

RISK MITIGATION EFFORTS FOR RADICALIZATION AND DYNASTIC SUCCESSION IN NICARAGUA

Key Recommendations

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Introduction

The Nicaraguan regime's continued reliance on sources of political and economic repression will increase the risk of further radicalization¹ to ensure a post-Daniel Ortega succession plan. A way to mitigate such risk consists of framing a strategy that is contained in three components: denouncing the government's lack of moral authority; bridging ties with dissident forces within the government; and exerting pressure from abroad.

This memo focuses on the third component, external pressure. External pressure can focus on areas that can increase the government's vulnerabilities, those that facilitate clientelism, and economic favors that sustain loyalties. These efforts would mitigate risks and potentially catalyze engagement between civic groups and the regime in order to enter into a democratic transition. This memo offers recommendations* for this third component.

1

**DENOUNCING THE
GOVERNMENT'S LACK OF
MORAL AUTHORITY**

2

**BRIDGING TIES
WITH DISSIDENT
FORCES WITHIN THE
GOVERNMENT**

3

**EXERTING PRESSURE
FROM ABROAD**

*This report captures the discussions, analyses, and recommendations of the Working Group on Politics and Mediation on Nicaragua of the Inter-American Dialogue. Cover photo: Kohi / Unsplash License

An Architecture of Power as a Source of Sustainability

In 2019, after Daniel Ortega realized the extent of unpopularity and intolerance to his abuse of authority, he not only renounced the March 2019 agreement on political reforms, but rather embarked on a frontal attack to democracy and the rule of law building a new political foundation of social control. Since then, an architecture of power has existed, and points to five pillars that sustain their control, namely, international isolation, monopoly of force, state capture, criminalization of democracy, and propaganda. Economic strength through state capture has been one central area of material strength. These fronts extend beyond the conventional concentration of power of the political institutions that was sealed in 2018 (executive, judiciary, and legislative) and are a further extension of the loss of check and balances.²

First, there is effective and continued isolation from the international community which minimizes external scrutiny. Apart from removing the country from international legal obligations, such as those associated with membership to the Organization of American States, the regime has also forged alliances with pariah states and weaponized migration as a mechanism to subvert other international actors, the United States in particular. Second, the regime has continuously weakened civic activism and Nicaraguans' hopes for change by using fear and detention as a means of containing dissent. Democracy

