

2009

Beyond Corporatism and Liberalism: State and Civil Society in Cooperation in Nicaragua

Hannah Pallmeyer

Macalester College, hpallmeyer@gmail.com

Follow this and additional works at: http://digitalcommons.macalester.edu/hisp_honors

 Part of the [Comparative Politics Commons](#), [Latin American History Commons](#), [Latin American Studies Commons](#), [Models and Methods Commons](#), [Political History Commons](#), [Politics and Social Change Commons](#), and the [Social and Cultural Anthropology Commons](#)

Recommended Citation

Pallmeyer, Hannah, "Beyond Corporatism and Liberalism: State and Civil Society in Cooperation in Nicaragua" (2009). *Hispanic Studies Honors Projects*. Paper 2.

http://digitalcommons.macalester.edu/hisp_honors/2

This Honors Project is brought to you for free and open access by the Hispanic Studies at DigitalCommons@Macalester College. It has been accepted for inclusion in Hispanic Studies Honors Projects by an authorized administrator of DigitalCommons@Macalester College. For more information, please contact scholarpub@macalester.edu.

Beyond Corporatism and Liberalism: State and Civil Society in Cooperation in Nicaragua

Latin American Studies
Honors Thesis

Hannah Pallmeyer

April 13, 2009

Advisor: Professor Paul Dosh

Readers:

Professor Paul Dosh
Professor Olga González
Professor Ernesto Capello

Table of Contents

Abstract	
Chapter 1: Introduction.....	1
<i>Introduction</i>	
<i>Thesis Outline</i>	
Chapter 2: Nicaraguan Political and Civil Society Evolution.....	8
<i>Introduction</i>	
<i>History of Nicaraguan Civil Society</i>	
<i>Chart 2.1: Civil Society and the State</i>	
<i>Political Trends in Nicaraguan Civil Society</i>	
<i>Conclusion</i>	
Chapter 3: Re-conceptualizing State-Civil Society Relations: Liberalism, Corporatism and Cooperation.....	35
<i>Introduction</i>	
<i>Chart 3.1: The Autonomy Spectrum</i>	
<i>Terminology: What is Civil Society?</i>	
<i>Corporatism</i>	
<i>Liberalism</i>	
<i>Alternative Interactions of State and Civil Society</i>	
<i>Cooperation</i>	
<i>Conclusion</i>	
Chapter 4: Co-optation, Separation and Cooperation: Water Privatization in Nicaragua.....	62
<i>Introduction</i>	
<i>Chart 4.1: Water Rights Organizations Located on the Autonomy Spectrum</i>	
<i>History of Water Privatization in Nicaragua</i>	
<i>National Consumer Defense Network (RNDC)</i>	
<i>Nicaraguan Communal Movement (MCN)</i>	
<i>Coalition of Organizations for Water Rights (CODA)</i>	
<i>Chart 4.2: Water Rights Organizations and Relationships with the State</i>	
<i>Conclusion</i>	
Chapter 5: Citizen Power Councils: Corporatist and Co-opted Civil Society	88
<i>Introduction</i>	
<i>Theoretical Framework</i>	
<i>Historical Antecedents of CPCs</i>	
<i>Creation of the CPCs</i>	
<i>Institutional Structure</i>	
<i>Chart 5.1: Sixteen Organizing Issues for CPCs</i>	
<i>Chart 5.2: Similarities between 2003 and 2007 Citizen Organizational Structures</i>	
<i>Corporatist Concerns</i>	
<i>Conclusion</i>	
Chapter 6:	
Conclusion.....	109
Bibliography.....	117
Index	
A. Acronym List.....	125

Abstract:

The Nicaraguan state has historically attempted to control Nicaraguan civil society using corporatist and liberal-democratic frameworks. This has created a difficult organizing environment for civil society organizations to struggle for social change. In this thesis, I argue that civil society organizations, operating in 2008 in a corporatist or liberal framework, were less effective in achieving national social change than organizations that worked cooperatively with the state, yet maintained some autonomy. This hypothesis is developed using the case study of three water rights organizations, and is further tested using the case of corporatist-structured Citizen Power Councils, created in 2007.

Chapter 1: **Introduction**

Introduction

Every morning in Managua I woke at 4:30 am to the sound of water dripping from the faucet into buckets. My study abroad host father arose before dawn every morning to take advantage of the few precious hours of running water delivered to his house. Buckets were filled for use throughout the day to prepare food, wash dishes, bathe, and flush the toilet. By 7:30 am, the water ceased to flow. Whatever we had accumulated by that time would have to serve us through the rest of the day.

In Managua, at least there is running water for part of the day. Other parts of Nicaragua, specifically in rural areas, lack any water service at all. Water service, which was nationalized by the revolutionary government in the 1980s, was slated for privatization by President Violeta Chamorro in the early 1990s. Using a neoliberal framework, she reasoned that privatized water service would allow for a more efficient distribution of water. Large sectors of Nicaraguan civil society¹ disagreed, and many organizations began to work against the privatization of water and other utilities in Nicaragua. The Nicaraguan state, fraught with a history of attempting to control civil society organizations using either corporatist or liberal-democratic means, endeavored once again to control the movement that the civil society organizations were creating.

¹ I use Borchgrevink's definition of civil society (2006): "the associational sector 'between family, market and state'" (13). Civil society is not necessarily internally democratic, promoting democracy, or separate from the party structure. My rationale in using this definition is explored in the beginning of Chapter 3.

Each of the three major organizations that worked to stop water privatization each entered into a different relationship with the state. The National Consumer Defense Network (RNDC) was co-opted² by the Nicaraguan state through corporatist strategies³. The Nicaraguan Communal Movement (MCN) adopted the liberal-democratic perspective and emphasized complete autonomy from the state. The Coalition of Organizations for Water Rights (CODA) chose the middle path, entering into a constructive partnership with the state while maintaining independence. I refer to this type of relationship as ‘cooperative.’⁴

In this essay, I use the three organizations that worked against water privatization to formulate a hypothesis about state-civil society relationships in Nicaragua. The three types of relationships that they engaged with the state are emblematic of past relationships between other civil society organizations and the state. I created a new typology for the state-civil society relationship to describe existing relationships. I argue that, on a national level, co-optation de-mobilizes civil society organizations and neutralizes them. Autonomy, or complete separation from the state, prevents a productive relationship with the state, since

² *Co-optation* is a situation in which the government, state institutions or a political party attempt to bring a civil society organization or social movement into their fold by way of direct takeovers, offering economic or social benefits to members, or exerting political control.

³ I adopt the definition of Wiarda (2003) of corporatism as “a system of *state*-sponsored, *state*-licensed, *state*-organized, *state*-controlled interest associations; representation and consultation, therefore, are also corporate, group-centered, or functionally organized, not democratically or by principle of one person, one vote” (14). Corporatism will be analyzed in greater depth in Chapter 3.

⁴ State and civil society organizations engage in cooperative relationships when they work together towards a common goal, without the civil society organization becoming co-opted into the state structure. Civil society organizations must maintain a significant degree of autonomy from the state, but may give up some autonomy in order to enter into a partnership with the state. This type of relationship, although rare, has been observed in Nicaragua previous to the Water Rights movement. It is most prevalent on a local level.

the autonomous organization is perceived as a threat to the state and often refuses to partner with the state. It is a collaborative, cooperative relationship that is most efficacious in achieving change in Nicaragua. This hypothesis is then tested in the case of state-organized Citizen Power Councils (CPCs), citizen groups that were created with close ties to the state.

The scope of this research is the first two years of President Daniel Ortega's current presidential term, from 2006-2008, and his relationship with leftist civil society organizations. A former revolutionary leader, Ortega has attempted to portray himself as the only legitimate leader of the left in Nicaragua. The revolutionary legacy of Nicaragua makes Nicaragua unique in Central America with regards to political polarization: "Nicaragua's greatest distinctiveness lies in the strength of leftist identification, roughly double the regional average, and in the rough parity of leftist and rightist identification... ideological polarization... [is] almost certainly an effect of revolution and resistance to it" (Booth & Richard 2006, 126-127). Even given the political polarity between right and left, the greatest political schism in Nicaragua is among the left (Borchgrevink 2006). Nicaragua's left is not homogenous, which has become increasingly apparent in recent years, particularly since the reelection of Daniel Ortega.

This trend has been especially evident in analyses of civil society in Nicaragua. In this paper, I analyze how leftist civil society organizations can most effectively create meaningful societal and political change in Nicaragua, especially given the hostile political climate created by the presidency of Daniel

Ortega. This analysis has led me to a series of questions that this paper explores: When does a cooperative relationship between the state and civil society become co-optive? How has co-optation impacted Nicaraguan civil society's prospects of achieving meaningful political and societal change? Can fully autonomous organizations engage with the state to create change effectively?

Thesis Outline

Chapter 2 begins with a brief summary of the historical relationship between the Nicaraguan state and civil society organizations, emphasizing the historical use of corporatism. Nicaragua has a long history of co-optation of civil society by the state and political parties. Beneath the Somoza family dictatorship (1934-1979), civil society was underdeveloped. The Sandinistas (1979-1990) encouraged civil society to grow, but as the Contra War of the 1980s raged on, the economy collapsed and an opposition party formed, the Sandinistas began to co-opt a variety of citizen organizations to try to drum up more support for the FSLN government and policies. When the liberal opposition leader Violeta Chamorro came to power in 1990, hundreds of civil society organizations formed to organize the Nicaraguan citizens in a new political and economic context. Her election marked the advent of neoliberalism⁵ in Nicaragua. The liberal presidents from 1990-2006 also attempted to control civil society, in order to govern in a neopopulist fashion. Chapter 2 also includes an assessment of state and civil society relationships since the re-election of Daniel Ortega in 2007, focusing on

⁵ Neoliberalism is an economic and political doctrine that advocates for the freedom of the market, privatization of services, the need to cut government spending, and de-regulation of the economy. For a more thorough definition, see Bickham Mendez (2005).

the changing role and tactics of civil society. Chapter 2 analyzes the relationship between state and civil society through 2008.

My literature review comprises Chapter 3. First, I define civil society using an open and inclusive definition that transcends a narrow Western perspective. Next, I introduce the traditional perspectives on state and civil society interactions: corporatism and liberalism. I analyze historical and current scholarship on state and civil society relationships from these two traditions, focusing on the implications of corporatism and liberalism in the relationship between the Nicaraguan state and civil society organizations. Ultimately, I reject these two perspectives because they largely deny agency to civil society organizations. Instead, I introduce a third perspective: that of cooperation. This chapter incorporates the historical traditions of Nicaragua, while also offering other non-Western approaches to civil society, focusing on the cases of state-led civil society in China and participatory budgeting (PB) in Porto Alegre, Brazil.

The anti-water privatization movement is analyzed in great detail in Chapter 4. First, I offer a history of this movement, a cohesive history which, to my knowledge, has not been extensively researched until this paper. I then analyze the methods and actions of the three civil society groups working on a national level against water privatization: RNDC, MCN and CODA. I argue that the CODA employs the best balance between autonomy and cooperation, which shows in their relative success in advocating against water privatization in Nicaragua. The MCN adopted the liberal-democratic perspective on state interactions, and has been largely excluded from the decision-making realm

because the organization is too autonomous. The state incorporated the RNDC into the governing system using the corporatist perspective, and the organization has largely become neutralized because of its relationship with the state.

Chapter 5 analyzes my second case study: the CPCs, and offers this case as a second corporatist relationship between state and civil society in Nicaragua. The use of CPCs further explores my hypothesis which states that corporatist structures are not able to make meaningful change in Nicaragua. I trace the historical antecedents of the CPCs in Nicaragua, arguing that Ortega used a similar, corporatist institutional structure to organize Nicaraguans during the revolutionary years. During the revolution, the state-created, mass organizations were used to channel support of the general populace to the revolutionary, FSLN-led political and societal project. In the first two years of his administration in his second term of presidency (2006-08), Ortega has once again attempted to organize citizens in the corporatist tradition in order to bolster support for his government. This means that the CPCs are closely aligned with both the state and the FSLN itself. The lack of autonomy, as dictated by corporatism, has meant that the CPCs are largely unable to work for change in Nicaraguan society.

Chapter 6 concludes the paper. Through summarizing my arguments and evidence, I demonstrate that the Nicaraguan political climate of 2008 is a very difficult one for civil society organizations, particularly those on the left who do not agree with the government, to work for change. Under Daniel Ortega, state and civil society relations are strained. Ortega, through the formation of the CPCs, discourages independent forms of civil society organizations. However,

the anti-water privatization case demonstrates that some civil society organizations, such as the CODA, can unite together and engage with the state without sacrificing too much of their autonomy. Furthermore, this chapter offers possible theoretical implications of this research, arguing for a more complex and historically-based understanding of civil society and how it interacts with the state throughout Latin America.

Chapter 2: **Nicaraguan Political and Civil Society Evolution**

Introduction

The development of civil society in Nicaragua has depended largely on the historical progression of politics. In the past thirty years Nicaraguans have overthrown a brutal military dictatorship, experienced a socialist revolution, and transitioned to a neoliberal democracy. In this chapter, I trace the development of civil society from under the dictatorship of the Somoza family from 1934-79 until 2008. The chapter is divided by political periods in order to examine the impact of political society on the historical development of civil society. Using a historical perspective, I argue that the Nicaraguan state has continually attempted to control civil society for its own benefit. While all of the presidents attempt to control civil society, the methods they have used to control civil society and political rationale behind those methods vary greatly.⁶

Some political leaders, such as the Somozas and Daniel Ortega, have used a system of corporatism to build support for their regimes. Liberal presidents such as Arnaldo Alemán and Enrique Bolaños expressed a deep distrust for civil society, and attempted to limit the realm of civil society and govern in a neopopulist style instead. Violeta Chamorro, president during the transition from Sandinista rule to liberal rule, also employed liberalism, although she continued to work in some capacity with civil society organizations.

Civil society organizations were closely tied to the state during the Somoza regime and during the beginning of the Sandinista Revolution. With the

⁶ While the political ideologies of Nicaraguan leaders have been very diverse, this paper focuses on how those leaders (regardless of ideology) have interacted with civil society organizations.

disillusionment with the revolutionary project growing in the late 1980s, civil society began to assert its autonomy from the Nicaraguan state. The corporatist Sandinista government left power in 1990, following the election of Violeta Chamorro. Her election marked the beginning of 16 years of liberal rule in Nicaragua, under which the liberal leaders distrusted civil society and attempted to control civil society using legal means to limit the civic sphere. The return of Daniel Ortega, a former revolutionary Sandinista, to the presidency in 2006 provided for an illustration of how the FSLN⁷ continued to attempt to control leftist civil society⁸ through a corporatist mind-set.

Many civil society organizations have rejected the continued attempts of the Nicaragua state to control and organize civil society in Nicaragua, and instead have chosen to exert their partial or full autonomy from the Nicaraguan state and political parties. Historical examples include the founding of the Nicaraguan Communal Movement (MCN) in 1987, and the reaction of civil society to the mishandling of the relief efforts relating to Hurricane Mitch in 1998. The Civil Coordinator (CC), formed following the hurricane to assist the government with relief and rebuilding efforts in Nicaragua. Briefly, this organization engaged cooperatively with the state. After the hurricane relief efforts ended, the organization over-emphasized autonomy and struggled to work cooperatively with the state. The rejection of state interaction, therefore, does not come without

⁷ FSLN is the Spanish acronym for the Sandinista Front for National Liberation, the political party that violently overthrew the dictatorship in 1979, governed until 1990, and returned to the presidency in 2006. This organization was named after Augusto Sandino, a nationalist peasant leader who Anastasio Somoza ordered killed in 1934 while Somoza was the head of the National Guard. Sandino was seen as the last legitimate threat to Somoza, and the guerrilla movement used his name to represent their cause while fighting against the dictatorship.

⁸ This chapter focuses on left-leaning civil society organizations, as they have historically been the strongest in Nicaragua, and that my research focuses exclusively on left-leaning organizations.

consequences: this chapter illustrates how the continued struggles with the state have created cleavages among the left-leaning organizations and individuals in Nicaraguan society.

Following my analysis of the historical development of civil society-state relations, I offer an evaluation of the state of Nicaragua's civil society as of late 2008, focusing on my own field work in Nicaragua conducted in the spring of 2008 and a report on Nicaraguan civil society by Axel Borchgrevink.⁹ I focus on trends in Nicaraguan civil society, relating to how civil society organizations interact with the state, each other, and their constituencies.

History of Nicaraguan Civil Society

The Somoza Family Dynasty (1934-1979)

The Somoza family controlled Nicaragua during the middle of the twentieth century. Anastasio Somoza García ruled until his death in 1956, after which his two sons held power until being over-thrown by the Sandinistas in 1979. According to Nicaraguan historian Thomas Walker (2003), “The Somoza formula was really rather simple: maintain the support of the [national] guard, cultivate the Americans, and *co-opt important domestic power contenders*” (26, emphasis added). Under the military dictatorship, civil society was largely co-opted. The Somoza regime organized various sectors of society in order to add support and false legitimacy to their puppet governments. For decades, civil society organizations lacked autonomy and were subservient to the state. “The regime itself supported and promoted certain forms of organization, most

⁹ Borchgrevink is a social anthropologist, who focused on development aid and civil society in Central America. His report was commissioned by the Norwegian Institute of International Affairs in 2006.

important unions, but also organizations of youth, students, women, farmers, retired soldiers and community organizations. Through different means and benefits, leaders of these organizations were co-opted and the organizations served as a social basis for the dictatorship” (Borchgrevink 2006, 17). This approach by the state to civil society kept the Somozas in power for over forty years.

By the 1960s, the growing discontent with the dictatorship manifested itself in autonomous organizations, which often had to meet clandestinely for fear of retaliation by the Somoza government. The most important of these organizations grew into the guerrilla organization that overthrew the dictatorship in 1979: the FSLN. The FSLN began as a socialist student group in 1961 and gathered popular support throughout the 1960s and 1970s as it waged a war of national liberation against the Somozas, whose regime had become increasingly authoritarian and violent.

In the final stages of the offensive against Somoza, other organizations that had formed autonomous of the Somoza regime began to ally themselves with the FSLN, despite ideological differences. At this time in Nicaragua, most people and organizations opposed to the dictatorship allied themselves with the Sandinistas. When the Sandinistas finally seized power in 1979, they were simply the single largest group that opposed the Somoza regime.¹⁰ The group that took power in 1979 was mostly comprised of FSLN members, but included Nicaraguans of other political and ideological inclinations.

¹⁰ Ironically, it was an organization named after Augusto Sandino, who was killed as he opposed the first Somoza dictator, that finally overthrew his son (the third and final Somoza dictator).

This section has illustrated that the Somozas controlled civil society using corporatist mechanisms during their dynastic reign in Nicaragua. They used their control of specific groups in society to support their government. Even with this control, the FSLN developed in the 1960s as an autonomous challenge to Somoza rule. With the support of other autonomous organizations from various locations on the ideological spectrum, the FSLN overthrew the Somoza dictatorship in 1979.

Sandinista Front for National Liberation (FSLN) 1979-1990

The Sandinistas wanted to create a revolutionary, socialist society that would mark a radical change from the past forty-five years of dictatorship. Upon seizing power, the Sandinista leadership enacted ambitious plans for literacy and health campaigns, and land reform. In order to implement their plans for a revolutionary society, they needed the support of organized Nicaraguan citizens. Thus, they created several mass organizations, located within the party structure. “The Sandinista vanguardist ideology, which saw the party as the legitimate leader of the revolutionary process, meant that these mass organizations were subservient to the FSLN” (Borchgrevink 2006, 18). These mass organizations were not democratic; instead they were dominated by party elite.

The organizations were billed as a way to link the needs and desires of the people with the Sandinista party, and therefore the state that the party governed. The FSLN had markedly different political, social and economic ideologies than the Somoza dynasty. Their socialist doctrine was a radical change from the Somozas. However, with regards to how the FSLN interacted with civil society,

similarities could be seen between the FSLN and the Somozas. Although the FSLN claimed to want a break with the past, they continued in the Somoza tradition of controlling civil society through a system of corporatism to benefit the state. “The lines between state, party and mass organizations were blurred, while authority lay unquestioningly with the party and its centralized decision-making structure” (Borchgrevink 2006, 18).

At the beginning of their government, the Sandinistas appeared to use their mass organizations for the benefit of the people: in the case of the five-month Literacy Brigade in 1980, “over 100,000 volunteers (mainly young people) had taught over 400,000 (mainly adults) to read and write” (Barndt 1985, 328). At this time, around 400,000 people were estimated to be in a Sandinista-organized civil society organization. The mass organizations helped the Sandinista vanguard party to improve the lives of hundreds of thousands of Nicaraguans in the early 1980s. However, the motivations of the FSLN with regards to mass organizations came into question in the late 1980s.

In the early 1980s, with the election of President Ronald Reagan in the United States, there was growing international discontent with the Sandinista-led government. The government continued to use mass organizations to communicate community needs to the FSLN leadership. By 1984, “half of all Nicaraguans aged sixteen or older were members in voluntary support organizations” (Walker 2003, 50). However, as the economic crisis engulfing Nicaragua worsened and the U.S.-funded *contra* war intensified, internal discontent also grew. The FSLN leadership began to convert the state-controlled

civil society organizations that were serving the citizens into organizations that served the state, through neighborhood surveillance and other organized support of the state. Civil society organizations were increasingly directed to defend the revolution instead of representing constituencies to the state (Castillo 2008).

