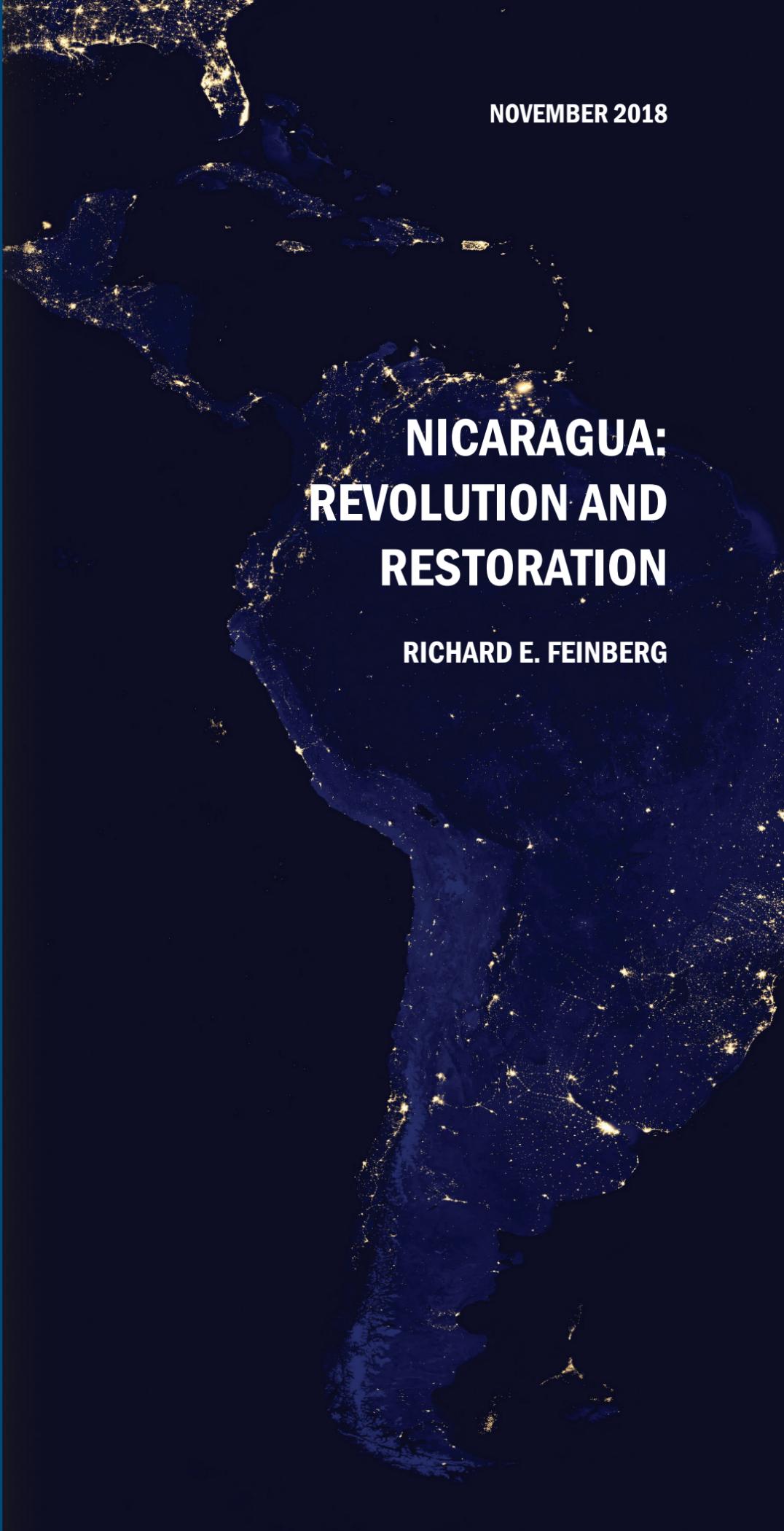


THE NEW GEOPOLITICS
LATIN AMERICA

NOVEMBER 2018



**NICARAGUA:
REVOLUTION AND
RESTORATION**

RICHARD E. FEINBERG

NICARAGUA: REVOLUTION AND RESTORATION

RICHARD E. FEINBERG

EXECUTIVE SUMMARY

Since independence, Nicaragua has suffered periodic internecine warfare, deep distrust between contending factions dominated by powerful *caudillos* (strongmen), and interventions by foreign powers. While the United States was frequently a party to these conflicts, local Nicaraguan actors often outmaneuvered U.S. diplomats. At the end of the Cold War, internationally supervised elections yielded an interlude of relatively liberal democracy and alternation of power (1990-2006). To the consternation of the United States, Sandinista Party leader Daniel Ortega regained the presidency in 2007, and orchestrated a successful strategy of coalition-building with the organized private sector and the Catholic Church. Supported by the international financial institutions and the Venezuelan Chavista government, Nicaragua achieved strong economic performance with moderately inclusive growth. President Ortega used those economic resources to gradually capture or suppress—one by one—many of the nation's political institutions, eroding institutional checks and balances. Ortega's strategy of co-opting all centers of power extended to the military and national police. The restoration of traditional *caudillo* politics and the fusion of family-state-party-security forces were all too reminiscent of the Somoza family dynasty (1934-1979).

Frustrated by Ortega's narrowing of democratic channels of dissent and his administration's mishandling of social security reforms, in April 2018 university students sparked a nationwide civil rebellion. Ortega responded with a dramatic escalation of lethal force that regained the upper hand. Alarmed by the mounting casualties and by yet another example of democratic backsliding and the restoration of autocratic rule, the Organization of American States and the United Nations sharply criticized the Nicaraguan government for its violations of human rights and called for democratic reforms and early elections. As of this writing, the Ortega government and the opposition forces are at an impasse, even as official repression deepens and the economy contracts.

A peaceful resolution remains feasible, but only if the contending forces can overcome mutual distrust and if the international community provides the necessary guarantees. The way forward can combine reforms of the electoral institutions and the Supreme Court, as well as credible terms for election monitoring, with guarantees for Ortega and his family that secure their eventual departure. A soft landing will also require the cleansing of the compromised national police and disbanding of the paramilitaries, even as the Sandinista Party is likely to remain a potent and legitimate political force. Broad agreement on an economic plan, conditioned upon political reform, would contribute to a restoration of business confidence. The challenges are daunting but the costs of failure are prohibitively high.

INTRODUCTION

The current crisis in Nicaragua is the latest in a long series of civil conflicts that have deeply divided the Central American country and drawn in the United States and other nations. Ironically, President Daniel Ortega and his wife and vice president, Rosario Murillo, have come to resemble their former nemeses—the Somoza dynasty—engaging in democratic backsliding and the restoration of autocratic rule. After some initial successes in building a broad-based coalition and stable economic growth with moderate social inclusion, the ruling couple overplayed their hand, coming to rely less on cooperation and co-optation and more on exclusion and coercion. Again recalling a deeply ingrained Nicaraguan tradition, in April 2018 university students spearheaded a civil insurrection in the streets that quickly drew the support of key independent pillars of Nicaraguan society, including the private sector and the Catholic Church.

