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COMMENTARY

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# Nicaragua: Dictatorship and Collaboration with Extra-Hemispheric U.S. Rivals

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On June 9, 2022, Nicaragua's Sandinista National Liberation Front (FSLN) government renewed the authorization of Russian military forces <<https://www.msn.com/en-in/news/world/nicaragua-authorises-entry-of-russian-troops-planes-ships/ar-aaylytf>> to operate in the country. In doing so, it reminded the United States and the hemisphere that the dictatorial regime of Daniel

Ortega not only continues to abrogate the rights of its own people for democratic choice, free expression, and other fundamental human rights, but also serves as an entry point for the projection of threats into the region by extra-hemispheric rivals of the United States, such as Russia <<https://www.csis.org/analysis/russia-western-hemisphere-assessing-putins-malign-influence-latin-america-and-caribbean>>, Iran <<https://centerforsecuritypolicy.org/iran-in-latin-america-identifying-the-problem-and-how-we-need-to-confront-it/>>, and the People's Republic of China <<https://www.csis.org/analysis/chinas-role-latin-america-and-caribbean>> (PRC).

## **Closure of Democratic Spaces**

In the four years since the nationwide protests <<https://theglobalamericans.org/2018/05/nicaraguas-struggle-for-dignity-and-survival/>> against the Sandinista regime began in April 2018 <<https://www.hrw.org/news/2018/04/27/nicaragua-protests-leave-deadly-toll>>, the authoritarian regime of Daniel Ortega and Rosario Murillo has doubled down on consolidating its power, arguably determined never again to allow political organizations or public organization and expression that could lead to comparable mass challenges <<https://www.nytimes.com/2018/04/26/world/americas/nicaragua-uprising-protesters.html>> to its power.

The Ortegas' repression of the initial protests involved hundreds of arrests and caused at least 300 deaths and 2,000 injuries <<https://www.hrw.org/report/2019/06/19/crackdown-nicaragua/torture-ill-treatment-and-prosecutions-protesters-and>>. In the years that followed, they passed a series of laws effectively criminalizing expression of dissent <<https://www.worldpoliticsreview.com/repressive-new-laws-in-nicaragua-reveal-ortega-s-growing->

insecurity/>. The defining moment in their consolidation of authoritarian rule was the rigging of the nation's November 2021 national elections <<https://www.cnn.com/2021/11/07/americas/nicaragua-election-nov-7-intl-latam/index.html>>, giving the dictatorial couple a new term in power by disqualifying virtually all of the other opposition parties and jailing 40 leading opposition figures <[https://www.latinnews.com/component/k2/item/92690.html?period=2022&archive=3&itemid=6&cat\\_id=828156:nicaragua-new-electoral-rules-stoke-concern](https://www.latinnews.com/component/k2/item/92690.html?period=2022&archive=3&itemid=6&cat_id=828156:nicaragua-new-electoral-rules-stoke-concern)>, including the seven opposition presidential candidates.

The leaders of Nicaragua's former political opposition movements have been, almost to a person, either arrested or forced into exile. Only a handful of parties, defined by their collaboration with the Ortegas and the FSLN including the Liberal Constitutionalist Party (PLC), remain legal.

Following the November 2021 elections, in the wake of expanded sanctions by the United States <<https://www.state.gov/new-sanctions-following-sham-elections-in-nicaragua/>> and the European Union <<https://www.europeansanctions.com/region/nicaragua-2/>>, the Ortegas and the FSLN have continued to move against virtually all public or private institutions that could speak out against them or otherwise mobilize public opposition against the Sandinistas. The Ortega regime has shut down <[https://www.latinnews.com/component/k2/item/92757.html?period=2022&archive=33&itemid=6&cat\\_id=828205:nicaragua-crackdown-continues](https://www.latinnews.com/component/k2/item/92757.html?period=2022&archive=33&itemid=6&cat_id=828205:nicaragua-crackdown-continues)> more than 550 NGOs, disbanding 93 groups in June 2022 <[https://www.latinnews.com/component/k2/item/93151.html?period=2022&archive=33&itemid=6&cat\\_id=828459:nicaragua-defiant-ortega-doubles-down](https://www.latinnews.com/component/k2/item/93151.html?period=2022&archive=33&itemid=6&cat_id=828459:nicaragua-defiant-ortega-doubles-down)> alone.

