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Nicaraguan Contradictions



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Last Friday my friend Michael Meeropol asked me what I thought was going on in Nicaragua. He had read an article on Portside titled “[Nicaragua: Next in Line for Regime Change?](#)” that alluded to similar events in Libya, Syria and Venezuela, “where extreme right-wing political minorities conspired with foreign elites to overthrow the national status quo.” This led Michael to dismiss his defense of the Ortega government as bullshit, especially since Bashar al-Assad has become such a known quantity on the left as a murdering, torturing kleptocrat—at least the part of the left that is not on the Kremlin’s

payroll. Michael added rather modestly “but of course I really don’t know ...” I told him that I had to find the time to catch up on Nicaragua before getting back to him. That time is now.

I am not sure that Michael knew about my connections with Nicaragua, which run much deeper than Syria. In the 1980s and early 90s, I was president of the board of TecNica, an attempt to develop a leftist version of the Peace Corps. We sent hundreds of people from the USA and Western Europe to work for Sandinista government agencies and later on for the ANC, including those who finished the rural electrification project in northern Nicaragua that had cost Ben Linder his life. In 1987, the FBI conducted a sweep against returned TecNica volunteers on the presumption that we were running an espionage network out of Nicaragua through Cuba to the USSR to deliver high-technology. Since Nicaragua was as about as capable of producing high-technology as I was of swimming the English Channel, the major media blasted the FBI. Ted Koppel provided coverage on Nightline, with a lengthy interview of a TecNica electrical engineer whose job it was to repair power stations blown up by the contras.

After Ortega lost the election to Violetta Chamorro in February, 1990, the funding for TecNica dried up. For most on the left, the FSLN were at fault for not being revolutionary enough. They should have seized all the privately owned land in Nicaragua, including that belonging to the ranchers who provided much of its support through The National Union of Farmers and Cattle Ranchers (UNAG). I wrote a reply to the ultraleftists about [20 years ago](#) that represented my final word on the subject. My main point was that the country was a bundle of contradictions that could not be easily resolved.

In a very real sense, the gains of the Nicaraguan revolution were partially responsible for their undoing. The Agrarian Reform, in particular, caused traditional class relations in the countryside to fracture. Agricultural workers and poor *campesinos* no longer had to sell their labor at the cheapest price to the wealthy landowner. This, in turn, led to lower production of agricultural commodities.

The Agrarian Reform provided a reduction in rents, greater access to credit and improved prices for basic grains. This meant that small peasants had no economic pressure on them to do the backbreaking work of harvesting export crops on large farms. Even when wages increased on these large farms, the *campesino* avoided picking cotton on the large farms. Who could blame them?

This meant that the 1980-1981 cotton harvest, which usually lasts from December through March, remained uncompleted until May. Each of the three subsequent coffee and cotton

harvests suffered as well. The labor shortage became even more acute as the Contra war stepped up and rural workers were drafted into the Sandinista army.

In addition, Nicaragua faced the same type of contradictions between town and countryside that existed in the Soviet Union in the 1920s. It was difficult to keep both urban proletariat and peasant satisfied due to conflicting class interests of each sector. While both classes fought to overthrow Czarism or Somoza, their interests tended to diverge after the revolution stabilized.

In 1985, the Agrarian Reform distributed 235,000 acres of land to the peasantry. This represented about 75% of all the land distributed to peasants since 1980. The purpose of this land distribution was twofold. It served to undercut the appeal of the contras to some *campesinos*, since land hunger would no longer act as an irritant against the government in Managua. Daniel Ortega would simultaneously give a peasant title to the land and a rifle to defend it in ceremonies in the countryside all through 1985.

The second purpose of this land grant was to guarantee ample food delivery into the cities. This would allow the government to end food subsidies. The urban population had enjoyed a minimum of basic foodstuffs at highly subsidized prices. These price subsidies fueled budget deficits and, consequently, caused inflation.

The hope of the Sandinistas was that increases from new farm production from the countryside would compensate for the ending of food subsidies. However, what did occur was a sharp convergence between the price of subsidized food and food for sale in the retail markets. A pound of beans at the subsidized price was 300 *cordobas*, while retail market prices reached 8,000 *cordobas*. The subsidized breadbasket became a fiction while marketplace food became the harsh reality. Managua housewives became outraged as hunger and malnutrition among the poorest city-dwellers grew rapidly. The underlying cause of the high price of food was the shortage of supply. Contra attacks on food-producers, large and small exacerbated the shortage.

So what had happened in Nicaragua since Daniel Ortega became the president once again in 2007 and was reelected two more times? I really hadn't paid much attention to the country other than to call attention to what was obviously an environmentally unsound project to build a new canal underwritten by a Chinese investor.

After reading more than a hundred pages of mostly scholarly material from behind the JSTOR paywall, I have come to the conclusion that Ortega can be described in Marxist terms as a left Bonapartist or what is commonly known in Latin America as a *caudillo*. He abandoned the FSLN's original program that promised once in power to "plan the national

economy, putting an end to the anarchy characteristic of the capitalist system of production.” Instead, he embraced capitalist measures, even to the point of enlisting the support of COSEP, the powerful instrument of Nicaragua’s bourgeoisie. However, unlike Violetta Chamorro, whose neoliberal policies tore apart the country in much the same way that Pinochet’s did in Chile, he adopted what Ortega’s economic adviser Bayardo Arce called a “market economy with a preferential option for the poor”.

