As good as it gets? The new Sandinismo and the co-option of emancipatory rural politics in Nicaragua

Santiago Ripoll

17-18 March 2018
International Institute of Social Studies (ISS) in The Hague, Netherlands
Disclaimer: The views expressed here are solely those of the authors in their private capacity and do not in any way represent the views of organizers and funders of the conference.

March, 2018
As good as it gets? The new Sandinismo and the co-option of emancipatory rural politics in Nicaragua

Santiago Ripoll

Abstract

Daniel Ortega’s electoral victory in 2006 brought hope that the re-vamped Frente Sandinista de Liberación Nacional (FSLN) party would reverse neoliberal policies in rural Nicaragua. Yet, 11 years on, with the new FSLN firmly in power, such a reversal has not materialised. There is higher investment in agriculture and a deeper role for the State in creating safety nets for the poor, yet the economy remains virtually the same: an export-led, agricultural commodity-based, free-trade economy open to foreign direct investment and imports. A dominant media presence and the co-option of electoral institutions have allowed for Ortega to be re-elected, but it is the alliance with past military, political and economic adversaries that cements the governments’ power, together with significant public support. Contradictions are emerging between the public socialist and anti-imperialist rhetoric and progressive environmental and social legislation; and on the other hand, the realities of wealth accumulation, land evictions and environmental destruction. Protests and dissent, even from within the ranks of the FSLN are met with increased authoritarianism, either through direct or indirect violence, bureaucratic control or political and social ostracism. In rural areas, the FSLN have engaged in agrarian populism, obscuring class divisions in rural areas in their discourse. Some public investments reach poor and small-scale farmers, but government funds, tax incentives and credit are biased towards extractives (mining and wood) and large-scale commodity production and trade (coffee, sugar cane, grains). A change of party in government would do little to change these policies, and change from within is a challenge. Emancipatory action in Nicaragua should take the form of a grassroots social platform that makes the FSLN accountable to their historic constituencies: showing that not all agriculturalists are the same, breaking down the categories within ‘rural people’; and proposing progressive policies that resonate with and mobilise the poorest citizens.
Introduction

When Ortega was elected in 2006 a wind of hope swept the Nicaraguan countryside. After 16 years under Liberal Party rule, dominated by unfettered markets and investment away from the countryside, there was an expectation that the re-vamped Frente Sandinista de Liberacion Nacional (FSLN) party would reverse neoliberal policies. Yet, 11 years on, with Daniel Ortega firmly in power, such reversal has not materialised. Whilst certainly there has been a higher investment in agriculture and deeper role for the State in creating safety nets for the poor, the Nicaraguan agrarian political economy remains virtually the same: an export-led, agricultural commodity-based, free-trade economy open to foreign direct investment and imports (Marti i Puig and Baumeister, 2017). The neoSandinista government has cemented its power by successfully balancing the alliance with traditional/conservative and FSLN-linked elites with the immediate needs of their poorer constituencies (Spalding, 2013: 40).

Similarly to the ‘pink tide’ left wing governments in other Latin American countries, the new FSLN government has reversed the dismantling of the State, and public support to the countryside has steadily increased. The new FSLN has also created space for socially diverse groups in Nicaragua, legislating to enhance indigenous and afrodescendants’ rights. Yet, on the other hand, alliances with the Catholic and Evangelical churches have meant regressive legislation in terms of sexual and reproductive rights.

What does this mean in terms of emancipatory rural politics? Is this as good as it gets? A change of party in government would be unlikely to signify into a change of economic policy. Change from within isn’t straightforward either. The Sandinista party has constantly co-opted progressive movements for social change by virtue of incorporating them. A ‘big tent’ politics has applied to policy discourse, all agricultural models are incorporated (even if they may be contradictory): food policy caters simultaneously for “poor and decapitalised small farmers and small landowners, as well as “agro-industry” (MAGFOR 2009). The FSLN, have succeeded in maintaining the support of their poorest constituencies by virtue of engaging in agrarian populism- in which ‘the people’ in agriculture are all the same and worthy of support, negating the agrarian differentiation that occurs within it: landless labourers, land renters, subsistence farmers, commercial farmers, plantation farmers and so on. Some financing and government projects do go to small-scale farmers, but the means of production are concentrated in the hands of elites, which emphasise extractives (mining and wood) and commodity production (coffee, grains) over other forms of sustainable or equitable production (Marti i Puig and Baumeister,2017).

What can be done about it? How to bring to the fore emancipatory rural politics in Nicaragua? As I argue later, dissent in Nicaragua will have to come in a the form of a positive and constructive platform that proposes alternatives, on two fronts: firstly by showing that not all agriculturalists are the same, breaking down the categories within ‘rural people’; and secondly through proposing progressive policies that resonate with and mobilise the poorest FSLN constituencies. The FSLN government still depends on the trust of campesinos and poor urbanites in order to continue in power.

Sources, anonymity and positionality

This paper is based on four sources: (i) a review of the recent literature on Nicaraguan political economy and changes in rural lives, (ii) my doctoral research on subsistence campesino farmers’ livelihoods in the Matagalpa Highlands; (iii) a selection of analysis and recommendations yielded by the jurado campesino (farmers jury) as part of the Nicaraguan component of the Carasso and New Field Foundation- funded project “transitions to agroecological food systems”; and (iv) a small number of interviews with agriculture and food policy experts in the country. It is important to highlight here that the argument on authoritarian populism in contemporary Nicaragua I make in this paper is mine alone, and the ideas that I put forward do not emerge from the aforementioned project, except on the occasions when I explicitly indicate it. As I will show in Section 4, the political spaces

---

1 Campesino/a roughly translates as peasant, landworker or small-scale farmer
for dissent in rural politics are shrinking. Researchers and practitioners whom I contacted for the interviews are concerned of the consequences that speaking openly against the government might have on their careers, the status of their organisations or their residency status. We decided together to keep their contributions anonymised.

Section 1. Sandinistas 2.0. The new populist politics in Nicaragua.