This new role for Sandinista mass civil society organizations caused two major mass organizations to declare their independence and autonomy from the FSLN. The Sandinista Defense Committees (CDSs), frustrated with their new role as a vigilante and defense organization instead of a community organizing committee, broke ties with the Sandinistas in 1987 and became the MCN (Castillo 2008).¹¹ The Association of Nicaraguan Women Luisa Amanda Espinosa (AMNLAE) voted to become independent from the FSLN in 1987, arguing that the FSLN was using AMNLAE to support the Sandinista political party for support instead of prioritizing women's issues and providing support to women (Hoyt, 1997, 65).

These two major splits of key mass society organizations were emblematic of a growing disillusionment of the increasingly centralistic style of governance that the FSLN began to exhibit in the mid- to late-1980s. Faced with civil war and economic crisis, the FSLN began to use civil society organizations to direct support to the party instead of using the organizations to work for improving the lives of citizens. Some civil society organizations refused to take part in the continued corporatist domination of civil society by the state, and exercised their agency by declaring independence from the FSLN-controlled state. Disillusioned individuals also began to split from the FSLN and founded their own leftist civil

¹¹ This event will be described in greater detail in Chapter 5.

society organizations. During the contra war, even if these organizations were leftist, they were often perceived to be confrontational. Those independent, leftist organizations, not to mention the right-leaning organizations, were marginalized and isolated by the Nicaraguan state in the 1980s, as the Sandinista-controlled organizations had a privileged role in society and a privileged access to the state.

Socially and ideologically, the FSLN represented a huge break from the past of the Somoza dictatorship. However, the FSLN continued to use a system of corporatism in an attempt to organize civil society. They endeavored to use corporatism to better organize people in Nicaragua to create a revolutionary society, but internal and economic problems led the Sandinista leadership to take advantage of the civil society organizations. This, in turn, led to the first large-scale formation of autonomous organizations in Nicaragua, many of which were of leftist political ideologies but were no longer supporters of the major leftist political party, the FSLN.

National Opposition Union (UNO) and President Violeta Chamorro (1990-1997)

In 1990, the FSLN un-expectedly lost the election to a coalition political party, known as UNO.¹² The political climate of Nicaragua was suddenly turned on its head, and this political transformation marked a radical change in civil society: “Whereas the arena in the eighties had been dominated by the Sandinista mass organizations, with their close links to the state and governing party, the

¹² For further information on the electoral defeat, see my paper, “A Suprising Defeat? Using the Importance of People to Explain the 1990 Electoral Defeat of the Sandinistas” (2006) found at <http://www.macalester.edu/las/PaulDoshCourseResources.html>. UNO was a political coalition that began loosely in 1982 of mostly people who had fought with the Sandinistas to overthrow the Sandinistas but were disgruntled with the governing style of the Sandinistas. The coalition was not cohesive and dissolved before the 1996 elections.

situation of these organizations was drastically changed overnight” in that they “lost the dominate position within Nicaraguan civil society that they had help during the 1980s. The new situation also gave rise to reconsiderations of the relationship to the FSLN within these organizations” (Borchgrevink 2006, 20).

With the Sandinistas out of power for the first time in eleven years, the Sandinista organizations had to adapt to less funding from the state and to less access to state institutions. With fewer incentives to remain coupled to the FSLN, some of mass Sandinista organizations began to question their dependence on the FSLN and began a process of separation:

This partial de-linking from the FSLN was a painful process for many, made even more so by the strong affective values attached to revolutionary steadfastness, the very strong political polarization of the period (either you were a Sandinista or an anti-Sandinista), and the feeling that many were letting the collective project down by leaving the organizations in order to fend for themselves (for instance by establishing their own NGOs) (Borchgrevink 2006, 20).

This political polarization in the newly altered civil society landscape continued to accentuate the differences among leftist civil society organizations in Nicaragua.

The newly altered civil society landscape also included an explosion of non-governmental organizations (NGOs) in Nicaragua. This phenomenon, observed in the early 1990s, can be explained in several ways. The government of Violeta Chamorro began implementing neoliberal measures that created a withdrawal of state services. This created a need for NGOs to fill the spaces left by the withdrawal of the state. International donors were willing to fund Nicaraguan NGOs in the 1990s, because many no longer feared that they were

funding communists.¹³ There existed a large group of qualified people to staff the NGOs, who were searching for new ways to pursue idealistic and political causes after they no longer could work for the state or the FSLN. Former Sandinista party leaders or government employees often began careers at NGOs after their jobs were cut due to political or economic (neoliberal) reasons. The NGOs also offered an opportunity to pursue political and social objectives without the FSLN dictating allowable actions. It provided an opportunity for independence for the staff from the Sandinista institutional structure, although many continued to maintain “close ties with the FSLN” (Borchgrevink 2006, 23).

The Chamorro presidency marked an era of tumultuous coordination between the Chamorro administration and left-leaning civil society organizations. Chamorro created a new legal framework that favored NGOs over other types of organizations. NGOs were necessary in Nicaragua to fulfill vacuums left by a receding neoliberal state, and therefore were accepted by Chamorro, who attempted to control them through legal means. Registered civil society organizations were subjected to laws and rules about actions they could and could not undertake. Chamorro viewed many civil society organizations with fear or contempt, as she believed they were merely pawns of the FSLN. Therefore, she represented a break with the corporatist past.

Some coordination between organizations that were largely autonomous from the state and the government began to take place, according to Borchgrevink (2006). It was only tied to specific social issues (often about women, children and

¹³ Some international donors were reluctant to fund Nicaraguan civil society organizations in the 1980s due to fears of communism and socialism during the Cold War. This fear was exacerbated during the *contra* war.

families) and was most successful on a local level. Civil society organizations were often reluctant to become involved in a relationship with the state, as many either distrusted or did not like the Chamorro regime or did not want to lose their new-founded independence.

The mutual feelings of antipathy between the national government and civil society organizations made it challenging for more meaningful partnerships to occur on a national level. The Chamorro government attempted to control Nicaraguan civil society, and introduced a new system of legal constraints on the actions of civil society to do so. However, unlike the Somoza and Sandinista governments, Chamorro did not draw upon state-organized civil society organizations to support her government. Instead, we see that the FSLN continues to try to garner support for the Sandinistas using the corporatist model, even when they are outside of executive power of the state. During Chamorro's government, the split between the FSLN and non-FSLN leftist organizations widened, as the FSLN continued to attempt to exert control over civil society. Many leftist organizations maintained their links with the FSLN, while others began to question and challenge the hegemonic position (in politics and society) that the FSLN held over the Nicaraguan left.

The Liberal Era (1997-2006)

In 1997, Arnaldo Alemán, alluded to in the previous section, became president of Nicaragua. He was the leader of the Constitutional Liberal Party (PLC).¹⁴ Alemán had a strained relationship with civil society: he targeted them

¹⁴ The PLC is one of two major liberal parties in Nicaragua. The other is the National Liberal Alliance (ALN) which was founded in 2005 after growing disgust with Alemán, political

and the work that they did in Nicaragua. This opposition to civil society was emblematic of neopopulism, a term that aptly describes Alemán. “Unlike the old populists who promoted labor unions and other organs of civil society, neopopulists... appealed directly to the politically unorganized sectors of society. Indeed, such leaders actually feared and disliked organized civil society” (Walker 2003, 64). Alemán tried to control civil society using legal means, and wanted more regulations of NGOs by the central government. In his rhetoric, he identified organized civil society as appendages of the Sandinistas, and since he blamed the FSLN for most of the problems in society, he transitively blamed organized civil society.

In 1998, Hurricane Mitch hit Nicaragua and devastated the country. Thousands of Nicaraguans perished in the 10-day battering of the storm, and over 800,000 lost their homes. The damage was estimated at \$1 billion, over half of the gross national product. The Alemán administration was criticized in Nicaragua for the way in which relief efforts were carried out, and civil society organizations began to work together in order to help the country that was reeling from this devastating storm in the face of government inadequacy. This coordination led to the creation of the Civil Coordinator (CC), which was the first successful major coordinating effort to unite disparate civil society organizations in the politically polarized Nicaraguan society.¹⁵

corruption, and *el pacto*. As of 2008, the ALN allied itself with the conservative party in Nicaragua. The PLC and ALN often vote together in the National Assembly.

¹⁵ According to Pérez Leiva (2008), a left-leaning prominent civil society organizer in Nicaragua, former Commander in the FSLN, and a member of the CC, the Civil Coordinator is one of a few powerful coalitions operating in Nicaragua as of 2008, with over 300 member organizations. Borchgrevink (2006) argues it is the best example of a successful coalition in Nicaragua.

Initially, the CC was solely focused on providing relief and support to Nicaraguans affected by the hurricane. In the following years, many organizations that participated in the CC realized that they had strength in numbers. They began to develop a basic platform with which to present the government. The development of this platform was highly controversial, as different organizations could not decide which issues to prioritize and address. This led to some of the organizations dropping out of the coordinating body over disputes. Notably, the CC decided to not register itself as an official civil society organization with the central government, because they did not want to subject themselves to Alemán's rules. Furthermore, they wanted the freedom to lobby the government in a variety of ways, and feared their loss of independence if they worked too closely to the state (Pérez Leiva 2008).

One of the most important aspects of the CC lobbying platform was the desire for the creation of CONPES (National Economic and Social Planning Council). CONPES represented an institutionalized structure for the state to consult with members of civil society organizations at a national level.¹⁶ Alemán was opposed to the formation of CONPES, but eventually bowed to pressure in late 1999 and CONPES was established. Ironically, Alemán's hostility towards civil society led to a partial unification and consolidation of Nicaraguan civil society, including groups from all areas of the political spectrum.

It became apparent by the end of Alemán's presidency that the deepest cleavage in civil society was "within the left, between supporters and opponents

¹⁶ The institutional structures it created on a municipal and departmental level will be discussed in detail in the chapter on CPCs.

of the current FSLN leadership” (Borchgrevink 2006, 28). Even out of executive power, the FSLN continued to try to exert its control over leftist civil society, some of which largely enjoyed the independence it had experienced in recent years and was reluctant to cultivate close ties with the FSLN. Growing frustration with the FSLN as an inadequate political party to represent the left led to the founding of the Sandinista Renovation Movement (MRS) by Sergio Ramirez, a former member of the FSLN, in 1995 (Walker 2003, 56). Ramirez challenged the top-tier leadership of the FSLN, specifically Daniel Ortega, who refused to give up power in the party after serving as president from 1984-1990, and running (unsuccessfully) for re-election in 1990. However, many organizations remained loyal to Ortega and wanted to be involved in the FSLN: they were willing to give up some autonomy in order to have access to the party structure, and hoped that Ortega would be re-elected and that they would then have privileged access to the state and would be rewarded for their loyalty. These organizations continued to believe in the FSLN ideology. They were in sharp contrast to leftist organizations that harbored major reservations about the leadership of Daniel Ortega.

The concerns about Ortega proved well-founded when he made a pact with liberal president Alemán. In 1999, Ortega’s step-daughter claimed that Ortega had sexually abused her since the age of 11, beginning in 1978. Arnoldo Alemán, the liberal president at the time the scandal surfaced, was embroiled in his own scandal: he was accused of political corruption. Alemán and Ortega joined forces to prevent jail time for themselves in a move that is colloquially referred to by Nicaraguans as *el pacto*: the pact.

El pacto was more than an agreement between the two men to prevent jail time. It also re-wrote the political rules in Nicaragua regarding elections. Before the pact, a presidential candidate needed to receive 45 percent of the vote to gain the presidency. Without this plurality, a runoff was held between the top two vote-receivers. Under *el pacto*, a presidential candidate could win an election with only 35 percent of the first-round vote, if the candidate with the second-most votes received 5 percent less of the vote or more than the top vote-getter. This favored Ortega, who perpetually lost in run-off elections, yet won the first rounds. This *pacto* was viewed by much of Nicaraguan society as overtly corrupt, and created further tensions between left-leaning organizations and the FSLN, who continued to try to exert control over the civil society organizations on the left.

The cleavage between the left in Nicaragua illustrated itself in the electoral realm in 2001, when Daniel Ortega lost his third consecutive presidential bid to Enrique Bolaños, the hand-picked successor of Alemán. Bolaños continued to attempt to dominate civil society without recognizing its strength and legitimacy, although he was more willing to work with civil society than Alemán. Under the presidency of Bolaños, “tensions between government and civil society have certainly been reduced, [but] CONPES has not become a stronger vehicle for civil society influence on government policies, and the *Coordinadora Civil* seems to be weakened” (Borchgrevink 2006, 28).

One possible explanation for the weakening of the CC was the founding of the Social Coordinator (CS) in 2005. The CS is comprised of 37 organizations that have close ties to the FSLN (Borchgrevink 2006, 47). The two coalitions

(CC and CS) are not mutually exclusive, which further complicates issues.

Differences were exacerbated from 2006-2008, during the second presidency of Ortega. These differences emerged due to disagreements as to how close civil society organizations wanted to be with the state and political parties.

During the liberal period, both presidents attempted to control civil society to minimize the civic sphere. Governing in the neopopulist style, Alemán attempted to control civil society using a more stringent legal method than what Chamorro developed in the early 1990s. He detested civil society, and engaged in frequent confrontations with civil society, which he saw as overwhelming leftist and Sandinista. After the devastation of Hurricane Mitch in 1998, civil society organizations began to work together to lobby the Alemán government for changes. The major coordinating council at the time, the CC, continues to be an important structure in Nicaraguan society and has remained relatively autonomous of the state. During the Bolaños administration, cleavages in Nicaraguan leftist civil and political society began to widen, seen in the formation of the CS. Those cleavages would be greatly exacerbated with the re-election of Daniel Ortega to the presidency in 2006.

The Return of Daniel Ortega and the FSLN (2006-2008)

After relinquishing power in 1990 following his electoral defeat to Violeta Chamorro, Daniel Ortega spent 16 years out of the presidency, but he continued to be the leader of the FSLN. He ran for presidency in 2006, and won the contest with 38 percent of the vote.¹⁷ With the FSLN leadership back in power, this

¹⁷ Under the new electoral rules established in *el pacto*, Ortega was able to win the 2006 elections in the first round with a plurality. Many Nicaraguans alleged that *el pacto* was corrupt, and

guaranteed that organizations that had maintained ties with the FSLN during liberal rule were also more powerful. Once again, these civil society organizations had privileged access to the government and privileged sources of funding for their activities. The FSLN reverted to its historical use of corporatism to attempt to re-energize the political party, especially given that only 38 percent of Nicaraguans voted for them.

One of the most controversial aspects of Nicaragua civil society in the first two years of Ortega's presidency was the creation of Citizen Power Councils, or CPCs. Although this phenomenon will be discussed in great detail in my fifth chapter, it is important to note here that the CPCs are an example of how the FSLN once again used mass organizations to build strength for their party in Nicaragua. The CPCs received governmental funding and, since they answered directly to Daniel Ortega's wife, Rosario Murillo, they were given a unique form of access to the president.

The return of the FSLN to power has exacerbated divisions in civil society. According to Pérez Leiva, "this government is trying to destroy independent civil society" and the best hope civil society has to stand up to Ortega's government and work for political and social change in Nicaragua is to "unite to defend itself with unified strategies." Ortega has adopted a mentality of 'either you are with us, or you are against us' with regards to civil society. This means that some civil society organizations are now "linked with the state, while others are para-parties. Some organizations are overtly pro-government or pro-

therefore labeled the 2006 electoral win of Ortega as corrupt. Regardless of the manner in which Ortega regained the presidency, the FSLN was once again the ruling party of Nicaragua.

party [pro-FSLN]” (Pérez Leiva 2008). Others have come out against the FSLN. This dichotomy means that it was very challenging for coalitions and coordinating bodies in civil society, like the CC, to create basic platforms and lobbying strategies. Ortega has created an environment for civil society that welcomes groups who will ally themselves with the state and not question state policies, and ostracizes and alienates organizations that declare themselves independent of the state and the FSLN. This means that civil society, as a whole, was very fragmented and inarticulate with regards to sector demands. As Pérez Leiva (2008) stated, “each organization is playing their own drum” without taking into account the other rhythms in society. The complex historical interaction between state and civil society is illustrated below in Chart 2.1.

Chart 2.1: Civil Society and the State

Political Party and Time Frame	State perspective on civil society	Autonomy of Civil Society	Characteristics of Civil Society
<u>Somoza dynasty</u> 1934-mid 1960s	-Corporatist	-No autonomy	-Civil society totally subservient to the state
Mid-1960s-1979	-Corporatist	-Anti-dictatorship organizations begin to assert autonomy	-Anti-dictatorship organizations completely autonomous from the state
<u>Sandinistas/FSLN</u> 1979-mid 1980s	-Corporatist	-Limited autonomy, state-organized most of civil society	-Civil society dominated by state-organized, mass organizations that served the people

Mid 1980s-1990	-Corporatist	-Polarized civil society: autonomy for organizations that declare independence, cooptation of FSLN-allied organizations	-Civil society dominated by state-organized mass organizations that served the state, and a few newly-independent leftist organizations
<u>Violeta Chamorro</u> (UNO) 1990-1997	-Transition, then Liberal	-Many former state/FSLN-dominated organizations declare autonomy from the state.	-Civil society becomes NGO-ized. Some coordination between state and civil society at a local level relating to women/children/family issues.
<u>Liberals</u> Arnoldo Aleman (PLC) 1997-2001	-Liberal and Neo-populist	-High degree of autonomy	-Civil society organizations seen as hostile by Aleman, who attempts to silence civil society organizations. Some coordination with the Civil Coordinator
Enrique Bolaños (APRE) 2001-2006	-Liberal	-High degree of autonomy	-Limited coordination with the state.
Daniel Ortega (FSLN) 2006-2008	-Corporatist	-Mixed degrees of autonomy (depending on whether or not allied with the state)	-Differences among left-leaning organizations exacerbated and exploited by Ortega.

Political Trends in Nicaraguan Civil Society

In this section, I examine political trends of civil society through 2008. I identify several themes, including a growing disillusionment with the FSLN, an increased effort on lobbying and advocacy work by civil society organizations, consultations of civil society organizations by the state, weak institutionalization of state-civil society cooperation, and civil society organizations taking the role of the ‘watchdog.’ This section highlights the impact that Ortega’s reelection has had on civil society organization and political inclinations of civil society in Nicaragua.

Disillusionment with the FSLN

Beginning in the mid- to late-1980s, the first wide-spread disillusionment with the FSLN political project began to show itself among leftists and became increasingly apparent with the founding of the MRS in 1995. This political disillusionment became increasingly widespread after *el pacto* in 1999. *El pacto* blurred the lines between the FSLN leadership and the PLC leadership, and brought into question the ideology of both of these political parties. “Increasing dissatisfaction between FSLN leadership... has led many to question the traditional political map which places the FSLN on the left, confronting the liberals of the right. Instead, they see a political landscape where the political class and the two major political parties conspire against democracy and popular interests” (Borchgrevink 2006, 46). This excerpt highlights one of the reasons that leftist civil society organizations began to distance themselves from the FSLN, even if they had Sandinista roots.

How does this disillusionment impact the ability of civil society organizations to coordinate with each other and the state? The answer to this question varies depending on the time frame it is addressing. During the Bolaños period, leftist civil society organizations were more open to working with a liberal state. Borchgrevink (2006) argues that organizations of the left “gradually... started cooperating with institutions of the state governed by liberals, as well as with other civil society organizations of different backgrounds” (46). As of 2006, Borchgrevink offers his analysis that Nicaraguan society was not splintered or fragmented. He acknowledges that it was not cohesive, but gives examples (such as the CC) of civil society coalitions that work together despite political differences and in spite of a challenging and polarized political environment. Since Ortega took office in early 2007, civil society has become increasingly re-splintered. This is not to say that there are no examples of successful partnerships under Ortega’s government: one of the organizations I analyze in Chapter 4 is the Coalition of Organizations for Water Rights (CODA), which has been able to unite disparate organizations in the face of a difficult political environment. This case will be analyzed more extensively in my chapter on water privatization.

Furthermore, the actions Ortega has undertaken since he took office in 2007 have further frustrated many civil society organizations. Janeth Castillo, a leftist community organizer with the MCN, states that “it is very difficult to work for change with this government. They want a political way that is very vertical and authoritarian. It’s hard to work with a government that only criticizes independent civil society” (Castillo 2008). Ortega’s hard-line stance against

autonomous civil society has led to disillusionment among those independent organizations.

Lobbying, Advocacy and Legal Reforms

As a result of an NGO-ized civil society, there was more importance on lobbying and advocacy issues as opposed to direct action. There existed an “increasing orientation towards campaigns, lobbying and advocacy” among civil society organizations. Most of the organizations I visited with in Nicaragua¹⁸ told me that they prioritized working for legal reforms when they wanted to change a policy in Nicaragua. For example, as will be expanded in Chapter 4, the National Assembly passed the National General Water Law (LGAN)¹⁹ in 2007 as a result of lobbying of the national government by various sectors of civil society. Many civil society organizations expressed concerns that the law is not strong enough, and wanted to lobby the government in order to make it more stringent (Pérez 2008).

This advocacy work was coupled by a new focus on civil and human rights in Nicaragua. According to Pérez Leiva (2008), it is necessary to “empower the citizens so that they can defend their own rights,” those rights that are supposedly guaranteed by the state. By undertaking educational campaigns about civil and human rights in Nicaragua, civil society organizations indirectly influence politics. According to Nicaraguan civil society expert, Dora Maria Tellez (2008), Nicaragua experiences a “rights deficiency” in which citizens do

¹⁸ RNDC, MCN, LIDECONIC, SIMAS, CISAS, ADIC, and La Cuculmeca.

