

Understanding Populism and Political Participation: The Case of Nicaragua

By Carlos F. Chamorro, Edmundo Jarquín and Alejandro Bendaña
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INTRODUCTION

Adam T. Stubits

Last year, the Latin American Program's project on "Democratic Governance and the 'New Left' in Latin America" convened the seminar "Understanding Populism and Political Participation." The purpose was to examine new forms of political participation and state-civil society interaction in Bolivia, Ecuador, Nicaragua, and Venezuela. In recent years, public opinion polls throughout Latin America have identified a great deal of popular dissatisfaction with the institutions of democratic governance and with existing channels of political representation. This conference sought to understand the extent to which the governments in Bolivia, Ecuador, Nicaragua, and Venezuela had responded to these 'deficits' with new or innovative programs and what the resulting consequence for liberal democracy has been. This bulletin contains the observations of three distinguished analysts of Nicaraguan politics: *Carlos F. Chamorro* is the editor of the weekly paper *Confidencial*; economist *Edmundo Jarquín*, who was the Sandinista Renovation Movement (MRS) candidate in the 2006 presidential elections; and *Alejandro Bendaña* is president of the Center for International Studies.

Carlos Chamorro argues that the difference between Nicaragua and the other "new left" countries in Latin America is that Daniel Ortega did not win the presidential elections of 2006 with a majority, and thus did not have the same overwhelming mandate for change as did President Evo Morales in Bolivia or President Rafael Correa

in Ecuador. As a result, Ortega is forced into taking a pragmatic stance when it comes to relations with the United States or other international financial institutions. Moreover, Chamorro questions that the system of direct democracy established by Ortega—the Citizen Power Committees (CPCs), established by Presidential decree and led by regional Sandinista party officials distribute the benefits of the government's social policies as well transmit the president's policies directly to the people. Because they are fundamentally secretive and non-transparent they run contradictory to the basic tenants of democracy.

Edmundo Jarquín examines the similarities and differences that exist between Nicaragua and its neighbors, Bolivia, Venezuela and Ecuador, emphasizing the great contradiction of a political minority, albeit a significant minority, promoting a "refoundational" and "rupturist" agenda. Ortega's objective, Jarquín argues, has been to consolidate his political hegemony through a dual system of authoritarian populism and authoritarian corporatism, although he questions the viability of Ortega's authoritarianism in light of Nicaragua's worsening socioeconomic situation.

Alejandro Bendaña addresses the importance of distinguishing between political content and personality when it comes to analyzing the "new left" governments of Latin America, arguing that instead, we must focus on the real ideological content promulgated by these new governments, and whether it reflects the mounting demand for



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the deepening of democracy and social and economic justice. According to Bendaña, the current government led by Ortega has not attempted to revamp social and educational priorities and it differs from other “new left” governments in that there has been no questioning of free trade with the United States, economic programs with the IMF, collaboration with the U.S. Drug Enforcement Agency, the Millennium Challenge Cooperation and with the Pentagon in the form of Nicaraguan army training in the old School of the Americas.

Ortega’s “Citizens’ Power” in Nicaragua: Democratic Participation or Authoritarian Populism?

Carlos F. Chamorro

Confidencial

Before analyzing the types of changes President Daniel Ortega’s so-called “Democratic Directive” has introduced in Nicaragua, it is first necessary to understand the nature of the Sandinista government that returned to power in January 2007 after sixteen years as the opposition.

Although Ortega has defined his government as “a continuation” of the 1979 Sandinista People’s Revolution, there are substantial differences between this process and those of other governments that conform to the Bolivarian Alternative for the People of

the Americas (ALBA). Unlike Hugo Chávez, Evo Morales, and Rafael Correa, each of whom won their elections with over 50 percent of the popular vote and promises of profound changes in the existing political system, Ortega was elected with only 38 percent of the vote, an important minority for sure, but a minority nonetheless and one that correlates closely with the paramilitary forces. Indeed, the Sandinista National Liberation Front (FSLN) won 38 of the 92 delegates in the National Assembly, or 41 percent. Ortega’s victory was made possible by a 2000 constitutional reform agreed to by former president Arnaldo Alemán and his Constitutionalist Liberal Party that lowered the threshold necessary to win a presidential election in the first round from 45 percent to 35 percent when the candidate in first place had at least a 5 percent lead over the second-place candidate. As such, Ortega’s victory is not evidence of a general leftist turn among Nicaragua’s electorate; rather, a new electoral rule combined with the schism of the right-wing anti-Sandinista bloc—the Nicaraguan Liberal Alliance (ALN), which won 28.3 percent of the vote, and the Constitutionalist Liberal Party (PLC), which won 27.1 percent of the vote. In fact, the FSLN won the presidency with a lower percentage of the electorate than it garnered in its last three electoral defeats: 1990 (41 percent), 1996 (38 percent), and 2001 (42 percent).

Unlike Evo Morales’ party, Movement Towards Socialism (MAS, which in Spanish means “more”),

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The Latin American Program’s work on democratic governance focuses on questions of democratic quality. Current research seeks to explain the rise of leftist and populist governments in Latin America and to explore the impact of specific public policies to reduce poverty and inequality and enhance citizen participation and human rights. The project builds on three decades of prior work on democratic governance at the Wilson Center, including path-breaking studies of the breakdown of democratic regimes, transitions from authoritarianism, challenges to the consolidation of democratic rule, decentralization, citizenship, and the relationship between democratization and internal armed conflict. We are grateful to The Ford Foundation and the Open Society Institute for its generous support of this initiative.

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Nicaragua's resurgent FSLN did not come from a coalition of growing social movements, but rather from an electoral machine that maintains a privileged relationship with its constituent social groups and, thanks to the beneficial pact made with the PLC, has significant influence on state powers including the Supreme Electoral Council, Supreme Court of Justice, and Inspector General. Ultimately, Ortega's victory cannot be attributed to a mass endorsement of his stance against the neoliberal policies of his predecessors, as the majority of poor voters in Nicaragua—six out of every ten—voted against Ortega.¹

What is the electoral mandate given to Ortega?

