

# 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, human rights violations, and the erosion of democracy in the country, especially leading up to elections scheduled for November 7, 2021. The U.S. Department of State, the Organization of American States (OAS), and one of Nicaragua's main political opposition alliances have declared that the conditions for free and fair elections do not exist in Nicaragua.

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 for November 7, 2021; Ortega has not carried out electoral and human rights reforms recommended by the international community, leading the domestic opposition and international community to contest their legitimacy. The elections are likely to assure Ortega and his party's continuance in power.

**Figure 1. Nicaragua**



**Source:** Congressional Research Service.

## Political Developments<sup>1</sup>

President Daniel Ortega, 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 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."<sup>2</sup> 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.<sup>3</sup> Between 2018 and 2020, more than 108,000 Nicaraguans fled their country, according to the United Nations High Commissioner for Refugees.<sup>4</sup> 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.<sup>5</sup>

Dialogue between the government and the opposition collapsed in 2019. Elements of the opposition tried to unite behind a single presidential candidate for the scheduled November 7, 2021, general elections, but internal divisions persisted. In addition, as Ortega's popularity declined, the Sandinista-controlled legislature 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."<sup>6</sup> The scheduled general elections will

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

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

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

<sup>4</sup> As reported in *Noticias Financieras*, "Diaspora and Exiles Call for March Against 'Electoral Fraud' in Nicaragua," October 19, 2021.

<sup>5</sup> International Monetary Fund, *World Economic Outlook Database*, April 2021.

<sup>6</sup> U.S. Department of State, *Nicaragua 2020 Human Rights Report*, March 20, 2021, p. 2.

determine the president and vice president, as well as deputies to the National Assembly and to the Central American Parliament.

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 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.”<sup>7</sup> According to Amnesty International, “the enforced disappearance of people is the latest tactic that authorities in Nicaragua have adopted to silence any criticism or dissenting voices.”<sup>8</sup>

By July 2021, the government had arrested seven of the most likely presidential candidates.<sup>9</sup> The whereabouts of most of these individuals were unknown for months. The candidate who was leading in election polls, Cristiana Chamorro, was placed under house arrest. When her brother Pedro Chamorro was about to take her place as a candidate, he was arrested. The Chamorros are a prominent family, long known as advocates for freedom of the press and democracy. The likely candidates were not released in time to meet the candidate registration deadline of August 2. On August 6, Nicaragua banned one of the only remaining viable opposition parties from participating in the elections.

Ortega registered his candidacy for a fifth—and fourth consecutive—term, with his wife, Rosario Murillo, again running as his vice president. Six other presidential candidates are registered; the government expelled vice presidential candidate Berenice Quezada, a former Miss Nicaragua, from the race within two days of her registering and detained her.<sup>10</sup>

In October, one of Nicaragua’s two main political opposition alliances, the National Coalition of political and social groups, called for an election boycott. The coalition also announced that the Nicaraguan diaspora and exiles around the world will march on November 7 “in repudiation of the electoral fraud” that the opposition says the ruling party is carrying out.<sup>11</sup>

**COVID-19 Pandemic.** For more than a year after the outbreak of the COVID-19 pandemic, the Sandinista government did not establish extensive mitigation measures against the disease. In May 2020, the Costa Rican legislature told the Pan American Health Organization that the Ortega government’s “reckless” pandemic response was a threat to its neighbors.<sup>12</sup> In the meantime, civil and regional health organizations had called for voluntary quarantines and stricter health measures.<sup>13</sup>

Experts have expressed concern that the Nicaraguan government is concealing the disease’s spread. An independent, citizen-run registry reported almost 13,000 cases and nearly 3,000 deaths as of February 4, 2021;<sup>14</sup> a few days later, the government reported half as many cases (6,367)

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<sup>7</sup> Reuters, “Nicaragua’s Ortega Arrests Another Rival, Says U.S. Aims to Undermine Vote,” July 26, 2021.

<sup>8</sup> Amnesty International, “Nicaragua: Enforced Disappearance Is the New Tactic for Repression,” August 25, 2021.

<sup>9</sup> Reuters, “Nicaragua’s Ortega Arrests Another Rival, Says U.S. Aims to Undermine Vote,” July 26, 2021.

<sup>10</sup> *LatinNews*, “Nicaragua: Ortega and Murillo Confirm Reelection Bid,” Weekly Report, August 5, 2021.

