

Nicaragua—Protest, Repression, Negotiations

April 29, 2018



The upheaval in Nicaragua that lasted from April 18 to April 21 and the repression that reportedly left 63 dead, 15 missing and 160 injured by gunfire, have both subsided for the moment. The protests halted after President Daniel Ortega announced the cancellation of his proposed changes in the social security pension law. Photographers were among those beaten. Other human rights centers and the Jesuit University of Central America in Managua as well as Nicaraguan newspaper accounts and discussions with people in Managua confirm many of these deaths and injuries.

Since April 22 Nicaraguans have participated in numerous marches, some raising the call for “Peace and Justice,” and many of the participants carrying placards calling upon President Ortega and his vice-president and wife Rosario Murillo to resign. On April 26 an enormous pilgrimage of tens of thousands called for peace and negotiation organized by the Catholic Church.

The early protests and the subsequent peace marches—and those killed or injured in them—have involved virtually every sector of Nicaraguan society: students, workers, religious leaders and their lay associates, medical and veterinary students, employees of private companies, and business leaders. *La Prensa*, a conservative newspaper, produced a photo essay that puts faces on the protesters.

While the protests began with opposition to the increasing in social security payments and the accompany reduction in benefits, they soon became massive outpourings against the violent repression of peaceful protestors, and finally a call for the end to the Ortega dictatorship. The Catholic hierarchy in Nicaragua is attempting to mediate the conflict and to organize a dialog between Ortega and his opponents. The questions now are: Who will get a seat at the table? and Will Ortega be willing to negotiate his own resignation?

The Repression

Ortega and Murillo ultimately hold responsibility for the repression that was organized both through the police forces and by the Sandinista party (FSLN) through the Sandinista Youth (JS). For years, as I discuss in my book *What Went Wrong?*, the party and its youth group have harassed and beaten opposition political candidates, feminists, workers, farmers and other dissidents.

Among the most serious incidents (which are documented in my book and also in the *Revista Envío* available in Spanish and English) were these:

- In 2008 both the Catholic Church and the Rosario Murillo who was part of the Ortega administration attacked the Autonomous Women’s Movement which supported abortion rights including helping a nine-year old rape victim get an abortion. The Catholic Church filed a

criminal proceeding against the Network of Women Against Violence while Ortega's Attorney General raided the office of the Autonomous Women's Movement. The government engaged in a persistent campaign aimed at intimidating feminists.

- In May of 2008 the Ortega government sent police to break a strike by truck and taxi drivers, during which police beat the strikers and intentionally broke truck windows.
- In August of 2008 Sandinista thugs attacked political opposition protesters in the city of León.
- In February of 2009 Sandinista goons attacked protest demonstrations by political opponents in Jinotega, Chinandega, and León.
- Throughout 2014 farmers' and environmentalists' protests against Ortega's Chinese-financed inter-oceanic canal were violently repressed with scores of injured and five killed.

In many of these incidents, the police and Sandinista hooligans cooperate, or the police look the other way as the Sandinista heavies do their dirty work.

All of this makes us want to know, What went wrong? The following is a reprint of my October 17, 2016 *New Politics* article written on the eve of the Nicaraguan election in which Ortega was reelected.

An Authoritarian Government

In late July 2016 President Daniel Ortega, running for his third consecutive term as president—his fourth term altogether—succeeded in having sixteen members of the opposition expelled from the legislature. Also removed were their 12 alternates, 28 legislators altogether. Those who were removed belonged to both the conservative Independent Liberal Party (PLI) led by banker Eduardo Montealegre and to the Movement for Sandinista Renovation Movement (MRS), originally a leftist breakaway from Ortega's own FSLN. The legislators' removal ended any semblance of political pluralism and gave Ortega absolute control over the parliament, making Nicaragua effectively a one-party state on the eve of the November 2016 election.

Then at the beginning of August, Ortega announced that his running mate for vice-president would be his wife Rosario Murillo, now the Minister of Communications and in practice already the country's co-president. The Nicaraguan Constitution once forbids anyone from holding the office of president for two consecutive terms or from holding more than two non-consecutive terms as president, as well as forbidding a spouse from being a candidate. Ortega's control of the Supreme Court, the legislature and the Supreme Electoral Council made it possible for him to create a new constitution in 2014 that allowed him to run for president for a third term. To make sure that there is no questioning of the election procedure, Ortega has forbidden international election observers. Ortega and his wife, who have placed their children in positions in government, appear to have insured that, like the Somozas before them, they will hand power on to their children and establish another dynastic dictatorship.

Nicaragua's National Coalition for Democracy called the coming elections to be carried out under these conditions "a farce," while the Bishops of the Catholic Church condemned Ortega's attempt to impose a one-party regime. Faced with the closing off of democratic options important figures on both the right and the left have suggested that a revolt may be the only option. On the right, Carlos Fernando Chamorro, the son of former president Violeta Chamorro, told the Nicaraguans that the situation had "legitimized the right to rebel." Vilma Núñez, a longtime FSLN activist who had challenged Ortega for the FSLN presidential nomination in 1996 and who today heads the Nicaraguan Human Rights Center (CENIDH), went even further, calling upon the Nicaraguan people to *exercise* their "right to rebellion." [1] Creating a new dictatorship, Ortega may also be creating the conditions for a future revolution, though at the moment neither the forces nor the leadership for a rebellion exist.

Daniel and *Danielismo*

Ortega has ruled Nicaragua intermittently since the Nicaraguan Revolution of 1979. He headed the revolutionary government from 1979 to 1990, first as head of the revolutionary Junta that ruled the country from 1979-1985 and then as elected president from 1985-1990. He ran unsuccessfully for president in 1996 and 2001, but even out of office, he generally controlled the legislature, working as a partner with the conservative Liberal Party governments. Then in the 2006 elections he won the presidency with a plurality of 38 percent of the vote and won again in 2011 with 62 percent of vote. Polls show him likely to win this election by 60 percent or more, a testimony not so much to his leadership as to the ruling couple's control of the government, of the social welfare programs, and of much of the media.

Ortega's political domination of the country today is nearly absolute. Since he took office as president for the second time in 2007, Ortega, the former guerrilla fighter and leader of the Sandinista Front for National Liberation (FSLN), has succeeded in concentrating in his hands the control not only of the executive office—which he shares in an irregular and extra-constitutional manner with his wife Rosario Murillo—but also domination of the Supreme Court, of the legislature, and of the Supreme Electoral Council. His political power is reinforced by his personal control over Venezuela's financial contributions to Nicaragua, and until recently by an alliance with the Catholic Church constructed around opposition to abortion and feminism, as well as by his association with the country's largest corporations and wealthiest families, not to mention his shrewd buying up of radio and TV stations.

The FSLN, better known as the Sandinistas, once a revolutionary party, functions today as a typical political machine, winning votes through fear and favors. The party is constructed around "Daniel" and a system and ideology of social welfare that has come to be called *Danielismo*. The FSLN has created a cult of personality around Ortega that rivals any, with huge portraits of Ortega and Murillo appearing on billboards throughout Managua year in and year out, while crowds are brought out to public places to chant, "Daniel! Daniel!" To enhance his image, periodically Ortega stands beside foreign heads of state with left-wing credentials—Hugo Chávez before he died, Nicolás Maduro since then; Fidel and later Raúl Castro; and also Evo Morales of Bolivia—maintaining the illusion that his government has something to do with some sort of socialism. In fact what he shares with those leaders is not socialism but rather his stature as a populist *caudillo*, though now one with right-wing politics.