¹⁹ The LGAN, described in Chapter 4 in greater detail, is a law in response to a mandate that stated that water concessions could not be made until a generalized water law was passed by the National Assembly. It prohibits the privatization of water service, but does not define water privatization. Furthermore, it does not explicitly prohibit the privatization of water sources.

not feel like they have the right to rights. By undertaking popular education campaigns about rights, then citizens know that they have rights to demand, and may demand them separately from organized civil society groups.

The emphasis on rights advocacy and legal reforms means that some organizations are better equipped to make change in society than others. The more professionalized and better funded organizations (often NGOs) are able to hire a lawyer to oppose the laws. “Many organizations do not have the resources to have a lawyer, and even though we can always protest, this emphasis means that the average person’s voice is getting harder to hear” (Castillo 2008).

Advocacy work, while increasingly common, is not accepted by all civil society organizations. I talked to the Nicaraguan Social Movement-Another World is Possible (MSN-Otro Mundo es Posible) which split from the CODA because they believed the CODA to be too legal oriented, and the MSN believed that “popular mobilization is the only way to oppose water privatization” in Nicaragua (Jarquin 2008).

Consultations between State and Civil Society

Consultations between state and civil society have occurred most effectively at a local level, as seen during the tenure of Violeta Chamorro. Municipal governments and mayors often work closely with civil society organizations on a variety of issues. Again, the NGO-ization of Nicaraguan civil society signified that NGO employees often have technical expertise and legal experience that the state wants to take advantage of and put to use. Whether or not a government chooses to consult with a civil society organization all too often

depends on the political affiliation of the civil society organization or individual. Consultations, done correctly, can be a part of a cooperative relationship between the state and civil society organizations on a national level.

Weak Institutionalization of State-Civil Society Initiatives

One of the challenges of interactions between the state and civil society is that they fluctuate depending on who is in power. Throughout this paper, I have argued that Nicaraguan presidents and dictators are similar in that they try to control civil society. Each feared opposing voices and opinions, as they did not want their weaknesses as leaders exposed. However, as my analysis has shown, each of the presidents has a different way to control civil society, and each want to control civil society for different reasons. Ortega, for example, used corporatism to try to lend support and legitimacy to his government. He used community organizations to bolster support for his government. Alemán, on the other hand, distrusted civil society and tried to control it through legal means. His neopopulist, liberal governing style meant that he instead appealed to the non-organized masses for support. He detested civil society organizations themselves, and attempted to control them by isolating them from the state, in the liberal tradition. With each president, different state institutions that relate to civil society were created and used for different purposes. Therefore, meaningful and lasting state and civil society interactions were infrequent.

The political polarization of Nicaragua's political system and civil society means that civil society was often dominated by political parties and perceptions of partisanship. The return of Daniel Ortega to the Nicaraguan presidency was

the latest challenge for leftist civil society organizations. There were advantages and disadvantages to being allied with the Sandinistas in the national government, as will be further demonstrated in Chapter 4.

Monitoring the National Government

Nicaraguan civil society organizations have played the watchdog role since the 1990s. The Civil Coordinator was formed out of organizations concerned with the poor response of the Nicaraguan government to the devastation of Hurricane Mitch, and illustrates a historical representation of cooperative relationships between state and civil society organizations in Nicaragua. When a hurricane struck Nicaragua in 1998, many Nicaraguans feared a governmental response similar to what happened after a major earthquake during the Somoza regime.

In 1972, a disastrous earthquake struck Nicaragua that leveled Managua and killed 10,000 people. The relief funds were grossly misused: “Somoza... chose to turn the national disaster to short-term personal advantage. While allowing the National Guard to plunder and sell international relief materials and to participate in looting the devastated commercial sector, Somoza and his associates used their control of the government to channel international relief funds into their own pockets” (Walker 2003, 31). With Hurricane Mitch, civil society organizations demanded accountability from then-President Alemán in hopes that something so cruel could never happen to the victims of the 1998 hurricane. The CC formed as a relief coalition, to work with the government in distributing aid and rebuilding Nicaragua in a cooperative manner after the

hurricane. Initially working in cooperation with the government, the CC was able to maintain enough autonomy to serve as a watchdog of the government's use of international funds. After the hurricane relief efforts ended, the CC became too autonomous and was alienated from the liberal state. Consumer defense organizations have also proliferated in Nicaragua in the past decade, the largest being the National Consumer's Defense Network (RNDC).

Conclusion

This chapter has illustrated the historical development of civil society in Nicaragua, focusing on the relationship civil society has developed with the Nicaraguan state. It has specifically focused on the relationship between leftist organizations and the FSLN, which curiously uses corporatism both when in and out of state power. Ortega has dominated the FSLN for over thirty years in Nicaragua, and his use of corporatism to attempt to channel support to his political party has put leftist organizations between a rock and a hard place. They must either give up their independence and their ability to engage the state on their terms, or they become autonomous but then are shut-out of decision making and often are denied access to state institutions and key decision makers. Yet their autonomy signifies that they are able to act in whatever way they see fit to create change in Nicaragua. This dilemma is voiced by Borchgrevink (2006), who questions, "When does cooperation become cooptation? When does the aspect of lending legitimacy and support to a government that does not deserve it outweigh the potential impact and influence one might have over the government's plans and actions?" (66). This dilemma will be discussed in depth

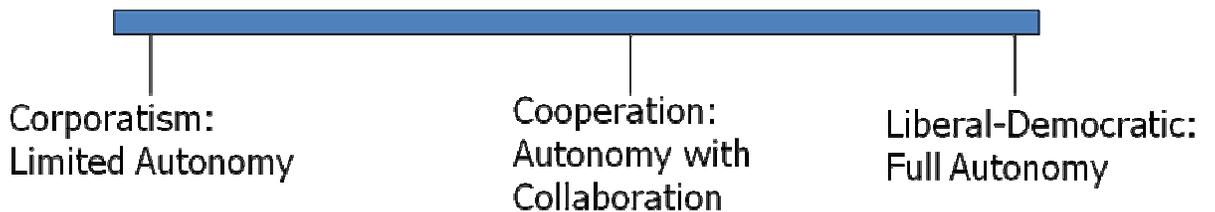
in the following chapters, as I argue that neither total autonomy nor total dependence on the state or political parties is the most effective way to create change in Nicaragua: it is instead somewhere in the gray area that leads to the most efficacious relationship.

Chapter 3:
Re-conceptualizing State-Civil Society Relations:
Liberalism, Corporatism and Cooperation

Introduction

In contemporary analyses of how civil society organizations interact with the state, two theoretical perspectives are commonly offered: corporatist and liberal-democratic. The corporatist tradition, with its origins in Ancient Rome, advocates for an incorporation of key players of society into the state framework in order to govern most effectively. The liberal tradition, located on the opposite side of the autonomy spectrum, argues that a wholly autonomous civil society is necessary in order to be able to externally influence the state. Liberalism and corporatism fall short of being able to examine civil society and state relationships on all parts of the autonomy spectrum. They are too rigid and often do not take into account the unique historical development of Nicaraguan civil society with regards to the state. By proposing a new perspective on civil society, termed ‘cooperation,’ I transcend past proposals of cooperation and recognize agency for civil society organizations in the creation of collaborative relationships between civil society organizations and the Nicaraguan state. This chapter seeks to explore and define corporatist, liberal and cooperative perspectives so that they might be applied to my case studies in the following two chapters.

Chart 3.1: The Autonomy Spectrum



In order to be able to analyze state and civil society relationships, I must first define civil society. Next, I focus on the corporatist and liberal frameworks. Although I focus this analysis on the seminal works of Wiarda (2003) and Diamond (1994), two major scholars of corporatism and liberalism, respectively, historical perspectives are also offered in this analysis. I then look at alternative ways to view state and civil society relationships, emphasizing the need to look at these interactions from non-Western traditions. I offer two examples of non-Western examples of how civil society and the state interact, focusing on Participatory Budgeting (PB) in Porto Alegre, Brazil and state-led civil society in China. The Chinese example is one of corporatism, whereas PB walks the fine line between corporatism and cooperation. These two cases help to inform my development of a non-Western cooperative perspective on state-civil society interactions, which emphasizes partnerships while maintaining a certain degree of autonomy.

In later chapters of my thesis, taking into account the historical development of state and civil society relationships in Nicaragua, I argue that it is a cooperative relationship that is most effective way to make change in Nicaragua's difficult climate in which the state continually endeavors to control civil society. As Wiarda (2003) and Mercer (2002) argue, it is necessary to look at the distinct historical trajectory and local conditions of civil society and state interactions, something that I will analyze in further sections of my thesis. This argument sets the stage for my analysis of two different sectors in Nicaraguan

civil society, the national anti-water privatization movement and the state-led formation of Citizen Power Councils (CPCs) in Nicaragua.

Terminology: What is Civil Society?

Civil society is a widely-used term in academia, particularly in democratization studies. However, looking at civil society solely as a tool for democratization overlooks and oversimplifies the complex interactions between state and civil society and how this influences the impact that civil society can have in a country. Instead, I adopt a definition of civil society that focuses not only on democratization, but on governance²⁰ and state-society relations. How do civil society organizations work towards change? They do not always operate in a democratic framework. In this section, I analyze three different definitions of civil society.

Diamond (1994) provides a liberal definition of civil society, as he declares it is “the realm of organized social life that is voluntary, self-generating, (largely) self-supporting, autonomous from the state, and bound by a legal order or a set of shared rules. It is distinct from ‘society’ in general in that it involves citizens acting collectively in a public sphere to express their interests, passions, and ideas, exchange information, achieve mutual goals, make demands on the state, and hold state officials accountable” (5). This definition is Western oriented, and makes some democratic presuppositions about the nature of civil society.

²⁰ Governance refers to how decisions are being made within a society, focusing on a much broader group of actors than solely politicians. Governance includes legislators, civil society members, constituents, and bureaucrats.

Brysk (2000) also infuses a democratic perspective in her definition of civil society, arguing for a political role of civil society, which she defines as “*public* and *political* association outside the state... Its political role is not just to aggregate, represent, and articulate interests, but also to create citizens, to shape consciousness, and to help define what is public and political” (151). She envisions citizens who play active roles in determining their interests outside of the state as key members of civil society organizations.

In his study of Nicaraguan civil society, Borchgrevink (2006) warns against the implicit or explicit assumptions of civil society as a democratic concept. He defines civil society as “the associational sector ‘between family, market and state’ ...we do not make any *a priori* conclusions about the character of the organizations of civil society. We do not, for instance, assume that they are necessarily promoters of democracy and human rights; united and in agreement; or counter-poised to the state...” (13-14). After the initial fascination with and romanticization of civil society by scholars, an academic backlash challenged the assumptions held by many scholars of civil society as a uniformly positive force for democratization in society (for a review of this phenomenon, see Mercer 2002). Borchgrevink’s remarks therefore address this scholarly development, acknowledging the need to study civil society with few pre-conceptions.

All three of these definitions share two key things in common: civil society is an association of people working outside of the private (in familial or economic terms) sphere. Furthermore, this association is also formally located outside of the state apparatus. The extent to which autonomy from the state is

necessary to be considered as civil society varies from author to author, and is pivotal in my further research. As Borchgrevink states, it is important to approach notions of civil society with an open-mind and without preconceptions, acknowledging that the goals and methods of civil society may correspond with those of the state. The definitions of Brysk and Diamond super-impose a liberal democratic perspective on civil society, which does not always apply to civil society organizations in countries such as Nicaragua. Therefore, I adopt Borchgrevink's definition of civil society as voluntary associations that operate between the state, family and the market. I further posit that, especially in non-Western countries, civil society should include society that is largely organized by the state, as long as those organizations are not directly subservient to the state. This inclusion is essential for analyzing civil society in Nicaragua, a country with a historical tradition of mass organizations intertwined with the state.

Corporatism

Wiarda (2003) argues that the Romans were the first to use the system of statist corporatism in administering their empire. Wiarda defines corporatism as “a system of *state-sponsored, state-licensed, state-organized, state-controlled* interest associations; representation and consultation, therefore, are also corporate, group-centered, or functionally organized, not democratically or by principle of one person, one vote” (14). The Romans used corporatism to administer their political program to the empire, relying on the state to organize society so as to quell possible challenges to their rule.

Corporatism continued to develop in Europe, gaining momentum during the Middle Ages as Christian notions of governance diffused throughout Europe, eventually spreading to Latin America. Christian notions of civil society and state interaction in the Middle Ages derived from the idea of monarchy and as the king as a descendant from an omnipotent God. This idea negates the importance of an autonomous civil society and emphasizes absolutism. If the sovereign is acting as God incarnate on earth, then he or she do not need the advice of mere mortals to shape state policies. Other Christians may be invited into a corporatist state system, which restricts the population which could be part of governance (Wiarda, 2003, 15-16).

Absolutism, with ideological roots in medieval corporatism, was expounded on by Rousseau in his writings. If the state organized and controlled civil society, it therefore was allowed to dictate how much power civil society organizations would have. Rousseau introduced the idea of the 'general will' in his work, *The Social Contract*. "Rousseau's vision was of the *instant, spontaneous* eruption of liberty... This explosion of freedom would be led by a heroic, charismatic leader who presumably knew (without the benefit of elections) and embodied the troubling concept that Rousseau brought to prominence, the 'general will'" (Wiarda 19). This idea has continued relevance in the political systems of Latin American countries today, states Wiarda (2003), and can also be compared with the Christian notion of a divine leader who has no need for civil society to influence the formation of the state or policy.

Rousseau's concept of a 'general will' therefore sees an independent civil society as unnecessary and as an obstacle to forming a free society that can be led by the strong leader who can perceive the will of the people and impose it on them. In Latin America, this leader is known as a *caudillo*. Wiarda (2003) sees Rousseau as one of the most influential scholars whose political vision has influenced Latin America, stating that Rousseau's

influence today pervades virtually all areas of Latin American political life that have an effect (largely negative) on the growth (or lack thereof) of civil society: strong executives, weak legislatures and courts, weak local government, centralized ministries and an administrative state rather than a participatory one, absence of checks and balances, weak societies and limited associational life, and justifications for 'strong government' often at the expense of human rights (20).

Dictators and authoritarian governments have routinely used Rousseau's arguments for justification of their rule. If they represent the best interest of the people, it seems purposeless for civil society to organize to demand their rights or to change policy. Civil society actually inhibits the ability of the chosen leader to govern in Rousseau's vision of liberty and the state.

How does corporatism fit into perceptions of Nicaraguan civil society? In Nicaragua, the Somoza dynasty and the Sandinista Revolution both used corporatist methods in their interactions with civil society. As described in Chapter 2, the Somoza dynasty relied on state-organized civil society to add legitimacy to their regime. The Somozas were eventually defeated due to citizen organizing outside of the state, as Nicaraguans began to organize in guerrilla movements such as the FSLN. In order to achieve the stated goal of creating a more egalitarian, socialist society, the FSLN continued to organize citizens from

within the state framework after taking power in 1979. In the 1980s civil society was largely comprised of members of the FSLN (National Sandinista Liberation Front). The party portrayed themselves as the vanguard of the revolution, which influenced how they interacted with civil society organizations. Many were officially affiliated with the FSLN, because if the party is “the legitimate leader of the revolutionary process, [this means] that these organizations were subordinated to the FSLN... in the corporative Sandinista model, the lines between state, party and mass organizations were blurred, while authority lay unquestioningly with the party and its centralized decision-making structure” (Borchgrevink, 2006, 18). This was an example of a socialist party attempting to control civil society so as to further the cause of the revolution.

This corporatist perspective on how the state should interact with civil society limited the actions of the mass civil society organizations, particularly in the difficult context of the *contra* war. During the late 1980s, the Sandinista government leaned heavily on the corporatist organizational structures to bolster support for the FSLN and its governing project, even given the violent war and high inflation rate. Providing support and legitimacy to the government meant that community organizations were not allowed to act independently for change, and instead were tied to the desires of the state. Limitations bred discontent among the mass organizations, with many declaring autonomy from the FSLN in the last years of the revolutionary experiment and after the election of Violeta Chamorro in 1990.

Daniel Ortega, since his presidential re-election in 2006 until 2008, adopted a corporatist perspective on state-civil society relations in Nicaragua, similar to his perspective during the revolution. He used the state as an instrument to organize civil society organizations. This continued reliance, once again, on corporatism by an FSLN government has perpetuated the alienation felt by certain segments of the Nicaraguan civil society organizations, specifically those which are leftist but are not allied with the FSLN party or government. Ortega, in his second term as president, continued to fear and distrust an independent civil society.

Why does corporatism continue to have relevance in Latin America? “Corporatism appeared to present an alternative... given the unacceptability (Marxism) or failure (liberalism) of the other options” (Wiarda, 2003, 93) for the elites. It permitted the elites to continue governing, even under changing societal, political and economic circumstances, and was able to incorporate new groups or organizations (here perceived as ‘corporations’) into the governing structure. These new organizations were allowed some power in the state structure after they demonstrated that they were a powerful group and could threaten the political structure. But upon incorporation into the state structure, these new corporations entered into an implicit contract that they would abide by the states’ wishes and would not challenge the legitimacy of the state (94).

Wiarda (2003) challenges the applicability of the liberal democratic perspective about the United States to other countries and regions in the light of these historical incorporation strategies: “Latin American social and political

processes consisted as the constant addition of new corporate groups... to the political process” controlled by the elite and the state. “The vertical and segmented corporatist structures, the absence of genuine democracy and egalitarianism, the patron-client system of politics, and the absence of consensus on the fundamental ends of politics” are all reasons why the liberal-democratic perspective may pose governance concerns in Latin America. Wiarda identifies key processes that must be in place for the incorporation of new corporate groups to enact democratic change in society, and argues that Latin America does not have many of these existing factors. Therefore, those factors serve as structural constraints on how civil society can organize and act.

The corporatist tradition has also been embraced in other parts of the world. China has had a lengthy tradition of corporatism. Frolic (1997) argues that the historical state development in China led to the formation of what he terms state-led civil society. “State-led civil society is a form of corporatism. The state determines which organizations are legitimate and forms an unequal partnership with them. The state does not dominate directly. It leaves some degree of autonomy to these organizations, but it does demand a disciplined partnership base on cooperation...” (58). China’s political society was dominated by a single political party. The Communists attempted have a party-led society, and therefore co-opted autonomous forms of organization. What the state neglected to take into account was “the state-civil society relation is not a zero sum; an increase of civil society does not necessitate a reduced role for the state” (219).

Instead, the Chinese state endeavored to control of civil society organizations to prevent them from losing power. When the goals of the civil society organization and the state are closely aligned, a close relationship can be beneficial to both groups involved in the partnership. When “[t]he state seeks to co-opt spontaneous organisations and channel them towards serving its own interests; problems arise when a gap develops between the interests of the state and the interests of the grass-roots organisation” (Flower & Leonard 1996, 204). Flower & Leonard comment that Chinese farmers are reluctant to enter into a partnership with state-led civil society not because reluctance to owe something to the state, but instead because they believe that the state will not fulfill its promise in the partnership (206).

This lack of faith in the accountability of the state to its people creates a situation in which citizens are hesitant to partner with the state. The state is seen as in a position to take advantage of civil society. In the post-Cold War epoch, discourse often “casts civil society in the role of David against the Goliath of the modern state” (Hann 1996, 6). In the case of Nicaragua, the lack of accountability is shown in the co-optation of the RNDC. When Ruth Herrera was appointed president of ENACAL, Ortega and Herrera both pledged to prevent water privatization from ever occurring in Nicaragua. The General National Water Law (LGAN) that was passed in 2007 technically prohibits the privatization of water service, but does not prevent the privatization of water sources nor does it define water privatization. Many actors in civil society believe

that privatization is still a possibility under the LGAN, a claim that will be put forth in Chapter 4.

Liberalism

The liberal-democratic perspective on state and civil society relations posits itself in sharp contrast to the corporatist perspective. Instead of viewing civil society as a social entity that exists either within the state structure or to support that structure, liberalism sees the autonomy of civil society as key to a positive relationship between civil society organizations and the state. This autonomy is prioritized above all other characteristics.

De Tocqueville was one of the first authors to write on state and civil society relations from the liberal tradition. De Tocqueville, in *Democracy in America*, posited that good governance stems from independent civil society associations that represent citizen's interests. De Tocqueville argued in favor of associational democracy that would unite citizens from diverse backgrounds and supercede personal interests. De Tocqueville interpreted the America that he encountered as comprised of strong

“intermediate associations or civil society... groups that lie between the individual and the state, that serve as transmission belts for conveying private interest concerns to government decision makers and back down again as implementers of public policy, that help to mediate between state and citizen, and that serve both as expressions of popular sentiment and as limits on arbitrary government” (Wiarda, 2003, 21).

These associations retain independence from the state and are able to communicate the will of the American people to the American government. The liberal tradition of how to view civil society and its independence from the state

was developed in a Western mindset, and frequently saw the American civic tradition as the idealized standard for how the state should interact with civil society.

What are the mechanisms in which governance is improved? Diamond (1994) reflects on De Tocqueville, writing, “By enhancing the accountability, responsiveness, inclusiveness, effectiveness, and hence legitimacy of the political system, a vigorous civil society gives citizens respect for the state and positive engagement with it. In the end, this improves the ability of the state to govern” (11). Civil society organizations, in their location outside of the state, are able to better pressure the government into representing the people, according to the liberal democratic perspective.

