

Nicaragua's President Ortega to run unopposed for third term

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20 June 2016

Less than five months before Nicaragua's November 6 general election, the country's Supreme Court has settled a four-year-old legal dispute within the right-wing opposition Independent Liberal Party (PLI), removing its current leader, Eduardo Montealegre, and installing the party's former vice president Pedro Reyes.

The action not only led to a split within the National Coalition for Democracy, composed of eight parties and organizations led by the PLI, but also invalidates the party's nominations for the presidency, made just days prior to the court ruling.

As a result, incumbent president Daniel Ortega of the Sandinista National Liberation Front (FSLN), who was already leading the polls, will likely run for a third term virtually unopposed. The action by the judiciary has led to expressions of concern within ruling circles about potential effects of the elections being perceived as illegitimate.

Mario Amador, vice president of the Chamber of Industries (Cadin), viewed the decision as unnecessary and harmful to the ruling party since it "leaves the FSLN without any opposition, and it closes all escape valves that the population has." The president of the Union of Agricultural Producers (Upanic), Michael Healy, stated that the court's ruling "doesn't nurture an environment for investors to come to Nicaragua."

These reactions by leading members of the bourgeoisie are not intended to express opposition to the current regime; many of them have made their fortunes through association and deals with the FSLN. The business elite is primarily expressing concern about the cracks in the Sandinista formula for power, which can be summed up as subordinating the working class through its unions to the government, while allowing supposedly legitimate expressions of "democracy" in the eyes of foreign investors.

Montealegre himself, in spite of criticizing the court's decision, recognized that the marriage between the Sandinistas and the private sector is "in the freezer," and that "some businesspeople will get worried, but they are not going to say anything since they know who they are confronting."

On June 4, after being unanimously chosen by the FSLN's Sixth National Congress to run for a third term, Ortega announced that international observers will not be invited to oversee the elections. In his speech, he expressed fears regarding the recent right-wing changes in government elsewhere in Latin America, particularly the US-backed military coup against former Honduran president Manuel Zelaya in 2009, the impeachment of Paraguayan president Fernando Lugo in 2012 and Dilma Rousseff's impeachment

procedure in Brazil this year.

He then complained about international observers impelling him to recognize fraudulent results in the 1996 general election, which declared right-wing candidate Arnoldo Alemán as president. "The observers should instead go and put their own countries in order," Ortega declared.

José Adán Aguerra, the president of the Superior Council of Private Enterprise (COSEP), who has worked closely with the FSLN government in advancing its economic policies, stated that, "independent electoral observation gives certainty to the process and legitimates it." Aguerra then added, "such invitation should be extended to others such as the Carter Center, the European Union, and the Organization of American States."

One of the resolutions passed by the FSLN Congress encouraged Ortega to "continue the policy of alliances that has guaranteed reconciliation, unity, wellbeing, and prosperity in Nicaragua." The FSLN's history shows that these alliances have invariably been with foreign imperialist organizations and right-wing representatives of the local bourgeoisie.

This class orientation is not merely a product of the more recent right-wing trajectory of the FSLN, but was present from the its assumption of power following the toppling of the US-backed dictatorship of Anastasio Somoza in July 1979.

The first actions the FSLN took when it came into power in 1979 was to suppress organizations that had in mind a more radical transformation of the country's economy. They broke strikes and, when a Maoist group affiliated with the FSLN tried to occupy land and factories owned by Nicaragua's wealthiest capitalists, the group's leaders became the new regime's first political prisoners.

The cutoff of economic aid from the Soviet Stalinist bureaucracy at the end of the 1980s led to a deepening of the country's decade-long economic crisis, which kept 75 percent of the population living in poverty. Inflation reached 38,000 percent in 1988, and the economy shrank significantly, leading the FSLN to a rapprochement with the US and its loss of the 1990 general election.

As social protests erupted against the government's corruption and inefficiency in relation to reconstruction projects after Hurricane Mitch affected over 2 million people in Nicaragua, Ortega signed a pact in 1999 with then right-wing president Arnoldo Alemán, a former official in the Somoza dictatorship.

"El Pacto," as the agreement is known, gave both of Ortega and Alemán automatic seats in parliament and consequently lifetime

immunity from prosecution on corruption charges. It likewise allowed for a continuation of the flow of foreign aid along with the privatization of state assets and the associated corruption.

