THE RISE OF CONFLICT

On April 18, 2019, Nicaraguans returned to the streets of Managua to mark the one-year anniversary of anti-government protests. They found hundreds of heavily-armed policemen blocking their route—a vivid reminder that basic civil liberties remain limited in the country. Despite widespread international condemnation and domestic upheaval, President Daniel Ortega has maintained his grip on power, and Nicaragua, designated as part of U.S. National Security Advisor John Bolton’s “troika of tyranny” alongside Cuba and Venezuela, continues to lie on the brink of chaos.

The current crisis can be traced back to the free and fair election of Ortega, head of the leftist Sandinista party (FSLN), in 2006. Under Ortega, Nicaragua initially experienced a period of economic growth and security (in a notoriously violent region). Yet this stability was coupled with growing authoritarianism. Ortega removed term limits, appointed FSLN loyalists to the Supreme Court and the Supreme Electoral Council (CSE), and removed opposition politicians from the National Assembly.

By the 2016 elections, Ortega had severely undermined democracy. The FSLN-dominated Supreme Court prohibited his main opponent from running, authorizing a one-party election. He installed his wife, Rosario Murillo, as his vice president and presumptive heir, evoking memories of the dictatorial Somoza family, which controlled Nicaraguan politics with U.S. backing for much of the twentieth century. Under Ortega, democracy and political competition in Nicaragua have been all but eliminated.

Furthermore, with the collapse of Venezuela’s economy in 2015 (Venezuelan oil money has long bankrolled the FSLN), the economy, and correspondingly Ortega’s popularity, began to suffer. Years of worsening political and economic conditions culminated in April 2018 when Ortega decreed social security reforms, which would have reduced pensions by 5 percent and raised taxes to overcome increasing deficits. Thousands of Nicaraguans took to the streets to protest not just this proposal, but also the systemic erosion of democracy under the Ortega regime.

To quell the protests, the Nicaraguan government resorted to repression and violence, often using parapolice forces to attack protestors and imprison dissidents. These tactics largely succeeded in maintaining Ortega’s grip on power. By August, the protests had died down and the main opposition groups, the Civic Alliance for Justice and Democracy and the National Blue and White Unity, had fractured.
THE STATUS QUO

Today, although Nicaragua may not be in open rebellion, the conditions that inspired last year’s protests have worsened. Ortega’s violent crackdown left more than 325 Nicaraguans dead and thousands more injured or imprisoned, increasing disillusionment with his rule. He is politically isolated within the international community; the Organization of American States (OAS) and the United Nations released reports accusing the Ortega regime of human rights violations. Fundamental individual freedoms, such as the freedom of assembly and due process have been eliminated. Economically, Ortega can no longer provide meaningful growth—experts predict up to an 11 percent contraction in the economy this year and the social security crisis remains unsolved.

An economic shock or another political mistake could rekindle the protests of last year. Should that occur, Nicaragua risks experiencing a humanitarian, economic, and migratory crisis similar to the ongoing issues in Venezuela, further destabilizing an already precarious region close to the United States’ southern border.

Nicaragua, however, has not yet collapsed. As a result, the United States and the international community have a window to avoid another Venezuela in the Western Hemisphere. Proactive, multilateral diplomacy and support for dialogue, with the aim of electoral and institutional reform in the Supreme Court and CSE, could help rebuild Nicaragua’s democracy and prevent the further devolution of political and economic stability. External actors can provide both the carrots and sticks necessary to facilitate difficult negotiations between the Ortega regime and opposition groups.

CARROTS AND STICKS

So far, much of the rhetoric from the Trump administration has promoted a sanctions-based approach to weaken Ortega’s position. In his November 2018 remarks outlining a strategy in Latin America, Bolton declared that the “Nicaraguan regime, like Venezuela and Cuba, will feel the full weight of America’s robust sanctions regime.” Although targeted sanctions, if used with a clear purpose and in collaboration with regional partners, can be an effective threat, relying solely on wide-ranging sanctions will likely prove counterproductive.

Much of the FSLN’s popularity originated from their anti-imperialist, anti-American position. Overusing sanctions could revive memories of U.S. intervention during the twentieth century and give credence to the party’s anti-American rhetoric, thus re-legitimizing Ortega. Furthermore, trade-based sanctions could isolate the private sector—a crucial anti-Ortega faction that will need to play
a significant role in any negotiated settlement because of its their economic clout. Last, sanctions can produce a wide range of unintended economic and humanitarian costs. Instead of forcing Ortega into accepting a deal, far-reaching sanctions could potentially boost Ortega’s position within Nicaragua and reduce the incentives for him to adopt more liberalizing reforms.

Other coercive diplomatic tactics, such as support for sudden regime change similar to what the Trump administration has pursued in Venezuela, carry even more risks than a sanctions-based approach. The opposition lacks both the constitutional basis and the unified leadership to present a legitimate alternative candidate because of Ortega’s political maneuvering. Ortega controls all elements of Nicaragua’s political leadership, so sudden regime change would most likely create a power vacuum, further destabilizing the country and the region.

