SANDINISTAS V. WASHINGTON: PHASE 2

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For different reasons and with different interests, both the United States and the FSLN coincided on throwing their support behind the Chamorro government. Washington's presumption was that the economic would prevail over the political: that the new government's own neoliberal inclinations, its pro-US sympathies and undisguised need for economic assistance would force it to pursue a counter-revolutionary path eventually relegating the Sandinistas to the dust-bin of history, that is to say Bush was to follow up on the electoral blow and continue to accomplish by civic means what Reagan had failed to achieve militarilly.

The FSLN calculation was that the political and the social would prevail over the economic. When Daniel Ortega said that the Sandinistas would "govern from below" it was a stark theoretical proposition that the loss of state power did not mean the loss of the revolution. And not simply because that revolutions that depended more on the State power than on people's power were no revolution at all, but also because in the wake of an adverse international economic and geopolitical setting, maybe the best thing that a revolutionary movement could do was to avoid governing, at least until a better global balance of power permitted a governing revolution a chance of survival.

A retreat to higher ground, or one step backward in order to take two forward later on. Some, like Ronald Reagan or Jesse Helms believed that the Sandinistas had thrown the election and were up to their old tricks. Mrs. Chamorro's technocratic government was doing some new thinking of its own: that the combination of economic support from the United States, military support from the Sandinista Army, and FSLN collaboration in poltically neutralizing social protests was supposed to insure a stability for political scheme of humanitarian capitalism.

Herein lay a test of the new world order. If the Chamorro government could pull off its balancing act, no doubt a clear signal would be sent to El Salvador and Guatemala that peaceful political change was possible and the United States would stand by negotiated agreements which took into account the grievances which had led popular sectors to take up arms in the first place. The left in Central America was in effect being asked to give up its weapons in return for a real chance to participate in a reformed political structure with adequate security and economic guarantees.

But, if on the contrary, the United States was to insist on counter-revolution and on blocking the government-sandinista modus vivendi, the chances for a new political order in Central America would be dealt a serious blow. Popular forces in El Salvador and Guatemala could come to the conclusion that signing with government was tantamount to bargaining with some one that could not deliver.

The test is still being played out in Nicaragua in similar fashion as it may in other parts of the world where negotiated settlements sustain political frameworks to which each of the old contending parties are committed. In what some believe to be the new modality of revolution, the armed conflict is resolved without a clear cut victory for either side. The struggle continues for social change and income redistribution, for an alternative political project which must be waged against a neo-liberal governmental project supported by the United States and the global market system. It is a struggle that also has to be waged within the popular camp itself inasmuch as there is no shortage of technocrats and disenchanted leftists that resign themselves to "the fact" that a non-capitalist alternative is no longer possible economically or "viable" electorally, accepting the neo-liberal logic.

In this sense, the contest between the United States and the Sandinistas was much more complex and ideological, also taking place within the Sandinista camp. The "revisionist" assumption, both in Washington and among some Sandinistas, was that the global and national changes could would force both parties to reassess their historical relationship, to take note of Sandinista electoral good behaviour, and cooperate in providing support for the Chamorro Government. Unfortunately for the Sandinista revisionists and the liberals in Washington, the cold warriors in the United States and the people in Nicaragua also demanded to be taken into account in determining Nicaragua's future.

The Economic Battle

The FSLN had an interest in supporting a political-institutional structure that it indeed had helped to create and which theoretically offered the Sandinistas a chance to come back to office. This meant in effect supporting the Chamorro Government's reconciliation platform. On the other hand, the same government was pursuing a "liberal" economic program that followed and even exceeded the standard structural adjustment requirements laid down by the international banks and the US AID wreaking havoc on a population that had already suffered ten years of war and economic blockade. A lack of coherence in this respect could endanger the unity of the Sandinista Party, already convulsed by the unexpected shock of losing the election and by way of the mounting demands from below to confront governmental economic policies.

As a price, for their support the Sandinistas placed two demands on Mrs. Chamorro's government: respect for the agrarian and urban reforms carried out over the last decade, and no upsetting of the command structure of the police and the armed forces. The point was to guarantee both economic and security guarantees for all who had benefitted from the revolution. An understanding was reached with the Chamorro government which was willing to strike bargains in order to buy time and stability.

That was unacceptable to Mrs. Chamorro's partisan coalition. Most members of her eletoral ticket, including Virgilio Godoy, the Vice President, and Alfredo Cesar the President of the Legislature demanded that the government proceed swiftly and drastically against the FSLN and its legacy, instead of slowly land in stages as strategized by Antonio Lacayo, Mrs. Chamorro's son-in-law and virtual Prime Minister. By the end of 1991 the FSLN and the old UNO coalition legislators had switched places, the first becoming a supporter of the government and the latter its strongest opposition.

