

Nicaragua: economic reactivation through the social economy

Nicaragua
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Who produces the wealth of Nicaragua?*

Nicaragua's wealth is created by foreign capital, national capital and the social economy. The social economy is the least recognised despite the fact that it generates 40% of the country's wealth and representing 90% of the workforce. It is made up of co-operatives, associations, small and medium businesses and farms, and self employed workers such as street sellers.

“ Our aim is not just to raise the personal living standards of individuals with few resources but to create and support co-operatives, associations, and small and medium businesses that join together with the social objective of seeking improvements for everyone. ”

Ariel Bucardo
CONACOOB

Organisations of the social economy

National Council of Co-operatives (CONACOOB): 5,652 co-operatives in agriculture, transport, fishing, housing, and savings and credit with an estimated membership of 300,000 families.

Confederation of Self employed Workers (CTCP): 65,000 members involved in a huge range of economic activities including street sellers, mechanic and carpentry workshop owners, money changers, taxi drivers, craftspeople, and litter pickers. As a result of the formation of the CTCP, these workers previously marginalised, persecuted and dismissed as the 'informal sector' are now recognised for the contribution they make to the country's wealth.

Other organisations include the Nicaragua Council of Micro, Small and Medium Businesses (CONIMIPYME) with 20,300 businesses; the National Union of Small and Medium farmers (UNAG) with 45,000 individual producers; and the National Union of Farming and Fishing Producers (UNAPA), with 450 cooperatives and small farming and fishing businesses.

The social economy becomes Nicaragua's economic driving force

Those involved in the social economy have been the most severely affected by the violence, instability, economic stagnation and drastic reduction in the GDP. The majority of the 120,000 jobs lost,



Members of the 'Women in Action' bakers' co-operative

“ We support democracy, freedom of expression, and the right to peaceful, civic protest but what happened was a violent protest that violated the human rights of the population. ”

Ariel Bucardo

“ We are facing new challenges every day: a reduction in sales and credit, increasing costs and debt repayment. Despite all this we resolved to work with social economy in order to ensure the daily supply of the products and services the public needs. ”

Leonardo Torres
CONIMIPYME

particularly in tourism, were in the social economy; the violence of the road blocks prevented freedom of movement particularly affecting those already marginalised and impoverished with no savings, the majority of them women.

These organisations now form an umbrella organisation called the National Council for the Social Economy (CONADES) which, with government support, is now the key driving force in the reactivation of the economy in all fields.

* Quien produce la riqueza en Nicaragua, Orlando Nuñez, July 2018

Fair trade co-operative perspective on violent events of 2018

CECOCAFEN is an umbrella organisation of over 2,100 small scale farmers organised into eleven co-operatives. Coffee exported through Fair Trade and fruit and vegetables for family consumption and to sell locally are their main sources of income. CECOCAFEN representative Santiago Dolmus describes their experience.

“Nicaragua was a peaceful, stable country with good relationships between the government and the people and between Nicaragua and other countries; the market was strong and we worked with great enthusiasm – until April 2018 when suddenly we were plunged into horror and pain.

At first we could not understand the violence but we gradually realised we were witnessing a coup not just against the government, but an attack on us, our co-operatives, and the whole nation. Our response was to continue working. Coffee production is tough enough due to the effects of climate change and nature, and it was essential we got back to work.

There were road blocks everywhere set up by masked, armed and violent people who claimed they were protesting against the president but they were acting against us. As they brought the country to a standstill we had to walk everywhere and if we tried to cross their road blocks they threatened and beat us.

When the violence grew worse and people were killed, we realised the coup attempt was putting peace, work and progress in jeopardy. After three months the road blocks were removed by the people of Nicaragua demanding peace, stability and a return to work.

The attempted coup seriously harmed the economy through massive destruction of vehicles, roads and infrastructure. Children and young people were deprived of education. The nation is traumatised: people imagine hearing mortars exploding and shouts that might signal people being attacked or killed.

We understand the political situation in Nicaragua is being manipulated from outside; therefore we must unite around the aims of the popular Sandinista Revolution. Our economy is heavily dependent on small and medium farmers to produce our staple food of rice and beans and coffee and grain for export. We are determined to fight for the wellbeing,

food supply and economic development of Nicaragua.

All Nicaraguan co-operatives – transport, fishing, agriculture – were badly affected. Even when we were unable to generate income we still had to pay interest on loans.

Before 18 April we worked hard;



Selling Fair trade coffee on international markets is a lifeline for Nicaraguan co-ops

As a co-operative we must continue to swim against the tide of world economics, be strong and keep moving forward by producing coffee more efficiently and to higher standards.

our future we need finance that isn't dependent on neoliberal politics with their high interest rates. We need investors who are sympathetic to our high ethical standards of environmental protection.

We run a very successful eco tourism programme for visitors to experience how we live and to provide additional income. The co-operative supported those in our communities hardest hit by the dramatic downturn in tourism; peace has returned, and so have the tourists, giving us hope for the future.

I believe there will be peace in Nicaragua, that we can keep putting our energy into food production, wellbeing and growth. I want to live in a just society, without fear of a violent death, creating a better world and conserving our environment for everyone's sake”.

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NSC works with Nicaraguan co-operatives and other organisations fighting for social and economic justice by promoting and seeking support for their work in the UK.

📍 86 Durham Rd, London N7 7DT
🌐 www.nicaraguasc.org.uk
📘 nicaraguasc
✉ NSCAG_UK
☎ 020 7561 4836