

University of Denver

Digital Commons @ DU

---

Electronic Theses and Dissertations

Graduate Studies

---

1-1-2018

## The Political Economy of Sandinismo 2.0: Environmental and Social Implications of Paradoxical Economic Ideologies in Post-Revolutionary Nicaragua

Sarah McCall Harris  
*University of Denver*

Follow this and additional works at: <https://digitalcommons.du.edu/etd>



Part of the [Geography Commons](#), [International Relations Commons](#), and the [Latin American Languages and Societies Commons](#)

---

### Recommended Citation

McCall Harris, Sarah, "The Political Economy of Sandinismo 2.0: Environmental and Social Implications of Paradoxical Economic Ideologies in Post-Revolutionary Nicaragua" (2018). *Electronic Theses and Dissertations*. 1431.

<https://digitalcommons.du.edu/etd/1431>

This Dissertation is brought to you for free and open access by the Graduate Studies at Digital Commons @ DU. It has been accepted for inclusion in Electronic Theses and Dissertations by an authorized administrator of Digital Commons @ DU. For more information, please contact [jennifer.cox@du.edu](mailto:jennifer.cox@du.edu), [dig-commons@du.edu](mailto:dig-commons@du.edu).

---

# The Political Economy of Sandinismo 2.0: Environmental and Social Implications of Paradoxical Economic Ideologies in Post-Revolutionary Nicaragua

## Abstract

This research investigates the political economy of Nicaragua's development, with specific emphasis on Venezuela and China's influence, energy policy, and environmental and social justice related to the Nicaragua canal. The first section focuses on the political economy of the current Ortega administration in Nicaragua, as part of the return of left-leaning leadership in Latin America since the early 2000s. This study examines the Ortega administration's selective interpretation of the concept of imperialism and its effect on the environment as it pertains to US interests, Venezuelan oil financing and socialist rhetoric, and China's control over a large piece of Nicaraguan territory to build an interoceanic canal. The next section uses political ecology to address how Nicaragua has balanced its aggressive renewable energy initiative in light of Venezuela's large-scale funding of the Ortega regime from its oil revenues in exchange for an ideological alliance through ALBA and access to the Pacific coast for oil exports to China. Part three of this research focuses on China's involvement in the Nicaragua canal. Nicaragua's Ortega administration granted a massive concession to Chinese company HKND to build the elusive "grand canal" across Nicaragua, though various national interests have pursued the interoceanic canal for centuries. The fourth and final section focuses on the social, environmental, and political issues surrounding the legal concession granted to the Chinese company HKND to build the interoceanic canal.

## Document Type

Dissertation

## Degree Name

Ph.D.

## Department

Geography

## First Advisor

Matthew J. Taylor, Ph.D.

## Second Advisor

Lynn Holland

## Third Advisor

Andrew Goetz

## Keywords

Nicaragua, China, Canal

## Subject Categories

Geography | International Relations | Latin American Languages and Societies

## Publication Statement

Copyright is held by the author. User is responsible for all copyright compliance.

The Political Economy of Sandinismo 2.0: Environmental and social implications of  
paradoxical economic ideologies in post-revolutionary Nicaragua

---

A Dissertation

Presented to

the Faculty of Natural Sciences and Mathematics

University of Denver

---

In Partial Fulfillment

of the Requirements for the Degree

Doctor of Philosophy

---

by

Sarah McCall Harris

June 2018

Advisor: Matthew J. Taylor

Author: Sarah McCall Harris

Title: The Political Economy of Sandinismo 2.0: Environmental and social implications of paradoxical economic ideologies in post-revolutionary Nicaragua

Advisor: Matthew J. Taylor

Degree Date: June 2018

## ABSTRACT

This research investigates the political economy of Nicaragua's development since Daniel Ortega's return to power in 2007, with specific emphasis on Venezuela and China's influence, energy policy, and environmental and social justice related to the Nicaragua canal. The first section examines the Ortega administration's selective interpretation of the concept of imperialism and its effect on the environment as it pertains to US interests, Venezuelan oil financing and socialist rhetoric, and China's control over a large piece of Nicaraguan territory to build an interoceanic canal. The next section uses political ecology to address how Nicaragua has balanced its aggressive renewable energy initiative in light of Venezuela's large-scale funding of the Ortega regime from its oil revenues in exchange for an ideological alliance through ALBA and access to the Pacific coast for oil exports to China. Part three of this research focuses on China's involvement in the Nicaragua canal. Nicaragua's Ortega administration granted a massive concession to Chinese company HKND to build the elusive "grand canal" across Nicaragua, though various national interests have pursued the interoceanic canal for centuries. The fourth and final section focuses on the social, environmental, and political issues surrounding the legal concession granted to the Chinese company HKND to build the interoceanic canal.

## TABLE OF CONTENTS

Chapter 1: Introduction.....	1
Chapter 2: Theoretical Framework and Background.....	17
Chapter 3: Imperialism Three Ways: The political economy of Sandinismo 2.0.....	45
Chapter 4: The Political Economy of Energy Development in Nicaragua.....	70
Chapter 5: Nicaragua's "Grand" Canal: Cuento Chino? Rhetoric and field-based evidence on the Chinese Presence in Nicaragua.....	98
Chapter 6: Qué Diría Carlos? The 'No al Canal' Movement and the Rhetoric of Resistance to Nicaragua's 'Grand Canal' .....	119
Chapter 7: Conclusion.....	143
References.....	148

## LIST OF FIGURES

Chapter 3	
Figure 1: Hugo Chavez and ‘Trees of Life’ .....	45
Figure 2: Venezuelan Financial Support 2008-2013 .....	59
Chapter 4	
Figure 3: Thermal Power Plants from Venezuela .....	74
Chapter 5	
Figure 4: Proposed Canal Route .....	100
Chapter 6	
Figure 5: Canal Protestors .....	119
Chapter 7	
Figure 6: Fallen ‘Trees of Life’ .....	143

## CHAPTER 1 – INTRODUCTION

In the age of rapid globalization, shifting global economic powers are fast moving targets which demand critical attention as the United States' role in the global economic order is redefined in the 21<sup>st</sup> century. This dissertation examines broad questions of shifting regional alliances, sustainability of economic models that deviate from neoliberal capitalism, megaprojects, China's role in economic development through infrastructure, and the resistance to the human and environmental rights violations often found in this type of development. This study uses Nicaragua as a lens through which to examine ideological rhetoric compared to political and economic reality in the case of Venezuela's financial and ideological support and China's concession for an interoceanic canal. Broadly, this study is an examination of space and place in Nicaragua, and who controls land and resources, and why. The ideas of "Nicaragua" and "revolution" remain closely and inextricably associated almost 40 years after the Nicaraguan revolution. After revolutionary leader Daniel Ortega's return to power in 2007, his policies have become crystalized into what is commonly labeled as Sandinismo 2.0, or Danielismo, as these vary notably from the policies of the original Sandinista National Liberation Front (FSLN). Ortega's return is often characterized as a piece of the larger regional resurgence of the "New Left" in Latin America. This dissertation attempts to unpack the nuances and significance of Nicaragua's political and economic development.

## **Overview**

This research has centered on the political ecology and economy of Nicaragua's post-revolutionary development, with specific emphasis on new forms of imperialism from Venezuela and China, the ways in which Daniel Ortega's rhetoric and policy has morphed from the original FSLN revolutionary ideology, and how the anti-canal protest movement has re-captured the original tenets of the Nicaraguan revolution. This dissertation consists of seven chapters, four of which serve as stand-alone articles. Three of these articles have been sent to academic journals or books for review. The first chapter provides an overview of the dissertation, an outline of the research questions, a description of the intellectual merit, and an explanation of the research methods. The second chapter provides important theoretical framework, background, and literature review. It also includes a comprehensive overview of the history of Sandinismo as important context to the following chapters.

The third chapter focuses on the political economy of the current Ortega administration in Nicaragua, as part of the return of left-leaning leadership in Latin America since the early 2000s. This research investigates the Ortega administration's selective interpretation of the concept of imperialism as it pertains to US interests, Venezuelan oil financing and socialist rhetoric, and China's control over a large piece of Nicaraguan territory to build an interoceanic canal. It examines the ways in which the Ortega administration's platform is highly critical of the United States and its political



and economic involvement in Nicaraguan affairs, but still maintains a beneficial political and economic relationship with the US while at the same time entertaining financial and ideological alliances with Venezuela, via its oil financing and ALBA alliance; and China, through the massive canal concession granted to Chinese interests. It argues that Venezuelan and Chinese interests in Nicaragua are equally imperialist in their rhetoric and actions, yet compliment the Ortega administrations current rhetorical and real priorities in a more overt way than US interests. This chapter is titled “Imperialism Three Ways: The Political Economy of Sandinismo 2.0,” and was sent for review for a special issue of the *Cahiers des Ameriques Latines*.

Chapter four of this dissertation uses political ecology to address how Nicaragua has balanced its aggressive renewable energy initiative in light of Venezuela’s large-scale funding of the Ortega regime from its oil revenues in exchange for an ideological alliance through ALBA and access to the Pacific coast for oil exports to China. Venezuela made significant contributions of fuel oil and new thermal power plants with names such as Che Guevara and Hugo Chavez, thus maintaining Nicaragua’s historically high reliance on imported fuel oil for its electricity needs and reinforcing its socialist ideology. At the same time, Nicaragua has been promoting a robust renewable energy initiative, citing lofty goals of becoming 90% renewable by 2020, and enacting regulatory framework to promote renewable energy investment. This helps Nicaragua secure climate change mitigation funding from international organizations. On the surface, the neoliberal and socialist rhetoric and policy surrounding Nicaragua’s energy development priorities seem to be competing, but further analysis reveals that the Ortega administration has achieved

its near-term goal of increased energy generation and electrification; albeit through traditional thermal generation enabled by Venezuela. That it kept the discourse and international attention directed at its renewable energy initiative and attracting relevant capital for climate goals, instead of its fossil fuel-based energy infrastructure financed by Venezuela, marks the skill and foresight of the Ortega administration in balancing both neoliberal and socialist development paradigms. The reality remains that Nicaragua is still heavily dependent on imported fuel oil for its energy needs, illustrating the Ortega administration's emphasis on rhetoric over reality.

Chapter five of this dissertation focuses on China's involvement in the Nicaragua canal. Nicaragua's Ortega administration granted a massive concession to Chinese company HKND to build the elusive "grand canal" across Nicaragua, though various national interests have pursued the interoceanic canal for centuries. The Nicaraguan government currently promotes the canal with a discourse of national development and progress for the people, congruent with China's rhetoric for promoting the canal. The Sandinistas of today are now fostering a system of government that promotes many of the tenets they ostensibly fought against, such as poverty, social injustice, environmental degradation, and US imperialism. This is highlighted by Nicaragua's partnership with China on the canal project, as China is not afraid to embrace and exacerbate social and environmental injustice at home or in Nicaragua through "megaproject imperialism." As such, there has been a significant amount of protest and criticism surrounding the political, social, and environmental impacts of the canal. China's need for resources from South America such as timber, food commodities like soy, and fossil fuels provide the

impetus for a \$50 billion canal bifurcating Nicaragua; and has negative environmental implications far beyond the canal zone. Though the concessions were signed in 2013, few obvious signs of progress towards construction of the canal exist. However, fieldwork over the past 4 years reveals subtle actions taken by the Chinese and the Nicaraguan government to begin construction of the Canal and associated projects like free trade zones. This section of the dissertation explores the discourses and actions surrounding the plan to build a canal across Nicaragua, with particular interest in the imperialist motivations of the United States to build a Nicaragua canal at the turn of the 20th century, and the similarities to the ways the Ortega administration and HKND's Wang Jing frame the current project, in contrast to the various environmental and political criticisms it has received. This research examines the rhetoric versus reality of progress towards the Chinese canal project in Nicaragua through analysis of government documents, news reports, in-depth interviews, and exploration of the lands along the proposed route of the canal on the Pacific side of Nicaragua. This research is compiled in an article titled "Nicaragua's "Grand" Canal: Cuento Chino? Rhetoric and field-based evidence on the Chinese Presence in Nicaragua" currently under review to be published in a special issue of the *Journal of Latin American Geography* on New Geographies of China Latin America Relations (Volume 17, Issue 2; 2018).

The sixth chapter of this dissertation focuses on the social, environmental, and political issues surrounding the legal concession granted to the Chinese company HKND to build the interoceanic canal. This analysis takes a critical, feminist approach to understanding the dynamics of the "No al Canal" movement, in light of the social and

environmental justice issues stemming from the canal concession law (Law 840). Here, it is found that two key players in the anti-canal movement utilize their individual identities to access and mobilize key components of a vocal resistance movement. The first uses her elite status and environmental lawyer credentials to publish books and address international arbitration bodies to illustrate how Law 840 violates the Nicaraguan constitution. The other uses her leadership skills and “campesina” status to mobilize citizens directly impacted by the canal, and provides a charismatic figure that appeals to media publicity. This research finds that the “No al Canal” movement utilizes the language and ideology of the original revolutionary Sandinismo from the 1970’s, which is in sharp contrast to the anti-environmental and anti-human rights directives of the current Sandinista administration; helping to further define the ways in which Sandinismo 2.0 differs greatly from its revolutionary roots. This information is presented in a chapter titled “Qué Diría Carlos? The Campesino Movement and the Rhetoric of Resistance to Nicaragua’s ‘Grand Canal.’” The chapter is part of a book titled “*Stop Violating our Rights!*” *Latin American Experiences of Civil Resistance in Contexts of Violent Conflict*; Cécile Mouly and Esperanza Hernández Delgado, editors; to be published by Palgrave MacMillan in late-2018. The book is currently under review.

## **Research Questions**

This dissertation addresses the following questions:

- 1) How has Nicaraguan president Daniel Ortega enabled national development through economic imperialism via the United States, Venezuela, and China while espousing a strong anti-imperialist rhetoric?
- 2) Why has Nicaragua promoted renewable energy development funded by neoliberal development initiatives while simultaneously embracing Venezuelan fossil fuels and socialist ideology?
- 3) Why has Nicaragua granted the Chinese a massive legal concession to territorial and legal rights for an interoceanic canal after centuries of criticism towards the United States' efforts to build a similar canal?
- 4) How do the perceived human and environmental rights violations of the canal concession and associated law highlight the divergence between the ideals of the original Sandinista revolutionaries and the current Sandinista administration?

## **Methods**

Geography has a long history of qualitative research analysis. Qualitative geography is currently flourishing amidst a methodological revolution across the social sciences and humanities (DeLyser, et al 2010). Quality qualitative research abounds in academic journals, books, conferences, and dissertations. Past critiques of the methodological rigor of qualitative geography have largely been refuted, and qualitative methods are accepted as vital to the practice of human geography. In fact, in the past, geography could easily be criticized due to its methodological history of using the

detached observer to effectively hide colonial, gendered, or racist forms of knowledge (DeLyser, et al 2010). Qualitative research places the researcher within the findings, instead of relying on detached, neutral observation.

### **Positionality**

To this point, geography has moved beyond a subjective-objective dichotomy that was once taken for granted, and instead understands that pure objectivity is impossible because of the lived experiences of the researcher and the research subjects (DeLyser, et al 2010). This allows for a necessarily subjective research approach that acknowledges that all knowledge is situated. For example, my identity as a white American female might make me assume that all women should have access to education and basic rights, and cause me to criticize women's exclusion from decision making processes in Nicaragua. My identity as a former Peace Corps volunteer and USAID project manager might make me take for granted and/or assume a positive perspective when discussing neoliberalism's influence in Nicaragua. Conversely, past negative experiences with USAID's neoliberal policies might cause me to be critical of neoliberalism. My academic background and knowledge of David Harvey and Diana Liverman's critiques of neoliberalism could also cause me to take a less favorable perspective.

### **Rigor and Validity**

Rigor and validity are assured when qualitative research maintains a high quality conversation between theory and data (Herbert 2010). It is important to note that there are equally valid approaches to theory within qualitative geography. A deductive approach begins with a theoretically driven question and then gathers information to analyze and answer it. This allows more control over the types of data collected, and allows for a clear conversation between the theory and empirical observations. This deductive process does not preclude shedding theoretical commitments as the researcher learns from the research; the qualitative researcher remains perpetually open to the data and constantly questions the research method (Herbert 2010, Buroway 1998). The grounded theory approach allows for theory to arise inductively, and for conceptual frameworks to emerge from interaction with research findings. The two approaches are not mutually exclusive; both require a rigorous and constant reexamination of theoretical assumptions. Doing so ensures rigor and validity to research findings (Herbert 2010).

### **Knowledge Construction**

All scientific practices to construct knowledge, no matter how empirical or quantitative the method, are subject to interpretation (Herbert 2010). This requires researchers to look back and forth between data and theory to construct knowledge. Also, all knowledge comes from specific social contexts and therefore can't be understood in isolation from that particular context (Flyvbjerg 2001). Qualitative researchers leave the lab, data sets, and statistical analyses behind to understand phenomena from a personal perspective, as well as from the perspective of the subjects of study – a process that

emerges and develops throughout the research process. This requires a creative, open-minded, and open-ended approach to data gathering (DeLyser, et al 2010). As such, research is finished when enough reading, analyzing, and learning has been done to create a logical, thoughtful, and novel end product that contributes to the larger academic body, and ideally can be of some use to the world outside of academia. One qualitative method that can be useful in geographic research is discourse analysis.

### **Discourse Analysis**

Discourse is a notoriously messy term to define within human geography and other social sciences due to the complicated variety of meanings associated with it (Dittmer 2010). Generally speaking, discourse refers to the way language is phrased and the choice of words used. The way that issues and spaces are described through this textual form of discourse (also known as textual analysis) is the most empirically observable way to understand how language shapes the social world (Dittmer 2010). However, the bigger picture discourse, with which academics are usually concerned, refers to a culturally-specific mode of existence that comes from the combination material texts with other forms of communication such as interactions, symbolic acts, technologies, visual media, body language, and the like. The world becomes recognizable through recognition of and interaction with the various discourses that create meaning and convey power in our everyday lives (Dittmer 2010).



Lees (2004) discusses two different theoretical strands of discourse analysis. The first stems from the Marxist tradition of political economy and ideology critique, as serves as a tool for uncovering hegemonic ways of thinking. Here discourse is almost synonymous with ideology because it conceals the power of vested interests and garners the consent of the dominated over their own domination (Lees 2004). The second strand stems from Michel Foucault's work on poststructuralist theory. He explains that discourses explain their own 'regimes of truth' and are part of processes that create things and identities (Lees 2004). Waitt (2005) explains that a Foucauldian approach to discourse analysis allows human geographers to investigate regimes of truth that naturalize ways of seeing social differences, places, or bio-physical environments.

Performing actual discourse analysis may include a combination of textual analysis and discourse analysis, but there is no singular set of steps and procedures for performing discourse analysis. Johnstone (2008) stresses that across academic disciplines and genres of research, hundreds of different approaches to discourse analysis can be observed, and all are methodologically valid. Many examples of discourse analysis can be found within academic geography, yet very few include explicit discussions of how the research was undertaken (Dittmer 2010). Hoggart et al. (2002) explain that this is because discourse analysis is an artisanal process; it is not stable or confined to a laboratory. Generally speaking, discourse analysis addresses both the rhetorical stance, claims to authority, and organization of actual texts, and the larger discourse surrounding it via social context. Fairclough (1992) adds a third element of social practice, which includes the larger ideologies that house the social context, to his understanding of

discourse analysis (Dittmer 2010, Lees 2004). Research materials may be organized into these two or three categories.

Basically, the audience receiving a text is influenced by ideology, which socializes the cognitive process and gives a particular perspective to the interpretation of the text. In terms of an end point, discourse analysis produces a situated reading of life's phenomena rather than producing a satisfying "truth" (Dittmer 2010). Discourse analysis as a method is rooted in a fundamental belief that social processes are open ended. Conceptually, the only thing academics agree upon is that discourse analysis is difficult to define, difficult to undertake, but is an important method with infinite potential to grow and contribute to human geography.

This study is primarily interested in better understanding the drivers behind Venezuela and China's financial and ideological involvement in Nicaragua. Therefore, the most appropriate sources for data review and analysis are readily accessible (via the internet) primary documents such as official laws and policies, international financial institution reports, and memorandums of understanding; newspaper articles, government websites, and the like. These kinds of publicly accessible statements avoid the very common problem of researcher/informant bias and power issues as described by Weiss (1994), Spradley (1979), and Schensul et al (1999). Ethnographic interviews, focus groups, and surveys performed by the researcher inevitably garner biased responses from informants, based on positions of power and perceptions from each party.

Discourse analysis illustrates hidden motivations behind a text and enables a better understanding of a problem to show that the essence of that problem, and its resolution, lie in its assumptions (University of Texas School of Information). Here, the major assumption to these research questions is that there is indeed an ideological conflict behind Nicaragua's ties to US neoliberalism along with Venezuelan socialism. Discourse analysis of publicly available information was used to show what type of rhetoric (neoliberal, socialist, etc.) is driving different infrastructure projects. It is a more appropriate method for examining these issues than ethnographic interviews, focus groups, or surveys since it avoids issues of bias and is more relevant to the wide lens of this project. McKinnon (2007) took a similar approach to methods in her article about development in Thailand, published in the *Annals of the Association of American Geographers*. Here, she examined discursive practices of development professionals to imagine better post-development practices. In another *Annals* article, Gilbert (2005) uses discourse analysis to examine neoliberal discourse and proposals for a new economic space in North America after 9/11.

Phillips and Hardy (2002) explain that social reality is constructed of a series of discourses, and that it is difficult to understand social interactions without references to these discourses. Basically, discourse analysts explore the relationship between discourse and reality. Phillips and Hardy also explain the differences and benefits to discourse analysis as a method, as opposed to more traditional quantitative or qualitative methods. For example, quantitative methods that examine specific indicators or statistics to determine the extent that a concept such as neoliberalism is present in a particular country

take the concept of neoliberalism for granted. Similarly, Phillips and Hardy explain that qualitative studies might utilize ethnographic interviews and participant observation to understand the meaning rather than specific facts about neoliberalism, but still take neoliberalism itself as a given. They see discourse analysis as a different method altogether, one which is more interested in the current meaning of neoliberalism today, and how it might give meaning to a seemingly contradictory set of activities. Discourse analysis is particularly appropriate as a tool to analyze Nicaragua's US-Venezuela-China paradox, as neoliberalism and socialism use very different but equally prominent language and keywords.

### **Contribution to current debates**

While much research in the field of geography uses specific case studies and local or small-scale examples to deepen geographic understanding of a given topic, this dissertation takes a wide view and tackles apparent contradictions in Nicaragua's political economy. This research parses rhetoric from reality in a careful examination of Nicaragua's development paradigm as a paradox of neoliberal development initiatives and socialist ideology. Over the past decade, Nicaragua has entertained substantive allegiances with the United States, Venezuela, and China in order to improve its economic status, and to maintain Daniel Ortega's presidency through multiple terms. This conflict is highlighted as Nicaragua attempts to improve its economic status through economic allegiances in the name of infrastructure improvement, but these allegiances have political motivations as well as human rights implications.

Chapter three, “Imperialism Three Ways: The political economy of Sandinismo 2.0”, expands the discussion surrounding what constitutes imperialism, and how the “new left” in Latin America interprets neoliberalism. Specifically, it addresses the call from the *Cahiers des Ameriques latines*:

“thirty-eight years after the triumph of the original Sandinista revolution, and over a decade after the FSLN’s return to power in 2006, the time is clearly ripe for an evaluation of both the profound transformations undergone by Sandinismo as well as the reality of its impact on contemporary Nicaragua. This special issue will therefore explore both the nature of Sandinismo 2.0, as well as the specificities of a contemporary Nicaraguan political economy that is simultaneously increasingly exclusive and oligarchic in nature, remains integrated within the Bolivarian Alliance for the Peoples of Our America (ALBA), is considered a ‘model pupil’ by the IMF, has become the site for major international infrastructural investments, is increasingly authoritarian, but is also the site of a diverse array of varied forms of social protests. As such, it hopes to explore the relationship between revolution, political mobilization, and global and local political economy.”

Chapter four, “The Political Economy of Energy Development in Nicaragua,” addresses the apparent conflict between Nicaragua’s embrace of neoliberal funding for renewable energy development and Venezuela’s financial support via subsidized oil. Many studies analyze Nicaragua’s renewable energy initiatives from various perspectives (Negri 2013, Rebane and Barham 2011, Jacobs et al 2013, Brunnschweiler 2010). Other literature examines Nicaragua’s growing ideological and economic ties to Venezuela and its oil resources (Wilm 2011, Perla and Cruz-Feliciano 2013). This chapter will contribute to the body of research on political economy among the “New Left” in Latin America. It also makes a meaningful contribution to energy geography and political economy within geography.

Chapter five of this dissertation addresses JLAG's call for more overtly critical geography, specifically that "critical Latin Americanist geography must be .... committed to the disassembly of unequal power structures throughout the region" (Finn and Hanson 2016). It also addresses this special issue's request for "inquiries into the forms of agency exercised by multiple actors constituting China-Latin America/Latin America-China relations wherever they occur." Specifically, this article will address "economic geography – trade, politics, and differing models of state-capital relations" and political geography and geopolitics via "competing hegemonies within Latin America and the Caribbean" using the Nicaragua canal as a case study.

Chapter 6 contributes a chapter to a book that will be

"the first of its kind to cover a broad range of civil resistance campaigns that have taken place in contexts of violent conflict in Latin America. Only few books (e.g. Kaplan 2017b; Barter 2016; Hernández 2004, 2012; Hernández and Salazar 1999) focus on civil resistance in contexts of violent conflict, and these only cover a limited number of cases, all in situations of armed conflict. More generally, to our knowledge, no book on civil resistance focuses specifically on Latin America, despite its wealth of experiences of nonviolent struggles." (Hernández and Mouly 2017).

The intention of this book is to unique contributions to scholars in the field and to practitioners of such initiatives. Specifically, it hopes to compare the different experiences of civil resistance that have occurred in nine countries in the region, and draw lessons learned. Each chapter examines the ways in which civil resistance has taken place, and challenges and influencing factors to the outcomes of the civil resistance.

## CHAPTER 2 – THEORETICAL FRAMEWORK AND BACKGROUND

### **Theoretical Framework**

At its core, this dissertation attempts to understand the drivers behind the decisions the current Ortega administration has made regarding Nicaragua's development. Each of the chapters analyzes the discourse surrounding Nicaragua's economic development using specific case studies, including Venezuela's financial support of Nicaragua between 2007-2013, and China's investment in the proposed interoceanic canal. Because Ortega uses strong socialist rhetoric while maintaining neoliberal development policies, it is prudent to examine the prevailing development paradigms. Many recent scholars suggest that 21<sup>st</sup> century socialism, or the emergence of the "New Left" in Latin America indeed embodies both socialism and neoliberalism.

Debates between German and Austrian economists in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries resulted in political economic theories that ultimately spawned neoliberalism (Peet and Hartwick 2009). Neoliberalism is the current prevailing development paradigm for most of the world, and comes with its requisite critics and advocates. David Harvey (2005) defines neoliberalism as a theory of political and economic practices that seeks to advance development by promoting entrepreneurship within an institutional framework

founded on private property rights, free markets, and free trade. Milton Friedman was crucial in promoting the neoliberal economic model adopted by the Reagan administration in the 1980s. Neoliberalism promulgated through Latin America via Chile and students who were educated in neoliberal principals at the Chicago School of Economics and became advisors to the Chilean government along with Milton Friedman during the dictatorial Pinochet regime.

By the early 1990s, John Williamson of the Institute for International Economics had coined the term “Washington Consensus” to describe the set of policy reforms debtor countries in Latin America needed to undertake in order to gain control of their financial situations. These policy instruments include fiscal discipline, reducing public expenditures, tax reform, market-determined interest rates, competitive exchange rates, trade liberalization, encouraging foreign direct investment, privatization, deregulation, and secure property rights (Peet and Hartwick 2009). The International Monetary Fund and World Bank enabled these reforms by providing loans for development projects; however this created a culture of heavy indebtedness amongst developing countries. In the early 2000s, the Millennium Development Goals were established as part of the augmented Washington Consensus by the United Nations Development Program to reduce extreme poverty and provide basic human rights including shelter, education, health, and security. The UNDP does not administer funding to help countries meet these goals, rather funding for debt relief from the IMF, World Bank and other international donors target projects related to these goals.



Jeffery Sachs is another vocal advocate for the neoliberal model; though over time he has softened his position. Sachs has questioned why Latin America seem poised to take the development leap 100 years ago; while still boasting the same levels of underdevelopment at the turn of the 21<sup>st</sup> century. Sachs criticizes the region's poor record for innovation, and the ability to develop and absorb technology; as well as a lack of competitiveness or integration into the world economy, and poor legal and regulatory frameworks for business. He also links weak economic growth to weak public institutions and governance. Sachs cautions that success is dependent on each country's ability to tackle all of these challenges at once; a tall order for many countries.

