

<https://internationalviewpoint.org/spip.php?article7908>



Nicaragua

# Nicaragua: Daniel Ortega & the Ghost of Louis Bonaparte

- IV Online magazine - 2022 - IV575 - December 2022 -

Publication date: Saturday 10 December 2022

---

Copyright © International Viewpoint - online socialist magazine - All rights reserved

---

**Significant portions of the international left, however, have swallowed wholesale the Ortega regime's legitimating discourse. These sectors claim that since he returned to power in 2007, Ortega has picked up where the Sandinista revolution of the 1980s left off, and is under siege by the United States.**

Significant portions of the international left, however, have swallowed wholesale the Ortega regime's legitimating discourse. These sectors claim that since he returned to power in 2007, Ortega has picked up where the Sandinista revolution of the 1980s left off, and is under siege by the United States.

An instinctive, uncritical "anti-imperialism" appears to predominate among these sectors, who confuse appearance with essence and rhetoric with reality while studiously ignoring evidence or analysis of the actual programmatic content of, or the class relations behind, the Ortega government.

The regime now faces a steep erosion of its legitimacy in the wake of the tarnished elections of November 2021 and ongoing political repression of its opponents, a deteriorating economy, and rising levels of poverty and unemployment.

I have been writing for some time now about this degeneration of Sandinismo and the descent of Nicaragua into dictatorship. Here I want to update and deepen the historical and political analysis.

## From Sandinismo to Orteguismo

The Sandinista National Liberation Front (FSLN) led the mass insurrection that overthrew the U.S.-backed Somoza dictatorship in 1979, ushering in a popular and socialist-oriented revolution that won broad support among the left around the world.

The murderous U.S.-organized counterrevolution of the 1980s eventually led to the Sandinistas being voted out of office in 1990. An internal party crisis over programs, ideology and strategy ensued in the following years amidst mass defections and the centralization of power by the Ortega faction, as Sandinismo metamorphosed into Orteguismo.

As is well known, in this age of globalized capitalism international financial markets impose severe limits on transformative possibilities in any one country as they constrain and distort national political processes in favor of capital and its local political agents. The worldwide left nonetheless has yet to reckon theoretically with just how quickly and thoroughly Third World revolutionary parties and their leaderships who came to power in the latter decades of the 20th century — in Nicaragua, Angola, Mozambique, Vietnam and elsewhere — were wont to shed revolutionary ideology, embrace capitalism, join the ranks of the bourgeoisie, demobilize what were politicized mass bases, and brazenly pilfer public resources.

In Nicaragua, the metamorphosis did not take place overnight. The internal party struggle played out to the drumbeat of sometimes bloody class struggle in the streets following the return to power in 1990 of the traditional oligarchy.

While the popular grassroots in and outside the party mounted fierce resistance to the neoliberalism that came with the post-1990 restoration of the capitalist order, a new Sandinista elite appeared among those who had acquired substantial properties by privatizing to themselves what were state assets and public property, known as the “piñata” in Nicaragua.

The leading Sandinistas grouped around Ortega went on to heavily invest in tourism, agroindustry, finance, import-export, and subcontracting for the maquiladoras, coming to share an affinity of class interests with the traditional bourgeoisie.

The new Sandinista elite gradually moved from leading the popular classes in their resistance to the counterrevolutionary program of capitalist reconstruction to utilizing the party’s dwindling authority to contain these classes and control their mobilization. The FSLN leadership, however, continued to legitimate itself with a revolutionary discourse that no longer corresponded to any political program or conduct other than that of furthering its own group interests and securing a place among the dominant bloc in the new neoliberal order.

Successive governments, meanwhile, deployed the army and police — now shorn of their original revolutionary political orientation to defend the old and new propertied classes against popular protests.

As the 1990s progressed, the internal party crisis became a struggle over leadership. The party’s statutes called for collective deliberation over party decisions, for internal elections to all party posts, internal primaries for candidates in national elections, and for deliberative party congresses to serve as the highest authority of the FSLN.