Agro-export economies and political power

Nicaragua has been an agro-export economy since it was forced into it by the Spanish colonial powers and the British traders in the Caribbean Coast. Since then, power has emerged from the control over the production and trade of these commodities. Caudillos, strong men, have traditionally rooted their power in agricultural economies, together with military and popular support.

The Somoza dynasty (1937-1979) thrived on this economic model in contemporary Nicaragua. The dictatorship wisely read the global scene and the impetus of globalisation together with the weakness of his adversaries. Somoza became an ally to US intervention, and succeeded in luring in economic elites to his sphere of power. Somoza’s family purchased or expropriated businesses and land wholesale, sharply increasing their personal wealth. Nicaragua became, de facto, their own hacienda. The Somozas also understood the importance of consent, and together with fierce authoritarian violence, he would engage in “assistentialist” politics, giving handouts to the poor, and a semblance of democracy.

The first regime to attempt to bring in both democracy and to imagine a different economic and political model was in Revolutionary Nicaragua under the FSLN (1979-1990). After ousting Somoza, the FSLN implemented a mixed economy with a coexistence of State-owned and private owned enterprises, under an import-substitution regime. Somoza’s and their allies’ assets, including land were nationalised and then reconfigured either as State enterprises or cooperatives, in which people would have guaranteed labour rights and/or farmland in a cooperative. Campesinos along the agricultural frontier, many of which were smallholders not incorporated in cooperatives, would not receive the benefits in agricultural inputs and credit, whilst at the same time be affected by the grain market controls. On the other hand, prices controls ensured a minimum price to ensure livelihoods and protected local agricultural industries from imports. In the second half of the 1980s land started being distributed to individual households, in response to grassroots resistance to collective ownership.

During the liberal years (1990-2006), under the guidance of the Washington consensus, State policy reverted to openness to trade and flow of credit solely to large export farms. Markets were deregulated, imported grains flooded the countryside, rural development banks were privatised and credit to small and medium producers disappeared (Rueda Estrada, 2013). Service to campesinos including the provision of inputs and extension services were severely reduced. The aim was to keep only the “efficient” producers in the market, assuming cheap labour would move to resource extraction, tourism or export processing zones (maquilas) (Holt-Gimenez, 2006). In agriculture, the focus continued to be on traditional low value commodities like coffee, basic grains (corn, beans, sorghum) and cattle (Baumeister, 2009: 411). The lack of technical and financial support made producers unable to increase their productivity and compete in an open market global economy (Rueda Estrada, 2013: 183).

Daniel Ortega had run for President in 1996 and 2001 fronting the FSLN, but failed to win the elections, and the Liberal Conservative Party ruled until its demise in 2006. That year, a decade and a half of structural adjustment, hollowing of the State and high-level corruption scandals, the electorate voted the FSLN back into power. Despite reaching power with only 39 percent of the votes, in the
following decade, the FSLN has consolidated itself as the hegemonic political power in Nicaragua. I explain below how this has been achieved.

**Elite populism: not a contradiction in Nicaragua**

The key characteristic of the neo-Sandinista capture and reproduction of political power is the centrality of elite alliances. The FSLN’s return to government in 2007 and the stability and continuity of its rule has been guaranteed through alliances with old military and political adversaries, alliances with the orthodox Catholic Church, and alliances with national and international capitalist elites.

A web of elite alliances

Ortega’s victory in the presidential elections in 2006 was made possible by the pact that he made with Arnaldo Alemán, the leader of the main opposition party, the Constitutionalist Liberal Party (PLC acronym in Spanish) in 1996. To consolidate two party politics, they agreed to amend the constitution to allow for parties with support under 40 percent to be able to obtain the presidency if they received over 35 percent of the vote and over 5 percent ahead from their nearest competitor. Before that, a 40 percent was the minimum requisite. Further, the constitutional amendments also enabled Ortega to run for a third term as president when the original text only allowed for two terms. In exchange for these constitutional concessions, Alemán gained immunity against prosecution for crimes for fraud and embezzlement. Thanks to this alliance, Ortega became president with 39 percent of the votes, and is now in his fifth term (two terms in the revolution and 3 terms after 2006). Ortega’s electoral victory banked on the break-up of the Constitutionalist Liberal party (PLC) into two irreconcilable factions (the PLC and what would coalesce into the National Liberal Alliance (ALN)). These two factions obtained a combined 55 percent of the vote in the 2006 election, but their now longstanding schism led to Ortega’s victory in the 2006 elections.

Another important alliance was established with old military adversaries. To put the armed conflict that raged in the 1980s behind for good, Ortega’s candidacy included Jaime Morales Carazo (leader of the Contra party Nicaraguan Democratic Force FDN) as the vice-president, and after victory a “Government of Reconciliation and National Unity” was created. This alliance was sealed by the transfer of land and property to Contra commanders all around the country, after the 2006 election.

The Sandinista revolution of 1979 was imbued with a sense of religious sacrifice and abnegation, which was rooted in grassroots church activism, an iglesia popular “church of the people” which ran against church hierarchy. Since 2004 Ortega has allied himself to the revolution’s greatest critic, the Cardinal Obando y Bravo (now his spiritual counsel and political ally (Salinas Maldonado, 2009)), as well as the evangelist church. FSLN slogans are now deeply messianic and religious, in which Nicaragua is “Christian, Socialist and in Solidarity” and the FSLN is bendecido, prosperado y en victorias “blessed prosperous and victorious”. The price for this alliance has been regressive legislation on sexual and reproductive rights, through which therapeutic abortions are illegal (Jarquin, 2016).

As I will show in more detail in the following section on rural politics, a fundamental alliance has occurred between the FSLN and the country’s economic elites. These elites include not only traditional wealthy business families, but also new economic elites (landowners and businessmen and women) that have arisen within the Sandinista ranks since the end of the revolution in the 1990s. As I

---

3 The constitutional amendments were incorporated in 2000.
4 In fact this schism was rooted in the influence of the pact with the FSLN. In 2005, there was distancing between those liberals who supported the Alemán-Ortega pact, and those who supported President Bolanos. The “Alemánistas” collaborated with the FSLN in transferring executive powers from the Presidency to the National Assembly, undermining President Bolanos. In response to these divisions, Bolanos decided to create a new party APRE, who ran as part of the National Liberal Alliance (Close, 2009; Martí i Puig, 2009).
5 Some would argue that the origin of these new capitalists was in the distribution of State assets to FSLN cadres, collaborators and grassroots constituents during the wave of privatisation that preceded the handover of power in 1990 (Cuadra Lira, 2016b). In fear that these assets would be restituted to previous Somocista owners, the FSLN
will show below, the Superior Council for Private Enterprise (COSEP), the organisation that represents wealthy capitalists in the country, works closely with the government at a technical and political level (Interview 4).