In addition to the reasons listed above, Sachs relies on environmental determinism to explain away this pervasive underdevelopment. Sachs has also made the argument that over a billion people (one fifth of the world's population) are still too poor to take the first step on the ladder out of poverty, a situation that the developed world should address. He outlines his thesis in his 2005 book, *The End of Poverty: Economic possibilities for our time*. Harvard economic historian David Landes uses a similar approach in his influential book, *The Wealth and Poverty of Nations: Why some countries are so rich and some are so poor* (1998). Both of these popular books provide a contemporary defense of the modernization theory, which basically promotes European exceptionalism and environmental determinism.

Neoliberalism may be the prevailing development paradigm of today, but it is not without critics on many levels. Political scientist Richard Harris (2008) sees the recent

movement against neoliberalism and globalization (especially in the more left-leaning Latin American countries) as an opportunity for stronger civil society and better regional integration. He views the neoliberal development agenda imposed by the US, transnational corporations, and international financial institutions (namely the IMF, World Bank, and IDB) as the main factors responsible for lagging economic, political, and social development in Latin America and the Caribbean (Harris 2008).

Geographers such as Richard Peet and Elaine Hartwick are also staunch critics of neoliberalism. They reject the ideal that privatization, markets, and optimal pricing can solve all problems, claiming that economics is paralyzed by its socially restricted vision and simplistic assumptions of human behavior. They also state that the motivation to provide development aid should not come from a desire to prevent terrorism or modernize countries; rather it should stem from the critical understanding that the extreme wealth of the few has caused the extreme poverty of many. They believe that Western imperialist expansion destroyed civilizations that were otherwise doing well, and development aid should be seen as reparations for past damage (Peet and Hartwick 2009).

Geographers Diana Liverman and Silvina Vilas (2006) examine the neoliberalization of environmental issues in Latin America and find that results are mixed. Some places have benefited from neoliberal policies while other places have seen the political volatility of neoliberalism on social and environmental issues. The lack of detailed and balanced case studies makes ultimate success difficult to judge. Liverman and Vilas conclude that there is little evidence that neoliberalism protects the

environment in Latin America, nor is there evidence that state regulation and common ownership would be affordable or effective management techniques in a global economy. Geographer David Harvey is also a staunch critic of the neoliberal model; understandably since he is one of the most prolific proponents of Marxist theory today.

Marxism implies collective social control over the development process and is a philosophy of social existence (Peet and Hartwick 2009). For Marx, development was a process of capital accumulation occurring unevenly over class and space, and was a contradictory (and at times violent) process due to the necessity of exploitation and competition to achieve development. Further, economic development for Marx happens by building up the forces of production such as tools, machines, infrastructure, and human labor. Marx developed these ideas in the mid 1800s, but they did not emerge as prevailing political models until socialism gained traction in the early and mid 1900s.

Marxism provides the basic foundations for socialism, which implies state ownership of means of production, such as infrastructure and natural resources. Socialist states are supposed to be controlled democratically by citizens and their economies based on cooperation instead of competition, with economics and resources collectively managed by the state for the benefit of the majority (O'Lear 2006). Socialist principles are the direct opposite of neoliberalism's emphasis on decentralization and privatization. Latin America is seeing a resurgence of socialist governments as a direct reaction to failed neoliberal development policies and perceived US imperialism in the region.

Venezuela, Ecuador, Bolivia, Nicaragua, and El Salvador all have turned to increasingly leftist development models and government systems in recent years.

Marxist geography began to emerge in the mid-1970's, with Richard Peet calling for more attention to societal contradictions and awareness of the Marxist principal of inevitable inequality in a capitalist society (Peet 1975, 1979). Harvey (1979) showed how ideology could influence the character of place, and Nicaragua is a prime example of this. In fact, David Harvey is one of the most influential human geographers and founders of Marxist geography, which warrants a closer look at his career and publications. In 1969, Harvey published *Explanation in Geography*, which was an important geographic methods and philosophy work. In 1973 he published his first major work with a Marxist bent, *Social Justice in the City*, which examined the injustices of capitalism as related to urbanism. *Limits to Capital* (1983) solidified his Marxist perspective and looked for ways to account for capital accumulation over time and space. The *Condition of Postmodernity* (1989) identified flexible accumulation in contemporary capitalism (Toscano 2007). *Justice, Nature, and the Geography of Difference* (1996) focused on social and environmental justice. In 2003, he published *The New Imperialism*, in response to the Iraq war, followed by *A Brief History of Neoliberalism* (2005), and in 2010, *The Enigma of Capital* addressed the current economic crisis.

The 75<sup>th</sup> anniversary issue of the *Annals* in 1979 highlighted Marxist geography, as ideology and politics had become an overt theme in geographic publications (Kobayashi 2010). The prevalence of Marxism garnered much debate in the early 80's,

after King's (1979) call for more discussion and debate between humanistic and Marxist geographers. This prompted a long debate published in the *Annals* critiquing structural Marxism in geography (Duncan and Ley 1982). This led to the poststructuralist model that prevailed in the 1990s. Kobayashi (2010) explains poststructuralism as a perspective that recognizes structure as a product of human actions, and rejects environmental determinism – effectively blending the ideas of humanist and Marxist geographers. The most important outcome of this movement has been the emphasis on analyzing the ways that people create difference through economic, social, political, and cultural practices (Kobayashi 2010).

Dependency theory stems from the idea that European and US development was predicated on the active underdevelopment of the global south (Peet and Hartwick 2009). Andre Gunder Frank (1989) elaborates on dependency theory and posits that it is essential to understand how past economic and social histories explain underdevelopment in many countries. He dismisses the “dual society” thesis where underdeveloped countries have one part that has been positively affected by the capitalist world, and the other part remains isolated, and subsistence-based; or “precapitalist.” Rather, he suggests that capitalism has reached even the most remote corners of the globe and that uneven development can be ascribed precisely to the historical development of the capitalist system. Ilan Kapoor (2002) uses both dependency and postcolonial theory to explain underdevelopment in Latin America. Like Frank, he claims that Latin America was ‘undeveloped’ in pre-colonial times, but was ‘underdeveloped’ as soon as capitalism arrived. However, Kapoor evokes postcolonial theory’s shortcomings to highlight

dependency's strengths, and vice-versa. While dependency adopts a modernist framework that is totalizing and ethnocentric, postcolonial theory inadequately analyzes socioeconomic inequality promulgated by capitalist modernity.

The United States' distaste for socialism during the cold war era led to what may be explained as neo-imperialism. Political realists such as Joseph Tulchin and Jorge Dominguez explain how the United States intervened in Latin America's development for political purposes, particularly during the Cold War. Tulchin (1998) argues that the events of the 1960s, particularly the Alliance for Progress and the Cuban Missile Crisis, challenged the previously held Monroe Doctrine-esque policies of laissez faire Latin American Policy. The US was extremely sensitive to the rise of dictatorships - and therefore Soviet influence - in Latin America in the 1950s. The United States perception that their model was respected by all nations was shattered when Richard Nixon was stoned during a visit to Venezuela. In response, the US launched the first iteration of what arguably became the Alliance for Progress, based on the belief that economic development and democracy go hand-in-hand. In spite of increased attention and development funding (which Latin America had been after since the end of WWII); the 1960's ended with the Cuban Missile Crisis, highlighting just what a strong role the Cold War played in US – Latin America relations.

Jorge Dominguez (1999) argues that during this time, “ideological considerations acquired a primacy over US policy in the region that it had lacked at earlier moments.” Dominguez argues that US policy was illogical in that the instruments chosen to

implement US policy were often disproportionate, costly, and inappropriate to the goals sought. This specifically refers to the numerous times the US intervened in various countries to overthrow perceived dictatorships (or administrations perceived as a threat to US interests in the region), seen as a type of neoimperialism by Peet and Hartwick (2009). Undoubtedly, this interventionist stance has left a lasting scar on US-Latin American relations. The current iteration of the Alliance for Progress can be seen through USAID presence, in spite of resistance from many left-leaning countries. The US continues to fund “regional security initiatives” through Plan Colombia, the Merida Initiative, and the Caribbean Basin Security Initiative as a way to keep a proverbial iron in the fire.

### **Political Economy for Nicaragua**

In order to undertake megaprojects such as interoceanic canals or energy supply reform, politics and economics must conspire to enable these types of massive investments that have broad impacts on local people as well as national economic interests. The framework of political economy encompasses development theories such as political realism, regionalization, and neoliberalism (Cohen-Tanugi 2007, Jilberto and Mommen 1998, Sachs 2005). Political economy is the most appropriate lens with which to examine energy and trans-oceanic canal development in Nicaragua because political agenda coupled with financial considerations are the key drivers to major energy policy and infrastructure development. While it might also be prudent to examine Nicaragua’s energy and infrastructure development through a political ecology lens, given the implicit

environmental impacts megaprojects and energy infrastructure carry, financial concerns speak louder than environmental concerns. In fact, the theoretical framework of political ecology was borne from the larger lens of political economy. Before writing the seminal political ecology book *Liberation Ecologies* (Peet and Watts 1996) Richard Peet and Nigel Thrift edited *New Models in Geography: The political-economy perspective*, published in 1989. Peet and Thrift's two-volume work is a compilation of articles that reflect models of political economy within geography and include topics such as new models of environment and resources, new models of uneven development and regional change, and new models of the nation, state, and politics.

In discussions surrounding Nicaragua's development, two models prevail, namely neoliberalism and socialism (Tatar 2009, Wilm 2011, Perla and Cruz-Feliciano 2013). David Harvey (2005) defines neoliberalism as a theory of political and economic practices that seeks to advance development by promoting entrepreneurship within an institutional framework founded on private property rights, free markets, and free trade. Critics (Tatar 2009, Wilm 2011) argue that failed neoliberal policy driven by the United States' hegemonic influence is responsible for Nicaragua's lack of development and recent return to more socialist ideals and policy. That neoliberalism is being blamed for Nicaragua's development failure is not unique, but Nicaragua's political climate over the last several decades is quite remarkable compared to other developing countries. Marti and Close (2012) explain that Nicaragua's case is outstanding not only for its pluralistic revolutionary government, but also its return to democracy in 1984 and acceptance of electoral defeat in 1990. That the revolutionary FSLN (Sandinista) party returned to



power with Daniel Ortega's election in 2007 make Nicaragua's politics all the more remarkable.

While the 1979 revolution is described as a reaction to increasing American presence in Nicaragua, the decades since have been a delicate balance of neoliberal and socialist political paradigms, switching with the winds of the economy and will of the people (Tatar 2009, Wilm 2011). Ortega's return to power in 2007 reflected a regional shift towards socialist governments, with the large personalities of Hugo Chavez and Evo Morales setting the tone for Latin America. Ortega came back into power embracing the economic policies of neoliberalism and the social policies of socialism, claiming to think with both his head and heart (Marti and Close, 2012).

### **The Political Economy of Megaprojects in Nicaragua**

Bent Flyvbjerg (2003) identifies the multibillion-dollar large-scale infrastructure project as a new political and physical presence in all parts of the world. These megaprojects include many types of large-scale infrastructure projects including transportation, energy, and water systems. These projects are large not only in physical size, such as a massive dam or port, but also tend to transform space and create new mobilities such as telecommunications lines, transportation networks, or energy transmission. Flyvbjerg posits that these projects have led to the "end of geography" and now form a utopian "Zero-Friction Society" where people, goods, energy, information, and money can cross previously prohibitive time and space with unprecedented ease.

Flyvbjerg (2003) cautions that this new and improved world is not without its flaws. Megaprojects inherently suffer from various risks including cost overruns, unrealistic expectations of benefits, and disregard for potential environmental and social issues. Gunton (2003) suggests that megaprojects are undertaken in spite of potential failure because of errors in evaluation methodology and interest group motivations for regional resource development. Flyvbjerg suggests four methodological improvements for managing megaproject risk, including decision-making transparency, performance specification, utilizing regulatory regimes, and transferring risk to private capital. This dissertation shows that the Ortega administration has not managed megaproject risk well, particularly in relation to the proposed interoceanic canal. The lack of transparency, realism of performance, and legal ramifications of the canal concession have been roundly criticized by outside observers and Nicaraguan activists.

Nicaragua has a long history of conceptualizing projects such as canals, dams, and even a space satellite to various degrees, but never realizing their success. However, Nicaragua has successfully implemented several megaprojects such as renewable energy infrastructure, free trade zones, and dams. US interests and the neoliberal development model have historically motivated major infrastructure projects in Nicaragua. Now, China and Venezuela are increasingly present financially and ideologically in Nicaragua. This research examines the political economy of megaprojects such as energy infrastructure and the proposed canal to better understand if Nicaragua's political interests with the US, World Bank, private investors, and general neoliberal development policies are main

drivers; or whether Nicaragua's socialist ideology and Venezuelan and Chinese economic support play a greater role in megaproject development.

## **Feminist Geography**

Feminist geography came into focus in the *Annals* after 2000, with a few notable exceptions in the late 1990s. Susan Hanson called for more feminist research in human geography in her 1992 presidential address. Victoria Lawson emphasized the feminist perspective that geography includes an ethic of care and responsibility in research methods and subject in her 2007 presidential address (Kobayashi 2010). By the end of the 20<sup>th</sup> century, one of the most striking changes in human geography was the expansion into looking at why and how, in addition to the more traditional, inventory dominated activity of simply exploring what and where (Golledge 2002). Kobayashi (2010) sees current human geography enhanced by rigorous economic, political and social theories to help explain the relationship between people and place. This dissertation attempts specifically to address the why and how of Nicaragua's development, and relies on the theoretical framework of feminist geography, specifically when analyzing the resistance movement towards the interoceanic canal in Chapter 6 (Moss 2002, Nelson and Seager 2005, and McDowell 1999).

## **Origins of Sandinismo**

The following chapters of this dissertation are based on the understanding that the current Ortega administration's policies deviate significantly from the original tenets of Sandinismo that inspired the 1979 revolution. Thus, a more in-depth examination of Sandinismo is warranted as context for the subsequent chapters.

The origins of the Sandinista movement in Nicaragua can be traced back to the United States' long history of intervention in the country. The United States' first overt attempt at intervention came when American adventurer William Walker took advantage of internal political struggles between liberals and conservatives in Nicaragua in 1850, and declared himself president. Popular resistance and a Central American army ultimately defeated Walker, but the US returned in the early 1909 to overthrow liberal president Jose Zelaya, replacing him with conservative Adolfo Diaz (Booth 1985). This marked the start of the US's military occupation and Nicaraguan banks, railroads, and customs office were given to American bankers (Zimmerman 2000). In 1914, the Bryan-Chamorro treaty gave the United States eternal rights to build a canal across Nicaragua, and the never ratified Castillo-Knox treaty effectively outlined US financial control over Nicaragua for decades to come (Booth 1985). This effectively weakened the Nicaraguan government and intensified fighting among liberal and conservative factions. In 1927 the US government, ever fearful of socialism, brokered a peace treaty between liberals and conservatives that kept the conservatives in power for the time being, but allowed for liberal victory if free and fair elections were held down the road. All but one liberal

general involved in the negotiations signed the peace treaty, and that general was the Augusto Cesar Sandino.

Augusto Sandino's formative years were spent with his father (an ardent liberal) and taking different jobs across the region. His populist and idealist ideology solidified while working for a petroleum company in Mexico. He was never fully Marxist; his main driving conviction was that the United States had no right to invade a small country and dominate it (Booth 1985). He returned to Nicaragua in 1926 to fight with the liberal cause. No one took him seriously at first, but he was able to gather a force of guerrilla fighters that continued to battle the US marine occupation over six years, after all of the other liberal generals had declared a truce. Sandino's success gained him support in Nicaragua, and made the American military occupation increasingly unpopular in the US, ultimately leading to the withdrawal of US troops in 1933 amidst a very grim global economic situation.

Anastasio Somoza Garcia was installed as head of the US trained Guardia Nacional, and quickly began to dismantle the neutrality that the US so carefully tried to instill in the military. Because Somoza was a liberal, and appointed as the head of the most powerful element in a weak state, he had to gain the trust of the majority conservative National Guard higher-ups. To do so, Somoza ordered Sandino's assassination in 1934. While Somoza was able to wield his power into a 46-year family run dictatorship, many are critical of Sandino's lack of greater ambition. However, Booth (2000) posits that Sandino wasn't motivated by anything other than stopping United

States intervention in Nicaragua, a goal he achieved when the marines retreated in 1933. Booth also maintains that Sandino's rebel movement wasn't guided by a specific ideology or strong organization, making Sandino the ultimate tragic figure whose efforts were ultimately overcome by powers common to Nicaragua's political history including conspiracy, ambition, and betrayal.

### **Sandinismo 1.0 and the origins of the FSLN**

Sandino's assassination elevated his national hero status to the highest level, and his memory and general ideology was resurrected when Carlos Fonseca used his example to ultimately inspire a revolution against the Somoza regime, which was in power until 1979. Carlos Fonseca became increasingly interested in Marxism and joined the Communist party as a teenager in the early 1950s. He wrote for the party's newspaper, promoting it around Matagalpa, and was particularly concerned with the poor living conditions of the working class. Much dissatisfaction with the Somoza dynasty stemmed from its close embrace of U.S. imperialism. Fonseca recruited members into the first student-only Communist party organization, but was never truly enamored with pure Communist teachings; at this point he still believed in non-violence and more moderate Marxist approaches. By 1959 he published a book, *A Nicaraguan in Moscow*, detailing his experience as a delegate to a Communist youth convention. This book was strikingly dissimilar to later publications, as it openly accepted the Nicaraguan Communist party's assertion that the country needed a long process of organized labor reform rather than a

revolution; it didn't mention Sandino, and it openly praised the USSR (Zimmerman 2000).

The Cuban revolution garnered much excitement amongst Nicaraguan opposition to the Somoza regime. Fonseca became particularly interested in what was happening in Cuba and joined an early, Cuban-backed guerrilla movement to overthrow Somoza. However, Fonseca was nearly killed due to poor leadership, and learned a great deal about the leadership required to lead a successful revolution. While this experience solidified his commitment to Che Guevara's revolutionary guerrilla movement, it also caused him to ultimately break ties with the Nicaraguan Communist party and start his own in 1962, the Sandinista National Liberation Front (Frente Sandinista de Liberación Nacional), or FSLN. Fonseca was adamant that revolution could not occur without an armed struggle, while the Nicaraguan Communist party disagreed. The Nicaraguan Communist party and the FSLN were in competition throughout the 1960s and 70's, with the Communist party condemning the FSLN as suicidal adventurers (Zimmerman 2000).

Fonseca's interest in Sandino was solidified at this time as well. Cuba had a revolutionary ideologue in Jose Marti, and the Cubans were aware of Sandino's revolutionary accomplishments. During the early 1960s, Fonseca worked hard to differentiate the FSLN from the Nicaraguan Communist party, but it failed to adopt a clear Marxist/Leninist ideology early on. In 1967, the National Guard shot and killed 100 of 50,000 anti-Somoza demonstrators, prompting a FSLN guerrilla operation (Zimmerman 2000). By the late 60s, Fonseca was encouraging FSLN student groups to

take up a clear Marxist ideology and to become more revolutionary rather than sit idly watching the efforts of the FSLN in the field. It is important to contextualize that the FSLN was not nearly as powerful as the non-revolutionary, reform oriented anti-Somoza student movement in Nicaragua, throughout the 1960s.

In 1969, the FSLN adopted Hora Zero and the Programa Historica, outlining for the first time a set of clear ideology and demands, on which the 1979 revolution would ultimately be based. Main points included overthrowing the Somoza dictatorship and guarantee basic democratic rights, repatriating the Somoza dynasty's sizable assets to the Nicaraguan people, ending US interference in Nicaragua, and replacing the National Guard with a more neutral militia. The Programa also demanded land reform on a massive scale, and social reform programs including basic education, social security, anti-discrimination of women and minorities, and fair labor practices.

Fonseca then turned his attention to cultivating the image and ideology of Augusto Sandino into a motivator and guide for the FSLN's ultimate revolution, and published five major texts on Sandino between 1970 and 1975 (Zimmerman 2000). He emphasized Sandino's actions and his class-oriented and nationalist writings to appeal to students and farmers who identified with Sandino as a fighter, to bolster his ideological stance with other members of the FSLN leadership, and to further distinguish the FSLN from the Communist party's idea that socialist revolution was impossible in the near future. The early 1970's also marked growing factionalism amongst the FSLN itself, and the party broke into three separate political groups: the Prolonged People's War



Tendency (Guerra Prolongada Popular, GPP), the Proletarian Tendency (Tendencia Proletaria, TP), and the Insurreccional or Third Tendency (Tendencia Insurreccional, TI) (Zimmerman 2000).

It is important to note that Fonseca and other FSLN leaders spent much of this time exiled from Nicaragua, or in jail; organizing from a far, which further hindered the strength of the FSLN within Nicaragua. The GPP was the only faction that had leadership still in Nicaragua, and Daniel Ortega was a secondary leader in the TI. Fonseca himself was exiled in Havana and did not directly ally with any of the three groups; the groups' differences were ultimately hard to distinguish. Tensions were growing after the Somoza regime's misappropriation (or theft) of recovery aid after the 1972 earthquake. The bourgeois opposition also began to solidly question the Somoza regime after its harsh crackdown after the FSLN took hostages in 1974. Somoza launched a wave of terror in the countryside, including bombing, burning, and napalming villages; disappearances; rapes; and concentration camps - resulting in over 3000 deaths. Fonseca had always been determined to return to Nicaragua to lead guerrilla troops and mend the divide within the party. He succeeded in returning in 1975 and had to stay in hiding wherever he was. Carlos Fonseca was killed by a National Guard ambush in the mountains in 1976.

### **Sandinismo after Fonseca**

Fonseca's death left the Somozas elated and the rest of the country in disbelief. The guerrilla forces in the mountains had dwindled to only 11 troops and the TI

leadership was the strongest remaining faction of the FSLN (Zimmerman 2000). The TI still subscribed to the two-stage theory of revolution, most closely resembling that of the Nicaraguan Communist party. Since the mid 1960s, Fonseca had argued against the idea that the bourgeois must first take control of the country from the dictatorial regime and imperialist influence so that the working class could then gain power. Humberto Ortega, Daniel Ortega, and Victor Tirado were the only functioning members of the TI left on the National Directorate, and as such they assumed control of the FSLN. However, they issued a much more moderate “General Political-Military Platform of the FSLN” in 1977, which gave much attention to Sandino, but only mentioned Fonseca once and failed to include the Cuban revolution at all (Zimmerman 2000). This Tendency was the most politically moderate, but the most militarily aggressive.

Protests against Somoza escalated in 1978 when conservative opposition leader Pedro Joaquin Chamorro was assassinated on his way to work. This time period of Somoza’s repressive tactics also mobilized tens of thousands of young Nicaraguans to join the FSLN, effectively reuniting the party as most people cared about inciting revolution, not debating the finer points of political strategy. In March of 1979, the FSLN officially reunified, bringing three men from each tendency to create a joint National Directorate (Zimmerman 2000). This helped the image that there were only two sides in the conflict – the FSLN versus the Somoza regime, and the United States was unsurprisingly interested in making sure that the FSLN was not left with total control of the government.

The FSLN conceded a role in the post-Somoza government where the bourgeois opposition would be guaranteed a controlling role. The post revolutionary government included Daniel Ortega, Moises Hassan, and Sergio Ramirez from the FSLN; and Alfonso Robelo and Violeta Chamorro from the opposition. Robelo and Chamorro were chosen because they identified with the Sandinista revolution, though Chamorro held her position only briefly. On July 16, 1979 Somoza resigned and fled Nicaragua, and by July 19 the FSLN had taken power. The new government was greeted in Managua with celebrations bearing portraits of Sandino and Fonseca and cheers of Fonseca's name – proving that his revolutionary vision was alive and well in the new Nicaragua (Zimmerman 2000).

### **Sandinistas out of power?**

The FSLN stayed in power until 1990; in spite of the ongoing US-funded Contra war. The Sandinistas realized they needed to hold free and fair elections to keep European aid money and appease the increasingly violent Contra war. However, the civil war's 30,000 casualties, weak economy, and relentless US intervention caused the FSLN's loss of power in the 1990 elections (Kinzer 1991). Ortega recognized his defeat (rare in Nicaraguan history) but promised to continue to fight on and govern from below. Though not in power in the highest ranks of office, the FSLN far from disappeared from the political scene. During the Chamorro administration (1990 – 1996), the Sandinistas used the time to reassert the party's national identity as a revolutionary organization; accomplishing this by staging violent, disruptive protests while making deals with the

government (Close and Marti i Puig 2012). The Chamorro administration also marked a period of aggressive neoliberal economic policies, which ultimately had little success in improving the economy for Nicaragua's poorest citizens (Walker 2003). Interestingly, tourism grew as an industry during these post-Sandinista years, capitalizing on the neoliberal development draw of tourism in a revolutionary country (Babb 2004).

Arnaldo Aleman ruled from 1996 – 2001, thanks to the endorsement of the archbishop of Managua. Aleman had been jailed by the FSLN in the late 1980s, but he was able to find mutually beneficial ways to work with Daniel Ortega. The first joint venture they undertook was settling a law that dealt with real estate expropriated by the revolutionary government. The other issue they addressed, which is still currently functioning, was the foundation of a political Pact to ensure that the Constitutional Liberal Party (PLC) and the FSLN were the only two political parties that would be in power. Basically, the party in power offers the other party smaller power roles, such as guaranteed government jobs. This worked because the opposition party knew that the government would continue to win elections by fraud so the best option was to use the jobs for opposition supporters in order to keep the party alive. Much decision-making between elections was made outside of formal institutions, via negotiations between Aleman and Ortega. The Pact also strengthened the executive office (at the expense of accountability and other branches of government) and turned other government agencies into party strongholds (Close and Marti i Puig 2012).

Even though president Enrique Bolaños was able to convict Aleman of over \$100 million in fraud to the government, he was increasingly at the mercy of Daniel Ortega, though Ortega's power was limited to an assembly seat. The FSLN was at first supportive of the Bolaños administration's pursuit of Aleman, but after pressure from the US, the president began to turn away from the revolutionary party. The Aleman – Ortega Pact had provided for a candidate to be elected president with 35 percent of the vote, allowing an Ortega victory when the two parties divided into four, prior to the 2006 general elections (Close and Marti i Puig 2012). The two new parties included the Sandinista Renewal Movement (Movimiento Renovador Sandinista or MRS) on the left, and the Nicaraguan Liberal Alliance (Alianza Liberal Nicaraguense or ALN) on the right. Both opposed the Aleman – Ortega Pact.

The Movimiento Renovador Sandinista movement (MRS) only received 6 percent of the 2006 vote, but is still a visible force (Close and Marti i Puig 2012). A founding member, Sergio Ramirez, was put forth as the MRS candidate in the 2008 election, but Ortega's FSLN party declared it illegal for the MRS to have a candidate in the election. Wilm (2011) found that the MRS is mostly used as a party for Nicaraguans who still identify with the FSLN, but do not like Daniel Ortega for various reasons. The MRS of today does not seem to have a cohesive ideology; rather it can serve as a refuge for Nicaraguans seeking an alternative from "Danielismo." Indeed, Daniel Ortega has taken increasing credit for his role in the Sandinista revolution and is featured in an overly prominent role in the Museum of the Sandinista Victory. His picture is displayed on billboards across the country, alongside pictures of Sandino. In an LA Times interview,

Sergio Ramirez says that it is like all other contributors to the revolution have been erased (Wilkinson 2010). It is common to hear Nicaraguans talk about Danielismo rather than Sandinismo, due to the leader's cult of personality and the fact that Ortega's version of Sandinismo has strayed from Fonseca's original vision. Tatar (2009) describes how social memories can produce a dominant political language.

### **Current Sandinismo**

The FSLN's return to power in 2007 came at a time when the US's neoliberal-driven Washington Consensus was waning and the US's attention was elsewhere. The Sandinista's reelection was also part of the broader Bolivarian movement led by Venezuela, and Hugo Chavez was able to help finance the FSLN's victory. In returning to office, Chavez did not completely nationalize all industries, preferring instead to allow for free market competition in most areas. He did, however implement new social programs and has embraced an actively redistributive social policy. The first part focused on poverty alleviation by implementing anti hunger, unemployment and usury programs. The second part was to eliminate all user fees for schools and hospitals, though the government failed to budget for these ends. While the programs might be well conceived, the Ortega administration appears to be administering them to maximize partisan goals rather than development (Close and Marti i Puig 2012).