By the turn of the century these statutes had become a dead letter and the party life that had existed in the 1980s disappeared. The Ortega faction managed to definitively capture the party apparatus and to exercise an iron-clad control over it following its 1998 congress and to bring to an end the push for internal party renovation and democratization.

From that point on the FSLN ceased to function as a left political party. Ortega dissolved the collective leadership mechanism historically exercised through a National Directorate, first of nine and later of 15 members, and re-placed it with his own autocratic rule as the FSLN became an electoral machine for his presidential aspirations.

## Corrupt Deals

Immediately following the 1998 congress, Ortega negotiated a heavily-criticized [pact with the far-right Constitutionalist Liberal Party and its corrupt leader Arnoldo Alemán](#), who had won the 1996 presidential election, to divide up government power and the spoils of state.

In the wake of the pact and despite leftist rhetoric, the FSLN turned to [containing](#) mass grassroots mobilizations against privatizations and structural adjustment programs imposed by the IMF and the World Bank. These mobilizations came to threaten the economic interests of the new Sandinista bourgeoisie — and also to constitute an obstacle to Ortega’s plan to negotiate with the traditional elite his return to power.

In the years leading up to the 2006 elections that brought him back to power, Ortega renewed his pact with the Liberals, suspended primary elections in the FSLN, hastily convened a party meeting to announce that he would be the Sandinista candidate, and expelled remaining dissidents who he claimed were [“traitors.”](#) All subsequent party meetings have been relegated to rubber stamping decisions made by Ortega and the courtiers that now surrounded

him.

Ortega also made pacts with the former Somocistas and armed counterrevolutionaries (known as the contras), with the conservative Catholic Church hierarchy, and with the right-wing evangelical sects. To garner Church support the FSLN promised and then delivered a total ban on [abortions](#), even when the mother's life is at risk.

In one much-publicized appearance with Catholic Church head Cardinal Miguel Obando y Bravo — whom he had previously referred to as “the Somocista chaplain” over his support for the Somoza dictatorship — Ortega issued a public [“confession”](#) for the “sins” the Sandinistas had committed during the 1980s revolution.

Then, as it made a bid for office in the 2006 elections that brought Ortega back to power, the FSLN assured the Nicaraguan capitalist class, organized into the Superior Council of Private Enterprise (COSEP), that it would defend [capitalist interests](#) so long as the bourgeoisie did not question the Sandinista monopoly of political power.

The FSLN's economic program, laid out in a [2006 policy document](#) drafted in close coordination with COSEP, called for linking small-scale producers to the large-scale private sector, “respect for all forms of property,” free trade, attracting transnational corporate investment and expanding agro-industry.

It was not until the 2018 mass protests that the bourgeoisie broke with Ortega, when it became clear that the regime had lost its legitimacy and capacity to govern and to defend capitalist interests, and not until the 2021 pre-electoral political crackdown that representatives of the bourgeoisie came under the repression that had previously been reserved for grassroots opponents of the government.

## Absolute Control and Family Dynasty

By the time the FSLN returned to power Ortega and his inner circle had consolidated its absolute control over the party, which by then had been emptied of any socialist content. Meanwhile, the ruling couple — Ortega's wife, Rosario Murillo, is also the vice president — is on path to become a family dynasty as they build a cult of personality around themselves.

The couple's eight children serve as advisors to the presidency and manage the family's [secretive empire](#) of at least [22 corporations](#) involved in oil and gas, hotels and tourism, media, real estate, finance and investment funds, and customs and import-export trade. The circuits of capital accumulation in the country now appear to hinge on a combination of favorable state concessions and personal dependence on the dictatorship.

Upon assuming office in January 2007, Ortega threw down the welcoming mat to the transnational capitalist class. Its strategy of capitalist development rested on attracting transnational corporate investment to the country's abundant natural resources with 10-year across-the-board [tax holidays](#), deregulation, unrestricted freedom to repatriate profits, and a labor force disciplined by the party's corporatist control over unions and popular organizations along with heavy doses of repression when workers did mount protest

This model of control is remarkably similar to the Institutional Revolutionary Party in Mexico during the decades that it held power in that country. By generating propitious conditions for transnational capital accumulation, including [the lowest wages in all of Latin America](#) outside of Cuba, Nicaragua became a magnet for foreign investment, which poured into the free trade zones, agroindustry, tourism, mining, and logging.