This paper examines Ortega's early advances following his return to power in 2007 and the roots of the current crisis, and speculates as to why the government responded with such disproportionate force. The paper then surveys the long and deep U.S. engagement in Nicaragua, underscoring Washington's limited capacity to drive the behavior of local actors. In response to the recent upheaval, the Organization of American States (OAS) has seized a leadership role, issuing strong reports and resolutions calling upon the Ortega government to cease its violent repression and restore democratic procedures. The paper concludes with the outlines of a possible negotiated solution—one that would require contending forces to overcome mutual distrust and international actors to provide the necessary third-party guarantees.

CONDEMNED TO REPETITION?¹

From its birth as a nation in 1838, Nicaragua has been plagued by deadly internecine warfare. These bloody struggles—between family clans, regions, political parties, ideologies, personalities, and generations—explain in large measure why a country blessed by a favorable geographic location and extensive agricultural potential is today the second-poorest country in the Western Hemisphere, second to Haiti, and with a per capita gross domestic product (GDP) of only \$2,100.² The current conflict between Daniel Ortega and his Frente Sandinista de Liberación Nacional (FSLN) party and the newly emerging opposition alliance is but the latest chapter in this long trajectory of intense civil strife.

The United States was frequently a party to these conflicts. In the 1850s, the Liberals of Leon purchased the assistance of the infamous filibuster, William Walker, in their feuds with the Conservatives of Granada. Walker was a freelancer, not an agent of the U.S. government, even as he was an apostle of Manifest Destiny and the expansion of slavery.³ Walker's defeat at the skirmish of San Jacinto remains a major source of Nicaraguan national pride and annual celebration. The United States returned in 1912, this time in the form of a Marine expeditionary force, again to intervene in internal squabbles. The Marines departed in 1933, under Franklin D. Roosevelt's Good Neighbor Policy, while Augusto Cesar Sandino's guerrilla resistance gave birth to legends that define the worldview of the FSLN.

1 I owe this phrase to the late scholar-practitioner Robert Pastor and his book of that title: *Condemned to Repetition: The United States and Nicaragua* (Princeton: Princeton University Press, 1987).

2 "Nicaragua 2017 Article IV Consultation," International Monetary Fund, Country Report no.17/173, Table 1, <https://www.imf.org/en/Publications/CR/Issues/2017/06/27/Nicaragua-2017-Article-IV-Consultation-Press-Release-and-Staff-Report-45008>.

3 For a recent treatment, see Michel Gobat, *Empire by Invitation: William Walker and Manifest Destiny in Central America* (Boston: Harvard University Press, 2018).

Prior to their withdrawal, the U.S. Marines stood up a National Guard, intended to ensure stability and, naively, to protect the democratic political institutions that the United States had incubated.⁴ Instead, the commander of the National Guard, General Anastasio Somoza Garcia, ordered the assassination of Sandino and established an autocratic family dynasty (1934-1979). But the cycles of violence continued: Proudly bearing the name of their martyr, the FSLN spearheaded a national uprising that demolished the National Guard and overthrew the last Somoza. In an effort to complete the cycle, the FSLN contracted the assassination of Somoza in Asunción, Paraguay in 1980.

Reacting viscerally against the FSLN's anti-U.S. nationalism and imbibed with Cold War fervor, the Ronald Reagan administration took up the anti-Sandinista torch, fueling the Contra wars (1982-1990) that eventually, if temporarily, ousted the FSLN from power. Once again, the United States sought to ingrain democratic institutions in Nicaragua, with some short-lived success in the 1990s.⁵ The economy stabilized and governments changed hands peacefully in two successive elections (1996 and 2001). Yet in the 2006 elections, the FSLN, under the leadership of Daniel Ortega, regained the presidency. Today, the United States is again facing a defiant self-proclaimed heir to Sandino.

The three Somoza autocrats (the founding father and his two sons) were in many ways typical of the *caudillos* (strongmen) of the mid-20th century that held sway in the Caribbean basin. Their uncurbed powers were based on a loyal security apparatus (sometimes assisted by the United States), a political party nourished by official patronage, a largely subservient media, and Machiavellian combinations of co-optation and coercion. Over time, the Somozas acquired as much as one-third of the arable land of Nicaragua, and a wide array of interests in banking, commerce, and real estate. The Somozas allocated shares of the spoils to loyal associates.

Ruthless and on occasion violent, the Somozas stopped short of totalitarianism, tolerating some degree of pluralism in both economics and politics. A veneer of democracy offered an outlet for domestic discontent and served to deflect occasional criticism from U.S. liberal circles. In the 1960s, the Somozas even allowed a non-family associate, a Liberal Party member from Leon, René Schick, to wear the presidential sash. Such contemptuous maneuvers deepened Nicaraguan distrust of backroom deals, scorn for the reigning political class, and fears of calculated betrayal.⁶

The great irony is that the Daniel Ortega and Rosario Murillo of 2018 have come to resemble their former mortal antagonists, the Somoza family, in their autocratic governing style (co-opting legislative and judicial powers as well as manipulating electoral procedures, while tolerating a degree of political opposition), divisive public discourse that denigrates opposition claims, and the use of public office for private enrichment. Against Ortega-Murillo are arrayed some of the same political forces that took on Somoza: the great

4 The standard text is Richard Millett, *Guardians of the Dynasty* (New York: Orbis Books, 1977). For a contemporary account by the U.S. envoy and later secretary of state, see Henry Lewis Stimson, *American Policy in Nicaragua* (New York: Scribners, 1927).

5 For a detailed memoir by a leading player, see Antonio Lacayo Oyanguren, *La Difícil Transición Nicaragüense en el Gobierno con Dona Violeta* (Managua: Fundación Uno, 2005).

6 On Nicaraguan political culture, see Consuelo Cruz, *Political Culture and Institutional Development in Costa Rica and Nicaragua: World Making in the Tropics* (Cambridge: Cambridge University Press, 2005); Forrest D. Colburn and Arturo Cruz S., *Varieties of Liberalism in Central America: Nation-States as Works in Progress* (Austin: University of Texas Press, 2007); Andrés Pérez Baltodano, "Political Culture," in *The Sandinistas and Nicaragua since 1979*, ed. David Close et al (Boulder: Lynn Rienner, 2012), 65-90; and Daniel Chávez, *Nicaragua and the Politics of Utopia: Development and Culture in the Modern State* (Nashville: Vanderbilt University Press, 2015).

political families of Granada (in particular the independent media of the Chamorros), a prosperous business elite fed up with an exorbitant level of official venality, the Catholic Church hierarchy, and a next generation of rebellious university students.

DANIEL ORTEGA'S NICARAGUA: ILLIBERAL DEMOCRACY WITH NICARAGUAN CHARACTERISTICS

Who is Daniel Ortega Saavedra?⁷ Observers can agree that Ortega, 72, is a disciplined and hard-working political animal; a rather cold, stoic individual of few words and very few enduring friendships; a patient listener who is effective at summations and consensus-building; and an uninspiring orator. Ortega is a survivor, having endured prolonged imprisonment and torture, while maintaining political power, off and on, for nearly four decades.

To his detractors, Ortega is deceitful and manipulative and has become inured to and corrupted by power. His wife and now vice president, Rosario Murillo, 67—intelligent, organized, and hot-tempered—stokes her husband's lust for family wealth and permanent authority. To his hard-core loyalists, Ortega is the strong, enduring leader who safeguards national sovereignty, champions the dispossessed, protects the party faithful, and defends the revolution.