<sup>11</sup> *Noticias Financieras*, “Diaspora and Exiles Call for March Against ‘Electoral Fraud’ in Nicaragua,” October 19 2021; and AFP, “Nicaragua Detains Business Union Leaders as Crackdown Widens,” October 21, 2021.

<sup>12</sup> *Tico Times*, “Costa Rican Lawmakers Request Intervention in Nicaragua Due to Pandemic,” May 15, 2020.

<sup>13</sup> Elizabeth Gonzalez et al., “The Coronavirus in Latin America,” Americas Society/Council of the Americas (AS/COA), February 10, 2021.

<sup>14</sup> Elizabeth Gonzalez et al., “The Coronavirus in Latin America.”

and a fraction as many deaths (171).<sup>15</sup> Throughout the COVID-19 pandemic, according to the OAS, the Nicaraguan government has harassed and dismissed medical professionals for reporting on or criticizing the government's slow response to the pandemic.<sup>16</sup> As of October 29, 2021, 5.4% of Nicaragua's population had been fully vaccinated.<sup>17</sup> As of November 3, the government reported a total of 16,699 cases and 209 deaths.<sup>18</sup>

The Ortega administration moved toward developing a pandemic mitigation strategy in July 2021, when it began to limit large-scale activities it previously had promoted—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.<sup>19</sup> Nicaragua was then able to secure over \$400 million in pandemic-related assistance from the Inter-American Development Bank, the International Monetary Fund, and the World Bank.

## International Response

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 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.<sup>20</sup> 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.<sup>21</sup> On July 28, the OAS Inter-American Commission on Human Rights (IACHR) condemned the Nicaraguan state's harassment and intimidation of medical workers and urged the state to cease these actions immediately.

At a U.N. Human Rights Council meeting on June 22, 2021, 59 countries, including the United States, called on the Nicaraguan government to release multiple presidential contenders and dissidents immediately. 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."<sup>22</sup> On August 18, the U.N. High Commissioner for Human Rights for Central America, the IACHR, and the Dominican

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<sup>15</sup> Elizabeth Gonzalez et al., "The Coronavirus in Latin America."

<sup>16</sup> Organization of American States, "IACHR and the OSRESCER Urge Nicaragua to Immediately Cease Harassment of the Medical Sector," July 28, 2021.

<sup>17</sup> Chase Harrison, Luisa Horwitz, and Carin Zissis, "Timeline: Tracking Latin America's Road to Vaccination," AS/COA, November 1, 2021.

<sup>18</sup> Johns Hopkins Coronavirus Resource Center, "Global Map," November 3, 2021.

<sup>19</sup> Economist Intelligence Unit, *Country Report: Nicaragua*, July 2021, p. 5.

<sup>20</sup> 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.

<sup>21</sup> OAS, "Resolution: The Situation in Nicaragua," CP/RES. 1175/21, June 15, 2021.

<sup>22</sup> U.S. Mission to International Organizations in Geneva, "Joint Statement on the Human Rights Situation in Nicaragua: 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.

Republic joined together to “strongly” condemn the Nicaraguan authorities’ repeated persecution against journalists, media, and the press in the context of the November presidential elections.<sup>23</sup>

In 2019, the European Union (EU) adopted a new sanctions regime against Nicaragua, which it has renewed. As of August 2, 2021, the EU had imposed sanctions on 14 Nicaraguan officials accused of serious human rights violations or undermining democracy, including Vice President and First Lady Murillo, freezing their assets and banning European travel. In 2020, after its exit from the EU, the United Kingdom put into place the same sanctions against Nicaraguan officials. In August 2021, Switzerland imposed sanctions in line with the EU sanctions.

On October 20, 2021, the OAS declared “that the measures instituted by the Government of Nicaragua do not meet the minimum criteria for free and fair elections as established by the Inter American Democratic Charter and, therefore, undermine the credibility of the Presidential and Parliamentary elections to be held on November 7, 2021.” The regional organization also reiterated its call “for the immediate release of presidential candidates and political prisoners.”<sup>24</sup>

## 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 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 Trump Administration imposed targeted financial sanctions on high-level officials and organizations, including Vice President and First Lady Murillo, three of the president’s sons, and the Nicaraguan National Police, for corruption and serious human rights abuses.