The Ortega regime has also moved against the press, including the confiscation of the facilities of the independent *El Confidencial* in December 2018 <<https://elperiodico.com.gt/lo-mas-importante-de-hoy/2018/12/14/saquean-oficinas-de-confidencial-esta-noche-y-esta-semana-por-policia-orteguista/>>, and repeated actions against Nicaragua's largest newspaper *La Prensa* <[https://www.latinnews.com/component/k2/item/93523.html?period=2022&archive=33&itemid=6&cat\\_id=828686:nicaragua-press-watchdogs-denounce-new-wave-of-persecution](https://www.latinnews.com/component/k2/item/93523.html?period=2022&archive=33&itemid=6&cat_id=828686:nicaragua-press-watchdogs-denounce-new-wave-of-persecution)> and its personnel. The regime raided the offices of *La Prensa* <<https://www.bbc.com/news/world-latin-america-58212024>> in August 2021 and searched and ransacked of the homes <<https://talcualdigital.com/editor-del-diario-la-prensa-de-nicaragua-advierte-que-nunca-habian-sacado-a-todos-del-pais/>> of its reporters in July 2022 <[https://www.latinnews.com/component/k2/item/93523.html?period=2022&archive=33&itemid=6&cat\\_id=828686:nicaragua-press-watchdogs-denounce-new-wave-of-persecution](https://www.latinnews.com/component/k2/item/93523.html?period=2022&archive=33&itemid=6&cat_id=828686:nicaragua-press-watchdogs-denounce-new-wave-of-persecution)>, obliging reporters to flee the country <<https://apnews.com/article/caribbean-newspapers-nicaragua-daniel-ortega-mother-teresa-3af3ec524eefc22e33dfbc8b4ca24940>>. During the same month, the Ortega regime also closed four Nicaraguan cable channels <[https://www.latinnews.com/component/k2/item/93772.html?period=2022&archive=3&itemid=6&cat\\_id=828848:nicaragua-more-moves-to-silence-the-media-and-catholic-church](https://www.latinnews.com/component/k2/item/93772.html?period=2022&archive=3&itemid=6&cat_id=828848:nicaragua-more-moves-to-silence-the-media-and-catholic-church)> and 11 radio stations, including the iconic Radio San Carlos <<https://100noticias.com.ni/nacionales/117500-regimen-cierra-radio-san-carlos-nicaragua/>>. In August 2022, the Ortegas ordered the dismantling of the *La Prensa* building <<https://www.radiotelevisionmarti.com/a/nicaragua-ortega-ordena-desmantelar-edificio-del-periodico-la-prensa/332449.html>> to eliminate the last vestiges of its 100-year role in the history of Nicaragua's media.



The Ortegas have gradually increased repression against the Catholic Church, a traditional pillar of Nicaraguan society. They have targeted priests and other leaders who speak critically of the regime during their masses and other public engagements. Nicaraguan bishop Rolando Alvarez was subject to unexplained police harrassment

<[https://www.latinnews.com/component/k2/item/93023.html?](https://www.latinnews.com/component/k2/item/93023.html?period=2022&archive=33&itemid=6&cat_id=828376:nicaragua-ortega-intensifies-campaign-against-the-church)

[period=2022&archive=33&itemid=6&cat\\_id=828376:nicaragua-ortega-intensifies-campaign-against-the-church](https://www.latinnews.com/component/k2/item/93023.html?period=2022&archive=33&itemid=6&cat_id=828376:nicaragua-ortega-intensifies-campaign-against-the-church)> and later, arrest <<https://www.wsj.com/articles/nicaraguan-police-arrest-bishop-critical-of-ortega-regime-11660946743>>. Others in the Catholic Church and in

Nicaragua's important evangelical movement have been intimidated into remaining silent about such repression.

The Ortegas have become increasingly suspicious and intolerant of the private sector. Both the president and vice president

<<https://nicaraguaactual.tv/presidente-y-vicepresidente-del-cosep-condenados/>> of Nicaragua's main business federation, COSEP, have been imprisoned. The properties of numerous Nicaraguan businesspeople have been searched and sometimes confiscated without legitimate legal justification. Other commercial elites, such as Carlos Pellas, have avoided publicly opposing the Ortegas, arguably hoping to avoid the same fate.