Chamorro's government, however, was also pledged to rectify arbitrary property confiscations and appropriations that had taken place under the previous government, and particularly in the months between the election and the transfer of office. Complicating the picture further was the fact that beneficiaries of the Sandinista agrarian and urban reform that had still not received property titles and required legal sanction.

In the legislature the right wing parties repeatedly came close to pushing through a bill a counter-agrarian reform bill and opening the way for all the old owners to reclaim their property in the courts. No less than one out of four Nicaraguans were now threatened with being dislodged from their home, urban lot or farm.

Evidently, more was at stake than simply the property issue. For months the extreme right and the United States had been demanding that the government assume a tougher stance with the Sandinistas. What was specifically demanded was the rescinding of the "Transition Protocol" agreement of March, 1990 between the government elect and the FSLN, whereby the new government pledged not to legally reverse the basic revolutionary changes. There was little tolerance also for what the rightists termed the "co-government" between Lacayo and the Sandinistas, where differences were negotiated and concessions made and offered.

The abrupt attempt of the UNO coalition to defy the heart of the transition protocol, indeed the heart of the major changes of the last 10 years, forced the Sandinistas to further complement their negotiation efforts with those of public pressure on the streets. In what was perhaps to become a new modality of post-cold war revolutionary strategy, negotiations and mass actions would become interweaved as the FSLN learned that the two were not always mutually exclusive: to reduce itself to exclusively traditional political party opposition means–as some in the FSLN demanded-was to wage battle with one hand tied behind its back and under economic rules of the game that were unfavourable to the popular interests. But to take up purely confrontational stances more appropriate of a liberation movement–as other Sandinistas demanded-was to risk antagonizing other segments of the population whose support could be deemed crucial in an electoral contest.

If the government caved in to the right wing pressure on the property question, as it was ideologically inclined to do, a social explosion was sure to occur and the FSLN could not afford to sit on the sidelines nor could the people be turned on and off like a tap, as a function of the negotiation process. If the cooperatives and industries now in the hands of workers' collectives as the product of both bargaining and active resistance-were to be returned,this meant in effect that a counter-revolutionary economic structure was being implanted and that in time would reverse the revolutionary leverage and consciousness.

To many the stakes at hand were much greater than those at the moment of the election: the FSLN had lost the election, but if it lost on the property question (and on the military one), then the Revolution was also being buried.

The development of Nicaragua's political and social structure was tied to the question of ownership of the means of production. Economic groupings wielded power and had the capacity to mount political organizations and engage in ideological-electoral battle. A reversal of the agrarian reform entails a loss of political and economic space for the popular sectors– in effect it meant the United States and the old right would achieve by economic means what they had failed to do by military and electoral one. Defending popular interests entailed defending a model of popular participation in the economy. A considerable gain in this regard was for the Sandinista-influenced National Labor Federation to have secured, following two general strikes, governmental recognition for collective property rights for workers and farmers of state enterprises in the process of privatization.

The view of the United States of course was that privatization should work to the benefit of individual private enterprise, that is to say to the benefit of the already wealthy who eager to acquire properties. For the FSLN the issue was one of economic democracy. How to advance the revolution–or at least uphold its gains–even in the face of a right wing government. True, that government operated within a political framework favourable to the advancement of popular issues and organization; legality, not to mention the armed forces, were on the side of the people, or at least could not be used as instruments of oppression and dispossession. The gains of the revolution were expressed in new forms of social and economic organization sustained by material holdings; were those material holdings to disappear, so too people's capacity to organize and sustain a non-capitalist consciousness would be undermined. Unless, people themselves rallied to defend their acquired rights.

The fundamental contradiction had not been resolved, and perhaps it was both in the interest of the socialist-minded model of most Sandinistas, and of the neo–liberal capitalist model of the government, that it should not be resolved at the expense of total social and political breakdown from which both would suffer. Secors in the United States and on the extreme right, of course, were willing to take that risk not aware that their chances for success were indeed dim. Judging by the severity of the economic crisis, and the spontaneous and mass response to the right-wing offensive, there was new hope that moderation would prevail. The question remained however: who would define the terms of moderation, of reconciliation? At whose expense?

Back to the Cold War in Washington

Much of the ambiguity and fluidity of the first two years of the Chamorro government was traceable to its prolonged honeymoon with the Bush Administration. The Nicara-

guan government soothed the Administration in Washington in the same way it did with the FSLN: telling they what they wished to hear in regards to the property question and the security forces. The promises of no or minimum changes to the Sandinistas, were, of course, irreconcilable with the promise of sure but gradual change made to Washington.