While he was administering social redistribution programs, Ortega was embracing the same neoliberal economic policies his conservative predecessors had implemented

since 1990. This includes participation in the Central American and Dominican Republic Free Trade Agreement (CAFTA-DR) and accepting aid money from the IMF, World Bank, and bilateral donors such as the United States and European countries. Financing from Venezuela has been accepted with open arms, particularly related to subsidized oil and social programs, but Ortega has become particularly vocal in aligning with Venezuela's socialist ideology. Close and Marti i Puig (2012) estimate that the amount of financial support that Nicaragua gets from just one of several cooperative agreements it has with Venezuela amount to more than the entire aid contributions of western governments, combined. This financial support allows Ortega to be less careful with his bellicose, anti-US, anti-imperialist rhetoric and to align his foreign policy with more socialist, like-minded states such as China, Cuba, Libya, Iran, Boliva, and Ecuador.

Indeed, Nicaragua is an active member in Venezuela's Bolivarian Alliance for the Peoples of Our America (ALBA), which was conceived as an alternative to the United States' proposal of a Free Trade Area of the Americas in 2003. ALBA currently acts as a trade alliance between ideological allies in the region including Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Nicaragua, Saint Vincent and the Grenadines and Venezuela. ALBA has even proposed its own currency to more easily facilitate economic integration among the block. Nicaragua has recently signed another trade agreement to solidify its allegiance with ALBA even after the death of Hugo Chavez (Rogers 2013). The agreement, known as ECOALBA-TCP, "the peoples trade treaty" is supposed to promote more economic integration, cooperation, and fair trade between ALBA countries. It also promotes protectionism, economic sovereignty, and the strong role of

the state, and denounces other trade agreements as “capitalist and vile” (Rogers 2013). In spite of this, Nicaragua continues to be an active participant in trade with the US under CAFTA-DR.

This newfound confidence in his financial and ideological relationship with Venezuela has allowed Ortega to advance rhetoric promoting various projects and initiatives such as an oil refinery and shipment point on the Pacific Coast. Because Nicaragua’s financial relationship with Venezuela does not require strict accountability with funding, Ortega has not been pressured to make these kinds of big promises reality. This financial security has also allowed Ortega to use harsh rhetoric against the United States, threatening to expel US-funded aid projects and denouncing US imperialism, while in reality taking the necessary steps to avoid actually jeopardizing his political or financial relationship with the US. Most importantly, Venezuelan financing has allowed Ortega not only the means by which to endear himself to the majority of Nicaraguans who continue to live in poverty, through social programs that provide roofing materials or literacy campaigns; but also has financed his ability to re-write the constitution to allow for consecutive terms as president.

Upon his return to office, Ortega declared that his heart was with the left, but because he is responsible, his head is to the right (Close and Martí i Puig 2012). Perla and Cruz-Feliciano (2013) offer a theory explaining the apparent contradictions in policies and rhetoric versus realized actions. They explain that from a political standpoint, the domestic opposition confuses the Sandinista party’s tactical decisions with their more



strategic objectives. Also, critics from the left feel that the party's revolutionary roots should be more political than social. Instead, they claim that the new version of socialism currently playing out in Nicaragua is best seen as a risk-adverse approach, where a progressive stage of capitalism is necessary to transition fully to socialism by maintaining positive relationships with the United States and local elites while diversifying regional and international financial support in order to maintain social reforms. Perla and Cruz-Feliciano (2013) cite Nicaragua's participation in CAFTA-DR, criminalization of abortion, and reservations about international observation of elections as examples of where this contradiction is most visible.

Even since Hugo Chavez died in 2013 and Venezuela spiraled into an economic and humanitarian crisis, Daniel Ortega has maintained close ties with Chavez's successor, Nicolás Maduro. While Venezuela is unable to provide such robust economic and in-kind support to Nicaragua, the two leaders have maintained their strong ideological alliance. In 2016, Ortega secured a third consecutive term in elections that were roundly criticized as irregular, and were not open to international observers. The Ortega regime is accused of becoming increasingly autocratic as Ortega's wife, Rosario Murillo, was named vice president. While Ortega is a polarizing figure, particularly among elite members of the original FSLN, his popularity remains unwavering amongst a base of the Nicaraguan population. Supported by Venezuelan financing, and a careful balance of socialist and neoliberal economic development policies, Ortega has been able to grow the Nicaraguan economy at a rate of five percent – double the average for the rest of Central America. Thus, this dissertation examines the environmental and social

implications of paradoxical economic ideologies in post-revolutionary Nicaragua via the political economy of Sandinismo 2.0.

CHAPTER 3 – IMPERIALISM THREE WAYS: THE POLITICAL ECONOMY OF  
SANDINISMO 2.0



Figure 1: An image of former Venezuelan President Hugo Chavez in Managua, alongside some of 150 “Trees of Life,” a public art installation designed by Nicaraguan President Daniel Ortega’s wife, Vice President Rosario Murillo. The trees were funded by money from Venezuela. Photo credit: Lindsay Fendt/The Tico Times

*“Imperialism does not grow without a moral base of support within the very populace in which it has its tentacles.”* Augusto Sandino, 1933 (Gobat 2005, from Belausteguigoitia 1933).

Rhetoric surrounding imperialism has helped to define the political economy of Sandinismo 2.0 in Nicaragua. The FSLN's return to power in 2007 was predicated upon Daniel Ortega's anti-imperialist rhetoric condemning US involvement in Nicaragua. Anti-imperialism has been a driver for change in Nicaragua, from William Walker's invasion in the 1850's to Augusto Sandino's revolt in the 1930's to the 1979 revolution. However, Ortega's selective interpretation of the concept of imperialism has been paradoxical; he has vocally rejected American "imperialism" and neoliberalism while embracing free trade and development assistance from the US, World Bank, and IMF. Ortega has simultaneously embraced other countries' imperialist practices – primarily Venezuela's financial support of Nicaragua through massive oil subsidies, and China's pledge to invest billions of dollars in an inter-oceanic canal. These alliances have had and will continue to have profound implications on Nicaragua's development.

The idea of imperialism encompasses politically and conceptually distinct modes of understanding global power and economy (Phillips 2011). Imperialism often refers to the increase of western hegemony and the spread of the United State's cultural influence over other regions throughout the 19<sup>th</sup> and 20<sup>th</sup> centuries; Grandin (2006) describes "new imperialism" as the United States exerts so-called soft power into the 21<sup>st</sup> century after two centuries of overt interventions through either direct or proxy force, militarily and politically. It is true that the idea of imperialism is becoming more widely used in the mainstream - from media outlets, to the political elite, to private citizens (Phillips 2011). However, the application of this term tends to be in the negative – focused at old colonial

powers who are current economic powers – and ignores the new imperialist players, as illustrated by Daniel Ortega’s selective interpretation of the concept of imperialism. Cockcroft (2004), Grandin (2006) and others define neoliberal globalization as imperialism, and Daniel Ortega – at least rhetorically – agrees with this definition. The embrace of neoliberal economic policies by every US administration since Ronald Reagan has become a pillar of international development strategy and a condition of loans from international financial institutions, often with negative consequences for receiving countries. Thus, neoliberalism is blamed as a harbinger of failed economic policy pushed by the west, and ultimately viewed as another type of imperialism, particularly among left-leaning Latin American countries in the 21<sup>st</sup> century. However, Ortega fails to acknowledge that his more recent allies, Venezuela and China, have been fully engaged in economic imperialism, and manipulate Nicaragua’s politics, economics, and sovereign territory to varying degrees to meet their respective ends, just like the United States.

There is a wide body of literature analyzing the resurgence of the left in Latin America, dubbed 21<sup>st</sup> Century Socialism, the New Left, or the Pink Tide (Perla and Cruz-Feliciano 2013, Walker 2011, Wilm, 2011). There is also considerable discussion among academics surrounding whether or not we have entered an era of “post- neoliberalism” or “inclusive neoliberalism” (Yates and Bakker 2014; Petros Spanakos and Patoulas 2017; Rucker 2009; Bebbington and Humphreys Bebbington 2011). Calderon (2008) offers political-economic ideologies that characterize the variations in post-neoliberalism in Latin America. Notably, two of the four ideologies explicitly include “anti-imperialism”

as a pillar. Yates and Bakker (2014) assert that these categories are not adequate descriptors of post-neoliberalism in Latin America because they ignore existing social formations and institutional dependency. Nonetheless, these ideologies focus on rhetoric and policy and are therefore useful in encompassing the varying forms that the New Left has transitioned towards from traditional neoliberal politics. Yates and Bakker mention Nicaragua's case only once in their analysis of post-neoliberalism, however Ettliger and Hartmann (2015) provide an exhaustive deconstruction of whether or not post-neoliberalism is an appropriate description of the political economy of the new left in Latin America, and use Nicaragua as a case study. They find that "contemporary governance in Nicaragua is persistently neoliberal while entangling post-neoliberal with liberal discourses and as well as the socialist adherence to the principle of equality" (Ettliger and Hartmann 2015). I argue that rhetoric matters immensely in the characterization of the New Left, and their adoption of "post-neoliberalism," particularly in the case of Nicaragua, and Daniel Ortega's selective interpretation of the concept of imperialism. Ettliger and Hartmann (2015) argue that the Ortega administration deploys socialism and solidarity through redistribution programs that are largely discursive, and are actually partisan and ineffective in reality. I argue that Ortega's ability to fund such programs – regardless of their robustness and accessibility – was funded directly by Venezuela, with the express purpose mandated from Venezuela to bolster support for the current Ortega administration. Ensuring Ortega's continued reelection will further Venezuela's agenda to create a socialist trade bloc (ALBA) and serve as a counterbalance to US hegemony in the region, therefore constituting a type of imperialism on behalf of Venezuela. China does not come to Nicaragua with such explicit ideology, but rather is

undeterred by the potential financial risks that such ideology might imply. China is looking to expand its global economic power by controlling a trade route through the Central American isthmus, and Nicaragua is looking for a financial backer after Venezuelan funding ran out. The Ortega administration promotes the job creation and economic growth promised by the canal. The Chinese have received a generous concession to Nicaraguan sovereign territory and revenues from the canal and associated projects. As national folk hero and father of the Nicaraguan resistance to US imperialism Augusto Sandino stated, “Imperialism does not grow without a moral base of support within the very populace in which it has its tentacles”(Gobat 2005, from Belausteguigoitia 1933). Indeed, Daniel Ortega is cultivating imperialist practices from his new allies as he manipulates his base to support his consecutive re-elections financed by overt manipulation of Nicaragua’s politics, economics, and sovereign land by Venezuela and China.

Phillips (2011) states that “Fundamentally, the language of imperialism has been used to politicize debates about contemporary economy, society, and politics,” and Daniel Ortega does exactly this through his specific brand of rhetoric. In fact, his overt rejection of US imperialism and neoliberal practices forms the base of the political platform that allowed him to return to power in 2007. As a former revolutionary leader of the FSLN (Frente Sandinista de la Liberación Nacional), Ortega’s return after 16 years out of power make Nicaragua a prime example of the resurgence of the New Left in Latin America. He brought with him a mode of government that combines characteristics described by Calderon (2008) including charismatic leadership, anti-imperialism, and a

pragmatic relationship with the US. Interestingly, Ortega has managed to maintain a reasonably amicable relationship with the US in trade and economic policy while employing harsh rhetoric to denounce the US's continued imperial practices. Tensions between the US and Nicaragua are escalating as the US has become increasingly alarmed at endemic corruption, a lack of free and fair elections, and minimal transparency from the Ortega administration. In 2016 and 2017, the US introduced a bill called the Nicaraguan Investment Conditionality (NICA) Act to pressure International Financial Institutions (IFIs) to withhold funding until democratic norms are restored in Nicaragua. Ortega denounced this as continued imperialism by the United States, as Nicaragua relies heavily on funding from the neoliberal loan structures of IFIs such as the World Bank and International Monetary Fund (IMF). Ortega's continued, vocal rejection of US imperialism is simultaneous with his embrace of imperialist practices from Venezuela and China. Since Ortega returned to power in 2007, both Venezuela and China have become textbook imperialist players in Nicaragua – both working to expand political and economic influence as well as direct territorial gains through oil pipelines and refineries, and the Grand Canal project. Still, the US's long history of intervention dominates Ortega's political rhetoric against imperialism and neoliberalism.

### **US Imperialism: Early Intervention**

Nicaragua's striking case study in US imperialism and intervention since the early 1800's has been extremely well documented (Gobat, 2005; Walker, 2011; ). Understanding Nicaragua's political history and resistance to US imperialism helps to



better explain the evolution of Sandinismo 2.0; also known as “Danielismo” and frame Daniel Ortega’s leadership and popularity in Nicaragua. Western observers were surprised when Daniel Ortega’s “revolutionary” and “leftist” FSLN party resumed power in 2007 after 16 years of US-backed neoliberal leadership in Nicaragua. However, the origins of the Sandinista movement in Nicaragua can be traced back to the United States’ long history of intervention in the country. The United States’ first overt attempt at intervention came when American filibuster William Walker declared himself president of Nicaragua in 1855. Popular resistance and a Central American army ultimately defeated Walker, but the US returned in 1909 to overthrow liberal president Jose Zelaya, replacing him with conservative Adolfo Diaz (Booth 1985). This marked the start of the US’s military occupation and Nicaraguan banks, railroads, and customs office were given to American bankers (Zimmerman 2000). In 1914, the Bryan-Chamorro treaty gave the United States rights to build a canal across Nicaragua, and the never ratified Castillo-Knox treaty effectively outlined US financial control over Nicaragua for decades to come (Booth 1985). This effectively weakened the Nicaraguan government and intensified fighting over US intervention in Nicaragua among liberal and conservative factions.

### **Sandino to Sandinismo 1.0**

In 1927, in an effort to stem the tide of socialism, the US government brokered a peace treaty between liberals and conservatives that kept the conservatives in power for the time being, but allowed for liberal victory if free and fair elections were held in the future. General Augusto Cesar Sandino was the only general who refused to sign the

treaty, and he continued to battle the US marine occupation after all of the other liberal generals had declared a truce. Sandino's success gave him national hero status in Nicaragua, and made the American military occupation increasingly unpopular in the US, ultimately leading to the withdrawal of US troops in 1933 in light of the global economic collapse. Anastasio Somoza Garcia was installed as head of the US trained Guardia Nacional, and ordered Sandino's assassination in 1934 – all seen as clear US intervention. Somoza was able to wield his clout into a 46-year family-run dictatorship, which was in power until 1979. The Cuban revolution ignited Nicaraguan opposition to the Somoza regime and Carlos Fonseca started the Sandinista National Liberation Front (Frente Sandinista de Liberación Nacional), or FSLN in 1962. By the late 60s, Fonseca was encouraging FSLN student groups to take up a clear Marxist ideology fueled by Augusto Sandino's revolutionary rhetoric and actions decades before, and to become more revolutionary rather than sit idly watching the efforts of the FSLN in the field. Carlos Fonseca was killed by a National Guard ambush in the mountains in 1976. Humberto Ortega, Daniel Ortega, and Victor Tirado assumed control of the FSLN with a more politically moderate, but militarily aggressive platform.

Protests against Somoza escalated in 1978 when conservative opposition leader Pedro Joaquin Chamorro was assassinated on his way to work. This time period of Somoza's repressive tactics also mobilized tens of thousands of young Nicaraguans to join the FSLN, though the party had several divided factions. In March of 1979, the FSLN officially reunified, helping the image that there were only two sides in the conflict – the FSLN versus the Somoza regime, and the United States was unsurprisingly

interested in making sure that the FSLN was not left with total control of the government. On July 16, 1979 Somoza resigned and fled Nicaragua, and by July 19 the FSLN had taken power. The FSLN conceded a role in the post-Somoza government where the bourgeois opposition would be guaranteed a controlling role. The post revolutionary government included Daniel Ortega, Moises Hassan, and Sergio Ramirez from the FSLN; and Alfonso Robelo and Violeta Chamorro from the opposition. Robelo and Chamorro were chosen because they identified with the Sandinista revolution, though Chamorro held her position only briefly. Daniel Ortega was named Coordinator of the Junta of National Reconstruction; then elected president and served from 1985 – 1990.

### **The Epitome of US Intervention**

The United States was not pleased that the FSLN had taken power, and went to extraordinary lengths to ensure that they didn't remain in power by funding the Contras – National Guard guerillas who fought a bloody war against the FSLN. This was one part of a three-part campaign of interference by the US into Nicaragua's politics and economics under the Sandinistas. The US also laid heavy economic sanctions and pressured IFIs to stop funding the Sandinista regime. Finally, the US pressured the FSLN to hold "free and fair" elections in exchange for demobilizing the Contras and lifting the embargo as part of a peace plan to stop the civil war. Chomsky (1993) asserts that the US had no intention of stopping the war or lifting the embargo if the FSLN won the 1990 election.

The FSLN indeed lost the election in 1990, but still retained 40% of the vote, and Ortega recognized his defeat but promised to continue to fight on and govern from below. In conceding the election, Ortega reminded the world that Nicaragua hoped to be democratic and free of foreign intervention (i.e. US imperialism):

“I consider that in this historic moment, the principal contributions of the Sandinistas, the Nicaraguan revolutionaries, are making to the Nicaraguan people is that of guaranteeing a clean, pure electoral process, that it may heat up our consciences even more, that it may shine with the sun of this dawn, the 26th of February, in this 1990, that it may shine towards the consolidation of democracy, the consolidation of a mixed economy, toward the consolidation of a free, independent and democratic Nicaragua, in peace without intervention by any foreign power where all of us Nicaraguans may be capable of demonstrating to the world that we can change these dreams, these hopes, into reality. . . .” (Daniel Ortega, via the New York Times, 2.27.1990)

### **The Height of Neoliberalism**

The Chamorro administration also marked a period of aggressive neoliberal economic policies, which ultimately had little success in improving the economy for Nicaragua’s poorest citizens (Walker 2003). From 1990-2006, Nicaraguans continued to elect right-wing candidates that pursued US-backed neoliberal policies and massive conditional debt restructuring from IFIs such as the IMF and World Bank. The conditionalities imposed by the terms of these loans, including decentralization, clear property rights, and free trade policies, were viewed as another manifestation of US imperial practices. During the Chamorro administration (1990 – 1996), the Sandinistas used the time to reassert the party’s national identity as a revolutionary organization, accomplishing this by staging violent, disruptive protests while making deals with the government (Close and Marti i Puig 2012). Daniel Ortega continued to maintain his

position at the table, observing the strengths and weaknesses of the conservative government. He also witnessed Nicaragua's increasing reliance on international financial assistance from the US and IFIs through the broad expansion of neoliberalism via the Washington Consensus. Arnaldo Alemán ruled from 1996 – 2001, and had been jailed by the FSLN in the late 1980s, but he was able to find mutually beneficial ways to work with Daniel Ortega. The first joint venture they undertook was settling a law that dealt with real estate expropriated by the revolutionary government. The other issue they addressed, which is still currently functioning, was the foundation of a political Pact to ensure that the Constitutional Liberal Party (PLC) and the FSLN were the only two political parties that would be in power. Much decision-making between elections was made outside of formal institutions, via negotiations between Aleman and Ortega. The Pact also strengthened the executive office (at the expense of accountability and other branches of government) and turned other government agencies into party strongholds (Close and Marti i Puig 2012).

“Furthermore, The pact was also a way to assure that congressional members of both the ruling PLC and the opposition FSLN vote in favor of structural-adjustment measures and the enabling legislation for privatization that donors made a virtual precondition for debt relief and reconstruction aid. In this sense, the Alemán-Ortega pact is less a throwback to the old caudillo style of politics than an indication of the scope of external intervention behind the scenes” (Bendana 1999).

That Bendana refers to the phenomenon of “Danielismo” in 1999 as Ortega morphed away from the original tenets of Sandinismo shows that this transition was a politically expedient way to retain power since the FSLN's loss in 1990, but well before he actually won another presidential election in 2006. This also illustrates how Ortega has long been very sensitive to the importance of IFI assistance to Nicaragua's economic survival,

regardless of how imperialistic or neoliberal the terms of loans, foreshadowing the advent of Sandinismo 2.0.

Enrique Bolaños succeeded Alemán, serving from 2002 - 2007, and was able to convict Aleman of over \$100 million in fraud to the government. However, Bolaños was increasingly at the mercy of Daniel Ortega, though Ortega's power was limited to an assembly seat. The FSLN was at first supportive of the Bolaños administration's pursuit of Aleman, but after pressure from the US, the president began to turn away from the revolutionary party. The Aleman – Ortega Pact had provided for a candidate to be elected president with 35 percent of the vote, allowing an Ortega victory when the two parties divided into four, prior to the 2006 general elections (Close and Martí i Puig 2012). The two new parties included the Sandinista Renewal Movement (Movimiento Renovador Sandinista or MRS) on the left, and the Nicaraguan Liberal Alliance (Alianza Liberal Nicaraguense or ALN) on the right. Both opposed the Aleman – Ortega Pact.

The Movimiento Renovador Sandinista movement (MRS) only received 6 percent of the 2006 vote, but is still a visible force (Close and Martí i Puig 2012). A founding member, Sergio Ramirez, was put forth as the MRS candidate in the 2008 election, but Ortega's FSLN party declared it illegal for the MRS to have a candidate in the election. Wilm (2011) found that the MRS is mostly used as a party for Nicaraguans who still identify with the FSLN, but do not like Daniel Ortega for various reasons. The MRS of today does not seem to have a cohesive ideology; rather it can serve as a refuge for Nicaraguans seeking an alternative from "Danielismo." Indeed, Daniel Ortega has taken

increasing credit for his role in the Sandinista revolution and is featured in an overly prominent role in the Museum of the Sandinista Victory. His picture is displayed on billboards across the country, alongside pictures of Sandino. In an LA Times interview, Sergio Ramirez says that it is like all other contributors to the revolution have been erased (Wilkinson 2010). It is common to hear Nicaraguans talk about Danielismo rather than Sandinismo, due to the leader's cult of personality and the fact that Ortega's version of Sandinismo has strayed from Carlos Fonseca's original vision of a revolutionary Nicaragua; thus giving way to Sandinismo 2.0.

### **Sandinismo 2.0**

One of the more striking features of Sandinismo 2.0 is that it resembles the authoritarian Somoza regime in many ways, the most notable of which is Ortega's continued revision of the national constitution to allow himself to be re-elected for consecutive terms; ironic considering his 1990 concession speech where he addressed the importance of "free and fair" elections. The 2016 elections saw Ortega win over 70 percent of the vote, primarily because the opposition party was not allowed to put forth a candidate. It also gave the vice-presidency to Ortega's wife, Rosario Murillo. As Sandinismo 2.0 further evolves through Ortega's consolidation of power among his immediate family, he remains loyal to his socialist roots but aware of Nicaragua's critical need for IFI loans at favorable terms. This commitment hasn't waived throughout Ortega's tenure as president; even early on he finalized a 'Poverty Reduction and Growth

Facility' agreement with the IMF in October of 2007, showing both sides' willingness to implement inclusive-neoliberal development policies (Ruckert 2008).

In 2016, the US Congress under President Barack Obama introduced the

“Nicaraguan Investment Conditionality (NICA) Act: To oppose loans at international financial institutions for the Government of Nicaragua unless the Government of Nicaragua is taking effective steps to hold free, fair, and transparent elections, and for other purposes.”

This bill was re-introduced April 5, 2017 under the Trump administration and updated to increase sanctions and include a more comprehensive outline of recent anti-democratic actions taken by the Ortega administration to further undermine free and fair election processes and democratic norms (Cerdeña 2017). Daniel Ortega and Rosario Murillo's official response to this bill is still fixated on the imperialist practices of the US, in April 2017, via a speech to ALBA countries in Havana, (from the 'official' translation by *La Voz de Sandinismo*)

“The Government of Nicaragua, in this Fraternal Meeting of our Political Council, reaffirms its categorical rejection and condemnation to the irrational and unbalanced interventionist claim of a group of retrograde North American Congressmen who persist in an evil and sinister desire to block our country economically, by reintroducing the so called NICA-ACT. We will face this perversity, advancing perseverant in Unity for the Common Good.”

In the official press release, Vice President Rosario Murillo stated

“The 2017 Nica Act is just another threat, another out of the many that it has held over Nicaragua throughout history, in the imperialist mentality's eagerness to take over our country. It's a new attempt to grant itself the right to destructively intervene in our national affairs.” (Cerdeña 2017)

## **Venezuelan Imperialism**



Ortega’s reverence for IFI funding is even more critical since funding from his primary ally – Venezuela – has been compromised in recent years. This is significant because it is estimated that Nicaragua received over \$4.4 billion dollars over nine years - \$500 million dollars per year, or 6% of Nicaragua’s GDP annually from Venezuela (de Alba 2016). Much of this money remains unaccounted for; allegations that Ortega used it as a private fund for personal projects abound (McCarthy 2011). This money financed much of Ortega’s social initiatives including health care, roofing, and literacy campaigns. This targeted assistance has garnered a strong political base of support for Ortega among the very poor. This assistance was very strategic as Nicaragua’s allegiance with Venezuela has been more than a monetary arrangement; rather Venezuela’s financial and ideological support has allowed Daniel Ortega to stay in power for the last ten years.

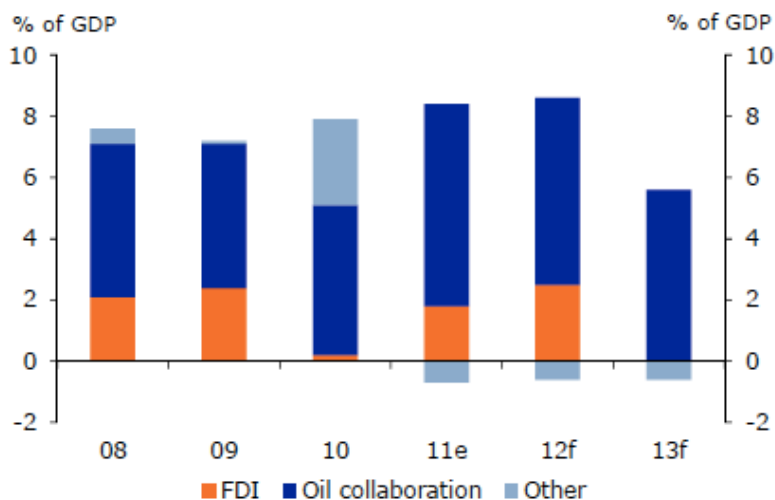


Figure 2: Venezuelan Financial Support 2008-2013, from IMF Data.

Ortega quickly allied with Venezuelan-led ALBA (Bolivarian Alliance for the Peoples of Our America) upon his return to power in 2007. ALBA was conceived as an

alternative to the United States' proposal of a Free Trade Area of the Americas in 2003. The FTAA was loathed by leftist leaders such as Fidel Castro and Hugo Chavez who condemned the proposal as another manifestation of US imperialism in Latin America. Sandino himself often spoke of the “gran sueño de Bolivar” – Simon Bolivar’s dream of a unified Latin America; a call that has been taken up by the leaders of the New Left, including, Chavez and Ortega. ALBA is bankrolled by Venezuela’s oil coffers, the depths of which wax and wane. Venezuela’s commitment to socialism and anti-imperialism do not.

ALBA currently acts as an ideological and trade alliance between numerous left-leaning countries including Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Grenada, Nicaragua, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Venezuela. ALBA even developed its own virtual currency to more easily facilitate economic integration among the block. Hugo Chavez’s charismatic personality and massive oil coffers allowed Venezuela to be the de-facto leader of the ALBA block. Ironically, Venezuela’s instrumental role in creating OPEC but subsequent nationalization of the oil industry only served to legitimize imperialist practices of multinational corporations rather than create the new international economic order that it had been so “verbally militant” in promoting (Bye 1976). Venezuela remains a prominent figure in the thriving ALBA bloc, even after the death of Chavez, falling oil prices, and Venezuela’s current economic and social crisis.

Nicaragua signed another trade agreement to solidify its allegiance with ALBA even after the death of Hugo Chavez (Rogers 2013). The agreement, known as

ECOALBA-TCP, “the peoples trade treaty” is intended to promote more economic integration, cooperation, and fair trade between ALBA countries. Tim Rogers of The Nicaragua Dispatch explains,

“the text of the people’s trade treaty lists all the ways in which it will be different from a regular free-trade agreement, which is considered capitalist and vile. The ALBA pact will promote the strengthened role of the state, maintain protectionism and promote economic sovereignty, the treaty promises. ECOALBA-TCP also aims to promote the creation of state-run “grand-national companies,” which are somehow supposed to be the opposite of transnational companies in that they will put the people’s interests ahead of corporate profit—at least in theory.”

In spite of this, Nicaragua continues to be an active participant in trade with the US under CAFTA-DR.