As the United States, European Union, and even states in the Western Hemisphere have become increasingly critical of the Ortega regime, Nicaragua has increasingly broken ties with them. In May 2022, following critical reports and statements from the Organization of American States (OAS)-based Inter-American Commission on Human

Rights (IACHR) about the Sandinista regime, Nicaragua announced its withdrawal from the OAS <[https://www.latinnews.com/component/k2/item/92595.html?period=2022&archive=33&itemid=6&cat\\_id=828096:nicaragua-ortega-evicts-oas-withdraws-from-bloc](https://www.latinnews.com/component/k2/item/92595.html?period=2022&archive=33&itemid=6&cat_id=828096:nicaragua-ortega-evicts-oas-withdraws-from-bloc)>.

In some ways, the control the Ortegas have achieved over Nicaragua is even greater than the domination of the Chavistas over much larger and resource-rich Venezuela. In Nicaragua, there are no indications of significant divisions within the national police or armed forces regarding the regime. Key political, economic, and security sector leaders have already been stripped of their visas for traveling to the United States, among other sanctions. In July 2022, 23 more Nicaraguans were added to the “Engel list”

<[https://www.latinnews.com/component/k2/item/93659.html?period=2022&archive=3&itemid=6&cat\\_id=828775:us-adds-central-americans-to-engel-list](https://www.latinnews.com/component/k2/item/93659.html?period=2022&archive=3&itemid=6&cat_id=828775:us-adds-central-americans-to-engel-list)>

of actors barred from conducting business with U.S. financial actors. Isolated Nicaraguan elites arguably have few other options than to continue to work with the Ortegas.

The current focus of the Ortegas expanding efforts to control all of Nicaragua’s political and social spaces is the November 2022 municipal elections. There, the Ortegas seek to capture the few municipalities in the country they do not currently dominate. In the prior local elections in 2017, the Sandinistas won <<https://www.celag.org/informe-pos-electoral-elecciones-municipales-nicaragua-2017/>> 135 of 153 municipalities. In July 2022, in anticipation of the November elections, the FSLN government seized control of five municipalities

<[https://www.latinnews.com/component/k2/item/93438.html?period=2022&archive=33&itemid=6&cat\\_id=828636:nicaragua-ortega-deals-further-blow-to-municipal-](https://www.latinnews.com/component/k2/item/93438.html?period=2022&archive=33&itemid=6&cat_id=828636:nicaragua-ortega-deals-further-blow-to-municipal-)

>

autonomy> it had lost in 2017 to the opposition party, Ciudadanos por la Libertad, whose party status had been revoked during the November 2021 presidential contest. Noting the inability to politically compete in a viable fashion in the November 2022 contests, Hector Mainera, a leading politician in exile with opposition coalition Unidad Nacional Azul y Blanco (UNAB), called for UNAB and others to boycott the elections <[https://www.latinnews.com/component/k2/item/93428.html?period=2022&archive=3&itemid=6&cat\\_id=828629:nicaragua-opposition-takes-a-stand-over-municipal-vote](https://www.latinnews.com/component/k2/item/93428.html?period=2022&archive=3&itemid=6&cat_id=828629:nicaragua-opposition-takes-a-stand-over-municipal-vote)>.

## **Economy and Covid-19**

Prior to Covid-19, the Nicaraguan economy had been one of the fastest growing in the region. Despite sanctions, Nicaragua's economy has rebounded relatively well from Covid-19, in part because of continued preferential access to the U.S. market through the Central American Free Trade Agreement (CAFTA-DR) free trade agreement. It has also now overcome initial shortages of vaccines

<<https://www.tn8.tv/nacionales/nicaragua-recibe-1-millon-252-mil-800-dosis-de-vacuna-astrazeneca/>>

and Covid-19-related supplies. Nonetheless, the U.S. end to tariff rate quota (TRQ) purchases of Nicaraguan sugar at preferential prices, announced in July 2022 <[https://www.latinnews.com/component/k2/item/93647.html?period=2022&archive=3&itemid=6&cat\\_id=828768:in-brief-us-ups-economic-pressure-on-nicaragua](https://www.latinnews.com/component/k2/item/93647.html?period=2022&archive=3&itemid=6&cat_id=828768:in-brief-us-ups-economic-pressure-on-nicaragua)>, is

anticipated to impact the economy to some degree.

As an agricultural economy, Nicaragua has reportedly benefited from the increased prices of coffee and dairy goods fueled indirectly by Russia's Ukraine invasion, although it has also been hurt by inflation,

which, as of late 2022, was running at 10.37 percent.

