

Coaxing Nicaragua Out of a Deadly Standoff

A year and a half since the eruption of mass anti-government protests that paralysed the country, Nicaragua is edging toward protracted, low-intensity conflict. Sparked by controversial social security reforms in April 2018, last year's demonstrations were met with a ferocious crackdown by police and para-police forces, resulting in more than 300 dead, chiefly on the protesters' side, while hundreds more were detained. The government and protesters, gathered under the umbrella opposition group Civic Alliance, have twice tried negotiating a peaceful way out of the crisis. In March they struck two agreements on releasing political prisoners and upholding citizens' rights, although the government has only partly complied. Since May, talks have been suspended, and President Daniel Ortega has shown scant interest in addressing issues of pressing concern to the opposition, notably electoral reform and justice for victims. Meanwhile, the government continues to crack down on dissent through detentions, harassment and intimidation; murders of protesters and political opponents are reportedly also on the rise.

Already one of Latin America's poorest countries, Nicaragua is expected to face a loss of up to 5 per cent of GDP this year following a 3.8 per cent fall in 2018. Thousands of Nicaraguans have fled, particularly to neighbouring Costa Rica, where migration authorities expect 100,000 asylum requests by the end of the year. The Nicaraguan government claims the country is back to normal and repeatedly denounces foreign meddling in domestic affairs, dismissing the findings of a recent UN human rights report and denying entry to a high-level commission of the Organization of American States (OAS).

The EU has long called for the resumption of dialogue between the government and opposition, and offered its support to that end. Its latest decision to put in place a framework to enable targeted sanctions against individuals is an attempt to push the government back towards dialogue and deter repressive conduct that will make resolution of the crisis yet more difficult. The EU and its member states should now take the following steps:

- Continue to call on the government to honour the agreements struck in March and resume talks with a focus not only on electoral reforms, but also on creating a truth commission, with a mandate to address the country's recurrent cycles of violence over recent decades. They should also call on the government to support thorough and impartial investigations into alleged state-sanctioned killings.
- Keep reminding the government that intensifying repression will result in travel bans and asset freezes against responsible government, judicial and security officials, within the framework of the EU's new targeted sanctions regime.

- Offer incentives such as supporting local peacebuilding initiatives and providing an economic stimulus, should the government return to negotiations and fulfil the pledges it has already made.
- Coordinate its next steps with the OAS, particularly should the high-level commission's assessment of Nicaragua, due in November, match the EU's appraisal.
- Provide technical support to overwhelmed Costa Rican migration authorities and give financial backing to national and international humanitarian organisations working to alleviate grim living conditions for Nicaraguan migrants and refugees, as well as Costa Rican host communities.

Political Standoff, Repression and Recession

Talks between the Nicaraguan government and the Civic Alliance resumed in early 2019. This was a time when Ortega was facing mounting criticism from the U.S., the OAS and the EU, and thought he was about to lose his main regional ally, Venezuelan President Nicolás Maduro, who appeared at risk of being toppled by his internationally-backed opposition. By the end of March, the government and opposition had signed two agreements, one to release political prisoners and the other to ensure respect for citizens' rights.

Government misgivings about the merits of compromise and deep mistrust between the two sides overwhelmed this fragile progress. Ortega's inclination to find a negotiated solution with the opposition dimmed. This could have been connected, on one side, to Maduro's survival and, on the other, to the imposition of additional U.S. sanctions in April, including on Ortega's son Laureano. In fact, Ortega conditioned any further progress in negotiations on opposition support for lifting sanctions, which they refused to offer. Talks then faltered. On 20 May, the Civic Alliance left the negotiating table after authorities killed a political detainee during a prison riot, stating they would only resume talks after the government released all political prisoners, who number around 700 by opposition estimates. Ortega both released 500 over the course of the year and passed an amnesty law before 18 June, the deadline set by the deal. This was sufficient for the Civic Alliance to call for the resumption of talks, although both they and foreign powers still argued that Ortega had only partly complied with the March agreements. Ortega chose not to heed their calls and, in late July, informed the dialogue facilitators, papal nuncio Waldemar Sommertag and OAS special representative Luis Ángel Rosadilla, that the talks were over.

Meanwhile, the government's crackdown on dissent has been unrelenting. The UN High Commissioner for Human Rights (OHCHR) recently reported the government continues to violate basic civil rights. Opposition groups say anti-riot police officers are regularly deployed at their press conferences or demonstrations, and arrests of protesters, albeit mostly temporary, continue; around 140 still languish in jail. Pro-government forces have recently harassed high-level opposition figures, daubing threatening messages on the walls of their houses, or chasing or attacking with stones the vehicles in which they travel. Civic organisations assert repression is even harsher outside urban areas and report an increase in murders of rural residents and political opponents, thirty of whom were murdered in the first nine months of 2019. Security and

para-police forces are allegedly responsible for many of these killings, which mostly took place in the region bordering Honduras. The police have failed to conduct thorough investigations into these deaths, sometimes dismissing them as the result of personal quarrels.

Ortega's government rejects all accusations of abusing power, and claims it has restored normal life after an attempted U.S.-sponsored coup last year. It asserts that it is promoting peace and welfare, and has launched around 10,000 "reconciliation, peace, and justice" commissions across the country but without providing further details about their work. According to public opinion polls, support for the government remains stable at around 25 per cent this year, having fallen 40 per cent in 2018.