Ortega's electoral mandate reflects the Nicaraguan population's dual desires: on the one hand, a desire to fight poverty and fortify social policies, and on the other, demands for institutional transformations and the dismantling of the pact between the PLC and the FSLN. As a government elected by a political minority, fulfilling both objectives will require constant negotiation, both between political opponents and civil society, in order to generate sufficient consensus to drive the necessary political and economic changes. Nevertheless, from his first day in office, Ortega has espoused a plan, similar to those of Chávez, Morales, and Correa, proclaiming a "revolution" which will mark "a break with the past" under the leadership of him and his wife, Rosario Murillo.

In spite of his anti-capitalism/anti-imperialism rhetoric, Ortega has exhibited a strategy of pragmatism when it comes to his relations with Washington, and has maintained the economic status quo, negotiating a tri-annual deal with the International Monetary Fund (IMF), ratifying Nicaragua's participation in the Central American Free Trade Agreement (CAFTA), and aligning Nicaragua with ALBA. However, when it comes to domestic relations with political and civil society, President Ortega has proclaimed a "refounding" of the nation, proposing changing the political system from the ground up. In Ortega's words the change would entail giving "all the power to the people" through a "parliamentary" system of "direct democracy." The pretense of such a radical political change from a "minority government," which had not even consulted the public's opinion on the matter, became a contentious point during Ortega's first year.

Ortega's political project: an accumulation of power under the banner of "direct democracy."

How does the so-called "people's president" and his attitude of "Citizen Power" fit together with his strat-

egy of national development? The answer is largely unknown—or, at the very least, difficult to identify—given Ortega's tendency to jump between pragmatism and revolutionary rhetoric, his increasingly traditional leadership style and lack of a long-term development strategy.

Ortega's plan is unique, however, in that it includes a short term strategy for accumulating personal power based on three principles: 1) the growing, iron-clad control the executive holds over the powers of the state; 2) a social assistance policy supported by the discretionary use of economic resources stemming from Venezuelan cooperation; and 3) an advantageous, blackmail-based relationship with Arnaldo Alemán's PLC—which allows him to manipulate, divide, and co-opt the opposition, effectively permitting the FSLN to function as a majority party, even though it is technically a political minority.

Eliminating obstacles to future consolidation is a strategic factor in Ortega's process of accumulating power. During his first months in office, Ortega met privately with the PLC to negotiate proposed constitutional reforms designed to establish a confusing "Nicaraguan parliamentary system" and which would have created the position of prime minister, under whom former presidents would become life-long deputies. Although the central objective of this "parliamentary" regime—for which the negotiations were conducted without consulting the will of the common people—was to establish consecutive presidential reelections, this system would also have given Alemán and Ortega permanent positions as institutional leaders within the political system

These constitutional reforms ultimately never reached parliament, failing for two reasons: 1) the public was strongly opposed to the idea of reelection (according to a national survey conducted by the firm "M y R" in December 2007, 70 percent of the public opposed reelecting Ortega while just 23 percent supported it) and 2) because Arnaldo Alemán, the head of the PLC—who was sentenced to twenty years in prison on federal corruption charges—could not guarantee Ortega enough votes to pass the reform. Indeed, Alemán was facing increasing strife within his own party as a result of the concessions he had already granted Ortega.

Following this failure, Ortega temporarily suspended his reelection and constitutional reform projects, directing his focus instead on shoring up the foundation of his own political base through Citizens Power Councils, or CPCs. Ironically, the CPCs did not grow from the ground up, but were formed via a presidential decree, No. 003-97. When creating



the Communication and Citizenship Council, with his wife Rosario Murillo as the coordinator, Ortega claimed his objective was to establish civilian advisors “in territories, districts, regions, neighborhoods, municipalities, departments, and autonomous regions, in order to create a citizen’s democracy by means of a direct democracy.”

A month later, Mrs. Murillo was named one of the political secretaries of the FSLN tasked with creating CPCs in every territory. The CPCs’ first assignment was to become a functional instrument for identifying beneficiaries of the government’s social assistance programs such as “Zero Hunger” (which provided for the sale of food at subsidized prices), “Zero Usury” (a credit program), and even for a massive, government-sponsored toy drive during the Christmas holiday season. The CPCs became a semi-official partisan support network to help ensure the implementation of governmental programs.

At the same time as the CPCs were being organized and staffed with local leaders that reported to a centralized office run by Mrs. Murillo, the FSLN was also undergoing a reorganization of its leadership, now subordinate to the self-interested presidential couple. The CPCs also became responsible for “legitimizing” the president’s political decisions through assemblies and public meetings while avoiding the true legitimacy that comes from democratically elected institutions like the National Assembly.

The reaction of the majority of the Assembly was to enact Law 603, which specifically prohibited the CPCs from compromising state-sponsored operations or from having access to the state budget, and limited their work to social organizations such as the FSLN. Ortega vetoed the law, the Assembly overrode his veto, and Ortega threatened to govern by decree, unleashing a crisis over state powers for an administration that had been in power for just over six months. In response to Ortega’s threat, the Assembly ordered the publication of Law 603, affirming the established limits on the CPCs and asserted that “the right of citizen participation will be exercised under the principles of plurality, willfulness, fairness, and universality, without privileges, subsidies, or advantages given to organizations of any kind.” The spirit of the law recognized the emergence of a new institution based on citizen participation as well as the continued existence of other organizations, preventing them from being discriminated against and excluded by the government’s attempts to impose the CPC as a semi-official institution.²

Ortega however, stopped the implementation of the law by imposing protective measures around the CPCs as well as filing an appeal with a tribunal controlled by the FSLN. At the same time, the president legalized the CPCs and created the Cabinet of Citizen Power, not as a part of the executive branch, but rather, as part of the National Council of Social and Economic Planning, CONPES, by presidential decree. CONPES was created to serve as an advisor to the executive branch and was to include the participation of civil society, unions, businessmen, and other organizations. Ortega maintained control over which groups participated in CONPES in order to ensure a majority of support for the CPCs as well as compatibility with the organizations in his own party. To this end, he appointed his wife as the executive director.

The National Cabinet of Citizen Power was created, also by decree, as the heart of the direct democracy system and is comprised of 272 representatives from the Citizens’ Councils—sixteen from each department and autonomous region of the country representing sixteen different sectors (health, education, public security, the environment, propaganda, etc.), as well as the president, the executive director (Ortega’s wife), government cabinet members, independent institutions, the board of CONPES, and other state authorities.³ Since its creation in November of 2007, the members of the National Cabinet of Citizen Power have not been made public and it is not known how they were elected or if they have ever even convened.

