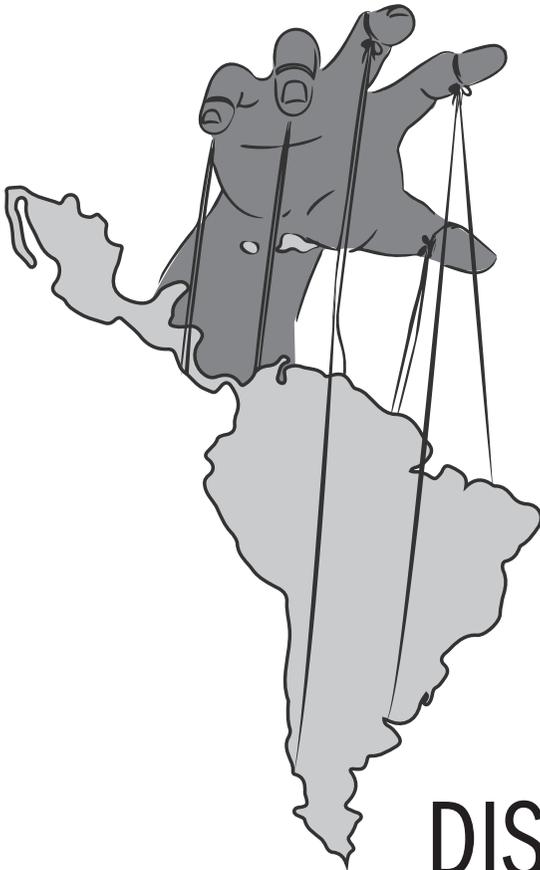


LATIN AMERICA POLICY JOURNAL

A Harvard Kennedy School Student Publication



DISRUPTIVE FORCES

VOLUME 8 - SPRING 2019



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The Nicaraguan Crisis: An Unexpected Awakening Spoils Ortega's Quest for Power

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In September 2008, I was a young man who had just finished a bachelor's degree in economics and was hoping to serve my country as an official in the Nicaraguan public sector, by then governed by an administration that had embarked on a process that would culminate in the dismantling of the democratic institutions of the country. The new government, led by the old Nicaraguan *caudillo* Daniel Ortega, had been elected less than a year before, in a disputed electoral process that allowed him to win with only 38 percent of total votes. Since then, working at the government had become increasingly difficult for those without a political godfather or without membership and active participation in the Frente Sandinista de Liberación Nacional (FSLN), Ortega's party. Nevertheless, I decided to give it a shot, and joined the Ministry of Finance as an intern. After a couple of days, I confronted the extremely politicized atmosphere that dominates the Nicaraguan public sector nowadays: a working environment where political propaganda is present in official documents, emails, the presence of party flags in government buildings, and images of Ortega and his wife, Rosario Murillo, hanging from walls. How could I imagine that such an environment was an omen of even worse things to come?

THE LONG ROAD TO POWER

Ortega's comeback after 16 years in the opposition came through a combination of political maneuvering within and outside his own party, corruption scandals from the opposition, and good timing. After losing the election to Ms. Violeta Barrios de Chamorro in 1990, Ortega was able to retain a considerable amount of power, which allowed him the capacity to influence decision-making from the opposition. For instance, he used his power to threaten Ms. Barrios' government, which had embarked on a series of political and economic reforms to bring back stability after years of war and economic stagnation during the 1980s. Ms. Barrios' government was followed after January 1996 by the Arnoldo Aleman administration. Aleman was a charismatic leader from the center-right Partido Liberal Constitucionalista (PLC), who served as the mayor of Managua, Nicaragua's capital. Aleman's tenure as president was characterized by corruption scandals that surrounded him, his family, and collaborators in his administration. Ortega used these corruption allegations as a coercion device and forged an alliance with Aleman, popularly known as "El Pacto" ("the pact"), by which Nicaragua's major political parties,

at that time the PLC and the FSLN, divided amongst themselves the control of government branches and implemented a series of reforms that would pave Ortega's way to the presidency. Perhaps unwillingly, Enrique Bolaños, who was Aleman's vice president and who succeeded him as president in 2001, gave Ortega a final push to the country's highest office by initiating what Aleman called a "witch hunt" against him and other members of his party who faced corruption allegations. The schism that the episode created within the party was enough to split it into two factions, the PLC and the Partido Liberal Institucionalista (PLI), an event that ultimately gave Ortega the ticket to the presidency of the country.

