

Sandinista President Ortega gains third term in Nicaragua

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Nicaraguan president and ex-guerrilla leader Daniel Ortega and his Sandinista Front for National Liberation (FSLN) were reelected for a third consecutive five-year term, amid deepening inequality and increasingly autocratic methods of rule. Although they ran under their old slogan, “Nicaragua: Christian, Socialist, in Solidarity,” he and his wife, Rosario Murillo, who will be his vice-president, plan to deepen their pro-business and reactionary agenda.

The Supreme Electoral Council reported on Monday that out of 2.6 million ballots cast, a 68 percent voter turnout, the FSLN received 72.5 percent, followed by the Constitutionalist Liberal Party (PLC) with 15 percent and the Liberal Independent Party with 4.5 percent. Congress will be split similarly.

The main opposition front, the National Coalition for Democracy, did not participate, and called on voters to abstain or cast blank ballots. Even so, the turnout was only slightly lower than previous elections, and only 3.5 percent of votes were cast blank. Back in June, the Supreme Court had removed the Coalition’s top leader, Eduardo Montealegre, from his position in the party, leading to the invalidation of the Coalition’s candidates. This allowed Ortega to run without any significant opposition, but it still doesn’t explain the huge margin of victory.

The second-tier right-wing opposition parties offer no alternative to the masses of Nicaraguans concerned about reduced social spending and the widening gulf between the country’s rich and poor. As for the ruling elite, they offer no viable means of quelling an upsurge in the class struggle.

The absence of an independent party of the working class, along with popular disdain for the right-wing opposition, chiefly explain the FSLN’s huge margin of victory.

Back in June, Ortega had announced that he would not accept any international observers, but given mounting international and national condemnation, he invited the Organization of American States (OAS) to send a delegation. The OAS accepted an invitation to be present throughout the elections and to start a “dialogue,” but it did not act as an official “observer.” The US ambassador to Nicaragua and the US State Department “embraced” this decision.

Ortega’s tightened grip over national politics, however, has given fodder to the international press and the US government

to pressure the FSLN. Most significantly, the US House of Representatives passed a bill in September, the “Nicaragua Investment Conditionality Act” or Nica Act, which would place a hold on economic aid from the World Bank and other credit agencies until Ortega “adopts reforms that promote democracy.”

On Monday, US State Department spokesperson Mark Toner reacted to the elections, declaring: “The United States is deeply concerned by the flawed presidential and legislative electoral process in Nicaragua, which precluded the possibility of a free and fair election.”

Back in an August opinion piece, the *Wall Street Journal* called upon the Obama administration to act as it did in the US-backed 2009 coup in Honduras. The *Journal* stated: “He [Daniel Ortega] is believed to be one of the richest men in the country. Many in the business community went along with his gradual accretions of power, and now it may be too late to prevent a full-fledged dictatorship.”

After he cast his ballot right before poll stations closed on Sunday, Ortega gave what amounted to a victory speech. Referring to the US occupations during the 1920s, he remarked, “Now, we Nicaraguans have become the organizers of the electoral power. ... It will not be the American troops ‘taming’ our fatherland, but Nicaraguans.”

“Thank God that elections here don’t need hate, confrontation, and death. This is a vote for peace,” concluded Ortega.

Rosario Murillo then repeated exactly what Ortega said, adding that they won “in the name of Jesus,” and stressed the importance of conserving the “alliance” ruling the country. Ever since its assumption of power, the FSLN has combined “liberation theology,” Marxist rhetoric and pro-business policies to consolidate—particularly after regaining the presidency in 2006—a reactionary coalition between the national business elite, the Church, the state and the unions.

The Ortega family, along with several other Sandinista leaders and prominent businesspeople, have built a powerful business conglomerate, including large land holdings and media outlets.

Competing for a larger share of the profits from the exploitation of Nicaraguan workers and peasants, Ortega’s

bourgeois nationalist clique and US and European imperialism are entering into a deeper conflict, particularly because global economic stagnation is eroding the economic basis to strengthen their relative power and curb class tensions.

