“No Cambie para Ganar, Gane para Cambiar”: An Analysis of Social Policy Governance of Former Guerrilla Political Parties in Latin America

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ABSTRACT

The election of leftist presidents Daniel Ortega (2006) and Mauricio Funes (2009) in Nicaragua and El Salvador, respectively, appear to fit the trend of Latin America’s pink wave. This phenomenon was marked by the election of leftist governments across the region and the adoption of widely redistributive social policies, which gives this time period the label “21st Century Socialism.” Nicaragua and El Salvador are unique cases of the pink wave in that both presidents represented leftist parties that were once violent Marxist-Leninist guerrilla groups. The guerrilla groups fought with a rhetoric that pushed for the expansion of the welfare state, the distribution of property rights, and the rejection of international reliance. The election of these two presidents gave hope for the implementation of radical leftist policies. However, unlike the participating pink wave countries, Ortega and Funes defied expectations and opted for more conservative and centrist social policies. Through an analysis of Nicaragua and El Salvador’s history and a comparison with left tide countries of traditional party origin, this paper concludes that the timing and context of Ortega and Funes’s rise transgress from the path and interpretation of Latin America’s pink tide. A deeper analysis reveals that the traditional interpretation of the phenomenon fails to capture the complexity of country-specific situations and Latin America’s political, economic, and social landscape.
Introduction:

Throughout the 1980’s, El Salvador’s Marxist-Leninist guerrilla group, called the Farabundo Martí National Liberation Front (FMLN) took responsibility for the murder of several government officials, informants, and traitors. The FMLN blew-up bridges, cut power lines, and destroyed coffee plantations and anything else to damage the economy that supported the government. The treacherous civil war in El Salvador between guerrilla groups and the government resulted in the death of over 75,000 people between 1980 and 1992. Seventeen years later, Mauricio Funes was inaugurated as president of El Salvador. He represented the FMLN. Despite an extensive history of violence, the FMLN had transformed into a legitimate, nonviolent political party. In other places, the same process took place with guerrilla groups abandoning violence and transforming themselves into legitimate political parties.

These Marxist-Leninist guerrilla groups tend to have similar ideologies, supporting the idea of state-dominance over the economy, opposition to bourgeois democracy, and opposition to capitalism. They tend to fight for social equality and seek universal social welfare, improvements in health and education, provision of state-directed social services, and the provision of social benefits (Vanden 1982). The key issue in this investigation is the ability of former-guerrilla political parties in Latin America to implement social policy that reflects these ideals.

The context of the rise to power of former-guerrilla political parties stands in stark contrast to that of many traditional leftist Latin American political parties. Much of Latin America experienced a “pink tide” between 1998 and 2009. This ideological shift followed a clean break from the implementation of the Washington Consensus that urged developing countries to adopt free market economies and to be more democratic. The timing of the pink tide corresponded to the great commodity boom of the 2000s, caused by the rapid industrialization of BRIC\textsuperscript{ii} countries (Moraña 2008). An economically bounteous decade and the ideological shift allowed the democratically
elected leftist leaders to govern as real leftists (Spronk 2008). Former-guerrilla leftist parties arose from years of armed struggle and post-war economic depression, but also sought to govern as extreme leftists, or so they were expected.

This paper explores the following questions: when transitioned into political parties in a democratic political system, are these newly non-violent groups able to realize their former ideals? Are the former-guerrilla parties in Latin America, without the collapse of the previous party system and with less of a commodity boom in oil and gas, able to govern as more extreme left cases?

By applying a comprehensive case study, it becomes apparent that leftist political parties that emerged from guerrilla groups in Latin America are not able to implement social policy that reflects their past rhetoric. Further, these leftist former-guerrilla political parties are no better at implementation of redistributive social policy than traditional leftist political parties.

Economic incentives caused by the pressure to abide by the democratic capitalist political/economic system help explain former-guerrilla political parties’ inability to implement high levels of redistribution. Although these parties have a more radical ideology and have a constituency that demands greater governmental receptiveness for redistribution, they seek the country’s economic development. Unlike the rest of the region, these parties did not emerge from the collapse of the former party system nor did they benefit from the commodity boom in the same way. Additionally, international actors influence these nations’ economic policies and prevent the widespread redistribution promised on electoral platforms. Due to the unique context that allowed for the rise of former-guerrilla political parties, they are unable to govern as more extreme leftist parties.

I will use a most-similar-systems case study methodology to show that in the cases of El Salvador’s FMLN and Nicaragua’s FSLN, former guerrilla parties neither accomplish their goals nor are their governments any more redistributive than conventional left-wing parties.
Analytical Framework:

The Pink Tide

Studies on the transition from guerrilla group to political party have been limited. Studies on the success of former-guerrilla political party policies are non-existent. However, in order to compare their governance to the governance of conventional leftist parties in Latin America, it is important to understand the pink tide and how the pink tide allowed for the expansion of the welfare state.

Neoliberal policies of privatization, deregulation, and retrenchment of the welfare state became the norm across Latin American countries from the mid 1980s through the 1990s. Political parties and labor unions were weakened by the 1980s debt crisis and structural adjustment reforms. In order to fill the representation void, neo-populist politicians arose throughout the region. Bolivia’s Gonzalo Sanchez de Lozada, Venezuela’s Carlos Andrés Pérez, and Argentina’s Carlos Menem carried out free-market policies and strengthened ties to the United States (Fernandes 2008). Increasing poverty, massive unemployment, stagnant or falling real wages, and a steady widening of the distribution of income also marked the neoliberal era (Tockman 2009). A steady economic decline predictably resulted in Argentina’s economic collapse, a catastrophe that affected the entire region (Spronk 2008).