In 2007, Ortega and the Sandinistas returned to power with Jaime Morales Carazo, the former chief public spokesman of the CIA-backed contras, as their vice president. Only two days after being elected, Ortega met with former US President Jimmy Carter, assuring him that the Sandinista government would respect the privatizations and free-market reforms made since 1990, including foreign investment and banking laws and the Central American Free Trade Agreement with the United States (CAFTA-DR).

Since its foundation in 1961, the FSLN has blended Marxist rhetoric with Catholic “liberation theology.” It joined the Church and the nationalist business sector, as part of the Broad Opposition Front (FAO), to overthrow Somoza in 1979. Since 2006, Ortega has imposed Church dogma in the form of one of the most draconian anti-abortion laws in the world. The FSLN used the slogan, “Christian, socialist, and solidarity” for Ortega’s campaign posters in 2006 and 2011.

He has also accepted the frequent presence of the US military on Nicaraguan soil, under the pretexts of humanitarian aid and the “war on drugs.” Last month, Ortega hosted US Southern Command deputy commander Gen. Joseph DiSalvo and commented: “Now, we are interested in continuing the relations that have been developing with the United States in different fields, particularly in the military field.”

Ortega and a clique of politicians and businesspeople linked to the FSLN have enriched themselves mostly using capital from the state-owned but privately-managed oil company, Petronic, to buy filling stations, a fleet of trucks, television and radio stations, cattle ranches and to invest in tourism, electricity generation, banking, and pharmaceutical and food production.

The FSLN-dominated National Assembly scrapped the constitution in 2014 to allow Ortega to run for an unlimited number of five-year terms. The subsequent silence and even support by the business elite and foreign investors demonstrated the success of the FSLN in becoming a bastion of imperialist reaction in Central America.

Foreign Policy has celebrated Ortega’s evolution since 2007, writing that his policies “suggest he is politically authoritarian, economically pro-business, socially populist—and, above all else, pragmatic.”

By far, the most dangerous alliance against workers has been the tripartite pact between business, the state, and the FSLN-controlled unions—the National Workers Front (FNT) and the Sandinista Workers Central (CST)—which have backed Ortega’s candidacy and hailed him as “our guide, who sees beyond!”

By utilizing the union movement to suppress workers’ struggles, the FSLN has been able to attract increasing foreign direct investment and create a growing low-wage manufacturing sector, but most importantly, it has blocked the working class from organizing independently to defend its own interests.

Imperialist agencies have shown how pleased they are with the current government. In February 2015, the inter-governmental Financial Action Task force (FATF) decided to drop Nicaragua from its non-compliance list. World Bank Vice President, Jorge

Familiar, recently catalogued Nicaragua as the “best among countries in the multilateral bank’s portfolio in Latin America.”

The International Monetary Fund closed its office in Nicaragua on March 30, boasting that it had accomplished its mission of helping the country reach “macroeconomic stability and growth.”

National economic growth of 4.9 percent in 2015 is well beyond Latin America’s average. The poverty rate has fallen from 42.5 percent in 2009 to 30 percent, and consumption has increased 33 percent. However, all of these economic advances have been due not to improvements in productivity and public institutions, but to unstable external factors.

The crisis in Venezuela, Nicaragua’s second trading partner after the US and the main source of “out-of-budget” economic aid, will greatly affect growth and reduce the FSLN government’s capacity to continue anti-poverty programs. “The aid will get suspended insofar as the economic and social situation in Venezuela nears chaos and a social explosion,” said Horacio Medina, the former president of Petroleum of Venezuela, S.A.

The FSLN government has increased the country’s dependence upon the volatile commodity markets and the permanence of extremely low wages to attract investment. The IMF expects a continuation in public debt increases due to weakened export performance, in turn related to the fall of commodity prices.

The official average salary in the formal sector is \$302 per month, but the monthly cost of basic living expenses is \$432, a gap that will continue to grow given the automatic yearly 5 percent currency devaluation against the dollar and an expected rise in inflation to 6 percent. Moreover, the government’s regressive value-added tax takes away a very significant share of the income from the poorest Nicaraguans.

On the other hand, according to a 2015 Oxfam report, Nicaragua’s 245 multi-millionaires, who have at least \$30 million in assets, collectively own 76 times the country’s public education expenditure and have an average annual income over 12,000 times that of someone in the poorest quintile.

The FSLN’s extraordinary measures to manipulate the electoral process and the concerns expressed by the business sector together expose fears within the local bourgeoisie. The concern is that the country’s economic “success” is coming to a halt and that the widening contradiction between the enormous fortunes made by the bourgeoisie and the deteriorating conditions of masses of workers and peasants will lead to an eruption of class struggle.



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