Ortega regained power as the result of the internationally supervised democratic elections of 2006, replacing the more traditional parties (Conservatives and Liberals) that had governed since 1990. Once back in office, the Sandinista *commandante* gradually eroded democratic checks and balances, following the playbook of democratic backsliding that is now all too common around the world,⁸ albeit with Nicaraguan characteristics. During the last decade, the Nicaraguan *caudillo* has trodden a path from reluctant utilitarian democrat to illiberal democrat (soft authoritarian) to today's hardened autocrat.⁹

Ortega's democratic backsliding has included special characteristics tailored to Nicaragua's unique political culture. Ortega managed his consolidation of power by combining the social justice themes of the FSLN and its solid political base with a corporatist accommodation of organized business, labor unions, and the Catholic Church. His political tools of effective statecraft have included his personal ties with key players, the daily operative resolution of mundane problems, the dispensing of favors, and greasing of palms. Over the years, Ortega overcame innumerable challenges to his authority within the FSLN, while nurturing his own loyal cadres.

The presidential elections of 1996 and 2001 suggested that the FSLN had a solid electoral base of some 35 to 40 percent (Figure 1), ensuring gains in the national legislature and municipalities. However, the FSLN stood little chance of gaining an absolute majority in presidential elections, nor would the FSLN be likely to prevail in a second-round run-off against a unified opposition candidate. Ortega removed these barriers to power through a wide-ranging deal ("*el pacto*") with his main opponent, the leader of the Liberal Party, former president Arnoldo Alemán (1997-2001). The two *caudillos* agreed to amend the

7 There is no definitive biography and Ortega rarely grants interviews. For one interpretation, see Kenneth E. Morris, *Unfinished Revolution: Daniel Ortega and Nicaragua's Struggle for Liberation* (Chicago: Lawrence Hill Books, 2010).

8 Steven Levitsky and Lucan A. Way, *Competitive authoritarianism: Hybrid regimes after the cold war* (Cambridge: Cambridge University Press, 2010); and essays in "Is Democracy Dying? A Global Report," *Foreign Affairs*, May-June, 2018, <https://www.foreignaffairs.com/press/2018-04-17/global-report-decline-democracy>.

9 Andrés Pérez Baltodano refers to a "pragmatic resignation" ("Political Culture").

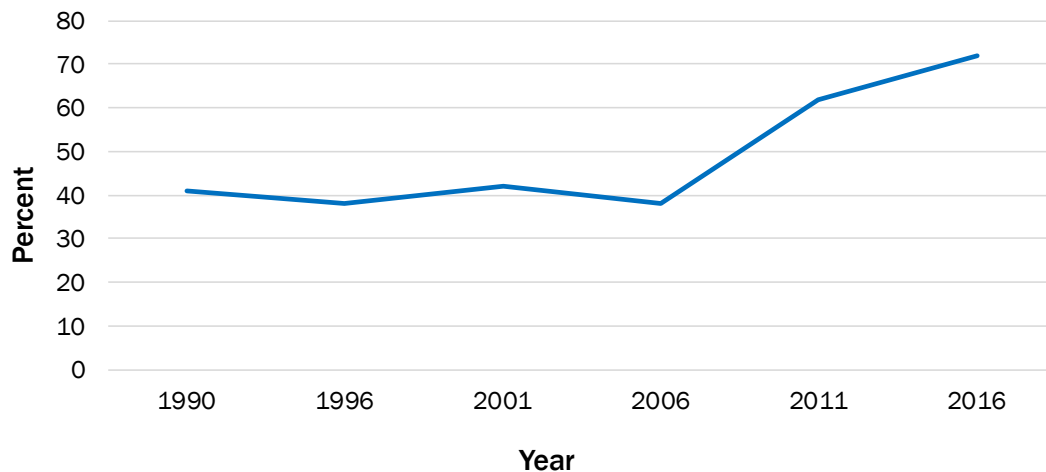
constitution to allow a 35 percent vote to decide a presidential election (provided the winner had at least a 5-percent margin over the runner-up). Thus, if Ortega could hold his 35- to 40-percent base, he could finish first and win, so long as the opposition presented two or more competitive candidates, conditions that held in 2006.¹⁰

The Alemán-Ortega deal also provided for partisan appointments to the key oversight institutions, the Supreme Electoral Council (*Consejo Supremo Electoral*, CSE) and the Supreme Court, among other agencies. Ortega shrewdly used his influence in the judicial system to blackmail Alemán, who was facing multiple corruption charges, to allocate more and more personnel placements to FSLN loyalists; in return, the courts slashed Alemán's sentences and allowed him the luxury of house arrest.

Ortega's rule took on other common traits of illiberal democracy.¹¹ During the municipal elections of 2008, the FSLN fattened its margins of victory through electoral fraud (provoking a reduction in U.S. economic assistance). Over time, Ortega built on his expanding power bases in the judiciary and legislature to permit the re-election of the president, enabling him to run again in 2011 and again in 2016. He and his associates gained control over a growing share of TV and radio station coverage. He used state institutions to harass opponents and to disqualify opposition parties and politicians. Vilified as foreign agents, many non-governmental organizations struggled to continue to operate under increasing risk.

Henceforth, the opposition politicians and media questioned Ortega's constitutional legitimacy. In Nicaragua, alas, a common proposition—that the peaceful electoral transition from one political party to another indicated democratic consolidation—proved premature.

FIGURE 1. NICARAGUAN PRESIDENTIAL ELECTIONS: FSLN VOTING SHARES 1990 - 2016



Source: Nicaraguan Supreme Electoral Council.

10 On the gradual degradation of the Nicaraguan electoral system, see The Carter Center, Nicaragua election observation missions, 2001, 2006 and 2011, <https://www.cartercenter.org/countries/nicaragua.html>; Shelley A. McConnell, "The Uncertain Evolution of the Electoral System," in *Sandinistas and Nicaragua*, 121-160; and David R. Dye, *Democracy Adrift: Caudillo Politics in Nicaragua* (Managua: Prodeni, 2004). The pivotal 2006 election hinged on two contingencies: The opposition fractured behind two candidates while the popular leader of a Sandinista splinter party, Herty Lewites, died of a heart attack just four months before the vote.

11 Usefully summarized in Edmundo Jarquín (ed.), *El Régimen de Ortega: Una Nueva Dictadura Familiar en el Continente?* (Managua: Pavsá, 2016).

By 2011, the FSLN majority had swelled to 62 percent of the vote, rising to 72 percent in the 2016 presidential race (Figure 1). Paradoxically, even without electoral fraud, Ortega would probably have won both contests. He ruled over an economic policy that combined stable macroeconomic growth with a variety of cost-effective, impactful social programs.

Politically, Ortega successfully reached out beyond the FSLN political base to key constituencies in the business and religious communities. Ortega and his capable economic advisor, Bayardo Arce, solidified an ongoing dialogue with the leading private sector organizations, routinely hammering out accords on all major economic matters before submitting for prompt approval by the unicameral legislature. Ortega also overcame years of conflict between the FSLN and the Catholic Church hierarchy, acceding to anti-abortion legislation and renewing his wedding vows in a Cathedral ceremony.

During electoral campaigns, Ortega—with his increasingly influential wife, Rosario Murillo, a communications expert—rebranded the FSLN identity and their own public personas to broaden their appeal, transforming their imagery from that of a sectarian worker-peasant-student insurrectionary force into a nationwide movement of a Nicaragua “*Cristiana, Socialista, Solidaria*” (Christian, Socialist, Solidarity). Bleached in softer, pastel colors and smiling faces, ubiquitous street posters and TV ads promised love and well-being for all Nicaraguans.