Early in their return to power and with the pact with COSEP secure, the Orteguistas set out to construct a populist multiclass alliance around a project of capitalist development under the firm hegemony of capital and Sandinista state elites. Former Sandinista guerrilla commander and close Ortega ally [Tomas Borge](#) explained the new policies of class conciliation as “realistic because to work for the poor without fighting the rich is now possible.”

The model at first improved material conditions, with investment in infrastructure and social assistance programs distributed through clientelist networks, funded by the massive influx of foreign investment, high commodities prices, and above all some \$4 billion dollars in Venezuelan subsidies as part of the ALBA alliance.

The wave of capitalist expansion, however, was brief. As Venezuelan funds dried up and commodities prices dropped the economy began to tank in 2015 and then plummeted in the wake of the 2018 mass uprising. Poverty rates dropped from 2007 to 2014 but subsequently climbed up again, reaching 45% of the population in 2019 and wiping out the [earlier gains](#).

[The United Nations Economic Commission for Latin America](#) estimated a growth rate for 2022 of 1.8% — not enough for the economy to recover from its tumble since 2018, despite a recovery from the 2020 Covid crash — while [The Economist's](#) Economic Intelligence Unit predicts stagnation through to 2026 (the magazine praised the Nicaraguan government for imposing neoliberal austerity measures).

## End of an Illusion

In the larger pictures, Nicaragua's troubles are rooted in the contradictions of the country's capitalist development, part of the process of capitalist globalization that has involved a vast expansion of mining operations, agribusiness, tourism, energy extraction, and infrastructure mega-projects throughout Latin America to feed a voracious global economy and swell transnational corporate coffers.

The FSLN's contradictory project of promoting social investment on the one hand, and unfettered transnational capital accumulation on the other through concessions, tax breaks, and repression of worker and peasant protest and political dissent, eventually caught up with the Ortega government.

As economic difficulties mounted and growth rates dropped off in the mid-2010s, the government reached agreements with international financial institutions to implement an increasingly neoliberal program, including cutting subsidies to electricity, decreasing social spending, privatizing infrastructure, and reducing pensions.

The government's announcement that it would cut pension payments to retirees and increase the contribution required by workers and businesses was the immediate trigger for the April 2018 mass uprising, its violent repression, and the descent into outright dictatorship. But popular discontent, political tension and social conflict built up for years.

Leading up to the 2021 elections, Ortega carried out a wave of repression, arresting and detaining without trial dozens of opposition figures, among them presidential candidates, peasant, labor and student leaders, journalists and environmentalists, and forced several hundred others underground or into exile, where they joined some 100,000 who have left into political exile since 2018.

But the repression has continued since the vote in what appears to be a strategy to purge [civil society](#) of any civic group independent from the ruling party and state apparatus. The government has forced the closure of over [1400](#)

[civil society organizations as of July 2022](#), from universities, to student, artistic, and religious groups, feminist collectives, environmental and human rights organizations, medical, scientific, educational, cultural and other professional associations.

While the first targets were tied to political opponents of the regime, the crackdown has subsequently targeted any and every organization and association not controlled directly by the ruling party. Most of those arrested in the leadup to last year's elections and then subsequent to them have been sentenced for "treason" to long prison terms in secret trials held in the prisons themselves, with no attorneys or journalists allowed to be present.

Throughout 2021 the government decreed a series of draconian [national security laws](#) that suspended habeas corpus and gave the government sweeping powers to detain and prosecute anyone who under any circumstances criticizes the regime. The laws define "treason" in such sweeping terms as to include, for example, anyone who "undermines independence, sovereignty and self-determination," who "damages the supreme interests of the nation," or who "undermines national integrity."

