Nicaragua moves to ban “Yankee” agents from elections as Trump policies hit economy

Andrea Lobo
4 August 2026

On July 29, Nicaragua’s National Assembly, controlled by the ruling Sandinista National Liberation Front (FSLN), launched formal consultations on a constitutional reform that would bar from electoral participation any party that has received foreign financing or whose representatives, in the words of Assembly president Gustavo Porras, “have promoted coups d’état, attacked national independence or violated the fundamental principles of the Constitution.” Approval is expected in early September.

The military command was the first sector to be formally consulted on the issue. Gen. Julio César Avilés, the head of the armed forces, declared that the reform enjoys the military’s “firm backing.”

The corporate media reported widely that President Daniel Ortega had ordered the outright abolition of elections. That claim rests on a single sentence torn from a July 19 speech by Ortega, who was referring to US-backed politicians, when he said:

> They’d love to win elections so they can profit from selling off the schools. But they can forget it. There won’t be any more elections here, no more elections for them to try and seize the government, to seize power... we need to create laws that will put up a wall, a barrier, against the coup-plotters, against those who sell off their country, and no matter how much money the Yankees give them, they won’t succeed!

Co-president Rosario Murillo, Ortega’s wife, clarified the following day that elections would continue: “Elections, yes, but our own elections... designed and organized based on our national sovereignty.”

The reform’s actual content, however, extends well beyond electoral exclusion. According to statements by Porras and other Sandinista officials, it would lengthen the presidential term from six to seven years, made renewable; harmonize the terms of the heads of the Army and National Police with the presidency; and grant the Supreme Electoral Council the power to cancel the legal status of parties receiving external funding or promoting sanctions and interventions.

Ortega’s charge of US interference is not fabricated. It was confirmed within days by Damon Wilson, president of the National Endowment for Democracy, the CIA’s regime-change arm in civilian dress, who announced that the NED “will continue supporting those who peacefully defend fundamental freedoms” in Nicaragua.

The record of its interference is extensive. Between 2014 and 2017, the NED funded 54 projects in Nicaragua at a cost of $4.1 million, according to opposition-aligned journalist Benjamin Waddell. In 2020 alone it disbursed $1.57 million.

During the 2018 social protests, student and NGO leaders financed by these programs traveled to Washington to openly receive instructions.

Marxists extend no defense to organizations operating as instruments of US imperialism. But the working class must be clear about what this measure is and whom it will be used against.

The timing is key to understanding its purpose. The reform is being pushed through at a moment of increased confrontation with Washington and accelerating social crisis.

Nicaragua’s free trade zones, which house the maquiladora sector that constitutes the country’s industrial base, are collapsing. Central Bank figures show employment falling from 138,027 workers in 2022 to 94,861 by March 2026—nearly a third fewer jobs. In the first quarter of this year alone, 10,954 workers were thrown onto the street.

Fernando Sánchez, executive director of the Free Trade Zone Corporation, conceded in April that the cause was the US tariffs, collapsing orders and dependence on single buyers.

Washington imposed an 18 percent “reciprocal” tariff on Nicaragua, against 10 percent for most of the region—a differential that has driven producers to relocate to Honduras, Guatemala and El Salvador. On top of this, the Office of the US Trade Representative determined in October 2025 that Nicaragua’s practices regarding “labor rights, human rights and fundamental freedoms” were “unreasonable,” and imposed a Section 301 tariff on all non-CAFTA-DR goods, rising from zero this year to 10 percent in 2027 and 15 percent in 2028.

The obscenity is apparent: a measure justified by the defense of labor rights has destroyed tens of thousands of workers’ jobs, and was endorsed by the American Apparel & Footwear Association, whose members profit directly from the super-exploitation in these free-trade zones.

These economic measures are accompanied by mounting threats from Washington. Secretary of State Marco Rubio declared on July 21 that his administration and “the international community” would not stand by while the Ortega-Murillo government "manufactures instability that threatens U.S. national security"—the same formula of hemispheric menace deployed against Venezuela before the seizure of Maduro.

Florida Republican Representative María Elvira Salazar joined the chorus with the demand: "After Cuba, Nicaragua is next."

Wages in Nicaragua are at starvation level. The free trade zone minimum stands at 9,986 córdobas—$255 a month—while the basic basket of staples and goods reached 21,250 córdobas, or $577, in January.