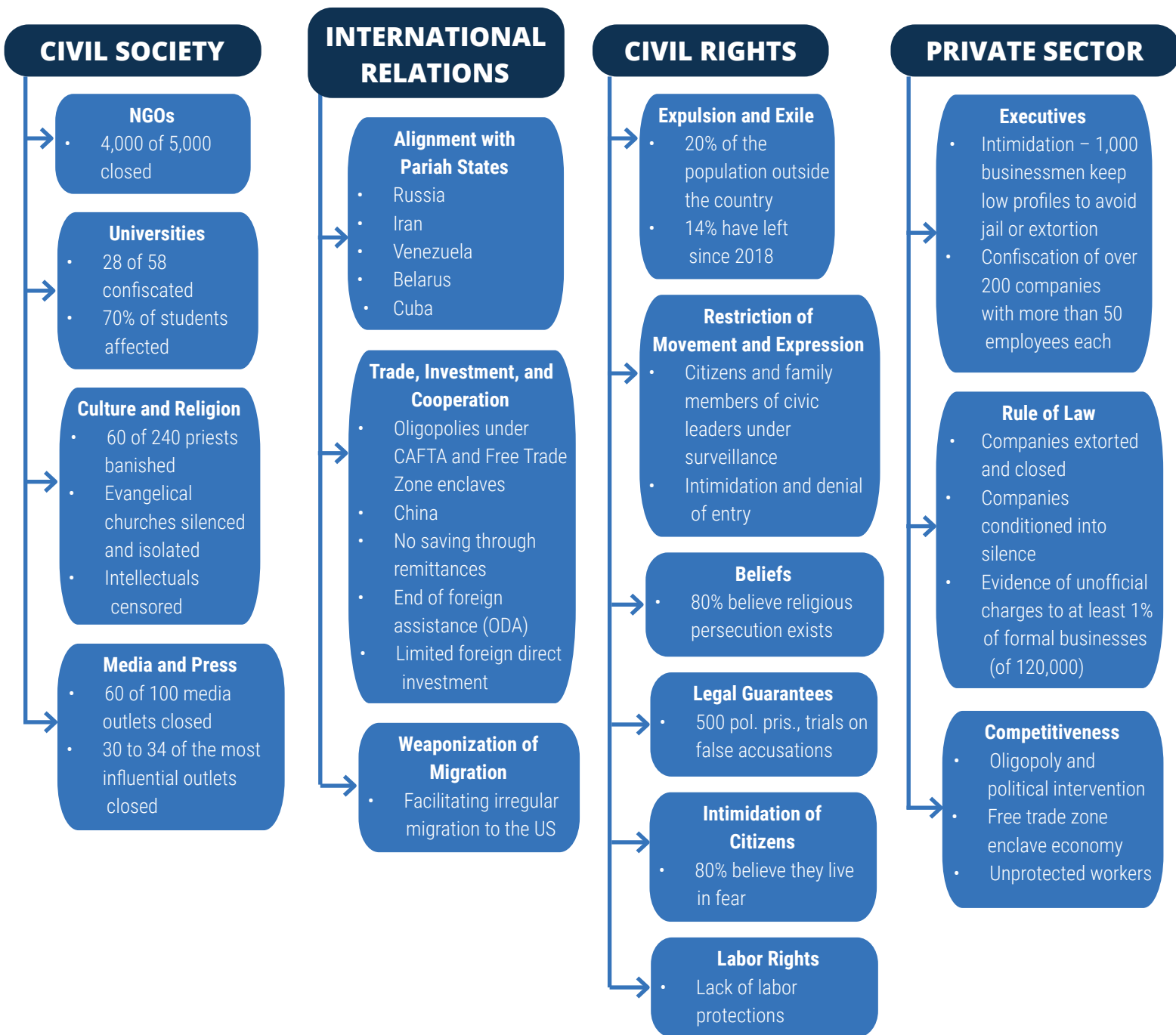
has been criminalized through a legal framework that strips Nicaraguans of their rights and makes them vulnerable to false accusations. The system relies on a judiciary that acts more like a political commissariat and has subordinated the Constitution to the Law of Self-Determination as the Supreme Law of the Land which it uses to repress, intimidate, and expel.³ The regime has authorized the police, through their intelligence cadres, to identify those who are in violation of the law. The law is unspecific and intentionally framed to subordinate Constitutional rights. People can be detained on simple allegations or hearsay from informants, police, or Ortega-Murillo officeholders.