Over a decade of unstable economic outcomes resulted in growing social unrest and paved the way for the emergence of pink tide leaders. Steven Levitsky and Kenneth M. Roberts (2011) highlight two long-term causes of the left turn: inequality and the institutionalization of electoral competition. The onset of the new millennium marked a time of high inequality, severe poverty, and social exclusion in Latin America. According to the Economic Commission for Latin America and the Caribbean – ECLAC, 44 percent of Latin Americans lived in poverty in 2002 and income distribution in the region was the most unequal in the world (Moreno 2003). As poorer voters are
more likely to be receptive to redistributive policies, poverty and inequality are welcoming conditions for the left (Levitsky and Roberts 2011).

Historically, leftist movements in Latin America were heavily repressed – due to their anti-government nature in the region and their international ideology, which was condemned during the Cold War. However, as the geopolitical environment changed after the end of the Cold War, leftist movements were more readily accepted and were forced to adopt “liberal democracy and the core features of capitalism” (Castañeda 1993). Left parties emerged in part because this was the first time in history that they could compete for power.

The economic state of the region helps explain the timing of the left turn. According to Levitsky and Roberts (2011), the 1998-2002 economic crisis allowed for the initial wave of leftist victories. The economic crisis discredited the Washington Consensus in the public’s mind, and support for neoliberal policies such as privatization began to decline in the late 1990s (Lora 2007). After 1998, voters in affected Latin American countries were inclined to vote for candidates who proposed an alternative to neoliberalism.

The final factor that gave rise to the left in Latin America was the post-2002 global commodities boom. As commodity export prices increased dramatically, economic growth rates in the region soared. GDP growth averaged 5.5% a year between 2004 and 2007 (ECLAC 2009). Levitsky and Roberts propose how this helped leftist parties actually govern as leftists. While in the 1990s left-of-center governments adopted more conservative policies, the post 2002 commodities boom improved trade balances and provided left governments with the resources to implement leftist policies. The additional resources allowed for reduced dependency on the United States and international financial institutions. Leftist, even left-of-center governments, invested in social welfare programs and were able to offer “material benefits” to constituencies. Levitsky and Roberts contend
that the commodities boom allowed governments that would typically be more conservative to implement policies traditionally associated with the left (2011).

Pink tide leaders such as Venezuela’s Hugo Chávez, Ecuador’s Rafael Correa, Lula Inácio da Silva of Brazil, and Bolivia’s Evo Morales were all elected on platforms of “alternative” social agendas (Tockman 2010). Many political analysts proclaim that the emergence of the “new left” is represented by Chávez, Morales, and Correa. According to Marta Harnecker (2007), the new left is associated with “twenty-first century socialism” and shares the following features: the election of a constituent assembly at the outset of each presidency, an emphasis on social participation and incorporation over considerations of economic productivity, modification of the Marxist notion of class, diversification of economic relations, preference for radical democracy over liberal democracy, and the celebration of national symbols (Harnecker 2007). Thus, the context of the left turn/pink tide explains leftist parties’ abilities to redistribute.

The Distinguishing Features of El Salvador and Nicaragua

There was a very clear path that led to the rise of leftist governments throughout Latin America, especially in South America. The path was as follows: 1) the Washington Consensus led to economic, political, and social failures; 2) the world’s geopolitical climate changed and became more accepting of “socialism”; and 3) the favorable timing of the post-2002 commodities boom allowed leftist government to fund and sustain widespread social reform projects. The two Central American cases of El Salvador and Nicaragua are often included on the list of Latin American countries that were part of the pink tide. While it is true that both countries democratically elected leftist leaders around the same time as the region faced its left turn, the context and post script of these victories is very different. Both the FMLN of El Salvador and FSLN of Nicaragua began as Marxist-Leninist guerrilla groups who engaged in armed struggle against the government. Civil war plagued El Salvador for 12 years and Nicaragua for 6 years. Thus, the social, political, and economic context of
these two nations is incomparable to that of the rest of Latin America that underwent a neo-socialist transition in the new millennium. The conditions that allowed for the pink tide and successful leftist social policies in the rest of the region did not exist in El Salvador and Nicaragua.

The cases of El Salvador and Nicaragua should reveal less willingness to concede in social policy making. As newly formed political parties, a presidential win or legislative domination represents the first opportunity to implement the changes they fought for through institutional systems. Further, because the two countries do not meet the typical pink tide trajectory, it was expected that a victory on the extreme left would lead to greater expansion of social programs (Kampwirth 2008). The pink tide is called the pink tide because it is a diluted pigment of red, the traditional color of communism. Although pink tide leaders run on platforms closely resembling socialism and civilian revolutions, scholars have noted that “21st century socialism” is much more pragmatic in reality.

Castañeda (1993) and Ellner (2012) predicted the resurgence of the Latin American left as a result of increasing poverty and economic crises and suggested that the left must accept capitalism and take a more social-democratic stance rather than a socialist stance. Petras and Veltmeyer (2007) argue that this pragmatism weakens the left and subjects them to neoliberalism, which causes leftist political parties to shift to the right and weakens their response to the needs of the lower-class constituents. Although the social and economic conditions of Latin America favored the rise of the left, these scholars predict the left turn to be more moderate and centrist, rather than revolutionary socialist. These findings lay the foundation for the expectation that newly nonviolent political parties such as the FMLN and FSLN would be less conciliatory in policy making.

Former-guerrilla political parties’ ability to redistribute in Latin American cases has not yet been analyzed. By comparing these cases to traditional leftist parties in Latin America, I hope to
explain that the timing and context of their victories did not favor the rise of the left and therefore inhibited their ability to implement leftist redistributionary policies.

**Argument**

The dependent variable in this study is the achievement of redistributive goals through public expenditure. The key independent variable is the origin of the political party (guerrilla group or traditional party). An indicator of the origin of the political party can be the cessation of violence by the guerrilla group. As explained above, the achievement of redistributive goals through public expenditure is linked to the origin of the political party, as some may expect former-guerrilla political parties to increase social spending to reflect the ideologies upon which the political party was formed (Gonzalez-Perez 2006).