In early 2008, after a protracted institutional crisis, the conflict between the executive branch, the judicial branch, and the National Assembly regarding the constitutionality of the CPCs was resolved when a Supreme Court ruling ratified the Councils’ legality. The Court did not go so far as to empower the CPCs with the authority to manage the state budgets and reformed the “Law of Protection” (similar to habeas corpus) to prevent the CPCs from being used to paralyze the actions of the legislature.

The Conflict with Civil Society: The Struggle Between Two Models for Citizens’ Participation, the CPCs and the CDMs

Aside from the institutional strife caused by the formation of the various councils, what has been the real impact of the Citizens Power Councils on the people of Nicaragua? In July of 2007, Murillo announced that the CPCs had organized 500,000 people, and that by September of that year they hoped to reach

940,000, a number equal to the total votes the FSLN received in the presidential election.

A national survey conducted by “M y R” in December 2007 found that only 8.6 percent of the population acknowledged being a member of one of the CPCs, 11 percent claimed to have participated in one to some degree, and 19 percent expressed a potential interest in participating. According to the survey’s projections, by the end of 2007 only 200,000 people had participated in a CPC—roughly one fifth of the total claimed by the government—and of those participants, more than 60 percent belonged to Ortega’s party. Other studies have confirmed that the national, regional, and local leadership of the CPCs is completely controlled by FSLN party leaders; indeed according to the survey mentioned above, 47 percent of the population see the CPCs as structures of party control while 32 percent believe that they represent the general population.

The influence of the CPCs is due in large part their privileged relationship with the federal government and the benefit they receive from government programs. A national poll conducted in February 2007 by CID/Gallup revealed a public perception of bias in the way aid is distributed by the CPCs; 33 percent believe that they only aid the Sandinistas, 23 percent believe they help the general population, 15 percent think they do no good whatsoever, and 28 percent did not know. Similarly, in areas where the CPCs are functioning, 44 percent of those surveyed responded that they had not had any contact with them, 27 percent indicated that the CPCs have offered them aid, 12 percent responded that they’ve gone to the CPCs in search of aid, and 16 percent answered that they are afraid of the CPCs.

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These surveys ultimately demonstrate that although the CPCs are still in the implementation phase, they are perceived of more as a political instrument used to gain government favors than a tool of deliberation and democratic participation. Moreover, by designating the CPCs as the “official” organization for citizen participation, the government generated significant conflict with the vast network of civil organizations representing a wide variety of political and ideological beliefs which, for two decades, had done much to encourage citizen participation. The main stage for this conflict is at the municipal level, the unit of self-government closest to the population for which a set of laws and institutional norms exist to promote citizen participation.

Municipal autonomy, suppressed by the Somoza regime in 1937, was restored by the Sandinistas during the 1987 revolution, the same year in which the Law of Citizen Participation was approved. In the years following, four vital laws had been adopted, each designed to generate participation at the local level: 1) a reform to the Law of Citizen Participation in 1997 established a system of Municipal Development Councils; 2) the Law of Municipal Budgetary Regulations (2003); 3) the Law of Municipal Budgetary Transferences (2003); and 4) the Law of Citizen Participation (2003), which reinforced the system of Municipal Development Councils (CDMs), reaffirming them as examples of participation and consultation, reestablishing them as a common space government-citizen management. Ortega, by way of the CPCs, not only fails to recognize the concept of municipal autonomy and the institution created to support it, but has also tried to impose the CPCs as hegemonic institutions, politically excluding other social organizations and movements.

A study released in March 2008 by the Centre for Policy Analysis⁴, which examined 31 of the 153 individual municipalities, including both those governed by Sandinista and PLC mayors, compared and contrasted the CDM method of participation with the model based on the CPCs, focusing on fundamental issues such as citizen participation in the discussions regarding municipal budgets. The study emphasizes the existence and importance of political will among municipal governments, regardless of participatory model, when it comes to promoting participation. The study concludes, “The current model of the Municipal Development Councils offers more democracy via a greater inclusion of social plurality, and it allows a greater participation by the different interests that



coexist in a municipality. Nevertheless, it offers less of a guarantee that their ideas will actually be incorporated in the municipal budgets, owing to the poor service vocation that the liberal municipal authorities seem to feel.” Regarding the CPC model, however, the study indicates that it “offers greater well-being via a public investment oriented more towards the problems facing the people. They promise less discretion when it comes to authorities’ application of the laws, but they also promise a greater amount of *clientelismo* (the practice of obtaining votes with promises of government posts, etc.).” In other words, while the MDC model prioritizes greater participation and democracy, the CDC model favored by Ortega is organized from the central government down, prioritizing economic resources over citizen participation.

In order to ensure the longevity of the CPC model, President Ortega and his wife instituted a requirement that all FSLN candidates—should they win their election—commit to making their municipal government subordinate to local CPC. This requirement, made official by the FSLN Congress, has generated a new national controversy as civil society organizations allege it represents an even graver threat to the Autonomous Municipalities than what is written in the Constitution.

***Secrecy and the Lack of Transparency:
A Confrontational Relationship with the Press***

The other component of Ortega’s political strategy for imposing “direct democracy” is a state communication policy characterized by excessive secrecy, restrictions on the distribution of public information to the independent media, and the dispensing of “non-contaminated” information solely through official channels—in short, a policy of governmental monologues, not democratic debates.

It is patently contradictory to try to establish a political model based on empowering the population and “direct democracy” under a system that restricts access to information and fosters a lack of transparency regarding public policy. An emblematic case of the lack of public transparency is the executive’s discretionary use of Venezuelan funds—nearly 400 million dollars in 2007 alone—in what amounts to a parallel budget. The Law of Access to Public Information was just enacted late in 2007, but so far there have been no signs that the government is making any efforts to comply with it.

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organizations, and dissenting politicians who attempt to examine governmental actions. He has referred to independent journalists as “media of the oligarchy,” and “sons of Goebbels,” accused them of “selling out to the Oil Mafia,” and—as the epithets gave way to more criminal language—accused them of preparing “conspiracies and attacks against the government.” Such comments display a clear and extreme intolerance for criticism and constitute a dangerous incitement to violence among his supporters, who indeed have carried out some physical attacks on journalists.⁵

One example from the author’s experiences as a journalist illustrates the full extent of this confrontational relationship. In May 2007, on the television program “Esta Semana” (which the author directs), an investigative report was broadcast that implicated the FSLN, offering proof of the existence of a clandestine network of influence that reached all the way to the Casa Presidencial.

