The End of the Road for the Nicaraguan Revolution

Democracy Be Gone: Daniel Ortega Stalks Businessmen, Political Opponents

Daniel Ortega of Nicaragua has taken his mask off: the president-turned-dictator is now blatantly using the state’s repressive apparatus to steal the upcoming election.

In June and July 2021, Ortega arrested more than 20 individuals and froze their bank accounts. Six of them were planning to compete with him for the Nicaraguan presidency in November. Others were part of opposition movements.

In a similar vein, the Ortega regime is waging an open war with the country’s business elite, once a close ally.

What caused the recent wave of arrests?

The self-preservation instinct of Ortega’s crony regime increased after the 2018 social unrest and protests. Back then, the Nicaraguan police arrested...
over 800 people and started persecuting opposition leaders and young activists.

Soon, a giant surveillance machine emerged, made up not only of government officials but also of citizens across the country willing to snitch on critics. The Ortega regime cracked down on independent journalists and enacted barriers to media outlets until many of them shut down.

In December 2020, the Sandinista-controlled National Assembly passed three laws giving Ortega wide-ranging powers under the excuse of fighting fake news, foreign meddling, terrorism, and money laundering. Ortega was laying the groundwork to throw the full weight of the state against dissidents.

This year, when the electoral authority announced the presidential election would take place on November 7, Ortega, who has been in power since 2007, launched his attack. Prosecutors and judges loyal to Ortega began using these laws and other pretexts to arrest candidates and pave the way for his fourth reelection.

Who is currently in prison?

- **Cristiana Chamorro**: Arrested on June 2, she was the most popular challenger to Ortega’s candidacy. She is under house arrest accused of laundering money through her foundation Violeta Barrios de Chamorro, named after her mother, the president of Nicaragua between 1990 and 1997.

- **Arturo Cruz**: Arrested on June 5, Cruz was accused of infringing the Popular Sovereignty Law, which prevents him from holding public-sector jobs. A former ambassador, he is a political analyst and professor at the Central American Institute of Business Management.

- **Félix Mariadaga**: An academic and presidential candidate accused of violating sovereignty and asking for military intervention. He was arrested on June 8 as part of the repression against the Blue and White National Unity.

- **José Aguerri**: The former president of the Superior Council for Private Enterprise (COSEP), the country’s largest business union, has been in preventive detention since June 8 for allegedly inciting foreign interference.

- **Juan Chamorro**: Arrested on June 8, he was accused of encouraging foreign interference in public affairs and laundering money. He is Cristiana Chamorro’s cousin.

- **Violeta Granera**: She was arrested on June 8 due to allegedly encouraging the meddling of foreign agents and the armed forces in national affairs. A member of the opposition front Blue and White National Unity, she remains under home arrest.
José Pallais: Arrested on June 9, he was accused of financing terrorism and destabilization efforts with international funds. Pallais is a leader of the opposition National Coalition and a former foreign minister.

Ana Vijil, Dora Telléz, Hugo Torres, and Suyen Barahona: These leaders of the Sandinista Renovation Party (Unamos) were arrested on June 13 due to allegedly encouraging the meddling of foreign agents.

Víctor Tinoco: Accused of asking support from foreign agents and the armed forces, he was arrested on June 13. Tinoco’s daughter released a video claiming her father had been kidnapped by civilians.

Luis Rivas: Arrested on June 15, he is the manager of Nicaragua’s Production Bank (Banpro). On the same day, neighboring countries demanded that Ortega free political prisoners during a meeting of the Organization of American States.

Pedro Vásquez: Cristiana Chamorro’s chauffeur, he disappeared on June 15 at night and later appeared in jail with a three-month preventive arrest order. Neither his attorney nor his family have been able to see him since.

Miguel Mora: The former head of the digital media outlet 100 Percent News saw his plans to run for president cancelled with his arrest on June 20. He was also accused of encouraging international interference and asking for military intervention. The Ortega regime had already targeted him with an arrest in 2018.

