

Democratic Setbacks in Nicaragua

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The last time I spoke at this kind of forum in Washington, in June 2009, I talked about the political crisis that had worsened in Nicaragua following the electoral fraud in the 2008 municipal elections. I probably did not sound very optimistic, but at least there was still hope that combined pressure from civil society and the legislative opposition could help guarantee clean elections in 2011.

This pressure translated into what is known as the “Metrocentro Accords,” in which the Constitutionalist Liberal Party (PLC) agreed that it would not negotiate bilaterally with the Sandinista National Liberation Front (FSLN). All of the nation’s political forces agreed to reject any proposal introduced in the National Assembly to reelect the Superior Electoral Council’s magistrates, who had perpetrated the fraud in 2008.

One year later, these agreements have collapsed. The opposition has been unable to move this agenda forward either in the National Assembly or in the streets. The Ortega government, however, has used various extra-legal methods to achieve the three following results:

- 1) A presidential decree was issued in January to keep the 25 magistrates—whose period in office has already expired—in their posts, in clear violation of the Constitution.
- 2) Ortega’s candidacy for reelection is being imposed through manipulation of the Supreme Court. Article 147 of the Constitution stipulates that anyone who has held the office of president two times is ineligible to run again, and consecutive terms are not permitted. The only way to change this constitutional prohibition would be a legislative reform of the Constitution. Since President Ortega does not have enough votes for this reform, he is simply imposing his candidacy, supported by a ruling by the Supreme Court, which is controlled by his party apparatus. The ruling alleges that Article 147 is unconstitutional because it violates the principle of equal rights under the law, and therefore violates Mr. Ortega’s human rights.
- 3) The opposition has been further divided, and the FSLN has consolidated the support of a group of National Assembly deputies, giving it total control of the legislature.

I am sure that all of you have read the *Washington Post*’s [editorial](#) last week, which compared the Organization of American States’ (OAS) reaction to the coup in Honduras or recent events in Ecuador to its failure to react to the “coup from above” underway in Nicaragua. Personally, I

believe that the situation is even worse than the *Post* indicated, given the incapacity of the political opposition to date. The solution to Nicaragua's political crisis does not depend on external pressure from Latin American governments, the OAS, or the United States, but rather on the opposition's ability to unify, take its protest to the streets, and pressure the government.

To the opposition's credit, Ortega has not been able to obtain the 56 votes he needs for constitutional reform, and is now facing a problem of legitimacy with respect to his imposed reelection. Nonetheless, many things could still happen between now and December 15th, when the current legislative term concludes.

For instance, we are again seeing a rapprochement between the FSLN and the PLC, now accompanied by the Conservative Party, whose legal status was recently reinstated by the government. One current hypothesis is that they are going to unilaterally negotiate the selection of a new Superior Electoral Council with the FSLN, in which some faces will change. Roberto Rivas might even be replaced as the Council's president, and the name of former head of the army, General Omar Halesleven, is currently being mentioned as a possible substitute.

But the results of this negotiation will not in any way alter the FSLN's current control over the Electoral Council, nor will it stop the Council's acceptance of Ortega's candidacy, even though it is unconstitutional. Despite the fact that the electoral panorama looks quite favorable for the FSLN, the Council still insists on prohibiting local electoral observers. The government has given mixed signals to the OAS and the EU, indicating it will permit international "accompaniment," but it refuses to allow either *Etica y Transparencia* or the Institute for Development and Democracy ([IPADE](#)) to act as observers.

The FSLN's control over the judicial power is equal to or even greater than its control over the Electoral Council. Last week, five Liberal magistrates who were protesting their illegal substitution admitted the failure of their action and went back to work. None of the Supreme Court's illegal rulings can be overturned.

Furthermore, many of the municipal governments that were won by the opposition have gradually yielded to the FSLN, thanks the economic pressure exerted by the central government; at least 6 mayors have been illegally removed from office. This generated a civic uprising in Boaco, which the government was eventually able to control by manipulating the police.

This is a very important point because the government has been successful in keeping the opposition from protesting in the streets. The last time the opposition organized a large rally was a year ago, in November 2009, which unleashed governmental threats of repression and a crisis within the police. We are now ending a year in which the collapse of institutions has coincided with the demobilization of the opposition and civil society.

Meanwhile, Ortega has continued to gain more control over the police, and increasingly uses the army to strengthen the image of his government. One of the main concerns about another Ortega term in office is the political control that he could exercise over these institutions. In September, a new Chief of Police will be appointed, who will no doubt respond to a less institutional and more pro-Ortega line.