Responsible populism and international assistance

To finance his domestic strategies of responsible populism, Ortega harvested international financial resources from a wide variety of sources, drawing both from the Washington-based international financial institutions (IFIs) and from the national populist President Hugo Chávez of Venezuela and his Alianza Bolivariana para los Pueblos de Nuestra América (ALBA).¹² There was a consistency between Ortega’s domestic policies of building a broad coalition—stretching from the corporate boardroom to the urban slum—and his international diplomacy that courted both the conventional International Monetary Fund and Chávez the socialist firebrand.

The IFIs repeatedly endorsed and helped to finance the economic policies of the Ortega government (at least until this year’s political upheaval).¹³ At the same time, Venezuela supplied an average of \$460 million a year from 2008 to 2015 in loans and grants (excluding investments) (Figure 2).¹⁴ Increasingly enthusiastic, private foreign investors funneled capital into Nicaragua as well. Remittances from the diaspora living primarily in the United States and Costa Rica also rose steadily. Exports earnings expanded, from a balance of tourism, agriculture, and low-wage industries in free-trade zones. Nicaragua enjoyed sustained growth of 4 to 5 percent per annum: Social programs expanded and poverty levels declined.

12 On responsible populism, see Arturo Cruz S., “Elecciones 2016,” remarks before the American Chamber of Commerce, Managua, October 26, 2016.

13 For example, the World Bank posted on its website: “Despite global economic turbulence, Nicaragua has stood out for maintaining growth levels above the average for Latin America and the Caribbean.” “The World Bank in Nicaragua,” April 16, 2018, <https://www.worldbank.org/en/country/nicaragua>. However, upon the outbreak of “political and social instability,” the World Bank, on its website, began to revise its Nicaraguan assessments. For the IMF’s pre-crisis Article IV consultation, see <https://www.imf.org/en/Publications/CR/Issues/2017/06/27/Nicaragua-2017-Article-IV-Consultation-Press-Release-and-Staff-Report-45008>.

14 “Informe de Cooperación Oficial Externa 2017,” Central Bank of Nicaragua, 2018, Table 1, 15, https://www.bcn.gob.ni/publicaciones/periodicidad/semestral/cooperacion/ICOE_2.pdf; see also “2017 Article IV Consultations,” 42-44 and Table 7; Enrique Sáenz, “La Gestión económica: Despilfarro de oportunidades? In E. Jarquin, 209-265; and Carlos F. Chamorro, “The right to know about Albanisa,” *El Confidencial*, April 14, 2016, <https://confidencial.com.ni/the-right-to-know-about-albanisa/>.

FIGURE 2. FINANCIAL INFLOWS, 2008-2017 (\$US MILLIONS)

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Multilateral Institutions	460	654	488	529	533	534	562	6060	624	773	5763
Venezuela	325	344	522	564	556	559	502	297	134	30	3833

Note: Most inflows from the multilateral institutions were accounted for by the World Bank Group, the Inter-American Development Bank, and the Central American Bank for Integration and Development (CABEI).

Source: Central Bank of Nicaragua, “Informe de Cooperación Oficial Externa 2017.”

In particular, funds from both the IFIs and Venezuela markedly upgraded the nation’s energy and transportation grids. For many Nicaraguans, the FSLN government delivered.

In 2017 and 2018, as the Venezuelan economy collapsed and transfers to Nicaragua declined sharply (Figure 2), the government had to cut back on some social programs and consumer subsidies. Tougher fiscal times laid ahead, jeopardizing Ortega’s political strategy of simultaneously pleasing both business leaders and the FSLN popular base.

DRIVERS OF THE 2018 CIVIL INSURRECTION

In what would prove to be a fateful tactical error, the government announced a cost-cutting reform of the public pension system, but without sufficient public discussion or buy-in. On April 18, 2018, senior citizens and their student supporters took to the streets to protest.¹⁵ The government responded with disproportionate force, generating a rapid escalation of repression-protests-repression. Virulent rhetoric by Murillo further incensed the demonstrators, communicating rapidly among themselves on social media (especially Twitter, Facebook, and WhatsApp).

Among the opposition, the issue quickly morphed into the repression itself—and the legitimacy of the Ortega-Murillo regime. In reference to the 1978-1979 uprising, protestors shouted this slogan: “Ortega y Somoza, la misma cosa” (Ortega and Somoza are the same thing).

Shocked by the unprecedented level of official violence, and already irritated by if not estranged from El Carmen (Ortega’s compound), the lead private sector associations, the Catholic Church, and various civil society organizations and unions announced their support for the aggrieved students. Massive marches and three one-day general strikes supported by business brought the urban economy to a momentary halt. As of this writing (October 2018), sporadic violence and unrest continue, as the government methodically identifies and imprisons anti-government leaders under a new, punishing “anti-terrorism” law. The country remains gripped by anxiety and uncertainty.

The precise timing of mass insurrections is impossible to predict. But when they do occur, we can look back and recognize the gradual build-up, the simmering accumulation of resentments, the laying of the tinder that would only require a spark—an external shock, missteps by the government, escalating violence—to ignite the blaze. In the case of Nicaragua, we can trace these drivers of rebellion, roughly in rank order of importance:

¹⁵ The government had repressed a similar student protest against a 2013 pension reform, with the hashtag #OCUPAINSS. See Uriel Pineda, “Protesta y Represión: El Monopolio Privado de la Violencia,” in *El Régimen de Ortega: Una Nueva Dictadura Familiar en el Continente?*, 175-177.

- **Closing off channels of dissent.** The ruling party's margins of victory swelled while the opposition, disrupted by official rulings and internal dissension, became increasingly impotent. As noted above, the ruling FSLN gained firm control of most centers of power, including the executive, legislative, and judicial branches and municipal organs, as well as over the security forces.
- **Prospects of a family dynasty.** When Ortega crowned his spouse, Rosario Murillo, as his vice presidential running mate in 2016, he was broadcasting their intention to remain in power for at least 10 more years. Adding fuel to the fire, the royal couple placed their children in prominent posts, seemingly grooming them for a next generation of dynastic rule.
- **Brazen displays of official corruption.** The royal circle gained ownership of gasoline stations, the firm that provided sumptuous displays of flowers at official events, and major media outlets. Opposition politicians, judges, and regulators were too obviously recipients of illicit payments.¹⁶ The construction costs for over 100 monumental, electrified metal "trees-of-life" in Managua—Rosario's eccentric public art project—were unaccounted for in fiscal budgets.
- **Politicization of the public sector.** Increasingly, government and party were fused. FSLN symbols and banners adorned government buildings. Party membership became a pre-requisite for public-sector employment and for receiving benefits from government programs such as scholarships.
- **Compromise of national sovereignty.** In sharp contrast to his rhetorical devotion to defending national sovereignty, in 2013 Ortega gifted an obscure Chinese businessman with an open-ended jurisdiction over Nicaraguan territory to construct an inter-oceanic canal. The FSLN-controlled legislature rushed to rubber-stamp the accord. Important questions went unanswered regarding environmental impact and the criteria for valuation of lands to be seized for canal construction. Instead, the government violently squashed demonstrators protesting the canal project.¹⁷
- **Student frustrations.** Some 180,000 university students were crammed into overcrowded, underfunded facilities in Managua alone. Many faced uncertain job prospects: Partisan hiring practices in public-sector entities blocked access for those without FSLN affiliation; private firms, generally family-owned, privileged upper-crust lighter-skinned social networks over first-generation graduates.
- **Imposition of hierarchical control within the FSLN.** The Ortega-Murillo couple increasingly selected mayors, union bosses, and student leaders. Prominent FSLN figures that crossed the royal couple disappeared from public life, in one case allegedly committing suicide (the popular mayor of Managua, Alexis Argüello). At the top, Rosario Murillo built her own alternative team that sidelined and alienated long-term Sandinista cadres. Many of the student protestors were disaffected Sandinistas.