Another key stakeholder in the quest for power is Ortega's wife. During the revolutionary government of the 1980s and throughout the 1990s, Ms. Rosario Murillo did not have any major decision-making role in the party. However, an opportunity came in 1997, when her daughter, Zoila-merica Narvaez, formally accused Ortega, her step-father, of sexually abusing her during her childhood and adolescence, with the complicity of her mother. Ortega faced a dubious trial, throughout which he did not renounce his immunity as a member of the National Assembly and enjoyed full support from his wife, whose power notoriously increased in the aftermath. Today, Murillo is not only the first lady of the country, but also the vice president. Another important move was the reconciliation of Ortega with the Catholic Church, with which relationships had been severely damaged during the 1980s. To normalize relationships, Ortega made peace with Cardinal Jose Miguel Obando, who eventually married the presidential couple after years of relationship, a sign interpreted as a strategy to attract religious voters. Additionally, over the years Ortega gradually sidelined every possible opponent from within his party. Though during the 1990s internal elections within the FSLN were common, Ortega always managed to win the nomination of the party. Primaries

were ultimately abandoned, and by the time of the 2006 elections Ortega had firm control over the party, with no other FSLN leader able or willing to directly challenge him.

RETAINING POWER BY DISMANTLING A NASCENT DEMOCRACY

The 1990 elections can be viewed as foundational for democracy in Nicaragua.¹ During the 1990s, the country underwent a series of reforms that strengthened democracy and the rule of law. In 1995, under Ms. Barrios' administration, a new constitution was adopted. The new *Carta Magna* decreased the powers of the executive branch. For example, the presidential term limit was decreased from six to five years, and was also limited to one, non-consecutive reelection. Also, relatives of the president were barred from holding posts in the administration. Additional powers were granted to the National Assembly, the legislative body. For instance, the new constitution required an absolute majority to confirm appointees to high government offices proposed by the president. It also envisioned an independent Electoral Council whose members were free from any party affiliation. Another important characteristic of this period was the consolidation of the Homeland Ministry and the Ministry of Defense as the two institutions in charge of overseeing the National Police and the Armed Forces, respectively. In the view of Marti i Puig, the establishment of these institutions was fundamental in the consolidation of civil-military power relationships, since the National Police and the Armed Forces were now required to respond to the Homeland Minister and the Minister of Defense, and not the president directly.²

Despite these achievements, a significant setback was to come. The pact forged by Ortega and Aleman significantly increased partisan influence in the judicial and electoral branches by dividing the number of justices and representatives to

the Electoral Council among both parties. In addition, the electoral law was reformed to allow presidential candidates to be proclaimed winners of an election with only 35 percent of the votes, as long as the difference between the nearest contender was not lower than 5 percentage points. This was by no means a coincidence. Ortega's electoral base had remained almost unchanged throughout the years, never exceeding more than 40 percent of all votes. The division of the PLC, which split into the PLC and the PLI, only benefited Ortega, who saw its former adversary, the PLC, crumbling as a result of internal war-mongering. This party division was fundamental in facilitating Ortega's return to power.

Nevertheless, Ortega and Murillo's work towards power consolidation was far from over. Once in office, the couple focused their efforts on winning the majority of local governments in the 2008 municipal elections. To attain this, they relied again on the Electoral Council. Two main objectives were attained: the first was a move to revoke the legal status of the Conservative Party (PC) and, most importantly, to revoke the legal status of the Movimiento Renovador Sandinista (MRS), founded by former revolutionary leaders who had abandoned Ortega during the 1990s due to his increasingly authoritarian drive. The second was to decrease the oversight of the electoral process by placing obstacles in the way of national and international observers, including representatives of the parties participating in the process. In parallel, Murillo was named the government's spokeswoman and was directly in charge of the entire communication strategy of the government. Murillo developed an impressive communication apparatus, with government propaganda portraying her and her husband as some kind of "savior" who were turning Nicaragua into a country with constant economic growth. In her messages, Murillo combines religion, both Christianity and esoterism, with left-wing political ideology. Additionally, the government focused

on developing an alliance with the private sector. In this regard, the government agreed to maintain and strengthen the neoliberal policy installed by previous governments, encourage foreign direct investment without putting national industry at risk, and maintaining an environment that facilitates doing business in the country. Additionally, a strong mechanism for collaboration and consultation was established in relation to the approval of economic laws. In return, the Nicaraguan private sector committed itself to letting Ortega govern.