A second key author on civil society and state interactions in the liberal-democratic tradition is Habermas, who also emphasized the importance of autonomy and independence from the state of civil society institutions. Habermas envisioned civil society as comprised of “educated actors who gain influence, but not political power, in the public sphere.” These actors are responsible for “influencing politics via communicative action” (Novy & Leubolt, 2005, 2024). Habermas wrote that educated private citizens should interact with the state in engaging the state and other private citizens “in a debate over the general rules governing relations” in an increasingly commodified world (Habermas, 1962, 27). This liberal vision is exclusionary, as it allows for only a small sub-section of the population to participate in lobbying the state. It also presupposes that only informed and well-educated citizens deserve to organize for their interests. This

is tied to concerns that Nicaraguan civil society has become too professionalized and ‘NGO-ized.’²¹

Since De Tocqueville, the liberal perspective on state and civil society relationships has evolved, but still maintains a Western-centrist perspective. Larry Diamond (1994) has continued to develop the liberal democratic perspective on civil society, seeing civil society as an autonomous entity that engages the state in order to facilitate a more democratic form of government. In his analysis, civil society is not only independent from the state and society as a whole; it is also independent from the party system. This autonomy is essential, Diamond argues, in order for civil society to provide a limit on state power and to “supplement[] the role of political parties in stimulating political participation, increasing the political efficacy and skill of democratic citizens, and promoting an appreciation of the obligations as well as the rights of democratic citizenship” (7-8).

Again, this infuses a democratic perspective on civil society. Nicaragua does not have a rich democratic tradition, in sharp contrast to the United States, and instead has a history of dictatorship, corporatism, party-dominated states and civil war. The first democratic election in Nicaragua was not until 1984.

Diamond acknowledged this concern, stating

corporatist arrangements pose a serious threat to democracy in transitional or newly emerging constitutional regimes. The risk appears greatest in countries with a history of authoritarian *state corporatism*... where the state created, organized, licensed, funded, subordinated, and controlled ‘interest’ groups... with a view to cooptation, repression, and domination rather than ordered bargaining. By contrast, the transition to a democratic form of

²¹ For a discussion on the NGO-ization of Nicaraguan civil society, see Borchgrevink 2006.

corporatism 'seems to depend very much on a liberal-democratic past,' which most developing... states lack (13).

Is it possible that Nicaraguan civil society doesn't have the historical background to effectively use a liberal-democratic framework to view the state and civil society relations?

Diamond (1994) described a variety of characteristics that a liberal-democratic civil society should have, and here I briefly mention those which impact the relationship that civil society should have with the state. A critical function of civil society is that it is an entity involved in "recruiting and training new political leaders" (9). This can be problematic when the people involved in civil society organizations, as observed in Chapter 2, were formerly political leaders in the 1980s. Furthermore, as the case of Ruth Herrera of the RNDC will illustrate in Chapter 4, sometimes the leaders of civil society organizations are actually incorporated into the state in a corporatist, often non-democratic way.

Diamond ends his discussion on the functions of a democratic civil society by reflecting on De Tocqueville: "'Freedom of association,' De Tocqueville mused, may, 'after having agitated society for some time... strengthen the state in the end'" (11). Is Nicaragua ready to allow civil society organizations to agitate society and politics? The liberal presidents (1990-2006) often viewed civil society organizations with mistrust and fear. Because of this, they endeavored to isolate civil society and dictate the terms in which civil society could organize and interact with the state. Under a liberal president, only autonomous organizations stood a chance to interact with the government, yet even then the politicians would often ignore their demands.

Civil society is also proposed as supplementing “the role of political parties in stimulating political participation... [and] creating channels other than the political parties for the articulation, aggregation and representation of interests” (Diamond, 1994, 7-8). Grigsby (2007) argues that Ortega has created the CPCs as part of the Sandinista party in order to stream-line political participation into the party structure, instead of to make an independent, non-partisan civil society that would work to further democratize the state. Although the CPCs buttress the party structure, “Interest groups cannot substitute for coherent political parties with broad and relatively enduring bases of popular support” (Diamond, 1994, 15).

Diamond (1994) further prioritizes the importance of having a pluralistic, competitive and internally democratic civil society. President Ortega has set up as the CPCs as the only legitimate form of civil participation, telling crowds: “The only civil society is the CPCs, the only civil society is the Sandinistas gathered here,” (Equipo Nitlapán 2008a, 4). Some CPCs have tried to close other civil society organizations out of politics to eliminate competition for citizen support (Malishchak, 2008). This eliminates pluralism in civil society, and severely challenges the democratic nature of civil society in Nicaragua.

Alternative Interactions of the State and Civil Society

Hellman (1992) argues that Western theorists romanticize the importance of autonomy when looking at social movements, which she refers to as the “Fetishism of Autonomy” (54). Hellman acknowledges that civil society and social movements often perceive political parties to be only interested in their

issues “only insofar as they can manipulate these movements for their own partisan ends. Movement activists accuse the parties... of feeding off their popular support, sapping the movements’ strength in an effort to reinforce the traditional leftist forces’ faltering positions” (53).²²

Hellman emphasizes that cooperation and coordination between the state and civil society or social movements may signify the success of a cause instead of the compromise of its integrity. She believes that the goals of a movement can be realized when the movement merges with the state or a politician who creates policies that support the goals of the movement. The appointment of Ruth Herrera to head ENACAL therefore would be interpreted by Hellman as a victory for the movement, since now someone in power represents the interests of the diverse group of people who united to fight against water privatization.

The ‘Fetishism of Autonomy’ can be further explored while looking at practical examples of state and civil society relationships. In her literature review of how civil society is associated with democratization, Mercer (2002) states, “while state and civil society are often dichotomized, much of the empirical evidence actually points to the interweaving of the two” (12). Can a balance between valuing autonomy without fetishizing it exist in a partnership with state and civil society organizations? I argue that it is possible and most advantageous for civil society organizations to value a degree of autonomy. However, in order to work with the state, they may need to give up some of that autonomy and recognize that, in doing so, they may be better able to work for change.

²² This addresses the claim put forth by Grigsby (2007) in Chapter 5, which asserts the FSLN is only interested in fortifying civil society to further its own political position.

One example of this interconnectedness noted by Mercer (2002) between the state and civil society is found in the system of participatory budgeting (PB) that was started in Porto Alegre, Brazil, in the late 1980s. PB does not fit in neatly into the cookie-cutter definitions of corporatism nor liberalism. For a partnership such as PB, it is necessary to develop a third category: that of cooperation.

Novy and Leubolt (2005) argue that “PB is a social innovation that emerged from an intertwined process involving the state and civil society” (2023). Novy and Leubolt argue that this intertwined process stems from the history of Brazil: founded by the Portuguese patrimonial state, the relationship between state and civil society developed as one of clientelism.²³ This historical development led to a closed political system in which segments not associated with the state were excluded from power and access to the state (Novy 2001, in Novy & Leubolt 2005). Fiori (1995) argues that “the autonomy of civil society has been quite limited, as the strengths or weaknesses of civic organisations have been based on the ability to control of the state apparatus” (Novy & Leubolt, 2005, 2025). Civil society was strengthened during growing opposition to the military dictatorship in the 1970s and early 1980s. Civil society was attributed to have a significant impact on the democratization of Brazil through a growing number of social movements. These social movements were important in that they were led by the popular masses and were largely organized around local demands (Novy & Leubolt, 2005, 2025-6).

²³ Defined here as the a political system “in which politicians and clients exchange favors” (Novy & Leubolt, 2005, 2025).

It was out of this political tradition that PB arose. In 1988, the Workers' Party (PT) won the mayor's office in Porto Alegre, Brazil. In the same year, a new constitution was formed that decentralized some budgeting decisions and gave municipalities increased responsibilities. Novy and Leubolt (2005, 2028) claim that PB replaced "clientelism with open and transparent discussion" and led to the creation of a system in which civil society participated in sessions with the government to best determine how to spend the budget in Porto Alegre. It was heralded as making the state more responsive to the needs of diverse group of Brazilians, while also democratizing and moderating civil society in Porto Alegre. By providing an opportunity for cooperation, civil society was unable to solely criticize the state, but was encouraged to work in conjunction with the state to solve the problems of Porto Alegre. Novy and Leubolt (2005, 2030) assert that PB increased solidarity and civic consciousness while becoming a "school for democracy." It was proposed as a direct challenge to the traditional system of clientelism and corruption often associated with Brazilian politics.

How can we apply this case to further the investigation about Nicaragua? I think that PB and the CPCs share some important characteristics and differences. CPCs have also been proposed as a way to incorporate citizens into issues of local governance such as budgeting. They are heralded by Ortega as a way to connect citizens to the state and to hold the government more accountable to citizens' demands. In reality, however, the CPCs are not transparent. Furthermore, their detractors firmly state that CPCs lead to *increased* clientelism since they are responsible for distributing several government programs, such as

subsidized food and fertilizer. Baltodano (2007) argues that the promise of favors such as cheaper beans or job offers cause people to be involved in their CPCs: in many cases it has become a rule that you must have a recommendation from the CPC in your neighborhood to apply for any government or municipal job.

Novy and Leubolt (2005) offer a caveat about participatory budgeting at the end of their article, acknowledging that PB was originally instrumental in democratizing the state and decision making at a local level, but that in recent years less people are participating in the process, and those who participate have lost some enthusiasm (2032). The novelty has worn off. The “co-government role” that civil society and local government had shared (Gret and Sintomer, 2002) was severely weakened after the PT lost the municipal elections in 2004, revealing the partisanship nature of PB and nature of PB as something that was tied to a single political party, instead of institutionalized into the local state government structure. Accusations that the CPCs were partisan and worked only with the FSLN were rampant in Nicaragua (Equipo Nitlapán 2007a). These partisan claims can help to explain why so many scholars fetishize autonomy: they fear that an organization will become too closely aligned with a political party and will be unable to work for change if that party is in power or comes into power.

Even with these caveats, the case of PB is illustrative of one example of cooperation between the state and civil society in Latin America. It shows how civil society can link civil society with the state and become the so-called “transmission belts” (Wiarda, 2003, 21) for connecting the needs of the people

with the state apparatus. If scholars can move beyond the “Fetishism of Autonomy” (Hellman, 1992), they are able to analyze new social movements and civil society innovations to allow for the fact that linking civil society and the state does not always spell ruin for a cause. In the case of Porto Alegre, bringing together civil society and the state actually led to increased power of citizens during the years it was effective.

The framing by Novy and Leubolt of PB supercedes traditional conceptions of corporatism. In the late 1980s, Brazil was finally leaving behind its past of military dictatorship, and a strong and independent civil society with extraordinary demands might have destabilized the fledgling democracy. Novy and Leubolt (2005) argue that by incorporating civil society into the state, this forced civil society organizations to moderate their views and participate in negotiation with the state instead of being openly confrontational (2030). A strong and independent civil society in a new democracy might undermine democracy in the country, and a strong state (supported explicitly by civil society) may be necessary to transition out of a military dictatorship and into democracy.

Diamond’s liberal democratic perspective is here employed to contrast the conceptions of liberalism and corporatism. Diamond (1994) argues that “civil society organizations seek from the state concessions, benefits, policy changes, relief, redress or accountability” (6). The civil society organizations involved in PB are therefore attempting to hold the government accountable for budgeting decisions and attempting to seek relief from their poverty by spending the budget in a way to develop community.

Diamond (1994) cautions against too much collaboration between civil society and the state.

Using Diamond's construction of state and civil society relations, one could argue that civil society in Brazil was too closely interconnected with the state. The PB process was closely tied to the Worker's Party in Brazil, and largely incorporated into the state structure. So although citizens were involved in budgeting decisions, they may have ceased to be able to lobby the government for changes in other areas of political life. For example, Novy and Leubolt (2005) acknowledge that PB only related to how the budget was *spent*, not focusing on changing the way in which revenue was *collected*. By appeasing the masses by allowing them to have input on how to spend the budget, was the state preventing civil society from attempting to overhaul the system of revenues to push for more social equality in Brazil (2032). Giving concessions to civil society, however meaningful, may prevent civil society organizations from organizing for more radical changes in society. With both of these analyses, it is apparent that PB does not neatly fit into either the corporatist or liberal relationships between civil society and the state. Instead, although initially organized by the state, PB allowed for collaboration between state and members of civil society, in a cooperative framework.

Cooperation

Brinkerhoff (1999) argues that state and civil society can enter into successful partnerships in developing countries to coordinate programs and policies. He argues that "from an instrumental/technical viewpoint, state-society

partnerships make sense” (83) but acknowledges that it can be challenging to “keep the process on track when various interest groups seek to bend (or in some instances hijack) the process to fit their particular purposes” (77). In order for a successful partnership to happen, there needed to be high levels of trust between the state and civil society, and in Nicaragua this trust did not exist fully from either side. Civil society distrusted the state and accused the state of co-opting movements, organizations and key actors (such as Ruth Herrera). The Sandinista-dominated state, in turn, distrusted civil society and saw it as trying to destabilize the state and the FSLN.

When successful, Brinkerhoff (1999) believes that “state-civil society partnerships can potentially fulfill a broader function of promoting more responsive, transparent, and accountable government” (83). In order to better coordinate state and civil society partnerships, Brinkerhoff places the burden of responsibility with the state. His policy recommendations include government decentralization and the establishment of a strong legal framework to enable civil society organizations to work with the state, yet allows the organizations to maintain their independence. In Nicaragua, it appears as if the government is unwilling to respect this legal framework after Daniel Ortega used a presidential decree to over-ride the democratically approved Law 475: Law of Citizen Participation.²⁴ Furthermore, the current Ortega administration has been accused of centralizing power instead of devolving it to the municipalities (Grigsby, 2007).

²⁴ This law was designed to create CONPES at a national level and other citizen groups at municipal and community levels. Ortega over-rode the law by creating the CPC structure by presidential decree in 2007.

Although Brinkerhoff's analysis is important, I believe that instead of prioritizing the state role, civil society organizations must be seen as having agency to initiate successful, cooperative partnerships. If the state is unwilling to initiate cooperative ventures with civil society organizations that supercede traditions of corporatism, then it is up to civil society organizations to engage with the state and establish boundaries that guarantee them some degree of autonomy while ensuring that they do not become isolated from the state. Organizations that over-value autonomy are often excluded from the state through vertical isolation. This may also exclude them from horizontal partnerships with corporatist or cooperative organizations. Corporatist organizations are horizontally isolated from other civil society organizations. Cooperative organizations can facilitate both vertical and horizontal integration, as they are not isolated from the state or other civil society organizations. The work and actions of the CODA, a case that will be analyzed in greater detail in Chapter 4, is an example of a cooperative relationship between civil society and the Nicaraguan state. The CODA initiated and defined the partnership, even with the state attempting to control the coalition.

Conclusion

In this paper, I define a cooperative relationship between the state and civil society as a relationship in which the state and civil society partner with each other to work for change, where civil society organizations have maintained enough autonomy to be able to pressure the state—constructively—for change if they perceive this to be necessary. However, the civil society organizations must not be too independent from the state: they must be willing to engage with the

state and work in collaboration with the state. In this definition, the agency of civil society organizations is recognized in examining how they to decide how to interact with the state. Cooperative relationships, from the perspective of civil society, can occur even with a state that usually adopts a corporatist or liberal-democratic perspective towards civil society.

Corporatist and liberal perspectives have traditionally focused on how the state chooses to interact with civil society. They are narrowly focused and may deny the recognition of agency to the civil society organizations and the citizens, who make up an important part of the equation. Although structural and historical constraints act upon civil society organizations, there are often opportunities to engage in cooperative relationships. These relationships will differ in countries which have unique political traditions and ways in which to view the relationship between the state and civil society organizations. Both the state and civil society organizations must recognize those unique conditions and work within the framework, even though the civil society organizations may challenge the historical interpretations of how civil society organizations ought to interact with the state. With the case of PB in Porto Alegre, the creation of institutions to allow citizens to participate in the budgeting allocation process transcended the authoritarian and corporatist Brazilian past.

Corporatism, with roots in ancient Rome, is a relationship in which civil society is largely organized, controlled and directed by the state apparatus, ostensibly to allow for citizen input into state policies. In many situations, corporatism has been used in authoritarian governments in an attempt to control

society. Daniel Ortega and the Sandinistas have used corporatist interpretations of state-civil society relationships in Nicaragua in their relationships with many civil society organizations. The FSLN has created state-led civil society to garner support for their revolutionary political project, and to better organize the state. They have used corporatist relationships in attempts silence demands from civil society over water privatization, as Ortega promoted Ruth Herrera, head of a major civil society organization, to head the state-owned water company and stop water privatization, without creating a strong enough legal standard to guarantee that water privatization is off the table for Nicaragua. In 2006, Ortega announced the creation of the CPCs; citizen committees which would be able to organize to bring demands to the government. Accusations that the CPCs are corporatist bodies will be evaluated and confirmed in Chapter 5.

On the other end of the state-civil society relationship spectrum is liberalism. The liberal perspective emphasizes that civil society organizations need to be autonomous from the state in order to most effectively enact change. The liberal perspective, born out of the American democratic past, projects a Western, democracy-oriented vision of civil society onto other countries. In Nicaragua, a series of three liberal presidents governed from 1990-2006, and each adopted the liberal-democratic perspective. They created legal frameworks to professionalize civil society organizations. Some organizations, out of fear that the state would co-opt their organization or not hold up their side of the partnership, became too autonomous. This overly autonomous perspective isolated them from the state and did not allow them to constructively partner with

the state. Chapter 4 further explains this phenomenon with regards to the Nicaraguan Communal Movement (MCN).

It is organizations that negotiate a cooperative partnership with the state, such as the CODA, that are most successful in working towards change in Nicaragua. Recognizing the agency of the civil society organizations, this framework argues that civil society organizations can undertake certain actions and use certain frameworks in order to engage the state without becoming a part of it, and to maintain a certain degree of autonomy without alienating themselves from the state. In the following chapter, these three perspectives: corporatist, liberal-democratic, and cooperative are further explored with relationship to three national organizations that worked against water privatization in Nicaragua. Chapter 5 continues this analysis by focusing on the corporatist tradition and the legacy of the Sandinistas in Nicaragua.

Chapter 4:
Co-optation, Separation and Cooperation: Water Privatization in Nicaragua

Introduction

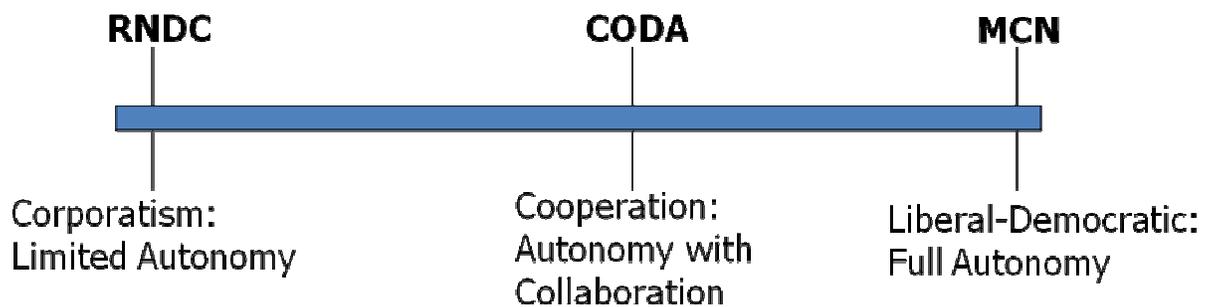
In Nicaragua, the state has often been accused of taking advantage of civil society organizations to maintain and enhance its power. Since the late 1980s, and accelerating with the 1990 electoral defeat of the Sandinistas, civil society organizations have increasingly asserted their independence from the Nicaraguan state. In order to examine how the independence of civil society organizations influences the impact these organizations can have on societal change in Nicaragua, I have selected the case of the anti-water privatization movement to examine.

In Nicaragua, there have been three different groups that have been the key players in the fight against water privatization: the National Consumer's Defense Network (RNDC), the Nicaraguan Communal Movement (MCN) and the Coalition of Organizations for Water Rights (CODA). Each of these organizations has had a unique relationship with the Nicaraguan state. The RNDC was closely affiliated with the state after President Daniel Ortega selected the then-president of the Network, Ruth Herrera, to lead the state-run water company, ENACAL²⁵, in 2006. The MCN is a fully autonomous organization in Nicaragua, with no ties to the state or political parties, as of 2008. The CODA is a coalition of diverse groups in civil society that worked with the state on water issues, attempted to cultivate ties to politicians, yet also valued its independence and challenged governmental policy.

²⁵ Nicaraguan Aqueduct and Sanitary Sewer System

I propose that when organizations work too closely with the state, such as the case of the RNDC, or too isolated from it, such as the case of the MCN, this relationship limits the possibilities that civil society organizations had to work for societal change in Nicaragua. Instead, organizations such as the CODA, which works with the state while maintaining independency, are most effective in organizing in Nicaragua, in this case against water privatization. Below is a chart that demonstrates where each of the organizations lies on the autonomy spectrum, first introduced in Chapter 3.

Chart 4.1: Water Rights Organizations Located on the Autonomy Spectrum



In this chapter, I first give a history of water privatization in Nicaragua. Next, I analyze the three organizations and their relationship with the Nicaraguan state, focusing on how those relationships impact the tactics and strategies of the organizations. I argue that since the RNDC worked closely with the state, allegations of co-optation of the movement surfaced. Furthermore, thoughts of victory demobilized some RNDC members. The complete autonomy of the MCN threatened the Nicaraguan state and positioned the Movement in an inherently conflictive stance with the state. The CODA was more successful because it provided a ‘checks and balances’ role to the state, constructed a dialogue with the

state, and constructively criticized state actions, without threatening the apparatus of the state.