The laws also criminalize a wide range of online communications, including punishing with lengthy prison sentences anyone who "publishes" or "disseminates" whatever the government deems to be "false" or "distorted" information or "ideological falsehoods" that are "likely to spread anxiety, anguish or fear."

The repression targeted with a particular vengeance a number of Ortega's former comrades in arms, among them legendary guerrilla commanders Dora Maria Téllez and Hugo Torres. Both participated in the 1978 raid on the National Palace that forced the Somoza dictatorship to free 60 political prisoners, and Torres also participated in the daring 1974 Christmas party raid that forced Somoza to release Daniel Ortega from prison.

Torres died in hospital in February 2022 after languishing for eight months in jail without trial and without medical attention. Téllez' life now appears to be [in danger](#). After 14 months in detention she is suffering from acute malnutrition and a lack of medical attention. She has been held in 24-hour lockdown in solitary confinement in an unlit cell, prohibited from meeting with her attorneys and has not been allowed any reading or writing material.

## Against the Pink Tide Current

The Pink Tide, or the turn to the left over the past two decades in Latin America, has ebbed and flowed as leftist governments have largely accommodated themselves to the global capitalist order in the region. Despite its socialist rhetoric, however, the Ortega regime should not be seen — as it too often is — as part of this Tide, given the absence of any leftist orientation to the regime beyond its rhetoric.

Dora Maria Téllez was tried and sentenced last February for conspiring to commit damage to "national integrity" and sentenced to 15 years. Her health is deteriorating from the severe conditions of her imprisonment.

Unlike Bolivia, for example, which nationalized hydrocarbons, lithium, and other resources, and also sharply increased taxes on corporate profits after the Movement Towards Socialism came to power in 2006, the Ortega government has not nationalized any of the country's resources.

To the contrary, there has been no change in property and class relations under Ortega. Banking, agriculture, industry, imports, and exports are all controlled by local and transnational capitalist conglomerates; 96% of the country's property is in the hands of the [private sector](#) while land tenure in the countryside is back to pre-1979 patterns of extreme concentration.

And while the deceased Venezuelan leader Hugo Chavez led the charge against U.S. president George Bush's plan for a Free Trade Area of the Americas, forcing Washington to abandon the project in 2005, the incoming Ortega government welcomed the U.S.-designed Central American Free Trade Agreement (CAFTA) pact in 2006 at a time when social movements throughout the Central American Isthmus were mounting large scale protests against it.

Under Ortega the exploitative maquiladora industry rapidly expanded in Free Trade Zones, where over 100,000 mostly young women stitch clothing for Asian and North American corporations and their Nicaraguan subcontractors. Transnational capitalists preferred Nicaragua over neighboring countries due to extremely low wages, strict worker control, and relative political stability achieved by the Ortega government until 2018.

Workers earn an average of \$157 a month, the lowest wage of any *maquiladora* [workers](#) in Central America and estimated to cover barely 33% of a household's basic necessities. In 2016 riot police violently [repressed](#) a strike for higher wages, better working conditions, and the right to organize independent unions, leading to an international campaign to release from detention those jailed for the action.

A new "gold rush" currently underway is emblematic of the hegemony of transnational capital. Sixty percent of the national territory has been made available for transnational mining companies that have descended on the country to exploit the abundant gold reserves, now Nicaragua's principal export.

Over the past decade these transnational mining conglomerates from Canada, the United States, Brazil, the UK, Japan, Mexico and France among other countries, have exported \$4.13 billion dollars in minerals. Thanks to generous tax holidays and other concessions granted by the regime, only \$130 million of this bonanza, some three percent of all mining receipts, was collected by the [Nicaraguan government](#).

Meanwhile the government has deployed police and paramilitary units to repress mine workers and community activists who have protested low wages, environmentally-damaging mining practices, and the giveaways to the companies.

Washington was never comfortable with Ortega's return to power and would now like to see him go, but not at the expense of jeopardizing capitalist interests or destabilizing U.S. policy in the region. Ortega's diplomatic condemnation of U.S. intervention around the world, and Managua's progressive stance in many international organizations, has earned the ire of U.S. policymakers — and has also confused "anti-imperialists" who see this as evidence that his government should be supported by leftists.