Regrettably and shamefully, much of the Latin American and U.S. left continues to support Ortega and the Sandinista government, largely because of its alliance with the Cuban Communist regime and Venezuelan Bolivarian government. The Foro de São Paulo, the conference of Latin America's left parties, continues to treat the FSLN as if it were a genuine left party, while TeleSUR, the TV station and news service supported by Venezuela, Cuba, and several other Latin American governments, brushes off any criticism of Ortega as right-wing and imperialist. Some on the U.S. and European left suggest that any criticism of Ortega and the FSLN is either directed by or serves the interest of the U.S. State Department.[2] Yet for decades some of the strongest criticism of Ortega has come from Nicaraguans, many of them former Sandinista leaders who argue that Ortega long ago abandoned any socialist principles.

Some American and other foreign leftists, such as Roger Burbach or more recently Jennifer Goett and Courtney Desiree Morris have criticized Daniel Ortega, placing responsibility on U.S. imperialism and on Ortega personally for the betrayal of the revolution, but denying that the Sandinistas' political values and particular leftist ideals had anything to do with the revolution's degeneration. In fact, the core beliefs of the Sandinistas—the political vision and theory of Carlos Fonseca, Tomás Borge, and Daniel Ortega—not only contributed to the revolution's deterioration but

lie at its root.

The Nicaraguan situation must be appraised not only in terms of U.S. imperialism and of Ortega as a leader, but also by making analysis of the country's history and of its political and economic regime. Analyzing Nicaragua's supposedly "socialist" regime, we must ask the same questions we would if we were analyzing any other nation: What is the nature of the political system? Who rules? Whose voice is not heard? What is the nature of the economic system? Who profits? Who works for low wages? Who must emigrate to find work?

While Ortega and his party govern, a handful of extremely wealthy families dominate the economy, enriching themselves at the expense of the country's people. Nicaragua remains the poorest nation in Latin America, excepting Haiti, with 12 percent of the population unemployed and over 30 percent of the population living in poverty and 8 percent in extreme poverty. Nicaragua ranked 125th out of 188 nations on the United Nations Human Development Index in 2015.[3]

In 1979 Nicaragua experienced a genuine revolution, one that utterly destroyed the Somoza dictatorship, swept away the state, and created a new political system. At the time there was talk of a mixed economy, political pluralism, and democratic socialism. National literacy and health campaigns improved the lives of much of the country's rural population. The U.S.-backed Contra War in Nicaragua kept the Sandinista government of the 1980s from carrying out much of its reform program, while the 1990 election and subsequent elections brought right-wing governments to power. When Daniel Ortega and the Sandinistas returned to power in 2006, they were no longer the revolutionary party with the socialist program of the past. Rather Ortega and the Sandinistas allied with big business, the Catholic Church, and right-wing parties lead a government with neoliberal economic programs combined with social welfare programs, what has been called "social liberalism." We examine here exactly how this transformation took place, as explained in much greater detail in my book *What Went Wrong? The Nicaraguan Revolution: A Marxist Analysis*.

The Imperialist Background

Imperial powers—the Aztecs, the Spanish, the British, and the Americans—all took advantage of the fact that Nicaragua was a small territory, sparsely populated, and easily penetrated. While the Aztecs never fully controlled the country, Spain conquered and ruled Nicaragua for 300 years, establishing the domination of the conquerors' descendants over the indigenous and over the African people who had been brought as slaves.

When thanks to revolutions in Mexico and South America between 1810 and 1821 all of Spanish America became independent, Nicaragua did as well, but while the Conservatives in the city of Granada and Liberals in León fought for control of the Pacific coast, the British entered into a treaty with indigenous Miskito people on the Caribbean coast, establishing a protectorate.

Later, with the discovery of gold in California, New York shipping magnate Cornelius "Commodore" Vanderbilt established a shipping line to Nicaragua, together with overland and overwater service across the isthmus to the Pacific coast and from there to California and the goldfields. The American businessman's involvement in Nicaragua perturbed the British who dominated Latin American banking and ran the import-export houses, leading to rising tensions between the two Anglo-Saxon imperial powers.

Then suddenly William Walker, an American filibuster—a politically ambitious pirate, with a small army of a couple of hundred men—inserted himself into the Conservative-Liberal conflict and quickly took control of the country, making himself president. Walker made English an official language, instituted slavery, and made it clear that he had broader ambitions in Central America and the

Caribbean. Seeing the threat to their own existence, the surrounding nations—Costa Rica, Honduras, and El Salvador—raised an army, and, with the support of Vanderbilt and the British, defeated and expelled Walker, who during a later attempted invasion attempt was captured and executed.

Vanderbilt and Walker had brought Nicaragua to the attention of the United States, and the American eagle now had its eyes on the little country to the south, waiting for his chance.

Following the Central American war against Walker, a joint Conservative-Liberal government came to power in Nicaragua and established its authority in the Pacific region—the “Thirty-Year Regime” it was called. But the country languished until the late nineteenth century sugar boom when José Santos Zelaya, a Liberal leader from Managua, center of the new sugar industry, took power in a coup.

Zelaya was determined to make Nicaragua a modern state, to create a United States of Central America, and to establish a degree of independence from the United States of America, which had meanwhile invested heavily in lumber, mining, and agriculture. Zelaya’s national project, however, coincided with the rise of the United States to Great Power status through foreign wars, the taking of colonies, and the building of an empire.

Under President McKinley, the United States fought and won the Spanish American War of 1898 taking Cuba and Puerto Rico, while in 1903, with the subterfuge of support for independence movement, President Roosevelt took Panama from Colombia. With the United States becoming the dominant power in the region, Zelaya’s plans for a stronger Nicaragua and a united Central America were doomed.

With the pretext of supporting a supposed democracy movement in Nicaragua that opposed Zelaya’s tyranny, President Taft ordered the U.S. Marines to invade and occupy the country in 1909, an occupation that in several phases that would last until 1933. The U.S. took control of the political system through a puppet president, while also managing the national finances, and running much of the economy. Nicaragua became a colony in all but name.

The Nicaraguan Liberals, however, continued to fight against the Conservatives who under U.S. tutelage now ran the country, leading to a civil war from 1926 to 1927. But when the Liberals finally gave up the fight, one man, Augusto César Sandino, refused to lay down his arms.



Sandino, a mystic and a radical, organized what he called the Army in Defense of the National

Sovereignty of Nicaragua, in reality a ragged band of a few hundred workers and peasants who fought a guerrilla war against the U.S. Marines 1927 until 1933 when the Marines finally left. But it was not Sandino who had driven them away.

President Franklin D. Roosevelt, fearing a war in Europe, called for a “Good Neighbor Policy.” FDR withdrew the U.S. Marines from Nicaragua and other nations in the region, but in their stead the United States worked with friendly governments, often dictatorships, establish U.S. Marine-trained “National Guards,” armed forces that could be counted on to protect pro-American governments and American interests.

In Nicaragua, as the U.S. Marines left, Anastasio “Tacho” Somoza García became head of the new National Guard. When the new Nicaraguan Liberal president, Juan Bautista Sacasa, took power in January 1933, he called for peace negotiations between himself, Somoza, and Sandino. Somoza took advantage of one of the meetings to kidnap and assassinate Sandino; from that moment Somoza effectively became the ruler of Nicaragua, winning election to the presidency in 1937.

Somoza, his sons Luis and Antonio Somoza Debayle, backed by the United States, would rule the country from 1937 to 1979, maintaining their power through a series of pacts with the opposition political parties combined with whatever repression as needed. They modernized the country, building highways and improving the agricultural economy, while enriching property-owning class and themselves; the majority of Nicaraguans remained poor, often hungry, unhealthy, and illiterate.