Guerrilla groups can also be labeled as militias, rebel movements, insurgents, or armed opposition groups, and sometimes terrorist groups. A guerrilla group is a non-state actor with “clear political objectives that contests a government’s authority and legitimate monopoly on violence and uses force in order to reform, overthrow, or secede form an existing state regime or control a specific geographical area” (de Zeeuw 2008: 4).

A capitalist democratic system is defined as a political, economic and social ideology that involves the combination of a democratic political system with a capitalist economic system (Novak 1985). Democratic capitalism combines three systems: 1) an economy based on free markets and economic incentives; 2) a democratic polity; and 3) a classical liberal moral cultural system that encourages pluralism (Novak 1985).

Social expenditure is the provision by public (and private) institutions of benefits to, and financial contributions targeted at, households and individuals in order to provide support during circumstances which adversely affect their welfare, provided that the provision of the benefits and
financial contributions constitutes neither a direct payment for a particular good or service nor an individual contract or transfer (OECD 2016).

**Argument 1: Radical Differences in Context**

I argue that governments that have former-guerrilla political parties in power are not able to implement social policy that reflects their guerrilla ideals. Guerrilla warfare generally emerges as a result of dissatisfaction with the government. Typical causes of discontent include: inequality, redistribution, disenfranchisement, and property rights (de Zeeuw 2008). In countries with a history of Marxist-Leninist guerrilla warfare, there is a clear demand for changes in the political system. These demands are expressed in nations with high levels of poverty which often coincides with a poor country-level economic state. Most countries that have a former-guerrilla political party are considered “least developed countries” (LDCs), which have been classified by the UN as “least developed” in terms of their low gross national income, their weak human assets, and their high degree of economic vulnerability. LDCs that have experienced war between guerrilla groups and the government typically have poor post-war economies and seek economic progress. In order to achieve economic progress, the governments with a former-guerrilla political party in power choose to participate in the democratic capitalist system, one that does not allow for the extensive redistribution outlined by the guerrilla group’s rhetoric.

These countries buy into the commonly held belief that economic growth is necessary for development. Ideally, participating in the democratic capitalist system puts these nations on a straight forward path to economic development, then reductions in poverty, and finally expansion of social rights and privileges (Sen 1999). As previously discussed, former-guerrilla parties in Latin America did not emerge from the collapse of the former party system nor did they benefit from the post-2002 commodity boom. They are unable to govern as more extreme leftist parties because they
did not experience the antecedent conditions that allowed for the rise of contestatory leftist parties, nor face any factors closely resembling those outlined by Levitsky and Roberts (2011).

**Argument 2: International Pressure**

Former Marxist-Leninist guerrilla political parties are not able to implement socialist style redistribution due to pressures imposed by the global capitalist democratic system. The pressure most strongly felt in the cases of countries with former-guerrilla ruling political parties is the influence of international actors. These international actors arise in the form of an economically powerful country or an international organization such as the World Bank or the IMF. Over half of all countries are capitalist democracies and the greater portion of highly developed nations are capitalist democracies. These highly developed nations are important to LDCs as alliances and thus have significant leverage over LDCs in terms of influencing the allocation of resources. Rich countries and large corporations dominate global markets and access to these markets has been crucial to the economic well-being of LDCs. When budgets are restricted and influenced by larger capitalist democracies, social spending retrenchment is predictable.

**The Study**

This study employs a most similar systems design to evaluate the hypothesis that leftist political parties that emerged from guerrilla groups are not able to implement social policy that reflects their past rhetoric. Further, these leftist former-guerrilla political parties are no better at implementation of redistributive social policy than traditional leftist political parties. A comparative case study is the best method to implement to check if the theory holds for each different context and environment (depending on origin of political party).

To date, the following political parties emerged from Marxist-Leninist guerrilla groups: Nicaragua’s Sandinista National Liberation Front (FSLN), Uruguay’s Tuparamos, El Salvador’s...
FMLN, Ireland’s IRA/Sinn Fein, Freedom and Justice Party in Egypt, the National Liberation Army/National Liberation Front in Algeria, South Africa: African National Congress (ANC), Eritrea’s People’s Liberation Front/People’s Front for Democracy and Justice, Zimbabwe African National Union (ZANU), and Namibia: South-West Africa People’s Organization (SWAPO). For the purposes of this study, I have selected a subset. The following cases are included in this study: El Salvador’s FMLN, Nicaragua’s FSLN. All cases are instances in which a former Marxist-Leninist guerrilla group has transformed into a legitimate, leftist political party. I selected these cases because of the numerous similarities between the two nations. Because the nations are similar in many ways, there is a greater probability that the similarities will account for external variables.

These similar cases will be compared with two additional cases – Bolivia and Ecuador – all of which are also close in proximity to the former-guerrilla political party cases, but differ in the outcome of the independent variable (origin of leftist political party). Bolivia and Ecuador have not had Marxist-Leninist guerrilla groups that have transformed into leftist political parties that have won presidential elections or maintained a majority of seats in their respective legislative assemblies. I use the cases of Bolivia and Ecuador because they are similar to El Salvador and Nicaragua. A few similarities between the nations include: relative GDPs across time, same political systems (presidential representative democratic republic), and comparable population sizes. Therefore, this study employs a most similar systems design, in which a range of countries is chosen that appear to be similar in as many ways as possible in order to control for concomitant variation. The assumption is that extraneous variance questions are dealt with by the selection of the cases.

In the cases of El Salvador’s FMLN and Nicaragua’s Sandinista National Liberation Front (FSLN), I will evaluate country years in which FMLN and FSLN were in power. I will examine the social spending during these years and compare them to country years in which leftist political parties in Bolivia and Ecuador were in power.
Data on each country’s social policies and social spending will be gathered from the Economic Commission for Latin America and the Caribbean (ECLAC), The World Bank, and The North American Congress on Latin America (NACLA).