History of Water Privatization in Nicaragua

In 2002, the United Nations (UN) declared access to affordable potable water a fundamental human right, announcing “Water is a limited natural resource and a public good fundamental for life and health. The human right to water is indispensable for leading a life in human dignity. It is a prerequisite for the realization of other human rights... The human right to water entitles everyone to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses” (United Nations Committee on Economic, Social and Cultural Rights, 2002). According to UNICEF (2004) statistics, 21% of the Nicaraguan population does not have a reliable potable water source, as the government does not yet provide this essential resource and basis of life to over one-fifth of Nicaraguans. The United Nations Millennium Goals aim to “reduce by half the proportion of people without sustainable access to safe drinking water” by 2015. To comply with the UN Millennium Goals, 83.5% of Nicaraguans should have access to potable water by 2015.

Nicaragua is a water-rich country, unlike some of its Central American neighbors. Lake Cocibolca²⁶ is the largest tropical lake in the Western Hemisphere, with a surface area comparable to that of Puerto Rico. Professor Salvador Montenegro (2008), of the Center of Water Resources Studies at the National Autonomous University in Managua, has calculated that each

²⁶ Lake Nicaragua, to foreigners.

Nicaraguan has at their disposal 106,265 liters of water per person, per day, if all of the water in Nicaragua was to be used.

So why is water, a basic human right, not being provided 21 percent of the 5.6 million citizens of Nicaragua? Part of the problem, Montenegro (2008) explains, is geographic.²⁷ But the majority of the lack of water service can be explained with analyzing political and economic contexts. The 1990s brought the arrival of neoliberal reforms to post-revolutionary Nicaragua. One of the basic tenets of neoliberalism argues that the state is an inefficient provider of services to the populace, and that the central government should privatize essential services, such as water, to allow for a more efficient and effective distribution of these services (Morales 2008). Many civil society organizations and networks disagreed and have organized the Nicaraguan populace in opposition to the forces of neoliberalism, specifically the privatization of water. In order to analyze current movements against water privatization, it is essential to explain the history of water privatization in Nicaragua.

Water service in Nicaragua has alternated between decentralized and centralized administration in the last seventy years. According to the manager of Water Company of Matagalpa (AMAT), Engineer Noel Amador, the Somoza family dynasty (1934-1979) put water service in the hands of municipal governments. Once the Sandinista Revolution triumphed in 1979, the water system in Nicaragua was centralized and became under the administration of the

²⁷ “86% of the Nicaraguan population lives on 20% of the territory, which contains only 6% of the water resources of Nicaragua.” Indeed, much of the water resources in Nicaragua are found in the two big lakes, Lake Cocibolca and Lake Xolotlán (Lake Managua to foreigners) or on the Caribbean Coast, which encompasses half of the territory but represents only 10% of the population.

INAA (Nicaraguan Institute of Aqueducts and Sewers). In 1990, Violeta Chamorro was elected president and began to advocate for decentralization of the water system. In 1991, the first decentralization took place: water service in Matagalpa and Jinotega, two northern departments, was legally devolved to the office of the mayor. In this way water service remained the responsibility of state companies, but with local administration. Over time, Amador (2008) admitted, these companies became increasingly independent.

With the election of Arnaldo Alemán as president in 1997, the restructuring of the water service in Nicaragua was accelerated. In 1998, a plan supported by the Inter-American Development Bank (IDB) divided INAA to create a new state company: Nicaraguan Aqueducts and Sanitary Sewer Company (ENACAL). ENACAL became the state company in charge of operation of infrastructure, whereas INAA changed its role to become an independent regulator. To recuperate the costs of the restructuring, the prices of water service in Nicaragua increased (List 2002, 9). This decision to separate the functions of INAA was largely seen as yet another step to prepare Nicaraguan water for privatization.²⁸

²⁸ Water was not the only service that Aleman was determined to privatize. In 2000, ENEL, the state-run Nicaraguan Electricity Company, was decentralized into four companies, two of which were sold to Unión FENOSA, a Spanish multinational corporation, for the sum of \$115 million (List 2002, 7). In 2001, forty percent of the state telecommunications company ENITEL was also sold off. The Nicaraguan people were determined to not let the same fate befall the distribution of potable water. Maura Morales of the Consumer Defense League of Nicaragua (LIDECONIC) stated that the experience the citizens had with opposing the privatization of electricity made them “reclaim consciousness and protest more so that water would not be privatized.” Several of the members of civil society I talked to during my research in Nicaragua echoed her words, stating: “We can live without electricity, but without water it is impossible to live” (2008).

In 1999, the IDB proposed a massive loan to Nicaragua to modernize ENACAL, the newly created state company.²⁹ This movement toward privatization sparked public protests, which continued off-and-on for the next nine years. The protests intensified after the government announced in June 2001 the country would suffer a 30 percent national increase in water tariffs after massive pressure from the International Monetary Fund (IMF) to recoup the costs of this so-called modernization reform (Hall & Lobina 2002, 24).

The actions of civil society prompted the National Assembly to pass Law 440 in 2003, even after significant opposition from President Bolaños, who threatened a veto of the law. Entitled “Law of Suspension of the Concessions of Water Use,” the law suspended the proposed sale of HIDROGESA, the state hydroelectric company, and put a moratorium on the sale or concessions of companies involved in the service of water until a national water law could be passed (List 2002, 22). It also created an obstacle to further privatize water service, as Article 2 of the Law reads, “The award of any concession related to the facilities and goods of ENACAL or administrative contracts are suspended” (National Assembly 2002).

Water privatization appeared to be prohibited in Nicaragua with the passage of Law 440, but in 2005, the Bolaños administration invited a Chilean

²⁹ “The Inter-American Development Bank has promised to lend US\$14 million [with additional funds of \$31 million from other international institutions (Hall & Lobina 2002, 23)] if the government negotiates contracts with a water multinational ‘to provide specific upgrading services to ENACAL in Managua and to fully manage the water utilities in Leon and Chinandega,’” (two departments in northwest Nicaragua (IDB 1999). The IDB writes that the program mandated by this loan “will develop a step-by-step strategy to gradually promote greater private sector participation in providing water and sanitation services. The service/management contract with a private operator will facilitate in the medium term greater private sector participation in the sector...” (1999).

multi-national firm to administrate ENACAL. “On October 31st of [2005], the Chilean consortium Inecom Invertec took over administrative control of ENACAL... According to the IDB and the Nicaraguan government, Inecom has the role of a consultant to help ‘modernize’ Nicaragua's state water company. However, many civil society groups contend that this is an illegal masked privatization and a blatant violation of Nicaraguan Law 440” (Witness for Peace 2006). Civil society once again took up the fight against water privatization.

From 2005 to 2006, civil society sensed the greatest threat to water privatization. Therefore, it corresponds that these two years saw the most political action by civil society organizations to prohibit water privatization (Pérez 2008). After the passage of Law 440 in 2003, the next step for the government was to create a water resources law that clearly states what the water policy of the government will be. Therefore, during these tumultuous years, the national assembly was busy debating and crafting a national water law. Civil society organized to ensure their interests were being properly represented in the National Assembly. The 2006 elections occurred before a law was passed.

The 2006 presidential elections pitted Daniel Ortega, former Sandinista president from 1984-1990, against two liberal candidates: Eduardo Montealegre (ALN- National Liberal Alliance) and José Rizo (PLC- Constitutionalist Liberal Party). Ortega ran on an anti-privatization platform (Pérez Leiva 2008) and won in the first round, receiving 38 percent of the vote.³⁰

³⁰ Due to electoral changes mandated by *el pacto*, this percentage was enough to win him the presidency, since the next-closest candidate, Montealegre, received 28 percent of the vote.

In December of 2006 Ortega chose Ruth Herrera of the National Consumer Defense Network (RNDC) to become the head of ENACAL. She “took over a state-owned water company that was being systematically looted in preparation its privatization. Herrera stopped the privatization, cancelled a ‘modernization’ contract funded with an Inter-American Development Bank loan, reorganized corrupt employees out of a job” and in doing so frustrated the liberal deputies in the National Assembly, who lobbied unsuccessfully for her removal as the Executive President of ENACAL (NicaNet 2007). However, several actors in civil society believed that Ruth Herrera had been co-opted by becoming part of the government, and that her politics had changed as a member of the FSLN government, and alleged that she represented the policies of the Sandinista government instead of the rights of the people. The role and strategies of the RNDC will be further analyzed in this chapter.

During Ruth Herrera’s tenure as President of ENACAL, the National Assembly passed Law 620: National General Water Law (LGAN) on September 9, 2007. In the first pre-article, the law states: “the natural water resource is the patrimony of the National, and as is it corresponds that the State should promote the economic and social development by ways of conservation and sustainable use and development, preventing that it be the object of any type of privatization” (1).³¹ What is problematic about this phrase is that privatization is never defined in the Law, even though Article 12 lists the definitions of other important terms in the Law.

³¹ All quotes from Laws are translated by author.

Article 4 was the most cited article of the Law in my meetings with representatives from civil society while in Nicaragua. It reads: “The service of potable water will not be the object of any form of privatization, direct or indirect, and will be always considered of a public nature. Its administration, surveillance and control will be placed as the responsibility and under the control of the state and through the created institutions in this law or those that may be created in the future” (4). Some people I interviewed told me that this is a complete moratorium on all privatization in Nicaragua, and that the threat of privatization has passed (Amador 2008). The majority disagreed and emphasized that the law specifically disallows for the privatization of *potable water service* and says nothing against privatizing the water sources or hydroelectricity in the country. Furthermore, concessions are not made illegal under this law, which many claim to be essentially privatization of water service. Trying to make changes to this law was the most important rallying point for many Nicaraguan civil society organizations by 2008, fitting with the trend of legal advocacy explained in Chapter 2.

Mobilization existed on many levels of Nicaraguan society against the continued threat of water privatization by 2008. Some organizations worked on a Central American level to oppose free trade agreements for the region that allow for water privatization.³² Others are organizing in their respective departments to work for water rights at a local level.³³ In this chapter, I have chosen to focus on three groups that worked on water privatization issues on a national scale: CODA,

³² Nicaraguan Social Movement-Another World is Possible and LIDECONIC are the main two.

³³ The formation of Potable Water and Sewage Committees (CAPS) has exploded at a municipal level, with over 5000 CAPS in existence in Nicaragua working for water service for their individual communities (Meléndez 2008).

RNDC and MCN. The ways in which different civil society organizations struggle against water privatization on a national scale was largely dependent on their relationship with the Nicaraguan state. Ultimately, the CODA has been most effective because they engaged with the state without becoming subservient to it. I analyze each of these organizations independently, beginning with the RNDC.

National Consumer Defense Network (RNDC)

The National Consumer Defense Network (RNDC) is a national organization that has a presence in eight departments throughout Nicaragua. It was founded in 2001, after the announced 30% increases in water rates, to oppose water privatization in Nicaragua. The Network quickly became one of the leading organizations working on this issue in the country (Flores 2008). The RNDC protested the National Assembly to get the National Water Law passed, but the law that was passed in the fall of 2007 had a very different spirit to it than the version of the law the RNDC supported. I interviewed a staff member of the RNDC, Pedro Flores, to discuss the tactics of the RNDC in organizing against water privatization in Nicaragua.

Flores is a part-time regional coordinator in the department of Matagalpa. Although staunchly against the Ortega government personally, his membership in the RNDC restricted the ways in which he could organize Nicaraguans against water privatization. During our interview, he focused on the political challenges to organizing against water privatization in Nicaragua. According to Flores, there are several challenges and roadblocks to changing the policies passed by this government. It will take “50,000 signatures to ask for a change to the law, and

even then the National Assembly can just shelve the signatures and not bring up the proposed changes for debates. And with the court system dominated by the political parties” there is little hope for changing the law in a legal manner (Flores 2008).

Other challenges Flores identifies to creating changes in water laws are also inherently political. Flores believes that “Daniel Ortega is one of the worst presidents that we have ever had in Nicaragua.” Ortega practices a system of patronage, appointing his friends to government posts instead of people who are knowledgeable and should be in power. And the corruptness of this system means that people who are qualified for the job may not want to take it, because they fear they will be also labeled as corrupt. “This government,” Flores told me, “is not governing in the interest of the country.” Instead, it is yet another example of “interrupting cycles of development” in which the politicians do not have a long-term development plan for Nicaragua, and are governing in their own interests and for the betterment of themselves and their friends (2008).

These sentiments of Flores complicate the political situation that the RNDC has found itself embroiled in. After the reelection of Daniel Ortega in 2006 on an anti-water privatization platform, he appointed the president of the RNDC, Ruth Herrera, to the presidency of ENACAL. Her appointment acknowledged the significance of her movement in the political system of Nicaragua. Yet it also led to the decreasing of significance of her organization in the national fight against water privatization. The Network has been criticized by many other groups and people working against water privatization because of the

close ties it has with the state. The appointment of Ruth Herrera was a corporatist strategy used to bring the RNDC closer to the state. This strategy was an attempt to control and pacify the organizational power of the RNDC.

Although the movement was a leading force for change in Nicaragua from 2001 to 2005, the appointment of Ruth Herrera to head ENACAL demobilized the movement in two ways. The first was that her appointment brings allegations of co-optation: some people no longer believe that the RNDC is representing the interests of consumers and citizens of Nicaragua. Instead, they believe that the RNDC is now subservient to the interests of the FSLN-dominated Nicaragua state. With the former president of the RNDC running the water services in Nicaragua, many other organizations in civil society in Nicaragua have labeled her appointment a blatant form of co-optation of a previously-strong social movement in Nicaragua, with one prominent Nicaraguan scholar even stating that her appointment was a “beheading of the leadership” by Ortega (Blandón 2008).

The other perspective is that the RNDC has triumphed and that the battle against water privatization in Nicaragua has been won. With Ruth Herrera as the president of ENACAL, some of my informants believed that the threat of water privatization was neutralized. She would not, they believed, allow water to be privatized in Nicaragua. As Hellman (1992) has argued, the absorption of civil society by the state, a political campaign or a larger movement can actually further the cause of a smaller movement and may show the strength and success of the movement. In this lens, some citizens argue that the government will take

care of the water privatization issue, and that there is no longer a need to continue to press the state for political change.

Due to a combination of both reasons, the RNDC has largely demobilized. The amount of national offices has decreased in Nicaragua. Matagalpa, one of the first departments slated for privatization, and a department that currently has a concessioned water company in AMAT, no longer has a regional office.

Although above Flores personally blames the Ortega administration for bad governance, his organization has done little to oppose the new water privatization law, since they are hesitant to be publicly critical of Ruth Herrera. His hands are tied through his employment with the RNDC. The RNDC was incorporated into the state structure, and because of that have benefited slightly because Herrera has privileged access to the state as a state-employee. However, she cannot use that privileged access for *change*, because she instead is answerable to Ortega instead of her former constituency and members/staff of the RNDC. This challenge represents a key paradox of corporatism.

Diamond (1994) argues that civil society is a prime location to recruit new employees for the state structure, yet does not problematize what their hiring will mean for the continued relations between state and civil society organizations. In the case of the RNDC, Ruth Herrera led the charge for a complicated water law that does *not* prohibit privatization or concession of water in Nicaragua. Her organization has been largely discredited and demobilized, largely on account of the close relationship between the RNDC and the Nicaraguan state. Over the past

two years, this relationship has negatively affected the type of change that the RNDC can fight for in Nicaragua.

Another consequence of the corporatist relationship between the RNDC and the Nicaraguan state is the way in which the Network collaborates with other organizations also working on issues of water privatization. Other organizations are reluctant to work with the RNDC when the network is considered subservient to, or an appendage of, the corporatist state. This limits horizontal relationships with other civil society organizations. The RNDC has isolated itself due to its close alignment with the government.

Not once in our interview, which lasted two and a half hours, did Flores mention working with another group. Nor did other groups I met with mention coordinating events or protests with the RNDC. Instead, Flores (2008) emphasized the importance of the RNDC itself in the struggle against water privatization, telling me the RNDC “is the vanguard of water rights.” By not making alliances with the other civil society organizations in Matagalpa, and by glorifying their position in the water movement, the RNDC seems to have a weak presence in the water struggle in Nicaragua. The perceived co-optation of the movement by other civil society organizations has alienated the RNDC from other groups working against water privatization in Nicaragua, such as the MCN.

Nicaraguan Communal Movement (MCN)

On the other end of the state-civil society collaboration spectrum lies the Nicaraguan Communal Movement. The MCN dates back to the formation of the Sandinista Defense Committees (CDS) founded under the banner of the FSLN in

1978 to further the revolutionary struggle.³⁴ The MCN became independent from the FSLN in 1988, and has become a complete autonomous organization, free of ties to NGOs, the church, the state or political parties. They claim to be the only organization of its kind in that respect in Nicaragua (Castillo 2008). In Matagalpa, where the MCN works in ten out of 13 municipalities, the MCN has been the organization that has been at the forefront of protesting the perceived privatization, high tariffs and unjust service of AMAT (Castillo 2008). Nationally, they have been one of the leading groups working against water privatization.

Autonomy is the one aspect of organizing that the MCN values above all else. The Communal Movement interprets state and civil society relations in the liberal democratic tradition. Diamond defines civil society in autonomous terms, stating, “Civil society is distinct and autonomous not only from the state and society at large but also from a fourth arena of social action, *political action* (meaning, in essence, the party system)” (7). Since the history of the MCN lies within the Sandinista party system, and the independence of the Movement was achieved after allegations of misuse of the committees, the idea of autonomy is essential for the MCN.

Janeth Castillo, who works in the Matagalpa office of the MCN, told me in a 2008 interview that water concessions are “basically privatization” and therefore need to be protested. The MCN has protested in front of the mayor’s office, the

³⁴ As previously mentioned, these committees were formed to help organize citizens to mobilize around the needs of local communities. During the later years of the revolution, allegations that the CDSs were being used for surveillance instead of community development surfaced, and the movement decided that they required independence and autonomy from the FSLN. Their relationship with the state transitioned from one of corporatism to one of liberalism.

AMAT offices, the National Assembly, and in the streets of Matagalpa. The Movement has organized forums, mobilizations, demonstrations and other forms of organizations against water privatization in the past decade.³⁵ Their actions, although plentiful, have not been very effective in achieving change. Why? Again, a crucial paradox is perceived. The MCN wants to be independent so that they can protest or lobby in whichever way they see fit, even when this very autonomy lessens the impact of the actions undertaken by the MCN.

“It is very difficult with this government” to achieve political change and organize the people, Castillo (2008) argues, because they are attempting to link the citizens to the state while bypassing non-state organized civil society. But Castillo believes that autonomous citizen organization is possible. Increasingly, using legal means to work for political change is becoming more common. To oppose many laws, it is helpful for organizations to have lawyers at their disposal. As described in Chapter 3, since only certain organizations can afford to hire lawyers, this effectively shuts out some of the smaller or less-well-funded organizations from the legal route to achieve political change. “Does this mean that protest is not a viable means to change the society?” I questioned of Castillo. “No,” she responded. “Protests should always happen.” It has just become increasingly difficult for the voice of the average person to be heard.

I interviewed employees or volunteers of several organizations in Nicaragua in the spring of 2008. Out of these organizations, the MCN undertook the most diverse forms of action against water privatization. It also undertook

³⁵ Sometimes in conjunction with CODA organizations, including, CentroHumboldt, Center for Health Information and Accessibility Services (CISAS), Association of Integral Community Development (ADIC), and La Cuculmeca also participate in these actions and help to plan them.

more direct forms of action against the government. Similar to the RNDC, the MCN saw low success rates in the struggle against water privatization. However, it is for the opposite reasons.

The MCN is *too* autonomous from the state in order to enact meaningful change. One of the roles of an autonomous civil society is to “creat[e] channels other than the political parties for the articulation, aggregation, and representation of interests” (Diamond 1994, 8). These alternative forms of political participation threaten President Daniel Ortega and his Sandinista party-dominated Nicaraguan state. Traditionally, threats to the state have originated in autonomous civil society organizations or social movements. Therefore, unstable governments are largely distrustful of full autonomous organizations and movements, which is problematic as trust is one of the most important aspects of a positive relationship between the state and civil society organizations in developing countries (Brinkerhoff 1999, 73-4). Ortega himself knows first-hand the threats that autonomous organizations play to undermining a government. His FSLN guerrilla group, without ties to the state structure, led the overthrow of the Somoza regime in 1979.

The MCN is a confrontational organization, and does not shy away from making demands on the state in a variety of forms. This can be explained through what theorist Célestin Monga (1994) has termed a ‘civic deficit,’ which occurs when civil society develops in a context that the state frequently abuses civil society organization. “In order to survive and resist laws and rules judged to be antiquated, people have had to resort to the treasury of their imagination. Given

that life is one long fight against the state, the collective imagination has gradually conspired to craftily defy everything which symbolizes public authority” (Diamond 1994, 14). This perspective on civil society and state interactions does not appeal to the state, who therefore may not want to engage in dialogues with conflictive civil society organizations. This mindset positions civil society organizations into an inherently conflictive stance with the government, and minimizes the possibility for cooperation between the organization and the state. For this reason, the MCN, although undertaking many different types of actions, has not been the most successful in working against water privatization in Nicaragua.