Despite public speeches against global capitalism and imperialism, alliances with global capital have been established. Despite rhetoric, Nicaragua is a model recipient of IMF funds, meeting the fiscal requirements. Unchanged since the Liberal years, public expenditure is contained, and regressive taxation has continued. As in other developing countries, adherence to this framework leaves little room for manoeuvre for public investment and often solely allows for the implementation of basic safety nets in cooperation with development donors. Until recently, the funds that came from Venezuela through the ALBA initiative⁶ (allowed by the IMF although the funds were not accountable to the Asamblea Nacional (Parliament)) gave some leeway for the government to carry out public spending.

Nicaragua has succeeded to provide a friendly environment for Foreign Direct Investment. The World Bank awarded PRONicaragua, the government agency in charge of foreign investments, the “world’s top investment facilitator” prize, becoming the first developing country to do so. Generous tax breaks and export processing zones have enabled foreign investments in mining, apparel, forestry, tourism, call centres and agriculture (palm oil, sugar cane, cattle, etc.).

Public support and safety nets
These ‘unholy’ alliances fly in the face of the ideology of the revolutionary FSLN, who saw many of these elites as their opponents and even their enemies. Despite this, the public support for the government and the current political situation is high. According to the latest Latinobarometro⁷ conducted in 2017, out of the Latin American countries, Nicaraguans are first in thinking that their government rules for the benefit of all the people (52 percent of respondents), and it is the lowest in Latin America in stating that the government rules for a small number of “powerful groups” (43 percent of respondents). When asked explicitly about their approval of Ortega’s government, the approval rates are the highest in Latin America, with 67 percent of respondents.

However this support of the government does not necessarily translate exactly into electoral gains. The support of the neo-Sandinista government, has peaked at around 40 percent of the electorate (Jarquin, 2016). The electoral results have consistently improved since 2006, but this is a product of increased abstention (48-52 percent abstained from voting in the November 2017 municipal elections which were overwhelmingly won by the FSLN).

Popular support is achieved with policies such as the provision of free healthcare and education. Public support amongst the traditional Sandinista constituencies of the poor and marginalised is also achieved through a quick comparison with the 16 years of liberal rule, in which poor people (particularly campesinos) received little support. The safety nets that have been put in place by the FSLN since 2006, in terms of subsidised food for the urban poor, or development programmes directed at rural small-scale farmers, signal a presence from the State towards which Sandinista supporters feel indebted. These safety nets have mitigated the impact of the continuation of neoliberal policies. A great part of these safety nets were covered by Venezuelan funds. The problem arises now that the Venezuelan economy is failing and these financial flows have stopped.

swiftly privatised substantial amounts of State property, including houses, agrarian industries and land (Martí i Puig & Baumeister, 2017), some of them ending in the hands of “the top political and military leadership” (2017: 386).

⁶ ALBA, the Bolivarian Alliance for the Peoples of Our America, a Latin American and Caribbean integration body “sustained on principles of solidarity, social justice, cooperation and economic complementarity.” It integrates 12 Latin American and it has been primarily led by Cuba and Venezuela.

⁷ The Latinobarometro is an annual public opinion survey that involves some 20,000 interviews in 18 Latin American countries, representing more than 600 million people. It observes the development of democracies, economies and societies, using indicators of attitude, opinion and behaviour [http://www.latinobarometro.org/lat.jsp].
My experience working within a rural population with high Sandinista support is that grassroots activists and supporters perceive a continuity between the revolutionary FSLN and the current party in government, and thus Ortega’s government banks on the symbolic capital of the social justice struggles of the 1980s. In Rodgers words, the new FSLN has succeeded in selling “new wines in old bottles” (Rodgers, 2006). The neo-Sandinista government has also succeeded in creating a feeling of prosperity and progress (58 percent of respondents of the Latinobarómetro feel the country will be better off in the next year and 61 percent that their personal finances will improve in the same time—both the 2nd highest rankings in Latin America). Further, together with Costa Rica, has succeeded in avoiding the “maelstrom of violence” that has crippled other Central American countries’ economies (Rocha, 2008). According to the World Bank, poverty levels have decreased from 48.3 percent in 2005 to 24.9 percent in 2016. That said, despite these positive changes, 37 percent of respondents declared to be food insecure, and 59 percent declared that they could not make ends meet with their current incomes.

It is also the use of legislation and policy as discourse—rather than reality—which is particularly powerful in generating public support. With the exception of the sexual and reproductive rights laws, the legislative landscape of Nicaragua is one of the most progressive in the region. Social, cultural and environmental rights are enshrined in law and government discourse is progressive and inclusive. As I will show below in the case of rural areas, the reality is very different, because this progressive legislation is not implemented (e.g. in the face of environmental destruction) or is contradicted by other government practices (e.g. indigenous people have acquired recognition in law, but their livelihoods are simultaneously being destroyed by land grabs and the palm industry under the protection of the government). Development programmes—either directly through the government or in collaboration with international development donors—ensure the government is seen as ‘working for the people’, but the limited funds that are available mean that they have little power to transform people’s livelihoods.