Virtually a monarchy, the Somoza family was for two generations all-powerful in Nicaragua. The Somoza dictatorship led to opposition: various attempts at armed rebellion by the Conservatives, including the assassination of Tacho Somoza in 1956 (succeeded immediately by one of his sons), were followed by the rise in the 1960s of a revolutionary movement taking its name from Sandino and calling itself the Sandinista Front for National Liberation or FSLN.

The Origins of the Sandinistas

Earlier, in the 1930s, pro-Soviet Communists had organized the Nicaraguan Socialist Party (PSN), which, following the Communist International’s line, supported a Popular Front against fascism. In practice this meant supporting Tacho Somoza while simultaneously attempting to expand democratic rights and organize labor unions. This was a virtually impossible task, but this remained the Communist PSN’s position until the 1970s.

It was in this pro-Soviet Communist Party that the founders of the Sandinistas—Carlos Fonseca, Tomás Borge, and others—received their early political education, an experience that made them life-long supporters of the “Communist camp” and believers in a Communist-style of party organization.



In 1957 the PSN chose the young Fonseca to visit the Soviet Union, a year after Nikita Khrushchev's revelation of Stalin's crimes at the Twentieth Congress of the Communist Party of the Soviet Union and not long after the Soviet's crushing of the Hungarian Revolution. Yet Fonseca, future founder and leader of the Sandinistas until his death in 1976, remained a staunch supporter of Stalin and praised the Soviet Union for crushing the Hungarian uprising.

The Cuban Revolution of 1959 changed everything for leftists throughout Latin American, including the Sandinistas. Fidel Castro's "26 of July" guerrilla movement's overthrow of the dictatorship of Fulgencio Batista established an alternative leftist strategy, one not based on peaceful, gradual, electoral politics, but predicated upon armed revolution led by a dedicated guerrilla band.

Latin American revolutionaries in many countries turned away from the Communist Popular Front and took up armed struggle, believing it was possible to struggle not simply for a bourgeois-democratic state but for socialism. Fonseca justified the strategic change of direction in Nicaragua arguing that Augusto César Sandino had used just such a guerrilla war strategy in his struggle against the U.S. Marines in the 1920s.

Convinced by Castro's model and Ernesto "Che" Guevara's theory of the *guerrilla foco*, Fonseca and his co-thinkers left the Communist PSN, breaking with its Popular Front politics, and took up the Cuban example, but they never paused to reflect upon and never criticized Stalin, Communist Party organization, or the Soviet Union. While becoming guerrilla warriors in the Cuban model, they would remain lifelong supporters of the Soviet Union and the Communist camp.

Founded in 1962, the Sandinistas courageously pursued a guerrilla strategy for more than 15 years, fighting and dying in the mountains of Nicaragua, but their strategy proved unsuccessful and by 1977 they had been virtually wiped out by Somoza's National Guard. The FSLN's *guerrilla foco* established two things: their heroism and their absolute and uncompromised determination to overthrow Somoza, but it also proved that their strategy was an utter failure.

The failure of their approach led the FSLN to split into three rival tendencies. Tomás Borge headed the Prolonged Peoples' War tendency, which modified the Cuban model by adopting Mao Tse-Tung's Peoples' War theory, based on the notion of building up a peasant army in the countryside. Jaime Wheelock led the Proletarian Tendency, with the more traditional Marxist notion of organizing agricultural laborers and other workers.

Daniel Ortega was the leader of the Third or Insurrectionary Tendency that called for an alliance with other political organizations and with all Nicaraguan social classes, while at the same time seeking support from foreign governments in Europe and Latin America, and building a real army to invade Nicaragua from Costa Rica. By 1978, partly under pressure from Cuba, the three tendencies

had reconciled, all of them supporting the Third Tendency position.

Dictator Anastasio Somoza Debayle had selfishly enriched himself until he dominated so many industries that by the mid-1970s he had alienated and angered many in the Nicaraguan bourgeoisie. Nicaragua's capitalists and Liberal and Conservative politicians organized the Democratic Union of Liberation in 1974 to oppose Somoza and the FSLN began to work with this bourgeois opposition. In 1978 the Sandinistas and its coalition partners presented to the world a new face of the revolution: *Los Doce*, the Twelve, a group of intellectuals, businessmen, and religious leaders—not one Sandinista revolutionary among them, apparently—who called upon Somoza to resign.

The country seethed with protest and rebellion as the newly formed Sandinista Army began its offensive. The Somoza government appeared about to collapse, and U.S. President Jimmy Carter, having concluded that it was impossible to save Somoza, worked through the Organization of American States to negotiate the dictator's exit while preserving the government and the murderous National Guard, in order to prevent the FSLN from coming to power. The Broad Opposition Front (FAO), dominated by moderates, accepted the idea, but, when Somoza called for a plebiscite on his resignation, negotiations broke down. Carter then called for elections to create a "constitutional" successor government.

With that the FSLN left the FAO and with the United Peoples Movement created a new coalition the National Patriot Front. When National Guardsmen murdered ABC reporter Bill Stewart, a murder caught on camera and broadcast to the American public, Carter could no longer prevent the revolution from bringing down not only Somoza but the Guard and the government as well.

The FSLN had meanwhile built up its army under the shield of a friendly government in Costa Rica, strengthened by hundreds of Latin American volunteers. As the FSLN launched its attacks, supported by uprising in cities and towns throughout the country, Somoza's National Guard tortured and murdered many young people while his air force bombed working class neighborhoods in the major cities.



The revolutionary movement could not be suppressed. The FSLN, now supported by the entire country, pushed on to Managua in the midst of a popular national uprising, taking power on July 17, 1979. The revolution was greeted with jubilation by virtually the entire Nicaraguan population.

The FSLN in Power

The Sandinistas came to power with extremely widespread support and surprisingly with no competitors for power. The FSLN hurriedly convened a three-day meeting of 400 members (virtually its entire membership in a nation of almost three million people) and adopted the "72-Hour Document." The document stated that the FSLN planned to consolidate itself as a Marxist-Leninist Party; that its goal was the "dictatorship of the proletariat"; that it should become part of the

Communist camp with the Soviet Union, Eastern European Bloc, Vietnam and Cuba; and that it would work through temporary alliances with other classes and political groups until it achieved those goals. As many of them said, their goal was to create another Cuba.

Publicly, however, the FSLN stated that it wanted to have a mixed economy, a pluralistic government, and a non-aligned foreign policy. That is, while planning to create a Cuban-style, one-party, Communist state that would become part of the Communist camp, the Sandinistas presented themselves as social democrats. Their duplicitous position confused and confounded both their enemies and their allies.

Always until then a clandestine “military-political organization,” now that the Revolution had been won, the FSLN was in a position to call a democratic convention of its members, to adopt a constitution, to ratify a program, and to elect a leadership—but the FSLN did none of those things. In fact, the FSLN would call no convention until after it lost power in 1990. The FSLN’s nine-man directorate would continue to lead the party through top-down commands to the country’s regions and zones as it had since its founding. Democracy in the party was not a core value of the Sandinistas; on the contrary, an authoritarian, quasi-military organization remained in place.

To rule the country, the FSLN created two bodies: *la Junta de gobierno* (the Governing Committee) and *el Consejo del Estado* (Council of State). The *Consejo*, was presented as a kind of popular parliament, though the member organizations were chosen by the *Junta* and were overwhelmingly FSLN controlled mass organizations: labor unions, women’s groups, and farmers. In reality, the *Consejo* took no initiatives on its own.