<https://tradingeconomics.com/nicaragua/inflation-cpi>

In contrast to confiscatory policies adopted by the Sandinista government <https://www.jstor.org/stable/2503470> in the name of land reform during its first time in power after the 1979 revolution, since returning to power in 2007, the Ortegas have wisely refrained from moving against small-scale agriculture. Thus, by avoiding policies that significantly impaired food production, the Ortegas have helped keep protests manageable by ensuring Nicaraguans can at least feed themselves.

Although investment in Nicaragua from the United States and the West has been limited with the deteriorating political situation, the country has continued to benefit from loans from the Central American Bank for Economic Integration (BICE). In June 2022, the bank loaned the country \$382 million [https://www.latinnews.com/component/k2/item/93322.html?](https://www.latinnews.com/component/k2/item/93322.html?period=2022&archive=3&itemid=6&cat_id=828569)

[period=2022&archive=3&itemid=6&cat\\_id=828569](https://www.latinnews.com/component/k2/item/93322.html?period=2022&archive=3&itemid=6&cat_id=828569):in-brief-nicaragua-approves-new-bcie-loan> for infrastructure facilitating access to coastal tourist sites. In July 2022, BICE provided an additional \$200 million

[https://www.latinnews.com/component/k2/item/93499.html?](https://www.latinnews.com/component/k2/item/93499.html?period=2022&archive=3&itemid=6&cat_id=828666)

[period=2022&archive=3&itemid=6&cat\\_id=828666](https://www.latinnews.com/component/k2/item/93499.html?period=2022&archive=3&itemid=6&cat_id=828666):in-brief-nicaragua-approves-bcie-loan-to-cushion-fuel-costs> to help the Sandinista government subsidize the cost of fuel.

Despite sanctions and uncertainty regarding inconsistent protection for businesses under the law, Nicaragua has seen foreign investment increase, rather than decline, particularly in the energy and mining sector. In 2021, the country received \$1.22 billion in foreign direct

investment, <[https://www.latinnews.com/component/k2/item/92270.html?](https://www.latinnews.com/component/k2/item/92270.html?period=2022&archive=3&itemid=6&cat_id=827882:in-brief-nicaragua-claims-surge-in-fdi)

[period=2022&archive=3&itemid=6&cat\\_id=827882:in-brief-nicaragua-claims-surge-in-fdi](https://www.latinnews.com/component/k2/item/92270.html?period=2022&archive=3&itemid=6&cat_id=827882:in-brief-nicaragua-claims-surge-in-fdi)> 39

percent more than the prior year. Remittances from outside the country in the first quarter of 2022 were 26.4 percent higher

<[https://www.latinnews.com/component/k2/item/92691.html?](https://www.latinnews.com/component/k2/item/92691.html?period=2022&archive=3&itemid=6&cat_id=828156:in-brief-nicaragua-hails-surge-in-remittances)

[period=2022&archive=3&itemid=6&cat\\_id=828156:in-brief-nicaragua-hails-surge-in-remittances](https://www.latinnews.com/component/k2/item/92691.html?period=2022&archive=3&itemid=6&cat_id=828156:in-brief-nicaragua-hails-surge-in-remittances)> than

in 2017, with 70 percent of those remittances coming from the United States.

In 2021, reflecting the combination of such factors, as the nation recovered from the Covid-19 pandemic, the Nicaragua economy grew 10.1 percent <[https://www.latinnews.com/component/k2/item/92132.html?](https://www.latinnews.com/component/k2/item/92132.html?period=2022&archive=3&itemid=6&cat_id=827785:in-brief-nicaragua-s-gdp-growth-recovers-in-2021)

[period=2022&archive=3&itemid=6&cat\\_id=827785:in-brief-nicaragua-s-gdp-growth-recovers-in-2021](https://www.latinnews.com/component/k2/item/92132.html?period=2022&archive=3&itemid=6&cat_id=827785:in-brief-nicaragua-s-gdp-growth-recovers-in-2021)>—

one of the highest rates in the region, adding to the political space available to the Ortegas.

## **Nicaragua as an Entry Point for Extra-Hemispheric Actors**

As noted previously, Nicaragua's increasingly authoritarian government has become a key bridge for the entrance of anti-U.S. extra-hemispheric actors into the region.

### **Russia**

The most significant of the extra-hemispheric U.S. rivals Nicaragua has enabled in the hemisphere has been Russia, with which the Ortega regime renewed its Cold War era strategic alliance in 2008. The Ortegas have continued to receive both military and economic aid from Russia.