Nicaragua was an original signatory of CAFTA-DR in 2005, which opened free trade between the United States and Central American countries. Nicaragua joined CAFTA-DR under the US-supported Bolaños administration. When Ortega returned to power in 2007, he did not dissolve “neoliberal” arrangements such as CAFTA-DR. In fact, he has continued to honor this trade agreement into 2017. Under it, he has expanded free trade zones – particularly for textile manufacturing. These duty free zones dominated by American-owned companies represent a literal territorial annex by the US’s imperialist neoliberal policies, yet Ortega seems to be grateful for the positive press they create. In a step incongruous with other Latin American regimes, Ortega instituted the tripartite agreement, allowing labor unions to have an equal seat at the table with the government and foreign investors. “The agreement also allows the Sandinistas to feel less

guilty about promoting a free-market capitalist model because they can now point to their efforts to ‘socialize’ labor conditions for the good of the working poor” (Rogers 2012).

He has also embraced the expansion of ProNicaragua, the official government investment promotion agency, which paid off as the World Bank named ProNicaragua the highest performing investment promotion agency in the world in 2012. Indeed, Nicaragua has several laws in place to promote foreign direct investment in Nicaragua, including a Tax Concertation Law (822); Temporary Admissions Law (382); Industrial Free Zones for Export (917); Law on the Promotion of Renewable Electricity Generation from Renewable Sources (532); Special Law on Exploration and Exploitation of Mines (387); Incentives for the Tourism Industry Law (306); and Pensioners and Retirees Law (694) (ProNicaragua 2017). All of these laws incentivize the exploitation of the Nicaraguan labor market, natural resources, and land - ostensibly to promote job creation and stimulate Nicaragua’s economic development by exempting these industries and activities from paying various types of taxes. Ortega considered a strong tax base from growing industry unnecessary given the steady funding coming from Venezuela. Taxes on these legitimate industries from foreign individuals and corporations would also need to be accounted for, unlike the funding coming from Venezuela.

The amount of funding from Venezuela, and the lack of transparency in managing it, is staggering by most accounts. In 2011 and 2012, observers began to comment on the extreme secrecy behind ALBA funding to ALBANISA, a private company held by Ortega’s family and confidants, not subject to inclusion in the national budget. The IMF took issue with this briefly in 2010 and refused to pay out the balance of funds promised for a Poverty Reduction and Growth Facility project in Nicaragua (McCarthy 2011). “ALBA is secretive by design. No Venezuelan

money passes through Nicaragua's state coffers or any other auditable channels subject to third-party oversight or regulation. The International Monetary Fund (IMF) and Nicaragua's increasingly feckless opposition have repeatedly implored the Ortega government to open the books on ALBANISA, but they say the most anyone has gotten is a peepshow glimpse that leaves most of the details to the imagination. What's known, from a superficial report the central bank provided begrudgingly at the repeated behest of the IMF, is 80 percent of the \$2.2 billion reported through 2011 is registered as loans and concessionary oil credits that need to be repaid within the next 25 years." (Tim Rogers, 2012).

In 2017, reports are even more scathing with Mariano de Alba of *la Confidencial* explaining how Venezuelan interference in Nicaragua has severely undermined the rule of law while allowing access to IFI financing. Venezuelan funding has allowed Ortega to consolidate his authoritarian regime, control media and public figures; and weaken the rule of law to silence the opposition. Support from Venezuela has allowed Nicaragua to bypass development assistance from the United Nations, the European Union and the United States while creating the financial stability to access IDI funding. It has further allowed Nicaragua to finance social programs to bolster support for the FSLN and citizens' dependency on the state; all without the burden of transparency or accountability (de Alba 2017). These social programs include transportation subsidies for busses and taxis, agricultural loans, microcredit, zinc roofing and property titles to the poor, educational scholarships, and bonuses for state employees (Rogers 2012). ALBA's promises include literal territorial takeovers, including an oil pipeline from the Atlantic to the Pacific, a massive oil refinery on the Pacific, and seven thermal power stations fueled by Venezuelan bunker fuel, aptly named Che Guevara I – IX and Hugo Chavez.

Nonetheless, ALBA funding has helped Nicaragua overcome some of the less desirable effects of neoliberal policy – for example the massive rate increases to consumers under electricity privatization, a standard condition of World Bank and IMF loans.

“It is unfortunate that such a delicate political decision should be the outcome of a fundamentally undemocratic process of external imposition of conditionalities, particularly given the current environment in which partnerships and country ownership are touted as a cornerstone of the development regime” (Ruckert 2009).

This underscores how Nicaragua is part of a number of complex and interdependent trade regimes to promote its national interests. The regional electricity market is part of a neoliberal development initiative supported by the United States and IFIs to enable open energy trade among Central American countries. After electricity privatization, service was not more reliable either and blackouts remain common, as much of Nicaragua’s energy infrastructure is sub-standard and poorly maintained. Because the private operators did not fairly price electric service they were not able to invest in improved infrastructure. Also, Nicaragua’s political system has traditionally favored more socialized institutions, so the population is used to having the government provide basic services rather than a private supplier. Tim Rogers of The Nicaragua Dispatch reported a 7.78% rate increase in April 2013, after privatization. However, ALBA-CARUNA, a Sandinista cooperative that manages Venezuelan aid provided a \$35 million subsidy to mitigate the effects of the rate hike, which would otherwise be 15% (Rogers 2013). David Castillo, president of INE, said that 82% of the population, or roughly 630,000 low-income households, consumes less than 150 kilowatt-hours and will be covered by the

subsidy (Rogers 2013). Consumers who use less than 150 kWh won't be impacted by the rate hike. Nicaragua already has the highest electricity rates in Central America.

“The irony of it all is that it was the Venezuelan government, the recurring defender of the principle that a country's domestic affairs shouldn't be meddled with, which has been the one to put the exact opposite into practice. The reality is that Venezuela has strengthened a political leader (Ortega) and his party (FSLN) with so many resources that it has eliminated the chance for democracy to be exercised.” (De Alba 2017).

Nonetheless, even Bayardo Arce, President Ortega's top economic adviser, said that the government was working to diversify its economic relations with China, Europe and the United States because “We have to anticipate that ALBA is not going to be permanent.” (Rogers 2012).

### **The “Maritime Silk Road of the 21<sup>st</sup> Century”**

Nicaragua has certainly diversified its allegiances for financial and ideological support, from one imperialist power to the next. The intent of a trans-oceanic canal has been a hallmark of foreign intervention in Nicaragua for centuries. However now, rather than a US controlled canal, Ortega has ceded rights to the Chinese. Thomas Jefferson first broached the desire for a canal through Nicaragua in 1788, marking the earliest imperialist leanings of the US in Nicaragua (Gobat 2005). However, the US did not attempt to actually construct the canal until the late 1800s when surveys began, ultimately abandoning the project for a more suitable route in Panama. The canal project of the late 1800s enjoyed popular support as Nicaraguans hoped it would aid the country's

development. Today's canal project is no different, as canal supporters hope that it will bring much needed jobs and infrastructure to Nicaragua. Critics point to a lack of transparency in the contractual arrangement between HKND and the Nicaraguan Government. China has become a global power and intends to fundamentally alter global trade routes for its massive export industry. A canal through Nicaragua, regardless of who builds it, means an imperial power controls physical territory.

In remarks at the groundbreaking ceremony for the Grand Canal, HKND Chairman Wang Jing referred to the Grand Canal as the “Maritime Silk Road of the 21<sup>st</sup> Century” which “will definitely change the pattern of global maritime trade.” Wang Jing is clearly aware of the history of the canal, the scale of the project, and the global speculation against it ever being built. He states

“When we talk about the Grand Canal of Nicaragua, it always reminds us the century-old dream shared by many people in history, which of course rest with the thick blueprints and papers. Until today, this dream of over a hundred years has gone through the time channel echoing the roaring of trucks and heavy machineries now in front of us. People cannot help wondering whether the dream comes true in this century. If so, what we will get and what we will lose? How that a dream wasn't realized for so many generations, will become a reality today? In fact, during the last two years, we have encountered challenges in all aspects. Being regarded as the largest infrastructure project of the human history is not only simply meant to the huge amounts of excavations through the mountains, constructions of roads and bridges overwater. In more than two years, the doubts and speculations on the Canal Project about protection of the environment, resettlement, technology, machinery, finance, law, politics, experience, equipment, etc. never stopped. Today we proudly announce that we have overcome all those challenges. With the full support of President of Nicaragua and relevant government departments, and with the concerted efforts of world-class companies and scientists from countries like the US, UK, Belgium, Australia and China, and esp. with the overall understanding recognition and support of Nicaraguans, we have made the milestone commencement with full confidence.” (HKND 2014).



Wang Jing provides further assurances that the canal project will be fair and equitable:

“I’d like to express that Chinese companies and Chinese have arrived at this beautiful country to build it and not to destroy or damage it. We vow to respect all the rights and interests of the Nicaraguan people. The resettlement work will be based on the principles of being equitable, fair, public and transparent. Without the consent of the owners, or the satisfaction with the compensation, not a single plant on their land will be touched.”

Finally, Jing closes with a list of things that China has promised Nicaragua for 2015 including sending 50 Nicaraguan students to university in China, giving Nicaragua a new fleet of ambulances and fire trucks, and renovating hospitals. “It is the best wish of all HKND staff that the life of Nicaraguans could get better every day. We will intensify our efforts to fulfill the responsibilities of social welfare, because we are a family.”

Unsurprisingly, this massive infrastructure project is overwhelmed with speculation by critics and doubters as to whether it will ever be completed (much less started on any significant level). There is a great deal of criticisms surrounding the environmental and human costs of the canal, with some estimates stating that over 100,000 people and 1 million hectares of land will be displaced. Official estimates from HKND differ, and critics also point to inadequate environmental impact and basic feasibility studies. Another main concern is that Daniel Ortega sold Nicaragua’s sovereignty to China at an extremely discounted rate. The canal issue can be divided down party lines, in many cases. However, in an extensive report on the Nicaraguan Canal for *The New Yorker*, journalist Jon Lee Anderson interviewed former Contra leader Eden Pastora who stated

“The opposition calls it a surrendering of national sovereignty, but investors need security for their investment. And not a single foreign soldier is coming to

Nicaragua! What really bothers them is the prestige that this signifies for Daniel Ortega. Keep in mind: this will change the economy of the world. The natural resources won't have to go around Cape Horn anymore, but come straight through here to China, on megaships!' Pastora went on, 'There will be two-hundred-ton trucks doing earthmoving and specialized drivers earning a thousand dollars a day! The ticos are just concerned that we're going to be the richest people in Central America.' He cackled. 'There are going to be railroads, refineries, satellites, hydroelectric plants, airports, and over thirty-seven social projects—all of it achieved in an atmosphere of freedom and democracy, without even so much as a tear-gas cannister fired, without persecuting anybody. In five years, Managua will be a canal city, the most beautiful of Central America.' Carried away by his vision, he shouted, 'Viva Daniel Ortega!'"(Anderson 2014).

Opposition to the canal is being silenced by the Ortega administration. Acclaimed writer, poet, and former FSLN activist Gioconda Belli (2017) states

“It’s predictable that the repression we’re already seeing will worsen, as was evident in the last march organized by the rural anti-canal movement. As in the eighties, the Ortega apparatus and their well-tuned propaganda machine will appeal to the Nicaraguan people’s true and historic anti-imperialism, using it like a machete to cut down and vilify anyone opposed to sovereignty: not the sovereignty of the country – in any case, that’s already been sold to Wang Jing – but that of the pseudo-monarchy that rules us.”

China is undoubtedly an imperialist power in the 21<sup>st</sup> century (Taylor 2011). With a population of over 1.3 billion and an exponentially growing economy, China is unsurprisingly trying to access additional resources through investments in extractive industries, industrial farmland, and energy sources. China has found mutually beneficial ways to work with “semiparish states that Western democracies remain wary of” – and these countries are happy to engage, “since securing similar funds from Western powers normally entails tiresome assurances on human rights and transparency — topics Beijing is only too happy to disregard.” (Cheng 2013). As Nicaragua is once again out of the

US's good graces because of a lack of transparency, accountability, and democratic norms, a financial ally who overlooks these transgressions is welcome.

## **Conclusion**

Rhetorically, Sandinismo 2.0 is very much the same as the original tenets of Sandinismo as Ortega continues to vocally denounce US imperialism in Nicaragua. It differs in that Ortega openly welcomes neoliberal loan conditions from IFIs, and direct political, economic, and territorial intervention from new allies Venezuela and China. Ortega is opportunistic, strategic, and bold as he crafts his empire, showing his base of support tangible benefits while consolidating power among his immediate family and confidantes and silencing the voice of the opposition. US imperialism is still alive and well in Nicaragua, only now it is invited by Ortega in forms that compliment the agendas of the new imperialist powers that have placed their tentacles in Nicaragua. Venezuela and China are interested in Nicaragua not only as an ideological ally, but also as a strategic territorial position from which to expand their respective oil and global trade empires. Ortega's supporters have reason to embrace his social policies and subsidies, as Nicaragua remains one of the poorest countries in Latin America. His opponents have reason to decry the increasingly authoritarian leanings of the government, as their voices have been silenced while Ortega develops his own personal empire with the help of strategic allies.

## CHAPTER 4 – THE POLITICAL ECONOMY OF ENERGY DEVELOPMENT IN NICARAGUA

It is increasingly evident that countries in all stages of development are scrambling to incorporate major infrastructure – from energy to water to transportation to telecommunications – so that they may better compete in today’s globalized world. These megaprojects are conceived to benefit large sectors of the population, require significant financial and human resources, produce complex and technologically advanced systems, and may change their surrounding economic, social, organizational, and natural environments (Flyvbjerg 2003).

With a population of only about six million covering 50,000 square miles, and the dubious honor of being the poorest country in Central America, Nicaragua is not the most likely host for a plethora of megaprojects. However, political and economic motivations have conspired with geographic advantages to allow Nicaragua to conceptualize a wide variety of megaprojects, including a trans-isthmus canal, a regional space satellite, and major green energy infrastructure. While some of these projects have been realized (particularly regarding renewable energy), others remain in the planning stages.

Many complex political and economic factors contribute to the success or failure to implement Nicaraguan megaprojects. Nowhere is this more evident than in the case of Nicaragua's renewable energy initiative. In 2012, Nicaragua was widely publicizing its goal of generating over 90% renewable energy by 2017 (ProNicaragua 2012). In 2016, Nicaragua had reached 47% renewables generation and refined its target to 73% by 2036 (Climatescope 2017). This is a noble goal for a country that was 75% reliant on imported oil for electricity, compared to 43% on average for Central America in the early 2000's (CEPAL 2007). Nicaragua has geographic resources in the form of abundant wind, geothermal, and hydroelectric resources to meet its ambitious renewable energy goal. International investors and the neoliberal agendas of international institutions such as the World Bank and InterAmerican Development Bank have jumped on the opportunity to promote renewable energy development. While Nicaragua touts its impressive wind and geothermal energy resources, the majority of its renewable energy potential comes from hydroelectricity. However, Nicaragua's deep ideological and financial ties with Venezuelan socialism and oil resources have complicated its path to renewable energy generation. These conflicting ideologies make it difficult to parse out exactly which model – neoliberalism or socialism – has driven Nicaragua's emerging energy landscape. Therefore, this study seeks to better understand the political economy of energy development in Nicaragua.

### **Nicaragua's Energy Development Paradigm**

Nicaragua's national development policy is driven by a paradox of political economy considerations. Neoliberal development driven by US interests and international

financial institutions (IFI) competed with Venezuelan socialism via promulgation of the Bolivarian Alliance for the Peoples of Our America (ALBA) when high oil prices between 2007 – 2012 allowed Venezuelan president Hugo Chavez to spread socialism through generous financial subsidies, thus creating a dynamic ideological, economic, and political scene in Nicaragua. Nowhere is this conflict more evident than Nicaragua's complicated energy development paradigm. Nicaragua is simultaneously pursuing aggressive fossil fuel and renewable energy infrastructure, including regional and national transmission lines; wind, geothermal, and hydroelectric power plants; offshore oil and gas exploration; and oil refining and exporting facilities. While many countries (the United States included) promote a mix of both traditional and renewable energy resources, the mix of neoliberal and socialist rhetoric and politics surrounding Nicaragua's current energy development policy makes it a unique case study.

Nicaragua can easily develop renewable energy as its primary source of power since it has the geographic advantage of plentiful geothermal, wind, and hydropower resources, and has been eager to do so, per its well-publicized goal of reaching over 90% renewable energy generation. If Nicaragua achieves its goal of becoming 90% renewable, it will rise to the ranks of other renewable energy leaders in the region such as Brazil and Paraguay. This is a great feat for any country, particularly a less developed country (LDC) riddled with political and economic challenges, such as Nicaragua. This renewable energy effort provides an example to other LDCs on how to avoid the mistakes of developed countries, and prioritize clean energy solutions. Nicaragua was only

exploiting about 6% of its renewable energy potential in 2012, and still depends on imported oil in 2018 to meet the majority of its energy needs.

International financial institutions such as the World Bank, International Monetary Fund, and Inter-American Development Bank have provided massive financial incentives for Nicaragua to invest in renewable energy via neoliberal development mechanisms such as structural adjustments, the Clean Development Mechanism (CDM), and REDD+. Nicaragua has also revised investment regulations to promote foreign direct investment in both renewable and fossil fuel energy (ProNicaragua 2012). US companies are involved in geothermal power plants and offshore oil exploration in Nicaragua (Hoyt 2011 and Castro 2009). Nicaragua has also increased national electrification rates in spite of privatization challenges and a weak local market for electricity (ProNicaragua 2012). Nicaragua has one of the lowest electrification rates and the highest reliance on foreign oil imports for energy in Central America (CEPAL 2007). The existing energy infrastructure is inadequate to meet demand, and does not operate at capacity. If Nicaragua were to drastically increase its renewable energy generation, inadequate infrastructure, prohibitive distribution regulations and unaffordable electricity rates would prevent this energy from reaching the market, both within and outside of Nicaragua.

Nicaragua's pledge to drastically increase its renewable energy production came in spite of the relative comfort Nicaragua enjoyed from the discounted fuel oil provided by Venezuela at a time when Nicaragua was 90% reliant on fuel oil to meet its energy

needs (Rogers 2013). During this time, Venezuela provided Nicaragua over \$4.4 billion dollars over nine years - \$500 million dollars per year, or 6% of Nicaragua's GDP annually from Venezuela (de Alba 2016). Venezuela also built Nicaragua seven thermal power stations fueled by Venezuelan bunker fuel, named Che Guevara I – IX and Hugo Chavez.

PLANTAS	CAPACIDAD EFECTIVA		% PARTIC EFECTIVA	% CRECIM EFECTIVA	CRECIM MW
	2012	2013			
Alba de Nicaragua, S.A. (ALBANISA)	276.86	276.86	28.36	-	0.00
Hugo Chavez	60.00	60.00	6.15	-	0.00
Che Guevara I (Tipitapa)	19.20	19.20	1.97	-	0.00
Che Guevara II (Masaya)	19.20	19.20	1.97	-	0.00
Che Guevara III (Managua)	19.20	19.20	1.97	-	0.00
Che Guevara IV (Masaya)	19.20	19.20	1.97	-	0.00
Che Guevara V (Masaya)	18.60	18.60	1.91	-	0.00
Che Guevara VI (Nagarote)	12.87	12.87	1.32	-	0.00
Che Guevara VII (Nagarote)	38.00	38.00	3.89	-	0.00
Che Guevara VIII (León)	25.27	25.27	2.59	-	0.00
Che Guevara IX	45.32	45.32	4.64	-	0.00

Figure 3: Thermal power plants funded by Venezuela.  
[http://www.mem.gob.ni/media/file/POLITICAS%20Y%20PLANIFICACION/Anuario%20Estadistico%20Elctrico%202013%20\(29%2007%2014\).pdf](http://www.mem.gob.ni/media/file/POLITICAS%20Y%20PLANIFICACION/Anuario%20Estadistico%20Elctrico%202013%20(29%2007%2014).pdf)

Because Nicaragua had one of the highest dependencies on imported oil and lowest rates of electrification in Central America, it should have been able to promote renewable energy development without the complications of existing economic structures, fossil fuel infrastructure or national oil lobbies. This was true to a certain extent, except for the complication of Nicaragua's deep economic and ideological association with ALBA. Venezuela used its geographic advantage as the most significant oil-producing state in Latin America to promote a regional alliance as an alternative to US hegemony in the region. Venezuela provided Nicaragua cheap oil, electricity



subsidies, and infrastructure projects in exchange for access to the Pacific coast to attempt to more easily export oil to China and an ideological allegiance of leftist regimes.

All of Nicaragua's energy development initiatives seem well and good, but the motivations for pursuing such an aggressive renewables initiative remain cloudy. The drivers behind Nicaragua's energy investments hold a number of paradoxes. In a matter of five years (2012 – 2017), Nicaragua hoped to go from having the lowest regional rates of electrification to the highest; from the highest rates of foreign oil import dependency to the highest rates of renewable energy generation. Energy policy rhetoric emphasized clean energy and rural electrification, but did little to address Nicaragua's dependence on wood fuel as a primary energy source. Foreign investors and donor agencies have continued to revoke funding in light of the increasingly authoritarian Ortega administration; yet the Nicaraguan government continued to pass regulatory legislation to promote international investment in its energy sector. Furthermore, Nicaragua touts clean energy development with its goal of having over 90% of its electricity generation come from renewables by in the future; while the Ortega administration relied heavily on economic ties with Venezuelan oil subsidies to sustain and develop Nicaragua's energy resources such as power plants and adequate energy to meet demand.

In light of these paradoxes, it is important to better understand the political and economic drivers motivating Nicaragua's energy development. Perla and Cruz-Feliciano (2013) offer a theory explaining the apparent contradictions in policies and rhetoric versus realized actions. They explain that from a political standpoint, the domestic

opposition confuses the Sandinista party's tactical decisions with their more strategic objectives. Also, critics from the left feel that the party's revolutionary roots should be more political than social. Instead, they claim that the new version of socialism currently playing out in Nicaragua is best seen as a risk-averse approach, where a progressive stage of capitalism is necessary to transition fully to socialism by maintaining positive relationships with the United States and local elites while diversifying regional and international financial support in order to maintain social reforms. Perla and Cruz-Feliciano cite Nicaragua's participation in the Central American Free Trade Agreement (CAFTA-DR), criminalization of abortion, and reservations about international observation of elections as examples of where this contradiction is most visible. While the authors reference several energy initiatives funded by Venezuela in Nicaragua, they never directly identify energy development as an example of the apparent ideological conflict between the Sandinista's neoliberal and socialist policies. Therefore, it is prudent to further investigate the driving political economies behind Nicaragua's energy sector.

## **Methods**

Discourse analysis is particularly appropriate as a tool to analyze Nicaragua's US-Venezuela-China paradox, as neoliberalism and socialism use very different but equally prominent language and keywords. For example, Venezuela's state-run oil company, Petroleos de Venezuela, SA (PDVSA) features all of Venezuela's energy unions on its website. Discourse analysis of PDVSA's explanation for the ALBA union sheds insight into Nicaragua's current development ideology. An excerpt of the strong language from

Venezuela's explanation of ALBA clearly differs from the way the US would characterize its intent for the Free Trade Area of the Americas (FTAA):

“The ALBA integration initiative challenges the neoliberal North American Free Trade Area of the Americas (FTAA), introduced by the US at the 1st Summit of the Americas, held in 1994. If approved, FTAA would imply, from the political standpoint, the division of the Latin American countries and unprecedented levels of dependence and subordination. Economically, it would lead to the denationalization of the economies and to the intensification of Neoliberalism, and socially it would bring more poverty and desperation to the majority of the population in our countries” (PDVSA 2005).

By comparing official language surrounding the ALBA agreement and the agreement itself with the same from the FTAA and CAFTA-DR, Nicaragua's dueling ideologies become clear.

Nicaragua has a complicated set of national energy development priorities motivated by a variety of political and economic factors. Nicaragua can easily develop renewable energy as its primary source of power since it has the geographic advantage of plentiful geothermal, wind, and hydropower resources. It was also desperately trying to increase national electrification rates in spite of privatization challenges and questions as to whether end-use for electricity, via transnational sales or individual local users, is even viable. Because Nicaragua had one of the highest dependencies on imported oil and lowest rates of electrification in Central America, it should have been able to embrace neoliberal renewable energy development incentives without the complications of existing economic structures, fossil fuel infrastructure or national oil lobbies. This was true to a certain extent, except for Nicaragua's deep economic and ideological association with the Venezuela-driven Bolivarian Alliance for the Peoples of Our America (ALBA

for its acronym in Spanish). Venezuela used its geographic advantage as the most significant oil-producing state in Latin America to promote a regional alliance as an alternative to US hegemony in the region. Venezuela provided Nicaragua cheap oil, electricity rate subsidies, and infrastructure projects in exchange for access to the Pacific coast and an ideological allegiance to leftist regimes. Still, Ortega simultaneously embraced neoliberal funding for renewable energy promotion to address its energy and electrification deficit. This study examines the neoliberal and socialist aspects of Nicaragua's energy development initiatives to better understand the resultant energy landscape. To do so, this research first explores the essential nature of energy to a country's development; it then investigates the financial incentives available for renewable energy projects, as well as Nicaragua's energy situation. Next this research discussed the role of Venezuela in financing Nicaraguan energy via fuel oil in light of electrification challenges and Nicaragua's renewables initiative. Finally, it concludes with a discussion of political economy's perspective on Nicaragua's energy paradoxes.

### **Energy as a Development Priority**

Energy is a political, economic, and environmental issue. The three are inextricably linked. In light of recent global economic instability and increasing demand for energy resources, energy remains an important topic in both developed and developing countries. Many small, less-developed countries suffer from energy poverty and are highly dependent on outside assistance to meet their energy needs. A variety of different economic interests play a vital role in promoting energy in developing countries.

OPEC is obviously hugely influential in oil dependent nations around the globe.

However, renewable energy corporations are increasingly able to access smaller markets once unreachable due to economic and political barriers.

Because energy development is such a pressing topic, international development assistance for energy projects continues to make up a large percentage of programmatic budgets. In 2006, official development assistance for energy was calculated at \$4.9 billion dollars globally (Sanchez, 2010). This number is higher because it includes fossil fuel exploration and excludes expenses from programs with multiple components besides energy development. Access to energy is a major priority in helping developing countries meet the Millennium Development Goals, as championed by neoliberal development proponent Jeffrey Sachs. Furthermore, energy security remains a prominent factor in international and domestic policies because of fluctuating oil prices, climate change, and general national security concerns. Developing countries are particularly vulnerable to these challenges. Karl Zimmerer (2011) reminds us that “energy is far and away the most significant international resource system and political economic nexus.”

While reducing energy poverty in developing nations indeed means increased energy consumption, it is at a very small scale on the individual level. Teodoro Sanchez claims “the increase in modern energy consumption necessary to enable poor people in developing countries to escape poverty would not have a significant impact on global emissions” (Sanchez 2010). Even if individual use is low, the sheer number of energy consumers requires that developing countries integrate substantial renewable energy

sources into their fuel mix. Regardless, increased energy access to impoverished people at a household level coupled with growing industry has clear environmental impacts, particularly related to climate change. The challenge lies when billions of impoverished people gain access to energy, as in the case of India and China, who have become global energy consumption pariahs. Indeed, BRICS countries (and others with energy resources, such as Venezuela) have become involved in energy investments in less developed countries (LDCs) as globalization enables people around the world to strive for access to energy.

### **Financial Incentives for Renewables**

A variety of international policy initiatives such as the Clean Development Mechanism (CDM), REDD+, and Cap-and-Trade schemes have emerged to address global climate change from increased energy consumption. The CDM and REDD+ encourage economic growth while promoting environmentally sustainable energy development and conservation. All of these clean energy schemes have clear political motivations. The IMF, World Bank, and other international financial institutions (IFIs) use these mechanisms to facilitate neoliberal development initiatives in less developed countries (LDCs). Often, LDCs use these financial incentives as one piece of a much larger paradigm of national energy development. For example, Nicaragua has developed geothermal and wind capacity under the CDM and embraced loans from the Inter American Development Bank to finance electrification improvements.

Official development assistance for developing countries is almost always targeted at economic growth, per the neoliberal development model. This is why the vast majority of energy assistance has been in the form of large-scale infrastructure projects such as coal, hydro, transmission lines, oil pipelines, refineries, and power grids. Much of this infrastructure also enables energy exports to both developing and industrialized countries. Because energy is inherently political, clean development initiatives can be used as a political play to maintain alliances with certain groups, such as IFIs and neoliberal donors, while simultaneously entertaining investments and involvement from global players outside of the neoliberal agenda. This is illustrated by involvement from global energy players such as Venezuela in countries like Nicaragua that are seemingly insignificant on the global energy scene.

### **Nicaragua's Energy Reality**

Another reason Nicaragua is open to all types of financial assistance is because it has the dubious honor of being the second-poorest country in the Western Hemisphere (state.gov 2018). It has also boasted the lowest rates of electrification and the highest dependency on imported oil in Latin America. Many argue that these statistics are a clear indication of the failure of neoliberal development principles (Muhr 2009 and Wilm 2012). Indeed, the election of Daniel Ortega and the re-emergence of the leftist Sandinista party in 2007 suggested an ideological shift from previous Nicaraguan administrations embrace of neoliberalism, US regional hegemony, and the globalized economy.