The real decisions were made by the *Junta*, made up of five members, two moderate business people and two Sandinistas, and a fifth supposedly neutral person. But the fifth person, author Sergio Ramírez, was actually a secret FSLN member, allowing the FSLN to dominate. When the two non-FSLN members realized that they were being lied to and manipulated, naturally they resigned. The FSLN National Directorate headed by Daniel Ortega thus became the country’s government. While other parties existed, they had no role in government.

Democracy wasn’t an important Sandinista value, but equality was. The FSLN launched a remarkable national literacy campaign involving tens of thousands of young people who went to every region of the country teaching people to read and write.

The new revolutionary government also made health care a priority, educating new doctors and nurses, creating a public health system with clinics and hospitals that brought health care to hundreds of thousands of people who had never in their lives seen a doctor.

Once in power, the FSLN leaders and party members took over virtually all of the government’s most important offices, making themselves the heads of ministries that had thousands of employees and managed important resources. In this way the FSLN began to fuse with the state, much like the Communist Party in Cuba or the Institutional Revolutionary Party in Mexico.

The Sandinistas nationalized the country’s banks and the U.S.-owned mines and lumber industry, but avoided confrontation with the largest U.S. corporations such as Caterpillar, Exxon, IBM, and Texaco. Understandably and quite reasonably, the FSLN nationalized the properties of Somoza and of other capitalists who had left the country and supported the armed opposition.

The FSLN did not nationalize the properties of all Nicaraguan businesspeople, however. Those who stayed in the country and continued to produce could keep their property and produce their goods, though the only market for them was the Sandinista government. Still, many of the Nicaraguan

capitalists who stayed in the country were hostile to the government, even if not involved in the armed resistance, and worked to undermine it.

The Sandinistas now ran the country's government, managed national finances and controlled much of the economy. Suddenly, the men who had lived such dangerous and precarious lives in the mountains had salaries, automobiles and homes. Somozas' fleet of Mercedes-Benz autos passed into the hand of FSLN *comandantes*. The FSLN took over the mansions of the bourgeoisie and used them for offices and in many cases for residences for the leaders. Even if most at first lived modestly, the slender edge of the wedge of privilege began to separate the leadership from the regular party members.

The Sandinistas developed plans for the management of the economy, but the execution of the plans proved difficult for a variety of reasons. To begin with, the country was poor and suffering from Somoza's destructive bombing of the cities. Somoza and other wealthy people had carried their money off to Miami or to other Central American or Caribbean countries. The *comandantes*, each ensconced in his own ministry, worked to strengthen their respective positions within the state, some developing mega-projects that absorbed tremendous resources without necessarily producing many benefits. The capitalists who remained in Nicaragua often resisted the government's proposals, sabotaging national plans, while the mass of the population raised its own demands for economic improvements, demands that the FSLN administration could not meet.

The FSLN organized and controlled a range of mass organizations in Nicaraguan society to provide the party with a social base of power and to resist the capitalist class and the conservative parties. After more than forty years of dictatorship, the Nicaraguans were anxious to organize themselves and use their collective power to right the wrongs that they had endured.

The farmers wanted land while the working class wanted higher wages, but these groups would find it hard to fulfill their desires. The Sandinistas, who believed in state ownership of the farmland and collectivized agriculture, declined to give farmers titles to their land, and many became disgruntled, some joining the armed opposition.

Workers wanted higher wages, but the Sandinista government, which controlled the largest labor unions, worked to restrain workers' wages in what the Sandinistas saw as the interests of the whole society. Especially after the U.S. backed Contra War began the Sandinistas cracked down on the independent labor unions. When independent left-wing unions or right-wing unions struck, the government crushed their strikes.

The Contra War

Republican Ronald Reagan was elected president in 1980 on a campaign platform that included support for "the efforts of the Nicaraguan people to establish a free and independent government." The meaning of this phrase was clear: he would work to overthrow the Sandinistas. In January of 1981, Reagan, operating through the U.S. Central Intelligence Agency, successfully pressured the more moderate Nicaraguan opposition to unite with the more right-wing elements including the former National Guard officers. By March 1982 the Contra War began with the bombing of bridges in northern Nicaragua.



The CIA helped the new Contra movement, armed by the United States, to establish a headquarters in Honduras from which it launched sorties, principally attacks on civilian Sandinista institutions such as schools, health clinics, and agricultural cooperatives, killing many. The U.S. would spend hundreds of millions of dollars in support of the Contras in an attempt to bring down the Sandinista government by force. The CIA's support for the Contras was supplemented by an economic embargo that strangled the economy and brought tremendous hardship to the Nicaraguan people.

The Sandinistas, however, also made mistakes that deepened what became not simply a foreign military intervention on the side of the old regime, but a genuine civil war with working people fighting and dying on both sides. Many small farmers, disappointed in not receiving title to their land, went off in significant numbers to join the Contras.

The Sandinistas' dealings with the indigenous Miskito peoples on the Caribbean coast, at first insensitive and then aggressive—aggravated by CIA and U.S. State Department intervention—led some of the Miskitos to join the Contras as well. Finally, fighting not only the old National Guard but also Nicaraguan peasants and indigenous people, and with its back to the wall, the Sandinista government instituted military conscription, a tremendously unpopular policy that led many young Nicaraguans to dodge the draft by fleeing to Contra held territory.

Because Reagan's principal charge against the Sandinistas and a point of leverage with other governments was the fact that the FSLN had never been elected to power, it was decided to hold national elections to a genuine legislature and to a new set of offices that included a president. Daniel Ortega was the FSLN presidential candidate running against Arturo Cruz, one of *Los Doce*, who had gone into the legal opposition. Though secretly subsidized by the CIA, the U.S. government came to the conclusion that Cruz could not win and pressured him to withdraw at the last minute, making Ortega's election with 67 percent of the vote appear to be illegitimate because there was no opposition candidate.

The FSLN government, now based on a national election, and still controlling the country's mass organizations, was more powerful than ever, though it was a government that less resembled Communist Cuba and more and more resembled Mexico.



By the mid-1980s, under pressure from the Central American solidarity movement, which had a great deal of support from U.S. churches, the United States Congress was beginning to turn against the war. The Boland Amendment to the 1985 budget cut off funding to the war. But Ronald Reagan, not to be stopped, arranged for the secret and illegal sale of weapons to Iran via Israel, the proceeds of the sale to be used to continue to support the Contras. The story of the unlawful Iran-Contra deal came to light in 1986, further discrediting the Reagan administration and leading to the end of U.S. support for the Contras, while at about

the same time the Soviet Union began to phase out support to the Sandinistas.

The U.S.-backed Contra War had a devastating impact on Nicaragua, making it virtually impossible for the Sandinistas to pursue their ambitious program of economic and social reforms. In fact, by the mid-1980s the Sandinistas had been forced by the war and embargo to impose neoliberal policies, reducing taxes on businesses and cutting the budget for social programs.

The U.S. intervention in Nicaragua—taking place at the same time as civil wars in both El Salvador and Guatemala, where the U.S. backed right-wing governments against left-wing guerrilla movements—represented a threat to the entire region. Faced with that reality, Costa Rican President Oscar Arias courageously, in defiance of Reagan, called for peace negotiations between the Sandinistas and the Contras, and finally in March of 1988 the war ended.

The war's impact had been devastating: 30,865 Nicaraguans had been killed, 30,000 or more wounded and maimed; the war had cost of \$1.9 billion, while the embargo represented another \$1 billion loss. The Nicaraguan government sued the United States for damages at the World Court, which ordered the U.S. to pay Nicaragua \$17 billion in war reparations. The U.S. government refused, still intent on destroying the Nicaraguan economy and driving the Sandinistas from power.