In this instance, a businessman denounced a high-ranking FSLN political operative who requested four million dollars from him in exchange for solving a number of judicial problems affecting property in Arenas Bay; as evidence of the extortion, the businessman kept a recording of the conversation. However, rather than investigating the charges and prosecuting the guilty parties, the Ortega administration’s reaction was to use the fullness of the state’s power to suppress the story and to send a message of intimidation to anyone who might consider denouncing FSLN corruption in the future. The investigative report conducted by “Esta Semana” uncovered the following:

- The businessman who came forward was charged with libel against the extortionist by a judicial tribunal and was forced to pay a fine.
- An opposition delegate who supported the investigation (and who was also the businessman's father-in-law and a minority shareholder in the real estate project) was illegally dismissed from his legislative seat by an arbitrary decision issued by the Supreme Electoral Council.
- The Arenas Bay investment project was temporarily shutdown by government intervention, generating a deep sense of uncertainty among foreign investors.
- The author of this paper was subjected to a brutal campaign of lies on official television and radio broadcasts, accusing him of all sorts of crimes, as well as having "ties to organized crime, delinquent association, assaulting campesinos, and links with the international drug trade."
- Finally, after three months of investigations, two parliamentary commissions concluded that there was sufficient evidence to open an extortion case against the FSLN operative. However, the Office of the Treasurer, responsible for conducting the official investigation and controlled by Ortega and Alemán, ruled that the conversation between the businessman and the FSLN operative was simply "a business discussion" and that there was no "coercive" element, and therefore no crime.⁶

So the scandal ended with impunity, reflecting Ortega's refusal to fight corruption, ultimately upholding the state's right to persecute its critics.

Nicaragua: Is Populist Authoritarianism Viable?⁷

Edmundo Jarquín

Following Daniel Ortega's victory in the November 2006 Nicaraguan presidential election, the case of Nicaragua has oft been associated with those of Hugo Chávez in Venezuela, Evo Morales in Bolivia, and Rafael Correa in Ecuador. Although there is certainly evidence to support such an association, there are also very compelling reasons that indicate otherwise.

In addition to the joint appearances of these leaders (infrequent in the case Correa, and very frequent joint appearances by Ortega and Chávez) and Bolivian and

Nicaraguan participation in the Bolivarian Alternative of the Americas (ALBA, *Alternativa Bolivariana de las Américas*) promoted by Chávez, the foundation for this association is Ortega's "rupturist" and in a sense "refoundational" discourse, similar to that of Chávez, Morales and Correa.

Some of the identifying elements of this discourse include: hostility towards the market, which differs from a distrust of the market; hostility towards the United States and the developed world, which differs from caution, distrust, and in some cases opposition to the policies of the developed countries; rejection of globalization; hostility towards liberal democracy and a contested search for forms of participatory democracy; and, finally, hostility towards the media, or at least an attitude of relative intolerance for criticism. To a greater or lesser extent, Chávez, Correa, Morales and Ortega share other features, including a certain disdain for the rule of law, an authoritarian populist profile, and a bellicose notion of politics, dividing the citizenry into friends and enemies.

Nevertheless, the differences between Ortega and these other leaders are not insignificant. First, there is no "refoundational" situation in Nicaragua. Moreover, Ortega's victory was not the result of a collapse of the political party system, or of the state, nor has it been an expression of an emerging social movement or a serious socioeconomic crisis.⁸ Most significantly, however, Ortega, unlike the presidents of Bolivia, Ecuador, and Venezuela, does not enjoy the political backing of the majority of the population or of the legislature.

The critical interpretational nexus of how things evolved during the first year of the Ortega administration and of the prospects for the Nicaraguan process is found in the great contradiction of a political minority, albeit a significant minority, promoting a "refoundational" and "rupturist" agenda.

The nature of Ortega's victory

It is important to note that Daniel Ortega won the elections with the same or less of a share of the vote (38 percent) than when he lost the elections in 1990 (41 percent), 1996 (38 percent), and 2001 (42 percent). Indeed, Ortega won because, for the first time, the anti-Sandinista bloc was broken with the Nicaraguan Liberal Alliance (ALN, *Alianza Liberal Nicaragüense*) receiving 28.3 percent of the vote and the Constitutionalist Liberal Party (PLC, *Partido Liberal Constitucionalista*), receiving 27.1 percent. Additionally, the split within the Sandinista bloc



was less than had been expected with the Sandinista Renovation Movement (MRS, Movimiento Renovador Sandinista) receiving just 6.3 percent of the presidential vote and 8.4 percent of the legislative vote. Accordingly, the vote in opposition to Ortega's Sandinista National Liberation Front (FSLN, Frente Sandinista de Liberación Nacional) was 59 percent in 1990, 62 percent in 1996, 57 percent in 2001, and 62 percent in 2006.

This so-called "political accident" involving the split of the Liberal Party, where the majority of the historically anti-Sandinista forces have come together, provides the political explanation for Ortega's victory. One must question the international media's conclusion that Nicaragua has taken a turn to the left. Can Ortega, beyond the elements of his discourse noted above, really be considered to be on the left?

Another factor, this time an institutional antecedent rather than an "accident," made it possible for Ortega to be elected in the face of even greater opposition than that which he faced in the three previous elections where he was defeated. In 2000 various constitutional and electoral reforms came into force as a result of the understanding (or "pact," as it is commonly known in Nicaragua) between Daniel Ortega, and the former PLC president, convicted of corruption charges, Arnoldo Alemán, two *caudillos* who share the same political and cultural values (authoritarian, traditional, corrupt, and populist). These reforms established a less stringent system for determining whether a second round of elections is necessary, allowing a candidate to win on the first round with 40 percent of the votes, or with at least 35 percent if that share is accompanied by an advantage of more than 5 percent over the second-place finisher; it was under this latter scenario that Ortega won the election.

The essence of the "pact" between Ortega and Alemán—which also included the distribution, in equal parts, of the seats on the Supreme Court of Justice and the Supreme Electoral Council—was to ensure a bipartisan and bi-caudillo monopoly over Nicaraguan politics. The reforms to electoral law that came out of the "pact" effectively imposed obstacles to democratic political competition. The most important element of the 2006 elections, in addition to Ortega's headline capturing victory, was the division of the political monopoly between Ortega and Alemán. Also important was the breakdown of the Sandinista/anti-Sandinista polarization which had dominated Nicaraguan politics since the civil war of the 1980s.