According to this convoluted reasoning, if Washington would prefer to see Ortega replaced by a more traditional representative of the capitalist oligarchy, then by fiat *Orteguismo* constitutes a revolutionary process and those who oppose it are counterrevolutionary instruments of U.S. imperialism.

Defenders of the Ortega regime claim that Nicaragua is reeling under U.S. economic sanctions and that Washington is engaged in counterrevolutionary "regime change" warfare against the Central American country.

In fact, today there are no U.S. trade or commercial sanctions on Nicaragua. The United States is Nicaragua's principal trading partner. Bilateral trade surpassed [\\$6 billion in 2021](#). Nicaragua remains to date a member of the CAFTA, which gives it preferential access to the U.S. market. Washington has not blocked the flow of international credits to Managua.

From 2017 to 2021 alone Nicaragua received over \$3 billion in credits from international financial institutions, among

the Central American Bank for Economic Integration, the World Bank, the International Monetary Fund, and the Inter-American Development Bank.

The Orteguistas point to several million dollars supplied to opposition civic groups by the U.S. Agency for International Development (USAID), channeled through the National Endowment for Democracy (NED), touted as proof that Washington is bent on overthrowing the regime. What they fail to mention is that the NED provides such funding to over 100 countries around the world, most of them close U.S. allies, and that USAID also granted [several hundred million dollars directly](#) to the Ortega government from 2007 until 2018.

Unlike the 1980s, Nicaragua in this century has not faced U.S. military or paramilitary aggression. This is in sharp distinction to the other two countries — Cuba and Venezuela — that former U.S. National Security Adviser John Bolton notoriously called the “Troika of Tyranny” in Latin America, who have faced all-out and devastating blockades and paramilitary attacks.

Even if Washington were intent on overthrowing the Ortega regime, there is no internal coercive apparatus that could carry out a coup d'état, as the Nicaraguan army, police, and paramilitary forces are all Sandinista institutions controlled by Ortega.

In fact, up until the 2018 mass popular uprising against his regime and its violent repression, Washington commended Ortega for its close cooperation with the U.S. Southern Command, which is responsible for all Pentagon operations in Latin America and which supplied the regime with small amounts of military assistance, with the U.S. Drug Enforcement Agency, and with U.S. immigration policy by blocking transit through the country of migrants headed north.

Since 2018, U.S. policymakers have tried to bring about a “soft landing” that would ease Ortega out of power without jeopardizing capitalist stability and elite hegemony in the country.

What Nicaragua has faced beyond diplomatic condemnation from Washington is individual sanctions leveled on the private bank accounts and properties that several dozen top Orteguistas hold in the United States. Washington passed two laws, the NICA Act in 2017 and the RENACER Act in 2021, both of which call for targeted sanctions on individuals from the Ortega inner circle found guilty of human rights violations and corruption. (Such individual sanctions are not directed specifically to Nicaragua; they are region-wide and apply as well to El Salvador, Honduras and Guatemala.)

While one may condemn Washington, as I do, for unilaterally arrogating to itself the right to impose sanctions on foreign individuals or countries, we would have to ask why would-be socialist revolutionaries have millions of dollars in personal assets tucked away in the United States.

## Deepening Political-Economic Crisis

The regime had hoped that by winning the November 2021 elections it would renew its waning legitimacy, but the integrity of the process was fatally compromised by the wave of repression against its opponents carried out in the six months leading up to the vote.

The government declared that Ortega won 75% of the vote and that 65% of voters cast ballots. But independent sources reported an [abstention rate](#) of approximately 80% and widespread irregularities at polling stations around the



country. Apart from political exiles, since the election there has been a mass exodus of several hundred thousand Nicaraguans joining other Central Americans in [migrating north](#) as political and economic conditions deteriorate.