Russia-Nicaragua military collaboration has included the Ortega regime's hosting of nuclear capable Russian Tu-160 Blackjack bombers in 2008, and again in 2013, during which time those bombers, departing from Nicaragua, violated Colombian airspace

<<https://www.reuters.com/article/us-colombia-russia-airspace-idusbre9a504020131106>>.

On June 9, 2022, the Sandinista-dominated Nicaraguan congress authorized the presence of Russian troops, warships, and military vehicles <[https://www.latinnews.com/component/k2/item/93094.html?](https://www.latinnews.com/component/k2/item/93094.html?period=2022&archive=3&itemid=6&cat_id=828423:nicaragua-ortega-gov-t-authorises-entry-of-russian-troops)

[period=2022&archive=3&itemid=6&cat\\_id=828423:nicaragua-ortega-gov-t-authorises-entry-of-russian-troops](https://www.latinnews.com/component/k2/item/93094.html?period=2022&archive=3&itemid=6&cat_id=828423:nicaragua-ortega-gov-t-authorises-entry-of-russian-troops)> in the country under Decree 10-2022 <[https://www.thetrumpet.com/25741-](https://www.thetrumpet.com/25741-nicaragua-invites-russian-military-in)

[nicaragua-invites-russian-military-in](https://www.thetrumpet.com/25741-nicaragua-invites-russian-military-in)>. The legislation authorized Russian presence to support a combination of training on countering drugs and other activities <<https://www.thetrumpet.com/25741-nicaragua-invites-russian-military-in>>. Although Russia's invasion of the Ukraine and provocative talk of deploying military forces to the region gave the agreement particular significance, the authorization was not a wholly new phenomenon. Rather, it was a renewal and expansion of the recurring approval of the presence of Russian forces by the Sandinista congress, that had occurred for more than a decade.

Russia has provided a significant volume of military assistance to Nicaragua relative to the its limited size and security needs. This has included selling or giving the country T-72 tanks

<<https://apnews.com/article/e7ac9d8e16974d0b8321b438a3541033>> to replace Nicaragua's outdated Russian Cold War-era T-55s, BMP-1s, BTR-152s, BTR-60s, BTR-70s, and Tigr <<https://es.rbth.com/tecnologias/82775-armas-rusas-nicaragua>> armored vehicles, Antonov An-26 transport aircraft

<<https://www.shephardmedia.com/news/mil-log/nicaragua-receives-26s-transport-aircraft/>>, ZU-23  
<<https://www.csis.org/analysis/russia-western-hemisphere-assessing-putins-malign-influence-latin-america-and-caribbean>> anti-aircraft guns, Mizrah patrol boats  
<<https://es.rbth.com/tecnologias/82775-armas-rusas-nicaragua>>, Molina missile boats  
<<https://www.csis.org/analysis/russia-western-hemisphere-assessing-putins-malign-influence-latin-america-and-caribbean>>, and possibly Mi-17 transport  
<<https://es.rbth.com/tecnologias/82775-armas-rusas-nicaragua>> helicopters.

The Russian counter-drug organization FSKN has constructed a law enforcement training facility in the Las Colinas neighborhood of Managua. In the first year of the facility's operation, 2017  
<<https://www.confidencial.digital/english/russia-opens-police-training-center-in-nicaragua/>>, the facility trained at least 260 personnel across 12 courses  
<<https://www.policia.gob.ni/?p=46111>>, including representatives from Mexico, El Salvador, Guatemala, the Dominican Republic, and Nicaragua  
<<https://www.policia.gob.ni/?p=46111>>.

Russia has also built a downlink station for its global positioning satellite system GLONASS in the Nejapa lagoon area  
<<https://www.gpsworld.com/russia-commissions-glonass-station-in-nicaragua/>> just outside Managua.

With respect to economic assistance, Russia has provided wheat and transit buses, although the buses have experienced problems operating in Nicaragua's tropical climate. Most recently, in August 2022, Nicaraguan finance minister Iván Acosta announced the delivery of

300 more Russian buses <[https://www.latinnews.com/component/k2/item/93282.html?period=2022&archive=3&itemid=6&cat\\_id=828547:in-brief-nicaragua-announces-more-russian-cooperation](https://www.latinnews.com/component/k2/item/93282.html?period=2022&archive=3&itemid=6&cat_id=828547:in-brief-nicaragua-announces-more-russian-cooperation)>, although they were reportedly purchases, not donated.

