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Nicaragua in Brief: Political Developments in 2021, U.S. Policy, and Issues for Congress

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Overview

Increasing government crackdowns in Nicaragua against the opposition, journalists, and government critics in 2021 have elevated international concerns, including among Members of Congress, about political developments and the human rights situation in the country. President Daniel Ortega, who was inaugurated to his third consecutive and fourth overall five-year term as president on January 10, 2017, is a polarizing figure both at home and abroad for what many characterize as his increasingly authoritarian rule and recent oppressive actions. General elections, including for the presidency and the National Assembly, are scheduled to be held on November 7, 2021; Ortega appears unlikely to carry out electoral and human rights reforms recommended by the international community before that time. In the absence of such reforms, elections are likely to assure his party's continuance in power and lead the domestic opposition and international community to contest their legitimacy.

Figure I. Nicaragua



Source: Congressional Research Service.

Political Developments¹

President Daniel Ortega, aged 75, has been suppressing popular unrest in Nicaragua in a manner reminiscent of Anastasio Somoza, the dictator Ortega helped overthrow in 1979 as a leader of the leftist Sandinista National Liberation Front (FSLN). Ortega served as president from 1985 to

¹ For background and earlier developments, see CRS Report R44560, *Nicaragua: In Brief*, by Maureen Taft-Morales.

1990, during which time the United States backed right-wing insurgents (*contras*) in an attempt to overthrow the Sandinista government. In the early 1990s, Nicaragua began to establish democratic governance. Nonetheless, the FSLN and Ortega gradually consolidated control over the country's institutions. Ortega reclaimed the presidency in 2007 and has served as president for the past 14 years, creating what the State Department calls "a highly centralized, authoritarian system."² Until 2018, for many Nicaraguans, Ortega's populist social welfare programs, which had improved their standards of living, outweighed his authoritarian tendencies and self-enrichment; similarly, for many in the international community, the relative stability in Nicaragua outweighed Ortega's antidemocratic actions.

Ortega's long-term strategy to retain control of the government began to unravel in 2018, when his proposal to reduce social security benefits triggered protests led by a wide range of Nicaraguans. The government's repressive response included an estimated 325-600 extrajudicial killings, as well as torture, political imprisonment, and suppression of the press, and led to thousands of citizens going into exile.³ The government says it was defending itself from coup attempts.

The 2018 crisis undermined economic growth in Nicaragua, the hemisphere's second-poorest country. Government repression has continued, and international economic sanctions, the Coronavirus Disease 2019 (COVID-19) pandemic, and hurricane damage have worsened conditions in the country. Nicaragua's economy contracted by 3.9% in 2019 and by an estimated 3.0% in 2020; the International Monetary Fund projects it will contract by 0.2% in 2021, with unemployment nearly doubling from 6% to 11% between 2019 and 2021.⁴

The international community has sought to hold the Ortega government accountable for human rights abuses and to facilitate the reestablishment of democracy in Nicaragua. An Inter-American Commission on Human Rights team concluded in 2018 that the Nicaraguan security forces' actions could be considered crimes against humanity. The Organization of American States (OAS) has stated multiple times that the Ortega government has violated the rule of law, altered constitutional order, and violated human rights; the OAS also had urged the Ortega government to commit to concrete electoral reforms by May 2021.⁵ On June 15, 2021, the OAS passed a resolution expressing alarm at Nicaragua's deteriorating human rights situation, "unequivocally condemn[ing]" the arrest and arbitrary restrictions on candidates and the press, and calling for the immediate release of all political prisoners and the implementation of measures for transparent and fair elections.⁶

At a U.N. Human Rights Council meeting on June 22, 2021, 59 countries, including the United States, called on the Nicaraguan government to immediately release multiple presidential contenders and dissidents. They also called on the Nicaraguan government "to engage with the international community, to avail itself of technical assistance, to allow international election observers, and to re-establish dialogue and renew trust in democracy."⁷

² U.S. Department of State, *Nicaragua 2020 Human Rights Report*, March 20, 2021.

³ Organization of American States (OAS), *Report of the High-Level Commission on Nicaragua of the Organization of American States*, November 19, 2019.

⁴ International Monetary Fund, *World Economic Outlook Database*, April 2021.