Given the risks of sanctions or regime change as policy options, the United States and the international community should focus on building strong institutions that facilitate a peaceful transition to a representative democracy rather than pursuing a policy centered on defeating Ortega.

However, building a lasting democratic infrastructure will require negotiation and multilateral diplomatic pressure to bring Ortega and the opposition groups to the bargaining table.

THE UNITED STATES AND THE INTERNATIONAL COMMUNITY SHOULD FOCUS ON BUILDING STRONG INSTITUTIONS THAT FACILITATE A PEACEFUL TRANSITION TO A REPRESENTATIVE DEMOCRACY RATHER THAN PURSUING A POLICY CENTERED ON DEFEATING ORTEGA.

Although Ortega clearly is desperate to hold on to power, there is a path forward through negotiations. In 2017, Ortega signed a Memorandum of Understanding with the OAS outlining the need for electoral and political reform, and more recently, on April 16, 2019, he agreed to release hundreds of imprisoned protestors, ostensibly as a goodwill gesture. After all, Ortega desires legitimate power, which can only be gained through the acceptance of domestic actors and the international community. Dialogue is a way for Ortega to regain the legitimacy he had when he was democratically elected.

Previous efforts at negotiation, however, have broken down. In July 2018, Ortega and opposition groups were unable to find a suitable mediator from within Nicaragua and could not agree upon a realistic, meaningful agenda. This impasse is unlikely to change in the absence of external pressures; therefore, the international community should step in and use both carrots and sticks to encourage Ortega to discuss electoral reform.

A potential incentive that negotiators could offer Ortega would be to hold elections in 2021 as scheduled, instead of moving them up as the OAS and other
institutions have urged. Keeping the elections in 2021 is advantageous for two reasons. It satisfies Ortega’s desire to stay in power through legitimate means while giving the Nicaraguan opposition more time to develop a cohesive agenda, identify promising leaders, and prepare an effective political campaign. Building party infrastructure does not happen overnight. Ortega, on the other hand, already has an extensive political infrastructure, and a shortened electoral timeline would only give him an advantage over the opposition.

Simultaneously, the international community could threaten the Ortega administration with suspension from the OAS, which would further isolate and delegitimize his rule, as well as targeted, multilateral sanctions against family members and high-ranking officials should he refuse to negotiate.

**NEGOTIATIONS**

Once parties agree to mediation, negotiations could focus around three potential electoral reforms that would satisfy both Ortega’s desire for greater legitimacy and the opposition’s calls for greater political freedom and liberalization: independent election monitoring, greater access for political parties, and updated electoral rules.

Nicaragua needs unbiased election monitoring from both internal and external actors. Ortega’s control of the CSE, which oversees Nicaragua’s elections, gives him undue influence over the electoral process. An independent, non-partisan CSE is a crucial step toward free and fair elections. To ensure that it is operating adequately, Nicaragua should be encouraged to accept external election monitoring by independent groups from the United States, OAS, or by NGOs, all of which also should provide technical support to boost the capabilities of the CSE.

Another potential outcome of negotiations is greater political access for opposition parties. Ortega’s allies in the CSE and the Supreme Court prohibited opposition candidates from running in previous elections and removed representatives from the National Assembly, thus guaranteeing Ortega’s grip on power. Greater political freedom will have two beneficial outcomes for Nicaragua. Fostering party competition will strengthen democracy, regardless of the result. Second, it will offer citizens a route to express displeasure through peaceful means (i.e., voting) rather than through violence. Outside groups should monitor party competition to ensure that all political groups are given a fair chance.

Last, negotiators should consider changing election laws. Previously, Nicaraguan electoral rules mandated a run-off election if no candidate exceeded 50 percent of the popular vote. In 1999, Ortega and Arnoldo Alemán of Nicaragua’s Liberal Party changed this threshold to 35 percent if no other candidate was within 5 percent, thus making it easier to avoid a run-off election. In Nicaragua’s multiparty system, lowering the barrier for election made it easier to win election without popular support. Ortega, for example, won the 2006 election with just 38 percent of the vote. Restoring the 50 percent barrier would endow the
electoral winner with a truer mandate to govern and allow the disparate anti-Ortega interests to coalesce around an opposition candidate in a run-off election. Should this reform not take place, it is easy to imagine Ortega or Murillo winning an election over a highly divided opposition despite their unpopularity.

Strengthening electoral institutions could satisfy the demands of Nicaraguans, as well as those of the international community. These reforms may leave Ortega in power in the short-term, but they would restore the democratic process and create the framework for a peaceful transition of power.

*Caleb Diamond* is a media relations coordinator with the Office of External Relations at CSIS.
ENDNOTES


15. Tiziano Breda, telephone interview with author, April 12, 2019.


19. Ibid.