Curating dissent

Paradoxically, a majority of Nicaraguans seems to be satisfied with the democratic process. The country is ranked second in Latin America in satisfaction with democracy after Uruguay (57 percent Uruguay and 52 percent Nicaragua). Yet the reality is that the Pacto with Aleman and the constitutional amendments that took place, have given the FSLN a disproportionate weight in crucial institutions for democracy such as the Supreme Electoral Council (CSE) and the Supreme Court of Justice (CSJ). This has enabled the re-election of Ortega, and in the recent presidential elections, it disavowed opposition parties to organise and campaign (Jarquin, 2016). It is difficult to gauge if there has been electoral fraud. Whilst this view is supported by a multitude of national and international academics, the view of the international observer Organisation of American States (OEA), has been that the Presidential election of 2011 was indeed flawed (McConnell, 2014), however they have given their seal of approval (with caveats in the forms of recommendations) to the other elections in which the FSLN has been victorious. Whether due to a weak opposition or fraud, the reality is that the FSLN systematically comes on top, and participating in elections is no longer perceived as a means to enact dissent. In fact, quite the opposite. In the latest municipal campaigns, the press emphasised the lack of voting as a form of protest, and the government has perceived the increase in abstentions as a form of “confrontation” (Espinoza, 2017).

The network of elite alliances bound to the FSLN rule control the majority of media channels. (Rothschuh Villanueva, 2016: 195). The FSLN has also withheld State advertisement funds to dissuade dissent in newspapers. What is important here is that despite this encroachment, there are still a small number of media spaces allowed for dissent, the Confidencial TV programme and website, or the newspaper La Prensa. Similarly famous dissidents, like the authors Gioconda Belli, or the commandante are not censored. In fact these handful of voices of dissent are central to a portrayal of Nicaragua as a country where there is free speech (ibid; Interview 1).
However, those dissident voices that do not have celebrity status are indeed under attack. In order for an individual to apply for a public service job, participate in a State-sponsored venture, or receive government funding, a letter of endorsement from the party is required. This **aval** does not come easy when the person or organisation has a view opposing current government policy. Similarly, foreign residents fear their residency rights removed, and a new immigration procedure allows critical foreign academics to be turned away at the border (e.g. in the field of democratic governance), as well as deport researchers in politically sensitive fields (The Transoceanic Canal, chronic kidney disease amongst sugar cane workers, etc.) (Interview 1, Interview 4, Interview 5).

Similarly, public protest is legal. Yet the police has been heavy-handed in recent demonstrations around the rights of pensioners, women’s rights and against the construction of the new Transoceanic Canal. There is evidence of the use of Sandinista youth (some of them recruited directly from street gangs) to spark violence to break up legitimate demonstrations. These young people are armed and resourced by the party (Rocha, 2008; Rodgers & Young, 2017). State violence has also been directed at illegal armed groups and their communities in the North and South-east of the country (often emerging from the Contra traditional constituencies), groups that are described by the media as ‘bandits’. New legislation in 2005 on “sovereign security” has put the police and the military under direct command of the executive powers (Cuadra Lira, 2016a). Amnesty International has reported violence towards human rights indigenous Miskito activists in the Northern Autonomous regions (Amnestia Internacional Nicaragua, 2016). Dissent can come at a high price if it happens outside the spotlight.

**Nicaraguan politics as authoritarian populism?**

I find the concept ‘populism’ rather unhelpful. Everything and anything can be populist politics, with the exception of ideal (and seldom realised) pure class-based politics. Like any nationalist politics, the Sandinista rhetoric revolves around the Nicaraguan ‘people’: el pueblo. Ortega’s presidencial candidacy was sold as a way to make “el pueblo presidente”. A recent poster, clad in the new age pink aesthetics of the New Sandinismo, says **este poder es del pueblo, este poder es Sandinista** (this power is of the people, this power is Sandinista”).

Populism, as any homogenising, ‘big-tent’ identity politics, is only as dangerous as it effaces social differences within ‘the people’, and if the degree of simplified reality portrayed by populism negates the realities of particular social groups and, by doing so, it makes them more vulnerable. In this regard, neosandinismo is a fascinating case because the laws that are in place (and are constantly updated and publicised in the media) and the public discourse celebrates social difference and the rights of the most vulnerable, but only the key legal mechanisms that are actually implemented are those that benefit the elites. What is left for the remaining citizenry is, at most, a safety net.

Populism requires an ‘us vs. them’. There is an ‘othering’ in public discourse mostly looking outwards, in which imperialism and global capitalism is criticised. Yet interestingly, these tropes (which are cynical due to the government submission to the dictates of the IMF, the opening to foreign capital and the alliances with economic elites in the country) do not have real traction with their rural constituencies. I did my year-long ethnographic fieldwork in a rural FSLN stronghold in the highlands of Matagalpa, yet anti-western or anti-capitalist sentiments were not replicated, rather the grassroots support was rooted in a vision of progress and ‘the common good’ and engaging in patriarchal relationships of reciprocity and obligation with the Sandinista government, embodied in the figure of Daniel (Cooper, 2015).

In Nicaragua, the tense and precarious equilibrium of power is achieved through the transmission of power amongst different elite groups and the reactive force of the public. One of the policy experts interviewed visualised the Nicaraguan State as a set of groups with different degrees of increasing power and capacity to pressure the centre of power (Interview 3). In the centre of power, a **nucleo duro**, a hard core of around 10 people (also called el anillo de acero, the steel ring) which includes Ortega and his wife and vice-president Murillo. Then a series of militant groups, including militant
businessmen (including important traders, historic militants (ex-commanders who yield significant symbolic power and appreciation by the public), young militants (the Sandinista youth) and lastly, the electorate.

![Distribution of power and pressure in Nicaraguan politics](image)

It is important to highlight here that the nucleo duro of the FSLN is happy to feed the myth that circulates in which they are portrayed as having knowledge and control of all realms of life. The reality is different: their reach is sufficient for the reproduction and expansion of power, but there are spaces, particularly in the periphery, for emancipatory action. Despite top-down efforts to influence outcomes, municipal and grassroots politics have some room for manoeuvre outside the total control of the FSLN and are potential spaces for emancipatory politics (Interview 3).