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A further reading of the 2006 election results shows that more than one-third (28.3 percent ALN, and 6.3 percent MRS) of Nicaraguans voted outside of this political monopoly.

In light of the mistaken international interpretations of the Nicaraguan case it should be noted that more than two-thirds of the so-called "popular sectors"—low-income and impoverished urban and rural population, i.e. the broad spectrum of those "dissatisfied" with the socioeconomic performance of neoliberal governments—voted for candidates opposing Ortega. If Ortega, as he claims in his speeches, were the choice of the poor and low-income population, he would have had garnered a much larger share of the vote.

The fundamental causes of the split in the anti-Sandinista bloc, and also of the Sandinista bloc, are critical for understanding the country's current situation and prospects. These causes lie mainly in the authoritarian and corrupt "pact" between Ortega and former President Alemán, which sought not only to consolidate the bi-caudillo monopoly of the state and politics, but also to consolidate the power of both caudillos within their respective political movements. Following this caudillo-driven logic, there is no room for alternative leadership in the FSLN (Ortega has been the secretary general for almost three decades, and indeed his wife operates *de facto* as deputy secretary general, and, at the same time, Minister of the Presidency⁹), or to Alemán in the PLC.

Ortega's first year

The fundamental trends in Ortega's first year of government, which began in January 2007, can only be

understood based on a logic of two intertwined concepts: on the one hand, the consolidation of Ortega's personal and family control over the FSLN apparatus; on the other hand, the "pact" with Alemán, which gives him a political majority in the National Assembly that he did not win in the popular vote (in the National Assembly the FSLN has 38 deputies; Alemán's PLC, 25—how it is that the PLC, even though it finished third in the general vote, has the second largest allotment of seats in the legislature can only be understood by the bipartisan monopoly over the Electoral Council—; the ALN, 22; the MRS, 3; and others, 4).

Direct or participatory democracy in Nicaragua has been established in the so-called Councils of Citizen Power (CPCs, or *Consejos del Poder Ciudadano*) and in the slogan "*El pueblo Presidente*" (the people are the President). The CPCs have involved almost exclusively persons affiliated with the FSLN and appear to function more as a structure of personal and family power within the FSLN, and as a mechanism for giving quasi-legitimacy to Ortega's decisions, so as to avoid the inherent legitimacy of democratic institutions.¹⁰ Moreover the meaning of the slogan, "*El pueblo Presidente*" simply does not extend beyond assemblies or rallies where Ortega is applauded by his party members for his proposals with the occasional pre-planned shouts of opposition. The primary role of the CPCs is to blend the FSLN into the absolutely caudillesque and dynastic logic of *Orteguismo*.

The other side of this logic has developed in a more complex fashion, and, as noted above, not wholly distinct from the first. For much of his administration's first year, Ortega had no difficulty securing the political majorities needed in the National Assembly, although it was a period of few legislative initiatives. When Ortega, leveraging the "pact" with Alemán, tried to push certain constitutional reforms (which he never formalized as proposed legislation) that would enable him to be reelected in 2011, and establish a system of "Nicaraguan-style parliamentarianism,"—effectively nothing more than a subterfuge to perpetuate himself in power—the public response was such that Alemán faced a veritable rebellion by a large part of his legislative group, and was unable to deliver the votes Ortega needed in the National Assembly.

This rebellion, which led to an unanticipated union among the PLC, ALN, and MRS legislative groups to resist what was commonly understood to be an authoritarian offensive by Ortega,¹¹ quickly extended to another critical and related issue: the

administration's claim that the CPCs performed government functions and as such could use government resources. This ushered in a political-institutional crisis that was resolved only because the administration failed to introduce the constitutional amendments, relying instead on a resolution by the Supreme Court of Justice—where Ortega and Alemán had a better relationship than in the National Assembly—recognizing Ortega's authority to establish the CPCs, albeit precluding them from handling government functions and managing state resources.

Ortega's desire to set legal parameters and controls prior to the formulation of laws also became part of this political-institutional crisis. These controls do not exist in the Constitution and they effectively stripped the legislature of its fundamental ability to legislate. This was resolved, at least temporarily, by an almost "Solomonic" decision by the legislature to amend the amparo statute to establish a resource for resolving jurisdictional conflict between different branches of government. These accounts serve to demonstrate that this back-and-forth dynamic, which has led to the political-institutional crisis, is part of the modus operandi of the Ortega administration, which governs as though it possesses an overwhelming majority notwithstanding its minority status in both the population and the legislature.

More generally, Ortega's objective has been to consolidate his political hegemony through a dual system: of authoritarian populism for the popular sectors, and authoritarian corporatism for the business elite. Ortega's populist claims, however, are limited both by resources and management. Ortega lacks the resources of Correa and Morales, not to mention Chávez. And while Ortega's second administration began under better macroeconomic circumstances than any other in the last 30 years, with more and better financial growth, the short term ability for fiscal maneuvering is limited. Nicaragua is extremely dependent on international cooperation (representing more than 10 percent of GDP and 40 percent of the national budget), closely tied to the existence of an agreement with the International Monetary Fund (IMF). Indeed, the Ortega administration secured a new three-year agreement with the IMF which, although the conditions are slightly more flexible those of the previous administrations, does not depart at all from the modest goals in terms of growth (4–5 percent¹²) and distribution of previous agreements; the Ortega administration both as a matter of perception as well as in the real terms of the agreement, appears to be more of the same.