During the hoenymoon, the Chamorro government recieved the political and financial benefits of the doubt. Over the course of this period the Bush Administration, represented in low keyed fashion by Ambassador Harry Schlaudeman, has had as a principal objective the steady reduction in influence of the Sandinista National Liberation Front, still the largest and most coherent political organization in Nicaragua. In specific terms this meant shoring up the Chamorro Government and the right wing private sector with external economic and political cooperation so as to allow it to attain a basic stability for the country and begin to develop its own social base and state apparatus to compete and eventually eradicate Sandinista influence.

The U.S. has been successful in helping the government achieve a relative economic stability. Foreign assistance, of which the US is by far the largest provider, explains current monetary stability and the boom in commerce; nonetheless national production and private investment has lagged far behind. This poses a problem for the US inasmuch as it has no intention of indefinitely sustaining its relatively large subsidy to Nicaragua.

Neither is the US happy with the political return for its investment. The Chamorro Government has tended to insure political stability by securing Sandinista support at the expense of the right wing parties in the UNO coalition. By mid-1992 there were unmistakeable signs that the Bush Administration had lost its patience with this arrangement having accepting it only as temporary expedient in order to smooth the governmental transition.

In Washington's view, the danger was that the "co-governing" arrangement threatened to become permanent. Evidently this did not fit in with the new world order, particularly in an election year when the Bush Administration found itself hostage to the clamour of the old pro-Contra bloc in Congress, which had now turned against Chamorro in conjunction with the right-wing parties in Nicaragua.

Seeking not to appear as the extortioner and still professing general support for the Chamorro Government, the Bush Administration either exploited or promoted congressional objectives, led by Senator Jesse Helms, to the appropriation of funds that had already been authorized by the Executive. Helms openly denounced that the Chamorro government was a mere puppet of the Sandinista Front and that US monies were being squandered and channeled to Sandinista organizations.

These US legislators said they were taking such action principally in response to the demand of US citizens whose property had unresolved property claims in Nicaragua. Some of these were former Nicaraguan citizens. Other reasons, particularly on the part of Helms, had more to do with political questions in regards to the army, police and judiciary which he regarded under Sandinista control.

In effect, the demands made from US legislature are not that different from those made by the Bush Administration, the State Department and the US Embassy in Managua. But now the Administration was in a better position to push its demands claiming that Congress was to blame. There was also full awareness of the fact that an interruption of the funding at this point could provoke an economic breakdown within few months inasmuch as the country's exports were one third of its minimum imports and that the government was committed to recuperating its international credit-worthiness by not falling behind in its debt amortizations.

In essence, the US sought to undermine the working relationship between the Sandinista Front and the Executive--a relationship which had entailed costs and benefits for each. By June of 1992 the Nicaraguan Government began hurriedly returning properties including some which had belonged to Somoza family interest and had been legally. Furthermore, policy and army units were ordered to occupy and evict workers that were in control of property still under dispute or which they refused to give up.

These actions amounted, in many cases, to clear violations of the FSLN-backed agreements signed earlier between the government and the principal unions some months earlier. The government was also going back on its promise not to admit any Somoza-related property claims. There was also a governmental rush to placate the US over the whole property question. In practical terms this meant giving the large capitalists the security guarantees that they were demanding including the reversal of understanding with organized labour and the Sandinista Front. The same guidelines entailed that no credit was to be extended to cooperatives or worker-administered enterprises that the government had promised to respect.

In September, 1992 the government sacked the Sandinista chief of police and dismissed six top police officials, all in the hope of placating the Administration and Senator Helms. Sandinista leaders were furious at the cave-in but there was little they could do about it. Washington stepped up demands for the head of the Chief of the army and Daniel Ortega's brother, General Humberto Ortega. Quite clearly, the United States continued to insist that it was more important to insure the loyalty of armies than of governments in its own backyard. The Chamorro government, for its part, insisted that substantive "reorganizations" were underway and the countries like Spain were providing support for the "profesionalization" of the secuirty forces. The battle was on not only for the top posts but for the "minds and hearts" of the military and police bodies which, by and large, continued to feel an identification with the poor and the Sandinista cause. And unless the government disbanded the entire police and army, the likelihood is that one Sandinista officer would replace another.

During a one day visit to Managua in January, 1992, Secretary of State Baker had been typically blunt in spelling out US terms to Chamorro. Capitalist investment required respect for private property, respect was the product of security, and security could only be attained by a "non-partisan" security force. In other words, until and unless the economic structural adjustment was complemented with a political and security adjustment, then a capitalist recovery and stability could not be attained. After two years of struggle and negotiation, one could come to the conclusion that the Sandinista revolution had not been reversed only inasmuch as its multi-faceted influence in Nicaraguan civil and political society had impeded the US and the government from advancing as rapidly as wished in imposing its new world agenda on Nicaragua and on the Sandinista Front itself.