Economic scars inflicted by the political turmoil are also proving hard to heal. Nicaragua's economy, once among the fastest growing in Latin America even as per capita income remained well below the regional average, suffered a steep downturn. Following a 3.8 per cent GDP contraction in 2018, national organisations, the International Monetary Fund and the World Bank expect it to drop by another 5 per cent this year. The Nicaraguan Foundation for Economic and Social Development reported that, in the first months of the year, prices of basic goods and energy bills rose significantly, while more than 200,000 jobs could be lost by the end of 2019. In response, the government raised taxes at the start of the year and started hunting for foreign investment in Asia and the Middle East, striking a trade deal with Iran in August.

This combination of political repression and economic hardship has pushed thousands of Nicaraguans to seek shelter elsewhere, particularly in neighbouring Costa Rica. Nicaraguans' asylum requests have boomed, numbering 32,269 new applications in 2018, and now stand at over 88,000, according to the UN refugee agency (UNHCR). Of these, around 70,000 have been filed in Costa Rica, where authorities expect almost 100,000 by the end of the year.

Costa Rican officials argue that many requests were filed by Nicaraguans already living in the country as a way to attain legal residency, and the International Organization for Migration insists that Nicaraguan migration has maintained its cyclical, primarily economic character. For these reasons, less than 1 per cent of asylum requests are approved, according to a UNHCR official. However, a survey conducted between April and June 2019 by the IOM found the number of highly educated young people emigrating has increased, and that three out of every four Nicaraguan interviewees left the country because of the socio-political crisis. Costa Rican authorities acknowledge that handling the sudden spike in asylum requests has proved challenging, while humanitarian workers report their capacity to provide housing and food to newcomers, particularly in the suburbs of Costa Rica's capital San José, has reached its limit, and complain about a chronic lack of resources.

A Fragmented International Response

Foreign powers, spearheaded by the U.S., have paid intermittent attention to Nicaragua, which has been overshadowed by Venezuela's political, economic and humanitarian crisis. The UN has only engaged directly with the Nicaraguan government through the OHCHR, and the country's predicament was not a

major topic at its General Assembly this year. The OAS has been moving slowly toward applying the Inter-American Democratic Charter. It took two months for the Permanent Council to create the high-level commission mandated by an OAS General Assembly resolution in June to “carry out diplomatic efforts to seek a peaceful and effective solution” in the country. The commission’s independence is also disputed, as all of its members – the U.S., Canada, Argentina, Paraguay and Jamaica – have been highly critical of Ortega’s government. The U.S. and Canada even jointly imposed sanctions on Nicaraguan officials in July, a measure that in turn reinvigorated Ortega’s anti-imperialist rhetoric.

The government’s attitude toward these efforts at foreign engagement has combined shows of resistance with tactical concessions. Ortega invited the OAS Secretariat in August to resume its work on electoral reform, which it started in 2017 after signing a memorandum of understanding with Managua. On the other hand, the government vehemently rejected the recent UN human rights report, claiming it was biased and based on a fabricated version of last year’s events. In mid-September it denied entry to the members of the OAS commission, stating it would not recognise any commission nor authorise any visit it has not requested.

Ortega is in effect seeking to elude further international condemnation while deploying an intransigent defence of national sovereignty when faced with what he deems foreign intimidation. However, denying the OAS and the UN access to Nicaragua is likely to prejudice these organisations in their final assessments, with possibly serious repercussions for the government. The OAS commission has to submit its report to the Permanent Council before 11 November, in which it will suggest responses. These might include expelling Nicaragua from the OAS, although this remains a remote prospect as it would require two-thirds of the votes of an extraordinary General Assembly. Short of this, the OAS is likely to pass another resolution to call for resumption of talks, while the U.S. may consider expanding sanctions to the military and try to block external financing from the International Monetary Fund and the World Bank.

Reopening Space for Dialogue and Mitigating Spill-overs

President Ortega appears reconciled to growing estrangement from some foreign powers, which could translate into further diplomatic isolation and economic hardship. However, his tough rhetoric has also been matched by moves to ease pressure and restore his international standing, suggesting that he recognises the dangers of consigning Nicaragua to pariah status.

Mounting international pressure on both Venezuela and Nicaragua helped persuade Ortega to resume negotiations with the opposition. But ill-coordinated and unilateral punitive measures have since jeopardised the process. The EU should take into account the OAS assessment due in November and possibly align its actions with the regional bloc’s and continue to press for compliance with the March agreements, a fresh round of negotiations and accountability for alleged killings.

The EU’s recent decision to adopt a framework for targeted sanctions against individuals should now be accompanied by diplomatic and economic incentives

to encourage government compliance with requested reforms. The fact that the EU coupled its decision with clear demands on the government offers the government a clear route to avoiding the implementation of sanctions under this framework.

As for incentives, in the short term, the EU or member states could consider expanding local confidence building projects supported by some European states, which have gained government backing, potentially also through the Instrument contributing to Stability and Peace (IcSP). In doing so, it would provide Ortega an opportunity to validate his claim of promoting peace while mitigating tensions between government and opposition forces. Thinking ahead to its next programming cycle for development assistance, the EU should consider earmarking resources to stimulate job creation and support future reforms agreed between the government and the opposition, especially changes to the electoral system.

The EU and member states should also recognise the Nicaraguan crisis has taken on a transnational dimension, with consequences felt most acutely in Costa Rica. In providing technical support to Costa Rican migration authorities, the EU and member states could help smooth the search for legal residency of thousands of vulnerable Nicaraguans, boost their economic opportunities and enable them to gain access to basic services. By backing UNHCR and local NGO efforts to provide humanitarian aid to those most in need, including in Costa Rican host communities, the EU and other donors would help address the grim conditions in which ever more people are living.