16 Transparency International's 2017 Corruption Perceptions Index ranked Nicaragua as tied for 151 of 180, the third-worst ranking for a country in the Western Hemisphere, after Venezuela and Haiti.

17 The canal project, once highly touted by Ortega as fulfilling the nation's historical destiny, appears moribund. The obscure Chinese businessman, Wang Jing, behind the canal project reportedly suffered financial setbacks and the Chinese government has kept its distance from the project and from Nicaragua more generally. Nicaragua maintains diplomatic relations with the Republic of China (Taiwan). See Andrés Oppenheimer, "Four years later, Nicaragua's \$40 billion interoceanic canal remains a pipe dream," *Miami Herald*, July 5, 2017, <https://www.miamiherald.com/news/local/news-columns-blogs/andres-oppenheimer/article159689339.html>.

- **Fraying of relations with key interest groups.** Relations with the main business associations had begun to decay as Rosario Murillo inserted herself and her less experienced cadres, sidelining more pragmatic and experienced FSLN interlocutors. Leadership in the Catholic Church passed to a new generation of more independent, left-leaning bishops.

WHY DID ORTEGA-MURILLO RESPOND WITH A “WHIFF OF GRAPESHOT”?

While the government had increasingly come to rely on its shock troops (referred to as *turbas*, or paramilitaries) to quell dissent, the disproportionate use of lethal force against peaceful demonstrators, initiated on April 28, 2018, was unprecedented.¹⁸ This deadly strategy did succeed, at least temporarily, in dismantling the many street barricades and stabilizing the regime but at a severe cost to its legitimacy. There are several theories as to why Ortega-Murillo responded with overwhelming force:

- In 1795, Napoleon Bonaparte famously quelled anti-regime demonstrations with a “whiff of grapeshot” from his cannons that killed hundreds but restored order and catapulted the young military officer to national fame. Similarly, Ortega-Murillo may have anticipated that a forceful response would intimidate protestors.
- As the protests spread and students erected more and more roadblocks, the police (numbering only some 14,000) were stretched too thin (even when augmented by an estimated 1500 paramilitaries), and so resorted to firearms. Perhaps Ortega did not want to test the loyalty of the 13,000-strong military, even as he has assiduously promoted his influence over the officer corps; alternatively, the military may have balked at overt involvement.¹⁹
- As the government had grown increasingly autocratic, its tolerance for dissent had declined just as its insistence on “controlling the streets” had grown. It may also have reasoned that without Venezuelan money to purchase popular support, it would henceforth have to rely more on coercion to maintain control.
- Conspiracy theories were circulating in official circles, alleging that opposition forces, including dissident Sandinistas backed by U.S. intelligence agencies, were planning “an Arab spring.” Alarmed, the government wanted to stamp out the alleged plot.
- Increasingly powerful but lacking the political finesse of her husband, Rosario Murillo pressed for a forceful response. Rarely appearing in public, Ortega’s own physical and mental well-being were in question; certainly, he seemed disoriented at the outset of the crisis.

Alternatively, for Ortega—who had seen many thousands perish during the 1978-1979 Sandinista revolution and the Contra wars of the 1980s—a few hundred deaths was an acceptable price to pay, once again, to defend his revolution.

18 For the OAS’ Inter-American Commission on Human Rights (IACHR) assessment of the government’s “excessive use of force,” see “IACHR Issues Report on Nicaragua’s Serious Human Rights Situation,” Organization of American States, June 22, 2018, http://www.oas.org/en/iachr/media_center/PReleases/2018/134.asp.

19 See Randy Pestana and Brian Latell, “Nicaraguan Military Culture,” Florida International University, April 2017, <https://gordoninstitute.fiu.edu/policy-innovation/military-culture-series/randy-pestana-and-brian-latell-2017-nicaraguan-military-culture.pdf>. On military loyalty, see David Pion-Berlin and Harold Trinkunas, “Civilian Praetorianism and Military Shirking During Constitutional Crises in Latin America,” *Comparative Politics* 42, no.4 (July 2010): 395-411, <https://www.resdal.org/experiencias/lasa2009-paper-pionberlin-trinkunas.pdf>.

U.S. POLICY, THEN AND NOW

The prolonged presence of U.S. Marines in Nicaragua in the early 20th century carved a lasting impression in the local imagination. Nicaraguans were convinced that their destiny was decided in Washington. In 1934, when General Anastasio Somoza García lured the legendary guerilla leader Augusto César Sandino to peace talks only to order his execution, many Nicaraguans assumed that the U.S. lurked behind the betrayal (there is no evidence of such a conspiracy).

In fact, rather than the United States being in control, local Nicaraguan actors have often outmaneuvered U.S. diplomats. Famously, as the Sandinista-led insurrection gained steam, the Jimmy Carter administration sought to persuade the last of the Somoza dynasty, Anastasio “Tacho” Somoza Debayle, to acquiesce to a peaceful transition. The dictator feigned negotiations only to hold desperately onto his throne, Sampson-like, until the regime was collapsing all around him and the surging Sandinista army had reached the gates of Managua.²⁰

Never a fan of Daniel Ortega, intermittent U.S. efforts to deter him have failed more often than not. Having unsuccessfully sought to block a military victory by the FSLN, President Carter then tried to engage pragmatically with the revolutionary government led by Ortega, to little consequence. Later, and at great cost in Nicaraguan lives and the economy, the Ronald Reagan administration fueled the bloody Contra wars, successfully pressing Ortega to hold internationally supervised elections against a single opposition candidate.²¹ The heterogeneous opposition rallied around Violeta Barrios de Chamorro, the widow of a prominent publisher whose brutal assassination, it was widely believed, had been ordered by Somoza. At the ballot box, voters—wary of war and gross economic mismanagement—ousted the youthful incumbents in favor of a charismatic woman promising peace, reconciliation, and economic renewal.

In the 2006 elections, U.S. diplomats sought, this time without effect, to unify a splintered opposition in order to thwart Ortega’s comeback. Changing tack, upon Ortega’s return to the presidency, and hoping to restrain his evident authoritarian tendencies, the United States again extended a helping hand. Ignoring U.S. entreaties, in the 2008 municipal elections Ortega fattened the FSLN advantage through legal maneuvers and electoral fraud. The United States then turned its support to non-governmental organizations and pro-democracy training programs; these programs, however valuable in their own terms, proved unable to halt Ortega’s relentless consolidation of power.

In the interceding years, U.S. pronouncements criticized electoral manipulations and the erosion of institutional checks and balances. However, Ortega’s cooperation with U.S. counter-narcotics programs and with the international financial institutions, as well as his continued participation in the U.S.–Central America Free Trade Agreement (CAFTA-DR), provided some ballast to the relationship. To many in Washington, Ortega appeared as a pole of stability—a reliable partner—in a disconcertingly unstable region. In Managua, U.S. envoys frequently fretted about lack of coherent policy guidance and inattention from Washington.²²

20 Anthony Lake, *Somoza Falling: A Case Study of Washington at Work* (Amherst: The University of Massachusetts Press, 1989).