In March 2022, Nicaragua also agreed to cooperate with Russia in unspecified ways on energy, medical, and nuclear projects

<[https://www.latinnews.com/component/k2/item/92098.html?period=2022&archive=25&itemid=6&cat\\_id=827743:nicaragua-deepening-ties-with-russia-amid-increasing-international-isolation](https://www.latinnews.com/component/k2/item/92098.html?period=2022&archive=25&itemid=6&cat_id=827743:nicaragua-deepening-ties-with-russia-amid-increasing-international-isolation)>.

## **People's Republic of China**

The Ortega regime first diplomatically recognized the PRC in 1985 <<https://theglobalamericans.org/2021/12/nicaraguas-flip-to-china/>>. Daniel Ortega's successor Violeta Chamorro switched relations back to Taiwan after coming to power in 1990. When Ortega returned to power for a second time in 2007, he did not immediately reestablish diplomatic relations with the PRC. Indeed, he waited until the widespread international condemnation of his misconduct in rigging the November 2021 elections, including the associated prospect of loss of access to U.S. and other markets made possible by the 2021 U.S. RENACER Act <<https://www.congress.gov/bill/117th-congress/house-bill/2946/titles?r=263&s=1>>, forced his hand.

Nicaragua reestablished relations with the PRC in December 2021

<<https://news.cgtn.com/news/2021-12-10/chinese-nicaraguan-officials-hold-talks-in-tianjin-15s2k4lqqfg/index.html#:~:text=nicaragua%20recognizes%20the%20one-china%20principle%20and%20that%20the,an%20inalienable%20part%20of%20china%27s%20territory>>



%2c%20he%20said.>. Pursuant to that recognition, Nicaragua and the PRC named ambassadors to each other's countries

<<https://fundacionandresbello.org/en/news/nicaragua-%f0%9f%87%b3%f0%9f%87%ae-news/new-ambassadors-to-nicaragua-and-china-appointed/>>, although the delay of almost six months <<https://fundacionandresbello.org/en/news/nicaragua-%f0%9f%87%b3%f0%9f%87%ae-news/new-ambassadors-to-nicaragua-and-china-appointed/>> to complete that process was notable.

The PRC has announced a token amount of aid for Nicaragua, including Covid-19 vaccines <<https://www.bbc.com/news/world-asia-59633388>> and a \$60 million project <[https://www.latinnews.com/component/k2/item/92569.html?period=2022&archive=3&itemid=6&cat\\_id=828081:in-brief-nicaragua-announces-china-funds-for-housing](https://www.latinnews.com/component/k2/item/92569.html?period=2022&archive=3&itemid=6&cat_id=828081:in-brief-nicaragua-announces-china-funds-for-housing)> for China International Development Cooperation Agency to build a small quantity of public housing in Managua.

More significantly, on June 7, 2022, the PRC and Nicaragua announced a new trade agreement <<https://forbescentroamerica.com/2022/07/04/nicaragua-y-china-firmaran-un-acuerdo-de-cosecha-temprana-el-14-de-julio/#:~:text=julio%204%2c%202022%20%40%205%3a48%20pm%20nicaragua%20y,oficiales%20nicarag%3%bcenses.%20bandera%20de%20nicaragua.%20foto%3a%20pixabay%20efe.->>> to be implemented in two phases. In phase one, the PRC committed to purchasing Nicaraguan goods covering 90 percent of the exports the country previously sent to Taiwan

<[https://www.latinnews.com/component/k2/item/93045.html?period=2022&archive=3&itemid=6&cat\\_id=828392:in-brief-nicaragua-and-china-announce-trade-deal](https://www.latinnews.com/component/k2/item/93045.html?period=2022&archive=3&itemid=6&cat_id=828392:in-brief-nicaragua-and-china-announce-trade-deal)>.

In phase two, the two governments have committed to negotiating a broader trade agreement <<https://www.latinnews.com/component/k2/item/93045.html>>

period=2022&archive=3&itemid=6&cat\_id=828392:in-brief-nicaragua-and-china-announce-trade-deal> that will likely open up the Nicaraguan economy to penetration by PRC-based infrastructure companies.