Since 2007, Ortega's government has depended on Venezuelan oil and \$4.8 billion of out-of-budget loans and investments from the Venezuelan government to pay for social programs and establish generous concessions to local business groups. Ortega has desperately sought to increase its trade and economic and military assistance from a variety of other sources—including Venezuela, Brazil, the European Union, China, and Russia—to lessen its dependence on the US.

However, his government is increasingly finding itself facing a blind alley. Nicaragua's \$214 per capita social spending is already one of the lowest in the region, so the drawing down of Venezuelan aid and the yearly \$250 million of assistance and loans now threatened by the Nica Act (19 percent of Nicaragua's total social spending) are making Ortega's short levers get even shorter.

During the 1980s, the Sandinista government was spending about 60 percent of its budget to fight the war against the CIA-backed contras, and the US embargo placed an enormous pressure on the economy. According to Mexican economic historian Mario Trujillo, "The choices taken by the Sandinista government were promoting the mixed economy, sustaining the free market, and seeking loans (mainly small and limited); and particularly, by February 1988, it resorted to the orthodox program of economic stabilization that adjusted itself to the norms proposed by the IMF for the Latin American countries to confront the economic recession and the foreign debt payments throughout the eighties." (*Nicaragua: Elections and perspectives of a neo-social-democratic government*, 1990)

Once the Stalinist bureaucracy in the Soviet Union stopped sending economic aid, the country fell into a decade-long crisis that kept 75 percent of the population under the poverty line. This led to the Sandinistas' electoral defeat in 1990 and their even further lurch to the right and, although with some rhetorical resistance, into the sphere of US imperialism. This process continues today, even through the so-called left turn of Latin American bourgeois governments that began in the early 2000s.

Ortega is still credited by the Western media with having maintained pro-business policies and, over the course of his two administrations, having reduced the official poverty rate by over 15 percent. While many of Nicaragua's poor have partially benefited, the largest benefits have gone to the national bourgeoisie and its imperialist partners. According to data from the National Information Development Institute (INIDE), the Gini inequality index is almost the same as in 2007, and 62 percent of families still cannot afford the basic basket of goods and services.

At the same time, Oxfam reports that Nicaragua's 254 multimillionaires have an average annual income more than

12,000 times that of someone in the poorest quintile.

While the IMF had closed its offices in Nicaragua this year in recognition of Nicaragua's fiscal obedience, the government's timely payments still amount to on the order of 35 percent of its public budget, a pressure that, under increasingly unfavorable economic conditions, will require deeper austerity measures. To prepare for this scenario and the intensification of the class struggle, Ortega and US imperialism both ultimately support more-autocratic forms of rule, including a strengthened military and police, both of which has been under expansion and modernization since 2013.

Washington is pressuring Ortega to move forward with unpopular economic and political measures and to distance himself from China and Russia in support of Obama's "pivot to Asia" and increasing confrontation with Moscow.

As a sign of cooperation and of acknowledging its anticipated electoral victory, the FSLN government and the Central Bank presented in October their economic plan for 2017-2021, "Let's Grow Together!" The document upholds the free trade agreements with the US (CAFTA) and with the European Union and notes the desire to join the US-led Trans-Pacific Partnership. In terms of financing, it calls for "the emission of sovereign debt titles to international markets" and developing "Public-Private association" investments.

The World Bank representative at the plan's presentation, Luis Constantino, declared that, "It seems to me like a very good planning process and we like it very much."

Most of the government's projects for this period are in transport and telecommunications, while no health programs are mentioned, and only two unfinanced education programs are included regarding didactic technologies. Suggestively, the \$50 billion interoceanic canal that the government granted a Chinese firm a concession to build is not even mentioned, and, in spite of claims of having all the financing needed, the beginning of construction on the project continues to be postponed.



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