Coalition of Organizations for Water Rights (CODA)

The Coalition of Organizations for Water Rights was formed in 2005 by five organizations.³⁶ These organizations had all worked in the “*No Privatización de los Recursos Hidricos*” movement: the movement against the privatization of water resources. Since its inception, the coalition has grown to a current number of 13 organizations (Meléndez 2008). These organizations include representatives from NGOs, unions, and social movements in Nicaragua (Cuadra 2008).

CODA adopted a cooperative, legal focus as the organizations struggle against water privatization in Nicaragua. However, the CODA emphasized that they also worked on other areas. The three main focuses of the CODA were:

³⁶ The founding organizations are: Centro Humboldt (a sustainable environment and environmental organization), the Center for Health Information and Accessibility Services (CISAS), La Cuculmecca (an indigenous educational and community organization), the Mesoamerican Information Service about Sustainable Agriculture (SIMAS) and LIDECONIC.

“*Monitoreo, Sensibilización e Incidencia.*” They monitored government actions and laws, such as the General Water Law, undertook educational campaigns about government actions and citizen rights, and planned and organized political events and protests. The CODA addressed privatization “by way of holding educational conferences for the citizens” and “establishing alliances with other local and national organizations and within indigenous communities and local governments” (Cuadra 2008).

CODA meetings have traditionally been well-attending and led in a very democratic manner. I attended a CODA planning meeting at La Cuculmeca offices on 18 April 2008 in Jinotega and engaged in participant observation. At this meeting, the CODA representatives tried to improve the *marco jurídico* (strong legal standard) to protect water resources in Nicaragua. The meeting I attended was intended to define where the CODA should focus their energy and resources in the coming months. Denis Meléndez, the representative from CISAS, led the meeting in a largely egalitarian and democratic way, asking for input at every stage of the meeting, and making sure that everyone had a chance to express their opinion.

Establishing an initial *marco jurídico* with the passage of Law 620 was a significant accomplishment for the CODA, as the coalition organized and lobbied strongly on behalf of the law. Several CODA members expressed disappointment with how weak the initial law was. However, the establishment of a legal precedent against water service privatization, albeit it yet undefined, must be seen as at least a partial victory for civil society. “It is not the best law, but at least we

now have a *marco jurídico*” commented Maura Morales of LIDECONIC (2008). Vilma Pérez (2008) of ADIC adds, “Before, when we held protests, the people did not participate because they used to say that we had no legal basis [to oppose water privatization], but now if they know the law they can say, ‘it is here in the law’ and they will attend the protests.”

The CODA meeting began on a positive note, with Meléndez’s comment that CODA member organizations “have realized different territorial events in Matagalpa, Jinotega, Leon, Somoto, and Nueva Segovia to present the new General Water Law and to start a process of consulting” with communities throughout Nicaragua. Now that the new law has been passed and published, the next step is to disseminate the meaning of the law and start a process of reforming the law to protect the Nicaraguan people against water privatization and to promote further water rights. CODA recognizes the right of the government to create laws, and is working both with the government, through lobbying, and independent of the government, through education and protests, in attempts to strengthen the water law.

Disseminating the law is a major area of work for the CODA. The government often does not provide copies of the law to citizens, printing few copies and preferring to keep the average citizen ignorant about their rights. For this reason, the CODA has decided to dedicate a significant part of its annual \$9000 budget to publishing copies of the law to distribute to communities, with a goal to have a copy in every community in Nicaragua.

Furthermore, the CODA has contracted someone to “translate” the water law into common Spanish. “We are writing a common version of the law to translate the law into a more understandable language for the population. Because with this law, if we are going to work in educating the people, we need to bring forth the information presented in a less complicated language” (Pérez 2008).³⁷ This complicated presentation of the law was intentional, believes Vilma Pérez. The Ortega government operated on the basis that “the less a population understands about the law, the better. If the government wanted the population to understand the law more easily, they would have made it in a simpler way.” By disseminating the law, the CODA could make the government more transparent, and would fulfill the role of watchdog. If the CODA worked too closely with the government, the Coalition would not be able to challenge the laws of the government or to critique the manner in which the law was written. The maintenance of some autonomy by the CODA allows them to press for a more transparent governance system.

Even taking into account the differences some CODA organizations have with the central government, the CODA is working in cooperation with some government representatives to attempt to strengthen the law by “creating a network of influence of contacts with some legislators who are interested in defending water rights and coordinating political actions” to strengthen Law 620 (Pérez 2008) One way to change the law is to make a proposal of changes to the

³⁷ In my research, I attempted to read the LGAN in Spanish, and had a very difficult time. Even when I understood the complex Spanish vocabulary, I still did not understand what the law was requiring in several cases. I told this to my advisor, and she agreed with me. “Even I needed a dictionary at hand when I read the law,” admitted Vilma Pérez (2008-2 May), a college-educated professional.

Natural Environment Commission, and put pressure on them to accept the proposal. For this reason, it is helpful to have deputies in alliance with the CODA.

Several representatives from civil society have expressed doubts that the law, either in its current form or in a proposed revised and strengthened form, will not be fully implemented. Civil society organizations, such as the CODA, “check state power by challenging its autonomy at both national and local scales, pressing for change and developing an alternative set of perspectives and policies” (Mercer 2002, 9). As of 2008, there were not nearly enough checks and balances in Nicaraguan politics, as the state apparatus is largely dominated by a single political party: the FSLN. The CODA therefore acts as a non-partisan third party to bring into question the policies of the government without threatening the government.

The CODA challenged laws that they perceived as unjust or not stringent enough, doing so in a cooperative manner that facilitated a dialogue between the state and civil society organizations. The CODA benefited from being a coalition, in that it united a disparate group of organizations who focused on issues of public health, indigenous rights, women’s rights, community organizing and sustainable agriculture, to name a few, around a common cause: preventing water privatization. This coalition did not threaten the state because it cultivated cooperative relationships with legislators and other members of the government apparatus, yet the organizations in the CODA still maintained their independence

from the state, which gave them many more opportunities in deciding what form of action they want to undertake.

This cooperation between the government and the CODA engaged citizens in state decisions, and held the state more accountable to the demands of the people of Nicaragua. Adopting a cooperative framework in interaction with the state signified that the civil society organizations in CODA could not solely complain about a government policy, but instead needed to make efforts to propose a viable alternative. They not only held protests about the shortcomings of the law, but they also worked with members of the government in order to reform the law into something that would better serve the Nicaraguan people. As of 2008, it appeared that the route the CODA took with their interactions with the state was most efficacious. The three organizations, their perspectives on a healthy relationship with the state, strategies and tactics and the end result are illustrated below:

Chart 4.2: Water Rights Organizations and Relationships with the State

<u>Organization</u>	<u>Relationship with State</u>	<u>Strategies/Tactics</u>	<u>Outcome</u>
RNDC (National Network in Defense of Consumers)	Corporatist	Protested and organized citizens until the promotion of Ruth Herrera (president of RNDC) to head ENACAL, the state water company	Demobilization -Allegations of co-optation -Thoughts of victory for movement
MCN (Nicaraguan Communal Movement)	Liberal-Democratic	Protests, forums, demonstrations <i>against</i> the national and local government	Mobilization without engagement of the state, little success in reforms

CODA (Coalition of Organizations for Water Rights)	Cooperative	Lobbying and legal advocacy in cooperation with the state, protests and educational campaigns outside of the state	Mobilization, continued pressure on the state. Moderate success in reforms.
--	-------------	---	---

Conclusion

In the beginning of this chapter, I proposed that organizations that were too closely tied with or too isolated from the Nicaraguan state would be less able to work for social change in Nicaragua. I instead posited that organizations that work cooperatively with the state but independently from it will be more successful in achieving change in Nicaragua. I evaluated this hypothesis using a three-prong case study of the anti-water privatization movement in Nicaragua. By analyzing three movements that were attempting to achieve the same change in Nicaragua, I have been able to focus on the strategies that they use in order to further their goals.

The CODA is the only organization that fits the definition of a successful state and civil society partnership. This partnership can be defined as “cross-sectoral interactions whose purpose is to achieve convergent objectives through the combined efforts of both sets of actors [state and civil society organizations], but where the respective roles and responsibilities of the actors involved remain distinct. The essential rationale is that these interactions generate synergistic effects; that is, more and/or better outcomes are attained than if the partners acted independently” (Brinkerhoff 1991, 61). The RNDC failed this definition because the role of the Network has converged with the state and, because of this, the

Network lost almost all autonomy with the appointment of Ruth Herrera to the presidency of ENACAL. This was due to the corporatist relationship the RNDC leadership entered into with the state. The MCN does not meet this definition because the Movement would not collaborate with the government in order to harness their ‘combined efforts’ and instead set itself up in opposition to the state. Instead, they chose to adopt the liberal-democratic perspective, which isolated them from the state and decision-making process.

The CODA worked with the state in an acknowledgement that the state is a necessary collaborator in the process to permanently put an end to water privatization in Nicaragua. The member organizations recognized that the CODA can enact limited change by solely working in the civil society sphere, and by engaging with the state and incorporating a legal focus into their struggle against water privatization, they are more able to work for change in Nicaragua. Furthermore, the CODA has maintained autonomy from the state. They are able to criticize the state about laws they perceive as unjust, and have held teach-ins, trainings and protests to raise awareness about the negative aspects of water privatization.

Can my findings be extended to other struggles and civil society organizations in Nicaragua? Due to time and space constraints, I will only be able to test part of my hypothesis. I will focus on the organizations with corporatist ties to the state, analyzing only one-third of my hypothesis. In the following chapter, I examine the institution of Citizen Power Councils (CPCs). These Councils were closely tied to the state, with their formation mandated by

President Ortega. They were nationally administered by Ortega's wife, Rosario Murillo. Does the relationship between the state and these forms of civil society prevent the CPCs from achieving change in their society, as I have proposed in this chapter? Or does the relationship encourage dialogue between the state and civil society, and allow for the CPCs to work for societal change in Nicaragua?

Chapter 5:
Citizen Power Councils: Corporatist and Co-opted Civil Society

Introduction

Driving through the streets of Managua, it is impossible to avoid them. Bright pink billboards hanging from buildings or on overpasses, all showing a triumphant re-elected Nicaraguan President Daniel Ortega, fist raised to the sky, exclaiming “Arriba los pobres del mundo!” In his quest to encourage the poor of the world to rise up, Ortega has plastered his image throughout Nicaragua, telling the average citizen that they deserve more power in society and government throughout direct democracy. He has positioned himself as the only legitimate heir to the leftist revolutionary tradition in Nicaragua.

To fulfill his stated goal of direct democracy, Ortega created the Citizen Power Councils, or CPCs, in 2007, to facilitate the formation of organizing citizens who will then support his political party and goals. CPCs are citizen councils formed at a local level with the stated goal to organize Nicaraguans around certain issues, give citizens input into local government, and distribute certain programs of the national government. A more in-depth definition will be provided in the following sections. CPCs are evaluated in this chapter as an in-depth case study of the corporatist tradition in Nicaragua, through the lens of my hypothesis developed in Chapter 4, which stated that organizations that were too close to the state were not able to effectively work for change on a national level in the complex political environment of Nicaragua.

This chapter employs the theoretical framework of William Grigsby³⁸³⁹ to argue that Daniel Ortega created the CPCs in the latest attempt in a historical effort to incorporate citizens into the government and provide support for his policies and political party. Since the state and government in Nicaragua are largely synonymous with the party in power (currently the National Sandinista Liberation Front- FSLN), the CPCs are therefore also being used to incorporate citizens into the FSLN political party structures. This corporatist method of governance and organizing signified that citizens in the CPCs are unable to voice their concerns of the government and are unable to work for meaningful change in Nicaragua in any opposition to the government. By creating CPCs in the corporatist tradition, building on the precedence of historical antecedents, Ortega and the FSLN hoped to control the political and social organizing of citizens in Nicaragua, and harness the citizens of Nicaragua for partisan purposes: to support the Sandinista party and politics.

This chapter begins with a brief description of Grigsby's analysis of the historical trajectory of the FSLN in relation to grassroots organizing and popular support, further building on the historical component of Chapter 2. The FSLN has a long history of organizing citizens, beginning with the pre-revolutionary formation of the Sandinista Defense Councils (CDSs) in 1978. My analysis

³⁸ Grigsby is a Sandinista insider, a member of the most radical wing of the Sandinistas. A journalist, he has grown critical of Daniel Ortega as he perceives Ortega to have strayed from the revolutionary goal.

³⁹ Grigsby, as many of the other authors in this chapter (Baltodano, Cuadra & Ruiz, Equipo Nitlapán) writes for *Envío Magazine*, a Nicaraguan publication that is published out of the Central American University in Managua. The magazine began publication in 1981, with the stated goal to send the revolutionary message from Nicaragua to the rest of the world. Although they sometimes critiqued the revolution, they also largely supported the revolutionary project and were never censored. For more information, see their website: http://www.envio.org.ni/quienes_somos.en.

includes a focus on the historical antecedents to the CPCs, looking at previous state-led attempts to organize Nicaraguan citizens, in order to establish a pattern of FSLN domination and corporatism in citizen relations. Next, I look at the contentious formation of the CPCs in Nicaragua, to show the polarization of political opinion in Nicaragua and illustrate the political context in which the CPCs developed. I analyze the structure of the CPCs, both in a national context and within each council to demonstrate that the hierarchical structure of the CPCs perpetuated a pattern of corporatism and disallowed for social change. Finally, I describe the debate raging in Nicaragua as of 2008 about the role and legitimacy of the CPCs, focusing mainly on claims that the CPCs were corporatist, partisan organizations using the organizations to reward and privilege FSLN party members, while isolating other voices and organizations from politics and society.

Theoretical Framework

William Grigsby (2007) details the historical trajectory of the FSLN to explain why Ortega proposed and developed the CPCs. He argues that the FSLN transitioned from a glorified, selective, militant revolutionary group in the 1970s to a state-party of the 1980s that “fed off its historical strength” until the instatement of a draft and the subsequent electoral loss to Violeta Chamorro in 1990. After the electoral defeat, the FSLN had to decide whether to be a political party in the electoral system or to continue to be a revolutionary and grassroots-centric group. The FSLN leadership chose the electoral system, abandoning “the methods of grassroots struggle and prioritiz[ing] the parliamentary and electoral struggles.” This decision created a major schism in the party, causing many

members to renounce their membership in the FSLN and withdraw from party politics. Grigsby sees the emphasis on electoral politics as corrupting the original Sandinista mentality.

Grigsby argues that the FSLN won the presidential election in 2006 because the party was “an army of around 30,000 very efficient electoral monitors... an efficient skeleton, an effective electoral machine run by determined people.” He further posits that Daniel Ortega and his wife, Rosario Murillo,

know they can’t advance in society without an instrument that helps them reap any political benefits from the government’s implementation of programs in favor of the poor sectors. They both know that someone has to act as harvester and they don’t have the people to harvest any more, because everyone in the FSLN has been looking for a cut of the pie... So they decided to create the Councils of Citizens’ Power (CPC) by decree, as a way of organizing the grassroots sectors whose consciousness has been built. They’re basically saying, ‘I decree that the people are going to organize now.’

In this way, Grigsby perceives the development of the CPCs as an attempt to create support for an inefficient and ineffective political party: the FSLN. This attempt was overtly corporatist.

Historical Antecedents of the CPCs

The formation of a structure to represent citizen interests by the state, social movements or political parties is nothing new in Nicaragua. In 1978, the Sandinista Defense Councils (CDS) formed as one of several grassroots organizations organizing to support the Sandinista revolutionary struggle. Grigsby explains that they began during the final year of fighting against Somoza in individual neighborhoods “to help those wounded in combat” and evolved to

become “political schools” involved in grassroots organizing and the conscientization of Nicaraguans (Grigsby 2007). After the FSLN came to power in 1979, the CDSs continued organizing in neighborhoods and addressing local concerns at a neighborhood level.

Two years after their formation, the CDSs boasted 500,000 members, the largest single organization in the country (*Envío* Team 1989). However, as conflict ravaged the country and partisanship developed in opposition to the rule of the FSLN government in the mid-late 1980s, the CDS began to lose support. The FSLN began to rely on the CDSs for national security and defense operations in the corporatist framework, instead of prioritizing neighborhood concerns, which had been done in the early 1980s. “To some degree, the difficulties in the CDS may have reflected broader problems in the relationship between the FSLN as a party and the mass organizations” (*Envío* Team 1989). The FSLN was attempting to harvest support from mass organizations, again employing corporatist models of interaction with civil society organizations. This support was meant to be unquestionable, and would streamline the participation of Nicaraguans in the revolution.

Grigsby identifies minimal shared characteristics of the CPCs and the CDSs by focusing on the different political context in which the two different organizational structures developed. In 1978, the CDSs were an opportunity to people to become involved in an exciting and hopeful revolution to overthrow a hereditary dictatorship that had dominated Nicaragua for four decades. The CDSs were grassroots organizations that gave power to the FSLN as a movement, and

later as a ruling party, until their organizational power was abused by the FSLN leadership. It was this abuse that converted the CDSs into corporatist organization. When Ortega came to power in 2006, on the other hand, it was with substantially less popular support than he had enjoyed in 1979. He recognized that in order to gain enough support in order to implement his policies, he needed to revitalize the “electoral skeleton” and breathe new life into the “electoral machine.”⁴⁰ Ortega therefore created the CPCs as corporatist structures *to begin with*, and appointed his wife, Rosario Murillo, to head the CPC structure. This would guarantee that the CPCs would channel the support they received to the state projects proposed by Ortega as well as Ortega himself and his political party. He attempted to re-create the success the CDSs had in providing support for the FSLN government, at least until the schism that happened in 1988 between the CDSs and the FSLN.

The CDSs decided in 1988 that grassroots organizing should be prioritized above citizen vigilantism, and declared their independence from the FSLN. They evolved into the Nicaraguan Communal Movement, or MCN. The MCN has become a completely autonomous organization, free of ties to NGOs, the church, the state or political parties. They claim to be the only organization of its kind in respect to autonomy in Nicaragua (Castillo 2008). The MCN continues to organize citizens around issues of health, youth, gender, housing, education, and basic services, as well as working against water privatization as demonstrated in Chapter 4.

⁴⁰ In the words of Grigsby (2007).

In 1990, Violeta Chamorro was elected president, bringing a wealth of neoliberal policies to Nicaragua after eleven years of revolutionary government under the FSLN. Hundreds of new civil society organizations sprang up in the new political system (Borchgrevink 2006, 8), many opposition the new neoliberal governments. Citizen participation was proliferating throughout the country, but without much legal support in which to lobby the government, on any level, for changes in policies. Finally, in 2003, Law 475 was passed, the Law of Citizen Participation.⁴¹ This law was meant to codify efforts to strengthen local democracy, and “gave us an institutionalized model of participation” in government (Cuadra and Ruiz 2008). The passage of the law was hard-fought for by civil society members and contributed to community organizing. One of the main successes of this law was the devolution of the budgeting allocation to a municipal level, and allowing local groups of people to have a larger say in budgetary issues.

Law 475 was passed in the liberal tradition, creating legal, autonomous methods for citizen organizing. However, it also dictated the following model of citizen participation for consultations with the government:

at the grassroots level there are rural District Development Committees (CDCs) and urban Barrio Development Committees and Residential Associations. At the municipal level there are Municipal Development Committees (CDMs) and Consultative Working Groups. At the departmental level, there are Departmental Development Committees (CDDs) and in the two Caribbean autonomous regions the Regional Development Committees. Finally, at the national level, we have the National Social and Economic Planning Council (CONPES) and the Sectoral Councils (Cuadra and Ruiz 2008).

⁴¹ This law passed under liberal President Enrique Bolaños.

These different levels of organization were constructed so that citizens and members of civil society could be consultants to the state and bring their concerns and expertise to the state. Although largely ineffective on a national level, because Bolaños, in the liberal tradition, refused to work with independent civil society, CDCs and CDMs were somewhat effective locally.

The CDMs were the most active of the levels of organization, and bore the responsibility for planning development projects, negotiating the budget, and evaluating the development projects to see how they were contributing to the betterment of the community (Malishchak 2008, 3). This form of organizing represented a way for citizens to get involved in local democracy and development. This process involved diverse groups of people, including representatives from a variety of civil society organizations and elected representatives from different communities, among others.

Creation of the CPCs

In 2004, the FSLN won 87 municipal elections.⁴² Party leaders took this as a sign of continued electoral support for their party. In 2005 the party announced plans to develop a “Sandinista Municipal Management Model” to encourage “direct democracy”... [and] present the FSLN as a force that comes into local government to give power to the people” (Cuadra and Ruiz 2008). This effort was not implemented until Ortega was elected to the presidency in 2006. He was elected to the office of the presidency with only 38% of the vote in the first round, due to electoral changes mandated by *el pacto*. According to Grigsby (2007), this low voter turnout for the FSLN represents frustration with the pro-party politics

⁴² Out of 152.

ideology that the FSLN has adopted. It also represents perceived frustration that “nobody (in the FSLN hierarchy) aspired to position of power to serve the people, to change things, to improve people’s living standards... all they wanted was to give orders, have money in their pockets....”

Upon taking office in 2007, Daniel Ortega made citizen participation through the formation of the CPCs one of his biggest emphases. Ortega included the CPCs as a party structure within the state apparatus by writing them into Law 290.⁴³ After heavy debate in the National Assembly, the PLC, National Liberal Alliance (ALN) and Sandinista Renovation Movement (MRS) benches voted together to oppose the addition of the CPCs in the executive branch of government. “The parliamentary opposition considered that the FSLN has the right to create any organizations it wants, but not to give them a state role, institutional life or public funds or to make them part of the state in any other way” (Equipo Nitlapán 2007b). In September of 2007, they voted to remove the CPCs from Law 290.