Remarkably, in contrast to other countries which have recently established relations with the PRC, including Panama, El Salvador, the Dominican Republic, and Costa Rica, Nicaragua's change was not accompanied by announcements of memorandums of understanding (MOUs) between the governments, or major new investment or infrastructure projects by PRC-based companies. Chinese billionaire Wang Jing, developer of the much discussed but never constructed Nicaragua Canal <<https://en.mercopress.com/2014/01/13/nicaragua-announces-that-construction-of-inter-ocean-canal-begins-this-year>>, mysteriously appeared in Managua in November 2021 during the run-up to national elections, following an unexplained 18-month absence, reminding Nicaraguans that the authorization for the canal still remains in effect <<https://havanatimesenespanol.org/noticias/wang-jing-reaparece-e-insiste-con-el-canal-interoceanico-por-nicaragua/>>. To date, however, there has been no further information about the canal moving forward, or signs of new construction.

## **Islamic Republic of Iran**

Beyond Russia and China, the Ortega regime has also reached out to Iran for commercial and political engagement. Prior to recent Nicaragua-Iran interactions, the Iranian government's last major public diplomacy with Nicaragua was the visit by then-president Mahmoud

Ahmadinejad in 2012 <<https://www.coha.org/15536/>>. Despite talk of multiple Iranian investment projects in Nicaragua at the time, no commercial projects floated between the two countries came to fruition.

On May 2022, Iranian oil minister Javad Owji visited Nicaragua <<https://www.prestv.ir/detail/2022/05/07/681682/iran-oil-minister-visit-latin-america-tour-deals>> and signed MOUs in both oil and agriculture

<[https://www.latinnews.com/component/k2/item/92701.html?](https://www.latinnews.com/component/k2/item/92701.html?period=2022&archive=3&itemid=6&cat_id=828164:in-brief-iran-and-nicaragua-boost-ties)

[period=2022&archive=3&itemid=6&cat\\_id=828164:in-brief-iran-and-nicaragua-boost-ties](https://www.latinnews.com/component/k2/item/92701.html?period=2022&archive=3&itemid=6&cat_id=828164:in-brief-iran-and-nicaragua-boost-ties)>. These included commitments by Iran to supply fuel to Nicaragua, as well as discussion of possible Iranian investments in a new oil refinery for the country, the Supremo Sueño de Bolívar

<[https://www.latinnews.com/component/k2/item/92701.html?](https://www.latinnews.com/component/k2/item/92701.html?period=2022&archive=3&itemid=6&cat_id=828164:in-brief-iran-and-nicaragua-boost-ties)

[period=2022&archive=3&itemid=6&cat\\_id=828164:in-brief-iran-and-nicaragua-boost-ties](https://www.latinnews.com/component/k2/item/92701.html?period=2022&archive=3&itemid=6&cat_id=828164:in-brief-iran-and-nicaragua-boost-ties)>. In July 2022, the government subsequently announced that Iran would also begin purchasing Nicaraguan beef

<[https://www.latinnews.com/component/k2/item/93729.html?](https://www.latinnews.com/component/k2/item/93729.html?period=2022&archive=3&itemid=6&cat_id=828812:in-brief-nicaragua-to-begin-exporting-beef-to-iran)

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## **Outlook**

For both moral and strategic reasons, the United States should not turn a blind eye to the fate of the Nicaraguan people and the direct and indirect dangers the authoritarian Ortega regime presents to the United States and the region.

There are presently few signs that economic hardship or discontent within elite military business circles that collaborate with the regime is leading to exploitable fractures. As in Venezuela, a U.S. military

solution to restoring democracy in Nicaragua would probably be unjustifiably expensive and counterproductive in terms of the dynamics it would unleash in the country, and the associated damage to the U.S. reputation across the region.

Despite the apparent intractability of the Ortega problem in the near term, the U.S. government should continue to advocate for a restoration of Nicaraguan democracy, and work with like-minded European and other democratic actors to apply pressures and incentives to that end. The United States should work with like-minded democratic allies to provide intelligence and offer assistance in countering organized crime to Nicaragua's neighbors, as well as assist them in managing the burden of Nicaraguan refugees who have fled to those countries.

While the United States should continue to look for opportunities for constructive dialogue with the Ortegas, the most viable U.S. posture over the long term is arguably to stand steadfast with the Nicaraguan people in defense of their right to democratic self-determination, fundamental rights and the rule of law, and to send the message that the United States will not compromise with criminally connected

<<https://insightcrime.org/investigations/nicaragua-elites-organized-crime-ted-hayman-cocaine-fisherman/>> authoritarian actors who maintain power through the brutal suppression of their own people.

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