21 Robert Kagan, *A Twilight Struggle: American Power and Nicaragua, 1977-1990* (New York: Free Press, 1996).

22 Based on author conversations with U.S. diplomats, Managua, various years.

U.S. responses to the April 2018 insurrection²³

U.S. officials were just as surprised by the intensity of the April 2018 civil insurrection as were most Nicaraguans. U.S. officials quickly denounced government repression of peaceful protests and called for the deployment to Nicaragua of human rights observation missions.²⁴ Simultaneously, the United States pushed hard in the OAS and U.N. for strong public statements. The United States also supported the internal Nicaraguan dialogue, sponsored by the Catholic Church, between the government and the opposition Civil Alliance for Justice and Democracy. The dialogue, however, was poorly conceived, lacking orderly procedures and an agreed agenda. Each opposition grouping demanded direct participation, swelling the number of participants, and media—including television—were present. The opposition appeared not to have settled upon a common strategy, with some spokespersons directly confronting a seemingly stunned Ortega and emphatically demanding his immediate departure. Government representatives sought to divert the conversation toward economic issues, including the pension reform that had sparked the uprising. The national dialogue quickly broke down amidst mutual recriminations and distrust.

As previous U.S. administrations had discovered, the Trump administration found that it could muster only very limited leverage to affect the calculations of Nicaraguan politicians. That was especially true for an entrenched autocrat who still enjoyed a firm basis of popular support, even if minority, and loyalty among the commanders of the military and police. The United States had already sharply reduced its development assistance, and military-to-military exchanges were modest. The U.S. government requested the return of some 40 vehicles used in the repression, the Nicaraguans complying without protest. There was little purpose, the United States surmised, in attempting to impose a formal arms embargo that did not commit states friendly to Ortega such as Venezuela, Cuba, and Russia.²⁵ While Nicaraguan exports are very dependent upon the U.S. market, U.S. government lawyers found that the CAFTA-DR did not provide a mechanism for the United States to expel a single nation. With like-minded governments, the United States might work behind the scenes to block new loans in the IFIs, but the pipeline of already approved loans—more important in the short-term—depend on signed contracts that are more difficult to interrupt. Under the Global Magnitsky Human Rights Accountability Act of 2016, Washington slapped financial sanctions on three senior Sandinistas close to Ortega-Murillo.²⁶

Nicaragua may turn to the International Monetary Fund (IMF) for balance of payments support. While the U.S. government does not wield a blocking voting share, it could probably rally sufficient support among European and Latin American members to block a loan from coming to the executive board for a vote. In any event, the downward

23 Based on author interviews, Managua and Washington, D.C., September 2018.

24 “Ongoing Violence in Nicaragua,” U.S. Department of State press release, June 18, 2018. <https://www.state.gov/r/pa/prs/ps/2018/06/283311.htm>.

25 In 2016, Russia supplied Nicaragua with 20 T-72 tanks from its surplus stocks. See “Nicaraguan Military Culture,” 26. However, so far there are no visible signs that Russia or China has sought to exploit the current crisis. Nicaragua maintains diplomatic relations with Taipei, not Beijing.

26 Francisco Díaz, director of the National Police; Fidel Moreno, secretary to the mayor of Managua; and Francisco “Chico” López, ex-president of Petroleum of Nicaragua (Petrico). Roberto Rivas, ex-president of the Supreme Electoral Commission, had been sanctioned earlier. On implementation of the Magnitsky Act, see “Financial Tools for U.S. Policy Toward Nicaragua and Venezuela: a conversation with U.S. Treasury Assistant Secretary Marshall Billingslea,” Brookings Institution, October 24, 2018, https://www.brookings.edu/wp-content/uploads/2018/10/fp_20181024_nicaragua_venezuela_billingslea_transcript.pdf.

spiral of the Nicaraguan economy will likely only be reversed by a domestic political settlement.²⁷

Many Nicaraguans might have welcomed an external use of force that excised the Ortega-Murillo couple, but neither Washington nor the international diplomatic community had much stomach for such an adventure. Within the U.S. government, Latin America was too low a priority to command the allocation of significant additional resources; within the region, Venezuela, Colombia, and Cuba ranked as higher priorities above Nicaragua. Furthermore, inside the U.S. foreign affairs bureaucracy, senior Latin American posts were in rotation or awaiting Senate confirmation (or assigned to Cuban-Americans who disliked Ortega but were more intensely interested in combating governments in Havana and Caracas). All this within a national security system that was in an unprecedented state of disarray.

In this unpromising context, the U.S. government mounted several modest attempts at international mediation. Caleb McCarry, an experienced staffer of Republican Senator and Chair of the Senate Foreign Relations Committee Bob Corker, met with Ortega-Murillo, as did the U.S. Ambassador to the OAS Carlos Trujillo. McCarry thought he had obtained certain commitments from Ortega, only for Ortega later to reverse course. Trujillo failed to elicit progress, concluding that Murillo in particular intended to stay in power at all costs. Separately, a team from the international negotiations firm Inter Mediate abandoned Managua after a brief, futile visit.

From these experiences, the U.S. government concluded that it would be useless to dispatch more envoys or attempt mediation in the absence of evidence that Ortega-Murillo had decidedly softened their posture. Otherwise, the royal couple were likely to manipulate mediation efforts to buy time or fracture the opposition, as President Nicolás Maduro had done in Venezuela.

Washington has concluded that Ortega is no longer a pole of regional stability (Box 1). Haunted by the dramatic humanitarian crisis in Venezuela, it seeks a negotiated resolution that would force early elections in which Ortega and Murillo could not run. It also would like to see the disparate opposition coalesce into a more coherent political force. Consistent with pending legislation, the administration may seek to ratchet up financial pressures to signal to Managua that policy inertia is not a viable long-term option.²⁸ In a fiery speech in Miami prior to the 2018 midterm elections, National Security Advisor John Bolton threatened Nicaragua with “the full weight of America’s sanctions regime.”²⁹ Meanwhile, the administration does not feel the moment is ripe for a major new diplomatic initiative.³⁰

27 The IMF projected that the Nicaraguan real (inflation-adjusted) GDP would contract by 4 percent in 2018, an 8 percentage point reversal from an earlier, pre-crisis projection of a positive 4 percent expansion, and projected a further 1 percent decline in 2019. “World Economic Outlook,” International Monetary Fund, October 2018, Table A4, 157, <https://www.imf.org/en/Publications/WEO/Issues/2018/09/24/world-economic-outlook-october-2018>.

28 The Senate Foreign Relations Committee on September 26, 2018 approved legislation to restrict IFI funding and to impose targeted sanctions on select Nicaraguan government officials. See: Nicaragua Human Rights and Anticorruption Act of 2018, S. 3233, 115th Cong. (2018), https://www.foreign.senate.gov/imo/media/doc/S_3233.pdf.

29 Carmen Sesin, “Ahead of elections in heavily-Latino Miami, Bolton talks tough against Cuba, Venezuela,” *NBC News*, November 1, 2018, https://www.nbcnews.com/news/latino/ahead-elections-heavily-latino-miami-bolton-talks-tough-against-cuba-n929991?cid=public-rss_20181102.