Case Study #1: El Salvador

In order to understand FMLN’s rise in El Salvador, one must consider El Salvador’s history of conflict. Since the Spanish conquest in the 16th century, El Salvador has been organized into plantations for cocoa, indigo, and coffee. When the nation gained independence, political control shifted from the Spanish to Salvadorans of European ancestry. The indigenous population and mestizos who comprised nearly 95% of the population served as serfs on the land owned by the “Fourteen Families”, the Salvadoran elites of European ancestry. In the early 1900s, coffee sales accounted for 95% of the country’s income. However, this wealth was distributed only to the top 2 percent of the population. (McClintock 1998). These “Fourteen Families” were able to maintain control of land through numerous military dictatorships. The sharp divide between landowner and peasant, European and native, has shaped El Salvador’s history of conflict and violence.

Tension between the social classes grew and in January of 1932, labor leader Agustín Farabundo Martí led a peasant revolt against the ruling dictatorship and the Fourteen Families. The revolt was heavily punished. An estimated 30,000 civilians were slaughtered by the military, which was largely made up of indigenous people. Following La Matanza, or the Massacre, the Salvadoran military would continue to rule until the 1970s.

Throughout the 1960s and 1970s, left-wing guerrilla groups gained traction and began to engage in political violence with greater force. Both the government military and guerrilla groups fought back and forth through numerous assassinations and coup attempts. In 1979, the five main leftist guerrilla groups united to form the Farabundo Martí National Liberation Front (FMLN), after
another military junta overthrew the government and failed to deliver its promises of improved living standards. The FMLN operated on a Marxist-Leninist ideology, and saw itself as a vanguard party fighting on behalf of the working class. The group stressed traditional Marxist concepts such as class struggle, emphasis on the state, and supported the use of violence as a means of enacting political change (Montgomery 1995). Its discourse was that of revolutionary socialism.

United under one umbrella guerrilla organization, the FMLN garnered more support from peasant and student groups. The FMLN argued that the “transformation of our society, which to date has been subjected to injustice, as well as the pillaging and selling out of our country, is today a possible reality close at hand. Only through this transformation will our people prevail and ensure the democratic freedoms and rights that they have been denied” (Webber and Carr 2012). The FMLN’s goals had three main components:

1. Democratic transition: the FMLN sought a transition from an authoritarian to a democratic political system.

2. End of repression: the FMLN wanted to end government repression by the army and other internal security groups and demanded justice for human rights violations.

3. Land reform: the FMLN wanted to establish land reform and improve living and working conditions for the poor.

El Salvador’s civil war officially began in 1980. While both sides of the battle engaged in violent tactics, the government military has been condemned for numerous human rights violations including, but not limited to, the murder of Archbishop Oscar Romero, the rape and murder of four US church workers and six Jesuit priests, their housekeepers, and her daughter. The military obliterated entire villages suspected of aiding the guerrilla efforts. The Salvadoran government tried to hide the evidence by digging mass graves, and denied these atrocities with reinforcement from the United States (Montgomery 1995). The FMLN was not faultless. The guerrilla group took
responsibility for the brutal murder of numerous government officials and informants. They demolished bridges, cut power lines, destroyed coffee plantations, and devastated anything they could in order to damage the economy that supported the government. These actions resulted in the death of thousands of civilians (Montgomery 1995).

Peace negotiations began in 1989 and were instituted in 1992 with oversight from the United States and the United Nations. Immediately following the establishment of the peace accords, the FMLN became a legal political party and participated in the 1994 presidential elections, the first elections after the civil war. The FMLN became one of the two dominant political parties in El Salvador, the other being the right-wing ARENA. While ARENA maintained control following the 1994 elections until 2000, FMLN has gradually increased its influence. The FMLN controlled the mayor’s offices in many of the large cities of El Salvador since 1997, including the capital and neighboring city. In 2003, FMLN won 34% of the popular vote and 31 of 84 seats in the legislative assembly. In 2006, FMLN maintained 32 of the 84 seats. This allowed FMLN to have the most assembly members of any political party. Although FMLN lost the presidential election of 2004, in 2009, FMLN’s candidate Mauricio Funes won. As of 2009, FMLN is the largest party in the Salvadoran legislature (Wood 2003).

It is important to note FMLN’s ideological transformation came along with its political transformation. When the party wrote its first postwar statutes in 1995, it ceased to define itself as a Marxist-Leninist organization, rejected violence as a means of effecting political change, and ceased using traditional Marxist concepts such as class struggle. The statute embraced democracy and professed allegiance to the Universal Declaration of Human Rights. FMLN’s Declaration of Principles proclaimed that it was a “democratic, pluralistic party for El Salvador. The FMLN…functions as a democratic party, with a broad, popular base, participatory, and based on a pluralistic ideology” (Arnson, Drolet, Martínez, McGovern, Eguizábal, Córdova, Hernández, Cruz,
Pleitéd, Membreño, 2011). It called for valuing civil society and became social democratic, or social Christian. These changes in ideology were a cause of various conflicts and schisms in the party.

Two of the largest factions within FMLN are the Ejército Revolucionario del Pueblo (ERP) and the Fuerzas Populares de Liberación Farabundo Martí (FPL). Tension between the two sides helps explain the FMLN’s change in ideology and rhetoric. The FMLN was successful in achieving its Civil War goals, but its long-term ideology has not been cohesive. The ERP formally rejected Marxism as its guiding philosophy and declared its adherence to social democracy (Spronk 2008).

Joaquin Villalobos, a prominent figure of the FMLN and ERP, spoke of the need for the left to align itself with the modernizing sector of El Salvador’s bourgeoisie, build a power base within the market economy, establish its own businesses and ally itself with entrepreneurs (Allison and Alvarez 2012). The ERP worries that demanding too much structural change, such as large redistribution projects, risks plunging the country into economic failure (Allison and Alvarez 2009).