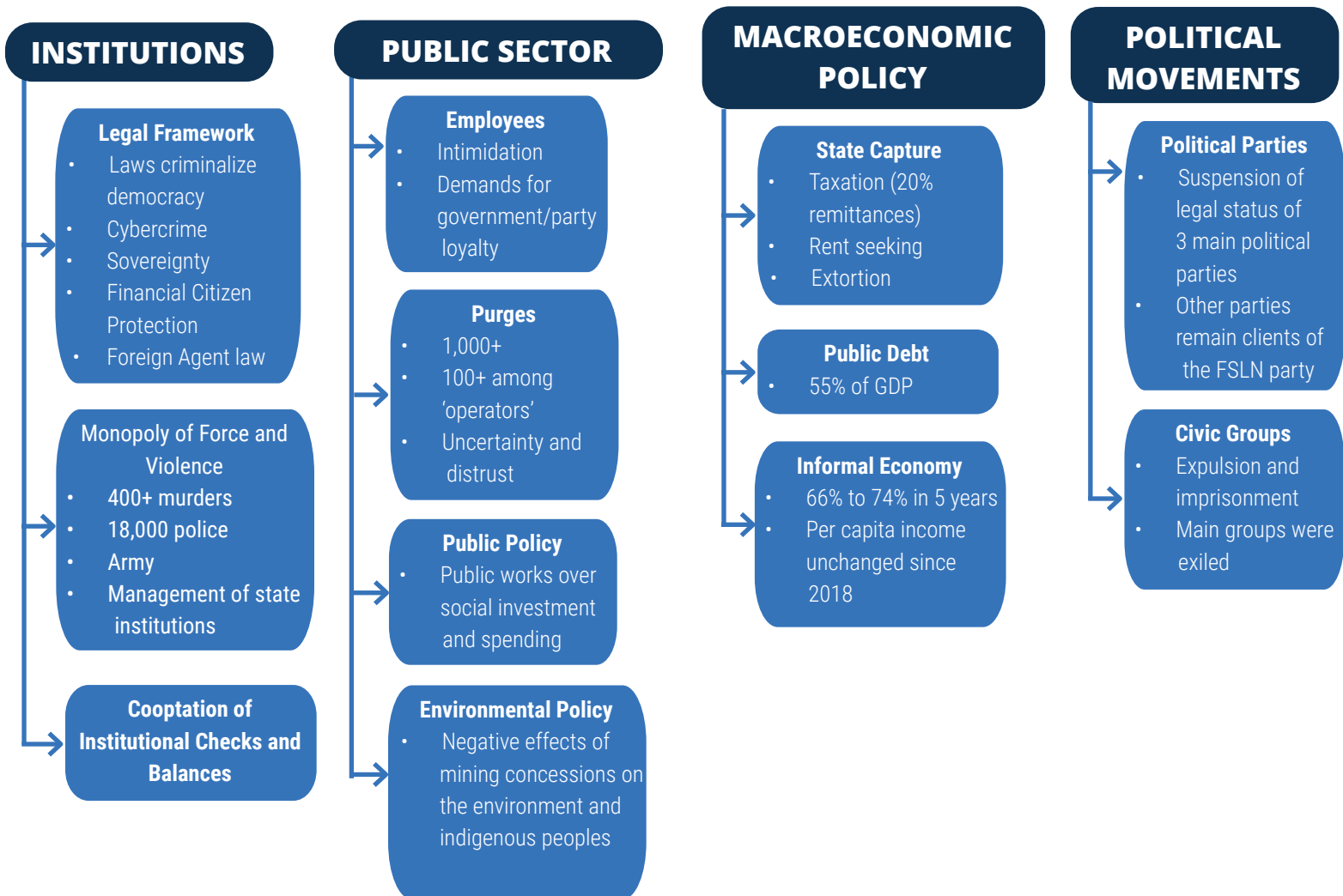
Third, state capture is realized through an economic elite within the regime's ranks that is filled by active and retired military who employ economic favors, confiscations, tax extortion, and deepening internal purges of the regime's dissenters. The regime has reconfigured an economic elite through this model of state-capture within the Ortega-Murillo⁴ ranks by forcing confiscations, tax extortion⁵, as well as the expulsion of people who are now sustaining 30% of the country's national income through remittances.⁶ In turn, macroeconomic stability is limited with increasing inequality in the form of lower income, a higher informal economy, and non-existent judicial security, with continued external borrowing to finance public works that benefit a small group.⁷

Fourth, the regime employs violence through formal security forces like the police and armed forces, while relying on a network of informants, plainclothes police, militant followers, and paramilitary individuals. The police force and informants gather intelligence, instruct the judiciary, and exercise force (including deepening internal purges of the system). Additionally, the regime counts on a military that continuously subordinates loyalty to the Constitution to the regime. Fifth, the regime relies on a propaganda machine that instills fear and social control that works side by side with a repressive apparatus that persecutes and detains civilians – particularly religious authorities and youth leaders. Alongside police, the propaganda machine also uses informants to instill fear and levy false accusations that keep the population at bay. The figure below depicts the extent of the concentration of power of the Ortega-Murillo government.

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FIGURE 1: CONCENTRATION OF POWER IN NICARAGUA





A Circle of Power that Enables the Political Sustainability of the Regime

A circle of 'collaborators' currently sustains the regime's political control. The circle of power is based on several pillars that are led by a hierarchic structure, of no more than 200 individuals, shaped by the closest allies and regime loyalists followed by military officers, technocrats, and bureaucrats that coordinate policies of social control and political repression.⁸ Retired military officers operating through the police, other government agencies, or working within the army is a common thread defining regime loyalists.⁹

There are also cadres that were formerly members of the Sandinista party and, over the past ten years, have jumped directly into the wheel of state management. These include people in the public sector, academia, and Ministry of the Interior. Some of these loyalists are 'owned' by Daniel Ortega, Rosario Murillo, or both, and respond directly to each ruler, a condition which in turn leads to divisions, distrust, and dislike within the governing ranks. They operate in various segments designed to exert total control: political, repressive, economic, media, economic intermediaries, and institutional.