From Revolution to Reaction

A year after the war ended, preparations began for the 1990 presidential and legislative elections. Daniel Ortega put himself forward as the FSLN candidate, campaigning in his military uniform as a leader of the revolution and of the war against the Contras. The FSLN, which had still never held a convention, was transformed from a military-political organization into an electoral party aimed at getting out the vote.

Opposing Ortega and the FSLN was "The National Union of Opposition" (UNO), an unwieldy coalition of all the opposition parties, from the Conservatives on the right to the Communists on the left. Encouraged by the CIA, UNO chose as its president Violeta Chamorro, widow of the famous Conservative leader and opposition journalist Pedro Joaquín Chamorroa, widely believed to have been assassinated by Somoza shortly before the Revolution.

Violeta Chamorro had revolutionary credentials herself since she had been a member of the Junta, though now she presented herself as a housewife, mother and grandmother who would reunite the nation in peace. The CIA and the U.S. National Endowment for Democracy largely funded her campaign, while the U.S. Republican and Democratic Party, principally the latter, provided political consultants. U.S. President George H.W. Bush also did everything he could to help her, frequently posing with her in photos.

Ortega and the FSLN were convinced they would win the election, but to the Nicaraguan people, a vote for the revolutionary Ortega appeared to be a vote for war and the draft, while a vote for Chamorro seemed to be a vote for peace and a return to civilian life. Exhausted by a decade of revolution and war, not surprisingly, the country chose the latter. Some 86 percent of the population voted and to the shock of the Sandinistas, Chamorro garnered 55 percent of the vote, while Ortega received 41 percent. Her coalition won 51 seats in the legislature, while the Sandinistas won 39 out of a total of 93.



Immediately upon her election Chamorro's UNO coalition split into two parts: a right-wing led by her vice-president Vigil Godoy that wanted to return to the glory days of the Somoza era, and the moderate wing led by her son-in-law Antonio Lacayo, who simply wished to establish a modern capitalist state that could create the conditions for the making of profit and the accumulation of capital. With their electoral coalition collapsing, Chamorro and Lacayo realized that they could only govern with the cooperation of the FSLN.

The FSLN, after all, held not only the largest disciplined block of votes in the National Assembly, but also commanded all of the mass organizations, most importantly the labor unions, which could paralyze Chamorro's government. And, most significant of all, Humberto Ortega, brother of Daniel Ortega, headed the Sandinista Army.

Lacayo and the Ortega brothers met and negotiated a transition pact that demobilized the Contras, 1) reduced the size of the Sandinista Army and made it a politically neutral, professional organization; 2) respected titles of land distributed to the people; and 3) promised no reprisals against public employees. At the same time, a secret deal was made. Antonio Lacayo, Daniel Ortega, and his brother Humberto Ortega became—in the words of former Sandinista leader Moises Hassan—the “triumvirs,” the real rulers of Nicaragua during the Chamorro administration.

The three men agreed that they would marginalize “the radicals” in both of their parties, the Somoza element in UNO and the radical, militant leftists in the FSLN, in order to create a center bloc that had a majority in the National Assembly. This was the Popular Front the Sandinistas had rejected twenty years before, but now with a vengeance. This was a kind of government of national unity formed by right and left. Ortega and the FSLN, intent on keeping as much political power as possible, declined to go into opposition and fight the right-wing government, but rather took responsibility for the government and its policies.

The policies would be neoliberal. Nicaragua in 1990 owed \$4 billion to the Soviet Union and about \$7 billion to western nations. Working together, the triumvirs would make arrangements with the International Monetary Fund to deal with its debt, accepting a program of structural adjustments in exchange for approval for new loans. The banks and industries that had been nationalized by the Sandinistas would be privatized; property that had been expropriated from Nicaraguans who had gone abroad would be returned to them.

Life for the working class deteriorated at once. Soldiers were demobilized; public employees were laid off, and unemployment mounted. When public employees struck, they were granted big wage gains, but inflation then wiped out those increases almost immediately. Free trade zones were reestablished, maquiladoras opened up, with a special tax regime to attract foreign investment, while maquiladora workers were discouraged from organizing unions or striking. Health care and some other social programs survived, if on reduced budgets, but the standard of living of working people declined drastically.

In the last days before Chamorro took office, the FSLN government had passed a series of laws

transferring nationalized lands, public buildings, and homes from the government to top Sandinista leaders. The ostensible justification for those laws was that the FSLN would protect social property from being seized by a right, and to a large extent that was what happened. But it was also the case that Sandinista leaders took advantage of the laws to acquire homes and other real estate and to enrich themselves. The laws were often referred to as the *piñata*, after the *papier maché* figures that children, breaking the effigy open and spilling the candy inside, then scramble to gather up and put in their pockets. Many Nicaraguans now viewed the Sandinistas as greedy.

During the changeover from the Ortega to the Chamorro government, FSLN leaders also took over various programs and resources that they had managed, transforming them into non-governmental organizations. The new NGOs, some supported by funds from foreign governments, provided the Sandinistas with jobs, titles, incomes, cars and new careers. The wedge of privilege began to drive more deeply into Nicaraguan society and the divide between the FSLN leaders and the members grew.

Faced with entirely new circumstances and demands for a voice from the party's rank-and-file, in 1991, the FSLN held its first ever convention attended by 581 delegates, the majority of them democratically elected. While some delegates criticized the FSLN's lack of democracy, and while the convention divided into two factions, there was no strong alternative leadership. Daniel Ortega managed to put himself at the center of the party and to hold on to power.

With the Soviet Union having collapsed, and Cuba economically desperate, the convention voted to affiliate with the Socialist International, the historic organization of social democracy led by the European socialist parties. This development resembled the Eurocommunist movement of the 1970s and 1980s when the formerly Stalinist Communist parties of Western Europe began to transform themselves into social democratic parties. At about the same time, the social democratic parties in government managed capitalism by adopting neoliberal policies.

While the 1991 convention represented the FSLN's first experience with democracy in almost thirty years, it focused principally on questions of internal party questions and dealt with none of the actual political issues facing the party. The Sandinista members did not seriously discuss and debate the FSLN-UNO coalition, or the secret role of the Ortegas in cahoots with Lacayo (the triumvirs), or the fact that their party was jointly responsible for the government's neoliberal policies.

So despite the apparently democratic convention, the former *comandantes* of the National Directorate continued to control the party in a top-down fashion, in the way they had learned from the Communist PSN and the Cuban Communists decades before. Daniel Ortega was not solely responsible for the FSLN's rightward movement; he had the support of the National Directorate, of many historic FSLN leaders, and the tacit support of the party's rank-and-file. The argument was that at the end of Chamorro's term, the FSLN would be elected to office again and return to the struggle for socialism. Trained in the Soviet and Cuban top-down organizational tradition, the ranks by and large followed their leaders loyally, though there were some important exceptions.

During the years of the Chamorro administration, the difference that had surfaced at the 1991 convention would lead to a split at the top of the party. Novelist Sergio Ramírez, *comandante* Dora María Téllez, FSLN *Barricada* editor Carlos Fernando Chamorro, and priest-poet Ernesto Cardenal wrote a document, "Return to the Majorities" calling upon the FSLN to make a full transition to a European-style social democratic party. Daniel Ortega, Tomás Borge and other members of the Sandinista National Directorate wrote a rival document, misleadingly titled "The Democratic Left," though in fact they defended their historic Soviet- and Cuban-inspired politics. The political divisions in the party were widening.