In contrast, the FPL insists on using FMLN’s popular power to govern as true leftists. The FPL criticizes the ERP’s acceptance of neoliberal economics and stresses the necessity of addressing the needs of the marginalized, including women, children, and peasants (Colburn 2009). The central goal of the FMLN, according to the FPL, should be overcoming poverty – and not by means of the neoliberal model, which puts riches in the hands of the few (Colburn 2009). Finally, the FPL is hesitant to place El Salvador in the global economy without a social safety net or strong regulations on foreign capital. The group insists that the FMLN must retain as a “preferential option for the poor” (Colburn 2009).

Despite the lack of a cohesive ideology and the existence of internal debates, Funes’ victory revived a frustrated and marginalized constituency on the left and renewed widespread hope that social justice and large-scale reform could be achieved through parliamentary means. Since being
elected, however, Funes has defied expectations and fears that he might be inclined to implement a radical leftist agenda (“End of an Era,” 2009).

Funes ran on a platform that emphasized job creation and poverty reduction. He promised to create 250,000 new jobs during his five-year term (Arnson, et al., 2011). These jobs were to come mainly from public investment projects. Only 110,000 new jobs were created, 44 percent of those promised. Further, over 80 percent of these new jobs came from the private sector, with 22,000 created in the public sector. (Arnson, et al., 2011). Funes promised to create 250 kilometers of roads on rural areas, as well as to expand electricity and water coverage to 95 percent and 80 percent, respectively, in the 100 poorest municipalities. While there is no available data on the expansion of rural roads, electricity coverage grew from 80.4 percent in June 2009 to 87.1 percent in May 2013. Water coverage was expanded from 66.3 percent in June 2009 to 71.6 percent in May 2013. The growth is positive but less than expected (Arnson, et al., 2011).

Despite these shortcomings, social spending under Funes has increased. In 2007, social spending as a percentage of GDP was 9.7 percent and 10.1 percent in 2008. The year Funes was inaugurated, 2009, social spending was 11.6 percent. The rates for 2010, 2011, 2012, and 2013 are as follows, respectively: 11.5 percent, 11.8%, 12.0 percent, and 12.8 percent (ECLAC 2013). Funes’ administration has implemented many social reform programs aimed at combating poverty and inequality. It is important to note that most of these social reforms were enacted immediately following Funes’ inauguration. His term began with the introduction of free shoes, meals, and uniforms for schoolchildren, and the abolition of public health care fees. These public health care fees generated around $12 million annually for previous governments. Funes also distributed property titles for small farming lots to thousands of families. These families have been living on and cultivating state-owned lands for many decades without official property titles. These titles allow these families to be eligible for loans, technical assistance, and government projects and programs.
(Arnson, et al., 2011). While these social programs are an important part of establishing left-wing policies, it is unclear how large of a role the enacted policies play in widespread social reform. This widespread social reform is a goal and hope of the left constituency and the hope of this reform clearly played a large part in Funes’ victory in the 2009 elections.

Mauricio Funes’ presidential term reflects the ideology of the ERP faction of the FMLN. The divisiveness of the party reflects the infiltration of the external conditions of the global capitalist system. Debates on El Salvador’s role in the global economy, neoliberalism, and its relationships with world powers created these divides and eventually steered the party to govern in the more moderate way than anticipated.

FMLN’s Marxist-Leninist rhetoric was abandoned in favor of a more practical and less-contested ideology. This new ideology claimed to be social democratic but the expansion of social programs has yet to be witnessed.

Case Study #2: Nicaragua

The case of Nicaragua and the Sandinista National Liberation Front (FSLN) resembles El Salvador’s FMLN. Like the FMLN, the FSLN engaged in an armed guerrilla battle with the government, transitioned into a leftist political party, and failed to implement social policy that was reflective of its ideology and rhetoric as a guerrilla group. Nicaragua also endured vast inequality and political corruption in the era leading up to guerrilla warfare. Following the U.S. occupation of Nicaragua in the early 1900s during the Banana Wars, the Somoza family came to power. The 1936-1979 period of the Somoza family political dynasty was characterized by vast inequality, political corruption, and heavy reliance on the U.S.

The FSLN was founded in 1961, during the Somoza dictatorship. This guerrilla group took its name from Augusto Cesár Sandino, who led a liberal peasant army against the Nicaraguan
government in the late 1920s and early 1930s. The group had the support of peasants, other anti-Somoza members of Nicaraguan society, students, farmers, small businesses, churches, and Marxists. The group was “a political-military organization whose objective is the seizure of political power through the destruction of the bureaucratic and military apparatus of dictatorship” (Zimmermann 2000). The Sandinistas’ ideology was rooted in Marxism, and emphasized the class struggle. The group sought to unite the Nicaraguan worker and peasants to destroy the present system of capitalist exploitation and oppression run by the Somoza dynasty.

It is commonly believed that the December 1972 Managua earthquake acted as fuel for the Sandinista effort to overthrow the government. The earthquake killed over 10,000 people and left 500,000 homeless. This resulted in immense amounts of international aid sent to the nation. However, many believed that the government stole aid money (Karmali, O’Shaughnessy, and Pollak, 1979). Violent opposition to the government increased to new levels and gave rise to the Sandinistas. Shortly after, full-scale civil war broke out. This civil war, known as the Nicaraguan Revolution, was a display of back and forth violence between the government and FSLN. Although the U.S. initially supported the Nicaraguan government, in 1979 the Carter administration cut off aid to the Somoza regime due to its human rights violations. Increasing internal and external pressure, in addition to the lack of finance, allowed FSLN to control almost all of the country in 1979. In July of 1979, Somoza resigned and the FSLN took full control of the government. FSLN’s inheritance of Nicaragua established the group as a legitimate governing body (Zimmermann 2000).

FSLN’s official political platform included an emphasis on property rights, workers’ rights, and expanding social liberties. The party addressed property rights by seeking to nationalize and redistribute the property owned by the Somozas and their supporters. Workers’ rights would be improved by offering free unionization for all workers and improving rural and urban working conditions. The nation’s poverty rate would be tackled by price fixing commodities of basic
necessity, improving public services such as healthcare and education, and improving government-provided housing conditions. Social liberties would be expanded by protecting democratic liberties, stressing equality for women, and abolishing torture, political assassinations, and the death penalty. Finally, the FSLN maintained some connection to their Marxist-Leninist roots by stressing a non-aligned foreign policy and the formation of a “popular army” under the leadership of FSLN (Walker and Wade 2011).