Moreover, the implementation of this personal and family-based model of government has led to increased levels of centralization, secrecy, and party involvement in the decision-making process, resulting in a situation somewhere between paralysis and collapse of the conduct of governmental affairs. As a result, in 2007 there was significant underutilization of the budget, especially in public investments, as well as poor performance in certain critical programs, especially those in the rural sector.¹³

Authoritarian corporatism has had its own limitations. Although Ortega has managed to calm the nerves of the business elite, both Nicaraguan and foreign, with assurances regarding investment and property rights, and notably the agreement with the IMF, many remain yet unconvinced. Ortega's international trips to countries such as Iran, Libya, and Venezuela in promoting a great international front against "globalized imperial capitalism," as well as his use of judicial, electoral and financial institutions to repress and blackmail¹⁴ have had a chilling effect on private investment.¹⁵ This, in conjunction with the underutilization of the budget has resulted in Nicaragua's poor economic performance in 2007, the worst in the region after Ecuador. GDP, projected by Ortega's own administration to grow 4.5 percent, was just under 3 percent (the average for the other Central American countries was almost 6 percent, not including Panama, which saw 9 percent growth), and inflation reached 18 percent, more than double the inflation for Central America as a whole, and the first time in over a decade that it reached double digits. Inflation in Nicaragua's food basket alone was more than 20 percent, in a country where more than two-thirds of the population spend almost all its income on food. Moreover, the real wage, which had been growing modestly yet consistently over the last 10 years (cumulative growth of 40 percent), declined almost 10 percent in Ortega's first year.

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A separate chapter would be required to analyze Ortega's foreign policy, which is better-known internationally. Suffice it to say that the dominant tone is "dual discourse": an aggressive rhetoric, entirely in line with that of Chávez, and, at the same time, a heavy dose of pragmatism, perhaps even cynicism, in his relationship with the development assistance community, especially the United States. The implications and sustainability of this dual discourse remain to be seen, but regardless, at the national level he raises the ghosts of confrontation and conflict—unpleasant memories for Nicaraguans.

What lies ahead?

Any examination of Nicaragua's prospects during the Ortega administration must acknowledge that Ortega is doomed, at least in socioeconomic terms, notwithstanding his consolidation of political and bureaucratic power. Nicaragua is currently growing less and with the same historical pattern of exclusion. At the conclusion of Ortega's first year in office, there were more poor and unemployed; the inefficiency of government performance is plain to see; Nicaraguans' deficit of hope is on the rise (almost seven in ten Nicaraguans say that if they could, they would emigrate).

The big question, then, is: Can one build, stabilize, and consolidate a model of populist authoritarianism in the midst of a socioeconomic failure—in terms of achieving growth and attending to the most urgent demands, especially for employment, of the overwhelming majority of the population? The answer to this question depends on several interrelated factors. The most important of these factors is that there must be an accurate analysis, at the top levels of the Ortega administration, of the real limits and possibilities of the administration; to date that has not occurred. Rather, it appears as though there is unlimited confidence that Chávez's cooperation will enable him to make his brand of authoritarian populism viable which, in spite of the myriad promises made on each visit by Chávez to Nicaragua or by Ortega to Venezuela, has not come to fruition. This leads to further questions: Will the assistance from Chávez be in addition to what Nicaragua receives from the international aid community, "globalized imperial capitalism?" Will it come with conditions that lead to difficulties with the international aid community, or will those conditions conflict with the conditions on financial management set out in Nicaragua's agreement with the IMF?

The final question is: Will Ortega's fragmented political opposition come together and build on the socioeconomic disenchantment, which is already underway within the ranks of the FSLN?¹⁶ Or will Ortega, in the face of a divided opposition—a condition which has mitigated his lack of a political majority—maintain his control?

Nicaragua: Between Left Rhetoric and Right Reality

Alejandro Bendaña

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A 2006 survey conducted in Nicaragua questioned people on their definition of the “Left” and whether they felt Daniel Ortega fit that description; although a high percentage of respondents indicated that Ortega was “very left wing,” only 7 percent of respondents identified themselves as “left.” 80 percent of respondents however indicated that they did not personally identify with the Left.

The general findings of the poll, that the Left is negative and that Ortega is leftist, exemplify the problem of the Left in Nicaragua, namely, that Ortega is giving the Left a bad name at a time when elsewhere in Latin America the Left seems to be making a resurgence.

The title of this presentation might aptly be “Why the Ortega Government is not Left” or, perhaps more appropriate for a Washington audience, “Why the Ortega Government is not Populist.” The former is preferable as many believe that the Sandinista Party ceased to be Left and as such, Sandinista, some time ago, although it has been an uphill battle to convince a majority of Nicaraguans of this.

Such labels, of course, are problematic. Political scientist Karen Kampwirth, in a 2008 issue of the North American Congress on Latin America Report on the Americas discussing the resurgence and reorganization of the Right in Latin America, described how evangelical and Catholic activists have converged in Nicaragua to form a powerful anti-feminist movement. The movement's first major victory came in 2006, when abortion was outlawed without exception, with the crucial votes of Sandinistas. She described this process as a “shift to cynicism,” rather than to the right, for the Sandinista National Liberation Front (FSLN). “Though we tend to speak of movements as left- or right-wing, liberal or conservative,” she writes, “they may in fact be all of these things at once—simultane-

ously resisting imperialism, rejecting dictatorship, and promoting gender inequality.”¹⁷

Fortunately there is mounting evidence that Nicaragua is not following in the footsteps of Ecuador, Venezuela and Bolivia in shifting towards the Left. Indeed, Nicaragua has not engaged in the process of state-supported changes aimed at achieving social equity, overcoming political inequalities and cultural exclusions through the promotion of new forms of participation and the construction of genuine citizenship.

Obviously the Right will not pursue such a path and the Social Democrats will likely limit themselves to policies that compensate for the negative socioeconomic effects of an unchallenged economic model. Such change as that described above would require a born-again Sandinista movement in Nicaragua.

Why Washington is Not Worried

Bilateral relations between the United States and Nicaragua include the negotiation of Nicaragua's reduction of its supply of surface-to-air missiles, DEA operations in Nicaragua, Nicaraguan participation in the School of the Americas, etc. U.S. interests in Central America however are much deeper than just security; “good relations” demand an ideological, economic and political alignment with Washington's proclaimed predilection for “market based democracies,” an economic growth model predicated on so-called free trade, liberalization and allegiance to IMF economics. Christopher Padilla, former U.S. Under-Secretary of Commerce captured this sentiment when, during a trip to Managua in February 2008, he said that the United States was willing to have relations with any country in the region, independent of its political orientation, as long as that government continues to be committed to democracy and free markets; he left Managua a happy man.