Per The Economic Commission for Latin America's (CEPAL, for its acronym in Spanish) statistics, Nicaragua had only 55% total electrification, while the rest of Central America averaged 92% electrification in 2007. Similarly, Nicaragua was 75% dependent on foreign oil imports for its national energy needs while other Central American countries average 43% dependency in the early 2000's. For example, as of 2009, Nicaragua's installed electric capacity was less than half of neighboring Costa Rica, and significantly less than El Salvador, which has roughly the same population but is one-sixth of the land size (Witte-Lebhar 2011). It is important to note that energy from electricity makes up only half of Nicaragua's energy demand, as the country also relies on wood fuel for the other half of its energy needs, primarily for cooking (McCrary et al, 2005). Still, electricity is an essential component for economic development and Nicaragua has taken a wide variety of steps to try to combat its energy shortage. Venezuela's support through cheap oil was essential in offsetting this massive deficit. The country has also undergone region-wide grid integration, which enables Central America to physically trade electricity between countries on market-based principles, and Nicaragua is eager to trade electricity on this open market, whether it comes from Venezuelan-supplied fuel oil or neoliberal-funded renewable projects. Ortega accepted a massive loan from the IDB to fund national electrification and has managed to raise 1.5 billion dollars in private investment for renewable energy projects due to tax incentives.

### **Venezuelan Financial Incentives**



The idea of a regional electricity market highlights how Nicaragua is part of a number of complex and interdependent trade regimes to promote its national interests. Interestingly, (and in addition to the allegiance with ALBA) the regional electricity market is part of a neoliberal development initiative supported by the United States and international financial institutions enable open energy trade among Central American countries. Nicaragua was an original signatory of CAFTA-DR in 2005, which opened free trade between the United States and Central American countries. Nicaragua joined CAFTA-DR under the US-supported Bolaños administration. However, when the leftist Sandanista party came into power in the 2006 elections, Daniel Ortega quickly allied with ALBA, which was conceived as an alternative to the United States' proposal of a Free Trade Area of the Americas in 2003. ALBA currently acts as a trade alliance between ideological allies including Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Grenada, Nicaragua, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Venezuela. ALBA has even developed its own virtual currency to more easily facilitate economic integration among the block.

For example, Venezuela had attempted to build a large oil refinery known as the "Supreme Dream of Bolivar" on the northwestern coast of Nicaragua since Ortega returned to power in 2007. Were this project completed

"Nicaragua will have a total fuel-storage capacity of nearly 1 billion barrels of diesel, gasoline and fuel oil, according to government plans. Not only will Nicaragua be able to supply China and its own domestic needs, where gas pump prices are the highest in the region, but also supply 40 percent of Central America's oil needs" (Rogers 2010).

Hugo Chavez and Daniel Ortega made a dramatic public display for the groundbreaking ceremony in 2007, with Chavez declaring that Nicaragua “would not have to import even one gallon of gasoline” (Navarro 2015). This ambitious project would cost an estimated \$6.6 billion dollars, funded through Nicaragua’s ALBANISA fund – a huge bank account provided by Venezuela for major infrastructure projects. Rogers describes ALBANISA as “a mixed Venezuelan-Nicaraguan joint venture that is managed like Ortega’s private business.” Not even ten percent of the earmarked funding has been spent on the project, which currently acts as a storage facility but does not yet refine oil (Navarro 2015). Nonetheless, the Nicaraguan government signed an agreement at the end of 2012 to not only complete the “Supreme Dream of Bolivar” refinery project, but also to construct an oil pipeline across the Nicaragua, from the Atlantic to the Pacific. Like most other ALBA-funded projects, many people were skeptical that this will ever come to fruition (Rogers 2013). As of 2016, after the price of oil dropped, and Venezuela’s economy collapsed, Nicaragua was seeking alternate investors in the refinery. Perhaps this is one reason why the Nicaraguan government has been actively promoting renewable electricity development on a large scale. In fact, Nicaragua attracted over 1.5 billion USD in clean energy investments between 2006 – 2012 (IRENA 2015).

Nicaragua signed another trade agreement to solidify its allegiance with ALBA even after the death of Hugo Chavez (Rogers 2013). The agreement, known as ECOALBA-TCP, “the peoples trade treaty” is supposed to promote more economic integration, cooperation, and fair trade between ALBA countries. Tim Rogers of The Nicaragua Dispatch explains,

“the text of the people’s trade treaty lists all the ways in which it will be different from a regular free-trade agreement, which is considered capitalist and vile. The ALBA pact will promote the strengthened role of the state, maintain protectionism and promote economic sovereignty, the treaty promises. ECOALBA-TCP also aims to promote the creation of state-run ‘grand-national companies,’ which are somehow supposed to be the opposite of transnational companies in that they will put the people’s interests ahead of corporate profit—at least in theory.”

In spite of this, Nicaragua continues to be an active participant in trade with the US under CAFTA-DR.

### **Regional Electricity Integration**

Trade agreements of any type are irrelevant for Nicaragua if it can’t physically transfer energy outside of its national boundaries. The ability to buy and sell electricity in the market was a critical component of Nicaragua’s motivation to increase energy generation and national electrification. Trading energy inherently requires large infrastructure in the form of a regional transmission line, rather than traditional freight-based trade, easily facilitated through roads, air or sea. The Central American Electrical Interconnection System, (SIEPAC for its acronym in Spanish) is a new transmission line that links Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama to one regional electricity transmission grid. This uniform system has a high capacity that allows these countries to trade electricity across borders; and effectively creates a new electricity market (Hoyt, 2011). Expected benefits of this system include decreased power outages, more efficient use of hydroelectric resources, and decreased operating costs. International financial institutions such as the Inter-American Development Bank and the Central

American Bank for Economic Integration are the primary funders of SIEPAC (IDB 2012). Other donors such as USAID are supporting renewable energy integration into the project (Hoyt 2011). In order to be successful, the project needs increased capacity and regulatory cooperation on a regional level, which further emphasizes the complexity of Nicaragua's energy situation. Nicaragua also needs to significantly increase its electricity production in order to be able to participate in the financial incentives provided by this new market.

### **Nicaragua's Renewables Initiative**

In light of burgeoning demand, opportunities provided by the SIEPAC integration, and geographic potential, Nicaragua pledged to drastically increase its renewable energy production in spite of the relative comfort Nicaragua enjoyed from the steady oil supply provided by Venezuela. ProNicaragua, the country's official investment agency, states that Nicaragua has a potential of 4,500 megawatts of production capacity from renewable sources such as geothermal, wind, hydroelectric, solar, and biomass – but only a small percentage of this had been exploited. While the exact date continues to be revised, the official message from Nicaragua is that it intends to become 90% renewable in the relatively near future. In August 2010, Nicaraguan President Daniel Ortega launched the Plan de Expansión de la Generación Eléctrica 2010-2017, which attempted to increase Nicaragua's electricity generation capacity by 70%, allowing Nicaragua to actively participate in SIEPAC electricity transmission.

Furthermore, Witte-Lebhar states that the Ortega administration simultaneously implemented a program that focuses on renewable energy projects as well as rural electrification. The National Program for Sustainable Electrification and Renewable Energy (Spanish Acronym is PNER) promised to expand rural electrification to 117,000 new households via small-scale electricity generation projects and rural transmission lines. The program hopes to expand electricity coverage to 85% of the population (Witte-Lebhar 2011). This effort was largely successful and as of 2018, Nicaragua was able to increase electrification to reach 90% of the population. The Inter-American Development Bank (IDB) provided Nicaragua with a \$30.5 million loan to support this project. However, as President Ortega takes increasingly leftist alliances, the stability of major investments in Nicaragua, both public and private, comes into question. In spite of this, the Nicaraguan government has gone to great lengths to promote renewable energy investment. According to ProNicaragua, Law 532, *For the Promotion of Electricity from Renewable Sources*, takes a note from the neoliberal playbook by creating an enabling environment for renewable energy development by removing the value-added-tax for any equipment or related purchases to develop the national transmission line; allowing tax-exempt carbon-bond sales; and exempting any natural resource exploitation taxes for five years after the start of a project. As previously mentioned, this law has been quite effective – Nicaragua has generated 1.5 billion dollars in private investment for renewable energy projects, and recently agreed to extend the benefits of the law for another five years.

### **The Clean Development Mechanism in Action**

In contrast to the oil refinery and pipeline promised (but not realized) by Venezuela, Nicaragua boasts a number of renewable energy projects that have already been implemented. The country has vast resources for hydroelectric generation, and this makes the bulk of Nicaragua's on-line renewable generation from hydropower. It also has the largest potential for large-scale generation projects. As Nicaragua is highly volcanic, it already has geothermal energy production. The Momotombo geothermal project was commissioned in 1983, and is plagued with technical and management challenges to operate at full capacity; still it is the lowest cost electricity producer in Nicaragua (Porrás and Bjornsson 2010). The second project is a registered CDM project called the San Jacinto Tizate geothermal plant, developed by US based Polaris Energy/RAM Power. Nicaragua also has vast and unexploited wind energy potential. As of 2010, Nicaragua boasts another CDM project and the largest operational wind energy facility, Amayo Wind Park, in Central America (Arctas 2010).

Nicaragua is taking full advantage of benefits from the Clean Development Mechanism and related emissions reduction mechanisms. Almost all countries in Central America are participating in the Carbon Market (with the exception of Belize), and have invested a great deal of time and effort in the Clean Development Mechanism (CDM) over the years (Hoyt 2011). Per Hoyt's research for USAID, the country with the most success in terms of number of registered projects is Honduras, followed by Guatemala. In third place are Panama, Costa Rica, and El Salvador with six registered projects each. Belize does not have any registered projects or projects in validation. The country with

the highest rate of issuance (defined as the volume of Certified Emissions Reductions (CERs) issued in aggregate for the country's portfolio as a percentage of the country's total volume of CERs expected through 2012) is Nicaragua (13%), followed by El Salvador (12%).

“The rather disappointing results of participation in the CDM—low levels of registration and issuance of CERs (less than 15% on average) —have led some governments in the region to question whether market mechanisms are indeed the way forward to curb emissions. Specifically, El Salvador and Nicaragua, which aligned with Venezuela and Bolivia (the ALBA countries) in international negotiations, advocate for the creation of an adaptation fund (financed by developed countries) that can then be administered by governments to combat climate change. While they offer criticisms of market mechanisms, they are not opposed to participating in the CDM as a source of revenue for projects. In general, despite the appearance of an ideological divide within the region on the importance of mitigation activities, all governments in Central America recognize that mitigation and adaptation go hand in hand; the real issue for them comes down to what vehicles and instruments to put into practice for mitigation and adaptation strategies” (Hoyt 2011).

The adaptation fund financed by developed countries that ALBA is advocating for sounds ironically compatible with Jeffrey Sachs' neoliberal mandate for developed countries to literally give money to help the “bottom billion” out of poverty.

In an effort to further distance itself from the United States, and to take a strong stance against carbon emissions produced by developed countries, Nicaragua garnered media attention as one of two countries (along with Syria) to refuse to sign the Paris Agreement for climate change in 2015. Nicaragua refused on the grounds that the agreement failed to go far enough to curb emissions, and that developed countries should be held more accountable for their carbon contributions. However, to capitalize on the

international opinion surrounding President Trump's decision to pull out of the Paris Agreement in 2017, Nicaragua gained more positive press coverage when it finally signed on to the agreement as a response to Trump's actions.

### **Energy's End Use**

While it is clear that the energy demands exceed supply in Nicaragua; particularly in the case of industry, urban areas, and tourism development, it is not clear that rural electrification projects are always utilized as fully as expected. As Nicaragua struggles to shake its ownership of the lowest rates of rural electrification in Central America, it is important to consider the true benefits of rural electrification initiatives. David Pearce and Michael Webb posit that rural electrification projects are often prioritized because of the perception that it promotes substantial non-quantifiable benefits such as poverty reduction, political stability, reduced urban migration, and rural industry stimulus. However, they argue that traditional rate-of-return analysis should play a larger role in rural electrification expenditures (Pearce and Webb 1987). Similar case studies find that many rural residents would rather see better schools or safer water sources prioritized over electrification projects (Taylor 2005). Many recipients of rural electrification are impoverished and can't afford electricity payments, much less appliances and other devices that use electricity. Again, this issue aligns with Jeffrey Sachs assertion that the lowest six billion can't even access next rung in the development ladder because they don't have resources to put a foot on the ladder or plug into the electric grid.



## **Privatization Efforts**

Nicaragua has long suffered from frequent power outages and a poor regulatory environment for electricity. Nicaragua agreed to privatize its electric utility as a structural adjustment in order to be admitted into the Heavily Indebted Poor Countries (HIPC) debt relief act from the World Bank, with the intent of improving service and access to electricity. As part of the privatization effort, the Nicaraguan Electricity Company was broken into several components and sold to private companies. A Spanish company called Union Fenosa was (controversially) the only bidder for the distribution company (Cupples 2011). After the takeover, Union Fenosa installed electricity meters to many homes, which effectively doubled what people had previously been paying for electricity. Union Fenosa also added various taxes and surcharges, many of which were illegal. This resulted in protests and vast resentment of the privatization effort. In fact, many people stopped paying bills altogether, or wired their electricity around the meter, directly to the source.

After privatization, service was not more reliable either and blackouts remain common, as much of Nicaragua's energy infrastructure is sub-standard and poorly maintained. Because the private operators did not fairly price electric service they were not able to invest in improved infrastructure. Also, Nicaragua's political system has traditionally favored more socialized institutions, so the population is used to having the government provide basic services rather than a private supplier. Still, electricity rates

continue to climb. Tim Rogers of The Nicaragua Dispatch reported a 7.78% rate increase in April 2013 but a \$35 million subsidy provided by ALBA-CARUNA, a Sandinista cooperative that manages Venezuelan aid, kept the increase from being closer to 15%. Still, Ortega has been actively courting private investors in renewable energy sources for the duration of his most recent presidency.

### **Energy Policy Paradoxes**

All of these initiatives seem well and good, but the motivations for this renewable energy push remain cloudy. What is really driving Nicaragua's energy investments? The current situation holds a number of paradoxes. In a matter of years, Nicaragua hopes to go from having the lowest regional rates of electrification to the highest; from the highest rates of foreign oil import dependency to the highest rates of renewable energy generation. Energy policy rhetoric emphasizes clean energy and rural electrification, but does little to address Nicaragua's dependence on wood fuel as a primary energy source. Foreign investors and donor agencies continue to revoke funding in light of the increasingly authoritarian Ortega administration; yet the Nicaraguan government continues to pass regulatory legislation to promote international investment in its energy sector. Furthermore, Nicaragua touts clean energy development with its goal of having over 90% of its electricity generation come from renewables at the same time the Ortega administration relied heavily on economic ties with Venezuelan oil subsidies. In spite of these strong ALBA ties, the Ortega administration also granted concessions to two different US oil companies to explore for oil and gas in Nicaragua's Caribbean waters. In

2009, Infinity Energy Resources signed a contract to invest \$30 million exploring 5,000 square miles 40 miles off of Nicaragua's Atlantic coast. If Infinity found oil, it could produce for 30 years. This agreement was met with great resistance from the indigenous Mosquito councils, who control the autonomous territories on the Caribbean coast. They challenged the agreements in court, citing concerns that they had not been properly consulted in the agreements, and that the exploration might harm the valuable fishing and tourism industries on which they rely (Castro 2009).

### **Political Economy's Perspective**

In spite of these contradictions, Nicaragua's lack of energy infrastructure and reliance on foreign oil imports are clear motivators for energy sector development, as are a number of other factors. Since Chavez died, ALBA shows no sign of weakening, but Nicaragua is wise to diversify its energy supply. Nicaragua has good financial motivation to capitalize on its geographic location and geologic features to participate in incentives from the Clean Development Mechanism. Further, as the country is integrated into the SIEPAC transmission line, it has incentive to produce energy to trade regionally. The country has also recently reformed much of its energy regulatory structure to provide favorable conditions to investors.

Realists would argue that Nicaragua is smaller and weaker than either of the dueling hegemonies, the US and Venezuela, so it is easy for them to capitalize (literally) on Nicaragua's need for energy. Laurent Cohen-Tanugi observes that since globalization is

the economic paradigm du jour for international economic relations, countries adopt the language of integration into the international system for two reasons.

“This integration first of all corresponds to their enlightened self interest in terms of power; but the commitment to accept integration also allows them to gain time and distract the West’s attention from the build up of economic and/or military power over which the ‘international community’ will soon have no control.” (Cohen-Tanugi 2007).

Here, Cohen-Tanugi presents the realist view that states rationally act in their own self-interests as they integrate into the international economic system. Venezuela may tout ALBA as an alternative to integration into the global market, but Nicaragua is still an active participant in the global and regional market.

Indeed, Jilberto and Mommen (1998) describe regionalization as a recent phenomena fostered by foreign direct investment and economic cooperation between countries closely linked by geographical proximity or common interests. Regional arrangements are the “direct result of government actions instituting regional trade regimes and creating deeper integration of separate economies on the regional level” (Jilberto and Mommen 1998). Interestingly, Nicaragua continues to participate in CAFTA-DR while simultaneously remaining a very active member (both ideologically and financially) of ALBA. Realists could argue that Nicaragua’s continued cooperation with the US makes it less likely that the US will attempt to intervene in the Sandinista party’s dominance, like it has in the past. Venezuela formed ALBA as an alternative to globalization and US hegemony in the region. In spite of bellicose rhetoric, Nicaragua is acting in its own self-interests from a realist perspective, and embracing both sides.

Aside from subsidized oil, one of the most important reasons for Nicaragua's allegiance with ALBA is ideology. ALBA is effectively an organized economic interest that dictates collective interests for its member nations. As Mancur Olson states in *The Logic of Collective Action* (1965), "In an organization, an emotional or ideological element is often involved" in determining collective interests. Peter Gourevitch agrees with Olson, maintaining that ideology is an important factor in determining the collective interests of organized economic interests, as are mechanisms of representation and associated interest groups; systems of rules; and the state's placement in the international system of political-military rivals (Gourevitch 1986). However, Gourevitch goes further and provides an explanation for how policy crises, such as Nicaraguan's dissatisfaction over rampant poverty in spite of the neoliberal policies embraced by Bolaños and his US-backed predecessors, can result in changing coalitions.

"In the prosperous years preceding the crisis, a policy approach and support coalition developed. Then came the crisis, challenging both policy and coalition. Crisis opened the system of relationships, making politics and policy more fluid. Finally, a resolution was reached, closing the system for a time, until the next crisis" (Gourevitch 1986).

Ortega's victory and the revolutionary Sandanista party's return to power is Nicaragua's solution to the policy crisis associated with neoliberal development (Tater 2009).

Nicaragua is part of a coalition supporting Venezuela and ALBA, and therefore articulating a new vision for development.

Neoliberalism's open-market foundation has been the prevailing international development model in recent decades and Nicaragua has been seriously shaped by this

grand development experiment. Beginning with the Chicago school in the mid 20<sup>th</sup> century, the neoliberal model maintains that capitalism and globalization are essential for growth in both developed and developing economies. Jeffery Sachs (2010) uses a ladder-climbing analogy to explain his neoliberal perspective on development. He purports a rather top-down approach where if the poorest sixth of the world's population could get just one foot on the bottom rung of the development ladder, they could then begin the slow climb from abject poverty – and it's the developed world's responsibility who should lift them up so they might climb. Indeed, many Nicaraguans would not be able to fully utilize electrification efforts because they are too impoverished to purchase anything to plug into the grid. Ironically, as Hoyt points out above, ALBA would prefer to start its own version of the CDM, funded by developed countries, rather than participate in the global market. In this case, ALBA also wants developed countries to support their rise from poverty, but within the constraints of its own market as opposed to the global carbon market.

The failure of the neoliberal model to lift Nicaragua out of poverty was a main motivator in Ortega's 2006 election, and Nicaragua's alliance with ALBA. With the model Sachs describes, Nicaragua's "haves" – those with some economic means – were able to more easily climb the ladder and capitalize on the opportunities provided by neoliberal economic development incentives, while the "have-nots" were left without. This is especially pronounced because of the rampant corruption in Nicaragua, where a very few powerful families control the majority of the country's wealth, leaving a huge proportion of impoverished people (Bull and Aguilar Stoen 2014). A vocal critic of the

neoliberal model, Joseph Stiglitz would agree that Nicaragua is an excellent case study of how the promise of globalization has not reduced poverty and served to drive inequality – thus sending Nicaragua in search of the ALBA alternative. Arguably, ALBA is not so much an alternative to neoliberalism, but a counterpoint to US hegemony. ALBA provides Nicaragua with the huge ALBANISA “development” fund, promises massive infrastructure, inexpensive oil, electricity rate subsidies, and a favorable trade market. Venezuela is open to many market principles, such as selling oil directly to China through Nicaragua, and developing a regional free trade agreement and carbon market. Nicaragua has opted to take full advantage of the financial incentives provided by foreign direct investments and international financial institution incentives for renewable energy development while also enjoying the financial and ideological allegiance from Venezuela and its oil wealth. Ultimately, Nicaragua’s energy development initiatives are simultaneously guided by neoliberal principles from the US and international financial institutions in harmony with ALBA’s version of a “regionally globalized” market.

## CHAPTER 5 – NICARAGUA’S “GRAND” CANAL: CUENTO CHINO? RHETORIC AND FIELD-BASED EVIDENCE ON THE CHINESE PRESENCE IN NICARAGUA

As Venezuela’s financial support was waning in Nicaragua, Daniel Ortega’s Sandinista administration granted an open-ended concession to the Chinese company Hong Kong Nicaragua Canal Development Investment Co. Ltd (HKND) to build the long-dreamed of “grand canal” across Nicaragua (Figure 1). The Sandinistas, who first came to power in 1979 on a tide of socialism and anti-capitalist discourse and action, are now fostering a system of government that promotes many of the tenets they ostensibly fought against in the 1979 revolution, such as imperialism, social injustice, and environmental degradation. This about-turn in rhetoric and action is highlighted by Nicaragua’s partnership with a Chinese enterprise on the canal project in 2013. Though HKND is privately owned by a previously unknown telecommunications tycoon named Wang Jing, the \$50-\$80 billion dollar megaproject is speculated to have backing from the Chinese government, and is clearly part of China’s “Going Out” strategy to encourage state and privately held enterprises to invest in overseas markets (Daley 2016, Gransow 2015). There has been a significant amount of protest and criticism surrounding the political, social, and environmental impacts of the canal. Complaints have been voiced through a social movement protesting: the unjust compensation for land and human



displacement, harsh criticisms of the inadequate environmental impact assessment of the canal route, and the egregious violations of the Nicaraguan constitution embodied in the publication of Law 840 (the Canal Law).

Though the concessions were signed in 2013, few obvious signs of progress towards construction of the canal exist today. However, persistent fieldwork over the past 4 years reveals subtle actions taken by HKND and the Nicaraguan government to begin construction of the Canal and/or associated projects like free trade zones. This paper explores the discourses and actions surrounding the plan to build a canal across Nicaragua, with particular interest in the ways the Ortega administration and HKND's Wang Jing frame the project, in contrast to the various criticisms it has received. The analysis of discourse in favor of the canal is contextualized by a history of Nicaragua's anti-imperialist rhetoric aimed at the United States. The United States has a long and much-criticized history of political, economic, and military intervention in Nicaragua, including numerous attempts to build an interoceanic canal. Now China is attempting to create a "maritime silk road" bifurcating the entire country and effectively controlling large swaths of Nicaragua's sovereign territory through the generous canal concession and allotments granted in Law 840. A Chinese-controlled canal through Nicaragua would also be a major geopolitical coup for Chinese interests, as it gains easy access to a trade route to South America, Europe, and western Africa.



Figure 4: Map of the proposed canal route. Credit: Mary Lee Eggert

Volumes have been written on emerging China-Latin America relations (Meyers and Wise, 2017; Ellis, 2014; Fornes and Butt Philip, 2012; Gallagher and Porzecanski, 2010). From these we know that bilateral trade between China and Latin America increased exponentially, from \$29 billion in 2003 to \$270 billion in 2012; China aims to spend \$500 billion in trade and \$250 billion in direct investment between 2015 and 2020; and that Chinese companies have a physical presence across the region in sectors such as oil, mining, manufacturing, construction, telecommunications, and banking (Ellis 2014; Dollar, 2017). China’s “Going Out” strategy refers to foreign direct investment on the part of Chinese companies, and economic interests, securing natural resources, and acquiring new markets (Gransow 2015). Chinese enterprises are interested in importing primary goods such as mineral, energy, and food resources from Latin America, as well

as importing manufactured goods such as electronics and textiles to the region, and thus are willing to invest in the necessary infrastructure to conduct business and transport these goods between the regions.

China's involvement in Latin America is of great interest to observers, not only because of changing power structures related to the United States' longstanding hegemony in the region, but also because of China's willingness to engage with states which have been traditionally hostile to US interests. Wise and Meyers (2017) reject the idea that China's rise in Latin America has been "bellicose" in nature, and maintain that "China's intentions are developmental in nature.....and not an affront to US sovereignty in the Western Hemisphere." Piccone (2016) agrees that China pursues "win-win policies grounded on the basic premise that LAC (Latin America and the Caribbean) states value traditional definitions of sovereignty and noninterference as much as it does."

We argue that China's involvement in the construction of an interoceanic canal across Nicaragua is a direct challenge to US hegemony in Latin America, and that China's rapid economic growth, need for raw materials, and maritime access between the Pacific and Atlantic parallels the United States' embrace of imperialism and hegemony at the turn of the 20<sup>th</sup> century. Further, we reject the notion from the popular press that no progress is being made towards the canal. We present evidence to the contrary and ascertain that the Nicaraguan "Gran Canal" is imperialist in nature and an overt geopolitical maneuver hallmarking China's dominance in South-South relationships

enabled by a mutual rejection of traditional liberal values such as human and environmental rights.

Specifically, this article will address “economic geography – trade, politics, and differing models of state-capital relations” and political geography and geopolitics via “competing hegemonies within Latin America and the Caribbean” using the Nicaragua canal as a case study. To do so, we first provide an overview of China’s rapid economic growth and interest in overseas direct investment in infrastructure as a means of diplomacy, in spite of accusations of imperialism and a failure to deliver promised megaprojects. We then highlight the similarities between the United States’ efforts to build a canal across Nicaragua during the height of its imperialist endeavors at the turn of the 20<sup>th</sup> century and China’s current geopolitical ambitions with the Nicaragua canal. We analyze the ways in which Nicaragua’s canal concession to China, via Law 840, violates human and environmental rights, as well as the Nicaraguan constitution – in spite of assurances to the contrary from both Chinese and Nicaraguan officials. We then explore the actions of the “No al Canal” movement and the repressive reactions of the Nicaraguan government as indications that the canal is progressing. We demonstrate further evidence of progress towards building the canal from the field and highlight how although the tenets of the original Sandinista movement included fighting US imperialism and promoting human and environmental rights, the parameters of the Nicaragua canal embrace Chinese imperialism and ignore the rights of Nicaraguans and their land.

## **Megaproject Imperialism**

China's recent economic growth has allowed it to invest in infrastructure projects around the world. Chinese infrastructure and megaproject investment is prevalent across the global south, especially in Africa, Southeast Asia, and Latin America, thus ushering a new era of South-South trade. With a population of over 1.3 billion and an exponentially growing economy, China is unsurprisingly trying to access additional resources through investments in extractive industries, industrial farmland, and energy sources.

China is broadly accused of “neo-imperialism” in Africa and other developing regions to meet this end (Lumumba-Kasongo 2014). While China invests broadly in markets that seem lucrative, it has found mutually beneficial ways to work with “semiparish states that Western democracies remain wary of” – and these countries are happy to engage, “since securing similar funds from Western powers normally entails tiresome assurances on human rights and transparency — topics Beijing is only too happy to disregard.” (Cheng 2013). The Chinese relationship with countries such as Zimbabwe, Sudan, and Iran has received international media attention, primarily because of the sensational nature of these relationships in the eyes of Western media outlets while the Chinese regard these as standard business relationships, without concern for politics. Many Latin American countries have welcomed China's involvement in the region. This is certainly the case with Brazil's vast supply of commodities such as soy, and also the “new left” countries such as Venezuela, Ecuador, Bolivia, and Nicaragua who have vocally resisted American hegemony in the region. Wise and Meyers (2017) note that

South American countries have experienced a commodity boom similar to that at the turn of the 20<sup>th</sup> century while Central American countries do not have commodities to offset the flood of Chinese manufactured goods into the region. This is mostly true from a geographical standpoint, except in the case of Nicaragua, where China is not interested in commodities; rather it seeks to build an interoceanic canal – the largest megaproject ever attempted – to control access to trade in Latin America, Africa and Europe.