According to some of my informants, the Nicaraguan state is not solely a vehicle for reproduction of elite power and capture of economic gains of the Nicaraguan agro-export model. There seems- at least until now, before the lack of Venezuelan funds becomes apparent- to be a small space for the exercise of power towards the national interest (or what the hard core perceives to be in the general interest). This appears to be similar to authoritarian developmental states like Ethiopia or, seen in the best light, as a Deng Xiaping-esque “socialism with Nicaraguan characteristics” (Interview 3). The law regulating foreign direct investment, or the initial resistance of the hard core to the demands to introduce GM into the country by the business elites since 2006, indicate that there is, in some sense, room for manoeuvre for developmental state-type interventions. Unlike the previous liberal governments, the FSLN is not bound ideologically to neoliberalism, and hence have certain flexibility to pick and choose policies to do ‘whatever works’ (Interview 1, Interview 3).

**Section 2. The new rural political economy of Nicaragua: neoliberalism and the co-option of agrarian movements**

*A dual rural economy and agrarian populism*

The new FSLN rural policy is geared to maintain a dual rural economy. On the one side there is a large demographic of subsistence farmers who barely make a living producing undifferentiated commodities such as basic grains (corn, beans, sorghum, coffee), and sell cheaply to a large chain of intermediaries. On the other there are large-scale producers and traders, who, supported by the government, produce or extract high value commodities (mining, sugarcane, peanut, beef) or trade high volumes of basic grains wholesale in the international market (hence capturing most of its value added) (Banco Central de Nicaragua, 2016). This latter economy, represented by high-value (or
accumulated value in the case of grains) commodity exports is dominated by economic elites. As mentioned above, in the decades since the fall of the Sandinista revolution, many FSLN and Liberal party cadres and Contra commanders have joined these economic elites.

The discourse of the government is agrarian populist in nature, claiming a general support for agricultural and food related livelihoods. Indeed, at first sight the policies seem to cater for both small-scale farming and large scale farming and manufacturing. National “production plans” indeed incorporate “small-scale of the family economy” as well as catering for the needs of “Agro-exports” and “Agroindustry” (Gobierno de Reconciliacion y Unidad Nacional, 2017).

**Bias towards large-scale and plantation farmers**

Despite the agrarian populist discourse there is a significant bias towards large scale farming vis-à-vis small-scale farming, and towards agro-export ventures and Foreign Direct Investment rather than domestic production for national markets. Small scale farmers receive token development projects, but in their competition against large-scale farmers and traders, as a Central American saying goes, they are fighting a battle entre burro amarrado y tigre suelto (between a tied-up donkey and a loose tiger).

This government bias towards the Nicaraguan agro-food elites is said to have been engendered and cemented by a ‘secret pact’ between the COSEP and the FSLN, a product of a series of closed door meetings in September 2013 (Montalvan, 2013). Under this pact, FSLN would actively support particular industries and protect them from legal or environmental investigation (mining and sugar cane, among others), and in return, the COSEP would work closely with the government and abstain from criticising it (Interview 4). A recent consequence of this alliance has been the elimination in 2017 of the law that obliged investors to carry out Environmental Impact Analysis before starting their activities.

**Latifundios**, large scale farms over 350 hectares make up 19 percent of the total number of farms. There has been a concentration of large land ownership that has occurred has taken place in the sugar cane and palm oil sectors, as well as in the livestock sector, with capital inflows from wealthy Managuan elites and foreign direct investment (Baumeister, 2013). Land concentration has progressively taken place mostly in the Pacific and Centre regions, but the relative weight of small-scale farmers has been sustained despite population increases due to the expansion of the agricultural frontier. The land area expanded from 8 million manzanas in 1978 to 10 million in 2017, mostly through deforestation (ibid). Small scale producers are the breadbasket of the country: small scale campesino families own 30 percent of the land, but produce 67 percent of food in the country (Salcedo & Guzmán, 2014: 59).

Despite their significant importance both in number and in food production, there are significant policy biases in favour of relatively large-scale agricultural commodity producers and traders vis-à-vis small scale producers.

Tax incentives are geared towards plantation and large-scale farming, and are based on conventional high input- high return form of farming with high agrochemical use. Either through economies of scale (in the case of tax cuts on agrochemical inputs) or on the level of mechanisation (tax cuts on machinery purchase, maintenance and parts), it is mostly the wealthy producers who benefit. Similarly, it is large-scale producers and traders who benefit from export tax incentives, whilst small scale farmers sell their crops (corn, beans, sorghum, coffee, etc.) at the lowest value to a large chain of intermediaries (SIMAS, 2012a).

Credit is also biased towards large-scale farmers and wealthy traders. The government launched in 2010 the ‘Bank for the promotion of production’, also called the Banco Produzcamos (Let’s Produce). The aim of this public-private financial partnership would be to channel funds into small and medium

---

8 Decree 15-2017, article 3.
producers with subsidised interest rates, farmers who could not afford or get loans at the market rates. The bank failed to create these preferential funds for small and medium enterprise, and ended up working as a private financial institution (Interview 7, Interview 8).

As mentioned above, large scale producers and traders have direct communication (technical and political) with the government. Small and medium-scale farmer organisations (particularly those who advocate alternative agricultural models such as agroecology) are weak and underfunded, and do not have a space to voice their demands (Interview 9).

Free trade and open doors to foreign investment, as mentioned above, are central to the new FSLN economic policy. Adherence to CAFTA has opened the door to some employment in Export Processing Zones, but also a permanent relegation of Nicaragua to an agricultural commodity exporting country (Interview 3). Most industrial/manufactured food products with value added often come from other Central American countries or the US. Even in terms of primary commodities, the exposure to free trade has left the rice sector exposed, and basic grain markets vulnerable highly vulnerable to slumps in price (SIMAS, 2012b; UPANIC, 2017). This exposure will be felt even more strongly when the ‘transition’ period (in which some degree of protection was allowed) finalises in 2018. The ‘upside’ of openness is foreign investment in food and agriculture, although there has been little positive impact of this on the wide agrarian population. Walmart has purchased Pali and La Union, two of the main supermarket chains in the country. Cargill has purchased the entire value chain of broiler meat, including Tip Top restaurants, and imports corn from abroad rather than locally. Lala milk (including Eskimo ice-creams) was purchased by a Mexican capitalist, and has not enhanced quality production or offered higher prices to milk producers, but rather has engaged in watering down and mixing milks for profitability. The Nicaraguan government is offering Export Processing Zone status (with the implications on tax and labour conditions) to agricultural ventures including Palm Oil and Cocoa. The concession to the building of the Transoceanic Canal to the Chinese company HK-Nicaragua Canal Development Investment Co. Limited is enabling major land grabs (often in indigenous territory) (Amnistia Internacional Nicaragua, 2017).