⁵ See, for example, OAS, "Statement from the General Secretariat on the Situation in Nicaragua," press release E-102/20, October 15, 2020; and OAS, "Resolution Restoring Democratic Institutions and Respect for Human Rights in Nicaragua Through Free and Fair Elections," press release S-019/20, October 22, 2020.

⁶ OAS, "The Situation in Nicaragua," CP/RES. 1175/21, June 15, 2021.

⁷ U.S. Mission to International Organizations in Geneva, "Joint Statement on the Human Rights Situation in Nicaragua:

Dialogue between the government and the opposition collapsed in 2019. Elements of the opposition have tried to unite behind a single candidate for the scheduled November 7, 2021, general elections, but internal divisions persist. In addition, as Ortega's popularity has declined, the Sandinista-controlled legislature has passed a series of laws requiring individuals or groups that receive funding from foreign entities to register as "foreign agents" and granting Ortega the power to declare citizens who support sanctions against Nicaragua or take certain other actions to be "traitors." The laws ban such individuals from running for public office and make them subject to imprisonment. The FSLN has used these laws to eliminate electoral competition. According to the State Department's *Nicaragua 2020 Human Rights Report*, published in March 2021, "government restrictions on freedoms of expression, association, and assembly precluded any meaningful choice in elections."⁸

Since May 2021, the Ortega government has launched a new period of increased oppression, arresting dozens of government critics, including several revolutionary leaders who once fought alongside Ortega. Many others, including journalists, have fled the country, citing safety concerns. Ortega recently defended his actions, saying opposition figures were being used by the United States, which he referred to as "the empire," to boycott elections and "re-sow terrorism in our country."⁹ By July 2021, the government had arrested seven of the most likely presidential candidates; the whereabouts of most of these individuals are unknown, and they are considered unlikely to be released before the candidate registration deadline of August 2.¹⁰ Many observers presume Ortega will run for a fourth consecutive term or select an FSLN loyalist, such as his wife and vice president, Rosario Murillo, to run in his stead.¹¹

For more than a year after the outbreak of the COVID-19 pandemic, the Sandinista government had not established extensive mitigation measures against the disease. In the meantime, civil and regional health organizations had called for voluntary quarantines and stricter health measures.¹² Experts have been concerned that the Nicaraguan government is concealing the disease's spread. As of July 27, 2021, the government reported 9,108 cases and 194 deaths, whereas more than five months earlier, an independent, citizen-run registry had reported almost 13,000 cases and almost 3,000 deaths.¹³ The government moved toward developing a mitigation strategy in July 2021, when it began to limit large-scale activities it had been promoting—although on July 19, it held rallies and other public gatherings to celebrate the anniversary of the 1979 revolution. The government also established commercial biosafety protocols, increased virus surveillance, and dedicated greater resources for health equipment and infrastructure.¹⁴ Nicaragua was then able to secure over \$400 million in pandemic-related assistance from the Inter-American Development

Joint Statement on Nicaragua at the Human Rights Council, Presented by the Nicaragua Core Group on Behalf of 59 Countries Including the United States," June 22, 2021.

⁸ U.S. Department of State, *Nicaragua 2020 Human Rights Report*, March 20, 2021, p. 2.

⁹ Reuters, "Nicaragua's Ortega Arrests Another Rival, Says U.S. Aims to Undermine Vote," July 26, 2021.

¹⁰ Ibid.

¹¹ See, for example, Economist Intelligence Unit, *Country Report: Nicaragua*, July 2021, p. 5.

¹² Elizabeth Gonzalez et al., "The Coronavirus in Latin America," Americas Society/Council of the Americas (AS/COA), February 10, 2021.

¹³ Johns Hopkins Coronavirus Resource Center, "Global Map," July 27, 2021; and Elizabeth Gonzalez et al., "The Coronavirus in Latin America," AS/COA, February 10, 2021.

¹⁴ Economist Intelligence Unit, *Country Report: Nicaragua*, July 2021, p. 5.