After the authoritarian elections of 2008 came the hegemonic elections of 2011.³ In 2010, one year before the next general elections, Ortega and Murillo resorted to one of their closest allies in the judicial branch, Rafael Solís. Solís, who had recently resigned from his post as a Supreme Court justice and his membership in the FSLN, is considered the architect of the legal maneuvers that allowed Ortega to opt for a second continuous term. Solís not only helped Ortega get re-elected, but also paved the way for Ortega to reverse the 1995 Constitutional Amendment limiting presidential re-elections. Again, Ortega and Murillo also used the Electoral Council to consummate a fraudulent election that, among other things, limited oversight and offered limited information on the results by reporting only state-level as opposed to municipal results. According to the official statement by the Electoral Council, Ortega went from 38.07 percent to winning 62.5 percent of the electorate, a whopping 24.4 percentage-point increase over the previous election. At this point, Ortega and Murillo had accumulated so much power that achieving subsequent objectives became relatively easy. In 2012, for the next municipal elections, Ortega and Murillo directly picked the FSLN candidates without any internal competitive nomination process. Out of the 154 municipalities, the FSLN won 134 (87 percent), including all the major cities and the capitals of almost all departments. Again, the Electoral Council proved to be

fundamental to achieve this “victory.” By the next general election in 2016, Ortega and Murillo had completely banned all national and international oversight of the election, removed all credible opposition, placed his own collaborators as his “adversaries” in the election, and limited access to all information concerning the electoral results.

A PARTY-STATE COUNTRY

Despite this authoritarian atmosphere, I decided to go back to the Ministry of Finance after several years working in other public-sector institutions. My interest in the field of planning had grown due to past work experiences, and working for the government provided a good opportunity to specialize within the field. Soon after I arrived, I was informed that I was required to participate in government-led political activities. This meant on-the-ground participation in the delivery of one of the government’s food-security programs and in government rallies, protests, and any kind of political event the party deemed necessary. My colleagues and I were told to wear T-shirts showing political propaganda when we visited the communities, as well as during rallies and public events. Attendance lists were used to keep track of those who either refused or avoided participation, and in several cases these individuals were fired.

It did not take long after rejoining the government that I realized it had been hijacked to serve Ortega’s ambitions. The entire executive apparatus was used to reinforce their authority, but most importantly, the idea that Nicaragua could not be governed by anyone else other than the presidential couple. In addition to using public servants for party activities, the government also used official vehicles to mobilize workers to the party’s meetings and events. For large concentrations in Managua, the party resorted to the public transportation system, using buses to mobilize supporters from low-income

neighborhoods. This left thousands of commuters without transit, forcing them to either pay more or wait long hours for the service to be restored. Government decisions became increasingly centralized, to the point that it created a series of inefficiencies that obstructed policy work. For example, as public servants, we were required to obtain permission from Murillo herself to be able to travel overseas and participate in conferences, events, or meetings. Only a few people in the government are allowed to make public statements, either in speech or in writing. Senior officials avoid taking important decisions due to fear of being fired or being perceived as contravening instructions from the party leaders. There is no government institution free from the party’s influence. Control was also exerted through the government presence on the ground, both at the urban and rural level. In Managua and other cities, party-led committees operate in most neighborhoods and coordinate everything from neighborhood security to leisure activities for the families, combined with political propaganda.

In this increasing concentration of power, and considering Nicaragua’s revolutionary record, one would think a considerable popular reaction would have already taken place, either by way of street protest or by the power of the ballot. Nevertheless, Ortega has been able to maintain economic stability, with an average real GDP growth of 4.2 percent between 2007 and 2017.⁴ Also, the government has attracted foreign investors into the country, which has translated into more jobs, and in some cases, better wages. Additionally, the government has forged a strong alliance with Venezuela, under which it has obtained millions of dollars in aid, ranging from cheap loans to purchase oil or economic assistance to fund social programs. Despite the fact that the government increased its control over all branches of government, thereby eroding the independence of powers, it seemed as if Nicaraguans had traded democracy and rule of law for self-reliance and overall financial stability (national and

personal). Nevertheless, discontent eventually arose.