Under the Biden Administration, in June 2021, the Treasury Department imposed sanctions on four more government officials, including one of the president’s daughters, who support the Ortega regime.<sup>25</sup> In response to the Nicaraguan government’s arrest of 32 political opponents in summer 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” and then on 50 immediate family members of “regime-affiliated officials who have directly contributed to measures adopted by the Government of Nicaragua that do not meet the conditions for transparent, free, and fair elections to which all OAS member states have committed under the Inter-American Democratic Charter.”<sup>26</sup>

Secretary of State Antony Blinken asserted in early August 2021 that Nicaragua’s “electoral process, including its eventual results, has lost all credibility.”<sup>27</sup> A State Department spokesperson said the recent detention of dozens of opposition figures underscored Ortega and Murillo’s “fear of free and fair elections and their desire to remain in power at all costs.... It is now a foregone

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<sup>23</sup> Organization of American States, “La CIDH, su RELE y OACNUDH condenan los reiterados ataques a la libertad de expresión en Nicaragua,” August 18, 2021.

<sup>24</sup> OAS, “Resolution: The Situation in Nicaragua,” CP/RES. 1182 (2346/21), October 20, 2021.

<sup>25</sup> U.S. Department of the Treasury, “Treasury Sanctions Nicaraguan Officials for Supporting Ortega’s Efforts to Undermine Democracy, Human Rights, and the Economy,” press release, June 9, 2021.

<sup>26</sup> U.S. Department of State, Ned Price, Department Spokesperson, “The United States Restricts Visas of 50 Additional Nicaraguan Individuals Affiliated With Ortega-Murillo Regime,” August 6, 2021.

<sup>27</sup> U.S. Department of State, Antony J. Blinken, Secretary of State, “The Lack of Prospects for Free and Fair Election in Nicaragua,” press statement, August 7, 2021.



conclusion that Daniel Ortega will ensure that the elections in November are a sham and that he will proclaim himself victorious in the aftermath of those elections.”<sup>28</sup>

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 117<sup>th</sup> Congress has continued to express concern about human rights abuses and the erosion of democracy in Nicaragua, especially leading up to the elections scheduled for November 7, 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.<sup>29</sup> The House Subcommittee on Western Hemisphere, Civilian Security, Migration, and International Economic Policy held a hearing, *An International Response to Ortega’s Destruction of Democracy in Nicaragua*, on September 21, 2021.<sup>30</sup>

## Legislation in the 117<sup>th</sup> 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.”

The Senate Appropriations Committee’s draft of the appropriations bill would

- Appropriate “not less than” \$10 million in Economic Support Funds for civil society programs for Nicaragua
- Direct the U.S. executive director of each international financial institution to vote against any loan, grant, credit, or guarantee for the government of Nicaragua, except to meet basic human needs or to strengthen democracy, unless the Secretary of State certifies and reports to the Committees on Appropriations that Nicaragua has held free and fair presidential elections and the rule of law has been restored
- Suggest the Secretary of State should deny visas to Nicaraguan officials responsible for ordering the wrongful arrests of potential presidential candidates in 2021

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<sup>28</sup> U.S. Department of State, “Department Press Briefing,” Ned Price, Department Spokesperson, October 14, 2021.

<sup>29</sup> 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>.

<sup>30</sup> House Foreign Affairs Subcommittee on Western Hemisphere, Civilian Security, Migration and International Economic Policy, U.S. Congress, *An International Response to Ortega’s Destruction of Democracy in Nicaragua*, hearing, September 21, 2021, at <https://foreignaffairs.house.gov/2021/9/an-international-response-to-ortega-s-destruction-of-democracy-in-nicaragua>.



- Prohibit assistance for the central governments of a country that takes steps to support the outcome of Nicaraguan presidential elections that the Secretary of State determines are not free or fair
- Suggest the Secretary of State should use all diplomatic tools to suspend Nicaragua's participation in the Central America Free Trade Agreement in government-controlled sectors of the economy, until Nicaragua has held free and fair presidential elections

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 free, fair, and transparent elections in Nicaragua. The House Committee on Foreign Affairs ordered its measure reported in July 2021; the Senate passed its version in August 2021. On November 1, 2021, the Senate passed S. 1064, the Reinforcing Nicaragua's Adherence to Conditions for Electoral Reform (RENACER) Act of 2021, a related version of the earlier bill in the nature of a substitute. On November 3, the House passed the bill.

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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