Nicaragua's official alignment with the policies of the Washington Consensus helps to explain the deep political understanding that exists between the current Nicaraguan government and Nicaragua's megacapitalists, who are not uncomfortable with Ortega. It is commonly held belief, increasingly substantiated by government policy, that national and international bankers and investors are well served by a government that talks Left but acts Right. As long as such talk does not scare off too many investors and the United States continues to turn a deaf ear to the nostalgic rhetoric, Ortega can maintain his revolutionary pretenses and have his cake, or oil if you will,



and eat it too. According to the January/February 2008 edition of *Envío*, a monthly magazine of analysis on Central America published by the Universidad Centroamericana, UCA, “the financial groups and the economic groups linked to exports and imports have been the major beneficiaries of Nicaragua’s limited economic growth since 1990, and the Ortega government has not touched that logic. FSLN leaders now belong to that group and are busy consolidating themselves there with the advantages offered by their party’s five years in office.”

If structural changes were underway there would have been some indication in the budget presented by the government to the legislature; a new tax regime affecting the rich as well as greater spending on education and health would have been introduced. Yet, it would be difficult to find substantive differences between the Ortega administration budget and one proposed by the previous government of President Enrique Bolaños. Nicaragua’s allegiance to IMF economics and macro-economic fundamentalism has meant that there is a virtual freeze on public sector wages. The figures on education spending per student and teacher salaries in Central America demonstrate the impact:

Educational Spending Per Student (in USD)			
	High School	Primary School	Pre-School
Costa Rica	\$757	\$509	\$101
Guatemala	\$341	\$197	\$128
El Salvador	\$222	\$228*	\$192
Honduras	\$275	\$179	\$198
Nicaragua	\$51	\$127	\$N/A
<i>*To prepare the next generation of maquila (factory) workers</i>			

Teacher Salaries (in USD) *	
Costa Rica	\$445
Guatemala	\$242
El Salvador	\$329
Honduras	\$261
Nicaragua	\$196
<i>* Based on 2005 figures</i>	

The administration of course could claim that “the IMF made me do it,” but the Ortega government has indicated that, for the first time in recent history, the government, not the IMF, set the tone for the economic program including the budget, further demonstrating the pervasiveness of IMF thinking among

Sandinista officials. Indeed, there is no need for the IMF to impose policies already assumed by the government! The approval process for the economic program, absent consultation and participation, highlights the closed nature of policy-making. The Bolaños government at least pretended to consult civil society organizations on matters of public policy, whereas the Ortega government doesn’t even go through the motions.

FSLN unions are upset over wage gains that barely cover inflation and the effects of devaluation of the currency. Many within Ortega’s own camp, not to mention those outside, are furious over the government’s decision to honor an odious, illegal and illegitimate debt to Nicaraguan bankers and their allies. Even the Comptroller’s office has declared the debt, which took the form of Central Bank emissions, to have been issued illegally and at outrageously high interest rates.

Although there have been important programs to alleviate hunger and deprivatize education, traditional social compensation schemes are no substitute for the more radical changes needed in Nicaragua. At present, the nature of government is not undergoing a change, nor has there been any proposal for or interest in change by those in power, except for a change in the constitution to allow Ortega’s re-election. Ortega’s efforts to consolidate his strategic alliance with the Right while simultaneously seeking to keep it divided and mitigate dissent within his own party has resulted in a dangerous growth of a cultural and political disconnect between the upper classes and marginalized sectors of society.

Oil and Democracy

Ostensibly the Ortega government could have followed the lead of other South American left governments—mobilizing the people in support of a Constituent Assembly and thereby ensuring a legal path towards expanded political participation and new forms of political representation—but in actuality, the Ortega administration lacks both the parliamentary and electoral majorities necessary to do so. However, where there is a will there could be a way; a sustained popular mobilization, facilitated by a Venezuelan oil sale support scheme which would help counter the government’s budgetary and social constraints, is certainly conceivable. There is, however, little evidence that a Venezuelan-assisted political reorientation of the Ortega government is taking place. Rather, government policy in Nicaragua is bipolar and as the U.S. Embassy is well aware, in Nicaragua one should focus not on what Ortega says, but on what he does:

he praises ALBA but pledges allegiance to CAFTA; he accepts Venezuelan subsidies but then submits them to IMF scrutiny; he proclaims support for a Bolivarian Army but sends Nicaraguan soldiers to be trained at the School of the Americas; he denounces U.S. military threats against Venezuela while inviting the DEA to help patrol the Nicaraguan coastline. Moreover, Ortega has repeated Pope John Paul's condemnation of "savage capitalism" but has been seen smiling with visiting Mexican billionaire Carlos Slim; he praises the Millennium Challenge Account¹⁸ but caters to Taiwanese sweat-shop owners; he has presented ALBA as the new alternative for Latin American economic independence but then ensures that Esso-Exxon profits from the processing of Venezuelan crude, using the proceeds to keep the Spanish multinational company Union Fenosa in business in Nicaragua and providing state payment guarantees to Union Fenosa creditors.

The result of the aforementioned policies, combined with the government's refusal to channel oil sale proceeds through the national budget, thereby avoiding fiscal accountability to the legislature and civil society, is effectively an aid privatization scheme that would make the pro-private enterprise USAID blush. In order to understand this relationship, one must recognize that the United States, CAFTA and the Nicaraguan business elite have more influence over the Ortega government than does Venezuela, ALBA or the Nicaraguan working class. Indeed, the \$400 million in Venezuelan assistance to Nicaragua is still less than the \$550 million allotted by traditional Western aid agencies.

18th or 21st Century Democracy?

The politics and the debate over democracy in Nicaragua are not moving the country into the 21st century. Rather, it is as if we are back to the 18th century, where it was necessary to demand the separation of Church and State and defend the right to life, inasmuch as the far-from-progressive Ortega and his party continues to support a ban on abortions, even to save a mother's life.

It is simply not possible to consider Nicaragua among the group of countries that are experimenting with new forms of democracy, citizen participation and socialism. The FSLN's *Consejos de Participación Ciudadana* (Citizen Participation Councils, CPCs) are fine in theory and rhetoric—the more people organize themselves, the better—but these are not self-organized, independent institutions. Rather, these councils

have been created from the top down, for the outside and on behalf of an existing political structure that does not even hold a majority.

The Sandinista Party's need to transform its electoral minority into a social majority is understandable; and while the process could conceivably take place gradually and with Venezuelan assistance, the current process is simply wrong—it is narrow and will create more conflicts. The Right, however, believes that the CPCs endanger the liberal institutions which have done much for a few and virtually nothing for most, and therefore should cease to exist.