Megaproject development has become one of the most lucrative industries in the world, and China invests more annually on infrastructure in developing countries than any other nation. Flyvbjerg (2014) estimates that the total global megaproject spending is 6 to 9 trillion dollars per year. While governments welcome foreign direct investment as a way to decrease poverty, development projects often displace local residents in ways that do not enhance their economic well being. The capacity of local residents to adapt to the socioeconomic and biophysical transformations depends on the livelihood alternatives and strategies available to articulate with new economic processes (Li 2014). Since the Chinese economy has opened, the Chinese investment in megaprojects across the world is significant. In 2013, China's president Xi Jinping announced the "One Belt, One Road" plan to build infrastructure around the globe. To date, this initiative promises over \$1 trillion in spending over 60 countries, and solidifies China's economic and geopolitical agenda (Perlez and Huang, 2017). China's "railroad diplomacy" has become more prominent over the last ten years as China has made rail deals on almost every continent, and in countries deemed a political and economic risk by western investors.

“China is moving so fast and thinking so big that it is willing to make short-term missteps for what it calculates to be long-term gains. Even financially dubious projects in corruption-ridden countries like Pakistan and Kenya make sense for military and diplomatic reasons” (Perlez and Huang, 2017).

There is much speculation regarding China’s ability to complete such ambitious projects, but “railroad diplomacy” has been successful in many places. For example, in Kenya, a Chinese state-owned company (China Roads and Bridges Corporation) completed a \$3.8 billion standard gauge railway connecting the port city of Mombasa to the capital, Nairobi; the first section of a promised railway connecting Kenya to Uganda, and eventually stretching to Rwanda, South Sudan, and Ethiopia (Lefkowitz 2017). This five-hour route provides a much-needed passenger and goods alternative route to the dangerous road connecting the two cities over an eleven-hour journey. Remarkably, this project was completed 18 months ahead of schedule; unsurprisingly, it was fraught with disagreements regarding cost overruns, land acquisition, and environmental impact (Lefkowitz 2017). These are common issues in megaprojects, regardless of who finances them; the Chinese and their host country partners seem more willing to overlook these constraints in the name of progress.

Indeed, Latin America is witnessing a rash of megaprojects that are promoted as the panacea to underdevelopment ills. Primarily, these megaprojects facilitate trade in primary goods from and manufactured goods to Latin America. These projects include extractive operations, large-scale energy and biofuel projects and transportation infrastructure (Gudynas 2009; Machado Aráoz 2009, Castro 2012). Fornes and Butt Philip (2012) assert that China’s interest in Latin America goes beyond securing raw

materials such as energy, mineral, and food resources (specifically oil, gas, lithium, copper, coffee, palm oil, and soy). The Chinese are also looking for markets in which to sell manufactured goods. To enable bilateral trade in the region, the necessary infrastructure to allow goods to flow back and forth from Latin America must be in place, and the Chinese are willing and able to invest in this.

Transportation infrastructure initiatives such as the South American Initiative for the Integration of Infrastructure and the Plan Puebla-Panama create new enclaves that connect sites of resource extraction to global markets (Castro 2012). However, “development projects involve reorganizing the meaning and control of space” and thus are inherently displacing (Vandergeest 2003, Taylor and Steinberg 2011). Particularly, development via the construction of megaprojects sets forth a series of processes that transform the socioeconomic and biogeophysical dynamics of landscapes and results in a series of primary and secondary displacements that are lost within nationalistic ideologies of progress and development (Gellert and Lynch 2003). This is undoubtedly the case as the Nicaraguan canal route cuts the country in half, creating profound social, political, economic, and environmental consequences on either side of the divide. Furthermore, in rural areas of Latin American where most of these megaprojects are taking place, livelihood options usually depend on access to land, as is the case for Nicaragua. Purported job creation from the megaprojects rarely balances the losses from land displacement.



Before HKND announced the “Gran Canal Interoceanico” in 2013, the largest megaproject in Latin America earmarked by the Chinese was a 220 kilometer dry canal across northern Colombia to link the Atlantic and Pacific coasts to facilitate Chinese exports from and imports to South America (Fornes and Butt Philip 2012). However, China’s transportation megaprojects face major challenges in Latin America.

“But across the region, one large Chinese rail venture after another has come crashing against the hard realities of Latin American politics, resistance from environmental groups, and a growing wariness toward China. While China boasts of its rail initiatives around the world, it has often been stymied in Latin America, reflecting how even China’s formidable ambitions have limits. Now, new worries over China’s economic growth are raising more doubts about the blitz of what China calls its ‘railroad diplomacy,’ as parts of Latin America reel from their dependence on China” (Barrow 2010, Romero 2015).

The fate of other China-backed transportation megaprojects notwithstanding, it is worth investigating why China is so desperate for an extraordinarily expensive alternative to the Panama Canal, particularly when claims that it has no geopolitical aspirations abound. First, an examination of the development of the Panama Canal by the United States, a nation with clear geopolitical ambitions at the turn of the 20<sup>th</sup> century, is prudent.

### **The Elusive Nicaragua Canal**

An inter-oceanic canal across Nicaragua has been contemplated for centuries. The United States has a long history of intervention in Nicaragua and has always been the prime proponent of the canal. Indeed, William Lawrence Merry, Consul General of Nicaragua explained in 1892,

“The availability of the Nicaraguan Isthmus was urged in 1550 by Antonio Galvao. Since 1822 the United States government has had its attention repeatedly called to the advantages of the location for canalization, and in June 1826, the first private contract was made for the excavation of the work, which failed, owing to political and financial reasons.”

In the 1800s, the United States’ economy was growing rapidly and raw materials from the western US were necessary for continued development of the population centers in the east. Thus, the US needed a more efficient transportation route for necessary commodities to fuel its development. The California gold rush made a canal across Central America all the more urgent. As rail travel across the entirety of the United States was not yet possible, the most efficient option to reach California from the east coast was via boat to the eastern shore of Nicaragua or Panama, then overland, then back up the western coast by boat. This occurred during the heyday of Manifest Destiny, and the United States’ attempts to control the western hemisphere. During this time, United States filibuster William Walker and millionaire Cornelius Vanderbilt were fighting for control in Nicaragua (Dando-Collins, 2009).

The United States spent decades and millions of dollars trying to establish whether to build a canal through Nicaragua or Panama. Which route to chose became a very heated political drama. In 1892, Merry described the effort to pass Nicaragua canal legislation as bipartisan and essential to protect the United States’ national interests, threatening that Europe would take the route if the US didn’t, explaining

“if this patriotic legislation is not to be obtained from congress, the Canal will nevertheless go on to a conclusion, probably ending under European control, to the lasting shame of partisan politics and the serious detriment of the Republic, politically and commercially... The volume of public opinion will force action, I

trust, in time to prevent Europe, with its selfishness and land hunger, from planting itself on the future highway of the world's commerce in Nicaragua.”

This sentiment underlies the United States' overriding concern that its power in the region would be undermined. However, almost 40 years earlier, Peter Stout (1859) adamantly defends the intention of the United States, emphasizing that it is “seeking no exclusive advantages . . . but that the purpose (of the canal) is to open the routes across the Isthmus to the commerce and travel of all nations.” Echoing Stout's sentiments from the 1800's, in present day, the Chinese have maintained that the Nicaragua canal is also for the use of all nations.

Ultimately, the United States decided to build a canal through Panama, purchasing the rights to the canal for \$40 million from France in 1902. The terms of the concession gave the United States control over the canal for 100 years; and the US ceded control back to Panama in 2000. Since then, major upgrades to the canal have been completed to allow for increasingly large cargo ships to pass through; though concerns remain that the Panama canal expansion wasn't ambitious enough (Wade 2015). In 1914, the United States and Nicaragua signed the Bryan-Chamorro treaty, which granted the United States exclusive, perpetual rights to build an interoceanic canal across Nicaragua. The United States paid Nicaragua \$3 million for this, and also received a ninety-nine-year lease of Great and Little Corn islands and the right to establish a naval base in the Gulf of Fonseca. The US primarily saw this as a way to ensure that no other country could build a canal in Nicaragua. The Central American Court found in favor of complaints by neighboring countries; Costa Rica claiming that the canal adversely affected the San Juan

River which it shares with Nicaragua; El Salvador claiming that the Gulf of Fonseca belonged jointly to El Salvador, Honduras, and Nicaragua and the Central American Court found in favor of Nicaragua's neighbors, but didn't have standing to enforce the ruling with the United States (Munro 2003). Nicaragua refused to accept the decision and the Bryan-Chamorro treaty remained in force until 1970, as the Sandinistas were gaining power with an anti-US imperialism platform.

### **Cuento Chino**

Merry would likely be surprised to find out that China now has the rights to a canal across Nicaragua. The United States has been conspicuously quiet regarding any perceived threat to its hegemony via a Chinese built Nicaragua canal. With similar intentions but less notoriety than Cornelius Vanderbilt in the mid 1800s, present-day Chinese businessman Wang Jing and his Hong Kong Nicaragua Development (HKND) corporation reached an agreement to build a canal across Nicaragua, which contains concessions similar to the Bryan-Chamorro Treaty. In remarks at the groundbreaking ceremony for the Grand Canal in December of 2014, Jing referred to the Grand Canal as the "Maritime Silk Road of the 21<sup>st</sup> Century" which "will definitely change the pattern of global maritime trade." Wang Jing is clearly aware of the history of the canal, the scale of the project, and the global speculation against it ever being built. He states

"When we talk about the Grand Canal of Nicaragua, it always reminds us the century-old dream shared by many people in history, which of course rest with the thick blueprints and papers. Until today, this dream of over a hundred years has

gone through the time channel echoing the roaring of trucks and heavy machineries now in front of us. People cannot help wondering whether the dream comes true in this century. If so, what we will get and what we will lose? How that a dream wasn't realized for so many generations, will become a reality today? In fact, during the last two years, we have encountered challenges in all aspects. Being regarded as the largest infrastructure project of the human history is not only simply meant to the huge amounts of excavations through the mountains, constructions of roads and bridges overwater. In more than two years, the doubts and speculations on the Canal Project about protection of the environment, resettlement, technology, machinery, finance, law, politics, experience, equipment, etc. never stopped. Today we proudly announce that we have overcome all those challenges. With the full support of President of Nicaragua and relevant government departments, and with the concerted efforts of world-class companies and scientists from countries like the US, UK, Belgium, Australia and China, and esp. with the overall understanding recognition and support of Nicaraguans, we have made the milestone commencement with full confidence” (HKND 2014).

#### **Terms of Nicaraguan Canal Concession – Law 840**

Indeed, Wang Jing received the full support of the President of Nicaragua, and instead of a treaty between nations like the Bryan-Chamorro Treaty, on June 13, 2013 the Nicaraguan Assembly approved Law 840 “*Ley Especial para el Desarrollo de Infraestructura y Transporte Nicaragüense atingente a El Canal, Zonas Libre de Comercio e Infraestructuras Asociadas*” (Special Law for the Development of Nicaraguan Infrastructure and Transport related to The Canal, Duty Free Zones, and Associated Infrastructure), which grants Wang Jing’s company (HKND) permission to build the canal across Nicaragua. The proposed canal would be the world’s largest infrastructure project of the 20<sup>th</sup> and 21<sup>st</sup> centuries (Figure 1). The 278 km-long Nicaragua Canal will cut Nicaragua in half and displace at least 120,000 Nicaraguans from their land (Figure 2). A few days later, the government published the accords for a

framework of the concession and implementation with respect to the Nicaraguan Canal and Development Projects (*Acuerdo Marco Concesión e Implementación con relación a El Canal de Nicaragua y Proyectos de Desarrollo*). According to Law 840, Nicaragua will have a the right to participate in the economic gains made by the canal and its sub projects begining at the level of 1% and increasing by 1% each year until reaching 99% in 100 years.

This means “that the canal will do no more than pass through Nicaragua, but it is not owned by Nicaragua and Nicaraguans. For many more years to come it will be the private property of large capital” (López Baltodano 2013). Others agree: Acclaimed writer, poet, and former FSLN activist Gioconda Belli (2017) states

“As in the eighties, the Ortega apparatus and their well-tuned propaganda machine will appeal to the Nicaraguan people’s true and historic anti-imperialism, using it like a machete to cut down and vilify anyone opposed to sovereignty: not the sovereignty of the country – in any case, that’s already been sold to Wang Jing – but that of the pseudo-monarchy that rules us.”

The amount of sub-projects and sub-companies under the project have lead many to speculate that the project is being designed as an instrument to launder money (Aburto 2017). The canal is only one part many other infrastructure projects – per law 840, including two ports, an oil pipeline, railway line, two free trade zones, an airport, large tourism zones, and any other infrastructure the investor deems is necessary for more sub-projects (Amnesty International, 2017). Furthermore, Wang Jing may sell the concession to anyone, without the input of the Nicaraguan government. Economist Enrique Saenz explains,

“All of the national territory is committed, not only the route along the Canal. Not only can Wang Jing negotiate the rights ceded to him in any way, but also he can do it with anyone, without the government having any power to oppose it. There’s even a provision that if the financiers come to operate in Nicaragua they’re not obligated to register or report themselves to the Superintendence of Banks” (Aburto 2017).

However, at the groundbreaking ceremony for the Canal, Chairman Wang himself made assurances that the canal project will be fair and equitable:

“I’d like to express that Chinese companies and Chinese have arrived at this beautiful country to build it and not to destroy or damage it. We vow to respect all the rights and interests of the Nicaraguan people. The resettlement work will be based on the principles of being equitable, fair, public and transparent. Without the consent of the owners, or the satisfaction with the compensation, not a single plant on their land will be touched” (HKND 2014).

Unsurprisingly, Chairman Wang’s statements have rung hollow with Nicaraguans in the canal’s path, as well as international observers. The environmental impact statement for the canal route, though prepared by a third party international consulting firm, has been roundly criticized for being inadequate and not meeting international standards (Hurete-Perez, et. al., 2016). In 2017,

“Amnesty International has noted that, despite national regulations and international human rights standards, Law 840 was approved in a way that has been described by various national actors as irregular, extremely fast, opaque and lacking real and genuine consultation. The state’s actions constitute an unacceptable failure to respect its international human rights obligations.” (Amnesty International 2017).

Contrary to Wang’s words, owners are not satisfied with compensation, and their lands have been surveyed without their consent – under the watchful eyes of military police and Chinese surveyors.

## **“No al Canal” movement: the “*Movimiento Campesino*”**

Fornes and Butt Philips (2012) state

“China’s official rhetoric revolves around the core message that China is one developing country that is now in a position to help others without being encumbered by the historical baggage of colonialism. Problems may arise if and when the resources that China is seeking to exploit from part of an environment that populations in Latin America wish to preserve.”

This is clearly the case with the Nicaragua canal, as exemplified through the “No al Canal” movement (*Movimiento Campesino*), which has worked tirelessly, using legal and peaceful means, to bring about the repeal of Law 840 and the canal concession. The “No al Canal” movement has taken its case against the canal to the Interamerican Commission on Human Rights and the Latin American Tribunal for Water, and presented a petition with 28,000 signatures to Nicaragua’s National Assembly to repeal Law 840. In addition to these legal moves before national and international bodies, the “No al Canal” Movement has organized 93 peaceful marches protesting the canal and Law 840 (as of September 2017). Despite this enormous effort and support of international bodies like the Latin American Tribunal for Water, which declared that the Nicaraguan government should cease any activity on the canal and related projects, progress towards the construction of the canal continues, as does repression of the “No al Canal” Movement by the Nicaraguan government.



## **Si al Canal, No a la libertad**

The Nicaraguan government makes few official comments with respect to the progress on the canal or the No al Canal movement. They do however, sponsor concurrent marches in support of the canal in the same place that anti-canal protests are taking place. Moreover, the Nicaraguan National Police routinely block participants from reaching the protest locations. When the police block Nicaragua's highways, they give no explanation to the detained protestors – they simply prevent them from proceeding (e.g. Chamorro and Moncada 2017). They do so in the face of national media, who record the blockades where protests occur on the spot, rather than the original destinations. Police even go so far as to place physical deterrents such as nails or wires across the road to prevent protestors from passing. Use of force by the police is not uncommon and has led to four protestors being injured in the course of the protests – one protestor was blinded and another lost an arm to police inflicted injuries.

This type of intimidation by the Ortega regime is not uncommon (e.g., Burbach 2009). Mónica Baltodano, Sr., who was active in the Sandinista revolution states that

“the right to assembly has been systematically violated during the past year as opposition demonstrations are put down by goon squads and that the Ortega is establishing an authoritarian regime, sectarian, corrupt, and repressive, to maintain his grip on power, betraying the legacy of the Sandinista Revolution” (Burbach 2009).

The current intimidation and repression of the No al Canal movement is nothing new, nor is it deterring protests against the canal.

## **Sigue al canal?**

Protests against the canal continue despite consistent reporting by the international media that construction progress on the canal is slow or nonexistent (e.g., Daley 2016), clear activity is being made towards construction of the canal. This activity is not in the form of huge earth moving equipment and camps housing tens of thousands of Chinese and Nicaraguan workers, but in the form of geophysical studies, social and environmental impact assessments, and surveying of all boundaries of private land along the route. This activity is taking place at a slower pace than that promised when the plans to build the canal were first announced. This is in part because of the objections made by the No al Canal movement, which questioned the outcomes of the social and environmental impact assessment studies, forcing HKND to conduct further feasibility studies and, in some cases, alter the course of the canal. Evidence of progress on construction of the canal also comes from HKND's own newsletters (e.g., HKND 2017), the websites of companies contracted by HKND (e.g., CSA Global, ERM, and Rodio Swiss Boring), trade magazines like *Dredging Today* (Dredging Today 2016), and boosterism reporting in government aligned newspapers like *La Voz del Sandinismo*.

Other evidence of activity comes from non-aligned news sources, such as the reporting in all national newspapers of the crash of the CSA Global aircraft flying LIDAR (light detecting radar used to perform sub-centimeter mapping of topography along the route of the canal) in October of 2015. Local residents near the crash site confirmed this type of activity. On the ground research by the authors as early as

December 2013 showed that the Chinese engineers were already on the ground. For example, a group of Chinese surveyors in orange overalls and hard hats came to the small Pacific village of Gigante looking for accommodation. Moreover, fieldwork at the proposed site of the Pacific deep-water port near the outlet of the Brito River revealed that Rodio Swiss Boring was conducting test drilling of sediments to determine the best location for the deep-water port. In fieldwork in June of 2016, access was at first denied to the site by private security agents, but was granted after explaining the right to public access to the beach. Upon receiving access to the beach, Rodio Swiss Boring was identified at work, protected by agents from the Nicaraguan Police. After similar obstacles in March of 2017, access to the site was again granted and a large group of Nicaraguan Police accompanying some surveyors was observed. A local resident explained that this was to be “el lugar de unas oficinas – para los Chinos” (a place for some offices – for the Chinese). In June of 2017, employees of IMPRESUB, an international underwater engineering company contracted by HKND confirm that they are working on canal-related construction in Nicaragua. Interviews with lawyers and officials from the government land titling office in the Rivas region in the western portion of the canal reveal that there is a freeze on transfer of land titles in the 10 km-wide canal zone.

## **Conclusion**

All of these actions point to the fact that Nicaragua is confidently preparing for a Chinese-built canal. Progress may appear slow to international observers but actions on

the ground indicate that the canal is indeed moving forward. China's spotty record of completing promised megaprojects and rumors of Wang Jing's vastly decreased fortune make speculation even more rampant, yet people in the canal's path are witnessing enough action on the ground to continue to protest the adverse political, social and environmental impacts of the canal in spite of repression by the Nicaraguan government. Opponents of the canal are well aware of the Ortega administration's hypocritical stance, vocally denouncing the United States' long history of intervention in the country while embracing China's offer to bifurcate the country, without regard for human or environmental rights, in the name of economic development. Skepticism remains about China's ability to actually complete such an ambitious megaproject. Should China actually complete this canal, it will have access to its "maritime silk road" and a true channel to natural resources and new markets for manufactured goods, solidifying the power of South-South economic relationships, and overshadowing the United States as a global hegemon. Human and environmental rights are Western constructs of little value to an economic empire that has pledged over \$1 trillion dollars in much-needed infrastructure investment in the global South.

CHAPTER 6 – QUÉ DIRÍA CARLOS? THE ‘NO AL CANAL’ MOVEMENT AND  
THE RHETORIC OF RESISTANCE TO NICARAGUA’S GRAND CANAL



Figure 5: Canal protestors carry a sign that claims ‘Ortega sold our homeland.’ Photo credit: Esteban Felix/AP

“The Canal is the second Revolution” – Daniel Ortega

The idea of an interoceanic canal across Nicaragua has been a source of conflict for almost two centuries. In the 1800s, the United States spent decades and millions of dollars trying to establish the best route for a canal through Nicaragua, ultimately deciding to build the canal in Panama. The impetus for a trans oceanic canal through Central America was entirely self-serving for the United States' interest in establishing a more convenient trade route between the east and west coasts as the country grew westward, as well as easier access to California during the gold rush. Then, as now, private business interest intertwined with national interests, and led the initiative to build a canal across Nicaragua. In 1849, business tycoon Cornelius Vanderbilt's Accessory Transit Company was granted a twelve-year exclusive concession to finance and build a canal across Nicaragua. Civil war in Nicaragua and subsequent invasion by US filibuster William Walker ultimately derailed Vanderbilt's plans for a canal, though he did successfully operate a dry land crossing for several years in the mid-1800s. The US maintained rights to a canal in Nicaragua through 1970, when resentment towards US intervention and the corrupt Somoza regime was boiling into a full revolution. The Sandinista National Liberation Front (FSLN) declared victory over the Somoza dictatorship in 1979, on a platform of human rights, and a rejection of foreign interference in Nicaragua. After losing power from 1990 to 2007, the FSLN returned to power with Daniel Ortega as president until the time of writing.

In 2013, the Ortega administration granted Chinese business magnate Wang Jing's Hong Kong Nicaragua Development Corporation (HKND) a generous 100-year concession to build an interoceanic canal "and associated projects" in Nicaragua. While

the Ortega administration maintains that the canal project will create jobs and improve the lives of people in the second poorest country in the western hemisphere, there has been widespread concern that the canal concession violates the constitution as well as human and environmental rights (Amnesty International 2017, Huete-Perez, et al 2016). Many former members of the FSLN and revolutionary leaders, along with members of the rural population (campesinos) who stand to lose the most from the construction of the canal, have organized a large-scale civil resistance to the canal.

This research examines the origins of, and impetus for the ‘No al Canal’ movement. It analyses how the canal concession, law 840, goes against the revolutionary constitution and imposes significant human and environmental rights violations. It also examines the important role played by women in the movement. In particular, it looks at the role played by Francisca Ramírez and Mónica López Baltodano, the two main leaders of the ‘No al Canal’ movement and employs a feminist perspective to explore how they have leveraged their unique identities as a campesina and an elite lawyer, respectively, to garner support for the movement. It also examines ways in which the ‘No al Canal’ movement employs the language of the original founders of the FSLN, Augusto Sandino and Carlos Fonseca, as a kind of rhetorical trap to reinforce how far the Ortega administration has deviated from the original FSLN philosophy. Finally, this research explores how the ‘No al Canal’ movement has maintained nonviolent discipline, even in light of violent repression tactics employed on the protestors by the Ortega administration.

## **Foreign intervention and government oppression**

Nicaragua is no stranger to resistance to oppression. The Nicaraguan Revolution, pitting the FSLN against the Somoza dictatorship, is one of the most violent, and also romanticized, in Latin American history. The impetus for the revolution was not only the corruption of the Somoza dictatorship, but also the United States continued intervention in Nicaraguan affairs, and unwavering support for the Somoza regime. Following Cuba's violent revolution, the leaders of the FSLN urged supporters to take up arms against Somoza. Their impassioned pleas for armed struggle held Marxist values and did not see value in civil resistance after so many years of oppression. The leaders of the FSLN spent years preparing, and then fought a violent, bloody civil war, ultimately overthrowing the Somoza dictatorship. The US responded by funding an equally violent counter-insurgency, known as the Contras, in a misguided attempt to stop the spread of socialism close to home.

Indeed, the United States has a long history of intervention in Nicaragua. Carlos Fonseca founded the FSLN to overthrow the Somoza dictatorship and resist US intervention. Daniel Ortega's version of the FSLN is in power today, though in a very different form than Fonseca's FSLN. To help rationalize the need for his new revolutionary party in the 1960s, Fonseca identified a number of events constituting US intervention in Nicaragua in an article first published in 1969 titled "Nicaragua: Zero Hour." Fonseca detailed a long list of grievances, including that the US and England signed the Clayton-Bulwer treaty of 1850 to build an interoceanic canal across the



country; in 1854 a US warship bombed the town of San Juan del Norte out of existence; in 1855, William Walker invaded Nicaragua and declared himself president; in 1909, the US sent the “Knox Note” claiming its right to intervene in Nicaraguan affairs; in 1912 US marines occupied Nicaragua after the US intervened on behalf of the conservative government; in 1914, the Bryan-Chamorro Treaty gave the US eternal rights to build a canal across Nicaragua; in 1933, the US installed and supported a National Guard to suppress the popular uprising led by Augusto Sandino; in 1934, the National Guard, headed by Anastasio Somoza and backed by the US, assassinated Sandino (Fonseca 1969). If Carlos Fonseca had not been murdered by the Somoza regime in 1976, he would likely have added the United States’ support of the Contra war after the FSLN overthrew Somoza and took power in 1979, to his long list of damaging interventionist actions by the United States.

### **An ephemeral canal with a long history**

To Fonseca and other revolutionary leaders, the United States’ long-standing interest in building a transoceanic canal represented an overt desire to quite literally control territory and economy in Nicaragua. In the 1800s, the United States’ economy was growing rapidly and raw materials from the western US were necessary for continued development of the population centers in the east. Thus, the US needed a more efficient transportation route for necessary commodities to fuel its development. The California gold rush made a canal across Central America all the more urgent. Since a rail line across the United States was not yet complete, the most efficient option to reach

California from the east coast was via boat to the eastern shore of Nicaragua or Panama, then overland, then back up the western coast by boat. The United States spent decades and millions of dollars trying to establish whether to build a canal through Nicaragua or Panama.

Ultimately, the United States decided to build a canal through Panama, purchasing the rights to the canal for \$40 million from France in 1902. The terms of the concession gave the United States control over the canal for 100 years; and the US ceded control back to Panama in 2000. In 1914, the United States and Nicaragua signed the Bryan-Chamorro treaty, which granted the United States exclusive, perpetual rights to build an interoceanic canal across Nicaragua. The United States paid Nicaragua \$3 million for this, and also received a 99-year lease of Great and Little Corn islands and the right to establish a naval base in the Gulf of Fonseca. The US primarily saw this as a way to ensure that no other country could build a canal in Nicaragua. The Bryan-Chamorro treaty remained in force until 1970, as the Sandinistas were gaining power with an anti-US imperialism platform.

Carlos Fonseca was rightly wary of US involvement in Nicaragua, viewing most actions as exploitative of Nicaragua for the sole benefit of the US. Fonseca stated:

The exploitation of minerals such as gold and copper, which is directly in the hands of foreign investors, pays ridiculously small sums to the national treasury through taxes. Parallel to this, the handing over of the national riches to the Yankee monopolies has continued to increase. In 1967, for example, a law went into effect that gave Magnavox, a company specializing in the exploitation of forests, absolute ownership of a million hectares of national territory (Fonseca 1969).

Were he still alive, Fonseca would likely be surprised that the FSLN under Daniel Ortega granted the newest global superpower a sweeping concession to a canal across Nicaragua. Like the United States in the 1800s, China is currently looking for a trade route it can control to support its expanding geopolitical power, and to command better access to raw materials and export manufactured goods to Latin America and beyond.

### **Law 840: the Nicaraguan canal concession**

On June 13, 2013 the Nicaraguan Assembly granted a Chinese company, Hong Kong Nicaragua Development Corporation (HKND), headed by CEO Wang Jing, permission to build a canal across Nicaragua. The National Assembly approved Law 840 “*Ley Especial para el Desarrollo de Infraestructura y Transporte Nicaragüense atinente a El Canal, Zonas Libre de Comercio e Infraestructuras Asociadas*” (Special Law for the Development of Nicaraguan Infrastructure and Transport related to The Canal, Duty Free Zones, and Associated Infrastructure), in an “extremely fast” and “opaque” process (Amnesty International 2017). The proposed canal would be the largest infrastructure project in history. The 278 km-long Nicaragua Canal will cut Nicaragua in half and displace at least 120,000 Nicaraguans from their land (see Map 3.1). The government also published the accords for a framework of the concession and implementation with respect to the Nicaraguan Canal and Development Projects (*Acuerdo Marco Concesión e Implementación con relación a El Canal de Nicaragua y Proyectos de Desarrollo*).