Although FSLN ruled from 1979-1990, they were opposed to national democratic elections up until 1984. Due to international pressure and domestic opposition, the government agreed to enact a national election. The 1984 election was highly contested, as many believe that there were heavy restrictions placed on the election process such as censorship of the press, cancellation of habeas corpus, and the abolishment of free assembly. With these restrictions in mind, Daniel Ortega of FSLN was elected president and FSLN won 61 of 96 national assembly seats. Many observers and the U.S. government refused to recognize this election (Walker and Wade 2011). Because the Sandinista’s rule between 1979 and 1984 is not perceived as a democracy, their implementation of social policy during this time period is outside of the scope of this paper.

Nicaragua’s economy during the Sandinista’s rule between 1979 and 1990 was severely damaged by the war. This put the FSLN in a weak position for subsequent elections, which were mandated by the constitution passed in 1987. Unsurprisingly, the FSLN lost in national elections between 1990 and 2005. In 2006, Daniel Ortega of FSLN was elected president with 38 percent of the vote. Further, FSLN won 38 seats in congress and became the party with the largest representation. In 2011, Ortega was reelected president (Walker and Wade 2011).

Resembling El Salvador’s FMLN, Nicaragua’s FSLN also experienced an ideological transformation as a legitimate political party. In 1969, the FSLN announced its definitive policy statement (Zimmermann 2000):
The people of Nicaragua suffer under subjugation to a reactionary and fascist clique imposed by Yankee imperialism in 1932, the year Anastasio Somoza García was named commander in chief of the so-called National Guard.

The Somozaist clique had reduced Nicaragua to the status of a neo-colony exploited by Yankee monopolies and the country’s oligarchic groups.

The present regime is politically unpopular and juridically illegal. The recognition and aid it gets from the North Americans is irrefutable proof of foreign interference in the affairs of Nicaragua.

In foreign policy, the new revolutionary government will refuse to honor the loans imposed on the country by the Yankee monopolies or those of any other power.

The Sandinista people’s revolution will...put an end to the Yankee interference in the internal problems of Nicaragua and will practice a policy of mutual respect with other countries and fraternal collaboration between peoples.

It will accept economic and technical aid from any country, but always and only when this does not involve political compromises.

Although the FSLN did not denounce their previous policy statement, nor did it create a new policy statement, the radical rhetoric of the guerrillas was not consistent with the policies they would pursue as a government. Now, FSLN emphasizes political pluralism, a mixed economy, popular participation and mobilization, and international non-alignment (Vanden and Prevost 1996).

Since the start of Ortega’s 2006 presidency, his administration has introduced numerous projects to combat poverty and inequality. Some of these social projects include: an enhancement of labor rights, the introduction of low-interest loans and training for female entrepreneurs, and the distribution of transport subsidies, scholarships, medicine, land titles, and housing materials (Council on Hemispheric Affairs – COHA 2009). However, according to the Centro de Investigación de la Comunicación (CINCO) in Managua, poverty reduction has been marginal despite these efforts. These subpar results are seen as a result of the Sandinistas’ economic pragmatism (CINCO 2010).

Another criticism of Ortega’s administration is his close alignment with Nicaraguan big business and international organizations (Henighan 2014). The Ortega administration has worked and continues to work with the International Monetary Fund (IMF) and other multinational financial institutions in an effort to address economic growth and poverty in the nation (NACLA
These financial institutions prioritize financial growth of the nations and often call for reductions in social spending in order to be fiscally balanced.

Social spending in Nicaragua has seen little change since Ortega’s inauguration. In 2005, one year before his term began, social spending as a percentage of GDP was 11.2 percent. In his first four years in office, 2006, 2007, 2008, and 2009, public social spending was as follows, respectively: 11.2%, 11.8%, 12.3%, and 13.0% (ECLAC 2010). According to the Economic Commission of Latin America and the Caribbean, increases in social spending started under the administration of conservative President Bolaños and continued under the Ortega administration (ECLAC 2010). Although there have been marginal increases in social spending, many consider the spending misguided.

For example, a microcredit program called Zero Usury has designed to help the rural poor, but its scope is dramatically limited. It targets the small subsistence farmers who have access to land, while excluding the landless population that makes up a third of the rural population, as well as the temporary migrant workers with little to no access to land rights. Further, this program locks out farmers from medium and large size land holdings, many of whom include Sandinista rural producers (NACLA 2014).

Thus, the FSLN-led government has pursued policies which, despite the movement’s Marxist leanings, are more pragmatic than the 1969 statement of principles has indicated.

Comparative Case #1: Ecuador

In order to highlight the social policy failures of El Salvador and Nicaragua under leftist governments of guerrilla origin, it is necessary to compare them to traditional pink tide nations, such as Ecuador, who’s population elected a leftist president during the pink tide and greatly benefited from “21st century socialism” policies. Ecuador, a small nation in South America, has many
similarities to both El Salvador and Nicaragua. Ecuador has a presidential representative democratic republic, a small but highly concentrated population and history of transitions between civilian and military dictatorships. After seven years of military governments from 1972 to 1979, the nation held a presidential election under a new constitution (Lewis 2016). Presidential positions were held by both leftist parties (Partido Pueblo, Cambio, y Democracia; Concentracion de Fuerzas Populares; Izquierda Democratica) and right-leaning parties (Partido Cristiano Social). In the 2006 presidential election, Rafael Correa of the PAIS Alliance movement was elected. PAIS Alliance identifies itself as a democratic socialist movement (Ortiz 2015). Unlike traditional political parties, Correa announced that PAIS Alliance would not put forward any congressional candidates during the 2006 election. This act served as a sign of opposition to the established political system (Ortiz 2015).