30 For a recent statement of U.S. policy, see: Laura Dogu, “Discurso De La Embajadora: Reflexiones De La Embajadora Laura Dogu,” (speech, Managua, October 29, 2018), <https://ni.usembassy.gov/es/discurso-de-la-embajadora-reflexiones-de-la-embajadora-laura-dogu/>.

BOX 1: FIRST-ORDER QUESTION: IS ORTEGAA A SOURCE OF STABILITY OR INSTABILITY?**Stability**

- **Decades of experience in governance.** Ortega has deep social networks throughout all branches of government.
- **Hierarchical control of the FSLN,** which is by far the largest, best organized political party.
- **Loyalty of the security forces.** During his 11-plus years in power, Ortega fortified his ties with senior officers by granting them access to commercial assets. Since the April 2018 insurrection, active duty in conflict has cemented institutional cohesion in the police and instilled fears of retribution should the opposition come to power. There are no visible signs of fractures within the military hierarchy.
- **Counter-narcotics efficacy.** Under Ortega, the security forces have worked effectively in limiting penetration by international criminal organizations (ICOs), cooperating actively with U.S. counter-narcotics agencies.
- **Risks of the unknown.** The removal of Ortega–Murillo could usher in a period of instability and potentially even of renewed civil unrest. The opposition is a broad-based coalition of recent creation that could splinter under the weight of governmental responsibility.

Instability

- **False promise of autocratic stability.** Under autocratic rule, public opinion polls and even elections may not register the true feelings of the population. The sudden, unanticipated April 2018 upheaval revealed widespread, festering anger at Ortega–Murillo and their governance style. Ortega’s working relations with private sector organizations and the Catholic Church have collapsed.
- **Ortega is no longer a trustworthy interlocutor,** after so many years of wily maneuvers, shifting loyalties and broken promises. Further, the post-insurrection bloodletting, leaving hundreds dead and thousands wounded, has generated a destabilizing level of extreme polarization. The departure of the royal couple is a sine qua non for the restoration of some level of civic harmony.
- **The political breakdown has sabotaged the economy** and undermined investor confidence. Rising unemployment is generating out-migration and threatening further social unrest. Ortega’s rhetorical attacks on leading business associations and his new drift toward a “people’s economy” rooted in micro-enterprise is not reassuring. Economic recovery is not possible without a political settlement.
- **Regional implications.** Regionally, the consolidation of autocratic rule in Nicaragua would send the wrong message throughout an already deeply troubled Central America. It would also suggest that the presumptive regional hegemon, the United States, is unwilling or unable to sustain liberal democracy even in nearby, small states. Further, it would be interpreted as an auspicious development by the Chavista government in Caracas and its allies in Havana.

THE OAS TAKES CENTER STAGE

In the immediate wake of the outbursts of violence, the Organization of American States and the U.N. High Commissioner on Human Rights sent expert missions to Managua to assess the situation. The ensuing reports were remarkably prompt, detailed, and direct, squarely placing the major blame for the violence and casualties on the government. The June 21, 2018 report of the OAS' Inter-American Commission on Human Rights (IACHR) found:

“the State’s repressive action has led to at least 212 deaths, 1,337 persons wounded as of June 19...in view of the scope of the State’s violence and the type of strategies implemented by the State, it is obvious that there is coordinated action to control public spaces and repress social protest...the information received describes a pattern of state agents, mainly members of the National Police of Nicaragua and its anti-riot brigades, para-police forces, as well as strike groups or mobs, acting in concert with the Police.”³¹

These international findings were impactful in certifying the opposition’s claims. The findings also negated the Nicaraguan government’s narrative, broadcast repeatedly on government-oriented media, claiming the reverse logic: that the demonstrators were responsible for the violence and that many of the casualties were Sandinistas and police.³²

The OAS Permanent Council of ambassadors created a mechanism to place experts on the ground in Nicaragua to monitor compliance with the recommendations of the Inter-American Commission on Human Rights (IACHR) report and to continue to collect information on the human rights situation. However, the Nicaraguan government refused to cooperate with the OAS experts. Furthermore, on August 30, 2018 the government went so far as to expel the human rights delegation that had been dispatched by the U.N. High Commissioner’s office (OHCHR).

On July 18, the OAS Permanent Council approved a strongly worded resolution condemning the systematic violations of human rights by the Nicaraguan government.³³ In a follow-up resolution on September 12, the Permanent Council called upon its members to implement “appropriate diplomatic measures to assist in the restoration of rule of law and the protection of human rights in Nicaragua.”³⁴ These were unusually strong initiatives for an institution traditionally reluctant to chastise member states. It remains to be seen, however, whether nations would impose serious diplomatic or economic sanctions or otherwise engage more deeply in the Nicaraguan crisis. So far, the Nicaragua case exemplifies both the strengths and weaknesses of the premier political body governing inter-American relations.

31 “Gross Violations of Human Rights in the Context of Social Protests in Nicaragua,” Inter-American Commission on Human Rights, June 21, 2018, http://www.oas.org/en/iachr/media_center/PReleases/2018/134.asp.

32 The report of the OAS’ IACHR also decried the government’s media campaign: “The IACHR noticed that the State’s response also included the dissemination of propaganda and stigmatization campaigns. Since the start of the protests, information has been disseminated which fails to recognize the grievances of the protests, any information about police repression is left out and the protesters, especially young people who block roads, are accused of being ‘delinquents’ or ‘vandals’ who are committing ‘acts of terrorism and of organized crime’ and causing ‘chaos, pain and death’ in the country and of violating the right to work of Nicaraguan families.” See “Gross Violations.”

33 The resolution was approved with 21 votes in favor (Colombia, Costa Rica, Ecuador, United States, Guatemala, Guyana, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Dominican Republic, Saint Lucia, Uruguay, Antigua and Barbuda, Argentina, The Bahamas, Brazil, Canada, Chile), three against (Nicaragua, Saint Vincent and the Grenadines, Venezuela), seven abstentions (El Salvador, Grenada, Haiti, Suriname, Trinidad and Tobago, Barbados, Belize), and three absences (Dominica, Saint Kitts and Nevis, Bolivia).

34 “Recent Events in Nicaragua,” Organization of American States, September 12, 2018, CP/RES. 1110 (2182/18), http://www.oas.org/en/media_center/photonews.asp?sCodigo=FNE-94950.

The OAS' speedy and firm response, if stopping short of mandatory sanctions, reflected several recent shifts in regional politics. OAS Secretary General Luis Almagro, once favorable toward Ortega, has become extraordinarily outspoken in criticizing both the governments of Nicaragua and Venezuela: Leadership can make a big difference in international organizations. The decline of Venezuela and its ALBA grouping freed some of the democratic governments in the Caribbean to condemn gross violations of human rights. The shift toward more centrist or conservative governments in several Latin American countries compounded Ortega's growing diplomatic isolation. Finally, it must be said, there was little cost to alienating Nicaragua, a small economy in Central America.