In a struggle shortly afterwards over amendments to the Nicaraguan constitution, Ramírez led virtually the entire FSLN parliamentary delegation into opposition to Daniel Ortega. Thirty FSLN delegates left and created a new party, the Sandinista Renovation Movement (MRS), though the intellectuals and politicians of the MRS proved no match for the Sandinista organization and were later badly beaten in their bids for reelection to the National Assembly.

Still, for the first time ever, Nicaragua had in the 1994-1997 period a democratic legislature, though the politics were a combination of conservative economic measures and democratic reforms. At the same time, in Nicaraguan society new independent NGOs and social movements appear, most importantly a dynamic new feminist movement and some activist environmental organizations. The economic situation also improved somewhat at the end of the Chamorro years, though about 75 percent of the population remained poor.

The *Somocistas* Returns to Power

Violeta Chamorro and Antonio Lacayo—working with Ortega and the FSLN—had aligned Nicaragua with the “Washington Consensus”; that is, with the neoliberal policies of the era, but they had not been arch-reactionaries, nor were they fundamentally corrupt. Worse was yet to come.

From 1997 to 2007 Nicaragua would be led by two presidents, Arnoldo Alemán and Enrique Bolaños, who came out of the Somoza political milieu and who would combine profoundly right-wing politics with widespread corruption. But like Chamorro, in order to run the country, they too found that they had either to enter into partnership with Ortega and the Sandinistas or face political paralysis. The Sandinistas were not the principal instigators of the conservatism and corruption that flourished in those years, but they shared political power with the culprits.



Arnoldo Alemán, known as *El Gordo*, the Fat Man, had lived briefly in exile in Miami but then returned to Nicaragua to become leader of the *somocista* Liberal Constitutionalist Party (PLC). During Chamorro's presidency he won election to the Managua city council, which then chose him to be mayor. Alemán encouraged public works like street paving, traffic circles, and fountains, and he promoted the development of gas stations, fast food restaurants, and shopping malls, all very popular with the public. Alemán had the Sandinistas' revolutionary murals painted over and put up billboards proclaiming, “The Mayor gets things done.” People mostly seemed to agree.

Backed by wealthy Nicaraguans at home and by those still living abroad, Alemán created the Liberal Alliance coalition and built a grassroots organization like the Sandinistas. Unlike the historic Liberal party, which was anti-clerical, Alemán talked religion and won the backing of Cardinal Obando y Bravo, the spiritual leader of the rightwing, who gave a sermon referring to Ortega as a snake. Running on the slogan “War against unemployment and poverty,” Alemán traveled around the country distributing t-shirts and caps bearing his name. An attempt on Alemán's life, presumed by the public to have been carried out by the Sandinistas, won him the sympathy of some voters.

Daniel Ortega was challenged for the FSLN's party nomination by *comandante* Vilma Nuñez, one of the few women *comandantes* and a leader of the democratic dissidents still within the party. Ortega easily defeated her democratic and feminist challenge, becoming the party's nominee for the third time.

For this campaign he transformed himself completely, dressing in civilian clothes, appearing as a respectable family man with his wife Rosario Murillo and their children. He talked about the United

States as Nicaragua's "great neighbor," not its implacable enemy. Ortega advocated a politics of "Neither extreme right nor extreme left" and called for a "United Front." While accepting neoliberal economic realities, Ortega continued to advocate social programs for working people and the poor. Nevertheless, Alemán won by a landslide, defeating Ortega 51 percent to 38 percent while his Liberal party took 42 of the 93 seats in the National Assembly.

Alemán's political practice in power was simple: use the public treasury to enrich himself and his Liberal Alliance allies, understanding that every government contract for infrastructure or services provided opportunities for graft. Everything, even a disaster, was an opportunity for larceny. Hurricane Mitch of 1998 led to massive destruction in Nicaragua and then to considerable economic aid from Europe and the United States, which created even more opportunities for embezzlement. When Comptroller General Agustín Jarquín discovered and revealed many of Alemán's swindles, the president had him jailed, leading to protest demonstrations. The corruption scandal raised the possibility of prison for Alemán



By 1999, Alemán was in serious trouble—but so was Daniel Ortega. Ortega's step-daughter Zoilamérica Nervaes, 30-year old FSLN member and sociologist, filed detailed charges her step-father, first in a Nicaraguan court and then in the Inter-American Court, accusing Ortega of having sexually molested her since she was 11 years old. Both Alemán *and* Ortega feared being hauled into court, tried, and possibly convicted and imprisoned, almost surely putting an end to their political careers.

Their common fear of prosecution led them to forge the Pact of 1999. The FSLN and PLC leaders agreed to revise the Constitution and the Electoral Law, and to carve up the government so as to equally distribute positions in the Supreme Court, the Electoral Council, the Controller, the Attorney General's Office, and the Superintendent of Banks to both parties.

Key to the deal was that Alemán like Ortega would, without an election, become a member of the National Assembly, so that both men would enjoy legislative immunity and could not be brought into court. The number of votes needed to overturn legislative immunity was increased to make it virtually impossible. Thus Ortega and the FSLN now not only participated in a bourgeois political system, but in the most undemocratic and corrupt version of such parliamentary politics.

His reputation destroyed by the revelations of his administration's corruption, Alemán had no chance as an incumbent candidate, and so he chose as his party's standard bearer for the 2002 election his vice-president Enrique Bolaños Geyer whom Alemán thought he could control. Bolaños was a cotton farmer, director of the High Council of Private Enterprise, and a member of the *somocista* PLC. He would prove, however, to be more independent than Alemán expected.

Humberto Ortega suggested that Daniel Ortega sit out the 2002 election so that he would appear to be more democratic, but the ever-ambitious Daniel went ahead with his fourth national presidential campaign, once again in civilian clothes, with his wife beside him, now talking social democracy and religion. Despite Ortega's new spiritual conversion, Bolaños won by 56 to 43 percent. While Bolaños

became the president, Alemán and Ortega together controlled the National Assembly.

Bolaños quickly went to war with Alemán. His Attorney General indicted Alemán for embezzling \$96.7 million and using his government credit card to pay for \$1.8 million in personal bills: jewels, carpets, hotels in Bali, Paris nightclubs. Alemán responded by revealing that while serving as his vice-president, Bolaños had received from the National Democratic Front—that is, from the Contras—some \$7,000 per month in salary and \$40,100 per month in expenses, that is \$564,000 a year, ostensibly to train election watchers.

Bolaños, unfazed by those revelations, had Alemán arrested, tried, and convicted of corruption, embezzlement, and money laundering. Alemán should have spent years in prison, but, ostensibly because he was ill, the court—controlled by Ortega—allowed him to serve his sentence at first at home and later anywhere in the country he liked. At the same time Ortega and Alemán renewed their pact in 2004, making it virtually impossible for Bolaños, who had no party and little parliamentary support, to govern.

While the government was paralyzed by the feud between Bolaños and Alemán, the Nicaraguan capitalist class continued the process of reconstituting itself that had begun under Chamorro. Large banks—Grupo Proamérica, Bancentro (Lafise); Grupo BAC, Grupo Pellas, and Grupo Uno, which were owned by the McGregor, Montealegre, Pellas and other extremely rich families—dominated Nicaraguan finances. And large landlords grew wealthy in agriculture. Foreign buyers and domestic investors in the maquiladoras prospered. Most Nicaraguans, however, lived in poverty as small farmers, agricultural day laborers, industrial workers or maquiladora laborers. Poverty and hunger remained widespread.