Correa’s platform criticized the power of the established political elites and sought to end Ecuador’s neoliberal economic model by cutting ties with the World Bank and the IMF. Further, Correa stressed wealth redistribution, implementing numerous policies influenced by Hugo Chavez and described as “21st century socialism” (Lewis 2016). In early 2007, Correa doubled the monthly poverty assistance payments from $15 to $30, doubled the credits for housing loans, and reduced electricity rates for low income individuals and families (Rival 2016). Correa’s “citizen revolution” saw poverty rates fall from 37% in 2007, when he entered office, to 22 percent by the end of 2014 (ECLAC 2015).

While Ecuador’s new social programs helped alleviate poverty, social spending as a percentage of GDP did not increase drastically. Before Correa’s election, social spending in 2005 was 5.5 percent. In 2006 that figure was 6.2 percent (ECLAC 2013). During Correa’s first year as president, social spending increased to 7.1 percent and remained around 8.2 percent between 2009 and 2013 (ECLAC 2015). Because there is evidence that public spending on education doubled during his term, access to medical care was greatly expanded, and many other social programs were
implemented, it is clear that the minimal increase in social spending as a percentage of GDP is in part due to Ecuador’s economic success during this time.

Commodities, and most importantly oil, play a central role in Ecuador’s economy (Lewis 2016). At the peak of the commodities boom in 2012, oil made up 58 percent of Ecuador’s total exports; primary exports such as bananas coffee, shrimp, and cocoa represented 25 percent; and 17 percent of exports were industrialized products (Lewis 2016). During the commodities boom, Ecuador was able to make significant progress on improving infrastructure and addressing social issues due to strong public investment. Correa’s reliance on sustainable oil revenues allowed for the sweeping wealth redistribution programs. (Lewis 2016).

Comparative Case #2: Bolivia

Bolivia, like Ecuador, falls into the traditional Pink Tide trajectory. Bolivia’s case closely resembles Ecuador in that leftist policies were implemented, were sustainable, and improved indicators of poverty. Bolivia faced trends of tumultuous political rule for decades. Coups, counter-coups, caretaker governments, and military rebellions characterize the 70s and 80s, ending with a successful democratic transition in the early 1990s (Fernandes 2007). The nation’s internal situation in the context of neoliberal policies and subsequent societal unrest led to unstable democratic elections (Arce and Rice 2009). Gonzalo Sanchez de Lozada’s implementation of neoliberal reform was strongly opposed by many Bolivians and instigated frequent and violent protests (Arce and Rice 2009). Nationalist Democratic Action party leader Hugo Banzer successfully led as president due to strong economic growth in the 1990s but faced the Argentinian and Brazilian financial crises in the early 2000s, also leading to high levels of social unrest (Arce and Rice 2009). Between 2003 and 2005, the state of affairs in Bolivia worsened. The violent Bolivian Gas Conflict broke out, Sanchez de Lozada (who won the presidential election once again in 2002) resigned and his vice president,
Carlos Mesa took over (Arce and Rice 2009). Further gas protests in 2005 led to Carlos Mesa’s resignation attempt, which was accepted by Congress only after months of street protests (Arce and Rice 2009). The presidential election in 2005 allowed for the potential of revolutionary leadership.

Evo Morales of the Movement for Socialism (MAS) party won the 2005 presidential election with an absolute majority. Like Correa, Morales vocally criticized neoliberalism and dependence on the World Bank and the IMF (Fish 2006). Almost immediately upon entering office, Morales increased state control of the nation’s hydrocarbon industry (Fish 2006). Previously, corporations paid 18 percent of their profits to the government. Under Morales, 18 percent went to the companies and 82 percent to the state (Fish 2006). Thus, hydrocarbon extraction revenue increased from $173 million in 2002 to $1.3 billion in 2006 (Fish 2006). This provided a greater source of funding for Morales’ social programs.

Under the “Bolivia Changes, Evo Comes Through” initiative, the government provided small communities with funding for infrastructure projects (Filho, Gonçalves and Déa 2010). Over $1 billion was allocated to the development of over 5,000 projects including the construction of medical clinics, schools, and gymnasiums (Filho et. al 2010). Morales also increased real minimum wage in Bolivia. According to the International Labor Organization - ILO, Bolivia achieved the highest increase (104 percent from 2005 to 2013) in real minimum wage than any other LAC (ILO 2015). The government’s widespread wealth redistribution helped to reduce poverty from 38.2 percent in 2005 to 21.6 percent in 2012 (Morgan 2011).

Similar to Ecuador, Bolivia’s public social spending as a percentage of GDP did not dramatically increase. In fact, social spending as a percentage of GDP declined under Morales. Between 2002 and 2003, social spending accounted for 17.4 percent of GDP; 17.0 percent between 2004 and 2005; 16.2 percent between 2006 and 2007. During Morales’ presidency, public social
spending hovered around 12 percent (ECLAC 2015). As with Ecuador, this can be explained by the nation’s GDP increase. From 2005 and 2013, Bolivia’s total GDP growth tripled (ECLAC 2015).

Bolivia’s ability to minimize poverty and inequality under Evo Morales is undoubtedly connected to the commodity boom. The government used its commodities, particularly natural gas, which constitutes around 45 percent of exports, to fund its investments in infrastructure projects, education, and health (ECLAC 2015).

**Discussion**

Marxist-Leninist guerrilla groups in Latin America fought in opposition to bourgeois democracy and capitalism, for state dominance over the economy, social equality, universal social welfare, healthcare, and education. Were these former guerrilla political parties able to implement social policy that reflected their Marxist-Leninist rhetoric? The cases of El Salvador’s FMLN and Nicaragua’s FSLN show a clear deviation in practice from Marxist rhetoric and a shift in ideology when these groups became legitimate political parties.

