Migration as a Survival Strategy for Smallholder Farmers Facing an Authoritarian Extractivist Regime in Nicaragua

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After a fraudulent election on November 7, 2021, Nicaragua is facing another term with President Daniel Ortega, who after an extraordinary "metamorphosis from rebel to ruler, from comandante to caudillo," has been "perfecting" his authoritarian and increasingly kleptocratic regime over the last decade. After losing the elections in 1990 and again in 2001, Ortega came back to power in 2007 along with a swing across Latin America to populist leadership with leftist overtones. During this period and since, Latin America also has experienced continued expansion of the resource extractivist model for national economic growth. Most of the new populist leaders tended toward a more distributional politics but never challenged the neoliberal hegemony. We argue here that the neoliberal development model in Nicaragua, which rests on intensive resource extraction, is destroying smallholder farmers, especially when combined with climate change. In the increasingly difficult context in which poorer, small-scale farming families struggle to persist, international out-migration is a survival strategy.

In 2005, two years before Ortega came back to power, Nicaragua was the second poorest country in the Western Hemisphere, where 48.3 percent of the population lived below the poverty line and 17.2 percent were affected by extreme poverty. Initially, Ortega embraced a distributional approach to share the economic benefits of extraction in Nicaragua, instituting social programs like "Zero Hunger," the government’s flagship program in the fight against poverty. However, since 2017, the Zero Hunger program for poor smallholders has been curtailed. Previously free benefits are now only available through interest-bearing loans.

In 2019, the International Foundation for Global Economic Challenges measured change in poverty levels in Nicaragua since 2009, and while poverty dropped over the first years of Ortega’s rule, this reversed in 2015. The percent of the population living

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below the poverty line in 2009 changed from 44.7 percent, down to 39.0 percent in 2015, and back up to 44.4 percent in 2019. The incidence of extreme poverty also showed a downward trend in the first years of the analysis period and an upward trend from 2015 onward.5

Ortega’s paternalist politics with handouts to smallholders, even as those handouts diminish, has been accompanied by resource extraction largely to the benefit of the country’s connected and wealthy elite. Nicaragua’s rural “development” model centers on monoculture cultivation for the export of primary products, the uncontrolled expansion of agricultural frontiers, the destruction of forests to open additional land for ranching, and more and more mining concessions. Rural families confront increasingly difficult climatic conditions for agricultural production, as Nicaragua is among the countries in the world most affected by meteorological events, such as storms, floods, heat waves, and droughts.6 Along the Pacific coast, some meteorological stations have registered a decrease in precipitation between 6 percent and 10 percent, and increasing temperatures, which severely threaten smallholders’ harvests and often cause total crop loss. Much of Nicaragua’s corn and bean, staples for feeding its population, are produced by smallholders, and these crops are anticipated to experience severe losses due to climate change.7

Deforestation rates have soared. In 2013, Hansen et al. reported that Nicaragua had one of the highest rates of tropical deforestation in Central America.8 The country continued to experience alarming forest loss as the agricultural frontier moved eastward into protected primary rainforest areas and Indigenous territories along the Atlantic coast.9 Forests have been cleared by the lumber mafia as well as semi-subsistence farmers seeking adequate lands, and this frontier has since given way to monocultures and cattle ranching. In 2000, 42 percent of national territory was covered in forest and 36 percent was used for agriculture and livestock. By 2010, forest cover had decreased to 31 percent and agricultural use had increased to 50 percent of the territory. By 2015, forest covered 30 percent of the country, or only 39,078 km²,10 and, according to the Nicaraguan Ministry of Environment and Natural Resources, pasture covered around 36 percent, or 42,988 km².11 Between 2015 and 2020 deforestation rates are reported to have been as high as 2.56 percent annually.12 Twenty-one percent of the deforestation between 2011 and 2018, or 8,150 km², occurred in Bosawás and Indio Maíz,13 the two reserves protecting...
the largest areas of contiguous forest and with significant Indigenous populations. Much of the deforestation was spearheaded by Alba Forestal, a joint Nicaraguan-Venezuelan logging company14 and a business in the hands of the governing party’s business group.15 Launched in 2009, ALBA Forestal was supposed to collect and process trees felled by Hurricane Felix in 2007. According to a National Institute of Forestry (INAFOR) report, Felix left some US$320 million worth of felled wood. The company’s government backers promised that revenues would be invested into Nicaragua’s Caribbean communities. Five years after launching, ALBA Forestal was still operating, but the destination of the wood and associated revenue was unknown.16

Today, large areas in the country are dedicated to monocultures. For years, peanuts and African palms were grown as monocultures; new are oranges and pineapples and Robusta coffee.17 This strategy has been intensified by Ortega as a purported route for addressing rural unemployment and poverty. But it has long been established that the industrialization that accompanies monocultural production, for example in sugarcane, also means mechanization, with fewer and fewer agricultural workers needed. One of the most troublesome consequences of extensive monoculture farming is the elimination of biological diversity, in addition to the well-known human and ecosystem impacts of high agrochemical use, deteriorating soil structure, and intensified water demand.