If anything, Ortega seems to be following in the footsteps of Juan Perón, who many on the left regard as a fascist. I have a different take on Perónism. Without for one second denying that he was an authoritarian, I could understand why Argentina’s working class voted for him. This is a list of his accomplishments: 1. Taking advantage of government leniency if not outright support, trade unions were formed in every industry. 2. Social security was made universal. 3. Education was made free to all who qualified. 4. Vast low-income housing projects were created. 5. Paid vacations became standard. 6. A working student was given one paid week before every major examination. 7. All workers (including white-collar employees like bank tellers, etc.) were guaranteed free medical care and half of their vacation-trip expenses. 8. A mother-to-be received 3 paid months off prior to and after giving birth. 9. Workers recreation centers were constructed all over Argentina, including a vast resort in the lower Sierras that included 8 hotels, scores of cabins, movies, swimming pools and riding stables. This resort was available to workers for 15 days a year, at the cost of 15 cents per day, all services included.

Yes, Perón was authoritarian but the workers benefited to such a degree that Perónism still remains part of Argentina’s political architecture 43 years after the caudillo’s death.

Even Ortega’s wife looks like she has studied Perónismo, carving out an image for herself that is strikingly similar to Eva Perón. In “[Revolutionary Drift: Power and Pragmatism in Ortega’s Nicaragua](#)”, Christine Wade, a radical academic, referred to her “flamboyant fashion sense” and “new-age spirituality”. One could not help connecting to her Eva Perón after reading Wade’s take on the woman who is likely to succeed her husband in what amounts to a family dynasty:

Over time, however, she has managed to propel herself into becoming the most popular public figure in the country. Her support for social programs and self-crafted image as the country’s caretaker have gained her countless followers. Her lively aesthetic is now embraced. Colorful, illuminated metal structures known as “trees of life” dominate Managua’s roadways, and Murillo’s face is now as omnipresent on government advertisements as the president’s. But even her critics acknowledge that she is also a

skilled politician, defeating many of the old FSLN rank and file in internal power struggles. She reportedly runs Cabinet meetings and controls government communications. A recent New York Times profile described her as “Nicaragua’s First Comrade,” though many believe she is the real power behind the throne.

If it is possible to make comparisons between the Perón’s and the Ortega’s, one cannot possibly mistake Argentina and Nicaragua economically. Argentina was the most industrialized country in Latin America when Perón was elected. By 1954 he had initiated more than 45 major hydroelectric projects designed to produce 2 billion kilowatt-hours of energy, 20 times the amount that was available in 1936. While in hindsight we can say that these projects had ecological drawbacks, they still represented an audacious step in the direction of making every citizen’s life more fulfilling. By 1947, Argentina had launched its own iron and steel industry. It was also moving forward in coal extraction and other raw materials using the most advanced technology available at the time. It began to make farm machinery, planes and cars in modest numbers. Ship-building had expanded by 500 percent under Perón’s regime.

When I came to Nicaragua for the first time, I was shocked by the sight of Managua. Multi-story buildings had been either completely destroyed by the earthquake in 1972 or heavily damaged. Through the damaged walls, you could often spot squatter families trying to put a roof over their head. Goats and cattle wandered through the city’s streets in a kind of post-apocalyptic landscape. The country had a population about the same as Brooklyn’s and the GDP was equal to what Americans spend on blue jeans each year. The country had been devastated by the war to overthrow Somoza and was now facing a new round of destruction as Reagan rearmed the Somocistas in an effort to make the country “cry uncle”. The notion that this meager substructure could give birth to socialism made a mockery of everything that Marx ever wrote.

While it was by no means socialist, once the FSLN regained power it made attempts to build a “market economy with a preferential option for the poor”. In Héctor Perla Jr. and Héctor Cruz-Feliciano’s “The Twenty-first-Century Left in El Salvador and Nicaragua: Understanding Apparent Contradictions and Criticisms” that appeared in the May 2013 Latin American Perspectives, the authors, who are respectively from El Salvador and Nicaragua, address the contradictions of countries where the FMLN and FSLN are the ruling parties. Clearly, the two former guerrilla groups have abandoned their revolutionary socialist goals but try to act on behalf of the peasant base that once sustained them. They describe reforms that have made a difference to the Nicaraguan poor:

Among the many programs that have been developed and implemented by the government are Plan Techo, geared toward the distribution of zinc roofs in poor communities; Puestos de ENABAS, which offers basic foodstuffs at subsidized prices; Bono Productivo Alimentario, which distributes farm animals, seeds, and technical instruction to women in the rural sector; Usura Cero, which makes microcredit loans for small-business development; and Operacion Milagro, which provides free eye surgery for cataract patients. These initiatives have taken place against the background of two major reforms: free health care and free education. In 2009 the government declared the country free of illiteracy, having reached over 95 percent literacy in studies that followed the national literacy crusade (Radio La Primerisima, 2009).