María Fernanda Flores and Miguel Mendoza: Flores, the former first lady during Arnoldo Alemán’s presidency (1997–2002) and a former legislator for the opposition Constitutionalist Liberal Party, and Mendoza, a sports journalist, were arrested on June 21 for allegedly performing acts that jeopardize national sovereignty.

Lésther Alemán and Max Jérez: Likewise, the student leaders and members of the Nicaraguan University Alliance were arrested on July 5 for violating the Sovereignty Law.

Medardo Mairena, Freddy Navas, Pablo Morales, and Pedro Mena: These are peasant-movement leaders, arrested on July 5. Mairena, who was condemned to 216 years in prison after the 2018 protests for alleged terrorism and amnestied later, also wanted to run for presidency.

María Asunción Moreno: Prosecutors summoned Moreno, who aspired to be the Citizens Alliance for Freedom party’s presidential candidate, for an unexpected interrogation on July 11. Sensing her arrest, Moreno did not attend and went into hiding. The police are keeping her house under surveillance.
In most cases, the Ortega regime has not shared where it is holding the political prisoners, and not even their families have access to them. There is certainty only about the most prominent cases of Cristiana Chamorro and Violeta Granera, who are under house arrest.

Has the political repression impacted the economy?

Between 2007 and 2017, Ortega enjoyed the support of the country’s business elite gathered in COSEP. To garner their support, Ortega allowed business leaders to decide on the national economic matters.

The regime marketed Nicaragua as an investment destination, and foreign companies constructed factories. During that decade, the economy grew on average by 5 percent annually.

The relationship with COSEP went south when it asked the regime to stop repressing protesters in 2018. This year’s detention of José Aguerri and Luis Rivas, two respected business leaders, was the straw that broke the camel’s back.

By then, however, Ortega and his family had built their own business elite. Nicaragua channelled US$4 billion from the Venezuelan regime through Albanisa, a joint venture between the Venezuelan state-run oil firm PDVSA and Petronic, the Nicaraguan state-run oil firm controlled by Ortega’s family.

Ortega turned Albanisa into a conglomerate present in finance, energy and gas, construction, travel, and other industries. He put his relatives and closest allies in charge of these businesses to profit from regime privileges and expand market share.

Since the 2018 protests and subsequent political turmoil, 3,000 businesses have shut down, and over 142,000 formal jobs have disappeared.

Nicaragua’s GDP declined by 3.4 percent in 2018 and by 3.7 percent in 2019. The poverty rate jumped to 14.7 percent in 2020 from 13.5 percent in 2019—in one year, those who earned less than US$3.20 per day increased by 90,000.

The pandemic, as well as the Iota and Eta hurricanes, compounded the economic malaise in 2020: GDP shrunk by 2.5 percent. Further, authoritarianism and corruption have undermined entrepreneurship and paved the way for the consolidation of Ortega’s family businesses.

The Nicaraguan economist Abelardo Medina believes Ortega will keep his tight grip on the country. “Without a high-level trigger, there will be no change in the short run. [The regime’s] instability impedes economic growth, because investors stop coming here.”
Will Nicaragua be the next source of mass migration in Latin American?

The Ortega regime has turned Nicaragua into a country with dwindling economic opportunities and fewer rights for common citizens. Therefore, incentives to migrate are increasing.

Indeed, Nicaraguans have crowded migration offices this year. In the first week of June, the government issued 2,080 passports. The number jumped to 3,074 in the second week and then to 3,136 the following week.

The trend has been on the rise. According to the UN Refugee Agency, more Nicaraguans are asking for asylum each year. From 2,722 in 2017, the number of asylum seekers rose to 32,265 in 2018. The figure doubled in 2019 with 67,150 applicants and remained stable in 2020 with 67,229 people.

A February 2021 poll conducted by Cid Gallup revealed two thirds of Nicaraguans, mostly young people, would move to the United States, Canada, or Spain if they had the chance.

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