Amnesty International and other international observers roundly criticized the canal concession's flagrant violation of rights:

Nicaragua has pushed ahead with the approval and design of a mega-project that puts the human rights of hundreds of thousands of people at risk, without consultation and in a process shrouded in silence. Amnesty International has noted that, despite national regulations and international human rights standards, Law 840 was approved in a way that has been described by various national actors as irregular, extremely fast, opaque and lacking real and genuine consultation. The state's actions constitute an unacceptable failure to respect its international human rights obligations (Amnesty International 2017).

Law 840 stipulates that Nicaragua will receive one percent of the economic gains made by the canal and its sub projects the first year, increasing by one percent each year until ownership reaches 99% in 100 years. As stated by movement leader Mónica López Baltodano (2013), this basically means “that the canal will do no more than pass through Nicaragua, but it is not owned by Nicaragua and Nicaraguans. For many more years to come it will be the private property of large capital”.

Law 840 violates the Nicaraguan constitution in numerous ways, and even to the casual observer, the canal concession is viewed as an overt land grab on behalf of the Ortega regime.

“The canal is ‘a personal family project about President Ortega maintaining power through a megaproject that's generating illusions of profits among the people,’ said Manuel Ortega Hegg, a sociology professor at the Central American University in the capital, who is not related to the president” (Gallano and Wessenstein 2013).

Indeed, there are numerous cases where the concession omits protections relating to free, informed, and prior consent guarantees contained in the Nicaraguan constitution, national

legislation and Convention 169 of the ILO on indigenous and tribal peoples (FIDH 2015). For many, the crux of the issue remains in Ortega's impressive business tactics.

John Lee Anderson's 2014 reporting for an extensive *New Yorker* article on the proposed canal revealed a variety of opinions from former FSLN revolutionaries, academics, and politicians. For instance, Ortega's former Ambassador to the US, Arturo Cruz, stated:

The strength of this regime lies in the country's poverty [...] Ortega is the last caudillo standing. He is a father figure for the campesinos—he can resolve their needs. He has been clever about knowing how to distribute the scarcities with more abundance than other politicians [...] It can be resolved for many people with a few pieces of roofing tin and a handful of nails. The voter thinks, Now I won't get wet. And when it rains he thinks of Ortega" (Cruz cited in Anderson 2014).

Likewise, former revolutionary leader Dora María Téllez stated:

The Chinese must be throwing themselves a party right now [...] Since the concession doesn't specify geographical limits, it effectively gives them the whole country to do what they want. What do they have to pay in taxes? Nothing. What control does Nicaragua have? None. [The Chinese] will have the commercial interest and absolute control [...] The only reason Daniel Ortega would have signed the canal concession is if he is the real owner of the project. Because stupid he is not (Téllez cited in Anderson 2014).

In the same vein, Francisca Ramírez says the canal concession "is a new form of slavery. We will become the slaves of a foreigner" (Cerdea 2016). Based on his rhetoric and ideology in the 1960s and 1970s, Carlos Fonseca would likely have felt the same way.

Anderson (2014) captured the idea that Ortega was wary of losing an important financial ally when Hugo Chávez died in an interview with Antonio Lacayo, a prominent businessman and a former senior government official. Lacayo stated:

Daniel can see the disaster that is coming in Venezuela [...] So he looks around. It's not a long list: there's Russia, China, Iran. With Iran, there was nothing to get. From Russia, he got some buses and some reconnaissance planes. So Daniel decides to attract China to Nicaragua—to 'defend' it from the US, and to contribute economically. How does he do it? By offering the Chinese a hundred-year concession to do whatever they want (Lacayo cited in Anderson 2014).

According to Lacayo, Ortega might not personally like the Chinese for being 'too capitalistic,' "the point is, Daniel needs a friend" (Lacayo cited in Anderson 2014). This is why, as contradictory as it might seem, the government has used anti-imperialistic rhetoric to justify Chinese investment in the canal, "as it represents a counterweight to US power" (Soutar 2017).

It is important to note that in spite of the ample media coverage of the canal opposition, the canal project (and Daniel Ortega himself) enjoys widespread support from much of the Nicaraguan population, both elites and campesinos. Even proponents of the canal evoke revolutionary imagery in their rhetoric. Rural people are hopeful that the canal and associated projects will, indeed, bring jobs and prosperity to Nicaragua. According to congressman Edwin Castro, "[t]his is a project that's been waiting for centuries and that's why we're interested in doing it as soon as possible [...] There's no unconstitutionality. It's political attacks from those who don't want Nicaragua to move forward" (Castro cited in Gallano and Wessenstein 2013). Similarly, in the interview with Anderson (2014), Manuel Coronel Kautz, the president of the Nicaraguan Canal Commission, said "Wang Jing impressed us as a young revolutionary who could take control of this kind of project. He made an excellent impression on both the President and myself. He is young and clean". Eden Pastora, Daniel Ortega's ally-turned-foe-turned-

ally, was placed in charge of dredging for the canal along the San Juan river as his official role in the current Ortega administration. In an interview with Anderson (2014), he boasted:

There will be two-hundred-ton trucks doing earthmoving and specialized drivers earning a thousand dollars a day! The ticos [Costa Ricans] are just concerned that we're going to be the richest people in Central America [...]. There are going to be railroads, refineries, satellites, hydroelectric plants, airports, and over thirty-seven social projects—all of it achieved in an atmosphere of freedom and democracy, without even so much as a tear-gas cannister fired, without persecuting anybody. In five years, Managua will be a canal city, the most beautiful of Central America [...]. Viva Daniel Ortega!

### **'No al Canal' movement**

While many have supported the project, a vocal movement of civil resistance to the canal has emerged to protest human and environmental rights abuses and what many view as the selling of Nicaragua's sovereignty to a Chinese company. Soon after Law 840 was passed and the canal concession was announced, Mónica López Baltodano, daughter of a prominent revolutionary and women's movement leader Mónica Baltodano, emerged as a leader of the anti-canal movement by presenting her objection to Law 840 in the form of a book *"Recurso por Inconstitucionalidad: 25 Verdades Sobre La Concesion del Canal Interoceánico de Nicaragua"* (López Baltodano 2013). This book was presented to the Nicaraguan Supreme Court and the Nicaraguan population in general, and is freely available online. López Baltodano (2013) shows in detail and in spirit how Law 840 contradicts the Nicaraguan Constitution, which was promulgated under President Daniel Ortega in 1987 during his first term in office. In the larger sense López Baltodano (2013) argues that as a Nicaraguan citizen who is committed to the

construction of a new society that “eliminates all class of exploitation and achieves economic, political and social equality for all Nicaraguans, as well as absolute respect for human rights” (as established in the preamble to the Nicaraguan constitution), it is her historic obligation to bring to light how the specific terms of Law 840 contradict the constitution.

López Baltodano submitted evidence that the concession violates the constitution to the Supreme Court and received no response. She then informed the territories of Nicaragua that would be impacted by the canal about the legal implications and unconstitutionality of Law 840. Community members such as Francisca Ramírez had already begun to organize protests after the first time Chinese representatives of HKND, accompanied by the Nicaraguan Police and the Nicaragua Army, began to survey properties within the canal zone (a zone 10 km wide along the length of the canal). Police and army accompanied the Chinese land surveyors to ensure that the work could be completed – effectively forcing land and homeowners to permit entry to the surveyors.

Francisca Ramírez was born in a small community in Nueva Guinea and has been a farmer her whole life. She explained how the nonviolent resistance movement that she leads emerged:

We started talking amongst a small group of us and then we started to organize ourselves. We started to take to the streets to protest because they do not respect our rights, they do not consult us. The only thing they tell us is that we are going to be evicted (Ramírez cited in Salomon 2017).



At first the protests were spontaneous and not centrally organized. Later, beginning in September of 2014, the local community leaders and Baltodano decided to formalize their efforts to coordinate protests. They created the Consejo Nacional en Defensa de Nuestra Tierra, Lago y Soberanía (National Council for the Defense of Land, Lake and Sovereignty) as the legal body for the ‘No al Canal’ movement, with an overt mission to repeal Law 840 and the canal concession.

The ‘No al Canal’ movement has combined civil resistance with legal proceedings to achieve its objectives. Importantly, under the leadership of López Baltodano, it has taken appeals to repeal Law 840 to the Interamerican Commission on Human Rights and the Latin American Tribunal for Water. In April 2016 they presented a citizen’s initiative Law to repeal Law 840, signed and supported by more than 28,000 citizens, to Nicaragua’s National Assembly (López Baltodano 2017). Baltodano and collaborators published another book documenting the legal battle against the canal, all the marches against the canal, and all the pertinent legal information to provide a comprehensive overview of the struggle against the canal. This book, titled *La Entrega de un País: Expediente Jurídico de la concesión canalera en Nicaragua (Handing over a country: Legal implications of the Nicaragua Canal concession)*, was released to commemorate four years of struggle since the canal concession was approved (López Boltodano 2017).

Nonetheless, slow progress towards the construction of the canal continues despite this enormous effort and support of international bodies like Amnesty

International and the Latin American Tribunal for Water. As recently as December 2017, Chinese surveyors were observed measuring properties for offices and related infrastructure. The Nicaraguan government has said nothing to indicate a deviation in plans for the canal's construction. Regardless of whether canal construction ultimately proceeds, Law 840 and all of the related concessions to the Chinese remain in place until the Nicaraguan government abolishes the law. The canal protesters have maintained that this is a violation of their sovereign rights as autonomous citizens of Nicaragua. As further evidence of the canal's continued threat to the rights of Nicaraguans, the 'No al Canal' movement has continued to protest and has organized 91 peaceful marches against the canal and Law 840 as of October 2017 (Soutar 2017).

### **Violent Repression**

While the Nicaraguan government has made few official comments with respect to the progress on the canal or the 'No al Canal' Movement, it has sponsored concurrent marches in support of the canal in the same place that anti-canal protests have taken place. Moreover, the Nicaraguan National Police has actively blocked participants in 'No al Canal' campaigns from reaching the protest locations. When the police has blocked free access of circulation on Nicaragua's highways, they have given no explanation to the detained protestors – they have simply prevented them from proceeding (e.g. Chamorro and Moncada 2017). They have done so in the face of national media who record the blockages. When these blockades occur, the leaders of the campesino anti-canal movement have called for detained protestors to conduct their protests on the spot, rather

than try and reach the original destinations (López Baltodano 2017). The police have used other tactics to stop the protests, including spreading “miguelitos” in the roadways to damage the tires of trucks carrying protestors (miguelitos are a Spanish word for caltrops, or bent nails that are strewn in the road to puncture vehicle tires). Some protestors have begun to refer to the “miguelitos” as “danielitos,” in reference to Daniel Ortega’s regime of oppression. The police have also detained the vehicles of ‘No al Canal’ movement leader Francisca Ramírez and physical action by unknown persons has also been taken against her family members. For example, barbed wire was strung across the road where her son was travelling, injuring him as he was thrown from his motorcycle in April 2017. Her daughter was the victim of an attempted kidnapping in 2016 (Silva 2017). Use of force by the police is not uncommon and has led to four protestors being injured in the course of the protests – one protestor was blinded and another lost an arm to police inflicted injuries. Some fear that the situation in Nicaragua could reach the violent repression and execution of environmental and social activists as seen in Honduras with the case of the murder of Berta Cáceres (see Maher in this volume).

The international community has roundly denounced the government’s repression of the anti-canal protests. The European Union Parliament issued a joint motion for a resolution on the situation of human rights and democracy in Nicaragua, denouncing that the megaproject “could displace thousands of small farmers and indigenous people in the areas surrounding the canal project” and “the use of tear gas and rubber and lead bullets by police against protestors” (European Parliament 2017). They also specifically addressed the case of Francisca Ramírez. The resolution urged “the government to refrain

from harassing and using acts of reprisal against Francisca Ramírez and other human rights defenders for carrying out their legitimate work”, emphasized “the right of environmental and human rights defenders to express their protest without retaliation”, and called “on Nicaragua to effectively launch an independent environmental impact assessment before engaging in further steps and to make the whole process public” (European Parliament 2017).

### **The role of women in the ‘No al Canal’ movement**

Women have long been involved in Nicaragua’s fight against outside intervention, and the Nicaraguan women’s movement has been well documented (Kampwirth 2004, Isbester 2001, and Barad de Volo 2001). The FSLN published a manifesto for women’s rights in 1969, as part of the momentum built from their overall social justice platform. The Sandinistas even had an official women’s organization, the Organization of Nicaraguan Women “Luisa Amanda Espinoza” (AMNLAE) which advocated for women’s interests (Isbester 2001). Women took a central leadership role in the FSLN, both in combat and later in government administration. Isbester (2001) explains that the women’s movement was able to redefine itself through each new government administration’s perception of the role of women in society, while still maintaining some degree of continuity. While the overall 1979 revolution was extremely violent, the larger women’s movement has maintained the three essential components of a successful social movement: an autonomous identity, use of resources appropriate to the group’s goal, and a focused conflict (Isbester 2001). The ‘No al Canal’ movement,

led by women such as Francisco Ramírez and Mónica López Baltodano, has championed these crucial elements of a successful social movement.

Women unmistakably lead the current resistance to the proposed canal, even in spite of risks to their personal and familial wellbeing. According to Amnesty International (2016), “[w]omen human rights defenders are often at risk of violence and experience intersecting forms of discrimination.” When examining the leaders of the ‘No al Canal’ movement and their motivations, it is important to note that the distinction between Mónica López Baltodano and Francisca Ramírez goes beyond their socioeconomic status and education to their politics, or lack thereof. In almost every press interview or official statement, Ramírez is careful to state that the ‘No al Canal’ movement is not political; rather it is fighting for the singular cause of stopping the human and environmental rights violations of the proposed interoceanic canal. For example, she stated:

Our movement is a popular, autonomous campesino movement for people from different origins, for the defense of the earth, the lake and our sovereignty. We are open to everyone with no limitations, but our movement has nothing to do with party politics [...]. [The canal is] not a national project. If it were, they’d be saying: ‘Tell us what you think’, ‘Let’s look deeply into this’, ‘What does it involve?’ But what’s really happening is that if someone is against the canal – or they just think that they’re against it – then they assume that they’re against him (Daniel Ortega’s government) and they turn it into a political issue (Ramírez cited in Cerda 2016).

Ramírez explained her motivations for leading the resistance to the canal, citing rhetoric that evokes Carlos Fonseca: “I thought about all the suffering we had to go through in the struggle for our rights against the transnational companies and powerful economic groups that always try to run ragged over the rights of the poor and those of limited resources in

the country” (Ramírez cited in Cerda 2016). Ramírez was speaking to a newspaper reporter from *Confidencial*, a widely read, anti-Ortega, news outlet in Nicaragua, and in many ways, Ramírez’s quotation applies Kaplan’s (2017) concept of rhetorical traps. *Confidencial* readers are likely perceptive of the similarities between this rhetoric and that of the FSLN founders. They also likely recognize the differences between these sentiments and those of the current Ortega administration. She explained that it felt as though the government wasn’t taking their lives into account as they failed to consider the opinion of local people who would be directly impacted by the canal’s path (Salomon 2017). Carlos Fonseca would likely agree with her.

Campeños, who stand to lose the most from the construction of the canal, have participated in protests in vast numbers. Francisca Ramírez, the de facto leader of the campesino anti-canal movement is herself a campesino. Her background makes her easily approachable and relatable to other campesinos. This also makes her a darling of the media and evokes comparisons to Berta Cáceres (see Maher in this volume). Ramírez’s tireless leadership and willingness to talk to the press give the ‘No al Canal’ movement much needed visibility, and a charismatic leader; yet her campesina status also leaves her more vulnerable to threats and attack unlike Mónica López Baltodano. The European Parliament has included multiple sections aimed at protecting Ramírez in its resolution condemning the Nicaraguan government’s response to the canal protests, denouncing acts of repression and aggressions in Nueva Guinea, the intimidation and arbitrary detention of Francisca Ramírez, as well as violent attacks against her relatives (European Parliament 2017).

While Francisca Ramírez has mainly drawn on a discourse of protection of campesinos' rights in the face of potential land deprivation and loss of livelihood, Mónica López Baltodano has used a Sandinista discourse to reveal the regime's contradictory stance. In so doing, she has actively employed what Kaplan (2017) describes as rhetorical traps as a civil resistance strategy. Mónica López Baltodano is one of the many who see the current conflict over a Chinese corporation's intent to build a canal across Nicaragua as yet another example of Daniel Ortega's diversion from the original tenets of the FSLN. The elite and former FSLN revolutionary leaders who have since broken with the current iteration of the party have been the most vocal about Ortega's perceived corruption, and describe the canal and associated legal concession as a thinly veiled land-grab and money laundering operation. In an interview with Alejandra González (2017) for *La Prensa*, she pronounced that she considered herself a Sandinista in the historic vein of Augusto Sandino and Carlos Fonseca and a critic of Daniel Ortega's current iteration of Danielismo, rather than Sandinismo. López Baltodano is a daughter of two Sandinista revolutionaries, and she acknowledges that their example has left her with her sense of commitment to Nicaragua and Nicaraguan society. Specifically, she says that the work that she did with her mother, Mónica Baltodano, on the four-volume *Memorias de la Lucha Sandinista* gave her much inspiration and insights into the struggle for equality that she now sees eroding (González 2017). Together, Francisca Ramírez and Mónica López Baltodano have thus used their unique identities and perspectives to bring together a visible and vocal civil resistance movement to stop the interoceanic canal from being built, even in light of the regime's violent repression.

## **Qué diría Carlos?**

As Matilde Zimmerman (2000) recounts, Carlos Fonseca “was better known to the ordinary citizen than any of the people who made up the new revolutionary government.” In her treatise on Fonseca, she reveals how the struggle of Carlos was long: “he fought for nearly twenty years as the central ideological and strategic leader of the revolutionary movement in Nicaragua” (Zimmerman 2000). Mónica López Baltodano has realized that it will take years of organizing with the citizens of Nicaragua to build a strong base from which to overturn Law 840 and the threat to lives of hundreds of thousands of rural campesinos. She stated that the book published in 2017, *Handing over a country: Legal implications of the Nicaragua Canal concession* “is a compilation of 4 years of legal and political work that we have done side by side with the campesino movement to repeal the canal law” (López Baltodano cited in Vásquez 2017). In so doing, López Baltodano has followed Fonseca’s lead in her commitment to a prolonged struggle with ordinary citizens (campesinos) versus a rapid victory. Similarly, the text and ideas in López Baltodano’s 2013 *Recurso por Inconstitucionalidad* are reminiscent of the founders of the FSLN including passages such as “just as shown in our historic past, that if we want a Nicaragua in peace, with social justice, freedom and happiness, those who have power must submit to the demands of the Nicaraguan populace” (López Baltodano 2013). This type of sentiment harks to the action and words of both Sandino and Fonseca (see Zimmerman 2000).



The introduction of this same publication employs the power of the Revolutionary constitution of 1987 to prove how Law 840 is unconstitutional (López Baltodano 2013). The Nicaraguan constitution of 1987 was formed at a time when the Sandinista party was still “pure” and had not been perverted to the Danielismo of today. It was in the mid 1980s that the revolutionary government had just begun to write Carlos Fonseca out of history, or at least make less mention of his contributions to the foundation of the party (Zimmerman 2000). López Baltodano (2013) quotes the 1987 constitution to say that

“given that the principal function of the state [...] is to improve the lives of the people and to carry out an equal distribution of wealth, the new megaproject of the canal does not present the citizens of the country with the conditions to overcome economic, political, and social inequality that is pervasive in Nicaragua.”

She goes on to state that Law 840 and the canal concession only strengthen the conventional extractivist economy that benefits the interests of the private company to whom the canal concession was given. This type of argument, relying on the constitution of a government not far from the ideals of Fonseca, brings the founders of the revolution to the forefront and reminds the Nicaraguan populace of their recent fight against a different form of dictatorship – that of Somoza. As López Baltodano (2013) stated, “Sandino showed us that the sovereignty of a nation is not to be debated, it is to be defended.”

In López Baltodano’s interactions with the Nicaraguan press we see many instances where she invokes the founders of the Sandinista party. For example, she told González (2017) that she admired Sandino and Fonseca because they committed

themselves with action to social causes – that they went beyond ideas and moved to action to change Nicaragua. And she stated, like Fonseca believed, that she is convinced of the importance of organizations that have their roots in the popular sectors, not in the high seats of the political parties. This recognition of the grassroots and identification with the populace is reminiscent of Carlos Fonseca. The people of Nicaragua aptly describe Fonseca’s position to Matilde Zimmerman (2000) when they repeatedly told her “Carlos – he was one of us. He spoke our language. He would never have let his happen to our revolution”. Indeed, *qué diría Carlos?* What would Carlos say?

## **Conclusion**

Carlos Fonseca was assassinated before he could voice his own opinion about the ‘Gran Canal’, but from his words and opinions documented as he founded the FSLN, it is safe to surmise that he would not be pleased with Daniel Ortega’s legal framework to concede a large amount of Nicaraguan territory to a Chinese corporation to build such a canal. Francisca Ramírez has been extremely careful not to voice any sort of political affiliation or opinion except to say that the government does not seem to actually care about the rights of rural people who live in the path of the canal. Her status as a woman, a campesina, and leader of the ‘No al Canal’ movement has made her more vulnerable to violent retaliation from the Ortega regime, but her charismatic leadership has allowed her press coverage and provides a compelling voice to the ‘No al Canal’ movement. The EU Parliament issued a resolution demanding Francisca Ramírez’s protection because of the government’s violent actions towards her. This resolution also denounced the human and

environmental rights violations of Law 840. As a member of the elite class, and daughter of prominent FSLN revolutionaries, lawyer Mónica López Baltodano has not been subjected to physical violence or repression for her leadership against the canal. She has used her status and education to her advantage to be able to provide the ‘No al Canal’ movement a wider audience, and has evoked assistance from the international community to help repeal the canal concession.

Francisca Ramírez and Mónica López Baltodano have employed a variety of strategies of civil resistance to protest the human and environmental rights violations of Law 840 including demonstrations, petitions and rhetorical traps in media interviews. At the same time, they have used legal channels, appealing to international judicial bodies. Utilizing both strategies of civil resistance and judiciary means to protest Law 840 have reinforced each other and elevated the international attention to the issue. The language they have used evokes that of the FSLN founders, and highlights the ways in which the Ortega administration has deviated from the original tenets of the FSLN, effectively employing rhetorical traps to highlight this disparity. This study expands upon the existing literature on civil resistance, illustrating how a proposed infrastructure project can have legal, social, and environmental ramifications that warrant a civil protest of the project. Chenoweth et al (2017) highlight cases in which violent repression is used to counter civil resistance campaigns with maximalist goals, using case studies that are more overtly political protests. Here, we highlight how rhetorical traps and legal maneuvers can be added to the toolkit of more traditional civil resistance methods such as protest to garner support for a specific cause – in this case the repeal of a law which

grants developers the right to commit human and civil rights violations in the name of the world's largest infrastructure project. Regardless of whether the canal is built, at the time of writing, Law 840 remained in place. The leaders of the 'No al Canal' movement continued to work tirelessly in their civil resistance to a law defended with violence and repression. Carlos Fonseca and Augusto Sandino would surely support their efforts.

## CHAPTER 7 – CONCLUSION



Figure 6: ‘Trees of Life’ installed with Venezuelan funding by Vice President Rosario Murillo were symbolically destroyed in the April 2018 protests against the Ortega administration. Inti Ocón/AFP/Getty Images

This dissertation addressed four key research questions surrounding the political economy of Sandinismo 2.0. First, Nicaraguan president Daniel Ortega has enabled national development through economic imperialism via the United States, Venezuela, and China while espousing a strong anti-imperialist rhetoric in a variety of ways. Ortega

maintained important neoliberal economic mechanisms such as CAFTA-DR and embraced IFI financing using Venezuelan financial support as collateral for loans. Funding from Venezuelan oil proceeds through ALBANISA allowed Ortega to cultivate a strong base of support through overt support to the poor via roofing materials, access to health care, and other direct assistance. This financing came with an amplification of Ortega's socialist messaging through ALBA and the rhetoric of Hugo Chavez, and also allowed Ortega to re-write the constitution to abolish term limits. As he retains power through elections condemned by the international community as irregular and non-transparent, comparisons to the old Somoza regime his Sandinista party (version 1.0) worked so hard to overthrow become more obvious. Maintaining access to neoliberal financing mechanisms has succeeded in keeping the economy afloat; allegiances with non-western powers have allowed Ortega's power to coalesce in to a dynasty with his wife currently serving as vice president. Bold allegiances with Venezuela and China are widely supported by Ortega's base, as long as the regime is able to placate them through financially support of basic social programs.

Nicaragua promoted renewable energy development funded by neoliberal development initiatives while simultaneously embracing Venezuelan fossil fuels and socialist ideology to achieve the goals of increasing Nicaragua's seriously lagging electrification rates, and to be able to sell any surplus electricity on the regional market. Accepting neoliberal financing and popular press from the west for an aggressive renewable energy initiative made Ortega's infrastructure development seem progressive and has been an apt and effective mode of providing Nicaragua energy security and

improved development metrics. Accepting Venezuelan oil subsidies and thermal power plants also improved electrification rates, allowing Nicaragua to better meet immediate demand and development metrics with the bonus of an ideological allegiance that amplified Ortega's socialist rhetoric and desire to disavow US hegemony.

Nicaragua granted the Chinese a massive legal concession to territorial and legal rights for an interoceanic canal after centuries of criticism towards the United States' efforts to build a similar canal as part of Ortega's populist promise to bring jobs, infrastructure, and prosperity to Nicaragua. As Venezuelan support waned, Ortega was glad to find another geopolitical partner to help with Nicaragua's financial woes and to serve as a counterpoint to US hegemony in Nicaragua. The constitutional, human, and environmental rights violations inherent in the canal concession did not go unnoticed by a substantial portion of the population, and speculation abounds as to what degree the canal concession ultimately serves as a land-grabbing tool for Ortega and his allies.

The human and environmental rights violations of the canal concession and associated law highlight the divergence between the ideals of the original Sandinista revolutionaries and the current Sandinista administration in a variety of ways. The 1979 revolution was fought on the premise of equality, human and environmental rights, transparent government, anti-foreign intervention on Nicaraguan sovereign affairs, and a commendation of the Somoza regime's dictatorship in Nicaragua. That the Ortega administration granted a Chinese corporation a sweeping concession to an interoceanic canal and associated projects, effectively ceding financial and territorial control to a large

portion of Nicaraguan territory was cause for alarm to many citizens. Human and environmental rights violations evident in the canal concession caused massive protests; and No al Canal movement organizers utilized the language and values of the original FSLN to highlight their cause. The Ortega regime's violent repression of these protests further illustrates the ways in which the current government disregards the values it touted during the revolution.

One of the most challenging aspects of this research has been that Nicaragua is indeed a fast moving target. Five days before this dissertation was to be submitted, the country erupted into civil unrest. What started as small-scale protests surrounding cuts to social security benefits morphed into large and violent protests demanding Daniel Ortega's resignation. At the time of writing, thirty-seven people have been killed in the uprising, including a reporter shot dead on live television. Ortega has ordered all but one television station off the air, severely limiting the press' ability to monitor the situation.

For many years after his return to power, Ortega's ability to maintain neoliberal economic policies while promoting socialist rhetoric and social programs garnered a strong base of support among Nicaragua's poor without closing the door to financial support from international institutions. This allowed Nicaragua to steadily grow its economy in a politically and socially stable environment, but failed to improve its status as the second poorest country in the Western Hemisphere (CIA 2018). Financial support from Venezuela allowed Ortega to fund social programs and rewrite the constitution to ensure his continued reelection. As Venezuelan financial support began to wane, Ortega



granted a sweeping concession for an interoceanic canal to a Chinese corporation, spurring international criticisms and civil resistance to the human and environmental rights violations in the canal law. The canal protests have served to magnify the growing dissatisfaction that many Nicaraguans have regarding the Ortega administration's increasingly totalitarian leanings, prompting comparisons to the Somoza dictatorship that ended in a bloody revolution.

Nicaragua's political economy highlights the United States' shifting global power. Tired of endless intervention from the United States, Nicaragua went looking for alternate financial and ideological allies, and found them in Venezuela and China. These countries were able to offer Nicaragua options for economic growth and political stability in return for an opportunity to increase their own global power, right in the United States' backyard. While Venezuela has descended into an economic and social disaster, its ideological leadership through ALBA remains. China continues to expand its global economic dominance, and regardless of whether the canal is ever built, the concession to a large piece of Nicaraguan sovereign territory remains as a direct challenge to US hegemony. In spite of his best attempts to maintain power through unlikely allies and populist rhetoric, Ortega's immediate future is in question. The United States might benefit from taking an introspective look at Nicaragua's rhetoric versus reality.