Mitigating the Risk of Continued Non-Democratic Action

The extent of political and economic control by the Nicaraguan government is so widespread that the impact on society has infringed upon pluralism, free enterprise, and political participation.

Reversing or mitigating this trend is necessary in order to establish a pathway to a democratic transition and development, and it starts by containing and putting pressure on the regime's pillars (see Figure 3). In more concrete terms, these pillars have succeeded in ensuring clear and present fear among the population. Figure 3 on the next page shows how power is sustained.

Putting pressure on these pillars will reduce fear and change the prevailing balance of power. Weakening entails challenging the lack of moral authority of the regime, minimizing the material sources of control, and bringing dissidents within the circle to recognize and enact political reforms. The method involves a demoralization campaign inside and outside Nicaragua pointing to where the regime foregoes moral authority, signals to dissidents within the regime, and applies external pressure on key areas that would change the balance of power. The fracturing of the material base would limit the ability to engage in state capture and the use of economic favors in exchange for political loyalty. Efforts to demoralize the regime would include diminishing the regime's political capital, particularly among those in the circle of power who are losing faith and credibility within the regime.

The Case for Exercising External Pressure

Due to the extent of repression and radicalization, it is important to exert political, material, and diplomatic pressure simultaneously. The international community should consider different steps to mitigate the damage and foster a political transition toward democratization. Political, material, and diplomatic pressure is needed.

On the **political front**, it is key to continuously make stronger condemnations of the regime's actions. Beyond the persecution of priests, there is a systematic practice of repression towards the entire nation that will continue for at least three more years until 2026—that is if any internal rift were to happen.¹⁰ It is important to raise awareness about the magnitude of this totalitarian control. Along

these lines, it is important to denounce the level of *state capture* that prevails in Nicaragua and the effect it is having on corruption, family enrichment, and illicit activities. Rapidly identifying and exposing these practices is critical to attaining a minimum level of transparency that will slow any further democratic decay in Nicaragua.

Pressure on the material front is central to ensuring accountability for transgressions committed by this government and includes sanctions – particularly on those who have authorized arbitrary detentions and have overseen political persecution. Clearly, this includes players within the police, the intelligence apparatus, and the current head, Horacio Rocha, who has become the most trusted individual within the circle of power. Some offenders, in the eyes of the international community, are authorities within the Civil Aviation and the Airport Authority. Nicaragua has weaponized and has effectively been responsible for the arrival of at least 800,000 migrants (150,000 from Haiti and Cuba, as well 'extra-continental' nationals, and a large contingent of Nicaraguan expelled citizens) to the US border since August 2020. That is at least 10% of all migrants arriving at the US border which is deepening the current [migration crisis](#). The [military has been loyal and proactive](#) in wielding political control of strategic and economic entities, like aviation. In particular, retired military officers are complicit in state capture and repression. Penalizing members of the armed forces as well as entities that support their *modus vivendi*, such as the military's pension fund, is a key accountability measure.

The international community should consider different steps to mitigate the damage and foster a political transition toward democratization.

Another realm of pressure is on [the labor and environmental violations of the CAFTA](#) treaty. Violations are extensive and occur beyond the free trade zone. For example, the closing of universities has put at least 2,000 people out of work, and the closing of the nonprofit sector laid off at least another 10,000 workers. The layoffs (without severance pay) of judicial sector workers affected at least 900 people. It is likewise important to review

FIGURE 3: METHODS FOR FULL ADMINISTRATION OF POWER

LOYAL CIRCLE OF POWER

- Over 300 enablers of the dynasty working with some 40 key leaders including retired military officers.

MATERIAL STRUCTURE SUPPORTED BY:

ECONOMIC APPARATUS:

- Fiscal revenue: US\$2,500 million
- Public Investment: US\$1,600 million
- Monetary policy: exchange rate control
- Business intermediaries: an elite of 10 large corporations working in construction and other sectors
- Facilitates state capture

SECURITY APPARATUS:

- A police force with 20,000 officers and intelligence gathering informants
- A Sandinista militant force: comprised of members of the FSLN, CPC, retired military and police, public servants (which can span to 5,000 people)
- A loyalist army with 40 military officers loyal to Daniel Ortega (unclear is the number of those loyal to Rosario Murillo) and 9,000 soldiers with territorial presence

MEDIA APPARATUS:

- Censorship team enabling repression
- Propaganda (disinformation, intimidation, and populism)

CRIMINAL MANAGEMENT APPARATUS:

- Use of legislature: full control of legislature
- Judicial insecurity: magistrates and judges subordinated to the executive
- Public administration: ministers and directors (one third retired military) managing public administration

which economic players are supporting state policy. Another key accountability measure is to bring Nicaragua to the International Court of Justice on several grounds – including their violation of international law such as the Convention Against Torture. The type of isolation and imprisonment performed on civic and religious leaders rises to torture per the convention.¹¹

In addition, it is important to scrutinize lending practices among international financial institutions to monitor and prevent corruption within the system. The Nicaraguan government has utilized external borrowing to resolve liquidity needs in its funding of clientelist procedures in exchange for loyalty. There are serious problems of compliance to the contracts as well as compliance to contractual clauses. It is important that international financial institutions strengthen their procedures pertaining

to loans they provide in ways that do not serve the regime's political agenda.

Finally, on the **diplomatic front**, is critically important to engage and coordinate with the Vatican, the United States, the European Union, and other key states, including members of the Organization of American States to put pressure and layout a political transition for Nicaragua. The role of the OAS continues to be a vital component of international pressure for two reasons. First, because the organization can continue to offer its good offices as well as ensure that Nicaragua complies with its legal commitments within the Inter-American system. Second, the OAS's working group on Nicaragua can shape an Inter-American agenda for democracy in Nicaragua with the leadership of several of its members.

FIGURE 4: AREAS FOR PRESSURE

REPUTATIONAL STATUS OF LOYAL 'OPERATORS'

- Systematic sanctions, phased to regime 'operators'
- Protesting, shaming, and reporting of regime 'operators'
- Continued denunciations of conditions in Nicaragua by the international community

FRACTURING THE MATERIAL BASE:

ECONOMIC APPARATUS:

- Reduce tax revenue
- Minimize private consumption
- Increase savings among remittance recipients
- Fine the Labor Ministry for labor rights violations under CAFTA and for damages to thousands of workers laid off or kept without labor protections
- Ensure stronger scrutiny of external financing
- Expose and sanction businesses working with the government through economic favors

SECURITY APPARATUS:

- Police: seek to reduce its size
- Sandinista militants: identify and report those involved in human rights violations
- Army: tactical sanctions on retired officers and others within the army including members of the insurance program (IPSM)

MEDIA APPARATUS:

- Ensure that investigative journalism reports on kleptocracy and corruption in the State
- Defend against attacks of disinformation, intimidation, and populism

CRIMINAL MANAGEMENT APPARATUS:

- Publicly expose legal transgressions against institutions through clientelism
- Public criticism of the state's double standards on public policy

Endnotes

1. See Orozco, Manuel. "La Radicalización Talibanista En Nicaragua y La Presión Internacional." Inter-American Dialogue, October 3, 2023. <https://www.thedialogue.org/analysis/la-radicalizacion-talibanista-en-nicaragua-y-la-presion-internacional/>.
2. Orozco, Manuel. Justice and democracy in Nicaragua: necessary steps for political change, in Latin American Caribbean & Central America Report, September 2018, RC-18-09
3. [Ley en Defensa de la Soberanía](#)
4. <https://www.thedialogue.org/analysis/dimmed-economic-growth-prospects-in-nicaragua/>
5. <https://www.thedialogue.org/analysis/la-economia-de-ortega-informalidad-expulsion-extorsion-y-enclaves-de-exportacion/>
6. <https://www.thedialogue.org/analysis/family-remittances-to-latin-america-and-the-caribbean-2023/>
7. <https://www.thedialogue.org/analysis/economia-nicaraguense/>
8. For a methodological sanction analysis, see <https://www.thedialogue.org/analysis/dictatorial-radicalization-in-nicaragua-from-repression-to-extremism/>
9. Former military officers control the airport authority, ports, strategic ministerial offices, like mining, financial analysis units, police intelligence among other entities.
10. <https://confidencial.digital/opinion/nicaragua-2024-entre-la-mayoria-silenciada-y-el-electorado-critico/>
11. <https://www.ohchr.org/sites/default/files/documents/hrbodies/hrcouncil/sessions-regular/session55/advance-versions/a-hrc-55-27-aev.docx>

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