An important event that contributed to nurture this social dissent was the repression of senior citizens, who in June 2013 demanded an increase in their pensions. The episode, in which many protestors were injured and their belongings such as cell phones and vehicles confiscated, planted a seed of dissent that only grew with subsequent events. One of these was the repression of the peasants' protests against the construction of a massive canal, which authorities reckoned would surpass the neighboring Panama Canal. Other protests, such as those following both municipal and general elections, also faced the same fate, to the point that protesting or exhibiting disagreement or disapproval with the government was met with some kind of violence or with other type of consequences, including financial.

AN UNEXPECTED AWAKENING

The abuse of power, corruption, nepotism, and the constant eroding of state institutions are the fundamental causes that unleashed the current political and economic crisis. While it is true that the tipping point was the approval of the pension system reform in April 2018 that forced workers, retirees, and companies to finance the mismanagement of the social security funds, it was only a trigger that turned the accumulated grievances into a social protest of dimensions never seen since the revolution of 1979. In this regard, the strong repression that was unleashed against university students in 2018 led a large proportion of the population to say "enough." The protest, which initially demanded the repeal of the pension system reform, became an opposition movement on a national (and international) scale, calling for the advancement of elections and the removal of Ortega and Murillo from office. According to a survey done by CID-Gallup, a consulting firm, in September 2018, 61 percent of

Nicaraguans wanted Ortega and Murillo to resign.⁵ Certainly, the crisis allowed for the empowerment of both student and civil society organizations that during the Ortega regime have been harassed, and whose work has been obstructed by public authorities. Also, the magnitude of the repression and the abominable number of deaths (more than 300) left by the government's response to the protests, led the private sector, agglutinated in the Superior Council of Private Enterprise (COSEP), to suspend its "collaboration model" with the Nicaraguan government.

On the international front, reactions and responses did not take long to materialize. On May 31, in a non-legislative resolution, the European Parliament condemned the "brutal repression" of protestors and asked for "credible elections" in the country.⁶ The resolution was approved by 536 votes, with only 39 votes against it. Then, in July 2018, the Organization of American States (OAS), a regional supranational body with considerable influence in the region, held an emergency meeting on Nicaragua and released a resolution condemning "all acts of violence, repression, and human rights violations and abuses committed by police, parapolic groups, and others against the people of Nicaragua."⁷ Twenty-one countries voted in favor of the resolution (out of 31), including the US and Canada, and only three voted against it (namely Venezuela, Bolivia, and Nicaragua). Additionally, the United States has sanctioned five individuals, including Ms. Murillo and Francisco Diaz, the head of the National Police, and the father-in-law of one of Ortega's sons. Furthermore, in November 2018, the White House issued an executive order in which it designated the Nicaraguan government as an "unusual extraordinary threat to the national security and foreign policy of the United States."⁸ The resolution was followed by the approval of the Nicaraguan Investment Conditionality Act, also known as the Nica Act, which restricts borrowing from institutions such as the World Bank and the Inter-American Development Bank, which

together accounted for approximately 47 percent of total foreign aid received by Nicaragua in 2017.⁹

The prospects of the Nicaraguan awakening are unclear. While the country is in a better position now to demand the return to democracy (both in terms of internal momentum and international support), the Ortegas are well armed and enjoy the support of the army and the National Police. They are also backed by Russia, which holds veto power in the UN Security Council. Perhaps what is more relevant to any democratic change is the fact that, over the years, they have created a successful “clientelist” model through which they have secured support from a range of stakeholders within Nicaraguan society. Nevertheless, US sanctions seem like they have started hurting. Due to their relationships with US financial institutions, Nicaraguan banks are re-assessing their relationship with the government. One of Nicaragua’s largest banks, BANPRO, is said to have closed the accounts held by the National Police at that bank in order to maintain its relationship with US financial institutions. More are likely to follow.

While for the country it is fundamental to have international support, the key for any deep democratic transformation relies on the Nicaraguan people. In particular, it is of extreme importance that the anti-government movement remains non-violent. If the National Dialogue is finally resumed, which was suspended by the government last year, the opposition needs to be strategic about what compromises it can actually get. For the moment, the idea of resigning seems far-fetched. A more realistic stance could be to advance the national elections, with supervision from the international community. This is a proposal that has been on the table from the beginning, but to think that the process could take place without the Ortegas, as it has been proposed, may be naive. If such elections are held, Nicaraguan society should see

the potential new government as a transitional one, in charge of not only reverting Ortega’s meddling with the constitution, but also responsible for spearheading a constitutional amendment process that impedes *caudillismo* and upholds democracy, rule of law, and the independence of state powers.

NOTES

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