In parallel, mining concessions to international, mostly Canadian companies have flourished and often poisoned surrounding lands. Since 2020, raw gold has been Nicaragua’s most important export, ahead of meat, coffee, and sugar. In 2021, the sector expects exports worth $750 million and in 2023, $1 billion. The United States receives more than 45 percent of this gold. This boom is due partly to the rise in gold prices and partly to the growth of mining in Nicaragua. As of April 2021, the concession area for metal mining is 9,236.81 km², which is equivalent to 7.76 percent of the national land area; the area requested for gold and silver mining is 19,151.28 km², which would be equivalent to 16.09 percent of the national land area.18 According to the Humboldt Center, in the last two to three years there has been a process of concentration in mining and associated concessions, favoring a single company, the Canadian company Calibre Mining, which owns 72 percent of the concession area.19

The controversial Nicaraguan Canal Project is another, more visible example of international concessions driving land expropriation and environmental destruction in the country. In 2013, the Chinese firm Hong Kong Nicaragua Canal Development (HKND), led by billionaire Wang Jin, was granted a 50-year concession to build an interoceanic canal joining the Caribbean and the Pacific Ocean, sparking protests by potentially affected farmers and environmental activists. Experts have noted that the project is unviable due to costs and time frame.20 Land expropriations needed to build the canal...
could impact up to 30,000 farmers. Under the original agreement, Wang’s HKND group was to be handed complete rights to use the land, air, water, maritime spaces, and natural resources in the canal zone and beyond. The corporation would also be able to use assets from the Nicaraguan government and the country’s central bank. Although the Nicaraguan government could have revoked the contract with the investor after seven years of inaction, it did not. It also did not revoke the controversial Canal Law 840, and instead inscribed into Nicaragua’s constitution the state’s power to grant concessions related to the interoceanic canal and therefore to grant the Chinese company the right to undertake whatever investment it wants. The company still exists on paper, and whoever takes possession of it could thus reclaim extensive rights over the Nicaraguan economy and land.

Smallholder farmers, who face the increasing effects of climate change and a highly unequal land distribution, don’t see any benefit from the current wave of resource extraction and concession. United States Agency for International Development data indicate that in 2011 the richest 9 percent of landowners held 56 percent of farmland in Nicaragua, while an estimated 38 percent of the rural population owned no land at all. As farming families struggle to survive, some reportedly leave their rural home communities, pushed out, to seek land elsewhere to farm for food. They used to join the agricultural frontier and prepare the land for the cattle ranchers who followed. However, Men and women struggle to feed their families in their home villages, and many have turned to temporary labor out-migration.

Our research in Somotillo in 2013–2014, in the country’s northwest, uncovered the increasingly difficult climatic conditions faced by smallholder farmers. Somotillo is located within Central America’s so-called dry corridor and experienced a significant negative trend in precipitation over the last 50 years. The result has been low harvests, crop loss, and widespread food insecurity for rural farming families. At the time of our research, progressive loss of access to land over the last three decades had resulted in smaller landholdings on average (and even farmers with no land), sometimes with contested or unclear titles. Farmers supplemented their holdings by renting or borrowing additional land. With little access to credit, men and women were making short trips to El Salvador to work as farmhands or domestic workers for cash to finance their farming back home. Others were able to organize longer, more distant trips, for example, to Costa Rica or even the US and Spain. We found that median landholdings in Somotillo were 3.2 hectares for nonmigrant families and 5.2 hectares for migrant families. Many families used migration earnings to make possible semi-subsistence, small-scale agriculture, by using savings from their trips to purchase agricultural inputs and rent land. But even so, many remained food insecure.


Over recent years, a substantial part of migration streams out of Nicaragua have been directed towards wealthier southern countries like Costa Rica and Panama, but also toward El Salvador, Guatemala, and Honduras, given the geographical proximity that makes the journey financially accessible from the country’s north and enables regular return to migrants’ home villages. The number of emigrants from Nicaragua has risen since the 1990s, but as a percentage of the country’s population, out-migration was relatively steady at around 10 percent through 2019. In addition, according to data from the World Bank, personal remittances received as a percent of Nicaraguan GDP increased substantially over the last three decades. It was 0.56 percent of GDP in 1992, 6.27 percent in 2000, 9.42 percent in 2010, and 14.70 percent in 2020. This increasing percentage reflects an increasing reliance of the population on remittances from out-migration, while natural resource extraction has been expanding.

According to the United Nations High Commissioner for Refugees, since 2018, when state violence increased, some additional 108,000 Nicaraguans have been forced to leave the country, of whom 85,000 have sought refuge in Costa Rica. Social protests have been criminalized through arbitrary arrests, the filing of criminal charges, threats, harassment, and attacks against people identified as opponents of the government. According to a report from 2019 by the Inter-American Commission on Human Rights, the increase in the number of people leaving Nicaragua for Costa Rica between April and October 2018 is directly related to state repression. But Nicaraguans also try fleeing to the United States, and the BBC has noted that the number of Nicaraguan migrants coming to the US has surged in recent months. In 2021, preliminary reports suggest that migration out of Nicaragua has increased significantly and that, for the first time, the United States, and not neighboring countries, is becoming a primary destination for Nicaraguans. Data about expulsion from the US-Mexico border show that nearly 50,000 Nicaraguans were deported from the border in 2021, more than triple the number the year before. Political and economic instability are said to be driving this migration.

Political ecology contributes to understanding the intersecting environmental and political factors that are driving people out of Nicaragua’s rural communities and are impacting communities and landscapes in sending...
communities. Our research demonstrates that it is not merely climate change, natural disasters, or the misfortune of owning little land that is causing migration. These factors are inherently political as they are constructed and experienced within a national political economic context. Poor management of natural disasters such as drought and flooding, as well as the destruction of forests and the obstructed access to land are a consequence of government priorities. The Ortega regime has clearly favored extractivist development over the needs of the rural poor. In effect, migration provides a pressure release valve—allowing the state to abdicate responsibility for addressing the crisis in rural livelihoods caused by climate change, land concentration, and neoliberal policy.

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