Impacts and ‘double-think’ rural politics

The social and environmental impact of the sugar cane industry is highly negative: soil erosion and contamination, air contamination due to sugar cane burning in the processing, river and underground water contamination with agrochemicals, health issues amongst workers and their communities (Renal Chronic Disease, intoxication and genetic mutations), unsustainable use of water, and competition with indigenous communities over land. Sugar cane production has rocketed under the FSLN leadership, upwards 44.6 percent since 2006 to 2015 (Sánchez Gutiérrez, Vásquez Zeledón, & Ripoll Lorenzo, 2017). The cultivation of the African Palm has generated large-scale adverse impacts in Nicaragua, among which are: the fragmentation of ecosystems, the loss and degradation of biodiversity; contamination of water sources; soil degradation, conflicts about land ownership and on occasion land grabs, and increase in poverty among communities (Sánchez Gutiérrez et al., 2017; Tittor, 2017). The peanut and tobacco industries have generated similar problems with agrochemical residues and dust-bowl-like erosion, as well as depleting water sources (as well as divesting water that should go into human consumption) (ibid).

Added to this there is a push towards extractive industries such as mining and forestry. Since 2006 gold mining has tripled in volume exported, and the value of forestry products has since doubled (Banco Central de Nicaragua, 2016). Mining has been responsible for deforestation and landscape change, contamination of water and soil with cyanide and heavy metals used in processing, health impact due to contamination of water, fish and other animals and loss of biodiversity (Montenegro Méndez, Reyes Martínez, & Chávez Nicoya, 2017). There are reports of intimidation and incarceration of community leaders protesting against mining (González, 2016).

What is central to understanding the difficult balance that Nicaraguan’s authoritarian populism is striking is the double-think exercise that comes from simultaneously a progressive, inclusive and
environmentally friendly discourse and set of legislations, with the reality of environmental, health and social destruction that comes with unfettered agri-commodity and extractive industry expansion. What is striking is that the legislative apparatus to contain and redress unsustainable forms of production is already there: advanced environmental legislation, the law on food security and food sovereignty, social and political rights (e.g. indigenous rights). These progressive laws are in some cases not being implemented, as the law on food sovereignty and security, a ground-breaking law which incorporated issues such as the protection of local production and livelihoods, a focus on sustainable production, and public participation in policy making: none of the key government structures to implement the law are in place, 10 years after the law was passed. Other laws are being implemented unequally, as in the case of environmental law. A key witness in the project deliberations, a lawyer who worked for the Environmental Ombudsman office, established that Nicaragua leads in Central America in number of environmental laws and this legislation is adequate to respond to most environmental threats, but the problem is that the laws, either through lack of capacity, knowledge or political will, are applied unequally, particularly so when comparing between small and large-scale producers. Laws can also be contradictory, for example, the law on indigenous communities’ entitlement to communal land comes at the same time as expropriations and concessions of land to foreign investors (Amnistia Internacional Nicaragua, 2017).

As part of the farmers’ jury deliberations, legislation was declared to be discriminatory: small scale farmers would be immediately reported for chopping down a tree in their farm to rebuild their house, whereas around them capitalists would buy huge plots of forested land and tear it down with no redress by the Ministry of Environment. Similarly plantations would contaminate soil and water without consequence. The jury reported that the popular law 717 to promote poor rural women to own arable land was not being implemented. Legislation did not mean implementation. Similarly agricultural policies are in their text a form of double think, their objective being:

“To promote sustainable production that is friendly with nature, preserving and regenerating forests, conserving and regenerating water sources, making a rational use of water, and using inputs, fertilisers and pesticides in a way that they reduce the harm to the soil and protect biodiversity” (Gobierno de Reconciliacion y Unidad Nacional, 2017).

The reality is precisely the opposite: tax breaks on agrochemicals and downmarket pressures on products incentivise industrialised forms of farming, national and foreign forestry investors carry on deforesting despite legislation against it, big plantations draw unsustainably on water resources, and the massive use of agrochemical and soil turning is killing agrobiodiversity (Sánchez Gutiérrez et al., 2017).

However, government messaging, unimplemented legislation and policy succeed in co-opting rural social movements. This is because it can claim that it is taking measures to address everyone’s needs. Through a ‘big tent’ politics, the government claims to not only address the needs of “agroindustry”, but also to the needs of small-scale farmers, as well as the agroecological movement. This is compounded by the roll-out of rural development programmes. Rodgers highlights how these programmes are highly visible, but not transformatory:

[The] electoral primacy of the Sandinista party is ensured through the implementation of a plethora of highly targeted, small-scale social programmes (Marti i Puig, 2010; Rodgers, 2008, 2011). These have involved the distribution of both in-kind donations—e.g. of food, roofing material, ovens, chickens, cows, bricks and mortars—as well as conditional cash transfers, but in all cases the scope of each of these different programmes is limited and rarely extends beyond 5000 households (in a country that has over 300,000). There is moreover almost never any overlap between recipient households of different programmes. In a country that remains the second poorest in the Western hemisphere after Haiti, being a recipient of one of these programmes is extremely valued (...). (Rodgers & Young, 2017)
Similarly, the Ministry for Family, Community, Cooperative and Associative Economies (MEFCCA) also rolls out projects focused on small-scale sustainable or agroecological production, as well as reforestation: climate change adaptation projects for small-scale cocoa and coffee farmers, rural development (agriculture, fisheries and forestry) with indigenous communities in the Atlantic Autonomous Regions, programmes to link small-scale producers to value chains and enhancing market access, and cottage water catchment initiatives for farmers (Sánchez Gutiérrez et al., 2017). Both in terms of the impact and funds, these projects are a drop in the ocean compared to the political and economic bias towards extractives and large-scale conventional agriculture, but have translated in popular support in the countryside for the FSLN.