Throughout the period from 1990 to 2006, the Sandinistas entered into political pacts first with Chamorro and then with Alemán—utterly undemocratic political arrangements, corrupt and conservative. Still Ortega and the FSLN continued to use a Marxist-Leninist (that is, Stalinist) discourse within the party while in society they adopted a populist language, promising to improve the lives of the people. On the international stage, Ortega attended conferences and meetings with Fidel Castro and Hugo Chavez, thus identifying himself and the FSLN with the far left of the Latin American pink tide.

“Left” politics of the Soviet-Cuban variety, once sincerely held but now opportunistically deployed, served as a political cover for Ortega and the FSLN, and as an illusory motivation for longtime Sandinista militants. “Marxist-Leninist” politics were not irrelevant, but were absolutely essential to Ortega’s project, a project for which he was not solely responsible, but to which much of the historic leadership of the party and many militants contributed.

The 2006 Election—Ortega to Power

In 2004 Ortega called a quite irregular meeting of FSLN leaders and militants at which he announced that he would be the FSLN candidate. Victor Tinoco, a longtime Sandinista leader and former FSLN Minister of Foreign Affairs, who later joined the MRS, wrote in the Jesuit magazine *Envío*:

Nearly two years before the 2006 elections, in a final anti-democratic spasm, Daniel Ortega announced the suspension of the FSLN’s primary elections and [declared] that he would be the sole candidate. He made this announcement in Matagalpa, with the “support” and “approval” of some 400 previously selected people, 95% of whom are party or municipal workers, and all of whom have salaries of \$2,000-\$3,000 a month and are not going to dare to dissent and risk their personal economic prospects. In this way, Daniel Ortega and 400 others

decided that the other 600,000 Sandinistas do not have the right to an opinion or to elect their chosen candidate.[4]

The Movement for Sandinista Renovation (MRS) and the Christian Alternative put forward as their candidate the former FSLN leader Henry Lewites. Lewites, who was quite popular and whose campaign began very well, died of a heart attack in July 2006. His running mate Carlos Mejía Godoy, the enormously popular singer, carried on, but the campaign had lost its momentum and fizzled out.

Split by the Bolaños-Aléman feud, there were two rival Liberal Party candidates. Eduardo Montealegre, a former banker who had held cabinet positions in both the Aléman and Bolaños governments, organized the Nicaraguan Liberal Alliance (later the Independent Liberal Party). George W. Bush did everything possible to support Montealegre, sending several national Republican figures, such as Jeanne Kirkpatrick and Otto Reich, both of whom had organized U.S. support for the Contras, to assist him, as well as providing millions of dollars for his campaign. Aléman's wing of the Liberal Party put forward José Rizo, lawyer, businessman, and politician, but one with fewer resources. Alemán's backing of Rizo's candidacy served the interests of his partner Ortega.

Ortega's campaign in 2006 was more conservative and more religious than any he had run so far. All was sweetness and light. For the 2006 campaign, the Sandinistas got rid of their revolutionary red and black flags and replaced them with pink and turquoise regalia and bunting. The campaign theme song was a Spanish language version of John Lennon's "Give Peace a Chance." Ortega and his wife Rosario Murillo, married for more than twenty years, had a Catholic wedding performed by Cardinal Miguel Obando y Bravo. Ortega made a public "confession" to Obando for the Sandinistas' sins during the Revolution, and in return Obando gave Catholics permission to vote for Ortega.

As Wikileaks has revealed, U.S. Ambassador Paul A. Trivelli informed Secretary of State Condoleezza Rice that rumor had it that Ortega had blackmailed Obando with the threat that he would reveal that the Cardinal had had children with his secretary. One of those children was Roberto Rivas, who could also be blackmailed; he would become the future head of the Supreme Electoral Council. To make good on his side of the bargain with Obando, Ortega led the FSLN representatives in a 52-0 vote to make all abortions illegal, without previous exceptions for rape, malformation of the fetus, or risk to the life or health of the mother.

With the Church behind him, Ortega also wanted to reassure the domestic and international capitalist class that the Sandinista government was no threat. So Ortega chose as his running mate Jaime Morales Carazo, banker and former Contra, a choice that nauseated many Sandinistas. He met with foreign investors, assuring them that their investments in Nicaragua would be safe, saying, "Confiscations are not even being considered." Ortega did not reject the Central American Free Trade Agreement, but rather called for its renegotiation. Yet, by the same token, Ortega had no problem in May of 2006 attending the Third Alba Summit in Havana, joining Fidel Castro, Hugo Chavez, and newly elected Evo Morales.

When the votes were counted, Ortega had received 38 percent—just enough to be elected without a second ballot—Montealegre, 28 percent, and Jose Rizo, 7 percent, while MRS candidate Edmundo Jarquín won just 6 percent. Finally, after three unsuccessful presidential campaigns, Ortega had won the presidency, returning to the office he first occupied in 1984. Then, he had been a Marxist-Leninist revolutionary who admired Cuba, the Soviet Union, and the Communist camp. Now he was...well, what was he now?

Ortega began his presidency by announcing that he would share power equally with his wife Rosario Murillo, saying that people want 50 percent women in the government, so he was giving her half of

the presidency. He and Rosario chose a cabinet made up of a congeries of veteran Sandinistas, businessmen, one self-described anarchist, and a New Age reflexologist (whose patients were Daniel and Rosario), as well as several not-very-political professionals. While there were several women, none were feminists in this government that had defined itself as anti-abortion. Ortega and Murillo appointed Cardinal Obando y Bravo to head up the Commission of Verification, Peace, Reconciliation and Justice. Obando also became Ortega's personal spiritual advisor,

Early in his presidency, Ortega traveled to Venezuela to meet with Chávez and returned to tell a May Day workers meeting that Venezuelan oil money being delivered through the Latin American Bolivarian Alliance (ALBA) would soon lift Nicaragua out of poverty. Over the next five years Chávez sent Ortega over \$2.2 billion in loans and oil credits. These funds went to Albanisa, a private company, and from there principally to poverty programs aimed at providing housing, ending hunger, assisting farmers, and providing scholarships to low-income students.

Daniel Ortega, unsupervised by either the FSLN or the Nicaraguan government, personally controlled these Venezuelan funds—as much as \$200 million per month—which he could use at his discretion: to suborn legislators, to buy the support of NGOs, or to win over church officials. Most famously he gave public employees a \$30 per month bonus “a gift of thanks from *comandante* Ortega.”

At the same time, Ortega worked with the IMF and the World Bank to have some of the country's more than \$1 billion in debts to them cancelled in return for adopting neoliberal structural reforms. With the United States, Ortega arranged a Millennium Challenge Account \$175 million to combat poverty in certain regions. Ortega also cooperated with the U.S. Drug Enforcement Agency (DEA) that provided equipment to the Nicaraguan police. While he railed against U.S. imperialism, year after year he accepted anywhere between \$25 and \$50 million dollars from the American government.

Ortega and Murillo worked to rebuild and reorganize the FSLN. After all, Nicaragua was an altogether different country than it had been when the revolution took place. The population had doubled from 2.4 to more than 5 million inhabitants. Those born the year of “The Triumph” of 1979 were now 25 years old and had had no experience of the revolutionary struggle whatsoever and had grown up under the right-wing Chamorro, Aléman, and Bolaños governments.