## REFERENCES

- Aburto, Wilfredo Miranda. Nicaraguan Farmers Plan for the Repeal of the Canal Law. *Havana Times*. June 26, 2017.
- Alex E. Fernández Jilberto, André Mommen, *Regionalization and Globalization in the Modern World Economy: Perspectives on the Third World and Transitional Economies*, Routledge, 1998.
- Amnesty International. "We have hope, we have human rights, we will win this fight." October 16, 2016. <https://www.amnesty.org/en/latest/news/2016/10/we-have-hope-we-have-human-rights-we-will-win-this-fight/>
- Amnesty International. *Danger: Rights For Sale. The Interoceanic Grand Canal Project in Nicaragua and the Erosion of Human Rights*. 2017. <https://www.amnesty.org/en/documents/amr43/6515/2017/en/>
- Anderson, Jon Lee. The Comandante's Canal: Will a grand national project enrich Nicaragua, or only its leader? *The New Yorker*. March 10, 2014.
- Apergis, Nicholas, Payne, James E. On the causal dynamics between renewable and non-renewable energy consumption and economic growth in developed and developing countries. *Energy Systems*. 2(3-4): 299-312. 2011.
- Archer, Kevin. David Harvey, in *The Encyclopedia of Human Geography*. Wharf, B. ed. Sage Publications. 2006.
- Arctas. Arctas Sells Largest Central American Wind Plant to AEI. <http://www.marketwired.com/press-release/arctas-sells-largest-central-american-wind-plant-to-aei-1260043.htm>. May 13, 2010.
- Babb, Florence. Recycled Sandalistas: From Revolution to Resorts in the New Nicaragua. *American Anthropologist*. 106(3): 541-555. 2004.
- Baltodano, Mónica. *Memorias de la Lucha Sandinista, Tomo 1. De la forja de la vanguardia a la montaña*. Fundación Roxa Luxemburgo. Managua, Nicaragua. <https://memoriasdelaluchasandinista.org/> 2010.
- Barrow, Keith. *The rise of Chinese railway diplomacy*. *International Railway Journal*; New York 50.10 (Oct 2010): 20

Barter, Shane Joshua. *Civilian Strategy in Civil War: Insights from Indonesia, Thailand, and the Philippines*. New York: Palgrave Macmillan. 2016.

Bayard de Volo, Lorraine. *Mothers of Heroes and Martyrs: Gender Identity and Politics in Nicaragua 1979-1999*. The Johns Hopkins University Press, 2001.

Bebbington, Anthony and Humphreys Bebbington, Denise. An Andean Avatar: Post-Neoliberal and Neoliberal Strategies for Securing the Unobtainable. *New Political Economy*, 16:1, 131-145. 2011.

Belli, Gioconda. The Nica Act Isn't Our Solution. *La Confidencial*. May 4, 2017.

Bendana, Alejandro, Strange Bedfellows: The Aleman-Ortega Pact. *NACLA Report on the Americas*. 33(2): 20. 1999.

Booth, John A. 1991. Socioeconomic and Political Roots of National Revolts in Central America, *Latin American Research Review*. 26(1): 33-73.

Booth, John. *The End and the Beginning: The Nicaraguan Revolution*. Westview Press, Boulder, CO.1985.

Borge, Tomas; Fonseca, Carlos; Ortega, Daniel; Ortega, Humberto; Wheelock, Jaime. *Sandinistas Speak: Speeches, writings, and interviews with leaders of Nicaragua's revolution*. Pathfinder Press, 1982.

Bruce E. Rittmann, Julio C. Miranda, Sergio Espinoza-Corriols, Adolfo Acevedo, María L. Acosta, Juan P. Gómez, Michael T. Brett, Michael Hanemann, Andreas Härer, Jaime Incer-Barquero, Frank J. Joyce, J. Wesley Lauer, Jean Michel Maes, Mason B. Tomson, Axel Meyer, Salvador Montenegro-Guillén, W. Lindsay Whitlow, Jerald L. Schnoor, Pedro J. J. Alvarez; Critical Uncertainties and Gaps in the Environmental- and Social-Impact Assessment of the Proposed Interoceanic Canal through Nicaragua. *BioScience*. 66 (8): 632-645. 2016.

Bull, Benedicte and Aguilar-Stoen, Mariel Cristina. *Environmental Politics in Latin America: Elite dynamics, the left tide and sustainable development*. Routledge Studies in Sustainable Development, 2014.

Brunnschweiler, Christa N. Finance for Renewable Energy: An Empirical Analysis of Developing and Transition Economies. *Environment and Development Economics*. 15 (3): 241-274. 2010.

Burbach, Roger. Et Tu, Daniel? The Sandinista Revolution Betrayed. *NACLA Report on the Americas* 42(2): 33-37. 2009.

- Buroway, Michael. 1998. The extended case method. *Sociological Theory*. 16: 4-33.
- Bye, Vegard. Nationalization of Oil in Venezuela: Re-Defined Dependence and Legitimization of Imperialism. *Journal of Peace Research*. 16(1): 57-78. 1979.
- Castro, Edna. Expansão da fronteira, megaprojetos de infraestrutura e integração sul-americana. *Caderno CRH* 25:64. 2012.
- Castro, Ivan. Nicaragua signs a new offshore oil exploration deal. March 5, 2009. <http://www.reuters.com/article/2009/03/06/nicaragua-oil-idUSN0536169320090306>
- Cerda, Alan. US Legislators Toughen the “Nica Act” *Confidencial*. April 10, 2017.
- Cerda, Arlen. “A Leader in the Struggle to Stop the Nicaragua Canal Project.” March 14, 2016. *Confidencial*. <https://confidencial.com.ni/leader-in-the-struggle-to-stop-the-nicaragua-canal-project/>
- Chamorro, Emiliano., and Moncada, Roy. “Gobierno impidió la protesta campesina.” *La Prensa*. April 23, 2017. <http://www.laprensa.com.ni/2017/04/23/nacionales/2218540-gobierno-impidio-la-protesta-campesina>
- Cheng, Jennifer. Sino-Imperialism Through Investment and Infrastructure. *Time Magazine*. July 16, 2013.
- Chenoweth, Erica. Perkoski, Evan., Kang, Sooyeon. State Repression and Nonviolent Resistance. *Journal of Conflict Resolution*. 16(9) 2017.
- Chomsky, Noam. *What Uncle Sam Really Wants*. Odonian Press. 1993.
- CIA World Factbook, Nicaragua Country Profile. 2018. [https://www.cia.gov/library/publications/the-world-factbook/geos/print\\_nu.html](https://www.cia.gov/library/publications/the-world-factbook/geos/print_nu.html)
- Close, David; Martí i Puig, Salvador; McConnell, Shelley. *The Sandinistas and Nicaragua since 1979*. Lynne Rienner Publishers, Boulder, CO. 2012.
- Cockroft, James D. Imperialism, State, and Social Movements in Latin America. *Critical Sociology*. 32 (1). 2006.
- Cohen-Tanugi, Laurent. *The Shape of the World to Come: Charting the Geopolitics of a New Century*. Colombia University Press, 2007.
- Comisión Económica para América Latina (CEPAL), *Istmo Centroamericano: Estadísticas del Subsector Eléctrico*. 2007.

- Condit, Richard. Extracting Environmental Benefits from a New Canal in Nicaragua: Lessons from Panama. *PLOS Biology*. 13(7): 2015.
- Cupples, Julie. Shifting Networks of Power in Nicaragua: Relational Materialisms in the Consumption of Privatized Electricity, *Annals of the Association of American Geographers*, 101:4, 939-948. 2011.
- Daley, Suzanne. Lost in Nicaragua, a Chinese Tycoon's Canal Project. *New York Times* April 3, 2016. <https://www.nytimes.com/2016/04/04/world/americas/nicaragua-canal-chinese-tycoon.html>.
- Dando-Collins, Stephen. *Tycoon's War : How Cornelius Vanderbilt Invaded a Country to Overthrow America's Most Famous Military Adventurer*. Da Capo Press. 2009.
- De Alba, Mariano. *Havana Times*. Venezuela's Interference in Nicaragua. December 30, 2016. <https://www.havanatimes.org/?p=122430>
- Dello Buono, Richard; Lara, José Bell . *Imperialism, neoliberalism and social struggles in Latin America*. Leiden, 2007.
- DeLyser, et al. *The Sage Handbook of Qualitative Geography*. Sage Publishing. 2010.
- Dittmer, Jason. Textual and discourse analysis, in *The Sage Handbook of Qualitative Geography*. eds. DeLyser, D., Herbert, S., Aitken, S., Crang, M., and McDowell, L. Sage Publishing. 2010.
- Dollar, David. *China's Investment in Latin America*. Brookings Institute, Geoeconomics and Global Issues Paper 4. January 2017.
- Domínguez, Jorge. "US-Latin American Relations During the Cold War and Its Aftermath" in *The US and Latin America: The New Agenda*. Harvard University Press. 1999.
- Dredging Today. Nicaragua Canal Project Moves Toward Construction Phase. Dredging Today.com. May 25, 2016. <http://www.dredgingtoday.com/2016/05/25/nicaragua-canal-project-moves-toward-construction-phase/> Last accessed July 21, 2017.
- Duncan, James, and Ley, David. Structural Marxism and human geography: A critical assessment. *Annals of the Association of American Geographers*. 72(2): 32 – 59. 1982.
- Ellis, R. Evan. *China on the Ground in Latin America: Challenges for the Chinese and Impacts on the Region*. Pallgrave-McMillian, 2014.
- Ettlinger, Nancy and Hartmann, Christopher D. 2015. Post/neo/liberalism in Relational Perspective. *Political Geography*. 48: 37-48.

European Parliament. Joint Motion for a Resolution on the situation of human rights and democracy in Nicaragua – the case of Francisca Ramírez. 2017. (2017/2563(RSP)) <http://www.europarl.europa.eu/sides/getDoc.do?type=MOTION&reference=P8-RC-2017-0156&format=XML&language=EN>

Fairclough, Nathan. *Discourse and social change*. Polity Publishers. 1992.

Flyvbjerg, Bent. *Making social science matter: Why social inquiry fails and how it can succeed again*. Cambridge University Press. 2001.

Flyvbjerg, Bent. What you should know about megaprojects and why: an overview. *Project Management Journal*. 45:6-19. 2014.

Fornes, Gaston and Butt Philip, Alan. *The China-Latin America Axis: Emerging Markets and the Future of Globalization*. Palgrave MacMillan, 2012.

Frank, Andre Gunder. Development and Underdevelopment in the New World: Smith and Marx vs. the Weberians, *Monthly Review*, 41. 1989.

Galeano, Luis Manuel; Weissenstein, Michael. Nicaragua in thrall of Ortega's canal dream. *San Diego Union-Tribune*. December 12, 2013. <http://www.sandiegouniontribune.com/sdut-nicaragua-in-thrall-of-canal-dream-worries-remain-2013dec12-story.html>

Gallagher, Kevin and Porzecanski, Roberto. *The Dragon in the Room: China and the Future of Latin American Industrialization* Stanford University Press, 2010.

Gellert, Paul. K., and Barbara. D. Lynch. Mega-projects as displacements. *International Social Science Journal* 55:15. 2003.

Gobat, Michel. *Confronting the American Dream: Nicaragua Under US Imperial Rule*. Duke University Press. 2005.

Golledge, Reginald. The nature of geographic knowledge. *Annals of the Association of American Geographers*. 92(1): 1. 2002.

Gonzalez, Alejandra. Mónica López Baltodano: “Ortega odia al movimiento campesino.” *Prensa Libre*. April 30, 2017.

Gourevitch, Peter Alexis. *Politics in hard times: comparative responses to international economic crises*. Cornell studies in political economy, 1986.

Grandin, Greg. *Empire's workshop: Latin America, the United States, and the rise of the new imperialism*. New York : Metropolitan Books. 2006.

- Gransow, Bettina A. "Chinese Infrastructure Investment in Latin America--an Assessment of Strategies, Actors and Risks." *Journal of Chinese Political Science*; Dordrecht. 20(3): 267-287. 2015.
- Gudynas, Eduardo. "Diez tesis urgentes sobre el nuevo extractivismo. Contextos y demandas bajo el progresismo sudamericano actual." *Extractivismo, política y sociedad*. 187-225. 2009.
- Hanson, Susan. Geography and Feminism: Worlds in collision? *Annals of the Association of American Geographers*. 82(4): 569 – 586. 1992.
- Harris, Richard. Latin America's Response to Neoliberalism and Globalization, *Latin American Perspectives*. 2008.
- Harvey, David. *A Brief History of Neoliberalism*. Oxford University Press. 2005.
- Herbert, Steve. A taught rubber band: Theory and empirics in qualitative geographic research, in *The Sage Handbook of Qualitative Geography*. eds. DeLyser, D., Herbert, S., Aitken, S., Crang, M., and McDowell, L. Sage Publishing. 2010.
- Hernández, Esperanza, and María Salazar. *Con la esperanza intacta: experiencias comunitarias de resistencia civil noviolenta*. Bogotá: Arte y Folito. 1999.
- Hernández, Esperanza. *Resistencia civil artesana de paz: Experiencias indígenas, afro descendientes y campesinas*. Bogotá: Pontificia Universidad Javeriana. 2004.
- Hernández, Esperanza. *Intervenir antes de que anochezca: Mediaciones, intermediaciones y diplomacias no violentas de base social en el conflicto armado*. Bogotá: La Bastilla. 2012.
- HKND. Speech by Chairman Wang At Commencement Celebration. Hong Kong Nicaragua Canal Development Group. December 25, 2014. <http://hknd-group.com/portal.php?mod=view&aid=151>
- HKND, 2015. Hong Kong Nicaragua Canal Development Goup. <http://hknd-group.com/>
- HKND. Hong Kong Nicaragua Canal Development Group. HKND News: Fourth Issue. January 2017. [http://hknd-group.com/upload/pdf/20170223/HKND%20Newsletter\\_Fourth%20Issue.pdf](http://hknd-group.com/upload/pdf/20170223/HKND%20Newsletter_Fourth%20Issue.pdf).
- Hoffman, Kelly. The Lopsided Continent: Inequality in Latin America," *Annual Review of Sociology*. 29: 336-390. 2003.

Hoggart, Keith., Lees, Loretta., and Davies, Anna. *Researching human geography*. Arnold Publishers. 2002.

Hoyt, Edward. *Promoting Sustainable Energy Integration in Central America: Assessment for USAID/El Salvador and Central America and Mexico Regional*

InterAmerican Development Bank. PNSER. <http://www.iadb.org/en/projects/project-description-title,1303.html?id=ni-11040>

Huete-Pérez, J.A., Manuel Ortega-Hegg, Gerald R. Urquhart, Alan P. Covich, Katherine Vammen, Bruce E. Rittmann, Julio C. Miranda, Sergio Espinoza-Corriols, Adolfo Acevedo, María L. Acosta, Juan P. Gómez, Michael T. Brett, Michael Hanemann, Andreas Härer, Jaime Incer-Barquero, Frank J. Joyce, J. Wesley Lauer, Jean Michel Maes, Mason B. Tomson, Axel Meyer, Salvador Montenegro-Guillén, W. Lindsay Whitlow, Jerald L. Schnoor, Pedro J. J. Alvarez; Critical Uncertainties and Gaps in the Environmental- and Social-Impact Assessment of the Proposed Interoceanic Canal through Nicaragua. *BioScience* 66 (8): 632-645. 2016.

International Federation for Human Rights. *Nicaragua : Impact of Interoceanic canal concession on human rights. The resistance of rural communities*. September 2016. [https://www.fidh.org/IMG/pdf/nicaragua\\_sumup\\_english.pdf](https://www.fidh.org/IMG/pdf/nicaragua_sumup_english.pdf)

International Renewable Energy Agency (IRENA) *Nicaragua Renewables Readiness Assessment*. 2015.

Isbester, Katherine. *Still Fighting: The Nicaraguan Women's Movement, 1977-2000*. University of Pittsburg Press, 2001.

Jacobs, David, Marzolf, Natacha, Paredes, Juan Roberto, Rickerson, Wilson, Flynn, Hillary, Becker-Birck, Christina, Solano-Peralta, Mauricio. Analysis of renewable energy incentives in the Latin America and Caribbean region: The feed-in tariff case. *Energy Policy*, 60, 601–610. 2013.

Johnstone, Barbara. *Discourse Analysis*. Blackwell Publishing. 2008.

Kampwirth, Karen. *Feminism and the Legacy of Revolution: Nicaragua, El Salvador, Chiapas*. Ohio University Press, 2004.

Kaplan, Oliver. *Resisting War: How Communities Protect Themselves*. Cambridge University Press. 2017.

Kaplan, Oliver. The Art of Rhetorical Traps in Civilian Self-Protection. *Journal of Peacebuilding & Conflict Resolution*. 61(9): 1950-1969. 2017.



- Kapoor, Ilan. Capitalism, Culture, Agency: Dependency versus postcolonial theory,” *Third World Quarterly*. 23(4): 647–664. 2002.
- Keohane, Robert O. and Nye, Joseph S. *Power and interdependence : world politics in transition*. Little, Brown. 1977.
- Kinzer, Stephen. *Blood of Brothers: Life and War in Nicaragua*. G.P. Putnam’s Sons, New York. 1991.
- Kobayashi, Audrey. People, place, and region: 100 years of human geography in the Annals. *Annals of the Association of American Geographers*. 100(5): 1095-1106. 2010.
- Landes, David. *The Wealth and Poverty of Nations: Why some countries are so rich and some are so poor*. W.W. Norton Publishers. 1998.
- Lees, Loretta. Urban geography: discourse analysis and urban research. *Progress in Human Geography*. 28: 101 – 105. 2004.
- Lefkowitz, Melissa. “Riding the Madaraka Express.” *Roads and Kingdoms*. 2017.
- Li, Tania Murray. *Land's end: capitalist relations on an indigenous frontier*. Durham: Duke University Press. 2014.
- Liverman, Diana and Vilas, Silvina. Neoliberalism and the Environment in Latin America. *Annual Review of Environment and Resources*. 31(1): 327 – 363. 2006.
- López-Baltodano, Mónica. *Recurso para la Inconstitucionalidad: 25 verdades sobre la Concesión del Canal en Nicaragua*. Fundación Popol Na, Managua, Nicaragua. 2013. <https://popolna.org/publication/25-verdades-sobre-la-concesion-del-canal-interoceanico-de-nicaragua/>
- López-Baltodano, Mónica. *La Entrega de un País: Expediente Jurídico de la concesión canalera en Nicaragua*. 2017. Fundación Popol Na. Managua, Nicaragua. <https://popolna.org/publication/la-entrega-de-un-pais-expediente-juridico-de-la-concesion-canalera-en-nicaragua/>
- Lumumba-Kasongo, Tukumbi. “China-Africa Relations: A Neo-Imperialism or a Neo-Colonialism? A Reflection.” *African and Asian Studies*. 10 (2-3): 234-266. 2011.
- Machado Aráoz, H. Auge minero y dominación neocolonial en América Latina. Ecología política de las transformaciones socioterritoriales neoliberales. 2009. Paper presented at: “Latinoamérica Interrogada”, Memorias XXVII CONGRESO ALAS, Fac. de Ciencias Sociales, UBA, Bs. As.

- McCarthy, Margaret. Venezuela and Nicaragua's Well Oiled Relationship. *American Enterprise Institute*. June 30, 2011.
- McCrary, Jeffrey K; Walsh, Byron; Hammett, A.L. Species, sources, seasonality, and sustainability of fuelwood commercialization in Masaya, Nicaragua. *Forest Ecology and Management*, 205: 1, 299 – 309. 2005.
- McKinnon, Katherine. Postdevelopment, Professionalism, and the Politics of Participation. *Annals of the Association of American Geographers*. 97(4): 772-785. 2007.
- Merry, William Lawrence. "The Nicaraguan Canal – History and Technique" *Californian Illustrated Magazine* (1891-1894); May 1892; 1, 6; *American Periodicals* pg. 618.
- Meyer, Axel, Huete-Pérez, Jorge A., Conservation: Nicaragua Canal could wreak environmental ruin. *Nature*. 506:287-289. 2014.
- Miranda, Wilfredo. Call for New Elections in Nicaragua in 2017. *Havana Times*. December 1, 2016.
- Muhr, Thomas. Optimism reborn. Nicaragua's Participative Education Revolution, The Citizen Power development model and the construction of '21<sup>st</sup> century socialism.' *Globalisation, Societies, and Education*. 11:2, 276-295. 2012.
- Munro, Dana G. "Bryan-Chamorro Treaty." *Dictionary of American History*, edited by Stanley I. Kutler, Charles Scribner's Sons. 3(1): 550-551. 2003.
- Myers, Margaret and Wise, Carol, eds., *The Political Economy of China-Latin America Relations in the New Millennium*. Routledge Press, 2016.
- Navarro, Alvaro. La refinera que no fue. *Confidencial*. November 27, 2015. <http://confidencial.com.ni/la-refineria-que-no-fue/>
- Negri, M. Renewable energy opportunities in Nicaragua for sustainable development. *Nexo: Revista Científico*, 26(1),45–54. 2013.
- O'Lear, Shannon. Socialism, in *The Encyclopedia of Human Geography*. Wharf, B. ed. Sage Publications. 2006.
- Olson, Mancur. *The Logic of Collective Action*. Harvard University Press, 1965.
- Ortega, Daniel. Turnover in Nicaragua: Excerpts from the Speech by Daniel Ortega. *New York Times*. February 27, 1990.
- Otárola, Miguel. *Canal opposition leader ready to fight for the land in Nicaragua*. Cronkite Borderlands Project. June 17, 2015.

<https://cronkite.asu.edu/buffett/nicaragua/canal-opposition-leader-ready-to-fight-for-the-land-in-nicaragua/>

Pearce, David and Webb, Michael. Rural Electrification in Developing Countries: A Reappraisal. *Energy Policy*. August, 1987.

Peet, Richard and Hartwick, Elaine. *Theories of Development: Contentions, arguments, alternatives, Second Edition*. The Guilford Press. 2009.

Perla, Hector and Cruz-Feliciano, Hector. The Twenty-first-Century Left in El Salvador and Nicaragua: Understanding Apparent Contradictions and Criticisms. *Latin American Perspectives*. 40(83): 83 – 106. 2013.

Perlez, Jane and Huang, Yufan. *Behind China's \$1 Trillion Plan to Shake Up the Economic Order*. *The New York Times*. May 13, 2017.

Petro Spanakos, Anthony and Pantoulas, Dimitris. The Contribution of Hugo Chávez to an Understanding of Post-Neoliberalism. *Latin American Perspectives*. Vol. 44, Issue 1, 2017.

Phillips, Nelson, Hardy, Cynthia. *Discourse Analysis: Investigating Processes of Social Construction*. Sage Publications, 2002.

Phillips, Richard. Vernacular Anti-Imperialism. *Annals of the Association of American Geographers*. 101(5):1109-1125. 2011.

Piccone, Ted. *The Geopolitics of China's Rise in Latin America*. Brookings Institute, Geoeconomics and Global Issues, Paper 6. November 2016.

Porras, Enrique A. and Bjornsson, Grimur. The Momotombo Reservoir Performance upon 27 Years of Exploitation. *Proceedings of the World Geothermal Congress*, 2010.

ProNicaragua. Nicaragua Leading the Green Energy Revolution. April 29, 2015.  
<http://www.pronicaragua.org/en/newsroom/blogs/1570-nicaragua-leading-the-green-revolution>

ProNicaragua. Nicaragua Powers Up on Green Energy. *Renewable Energy Focus*. January/February 2012.

Ramirez, Sergio. *Adios Muchachos: A memoir of the Sandinista revolution*. Duke University Press. 2012.

Robbins, Paul. *Political Ecology: A critical introduction*. 2<sup>nd</sup>. ed. Wiley and Sons. 2012.

Rogers, Tim. Could Nicaragua's President Survive without Venezuela's Chavez? *Public Radio International*. December 11, 2012.

Rogers, Tim. Electricity Costs to Increase 7.78 percent next week. *The Nicaragua Dispatch*. April 12, 2013.

Rogers, Tim. Nicaragua's Marxist government gets religion on free trade zones. *Public Radio International*. May 4, 2012.

Rogers, Tim. Nicaragua ratifies ALBA 'Fair Trade' Treaty. *The Nicaragua Dispatch*. April 19, 2013.

Rogers, Tim. Will Chávez Victory Fulfill Nicaragua's Megaproject Dreams? *Pulitzer Center on Crisis Reporting*. October 12, 2012.

Romero, Simon. China's Ambitious Rail Projects Crash Into Harsh Realities in Latin America. *The New York Times*. October 3, 2015.

Ruckert, Arne. The World Bank and the Poverty Reduction Strategy of Nicaragua: Toward a Post-Neoliberal World Development Order? In L. Macdonald et al. (eds.), *Post-Neoliberalism in the Americas*. Palgrave Macmillan. 2009.

Sachs, Jeffrey. *The End of Poverty: Economic Possibilities for our time*. Penguin Press. 2005.

Salomon, Josefina. *The cost of "development": "The government sees Nicaragua as their estate*. August 30, 2017. <https://www.amnesty.org/en/latest/news/2017/08/the-cost-of-development-the-government-sees-nicaragua-as-their-estate-and-us-as-their-animals/>

Sanchez, Teodoro. *The Hidden Energy Crisis: How Policies are Failing the World's Poor*. Practical Action Publishing, 2010.

Schensul, et al. *Mapping Social Networks, Spatial Data, and Hidden Populations*. Altamira Press. 1999.

Soutar, Robert. The Nicaragua Canal becomes the government's Achilles heel. *Dialogo Chino*. August 30, 2017. <https://www.opendemocracy.net/democraciaabierta/robert-soutar/nicaragua-canal-becomes-government-s-achilles-heel>

Spradley, James P. *The Ethnographic Interview*. Holt, Rinehart, and Winston. 1979.

Stiglitz, Joseph. *Globalization and its Discontents*. Norton, 2003.

Stout, Peter F. *Nicaragua : past, present and future : a description of its inhabitants, customs, mines, minerals, early history, modern fillibusterism, proposed inter-oceanic canal and manifest destiny*. Philadelphia; 1859.

- Tatar, Bradley. *State Formation and Social Memory in Sandinista Politics*. 2009.
- Taylor, Matthew J., and Steinberg, Michael K. Controlling People and Space, in, Jordana Dym and Karl Offen (Eds.) *Mapping Latin America*, University of Chicago Press. 2011.
- Taylor, Matthew J. Electrifying rural Guatemala: central policy and rural reality. *Environment and Planning: Government and Policy*. 23: 173-189. 2005.
- Taylor, Peter J. Thesis on labour imperialism: How communist China used capitalist globalization to create the last great modern imperialism. *Political Geography*. 30(4),175-177. 2011.
- Toscano, Alberto. David Harvey. *Development and Change*, 38(6): 1127 – 1135. 2007.
- Tulchin, Joseph. The U.S. and Latin America in the 1960s. *Journal of Interamerican Studies and World Affairs*. University Press, London. 1998.
- Vanderveest, Peter. Land to some tillers: Development-induced displacement in Laos. *International Social Science Journal* 55:47. 2003.
- Vasquez, Vladimir. El registro escrito de la lucha campesina. *Confidencial*. May 5, 2017. <https://confidencial.com.ni/registro-escrito-la-lucha-campesina/>.
- Wade, Jared. “Sea Change.” *Risk Management*. 62(1): 20-23,26-27. 2015.
- Waitt, Gordon. Doing discourse analysis, in *Qualitative research methods in human geography, second edition*. Hay, I. ed. Oxford University Press. 2005.
- Walker, Thomas. *Nicaragua: Living in the Shadow of the Eagle*. 5<sup>th</sup> ed. Westview Press, Boulder CO. 2011.
- Watts, Jonathan. Nicaragua canal: in a sleepy Pacific port, something stirs. *The Guardian*. November 24, 2016.
- Weiss, Robert S. *Learning From Strangers: The Art and Method of Qualitative Interview Studies*. The Free Press. 1994.
- Wilkinson, Tracy. *At museum, Nicaragua president's favorite masterpiece is himself*. Los Angeles Times. August 9, 2010. <http://articles.latimes.com/2010/aug/09/world/la-fg-nicaragua-ortega-20100809>
- Wilm, Johannes. *Nicaragua, Back from the Dead?* New Left Notes. 2011.

Witte-Lebhar, Benjamin. *Energy-Strapped Nicaragua Leans Green in Effort to Power-up*. University of New Mexico, Lobo Vault. 2011. <http://hdl.handle.net/1928/11917>

Yates, Julian S. and Bakker, Karen. Debating the 'post-neoliberal turn' in Latin America. *Progress in Human Geography*. 38(1). 2014.

Zimmerer, Karl S. New Geographies of Energy: Introduction to the Special Issue. *Annals of the Association of American Geographers*. 101:4, 705 – 711. 2011.

Zimmerman, Matilde. *Sandinista: Carlos Fonseca and the Nicaraguan Revolution*. Duke University Press, Durham NC. 2000.