A huge share of the economy depends on remittances, approaching 30 percent of GDP. More than 850,000 have fled the country since 2018. That lifeline is now being severed by the Trump administration's deportation of some 15,000 Nicaraguans between January 2025 and June 2026. The IMF projects remittances will contract from this year onward.

Meanwhile 3,207 public employees were dismissed since November under a "restructuring" directed personally by co-Presidents Ortega and Murillo.

Confronted with this crisis, the FSLN's answer to imperialism has been to make concessions to the Trump administration and foreign capital.

On March 27, Ortega and Murillo sent the Assembly a reform converting the free trade zones' 15-year tax exemption into an indefinite one.

The regime's response to a tariff war is to offer foreign capital permanently untaxed operation and a labor force paid $255 a month, policed by a state that has criminalized independent organization.

The same logic governs the handover of the country's resources. Significantly, gold has become Nicaragua's principal export at nearly $2 billion in 2025—and its principal market is the United States.

While much of US propaganda presents Managua as a puppet of China and Russia, the United States is the destination for over 50 percent of Nicaraguan exports, and US corporations remain the top beneficiaries of the Ortega regime.

Despite Rubio's denunciations, there is no indication of an intervention on the scale of Venezuela and Cuba.

The FSLN administration continues to try to play off commercial and political ties with Beijing and Moscow to negotiate more favorable conditions from US imperialism for the sections of the Nicaraguan bourgeoisie around the regime. However, Ortega has increasingly accommodated to Trump's pressures.

In recent years, the government has granted numerous mining concessions, largely in the Caribbean autonomous regions, to Chinese companies without environmental studies.

Last year, Managua seized the US-owned BHMB Mining Company processing plant in Palacagüina, transferring assets to Chinese-linked firms before agreeing to return the facility in May 2026, following intense US pressure and sanctions.

But overwhelmingly, the Ortega government continues to serve US interests: it abandoned the Chinese canal project after 2018 and participates in the US-sponsored Panamax exercises.

Nicaragua has had no IMF program since 2020 and requires none. The Fund's January press release commended the government's macroeconomic and financial policies: in one of the hemisphere's poorest countries, Ortega runs consecutive fiscal surpluses while ignoring even the IMF's call for higher social spending.

After the seizure of Maduro, Ortega moved to appease Washington by freeing prisoners and reimposing visa requirements on Cubans to obstruct migration.

This is not an aberration but the logical result of the FSLN's bourgeois nationalist character, following the same pattern of subordination to imperialism and adoption of right-wing policies seen across the so-called Latin American "Pink Tide."

The FSLN took power in 1979 in coalition with the anti-Somoza bourgeoisie—oligarchs Violeta Chamorro and Alfonso Robelo entered the government—on the program of a "mixed economy" defending capitalist property.

In 1988, workers struck against a "*compactación*" austerity program, imposed while the FSLN fought the US-backed Contras. In response, national directorate member Víctor Tirado López told *Barricada*: "The weight has to fall on them, the workers... We couldn't expect the bourgeoisie to bear the weight of this project."

By 1989, the regime was laying off 34,000 state employees under the adjustment program modelled on IMF prescriptions. Ortega returned to power in 2006 with a former Contra spokesman as running mate, pledging to American investors that "confiscations are not even being considered," and signing a governability pact with the Chamber of Commerce.

In April 2018, a 5 percent pension cut to satisfy solvency demands by the IMF detonated a mass uprising across multiple sectors, including workers and youth. The regime killed 362 people—overwhelmingly students and young workers—in what the United Nations called crimes against humanity, and then passed an anti-terrorism law criminalizing social protest with 15 to 20 years' imprisonment.

While US-financed agitators were active, the repression was primarily aimed against the working class to enforce a right-wing policy.

That is the precedent the FSLN has in mind. The regime is fortifying its control over the apparatus against the social explosion it knows is coming. The parties it will ban initially are its least dangerous opponents. The powers being assembled—to strip organizations of legal status for "foreign financing," to extend the terms of the army and police commands, to define opposition as treason—are the same powers that will be turned against striking workers, youth and a genuine socialist movement.

The Nicaraguan working class can support neither the Ortega-Murillo dictatorship nor the forces Washington funds against it. The way forward lies in the construction of an independent revolutionary party on the perspective of permanent revolution, a section of the International Committee of the Fourth International