The farmers jury engaged in the mentioned project, however, did point out some real positive elements of policy that have had an impact: (i) the explicit government support for agroecological or small-scale markets at the municipal level as well as in the heads of departamentos and Managua, (ii) the public grain company ENABAS is a good mechanism to market access for grain producers and subsidised food for poor consumers (and could potentially help in stopping price fluctuation if operations were larger), (iii) the bono productivo (Zero Hunger) which although of limited poverty impact it does enhance food security.

### Section 3. Shrinking political spaces for dissent in Nicaragua’s rural politics

In the section above I have laid out how in Nicaragua there is a large gap between, on the one hand, the illusion of government narratives, legislation and policies: a powerful discourse that highlights political participation, social inclusion (of small-scale farmers, of indigenous peoples), and sustainable production, and, on the other hand, the reality of elite capture of natural resources and state benefits, land grabbing and concentration, widespread deforestation and. So far this ‘double think’ has been sustained by the provision of social safety nets and targeted development projects, and the hope that progressive legislation will indeed be implemented one day.

However, both individuals, organisations and social movements who work in rural development in the past years have been progressively recognising and highlighting these contradictions, after perceiving the environmental and social damage first hand. The equilibrium breaks when people start calling out that the Emperor is ultimately naked (rather than in his new clothes) and when the safety nets and development programmes that generate public support fail. In Nicaragua, the reality on the ground in rural areas is showing the true nature of the agro-export and extractive economy, and simultaneously, the Venezuelan funds, that support safety net programmes, have dwindled. A trend towards authoritarianism is what follows when this equilibrium is broken.

This increase in authoritarianism in the realm of rural change, has translated into a shrinking space for dissent, where the government sees necessary to drown out the voices who point out the contradictions of the FSLN model of politics. Researchers and rural NGOs are no longer able to voice their dissent. There is a fear that criticising the government might translate into ostracism.

“Rural social movements have been progressively debilitated by the fear of being contradicted, people are afraid of giving their opinion. When you are in a workspace, such as an NGO, there is fear that you might be kicked out. In the government, the government workers are under even worse strain. (...) producers, are now fearful to create controversy, they measure what they say and they speak in a low volume, particularly those linked to the municipalities. Those who are most critical are have been progressively marginalised. People are starting a culture of self-censorship.” (Interview 2)

At an individual level, the FSLN has institutionalised the aval, a FSLN letter of endorsement in order to seek either public service jobs at any level or government support. For those who might seek to work for the State at some point, voicing dissent is not an option. Foreigners feel that voicing their dissent might mean they lose their residency rights. Rural organisations are also very careful not to voice dissent, since the aval system has expanded to the NGO and Association level. If any
organisation wishes to work in a project where the government is a development partner (a very common occurrence), they will require an institutional *aval*.

> “Its public knowledge, (…) the government [secretly] classifies NGOs into ‘allies’ and the ‘black list’. People fear ending up blacklisted. You are considered an enemy if you are critical or put things into question. We end up doing diplomacy to ensure you are liked. It’s becoming a culture.” (Interview 2)

Most of my interviewees have highlighted that this pressure has impeded people from many rural organisations to be overtly critical of the government. The field of food and agricultural policy and research, which had been so rich a decade ago, is progressively being abandoned because of fear of reprisals. Two policy experts I interviewed indicated that agricultural research organisations are stopping their funds in policy research and advocacy (Interview 1, Interview 6). As I mentioned above, some academics and policy researchers I approached felt unable to co-author this paper, and on occasions when researchers do publish on issues related to agrarian change, they partially self-censor and reword their articles to ensure they are not being ‘politically sensitive’. What is considered ‘politically sensitive’ and hence cannot be spoken of has been progressively increasing since 2006.

The FSLN leadership sends signals when a topic cannot be addressed, and staff from the relevant Ministries indicate what issues may be politically sensitive. Most recently, as I mentioned above, the FSLN has given into the longstanding demand by the economic elites to allow GM crop cultivation in the country. I say given into, because the UPANIC has been advocating for GM entry since before 2007, when the law of food security and food sovereignty was being debated in the Nicaraguan parliament. Nicaragua had been successful in being the only Central American country without GM crops. Now the *nucleo duro* has finally approved the introduction of GM crops, and the National Plan for Production, Consumption and Trade 2017-18 contemplates the introduction of experimental plots (Gobierno de Reconciacion y Unidad Nacional, 2017). In one conference on rural development and sustainable forms of production, speakers, who included producers and activists in the agroecological movement were ‘nudged’ to tone down their anti-GM messages.

The consequences of resisting these nudges can be extremely harsh. The FENACOOP (national federation of agricultural and agro-industrial cooperatives), an association of 420 cooperatives, most of them Sandinistas, was closed down by the government after its leader, himself a Sandinista, was overtly critical of the government (Envio, 2015). The organisation was (some say falsely) accused of delays in payments of Austrian project funds and closed down. A group of men belonging to the MEFCCA forcefully occupied the building and changed the locks (ibid). The example of FENACOOP is said to be flagged to potential dissidents, when they consider criticising current rural policy (Interview 2, Interview 7, Interview 8). Due to the ‘real FSLN’ policy is not clear (emerging from the ‘double think’ contradictions above, but also the way the FSLN has steered in different directions, such as in the case of GM) this has created an paralyzing atmosphere of uncertainty. FSLN leaders at the grassroots or other relevant actors in rural development no longer know what they are allowed to say or not to say, and thus refrain from speaking their minds in public about the environmental and social crisis that comes with the current Nicaraguan model.

In the face of of land dispossession, social discrimination and environmental degradation, dissent is inevitable. The government or non-state agents (allowed by the government) have purchased (legally or in dubious circumstances) or expropriated land (on several occasions indigenous) for the cultivation of Palm and Sugar cane in the East of the country (Baumeister, 2013; Interview 7). Other communities have been facing the health effects of agrochemicals (e.g. in the sugar cane communities of the North-west) and mining. Some activists feel that they can still speak ‘if they change their message’ and are not too confrontational, but the reality is that peaceful protest movements have been met with incarceration, harassment and violence (González, 2016; Montenegro Méndez et al., 2017). This was made particularly obvious for the future construction (if it ever does materialise) of the transoceanic canal, in which vast amounts of land were expropriated (Amnistia Internacional Nicaragua, 2017). This expropriation, added to the mass environmental impact that such a mega-project would entail,
sparked dozens of protests against the country. Violence was used against environmental protestors, targeted violence by the police, and counter-demonstrations were organised. In these tailored clashes, the Sandinista Youth used violence to disturb the protests.