Bank, the International Monetary Fund, and the World Bank. About 2.5% of Nicaragua's 6.6 million people had been vaccinated as of July 16, 2021.¹⁵

U.S. Policy

U.S. policy toward Nicaragua focuses on strengthening civil society and promoting respect for human rights and free and fair elections. The Trump Administration imposed targeted financial sanctions on high-level officials and organizations, including Vice President and First Lady Rosario Murillo, three of the president's sons, and the Nicaraguan National Police, for corruption and serious human rights abuses.¹⁶ The Biden Administration said it is "deeply concerned about the escalating crackdown" by the Ortega government and urged President Ortega "to change course now."¹⁷ On July 12, 2021, the State Department imposed visa restrictions on 100 members of the Nicaraguan legislature and judiciary who "helped to enable the Ortega-Murillo regime's attacks on democracy and human rights."¹⁸ The Nicaragua Human Rights and Anticorruption Act of 2018 (P.L. 115-335) instructed U.S. representatives at the World Bank and the Inter-American Development Bank to oppose new multilateral lending to Nicaragua, except for basic human needs and democracy promotion. The Consolidated Appropriations Act, 2021 (P.L. 116-260), and its explanatory statement provided \$10 million for democracy and civil society programs in Nicaragua. The Biden Administration requested a total of \$15 million for FY2022 assistance for Nicaragua, all for democracy, rights, and governance programs (under development assistance).

The 117th Congress may continue to express concern about human rights abuses and the erosion of democracy in Nicaragua, especially leading up to the elections scheduled for November 2021. The Tom Lantos Human Rights Commission held a hearing on human rights violations in Nicaragua in July 2021, with an emphasis on the plight of political prisoners.¹⁹

Legislation in the 117th Congress

H.R. 4373 (Lee), the Department of State, Foreign Operations, and Related Programs appropriations bill, 2022, specifies that none of the funds appropriated would be made available for aid to Nicaragua except as provided through the regular notification procedures of the Committees on Appropriations. The bill would make available assistance to Nicaragua under regional programs for Central America. The House Appropriations Committee's report (H.Rept. 117-84) for the bill recommended \$15 million for programs in Nicaragua that promote democracy and the rule of law and would prohibit providing funds for the central government of Nicaragua or for security assistance. The committee said it would expect the United States Agency for Global Media to continue to focus on Nicaragua (and Venezuela), "where authoritarian governments censor news coverage and access to independent media is restricted."

¹⁵ Johns Hopkins Coronavirus Resource Center, "Understanding Vaccination Progress," accessed July 26, 2021.

¹⁶ See U.S. Department of State, "Nicaragua Sanctions," 2017-2021 Archived Content, for Trump Administration press releases on Nicaragua sanctions, at <https://2017-2021.state.gov/nicaragua-sanctions/index.html>.

¹⁷ U.S. Department of State, "Nicaragua's Foreign Agents Law Drives Nicaragua Toward Dictatorship, Silencing Independent Voices," press release, February 8, 2021.

¹⁸ U.S. Department of State, Antony J. Blinken, "The United States Restricts Visas of 100 Nicaraguans Affiliated with Ortega-Murillo Regime," press statement, July 12, 2021.

¹⁹ Tom Lantos Human Rights Commission, U.S. Congress, "The Ortega Government and the Human Cost of Repression in Nicaragua: Political Prisoners," hearing, July 21, 2021, at <https://humanrightscommission.house.gov/events/hearings/ortega-government-and-human-cost-repression-nicaragua-political-prisoners-0>.

S. 1041/H.R. 2946 (Menendez/Sires), the Reinforcing Nicaragua’s Adherence to Conditions for Electoral Reform (RENACER) Act of 2021, would, among other provisions, require the Administration to align U.S. diplomacy and the use of targeted sanctions to advance democratic elections in Nicaragua. The House version was introduced and referred to the Committees on Foreign Affairs, Financial Services, and the Judiciary April 30, 2021. The Senate version was reported by the Senate Foreign Relations Committee on June 24, 2021, and placed on the Senate Legislative Calendar.

H.R. 3964 (Salazar), the Nicaragua Free Trade Review Act of 2021, would require the U.S. Trade Representative to report to Congress on the manner and extent to which Nicaragua is complying with the Dominican Republic-Central America-United States Free Trade Agreement (DR-CAFTA). The bill was introduced and referred to the House Committee on Ways and Means on June 17, 2021.

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