These programs appear to be reducing poverty levels. Three studies concur in showing a significant reduction in the numbers of the poor. The government's National Institute of Information for Development, in its 2009 Measurement of Living Standards, found a 5.8 percent reduction from 2005, placing the percentage of poor at 42.5 percent. A study conducted by the Nicaraguan nongovernmental organization Fundacion Internacional para el Desafio Economico Global and financed by the Swiss Cooperation Agency and the Netherlands with technical assistance from the World Bank showed that poverty in Nicaragua went from 48.3 percent in 2005 to 44.7 percent in 2009, reflecting a decrease in both the urban and the rural sector (FIDEG, 2010; Pantoja, 2010). A second study (FIDEG, 2012) showed that the trend continued in 2011, when the proportion was 44.1 percent, with most of the reduction concentrated in the rural sector.

Just by coincidence, I was sitting on a park bench in Union Square on May Day reading the above article and waiting for the march to begin, when Dan La Botz came strolling by. Dan is not only the author of "What Went Wrong? The Nicaraguan Revolution: A Marxist Analysis" but a rather outspoken supporter of the overthrow of the Sandinista government by the recent protests. So to speak, a "revolution from below" in terms of the Hal Draper/Tony Cliff ideological tradition, some of whose points I agree with but others not. After greeting each other (I had never met Dan before), I handed him the page that contained the excerpt above just to show him the sort of material I had uncovered. He replied that he "knew all about that" but dismissed it as nothing more than what Lyndon Johnson did in the Great Society.

That summarized for me the problem I had with that part of the left. It extrapolates revolutionary processes from their historical context and uses a benchmark that makes little sense. For example, in debates with ISO'ers in the past, I was told that Cuba was no

big deal. Without having a revolution, Barbados had superior human development indicators. When I tried to explain that the island was established as an offshore banking shelter by British colonialism without the brutal exploitation of the countryside found in Batista's Cuba, it fell on deaf ears.

Comparing Nicaragua to the USA is even more far-fetched. When LBJ supported welfare state type legislation, it was arguably at the height of American capitalist prosperity. It hardly made a difference to the ruling class to spend tax dollars on Medicare or any other poverty reduction program.

In Nicaragua, it took a bloody revolutionary struggle to break the back of a dictatorship that used to throw rebellious college students out of helicopters. Once a government took power on the most radical program since the Cuban revolution, it was subjected to endless counter-revolutionary violence that exhausted the country and paved the way for a return to the openly oligarchic rule of the Somoza era. Instead of dismissing Nicaragua's war on poverty or "market economy with a preferential option for the poor"—whatever you want to call it—it makes more sense to see such tangible benefits in the same you might see the first Social Democratic government in Sweden that was voted into office after the Communist-led 1931 general strike in Adalen. The dialectical relationship between reform and revolution must never be forgotten.

The only way that it was possible to reverse the Chamorro-style neoliberalism that was torturing the poor was to adopt a program that was acceptable to the local bourgeoisie and to imperialism. If Daniel Ortega had run on the historic program of the FSLN, he would have never been elected and Violetta Chamorro's sadistic neoliberalism would have continued. Sure, he could have been proud of himself for raising aloft the proletarian banner and been lionized in New Politics or the ISO press but of little use to the hungry and the sick.

In an ideal world, the FSLN would have adopted the program recommended to it by the wise and serene Marxists living in the USA who never would have made the kind of mistakes the FSLN made. I am always reminded of what Argentinian Marxist scholar Carlos Vilas once said about Nicaragua. It was like being in a maternity hospital during a hurricane trying to deliver babies while the electricity has stopped working. Offering up facile formulas on how to handle such emergencies is easy. What is needed today, however, is not advice from the sidelines but a political movement that can command the respect of the masses. Until the American left begins to make a difference in the life of the working class and poor, some modesty is called for.

Despite Daniel Ortega's authoritarianism, he is popular with the poor. Even two of his critics who wrote an article titled "[The Economy vs. Democracy in Ortega's Nicaragua](#)" were forced to admit "Since his return to the presidency in 2007, Ortega and his followers have enjoyed widespread popular support, driven in part by the country's impressive economic expansion."

The expectations that many on the left have for a "revolution from below" are unrealistic. After Ortega abandoned plans to cut social security, the protests subsided. The N.Y. Times, hardly a supporter of the Ortega government, reported on [the malaise](#) that has gripped the student movement, which is based mainly at two universities tied to the church:

Many of the students describe a jarring and confusing set of experiences that both propelled their movement and left them wondering how long it will hold together. One student leader, Jeancarlo López, 21, said he joined the effort after a stranger died in his arms at a demonstration last week. Another student feared that a fellow protester was trying to kill her. Yet another said that she had collected thousands of dollars for the movement, but then someone stole it, so she gave up and went home.

Nicaragua needs democracy and accountability but I am afraid that this section of the student population is not its vanguard.