



Photo Credit: Cancillería del Ecuador, January 10, 2012.

THE USES OF SANCTIONS IN FOREIGN POLICY: NICARAGUA'S ELECTIONS 2021

BY RICHARD E. FEINBERG*

The Biden administration will inherit a long list of economic sanctions imposed upon rule-breaking regimes and their distasteful leaders. Some of these punitive measures were first imposed during the Obama era (or even earlier), some originate with Trump.

Sanctions – credits suspended, commerce interrupted, visas lifted, arms sales denied, assets seized – are a favored foreign policy instrument. They usually cost little, indeed they can be a cost savings (aid not provided). And sanctions respond to political outrage to do something: sanctions signal toughness and resolve, and without incurring the risks of military deployment.

Yet in recent years, most sanctions regimes have clearly not achieved their stated goals. Too often, policymakers have over-estimated U.S. leverage. Too often, sanctions have been divorced from realistic diplomatic strategies. Unguided economic sanctions – especially when threatening the essential interests of the target regime – are unlikely to achieve the intended results.

During the Obama administration, the multilateral full-court press against Iran worked because it sought the limited goal of restraining Teheran's nuclear ambitions. Obama did not require the Ayatollahs to abandon other firmly held domestic or international preferences.

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In our hemisphere, the United States has imposed tough sanctions against Cuba, Venezuela, and Nicaragua, often with bipartisan political support. Yet the three target regimes are hanging tough. Inconveniently, each regime appears in firm control of its security apparatus and enjoys some measure of domestic political support. Hence, the inefficacy to date of sanctions.

Take Nicaragua, an impoverished Central American nation of 6.5 million people. The United States has a long history of overestimating its leverage there. In the late 1970s, U.S. policymakers strove mightily to remove the dictator Anastasio Somoza before the left-wing Sandinista rebels could seize power. Yet Somoza rebuffed sanctions and an international mediation effort – until the Sandinista brigades were converging on Managua.

In 2006 the United States again sought the defeat of the Sandinistas at the ballot box by urging the opposition to unite behind a single candidate. But opposition politicians resisted the entreaties of U.S. envoys. Sandinista leader Daniel Ortega, who won that election against two other candidates by a narrow plurality, remains in power to this day.

The wily Ortega built a broad national coalition including some independent political parties, leading business organizations and the Catholic Church. But eventually Ortega over-reached: he gradually narrowed space for political opposition and reserved government benefits for loyal followers. And the decline in Venezuelan support for the Sandinista regime curtailed government spending, leading to unpopular austerity measures. The result was a massive popular insurrection in April 2018, which Ortega brutally repressed. The ferocity of the repression further estranged the leadership of the Church and the major business associations.

In response, the U.S. government tightened economic sanctions, leaning on international financial institutions to suspend lending and imposing restrictions on top regime figures. So far, to no avail. Meanwhile, the pandemic and two fierce hurricanes have hit the Nicaraguan economy much harder than U.S. sanctions. Throughout, the increasingly authoritarian Ortega has remained steadfast.

Presidential elections are scheduled for November 2021. The urgent decisions facing the Biden administration and the international community: with a rational appraisal of its limited leverage, how far can they push Ortega to yield some of his advantages? Short of a truly level playing field, can they press Ortega to lift restrictions on opposition political activity and the media and the safe return of exiles living abroad? What reforms in the electoral system might make it more difficult for Ortega to rig the results?

Ortega will probably yield to international pressures to a degree, while eschewing conditions that would ensure his defeat. Just where that balance lies will be a matter of intense negotiations between the international community, the Nicaraguan opposition (whether unified or fragmented), and Ortega. In the face of an imperfect compromise, some may argue for a boycott. But other opposition leaders will seize the opportunity to make their cases before the Nicaraguan public and gain at least some slices of power in the legislature. And if the opposition, currently fractured along generational and party lines, can unite behind a single attractive candidate, victory might just be within reach.

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In that eventuality, Ortega will fear to step down if only to face jail for himself and his family and close associates and the expropriation of their ill-gotten financial gains. Should Ortega demand a golden parachute, the international community and Nicaraguans will have to decide just how far to bend principles of accountability to guarantee a smooth transition of power.

U.S. policymakers can also look beyond the 2021 election to urge Nicaraguans to negotiate a post-election modus vivendi among themselves. No future government will succeed without some cooperation from the opposition. Should Ortega remain in power, he will need private business to invest. Should the opposition triumph, it will need the well-organized Sandinistas to accept some consensual rules of the game. This new social compact might also lessen fears that winners would crush losers.

These are the tough trade-offs that make diplomacy a demanding profession. Accepting its limited leverage, the U.S. government can ease sanctions—re-opening development finance windows, lifting visa and economic penalties on cooperative individuals and their families—for sub-optimal outcomes. The U.S. government can accept arrangements where Nicaraguans it dislikes nevertheless remain part of the country’s political landscape. Predictably there will be politicians on Capitol Hill ready to accuse the Biden administration of being “soft on socialism.” But my hunch is that most Nicaraguans, schooled as they are in their own political history, will be more than happy to live with imperfect solutions.

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