In the economic sphere, this will be a better year than 2009, with an expected 3 percent growth rate. A new agreement with the International Monetary Fund (IMF) is anticipated in the coming weeks, which will extend the economic program for one more year. Some polls indicate a trend toward improvements in poverty indicators, although no definitive evaluations have been carried out. After the electoral fraud, Nicaragua lost foreign budget assistance, but the government has been able to compensate for the loss in the short-term with aid from Venezuela. However, we are witnessing the gradual withdrawal of donors—England and Sweden are gone, Norway is leaving next year, Denmark will close shop in 2012, and Holland will also reduce its cooperation. All of these are unrecoverable long-term losses.

Meanwhile, economic dependency on Venezuela increases. Although the government claims it is implementing a “new model” of social and economic development, the only novelty pursued by the government is its privatization of the foreign aid flowing in from Venezuela. Between 2007 and 2009, Nicaragua received \$955 million from Venezuela, or more than \$300 million per year. This is equal to 7 percent of the nation’s annual GDP, and one quarter of its budget revenues. However, these funds never reach the national budget. Instead, they are managed by a private company called ALBANISA, which responds directly to President Ortega and his inner circle. Since the funds are managed privately, there is no accountability to anyone.

These resources are mainly used in three ways: 1) to finance government programs outside of the national budget; 2) to finance the FSLN’s partisan activities; and 3) to finance the private businesses of the Ortega family, such as the purchase of the Seminole Hotel and Channel 8, the TV station that broadcast my own television program until January of this year.

Venezuela has also become one of the three main recipients of our exports, increasing from \$25 million in 2007 to \$230 million this year. Although we know that political changes are on the horizon for Venezuela, and that President Hugo Chávez is confronting a complex economic situation, this has had no short-term impact for Nicaragua.

In relation to the media, although the government maintains an intimidation campaign, both newspapers *La Prensa* and *El Nuevo Diario* continue to be very critical toward government policy. Ortega has been successful in increasing its control over radio and television through economic cooptation, at a relatively low political cost. The best example of this is the way in which they took control of Channel 8, paying \$9.7 million, taking advantage of Venezuelan aid money that is supposed to be targeted to help the poor.

Within the Church, there are very strong voices criticizing the government authoritarian policies. Last night on my TV show we had an interview with Bishop Silvio Báez from Managua, who said that the Bishops’ Conference is preparing a document to take a position on institutional crisis, poverty, religious manipulation by the government, and demand transparent elections in 2011. The Church is basically saying that the government and the political class must be accountable to citizens, but at the same time, they made clear that they don’t pretend to substitute for the opposition.

Polls by Borge and Associates and M&R last week revealed:

- 1) High approval ratings of the government, above 40 percent, which indicate that the FSLN is gaining ground among independents for the first time;
- 2) Low expressed interest in voting in the 2011 elections. Only 53 percent of polled voters are certain they will vote. This translates into 75 percent of FSLN voters and 35 percent of independent voters. Abstentionism will favor the FSLN;
- 3) The candidacy of Fabio Gadea, which is being backed by Eduardo Montealegre, is an emerging political phenomenon. Initial projections indicate he would receive between 17 and 25 percent of the vote. The M&R poll found that in the case of a three candidate scenario, the numbers would line up as: Ortega, 43.3 percent; Fabio Gadea, 17.8 percent; Arnoldo Alemán, 7.7 percent; and the hidden vote, 31.3 percent. 4.4 percent gave no response;
- 4) A Borge and Associates poll gave Ortega 42 percent (almost the same as M&R), 25 percent to Gadea, 20.7 percent to no one, and 7.7 percent to Alemán. 4.4 percent had no response.

It is difficult to predict what will happen in Nicaragua, since the elections are still a year away. But we can foresee at least two possible scenarios:

- 1) If Ortega is able to run for reelection and confronts a disorganized and dispersed opposition, he could win even without resorting to fraud.
- 2) The only way we will have a competitive election is if the opposition unites around a strong candidate and program that addresses social problems. In this case, the likelihood of fraud and violence will also increase.

The main debate today is whether the government that emerges from these elections, most probably led by Ortega, will enjoy democratic legitimacy. The biggest threat to democracy is not only the de facto reelection of Ortega, but also the fact that the army and police—until now the only truly national institutions—will be subjected to authoritarian and personal control in the future.

Our long-term democratic challenge is to build solid and autonomous state and civil society institutions that can guarantee the accountability of power. Given this panorama, the independent press will continue to play a key role as a counterbalance to power and as the promoter of democratic accountability, despite the current restrictions on a free press.