These two cases show that leftist political parties that emerged from guerrilla groups are not able to implement social policy that reflects their ideology. First, I argue that the context in which these parties arose did not allow for widespread redistribution. Second, I argue that two key facets of the world’s democratic capitalist system, powerful international actors and self-interested actors, impede large scale redistribution.

In the case of El Salvador, FMLN changed their Marxist-Leninist manifesto immediately following peace accords in favor of a Declaration of Principles that emphasized fair democracy, human rights, their position as a social democratic political party. This statement does not have any signs of Marist ideology. However, FMLN runs on a leftist, redistributive platform and Funes’
victory gave hope for widespread reform that did not occur. Instead of implementing a radical leftist agenda, Funes sought more pragmatic policy changes.

Although Nicaragua’s FSLN party did not change explicitly change its principles, but Ortega’s policy did not reflect Marxist ideology. Ortega denounces savage capitalism, neoliberalism, and structural adjustment. In spite of his rhetoric, his government continues to align itself with multilateral financial institutions and Nicaraguan corporations.

A critique of both Funes’ and Ortega’s administration is their ability to devise concrete plans for strengthening and funding these social programs. Funes has not specifically promised structural changes and many doubt his ability to deliver them. One critic states “perhaps he will be able to nominally increase social investment to benefit the poor, but the structural veto power that global capitalism wields over change in El Salvador, along with the opposition of the domestic right wing, will make the implementation of meaningful reforms exceedingly difficult” (NACLA 2009). This powerful quote highlights FMLN’s change in ideology and the deception many citizens felt and continue to feel.

A major contributing factor for FMLN and FSLN’s decision to renounce revolutionary socialism in favor of more pragmatic policies simply has to do with fiscal ability. Unlike most Latin American countries, El Salvador and Nicaragua were in a state of war while other countries implemented the Washington Consensus. There were two moving parts that allowed for the majority of Latin America’s pink wave. First, there is a strong degree of certainty that neoliberal reform in Latin America contributed to the subsequent economic failures of the region. The combination of social spending reductions under the Washington Consensus and the economic downturn of the region led to high levels of poverty, inequality, and social unrest. This ultimately paved the way for the region’s Pink Wave. Second, the pink wave was upheld by the post-2002 commodities boom. The boom was largely due to the rising demand from emerging markets in
countries such as Brazil, Russia, India, and China. In a report published by the World Bank, data show that a strong increase in labor income supported poverty reduction in commodity boom countries between 2003 and 2013. The report asserts that good domestic policies coupled with “good luck” in the shape of a commodity boom led to high economic growth and poverty reduction (World Bank 2016). Traditional Latin American leftist political parties were in the right place, at the right time.

It’s not to say that El Salvador and Nicaragua did not feel the effects of the commodity boom. Almost all LACs experienced a substantial improvement in growth and trade balance during the commodities boom. However, the differences in the conditions facing El Salvador and Nicaragua distinguishes them from pink wave countries. Under Ortega, Nicaragua was a commodities importer and faced large trade deficits during the boom. During the boom, El Salvador was under a rightist political party and adhered to peace policies that promoted neoliberalism. Although El Salvador did not experience a trade deficit at this time, the rightist political party had no interest in participating in the Pink Wave. In 2009 when the FMLN won the presidential election, the commodities boom faced a sharp decline with the sovereign debt crisis and the nation struggled for economic growth. The context of Nicaragua and El Salvador’s leftist rise does not match the double movement that allowed for the Pink Wave in many LACs.

Another major reason for FMLN and FSLN’s decisions to renounce revolutionary socialism in favor of democracy can be explained by international pressures, which has a relationship with the economic incentives of the nation. Enthusiasm for real socialism has been historically denounced, especially during FMLN’s rise to power. The fall of the Berlin Wall and the collapse of the Soviet Union marked clear changes in the world’s perception of socialism and its efficacy. The struggle for socialism made clear for FMLN and FSLN that revolutionary changes face strong opposition by
world powers and will face a difficult path. The United State’s and Europe’s pro-democratic ideology had clear influences in changing FMLN and FSLN ideology.

As LDCs, it is in El Salvador and Nicaragua’s best interests to pursue economic growth. Succumbing to international pressures was a result of El Salvador’s economic interests. Aside from opposition from the domestic right wing, global economic limitations exist and play an important role in both nations’ investment in social policy. The countries are extremely dependent on global markets, and both Funes and Ortega pledged to keep trade agreements, including the Central American Free Trade Agreement. Further, Funes said he would retain the U.S. dollar as the legal tender, “continuing the symbolic and economic subjugation of El Salvador to U.S. imperial interests” (NACLA 2011). These examples display the dependency of El Salvador and Nicaragua on the global economy, and shows that the country has limited control over its economic policies. Thus, the implementation of social policies is difficult and funding is illusive.

Conclusion

The cases of El Salvador’s FMLN and Nicaragua’s FSLN highlight the inability of these former Marxist-Leninist guerrilla political parties to enact social policy that reflects their former Marxist ideology. The FMLN and FSLN social programs have been less successful in alleviating poverty than traditional leftist parties. This inability is caused by two main factors. First, the FMLN and FSLN leftist rise emerged from a very different context than the rest of Latin America’s successful left turn. Second, external and internal pressures in the form of international actors and self-interested actors are imposed under democratic capitalism, hindering redistribution efforts.

The cases of El Salvador and Nicaragua in contrast with other Latin American nations offer a bleak view of government ability to enact meaningful social policies in LDCs. By electing these parties, these citizens are explicitly stating their need for change, redistribution, and the various
services the parties are willing to offer. These changes are not materialized. By sheer luck, the Pink Wave in Latin America in congruence with the commodities boom led to highly successful poverty reduction programs and infrastructure improvements. Faced with the realities of their domestic and peripheral situations, the FMLN and FSLN were forced to reevaluate their ideology. What we find is LDCs may need sheer luck to make substantial and sustainable public investments, and a current global dogma that does not allow for socialist-esque LDCs that depend on large international forces for their economic well-being.

ii The BRIC countries include Brazil, Russia, India, China.


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