Ortega responded by vetoing the reformed law, but the opposition bloc mustered enough votes to override the veto and kept the CPCs out of the executive branch. What occurred next was blatantly illegal and showed the continued power *el pacto* had over Nicaraguan political life. The FSLN-dominated Managua Court of Appeals prohibited the veto-override from coming to fruition, as the head of an unofficial Managuan CPC filed a writ of protection. The Court of Appeals was stacked with FSLN-leaning judges because of *el pacto* (Telléz 2008). Not surprisingly, the Court of Appeals voted in favor of the CPCs.

⁴³ This law was meant to reorganize the executive branch of government.

The 52 legislators who had united to overthrow the veto threatened to boycott the National Assembly and prevent any official business from taking place. Ortega responded by threatening to rule by decree with the absence of the Assembly. Ex-president Alemán convinced enough of the PLC senators to stop the boycott and instead support Ortega, with whom he had made *el pacto*. To ensure that the CPCs would be legally created, Ortega issued “a new presidential decree that created them [the CPCs] all over again” (Equipo Nitlapán 2007b) on November 29, 2007.

In order to create an organizational structure to bring direct democracy to the citizens, as Ortega’s discourse claims, Ortega resorted to not one but *two* undemocratic approaches to create the CPCs, against the will of the legislative body. He used a stacked court and a presidential decree to circumvent the established means to create a new part of the government. Furthermore, he appointed his wife, Rosario Murillo, as the head of the CPCs, foregoing an election to decide the power structure of the CPCs.

Institutional Structure of the CPCs

Each CPC is theoretically organized in a similar way. Each should have more than 100 people as members, with 16 coordinators. Each coordinator is responsible for organizing around a different issue. The sixteen issues are illustrated on the following page:

Chart 5.1: Sixteen Organizing Issues for CPCs

Health	Communications and Propaganda
Education	Human Rights
Environment	Citizen Security
Transportation	Women's Rights
Rural Development	Children/Youth Rights
Roads	Senior Rights
Culture	Local Government Proposals
Sports	Self-Employment Programs

Although the CPCs are hailed as being a horizontal structure to facilitate direct democracy and local governance by the FSLN, their detractors accuse them as being hierarchically organized, with all lines of power leading to Rosario Murillo and Daniel Ortega. Cuadra and Ruiz (2007) argue that the FSLN essentially created a top-down structure when it created the CPCs. This CPC structure, they further assert, mirrors the structure already in place with the Law 475 and the Municipal Development Committees. I have created a chart to show the parallels between the new CPC organizational structures, on the right, with the existing forms of organization on the left.

Chart 5.2: Similarities between 2003 and 2007 Citizen Organizational Structures

Region	Law 475-2003 Structure	CPC-2007 Structure
Local Level	District Development Committees (CDC)	Citizen Power Councils (CPC)
Municipal Level	Municipal Development Committees (CDM)	Municipal Citizen Power Cabinets (GPC)
Departmental Level	Departmental Development Committees (CDD)	Departmental Citizen Power Councils
Caribbean Coast	Regional Economic and Social Planning Councils	Regional Citizen Power Councils
National Level	CONPES	National Citizen Power Council

This chart illustrates the similarities between the structures of citizenship participation that were created in 2003 versus that created by Ortega in 2007.

Viewing the two institutions side-by-side, it becomes apparent that Ortega was trying to replace the already operating forms of citizen participation with that of the CPCs. The fundamental difference between the two structures, especially at the national level, involved the type of government control that the presidents at the time wanted to achieve. Whereas the 2003 system was created in the spirit of liberalism, as an attempt to control civil society through legal means and trivialize independent civil society organizations, the CPCs were created in the tradition of corporatism to unite citizens in the state structure and breathe new life into the FSLN political machine.

What happened to the CDM structure with the emergence of the CPCs? In regions of Nicaragua that were dominated by FSLN activists, sometimes the CDMs converted themselves into CPCs and continued organizing citizens, now in a corporatist and clientelistic manner in similar ways. Instead of working for societal change, the CPCs distributed government policies. In liberal regions or

neighborhoods with Sandinistas and liberals, this power struggle between the two structures often became very pronounced. There have been cases of liberals or MRS members not being allowed to participate in the CPCs, or CPCs attempting to dismantle CDMs or other community organizing groups in the region in order to portray themselves as the only legitimate community organizing group in the area.

Corporatist Concerns

In this section, I address four major concerns of the organizing work of the CPCs: why they tried to replace the Law 475 organizations instead of strengthen them, their partisan nature, their use of clientelism, and their unwillingness to work with civil society organizations. Legal concerns largely set aside⁴⁴, I assess the role the CPC played in Nicaraguan politics and society in 2007 and 2008, focusing on how the CPCs were used to create more support for the FSLN government as it attempted to organize civil society.

Many observers have questioned why Ortega chose to promote direct democracy by creating a new organizational structure instead of reinforcing the structure created by Law 475. “An authentic project of direct democracy should have evaluated and buttressed what already existed. But the Ortega-Murillo government’s first disregard for the law was to utterly ignore those preceding structures and the accumulated experiences of earlier years... then they launched a new structure that contradicts the very principals of direct democracy” (Equipo Nitlapán 2007b). This structure is billed as the only legitimate means for the

⁴⁴ Daniel Ortega and Rosario Murillo have “shown no concern about the CPCs’ legality... [but they are] working hard to legitimize them” (Equipo Nitlapán 2007b).

citizens to communicate with the government. President Ortega required FSLN candidates for “mayor, deputy mayor and the Municipal Council sign agreements saying that if elected they will obey the CPCs.” Furthermore, state institutions only coordinated with CPCs when making decisions, and were not required, or even encouraged, to meet with other organizations in civil society such as the CDMs, MCN or other autonomous organizations. (Cuadra and Ruiz 2008).

Equipo Nitlapán of *Envío* further detail the responsibilities given to the CPCs:

the CPCs will be decision-making bodies; they will propose laws; they will make recommendations and criticisms to any authority they want; they will be given an open door in the ministries and mayoral offices; they will monitor the actions of government officials at all levels; they can fire functionaries, remove mayors and replace the existing municipal and departmental participatory bodies... (2007a).

They are given power in order to convince people that they have a say in politics.

Like the case of participatory budgeting in Porto Alegre, Brazil, analyzed in Chapter 3, this could be interpreted as giving citizens token power to appease them and preventing them from making greater, more radical, demands on the state.

The FSLN framed itself as a structure that gives power to the people, and then harnesses that power for its own political gains. Ortega chose to create the CPCs to replace existing structures because the existing organizations were created in a liberal tradition. They did not link citizen organization to the state in the corporatist tradition Ortega had used throughout the 1980s.

The CPC structure was one of patronage and clientelism. Daniel Ortega has given great amounts of power to the CPCs. They distribute the Zero Hunger and Zero Usury programs, for example. “The CPCs have already been selling beans at cheaper prices” (Baltodano 2007). Baltodano goes on to argue that it is because of favors such as cheaper beans or job offers that cause people to be involved in their CPCs: in many cases it has become a rule that you must have a recommendation from the CPC in your neighborhood to apply for any government or municipal job. Connections with the FSLN leadership have previously been economically advantageous for Nicaraguans. After the election of Violeta Chamorro, but before she took office in 1990, the Sandinistas in power orchestrated what is termed *la piñata*, in which “people from the outgoing government took computers, houses, money, farms, fleets of cars... That piñata destroyed the FSLN’s moral authority” (Grigsby 2007) and established a questionable morality that allows for connections with the FSLN to be used for monetary gain.

This clientelistic structure draws concerns that CPCs only benefit FSLN members, and therefore were overtly partisan. Ortega is using the traditional patronage systems of past governments and incorporating them into his CPCs. He rewards citizens through vertical patronage systems if they participate in a group that answers directly to his wife, whom many believe holds the true power in the FSLN and is rumored to be the next presidential candidate of the FSLN. Whether or not the CPCs really are as partisan as alleged, the perception of partisanship means that liberals and MRS members are less likely to join a CPC. Grigsby

(2007) writes, “Unfortunately the CPCs aren’t pluralist enough and this is a pluralist society in which we Sandinistas are in the minority.” This is particularly troubling in areas where the CPC is dominated by Sandinistas, but the people of the neighborhood are of all political backgrounds.

In a country that was embroiled in a civil war that ended less than two decades ago, “the CPCs have been rekindling Sandinista/anti-Sandinista polarization from the minute they were announced... they’ve sparked suspicion, revanchism, opportunism, fear, mistrust and, at the very least, growing tension among many different sectors” (Equipo Nitlapán 2007a). Some CPCs use a purely technical scale to determine who gets government benefits, but cries of partisanship are rampant throughout the criticism of CPCs in Nicaragua. This is because Ortega is using the CPCs to create support for the FSLN-dominated state. Corporatist structures create and reinforce alliances between citizens and the state, and since the Nicaragua state, as of 2008, was closely tied with the FSLN, corporatism has translated to the party structure.

The final concern I will address is the unwillingness of the CPCs to work with other societal organizations. In developing the CPCs, neither Ortega nor anyone else in his administration ever consulted members of existing organizations, such as the Nicaraguan Communal Movement, on how to best organize citizens to promote local development and democracy (Equipo Nitlapán 2007a). This showed a blatant disregard for the experience the MCN had attained in the past 30 years of representing and organizing Nicaraguan citizens.

The CPCs have also set themselves up as rivals to some groups and coalitions that already organize around the issues the CPCs focus on. One of the biggest and most obvious rivals is between the CPCs and the existing women's organizations, which have perhaps had one of the longest and deepest autonomous functions than any group in Nicaragua, after their radical break with the Sandinistas in the late 1980s. The CPCs have shown "no sign of willingness to coordinate with them; the government has clearly shown its preference for disqualifying, weakening and supplanting them" (Equipo Nitlapán 2007B). This is inherently related to the fact that the CPCs claim to be the only legitimate form of organizing citizens in Nicaragua to communicate with the Nicaraguan state, despite their alleged partisan-background and illegality. Women's organizations have a reputation in Nicaragua as popular organizations that truly represent women's issues in Nicaragua,⁴⁵ and Ortega is attempting to co-opt the power and support for the women's organizations in order to further his own political project. This draws similarities to the RNDC not collaborating with other civil society organizations, as described in the previous chapter. Corporatism discourages organizations not allied with the state from working with those that are.

Conclusion

In a nation-wide Gallup poll, only 2.5% of Managuans and 1.8% of greater Nicaraguans claimed membership in a CPC in 2008, with 11-14% expressing a willingness to become involved in the future (*Envío* Team, 2008a). This is a far cry from the claim of Murillo in 2007 that by the end of the year,

⁴⁵ For more information, please consult Bickham-Mendez (2005).

nearly 17,000 CPCs would have organized, with membership of over 930,000 people (Equipo Nitlapán 2007a), approximately one-third of the adult population. What do the smaller-than-predicted numbers mean for the CPCs and for Ortega's government?⁴⁶

Perhaps the numbers can be explained because many Nicaraguans recognized that the CPCs were co-optive and corporatist structures. Being a member of the CPCs limited the actions that individuals could undertake. Membership in the CPCs was linked to political office and receiving benefits from the state, yet could easily be revoked if a member did something that the CPC or the FSLN disagreed with. Membership in CPCs was a double-edged sword: it provided citizens with a privileged access to the state, but, like with the RNDC, limited the scope of demands that could be made on the state. Again, the paradox of corporatism is evident.

Some members agreed with goals of the CPCs, and believed the CPCs were a legitimate institution that well represented Nicaraguan citizens. But for others, membership in the CPCs was nothing more than a tactical embrace: they joined for economic and political benefits and agreed to not challenge the state in exchange for those benefits. Those populations were co-opted. The 2008 poll showed that the vast majority of Nicaraguans rejected the corporatist and co-optive CPC structure.

⁴⁶ The small numbers do not take away from the importance of the CPCs in Nicaraguan political and social culture. As of my interviews in spring of 2008, the CPCs were arguably the most divisive and polarizing issue in Nicaragua. Furthermore, with rumors that Rosario Murillo, First Lady and head of the CPC structure, will be the next FSLN candidate for president, the CPCs are of utmost importance in analyzing civil society and state interactions in Nicaragua.

In Nicaragua, the FSLN has positioned themselves as the only legitimate form of leftist association, and emphasized that their responsibility is to better organize Nicaraguan people. “Sandinista leader and Nicaraguan vice president Sergio Ramírez Mercado described the FSLN as ‘promoting a permanent dynamic of the people’s participation... [to] give their opinions..., suggest, construct, and direct,... organize themselves [and] attend to community, neighborhood, and national problems’” (Booth & Richard 2006, 118). This quote portrays the corporatist framework that the FSLN has historically used in organizing people, a framework that Ortega adopted in 2007 in the creation of the CPCs.

Daniel Ortega overcame significant legal and legislative obstacles to form the CPCs. He overlooked previous attempts to effectively organize Nicaraguan citizens, and positioned the CPCs as the only legitimate form of citizen participation. This is so that only the FSLN can benefit from the support created by funding the CPCs and putting them in charge of distributing government programs. During the revolution anniversary celebration in July of this year, Ortega shouted to the crowd: “‘The only civil society is the CPCs, the only civil society is the Sandinistas gathered here,’” (Equipo Nitlapán 2008b, 4). The CPCs set themselves in outright opposition and rivalry to other civil society organizations who are working on issues similar to those of the CPCs.

If, as William Grigsby claims, the FSLN is a party in deterioration because of dwindling base, Ortega would have to do something to garner enough support to pass his policies in Nicaragua. He recognized the weakness of his party when he signed *el pacto* with Alemán in 1999, in that he perceived the ALN and MRS

parties to be threats to the growth of the FSLN. In the political arena, this pact has withstood challenges from both the right (ALN) and the left (MRS) and continues to play a major role in Nicaraguan politics.

More importantly, Ortega chose to create the CPCs in order to revitalize the FSLN party and to channel support for the national government and the FSLN itself. This use of corporatism built on the governing style of the 1980s, and mirrored early efforts to control civil society. The CPCs were built on an existing structure which did not provide institutional support to the FSLN. They attempted to replace autonomous forms of citizen organization. Although Daniel Ortega called the CPCs the only legitimate civil society, is this an oxymoron? Civil society, by definition, is citizen participation between the state, market and private sphere. By emphasizing citizen participation linked closely to the state, Ortega attempted to weaken and de-legitimize autonomous civil society. Ortega operated in a traditional corporatist perspective, using the FSLN control of the state, to attempt to create civil society. Yet the creation of civil society initially in the party structure, and later the links to the state structure, has solicited complaints of co-optation from academics and non-corporatist civil society actors in Nicaragua.

This chapter has illustrated that corporatist forms of organization by the Ortega government were controversial in the first two years of his presidential term. I do not argue that CPCs are inherently negative institutions. They represented a part of Nicaraguan society, and that segment has benefitted through the distribution of government programs. However, the CPCs, as corporatist

organizations that answered to the whims of the state and were created to bolster support for the FSLN political party and Ortega's administration, were in no position to work for change on a national level in Nicaragua. Their relationship with the state was not one of cooperation, partnership, nor collaboration. Instead, it was a co-optive relationship that prevented meaningful change from occurring in Nicaragua.

Chapter 6: **Conclusion**

The Nicaraguan state has historically created a difficult climate for civil society organizations to pressure the state for meaningful changes in society on a national level. Civil society organizations are viewed as potential threats or sources for support for the state, depending on their autonomy from the state. The Sandinistas, in the corporatist tradition, have endeavored to co-opt civil society organizations into their party and the state. How has this threat of co-optation impacted civil society's prospects for achieving change in Nicaragua? What are the differences in how co-opted civil society organizations work for change as opposed to autonomous organizations? Can an organization be too autonomous?

My analysis of the organizations working against water privatization and Citizen Power Councils has shown that co-optation through corporatist frameworks has neutralized key civil society organizations, like the RNDC, and prevented others from working towards meaningful change in Nicaragua and only served the party purposes, like the CPCs. Organizations that emphasized autonomy, operating in the liberal perspective, such as the MCN are also unable to organize effectively because the state perceives them as a threat. Organizations that chose to coordinate with the state while maintaining their identity, like the CODA, have had the most successful relationship with the state in that they are able to engage the state constructively while maintaining distance from the apparatus of the state.

This analysis is situated in the studies of state-civil society interactions. The traditional dichotomy between corporatism and liberalism cannot be

effectively used to argue for a successful partnership between the state and civil society organizations in Nicaragua. Instead, due to the unique historical development of Nicaragua, it is necessary to tailor the studies of civil society and state interactions to the Nicaraguan context, and create a third perspective that tempers the differences between corporatism and liberalism.

The liberal-democratic perspective on civil society and state interactions, as espoused by Larry Diamond (1994), emphasizes the importance of autonomy from civil society organizations. Civil society must be independent from the state, the political realm (including political parties), and the private sphere. Diamond presupposes that civil society organizations are democratic and ascribes ten democratic functions onto civil society organizations. Civil society organizations should “provide for the limitation of state power” by limiting abuses of power and monitoring the state while “supplement[ing] the role of political parties” (Diamond 1994, 7). This Western perspective is difficult to apply to the case of Nicaragua, a country that saw many mass organizations born out of the FSLN political party which helped the state to obtain more power. This Western perspective, with roots in De Tocqueville’s writings, proves inadequate in analyzing state and civil society relationships in Nicaragua. The MCN adopts a liberal perspective in their dealings with the state, which hampers their efforts to change water legislation in Nicaragua.

Wiarda (2003) offers a third-world perspective on civil society, arguing that corporatism has historical roots in areas of the world such as Latin America. Corporatist governments incorporate organized groups of citizens into the state

structure, using a system of state control of interest and associational groups (Wiarda 2003, 3). This system is beneficial for the state in that it allows the leaders of the government to continue to rule while slowly admitting, on a very selective basis, new interest groups into the political scene. Civil society organizations that participate in this system receive access to the state, and are supposedly integrated into the decision making process. Although this perspective endeavors is located closer to the history of Nicaragua than the liberal perspective, it is also problematic. Wiarda acknowledges that this system can become coercive and co-optive (35), and that corporatist states can continue to govern without receiving input from the civil society organizations.

Organizations, such as the RNDC and CPCs, that operate under a corporatist framework in Nicaragua are being used to support Ortega's party-dominated state and are not able to work towards meaningful change in Nicaragua. What I have termed the 'corporatist paradox' is again evident: organizations that are incorporated into the state structure are given privileged access to the state. Yet their proximity to the state is a hindrance in working towards social change.

My research has taken a third path on viewing civil society and state relations in Nicaragua. Instead of focusing on civil society as an abstract concept, I have analyzed real-world examples of state and civil society interactions in Nicaragua, situating my research in the experiences of specific organizations with regards to the Nicaraguan state. Cooperative relationships are not new in Nicaragua. A historical example of a successful partnership was the creation of the Civil Coordinator after Hurricane Mitch ravaged Nicaragua in 1998. Among

water rights organizations, the CODA is the organization that has embraced cooperative relations with the state, and because of which are best situated to work for social and political change in Nicaragua. Their strategy bridges the ideological gap between corporatism and liberalism. They have maintained their autonomy, while engaging with the state in a constructive dialogue to formulate new water policy. This is associated with the growing trend among Nicaraguan civil society organizations of increased lobbying and advocacy work.

Are there alternative reasons that the CODA was able to organize more effectively against water privatization? One alternative example could be the fact that the CODA, unlike the MCN and the RNDC, is a coalition of diverse organizations. Using the framework of network analysis theory (Diani 2002), the argument could be made that a coalition is able to organize a much larger population than any of the member organizations separately. The CODA unites organizations that focus on women's rights, the environment, indigenous peoples, community health, etc. Each one of the organizations frames water rights in a different way, but each lends the strength of the organizations to the greater whole.

I rebut this argument in two ways. The first is that coalitions are a double-edged sword. While beneficial because of the possibility strong horizontal relationships between civil society organizations, coalitions are prone to factionalism. Corporatism, as practiced by the Ortega administration, attempted to use a strategy of 'divide and conquer' to control civil society organizations. Organizations without corporatist ties to the state cannot effectively work for

change with organizations that are allied with the state. The Civil Coordinator was also prone to factionalism, as the FSLN appealed to some of the organizations and created the Social Coordinator. The second challenge to the argument is that the CODA was not always the leading organization on water privatization. Until the co-optation of Ruth Herrera, the RNDC was at the forefront of water organizing, even with the creation of the CODA in 2005. Before the co-optation of Ruth Herrera, the RNDC, although not a coalition, had a much more cooperative relationship with the state.

The CPCs, like the RNDC, were created in a corporatist tradition by Daniel Ortega. They were a co-opted organization that gave benefits to members of the committees, but prevented those members from out-right challenging the state and working for change. Instead of bringing citizen concerns to the government, Ortega created the CPCs to provide support to the FSLN and the FSLN-dominated executive branch of the government.

The need for change in Nicaragua has been an essential part of my thesis and my central arguments. Daniel Ortega has repeatedly stated that Nicaragua is in the second stage of the Sandinista revolution (and has been since his re-election in 2006), yet detractors have refused to believe that Ortega's actions and policy are revolutionary, even though his discourse claims to be. Grigsby (2007) argues that Nicaragua is not in revolutionary times, because "nobody is thinking or talking about any structural change of society. This isn't because the FSLN or Daniel or Rosario [his wife] don't want to do this, but rather because the political possibilities don't exist to achieve such economic or social transformations."