These issues begin to define the new model of political representation which has come about after a protracted struggle against dictatorship, rampant and extreme corruption and oligarchic rule—a model which takes elections and representative democracy seriously, not as the definition of democracy but rather as part of a strategy for more radical democratic and economic transformation. Ortega and his cohorts, however, are not interested in changing the model of representation, but rather consolidating the present bipartisan model as evidenced by the power-sharing deal with Arnoldo Alemán and the Liberal Party.

As researcher Hillary Wainwright and others have argued, leftist politics in Latin America have come about as a result of strong and highly politically conscious forms of popular democracy as well as non-state sources of democratic power such as neighborhood associations, movements of landless and indigenous people, and radical trade union organizations, rather than from political parties. This was not the case, however, in Nicaragua, where such transformation will not come from any of the existing political parties.

In the best of cases, a radical left party would seek to redistribute power and stimulate new popular institutions, enabling them to control state power, and transforming political parties in the process. The struggle for democracy requires the development of democratic power to challenge and transform institutions which, however liberal in theory, are ultimately driven by profit and bureaucratic self-interest—where accountability is more rhetoric than reality. Although difficult, this process necessitates working with autonomous movements so that the institutions can become effectively democratized—encouraging non-state and non-party sources of democratic power in order to achieve the necessary transformations.

As Wainwright indicates, "the strengthening of these grassroots-based forms of democratic power, including their connection and exchange of ideas and organisa-



tional lessons with each other, is essential to the idea of a new, transformative model of political representation along the lines exemplified in Latin America. This political organizing at the base is a priority on which many of us could agree whether we are members of a party or not.”¹⁹

Without an active, conscious, organized, and mobilized majority there can be no transformation. This type of majority simply does not exist in Nicaragua and one cannot expect a renewed revolution from the Ortega government when there is no social base to sustain this change. The FSLN was only successful in mobilizing the minimum necessary electoral percentage to win and even then only through an unethical deal to lower the threshold and by turning the party into an electoral machine. The FSLN is effectively a traditional political party contributing to the same sort of discontentment with traditional structures that helped bring Chávez, Correa and Morales to power.

Discontent is one thing, but having an organized basis for social transformation is quite another. In Nicaragua there is no significant organizational basis for transformation, and structures for civic participation are very weak. This does not mean, however, that there is not a grassroots sector and many individuals fighting for another country and another world, but the social left has its work cut out for it. Nevertheless, a process has been set in motion that will, in time, help substitute genuine political consciousness, genuine participation, and genuine democracy for electoral cynicism.

Notes

1. Edmundo Jarquín, “Nicaragua: Is Populist Authoritarianism Viable?” Paper presented at the seminar “Political culture and changes of the party in power in Latin America,” Organized by the Fundación Pablo Iglesias, Madrid, November 19 and 20, 2007.
2. “The Storm Clouds of Ambiguous Days.” *Revista Envío*, Jan/Feb 2008.
3. Directive of the Government of Reconciliation and National Unity. November 27, 2007.
4. Silvio Prado, “Models of Citizen Participation and Municipal Budgets: the CDM and the CPC,” Centro de Análisis Político (CEAP) Study, Draft, March, 2008.
5. “January 10th Declaration: A Decalogue Defending the Freedom of Expression,” Fundación Violeta Barrios de Chamorro, January 10, 2008.
6. Oliver Bodán, “A Case of Total Impunity,” *Semanario Confidencial*, Edición 561, November 18, 2008.
7. Paper presented at the seminar “Political culture and changes of the party in power in Latin America,” Organized by the Fundación Pablo Iglesias, Madrid, November 19 and 20, 2007. Published in the book “Cultura política y alternancia en América Latina,” Editorial Pablo Iglesias, Madrid 2008.

8. Despite the macroeconomic reorganization achieved after the defeat of the Sandinistas in 1990, and the recovery of economic growth after the collapse of the 1980s in the midst of the confrontation and civil war, the case of Nicaragua is part of the broader phenomenon affecting many countries in the region involving dissatisfaction with socioeconomic performance in terms of employment and poverty reduction. And the vast majority of the Ortega voters are among those who feel dissatisfaction and also nostalgia for the great expansion of social rights that no doubt occurred during the Sandinista Revolution of the 1980s.

9. The deputy secretary general of the FSLN, the historical Commander Tomás Borge, is the Ambassador of Nicaragua in Peru.

10. The CPCs are headed by Ortega’s wife. A national survey from late 2007 by the firm M & R Consultores found that only 8.6 percent of Nicaraguans (16 percent of the members of the FSLN) were members of the CPCs; the same survey found that an additional 19 percent were willing to join the CPCs (46 percent of the members of the FSLN, while 44 percent said that they were not willing to join).

11. The legislative group that formed even called itself “Parliamentary bloc against the dictatorship.”

12. Extremely modest goals for an economy such as Nicaragua’s, where per capita income fell sharply. Per capita GDP in 2004 was only two-thirds that of 1980.

13. The announcements doing away with any requirement to pay, even voluntarily, for public education and the health system, are the measures been best-received by the population, independent of their practical impact.

14. Two well-known cases were the occupation, on grounds of a tax debt, of facilities of the ESSO company to store Venezuelan oil, and the stripping of the legislative seat of a legislator who backed the allegations that there was judicial extortion, in the very offices of the FSLN, of a businessperson who is a relative of his.

15. In the third quarter of 2007 the figures were already showing a diminution in the import of capital goods and a major decline in construction, which is the most dynamic sector in terms of job creation.

16. The same survey by M & R reveals that only two-thirds of the militants of the FSLN consider that the country is headed in the right direction (among the opponents 5.7 percent and among independents 12.2 percent share that opinion; opinions on how the economy is being handled are of similar proportions; and in response to the question as to one’s feeling about the government after the first year, one-third of the FSLN militants answered that they were very hopeful).

17. Karen Kampwirth, “Neither Left nor Right: Sandinismo in the Anti-Feminist Era,” North American Congress on Latin America Report on the Americas, Jan.-Feb. 2008, vol. 41, #1.

18. In December 2008, in response to the Nicaraguan government’s manipulation of municipal elections, the MCC suspended assistance for all new activities not yet under contract as well as the property regularization project already being implemented.

19. Hilary Wainwright, “Rethinking Political Parties.” *Red Pepper*, February 8, 2008.

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