While some among the international left condemn selective U.S. sanctions on the Ortega inner circle, this self-same international left, in fact, broadly mobilized (unsuccessfully) in 1978 and 1979 to force Washington to impose sanctions on the Somoza dictatorship and to block international financing to it because of its gross human rights violations.

The worldwide left similarly demanded sanctions against apartheid South Africa, sought to block U.S. and international financing for the Pinochet dictatorship, and currently calls for “boycott, divestment, sanctions” in support of Palestinian rights violated by Israel.

For the record, I do not support trade sanctions on Nicaragua nor do I recognize that the United States has the right to unilaterally impose sanctions on other countries. The point is to highlight hypocrisy and double-standards not just by Washington — which does not impose sanctions on gross human rights violators allied with it, such as the Saudi and the Egyptian regimes — but also by leftists who defend Orteguismo.

This hypocrisy became clear in regard to the Organization of American States (OAS). In the wake of the November 2021 elections, the OAS passed a resolution declaring that the Nicaraguan elections lacked “democratic legitimacy.” In response, the Nicaraguan government took the highly unusual step of nullifying its membership in the organization.

While it is absolutely true that the OAS has historically operated as an instrument for U.S. policy in Latin America, the Orteguistas’ charge that it violated Nicaragua’s sovereignty rang hollow, and not just because the systematic violation of human rights is not covered by the principle in international law of nonintervention in the internal affairs of nations.

In fact, the Sandinistas and their left supporters around the world actually demanded in 1978 that the OAS and Washington impose sanctions on Nicaragua. Following their daring August 1978 storming of Somoza’s National Palace, FSLN guerrilla leaders turned to sympathetic governments in Latin America to bring to the OAS [the case for sanctions against Somoza](#).

The FSLN then lobbied hard inside the organization — through the mediation of the Panamanian, Mexican, and other sympathetic governments — for a resolution, passed just weeks before the definitive overthrow of Somoza on July 19, 1979, that declared the Somoza government illegitimate and called for its immediate replacement with a “democratic government.”

The capitalist class and its political agents were just as disturbed as Ortega by the outburst of popular protest from below in the 2018 uprising, and tried to hitch mass discontent to their own agenda of recovering direct political power and assuring there would be no threat to their control over the Nicaraguan economy. They pinned their hopes in the wake of that uprising on winning the 2021 elections but those hopes were dashed by Ortega’s pre-electoral crackdown.

The traditional rightwing parties, weak and feeble, lack any coherent strategy and are in a state of political disorganization. To date the business sector remains divided, with some searching for a viable opposition strategy and others seeking a rapprochement through renewed [backdoor negotiations with Ortega](#).

The mass of Nicaraguans, beyond the Sandinistas’ secure base in some 20% of the population, have not shown any enthusiasm for the traditional conservative parties and businessmen that dominate the opposition. The people have

no real political representation.

Orteguismo has arrogated for itself the historic symbols of the Sandinista revolution, including revolutionary songs by the celebrated musicians Carlos Enrique and Luis Enrique Mejía Godoy, both former Sandinista party militants who have been sent into exile along with thousands of other Sandinistas, including a major portion of the historic political and military leadership of the party.

The regime has so monopolized and disfigured a “leftist” discourse that there is no significant left alternative in Nicaragua. Popular sectors from below have no project of their own to put forward as a viable alternative to replace the regime. They are caught since 2018 between the corrupt and repressive Ortega government and the capitalist class and its political agents.

The tragedy in Nicaragua is that the bourgeoisie and the traditional rightwing oligarchy managed to achieve hegemony over the anti-Ortega opposition thanks to the regime’s brutal suppression of the social movements of workers, peasants, women, environmentalists and students.

This article is available from [Rebellion in Spanish](#)

[Against the Current](#)

PS:

*If you like this article or have found it useful, please consider donating towards the work of International Viewpoint. Simply follow this link: [Donate](#) then enter an amount of your choice. One-off donations are very welcome. But regular donations by standing order are also vital to our continuing functioning. See the last paragraph of [this article](#) for our bank account details and take out a standing order. Thanks.*