Although I agree with many of Grigsby's key points, I disagree with this statement.

Structural change in Nicaragua will not occur unless the government is pressured into changing. No longer will Ortega lead the fight for change in the country. Instead of adopting Grigsby's passive view of change, my arguments in this thesis assert that the agency of civil society organizations needs to be recognized in examining how they decide to enter into cooperative relationships with the state in order to pressure them to change state policies. Grigsby continues, "we don't have the right conditions" today to make change, and instead must wait for certain objective conditions (such as economic and social problems in society) to "combine with the subjective conditions." Again, I disagree. I believe that civil society organizations should not wait for conditions for change to materialize out of thin air. Instead, they should set out to make those conditions a reality. The best way for them to do so is to engage in collaborative, cooperative partnerships with the state. A successful cooperative partnership ensures that civil society organizations do not become a part of the state, and therefore demobilize, nor become too autonomous or threatening to the state, and therefore mobilize with few results.

My arguments carry important significance for Nicaraguan civil society. Instead of waiting for the state to engage them, civil society organizations must take initiative in interacting in a cooperative way with the state if they hope to change conditions in Nicaraguan society. Organizations that were engaged in corporatist relationships with the state were unable to work for change in society,

although their members were able to benefit from clientelistic rewards. Although largely undemocratic, this corporatist, clientelistic and co-optive tradition of interaction between state and civil society continues to pervade the political ideology of the FSLN and Daniel Ortega's administration. Civil society organizations operating in the liberal-democratic tradition of state-civil society relationships have been unable to successfully engage the state, because they have positioned themselves in an inherently conflictive relationship with the state. The state distrusts and/or rejects the liberal organizations, therefore diminishing the possibility of working for change in a state-run society.

My literature review argued that using only two perspectives on how to view relationships between civil society and the state is limiting. The corporatist and liberal-democratic perspectives are both inadequate in configuring successful partnerships between civil society organizations and the state. My proposal of a new terminology, the cooperative perspective, opens up the field of civil society scholarship. It is my hope that this framing can be used in other countries that do not have a strong history of liberal democracy, yet have a burgeoning or well-developed civil society. My analysis recognizes the agency of civil society organizations, and allows for a more holistic and historically grounded approach to civil society studies.

This thesis was limited in scope, in that I was unable to test all three parts of my hypothesis. Prioritizing the importance of depth over breadth, I focused my hypothesis on water privatization. Furthermore, since Nicaraguan water privatization is a topic with little scholarship on it, it was important to write a

historical account of water privatization to contribute to the growing amount of research on water issues, especially with the threat that the world's next conflicts will be related to hydro-resources. It is my hope that future study can continue to analyze and apply my hypothesis, to other cases in Nicaragua and to civil society and state interactions in other Latin American countries, or countries in which the corporatist and liberal models do not fit in a cookie-cutter mold. Do situations exist in which complete autonomy or the lack there of are more beneficial to civil society organizations than what I have termed 'cooperation?' And if so, how does that relate to my research? These are questions to explore in future research.

Bibliography

- Amador, Noel. 2008. Manager, AMAT. Author Interview. Matagalpa, April 14.
- Anderson, Perry. 1976. "The Antinomies of Antonio Gramsci." *New Left Review* 1 (100): 5-78.
- Arendt, Hannah. 1998. *The Human Condition*. Chicago: University of Chicago Press.
- Arróliga, Lourdes. 2008. "CPC: Clientelismo Vs. Democracia." *Confidencial*, 1, 5-6. <http://www.confidencial.com.ni/2008-577/pdf/edicion577.pdf>. (October 5, 2008).
- Avendaño, Nestor. 2004. *The Process of Water Privatization in Nicaragua*. Managua: EDISA.
- "Background Note: Nicaragua." Bureau of Western Hemisphere Affairs. Jan. 2008. U.S. Department of State. 6 May 2008 <<http://www.state.gov/r/pa/ei/bgn/1850.htm>>.
- Baltodano, Mónica. 2007. "We must Expose Ortega's Plans from the Left." *Revista Envío* 317 : October 5, 2008.
- Barndt, Deborah. 1985. "Popular Education." In Walker, Thomas W.. (ed) 1985. *Nicaragua: The First Five Years*. New York: Praeger.
- "Basic Indicators." At a Glance: Nicaragua. UNICEF. 4 May 2008 <http://www.unicef.org/infobycountry/nicaragua_statistics.html>.
- Bickham-Mendez, Jennifer. 2005. *From the Revolution to the Maquiladoras: Gender, Labor and Globalization in Nicaragua*. Durham: Duke University Press.
- Blandón, María Teresa. 2008. Gender Studies Professor at the Central American University (UCA) of Managua and Regional Coordinator of the Central American Feminist Network, *La Corriente*. Author Interview. Managua, April 1.
- Blee, Kathleen M., and Verta Taylor. 2002. "Semi-Structured Interviewing in Social Movement Research." In *Methods of Social Movement Research*, ed. Bert Klandermans and Suzanne Staggenborg. Minneapolis: University of Minnesota Press, 92-117.
- Booth, John A. and Patricia Bayer Richard. 2006. "Revolution's Legacy: Residual Effects on Nicaraguan Participation and Attitudes in

Comparative Context.” *Latin American Politics & Society* 48 (2): 117-140. Academic Search Premier (October 5, 2008).

Borchgrevink, Axel. 2006. *A Study of Civil Society in Nicaragua: A Report Commissioned by NORAD*. Norwegian Agency for Development Cooperation.
http://english.nupi.no/publikasjoner/notater/2006/a_study_of_civil_society_in_nicaragua.

Bradshaw, Sarah, and Brian Linneker. 2003. "Civil Society Responses to Poverty Reduction Strategies in Nicaragua." *Progress in Development Studies* 3 (2): 147-158.

Brinkerhoff, Derick W. 1999. "Exploring State-Civil Society Collaboration: Policy Partnerships in Developing Countries." *Nonprofit and Voluntary Sector Quarterly* 28 (4): 59-86.

Brook, Timothy, and B. Michael Frolic. 1997. "The Ambiguous Challenge of Civil Society." In *Civil Society in China*, ed. Timothy Brook and B. Michael Frolic. Armonk, NY: M.E. Sharpe.

Brysk, Alison. 2000. "Democratizing Civil Society in Latin America." *Journal of Democracy* 11 (3): 151-165.

Castillo, Janeth. 2008. Nicaraguan Communal Movement (MCN). Author Interview. Matagalpa, April 21.

Comaroff, John L., and Jean Comaroff, eds. 1999. *Civil Society and the Political Imagination in Africa: Critical Perspectives*. Chicago: University of Chicago Press.

"Comités De Agua Potable: La Población Organizada Para Resolver Su Problema De Agua." 2008. *Revista Enlace*.

"Committee on Economic, Social and Cultural Rights." General Comment No. 15. 29 Nov. 2002. United Nations. 5 May 2008.
[http://www.unhcr.ch/tbs/doc.nsf/898586b1dc7b4043c1256a450044f331/a5458d1d1bbd713fc1256cc400389e94/\\$FILE/G0340229.doc](http://www.unhcr.ch/tbs/doc.nsf/898586b1dc7b4043c1256a450044f331/a5458d1d1bbd713fc1256cc400389e94/$FILE/G0340229.doc)

Cuadra, Martin. 2008. "El Agua es Vida: defendámosla." CD-ROM produced and distributed by CODA.

Cuadra, Rosario and Damaris Ruiz. 2008. "CPCs Around the Country Are Waiting For 'Guidance' from Higher Up." *Revista Envío*, March.
<http://www.envio.org.ni/articulo/3729> (October 5, 2008).

- De Tocqueville, Alexis. 2005. *Democracy in America (Complete)*. Cirencester: The Echo Library.
- Diamond, Larry. 1994. "Rethinking Civil Society: Toward Democratic Consolidation." *Journal of Democracy* 5 (3): 4-17.
- Diani, Mario. 2002. "Network Analysis." In *Methods of Social Movement Research*, ed. Bert Klandermans and Suzanne Staggenborg. Minneapolis: University of Minnesota Press, 173-200.
- Ehrenberg, John. 1999. *Civil Society: A Critical History of an Idea*. New York: New York University Press.
- Envío team. 1989. "CDS: Revolution in the Barrio." *Revista Envío*, September. <http://www.envio.org.ni/articulo/2738> (October 5, 2008).
- Envío team. 2008. "Briefs: Murillo Acquires Even More Power." *Revista Envío*, July. <http://www.envio.org.ni/articulo/3835> (October 5, 2008).
- Equipo Nitlapán. 2007A. "The Cards Are on the Table." *Revista Envío*, August. <http://www.envio.org.ni/articulo/3627> (October 5, 2008).
- Equipo Nitlapán. 2007B. "How Many New Conflicts Will the New 'Direct Democracy' Trigger?" *Revista Envío*, December. <http://www.envio.org.ni/articulo/3699> (October 5, 2008).
- Equipo Nitlapán. 2008A. "Nicaraguans Squeezed on All Sides." *Revista Envío*, June. www.envio.org.ni/articulo/3819 (October 5, 2008).
- Equipo Nitlapán. 2008B. "The Path Taking Us 'There.'" *Revista Envío*, August. <http://www.envio.org.ni/articulo/3854> (October 5, 2008).
- Fiori, José L. 1995. *O voo da coruja: Uma leitura não-liberal da crise do estado desenvolvimentista*. Rio de Janeiro: EdUERJ.
- Flores, Pedro. Organizer, National Consumer Defense Network (RNDC). Author Interview. Matagalpa, April 17.
- Flower, John, and Pamela Leonard. 1996. "Community Values and State Cooptation: Civil Society in the Sichuan Countryside." In *Civil Society: Challenging western models*, ed. Chris Hann and Elizabeth Dunn. New York: Routledge, 199-221.
- Foley, Michael W., and Bob Edwards. 1996. "The Paradox of Civil Society." *Journal of Democracy* 7 (3): 38-52.

- Frolic, B. Michael. 1997. "State-Led Civil Society." In *Civil Society in China*, ed. Timothy Brook and B. Michael Frolic. Armonk, NY: M.E. Sharpe, 46-67.
- Fung, Wendy. 2007. "Agua Potable: Su manejo, y distribución en el Departamento de Matagalpa." School for International Training Nicaragua.
- "Goal 7: Ensure Environmental Sustainability." UN Millenium Goals. United Nations. 5 May 2008 <<http://www.un.org/millenniumgoals/#>>.
- Gramsci, Antonio. 1971. *Selections from the Prison Notebooks*, ed. and trans. by Q. Hoares and G. N. Smith. London: Lawrence and Wishart.
- Gret, Marion, and Yves Sintomer. 2002. *Porto Alegre: A Esperança de uma outra democracia*. Porto Alegre: Loyola.
- Grigsby, William. 2007. "You Can't Organize People and Raise Consciousness by Decree." *Revista Envío*, September. <http://www.envio.org.ni/articulo/3646> (October 5, 2008).
- Guerrero, Javier. 2001. "Is the War Ending? Premises and Hypotheses with which to View the Conflict in Colombia." *Latin American Perspectives* 28 (1): 12-30.
- Habermas, Jürgen. 1989. *The Structural Transformation of the Public Sphere*. Cambridge, MA: MIT Press.
- Hall, David, and Emanuel Lobina. 2002. *Water Privatisation in Latin America, 2002*. San Jose, Costa Rica. Public Services' International Water Conference.
- Hann, Chris. 1996. "Introduction: Political Society and Civil Anthropology." In *Civil Society: Challenging Western Models*, ed. Chris Hann and Elizabeth Dunn. New York: Routledge, 1-26.
- Hellman, Judith A. 1992. "The Study of Social Movements in Latin America and the Question of Autonomy." In *The Making of Social Movements in Latin America: Identity, Strategy, and Democracy*, ed. Arturo Escobar and Sonia E. Alvarez. Boulder: Westview Press, 52-61.
- Hidalgo Celarié, Nidia. 2008. *La Privatización del agua en Centroamérica: avances y perspectiva frente los acuerdos de libre comercio*. San Salvador Water Conference.
- Hoyt, Katherine. "Parties and Pacts in Contemporary Nicaragua." In *Undoing Democracy: The Politics of Electoral Caudillismo*. Close, David and Kalowatie Deonandan, eds. Lexington Press: 2004. Pg 17.

- Jarquín Lopez, Dolores. 2008. Organizer, Nicaraguan Social Movement-Another World is Possible (MSN-Otro Mundo es Posible). Author Interview. Managua, April 28.
- Lacayo, Francisco. 2008. United Nations Educational, Scientific and Cultural Organization (UNESCO). Author Interview. Managua, March 18.
- Lineas Generales de trabajo para 2008 de la CODA*. 2008. Jinotega ed. Provided at CODA meeting. La Cuculmecca, Jinotega, May 18.
- List, Deborah. 2002. "¿Agua para la vida de los Nicaragüenses o Para la Empresa privada?: El Proceso y el Debate Acerca de la Privatización del Agua en Nicaragua." School for International Training Nicaragua.
- Malishchak, Alexa. 2008. "Desarrollo Local y los Gabinetes de Poder Ciudadano." School for International Training Nicaragua.
- Medeiros, Carmen. 2001. "Civilizing the Popular?: The Law of Popular Participation and the Design of a New Civil Society in 1990s Bolivia." *Critique of Anthropology* 21 (4): 401-425.
- Meléndez, Denis. 2008. Health Information and Advisory Services Center (CISAS). Author Interview. Managua, April 2.
- Mercer, Claire. 2002. "NGOs, Civil Society and Democratization: A Critical Review of the Literature." *Progress in Development Studies* 2 (1): 5-22.
- Monga, Célestin. 1994. "Civil Society and Democratization in Francophone Africa" (Paper Presented at Harvard University).
- Montenegro, Salvador. 2008. Professor at the CIRA/UNAN in Managua. Presentation to Author. III Foro del Lago, San Carlos, April 24.
- Morales, Maura. 2008. Consumer Defense League of Nicaragua (LIDECONIC). Author Interview. Managua, April 29.
- National Assembly of Nicaragua. "Law of Suspension of the Concessions of Water Use." 15 August 2002.
- National Assembly of Nicaragua. "National General Water Law." 9 September 2007.
- "National Assembly Recommends That Ruth Herrera Be Removed From ENACAL." Nicaraguan Network Hotline. 18 Sept. 2008. NicaNet. 4 May 2008 <<http://www.nicanet.org/?p=373>>.

- Novy, Andreas, and Bernhard Leubolt. 2005. "Participatory Budgeting in Porto Alegre: Social Innovation and the Dialectical Relationship of State and Civil Society." *Urban Studies* 42 (11): 2023-2036.
- Palacios, Gladys. 2008. Engineer, AMAT. Author Interview. Matagalpa, April 15.
- Participant Observation by author. 5 March 2008. Radio Victoria, El Salvador.
- Participant Observation by author. 18 April 2008. CODA meeting. La Cuculmeca Offices, Jinotega.
- Participant Observation by author. 24 April 2008. III Foro del Lago. La Fortaleza, San Carlos.
- Pérez, Vilma. 2008. Community Organizer, Integral Community Development Association (ADIC). Author Interview. Matagalpa, May 2.
- Pérez Leiva, Guillermo. 2008. Academic Seminar Coordinator, SIT. Author Interview. Managua, March 18.
- Prado Ortiz, Silvio. 2008. "Modelos de Participación Ciudadana Y Presupuestos Municipales Entro los CDM y los CPC." *Centro de Estudios y Análisis Político*. <http://www.simas.org.ni/files/cidoc/libro%20completo%20CPC-CDC.pdf> (October 5, 2008).
- Prado Ortiz, Silvio. 2007. "Los dilemas de las democracia participative en Nicaragua. La falsa antinomia del gobierno Ortega bis." Ponencia presentada en el III Congreso Controamericano de Ciencias Politicas San Salvador, 18-20 de julio. http://www.boell-latinoamerica.org/download_es/Dilemas_democracia_participativa-Silvio.pdf (October 5, 2008)
- "¿Promoción ética Y Precio Justo en los medicamentos: Una mirada desde las organizaciones de consumidores en Centroamérica." Dec. 2007. ConSuAcción. 7 May 2008. <http://www.consumidoresint.org/documentos/bivi/promocion_medicamentos_centroamerica.pdf>.
- "Propuesta de una Ley de los Comites de Agua Potable y Saneamiento (CAPS)". CODA.
- Putnam, Robert D. 1995. "Bowling Alone: America's Declining Social Capital." *Journal of Democracy* 6 (1): 65-78.

- Rousseau, Jean-Jacques. 1950. *The Social Contract, and Discourses*. New York: Dutton.
- Schmitter, Philippe C. 1984. "Still the Century of Corporatism?" In *Private Interest Government: Beyond Market and the State*, ed. Wolfgang Streeck and Philippe C. Schmitter. Beverly Hills: Sage Publications.
- Schönwälder, Gerd. 2002. *Linking civil society and the state: Urban popular movements, the left, and local government in Peru 1980-1992*. University Park, PA: Pennsylvania State University.
- Stahler-Sholk, Richard, Harry E. Vanden, and Glen D. Kuecker, eds. 2008. *Latin American Social Movements in the Twenty-First Century: Resistance, Power, and Democracy*. Lanham, Maryland: Rowman & Littlefield.
- Tellez, Dora Maria. 2008. MRS National Assembly Deputy, former FSLN commander, Nicaraguan historian. Author Interview. Managua, April 2.
- "The Year's Lending." InterAmerican Development Bank. 6 May 2008
<<http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=785398>>.
- Van Bochove, Jeroen. 2008. "Direct democracy in León, Nicaragua: Citizen participation, empowerment, and the influence on the democratic character of local governance." <http://igitur-archive.library.uu.nl/student-theses/2008-0908-201343/Bochove%2020072008.pdf> (October 5, 2008).
- Waisman, Carlos H. 2006. "Autonomy, Self-Regulation, and Democracy: Tocquevillian-Gellnarian Perspectives on Civil Society and the Bifurcated State in Latin America." In *Civil Society and Democracy in Latin America*, ed. Carlos H. Waisman, Richard Feinberg and Leon Zamosc. New York: Palgrave Macmillan, 17-34.
- Walker, Thomas W. 2003. *Nicaragua: Living in the Shadow of the Eagle*. 4th ed. Boulder: Westview Press.
- Walzer, Michael. 1992. "The Civil Society Argument." In *Dimensions of Radical Democracy: Pluralism, Citizenship, Community*, ed. Chantal Mouffe. London: Verso, 89-107.
- "WFP News, Noticias, and Saludos, June 2006." June 2006. Witness for Peace. 7 May 2008
<http://www.witnessforpeace.org/sites/nica/noticias_062006.html>.
- Wiarda, Howard J. 2003. *Civil Society: The American Model and Third World Development*. Boulder: Westview Press.

Woods, Dwayne. 1992. "Civil Society in Europe and Africa: Limiting State Power through a Public Sphere." *African Studies Review* 35 (2): 77-100.

Note:

All interviews in this thesis were conducted by the author, and permission was orally obtained to include those interviews in a published work of scholarship.

Index A:
List of Acronyms

ADIC: Association of Integral Community Development (Asociación de Desarrollo Integral Comunitario)
ALN: National Liberal Alliance (Alianza Liberal Nacional)
AMAT: Water Company of Matagalpa (Empresa de Agua Matagalpa)
CAPS: Potable Water and Sanitation Committees (Comités de Agua Potable y Saneamiento)
CC: Civil Coordinator (Coordinadora Civil)
CDS: Sandinista Defense Committees (Comites Defensa Sandinista)
CISAS: Center for Health Information and Accessibility Services (Centro de Información y Servicios de Asesoría en Salud)
CODA: Coalition of Organizations for Water Rights (Coalición de Organizaciones por el Derecho al Agua)
CS: Social Coordinator (Coordinadora Social)
ENACAL: Nicaraguan Aqueduct and Sanitary Sewer System (Empresa Nicaragüense de Acueductos y Alcantarillado Sanitario)
ENEL: Nicaraguan Electrical Company (Empresa Nicaragüense de Electricidad)
ENITEL: Nicaraguan Telecommunications Company (Empresa Nicaragüense de Telecomunicaciones)
FSLN: Sandinista National Liberation Front (Frente Nacional de Liberación Nacional)
HIDROGESA: State Hydroelectric Energy Generation Company (Empresa Hidroeléctrica de Generación)
IDB: InterAmerican Development Bank
IMF: International Monetary Fund
INAA: Nicaraguan Institute of Aqueducts and Sewers (Instituto Nicaragüense de Acueductos y Alcantrillados)
LGAN 620: National General Water Law (Ley General de Aguas Nacionales)
LIDECONIC: Consumer Defense League of Nicaragua (Liga en Defensa de los Consumidores de Nicaragua)
MCN: Nicaraguan Communal Movement (Movimiento Comunal Nicaragüense)
MRS: Sandinista Renovation Movement (Movimiento de Renovación Sandinista)
MSN Otro Mundo es Posible: Nicaraguan Social Movement Another World is Possible
NGO: Non-Governmental Organization
PB: Participatory Budgeting (Orçamento Participativo)
PLC: Constitutionalist Liberal Party (Partido Liberal Constitucionalista)
RNDC: National Network in Defense of Consumers (Red Nacional en Defensa de los Consumidores)
SIMAS: Mesoamerican Information Service about Sustainable Agriculture (Servicio de Información Mesoamericana sobre Agricultura Sostenible)
Tercer Foro del Lago: Third Lake Forum
UN: United Nations