Once a party of Marxist-Leninist cadres, the FSLN had become an electoral party that handed out membership cards to hundreds of thousands of people, many of whom had only the vaguest idea of what party membership meant. Yet the party was still led by a handful of Sandinista leaders, the Ortega brothers, Bayardo Arce, and a few others who had been trained in Soviet and Cuban political theory and organizational methods. Now that training and their experience was used to maintain political power in a liberal capitalist state that implemented austerity policies accompanied by social welfare programs.

Rosario Murillo undertook to replace the largely defunct Sandinista Defense Committees (CSSs) with the new Citizens Power Councils (CPCs), claiming to have organized thousands of them with nearly one million members. The CPCs became vehicle to channel aid, scholarships, and, wrote *Envío*, “other vote-buying goodies.”

At the same time Murillo was largely responsible for creating a cult of personality around Daniel Ortega, giant portraits of whom were erected in Managua. Ortega and Murillo, firmly allied with the Catholic Church, led the FSLN in defining itself in the public mind as an anti-feminist organization. Murillo spoke and wrote pamphlets in which she labeled women who worked for abortion rights as upper-class agents of imperialism.

The FSLN faced challenges—from the independent feminist movement that fought for abortion rights; occasionally from workers' strikes, such as those of the truck, bus, and taxi drivers strikes of 2008; and from the political opposition left, right, and center which demanded genuine democratic elections. But none of these movements had the leadership, social weight, or strategy to challenge the FSLN successfully.

A Second Consecutive Term...and a Third

Ortega, having finally returned to the presidency after more than twenty years, was not about to give it up. The problem was that the Nicaraguan Constitution prohibited anyone from holding the presidency for a consecutive term or for more than two terms, doubly disqualifying Ortega from running for office. Unable to pass a constitutional change through the legislature, in 2009 Ortega reorganized the Supreme Court and had it overturn the constitutional language, making him eligible to run. As the 2012 election approached Ortega also began to buy up TV and radio stations, the country's principal source of news and information, installing his children as the managers.

The Liberals, divided amongst themselves and unable to agree on a candidate, found themselves faced with a *fait accompli* when Fabio Gadea Mantillo threw his hat in the ring. He was an unlikely candidate. A 79-year old pioneer in radio broadcasting and a famous and beloved radio storyteller who held extremely reactionary views on both economic and social issues, Gadea succeeded in winning the Liberal nomination.

Gadea, backed by Montealegre's wing of the Liberal Party, held rallies of tens of thousands and appeared to have a real chance of winning the election. In the end, however, Ortega was proclaimed the winner with 62 percent of the vote, while Gadea received 31 percent and Arnold Aléman, the other Liberal candidate got 6 percent. European observers suggested that the victory could be attributed to Roberto Rivas, head of the Supreme Electoral Council, who had overseen an utterly fraudulent election.

Contemporary Capitalist Nicaragua

Under Ortega, Nicaragua has become a typical capitalist country with an authoritarian populist political regime. The Nicaraguan government works to promote foreign and domestic investment and to insure that it is profitable. Daniel Ortega, for example, has formed a political and economic alliance with Carlos Pellas, one of the wealthiest men in the country. Nicaragua typically receives nearly \$1 billion in foreign direct investment each year in a variety of sectors such as mining, communications, and maquiladoras, the investment coming mainly from countries like Venezuela, Panama, the United States, Spain, and Mexico.

The Nicaraguan capitalist class, some of which had stayed in the country during the revolution and some of which had gone into exile in Miami, other Central American nations, or the Caribbean, returned wealthier and better-connected internationally than ever before. Some of the Sandinistas who enriched themselves with the *piñata* became very junior partners in the capitalist world, though most remained socially unacceptable there.

Today about a dozen families who run the nation's largest banks and control its most import industries today control Nicaragua's economy. Each of the dozen wealthiest families controls financial institutions or companies with earnings of about \$1 billion. In addition, according to banker and scholar Francisco J. Mayorga, the country has another 1,500 families in the millionaire range, and beyond them a stunted middle class of small merchants and professionals who are not very well-off. Teachers, for example, earn about \$200 per month.

Most Nicaraguans remain farmers or factory workers who earn low wages, and many of them live in poverty. Among those low-wage workers are thousands in the multi-billion dollar maquiladora sector that produces for companies such as the Gap, Levi's Target, Walmart and JC Penny. Unions have complained that they have difficulty organizing, negotiating contracts, and face unfair treatment. Unable to find decent work and wages in Nicaragua, about one million workers migrate to work abroad in Central America or the United States, and many stay there. Such is Daniel Ortega's Nicaragua.

Conclusion

The argument has been made in several recent articles that criticism of the Nicaraguan government is either a product of imperialism or benefits imperialism. These assertions are belied by the fact that the many of the most incisive critiques of the FSLN and the Nicaraguan government have been made over the years by former *comandantes* who argue that the FSLN had become authoritarian and abandoned the struggle for socialism. (Their words can be found in many issues of the Jesuit *Envío magazine* published from 1981 to today as well as in a number of Sandinista memoirs.)

Others are willing to criticize Daniel Ortega and the FSLN of today for betraying the Nicaraguan Revolution, but they deny that the left has any responsibility for what happened. In fact, at the root of the degeneration of Ortega and the leadership of the FSLN were the Stalinist politics in which they had been trained by the Communist PSN in the 1950s as well as the Cuban version of Communism that they later adopted. While they rejected the Soviet Union's Popular Front politics based on building a reformist electoral party and trade unions, they never questioned the nature of the Soviet Union or the Communist Party model of organization.

The force of U.S. imperialism was enormous throughout the original Sandinista period. The U.S.-backed Contra War and the embargo, followed by the U.S. support for rightwing candidates, had a tremendous negative impact on the Nicaraguan Revolution. U.S. imperialism was the principal external force working to drive Nicaragua to the right. Still, the Sandinistas themselves must also take responsibility for the political choices they made within those highly unfavorable circumstances. Their Soviet-Cuban politics meant that democracy had no central role in the Sandinistas' conception of socialism. The idea that the working class and the farmers should have a voice and vote in deciding their own fate was simply beyond the ken of the Sandinistas.

Ortega and the FSLN *comandantes* believed that they were the leaders of the vanguard of the working class and that they knew what was best for the working people of Nicaragua. At the beginning, they sincerely believed that they would create an egalitarian society, uplifting the workers and farmers, but they never believed that those workers and farmers should actually control the party, the government, the society, or their workplaces. While Ortega and the FSLN leadership gradually gave up on their condescending version of the socialist ideal and became simply ordinary politicians in a capitalist state and society they continued to see themselves as the nation's necessary leaders.

Today in Nicaragua there still exist intellectuals who speak out and criticize the government from the left. And feminists continue to organize against domestic abuse and for abortion rights. Workers organize and fight for a living wage. And farmers and environmentalists march together to oppose Ortega's transoceanic canal project. Perhaps these movements can coalesce one day into a new political movement for a democratic socialism to be constructed from below by the Nicaraguan people themselves.



*Dan La Botz is the author of *What Went Wrong? The Nicaraguan Revolution: A Marxist Analysis*, now available in Haymarket Books paperback. He is also an editor of *New Politics: A Journal of Socialist Thought*.

Notes:

[1] Envío Team, "No Bridge Over These Troubled Waters," No. 429, July 2016.

[2] Chuck Kaufman, "Political Turmoil on the Right Gives a Pretext for the US to Question Upcoming Election" *Nicanotes, Alliance for Global Justice*, email, August 3,

2016.

[3] UN World Food Programme, Republic of Nicaragua, at: <https://www.wfp.org/countries/nicaragua>

[4] Victor Tinoco, Nicaragua: "This Crisis Began in the FSLN, With an Unethical Pact," *Envío*, July 2005.