its pages to investigative journalism and the fight against corruption. According to analysts, the media have become the most credible actors in the struggle between Alemán and President Enrique Bolaños and have increased their influence dramatically. Recent months have seen increased criticism of the current government and the beginning of investigations into private sector corruption.

Intimidation Denounced. In a report presented to the Interamerican Press Society last October, Jaime Chamorro, director of the Nicaraguan daily *La Prensa*, denounced widespread intimidation of media outlets. Chamorro said the harassment came largely from supporters of former president Alemán. The most serious incident was an armed assault on *La Prensa*'s office by the former contra leader Tirso Moreno.

The report detailed other acts that impinged on press freedom including police demands that reporters reveal their sources, the cancellation of a license for La Poderosa, a pro-Alemán radio station, and the Supreme Court's refusal to overturn a 2001 law that requires working journalists to have obtained a university degree in journalism.

The organization Journalists against Corruption singled out a proposal considered by the Congress as an example of hostility to an independent press. The proposal, which was later withdrawn, would have sanctioned journalists whose work promoted "contempt for the State" with prison terms of up to five years. The organization also criticized the Catholic Church's call to boycott *El Nuevo*

Diario after the paper published stories accusing Alemán of corruption and detailing his close connection to the Catholic Church.

All Against Alemán. With the election of Bolaños, the press emerged from a period of harassment under the Alemán administration (Box I).

In the first year of the Bolaños administration, the press established a tight relationship with the government. Government investigations into Alemán were leaked to the press and newspaper investigations found their way into prosecutors' files on corruption.

Bolaños, however, was selective in promoting media power. Claiming that there were irregularities in its license, he shut down the pro-Alemán radio station *La Poderosa*. Even his media allies criticized the move.

With Alemán now under arrest, media analysts say that the anticorruption pact between Bolaños and the press has now expired and that journalists have begun to distance themselves from Bolaños, pressuring him on topics such as the economic crisis and the fight against poverty.

Defining a Role. According to Guillermo Rothschuh Villanueva, Dean of the School of Communication at Nicaragua's Central American University (UCA), "The press has become the principal influence on public opinion

in Nicaragua and is a decisive actor in determining the national agenda."

Rothschuh said that the Nicaraguan press has largely supported Bolaños and sometimes has not been critical enough. "The government's political agenda dominated the media. They were so concentrated on corruption that they left out topics that most citizens considered to be a priority," he said.

He added that the media had focused too heavily on public corruption, ignoring powerful private interests.

The director of the weekly magazine *Confidencial* Carlos Fernando Chamorro said that the media are reluctant to investigate economic heavyweights because of their importance as advertisers.

Chamorro added that it remains to be seen if the relationship between the government and the press will change once the anticorruption fight fades in importance. "I think that the media still have not defined their agenda around economic reforms." He said that differences could emerge in this area, except in the case of *La Prensa* "which is closer to the government economically" than other papers.

Chamorro said that Nicaraguan media are generally family-owned businesses (box II) and do not have any corporate relationships with the economic elite.

Chamorro said that journalism had advanced in Nicaragua but that supportive laws had yet to be passed. "There needs to be a law governing access to information. The press has to assert its authority over advertisers. It needs more access to public information. Finally, few [media outlets] have ethics codes or norms that make them accountable to private citizens" 

I. Radio and Television: Politicized and Cyclical

The broadcast media have not escaped Nicaragua's political cycles. Anti-Somoza, anti-Sandinista, Sandinista, and Alemanista radio stations have emerged, although few stay in place once the political forces that produce them lose power. In the case of Alemán, the former president had the support of the radio stations *La Poderosa* and *Radio Corporación*, the most popular radio station outside of Managua. The Sandinistas have the support of radio stations such as *Nueva Radio Ya*, *Radio Sandino* and *Radio Primerísima*.

According to Carlos Fernando Chamorro, radio stations tend to have tighter party affiliations than television and newspapers.

National programming is relatively rare on Nicaragua's five television stations. Channel 2, owned by Octavio Sacasa, captures 70% of viewers and its newscasts rarely criticize the government. Sacasa has begun to face some competition. Mexican magnate Angel González owns Channel 10 and is in the process of becoming the majority owner of Channel 4.

"Nicaragua is the country with the smallest media market in Central America. In terms of publicity, it is four times smaller than Costa Rica and Panama. In terms of readers, the two principal newspapers sell 85,000 copies daily," said Chamorro.

II. The Chamorros: a family of journalists

The most important name in Nicaraguan journalism continues to be Chamorro. The former director of *La Prensa*, Pedro Joaquín Chamorro, opposed the Somoza dictatorship before being assassinated in 1978. His brother Jaime Chamorro Cardenal took over *La Prensa* after his death, while another brother, Xavier Chamorro, directs *El Nuevo Diario*. Carlos Fernando Chamorro, his son, directs the weekly magazine *Confidencial* and hosts the television program *Esta Semana*.

"The Chamorros have an important presence in the media and this was something that Alemán resented...during his term," said María López Vigil, editor of the magazine *Envío*.

With a daily press run of 40,000 copies each, the editorial agendas of *La Prensa* and *El Nuevo Diario* are extremely similar, said López. "The journalism is different in style. *El Nuevo Diario* is more disorderly, more sensationalist and *La Prensa's* style...is more professional, more sober," she added.