THE OUTLINES OF A SOFT LANDING

The main components of a negotiated agreement to resolve without further bloodshed the Nicaraguan crisis are readily discernable. They would meet the key demands of the opposition to begin to reverse the democratic backsliding, focusing initially on reforms to the electoral system. But a viable accord would also need to respond to key concerns of Ortega-Murillo and the FSLN, whose electoral support has almost certainly eroded but remains substantial. The way forward can combine:

- An agreement with Ortega-Murillo that secured their eventual departure from government. Much of the opposition strongly prefers their early resignation, prior to elections (and their temporary exile to a safe-haven such as Panama or Cuba). Alternatively, the pair remains in power until elections but agrees not to run for re-election. Either course would be combined with guarantees for the couple, their family members and close associates, their accumulated assets, and safety from national and international prosecution;
- In the event of their early departure and following constitutional procedures, the replacement of Ortega-Murillo by a widely respected national figure during a brief transition;
- Reforms of the electoral institutions (possibly requiring a 50 percent voting share or a second round in presidential elections) and of the Supreme Court, rendering them more impartial and credible; and credible terms for election monitoring by both accredited national and international observers;
- Advancing presidential elections from the scheduled November 2021 to 2020, allowing time for reform of the electoral mechanisms and for the opposition to coalesce into a political force and prepare for campaigning;³⁵
- Cleansing of the compromised national police and disbanding of the paramilitaries;
- The establishment of a national truth and justice commission under rules appropriate to Nicaragua today.

Later during the transition, other complex issues would require attention. How to begin to separate the state bureaucracy from the FSLN party; free and fair elections for Congress and municipal authorities; and perhaps most critically, a commitment from

35 For a list of potential reforms, see "Electoral Observation Mission to the November, 2017 Nicaragua municipal elections," ("recommendations"), Organization of American States, <http://www.oas.org/eomdatabase/missionRecomm.aspx?Lang=en&Id=395&MissionId=472>.

the FSLN leadership not to attempt to repeat the debilitating tactics of the 1990s, when the FSLN under Ortega “ruled from below” with constant strikes and other concerted forms of disruption. At the same time, the international community and opposition would have to accept that the FSLN is likely to remain a potent and legitimate political force and that its members’ personal safety and civil liberties must be guaranteed.

In addition, broad agreement on an economic plan of reconstruction, contingent upon a political settlement, would contribute to a quick economic recovery. The IFIs would provide essential financial and technical resources. The lending institutions could continue with project assistance while adding critical balance-of-payments support to restore financial stability and business confidence.

To reach such agreements, all parties will have to display a realism too often absent from Nicaraguan calculations. Early in the insurrection, the opposition mishandled the aborted national dialogue and ignored the resilience of the FSLN. Today, Ortega-Murillo seemingly underestimate the depth and endurance of opposition forces and the degrees to which their governance had generated antibodies, especially among the youth. The opposition would have to agree to a package of sticks and carrots that motivate FSLN compliance.

Most importantly, Ortega-Murillo, having grown accustomed to unchecked power, must conclude that their own futures and those of their family and close associates are best secured by a compromise outcome. If civil unrest continues and the economy erodes further, the FSLN political base is likely to blame the government for their distress, perhaps incentivizing Ortega-Murillo to accept a graceful exit. Alternatively, economic collapse could create pressures for the security forces to urge all parties to negotiate.

Deep distrust among political actors in Nicaragua, exacerbated by the current trauma, is imbedded in the long history of internecine conflicts and betrayals. Therefore, the negotiation and implementation of such accords will likely require a significant international presence. At the proper moment, the United States or a combination of governments acting under the aegis of the OAS or the United Nations, could send a senior envoy to spur a meeting of the minds (cognizant of a history warning that success is far from certain). Furthermore, the OAS, United Nations, and the European Union are experienced in acting as third-party guarantors, including in recent decades in Nicaragua. Among their tasks would be the vetting of the police and dismissal of the paramilitaries, and the reconstruction of an efficient and impartial electoral system.

This peaceful landing scenario judges that Ortega-Murillo have, on balance, become destabilizing forces whose removal is a *sine qua non* for political progress (See Box 1). Building on a national recognition of “collective guilt,” all actors would do well to re-examine their political styles and seek to reform institutions and incentives, to escape yet another round of civil strife and self-destruction (See Box 2).

The costs of failure could be tragically high. The economy is already in a tailspin, and absent a political settlement, unemployment could skyrocket and social unrest and criminality mount. The government could be tempted to widen its repression and to move against opposing political and economic elites. The outflow of Nicaraguans could continue to swell, exacerbating the refugee crises already apparent in Costa Rica and the Northern Triangle caravans heading toward Mexico and the U.S. border. As occurred in 1978-1979, exiles living in neighboring nations could seek to mount an armed challenge, repeating the devastating cycle of violent repression and response. A destructive downward spiral is a distinct possibility. Let us hope that cooler heads prevail.

BOX 2. COLLECTIVE GUILT

Whenever an authoritarian ruler succeeds in subverting a liberal democracy, however fledgling, many other individuals, parties, or institutions appropriately question their own complicity. In the Nicaragua case, collective guilt is widely shared:

- The original Sandinista leadership, which initially elevated Ortega to the presidency in the 1980s, failed to perceive his true character and intentions. Over time, many Sandinistas uncomfortable with Ortega dropped out of the fray to pursue their own careers and family interests.
- While Ortega advanced his political ambitions 24/7, building a strong base in the FSLN, other politicians campaigned only on weekends.
- Opposition politicians repeatedly cut deals with Ortega that advanced their immediate personal agendas but enlarged Ortega's shares of power. The most notorious example was the 2000 Pact between Ortega and former president and Liberal Party leader Arnoldo Alemán. Giving priority to their personal ambitions, squabbling opposition politicians frequently failed to unify behind a single slate, allowing Ortega and the FLSN to win by pluralities and eventually majority votes.
- Many generals, judges, and other officials compromised themselves by accepting economic inducements from Ortega-Murillo.
- The leadership of the Catholic Church, in return for the regime's anti-abortion posture and the Church wedding of Ortega-Murillo, fell into line during the declining years of Cardinal Miguel Obando y Bravo.
- Bolstered by nearly three decades of economic recovery and expansion, the private sector had gained financial and organizational strength and considerable autonomy from the state. Nevertheless, pleased with the orthodox macroeconomic policies and stable growth and in return for access and favors, many corporate executives acquiesced in Ortega's hegemony over the political sphere.

Looking forward, many young Nicaraguans vociferously reject the traditional political culture of rent-seeking and submissiveness to authority.³⁶ Better educated, more globalized, and more connected through information technology than their elders, they are determined to do better.

36 Sofía Montenegro, *Jovenes y cultura política en Nicaragua: la generación de los 90* (Managua: HISPAMER, 2001).

ABOUT THE AUTHOR

Richard E. Feinberg has travelled frequently to Nicaragua over the last 15 years and has spoken, in informal conversations and more structured interviews, with many of the principals in political, business, and academic circles. His most recent visit was in September 2018. While serving with the State Department's Policy Planning Staff, he met with General Anastasio "Tacho" Somoza in 1978 and while serving with the National Security Council traveled with First Lady Hillary Rodham Clinton to Managua in 1995. Feinberg joined the Carter Center elections observation mission delegation in 2006 and attended the subsequent 2007 inauguration of Daniel Ortega Saavedra.

The Brookings Institution is a nonprofit organization devoted to independent research and policy solutions. Its mission is to conduct high-quality, independent research and, based on that research, to provide innovative, practical recommendations for policymakers and the public. The conclusions and recommendations of any Brookings publication are solely those of its author(s), and do not reflect the views of the Institution, its management, or its other scholars.

BROOKINGS

The Brookings Institution
1775 Massachusetts Ave., NW
Washington, D.C. 20036
[brookings.edu](https://www.brookings.edu)