Even harsher violence is targeted towards the handful of disgruntled militia-men which are rearming in the North (in areas traditionally of Contra support who felt somewhat represented by liberal municipal councillors, yet these municipalities have now fallen in the hands of the FSLN). These ‘re-armados’ are described by the media as ‘bandits’ or ‘drug-traffickers’ (never as ‘armed groups’), and they and their communities have witnessed direct military violence and repression (Cerda, 2017).

“The army steals lands and production from the campesino, he arms himself and then the army comes round and kill them. The army has engaged in land grabbing, using thousands of MZ to plant. If campesinos don’t sell land to them, they take it away. (...) People have had enough. They are not criminals or bandits, it is just a product of the contradiction between the agricultural model and public policies.” (Interview 7)

Conclusion. Neosandinista authoritarian populism and the future of emancipatory rural politics

When describing Nicaragua’s new politics, it makes sense to speak of a contemporary form of Caudillismo, based on the delicate balance between on the one hand, elite alliances and resource and market capture, and on the other, sufficient public support. Public support in the rural areas is enabled by two means: first, through discourse, through the control of socialist rhetoric messages in the media, and secondly, the design and promotion of progressive (in environmental and social terms) legislation and policies. Populism is indeed an important factor, inasmuch as the FSLN uses a ‘big tent politics’ in which the government claims to be addressing the interests of all Nicaraguan citizens. Agricultural business, small-scale farmers, sustainable producers, indigenous communities, and so on, are all supposedly incorporated into the FSLN’s notion of progress. Whilst there are some genuinely universalist policies, for example free healthcare and education, and the roll-out of safety nets, the reality is that State support is biased towards the economic and political elites.

The balance is being broken by the contradictions that are emerging between the socialist rhetoric and legislation and the reality that people face in the ground. Authoritarianism emerges as a response to these contradictions and those who identify them, rather than as a primary objective. Authoritarianism is enacted when the impact of the destructive economic model and the reality of legislative bias is voiced and protested against: ultimately when the brand of Nicaragua as a ‘safe business-friendly environment’ is jeopardised.

My concern is that in Nicaragua the contradictions are most likely to keep emerging in two fronts: the environmental, economic and social impact of the economic model will be too obvious to ignore, and secondly, the safety nets and sustainable development programmes are less likely to be funded in the future. In terms of impact, the transition period for CAFTA finishes in 2018, hence the rural poor and SMEs will feel the full-blow of free trade (UPANIC, 2017). The Venezuelan preferential commodity market collapsed, so the ALBA trade routes will not make up for this. The impact of deforestation, contamination and land-grabs will continue to be witnessed directly by the population. Landlessness will become more obvious, as the agricultural frontier is finally depleted (and hence there is no more arable land to be claimed from the forest). In terms of safety nets and sustainable agriculture projects, the lack of Venezuelan funds is already patent and subsidised food or Zero Hunger programmes will disappear or shift from grants to loans. The new reality will leave the FSLN leadership at a crossroads, either veering further towards authoritarianism, or alternatively shifting the balance of power to truly represent traditional FSLN constituencies: rural and urban poor, small-scale farmers, ‘squeezed middle class’.

The role for an emancipatory rural politics is to push for this shift in power, through mobilising these traditional constituencies, and highlighting the contradictions of the economic model. As mentioned in
the model (figure 1), the ‘public’ does have an effective peripheral degree of control over the FSLN nucleo duro, provided it flexes its muscle. Despite discourses of absolute control, there is room for manoeuvre in the margins, through work in the municipalities and the community level. As advocated by the Nicaraguan farmers jury (Sánchez Gutiérrez et al., 2017), a grassroots social movement can also work within the existing legal framework to build cases against situations in which legislation that is not being implemented (e.g. working with the Federal Attorney's Office for Environmental Protection). There are positive past experiences in which EPZ have been closed down in the past by a civil society organisation based on environmental and health and safety grounds (Interview 3). This grassroots movement is the only alternative, as a change of party in power is unlikely to shift elite dominance or improve the rural situation in Nicaragua (rather the opposite, if history is any indication).

We must beware of the unintended consequences of the past acts of authoritarianism. There has been de-legitimation of democratic process, and opposition forces may no longer see democratic elections as a channel to voice dissent. Right-wing young activists might dabble in violent direct action, which could potentially create an explosive situation such as that in Venezuela. A progressive grassroots social movement has to emerge to transform new Sandinista politics now, or otherwise it may be too late.

References


About the Author(s)

**Santiago Ripoll** is a researcher at the Institute of Development Studies at the University of Sussex. His research focuses on the moral economy of food and farming, and has carried out ethnographic and participatory research on food systems. He is currently undertaking participatory policy research on Nicaraguan food systems, and his PHD fieldwork explored Nicaraguan agri-food systems and the role of farmer moral and political economies in shaping market exchanges. Santiago engages in trans- and inter-disciplinary research to understand the impact of the restructuring of food systems on four different dimensions of sustainability: health and nutrition, social, economic and environmental.

The Emancipatory Rural Politics Initiative (ERPI) is a new initiative focused on understanding the contemporary moment and building alternatives. New exclusionary politics are generating deepening inequalities, jobless ‘growth’, climate chaos, and social division. The ERPI is focused on the social and political processes in rural spaces that are generating alternatives to regressive, authoritarian politics. We aim to provoke debate and action among scholars, activists, practitioners and policymakers from across the world that are concerned about the current situation, and hopeful about alternatives.

For more information see: [http://www.iss.nl/erpi](http://www.iss.nl/erpi) or email: emancipatoryruralpolitics@gmail.com