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## Nicaragua's President-elect Signals How He Will Govern

by LADB Staff

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Nicaraguan President-elect Daniel Ortega has been busy since his comeback re-election signaling friends and foes alike how he intends to govern. His first of several trips outside Nicaragua was to Guatemala, to discuss Central American unity with President Oscar Berger.

"We have to work toward a union of the Americas, of Central America with the Caribbean and South America. Meanwhile, let's build the unity of Central America," he told the media after his meeting with Berger. While the statement gives ample clues to Ortega's direction, the selection of Guatemala as his first stop was taken by analysts to mean that he is concerned about distancing himself from the dispute between Venezuela and the US.

Venezuela supported Ortega's candidacy as enthusiastically as the US opposed it (see NotiCen, 2006-04-27 and 2006-11-09). Ortega did not avoid criticizing the US during the visit, however. He sharply rebuked Washington's plans to build a wall on the US-Mexican border and said that the US "should work for the unity of the Americas, but taking into account the asymmetries between the countries."

But some days after the trip, Humberto Ortega, the president-elect's brother and ex-chief of the Nicaraguan army, clarified that the fears, both in the US and international markets, of a Nicaragua-Venezuela-Cuba-Bolivia axis were overwrought. "In Nicaragua, there is no room for the axis of Venezuela, Cuba, and Bolivia that is talked about. The only axis that we can support is the Central American axis against poverty." Humberto said that for Daniel there is no option but a government of national unity. "There's no room for radicalisms or international alignments," said Humberto. "Daniel will have to make a government with a social vocation, without falling into the error of the past, when we fell into populism."

As for the Frente Sandinista de Liberacion Nacional's (FSLN) Marxist roots, he said, "Now we believe in the market economy." FSLN legislative Deputy Rene Nunez, the likely next president of the Congress, expressed sentiments very much in line with Humberto's remarks. He said the incoming legislature would promote a socioeconomic agenda that would focus on a development bank, availability of medicines and health services, literacy campaigns, labor issues, national and international investment including in the energy sector, and issues of public accountability.

Courting international investors On the investment front, Vice President-elect Jaime Morales has been preparing for an international meeting of investors to take place in Managua one day after the new government's Jan. 10 inauguration. "The most important incentive for the investor is the real prospect of doing business, and in Nicaragua the authorities-elect are taking very definite steps in that direction," he said. "And for that, we are working to consolidate the climate of security and stability and support for levels of understanding between political and social forces."

Morales, recruited as Ortega's running mate from outside the party he was a contra during the war has been working with Consejo Superior de la Empresa Privada (COSEP) head Ervin Krugger on investment in tourism, banking, environment, and the maquila sector and has already had meetings with businesspeople in the region. Morales said he and the new government intend to take advantage of Nicaragua's association in the Central America Free Trade Agreement (CAFTA) to press the country's advantages. He is aware of trepidation that the private sector may have had in its experience with the Sandinistas and said that the worst is now in the past, that they have learned from the errors of that past, and that they are looking for reconciliation.

The new government is placing strong emphasis on this reconciliation with the international business community. Morales said that most people who will attend the investment meeting have also been invited to participate in the inauguration ceremonies. Another meeting is planned for mid-December with the COSEP leadership at which development proposals between the private sector and the government will be discussed. All this adds up to a serious confidence campaign.

The new government has also begun to forge alliances with the international donor community. On Nov. 14, Ortega and his transition team met with UN System of Organizations officials and with its resident coordinator Alfredo Missair to discuss plans for the eradication of extreme poverty. These plans include job creation in rural areas and in urban poverty pockets. A development bank that will extend low-cost credit for productive projects is also envisioned. This will enable some poor people to take advantage not only of CAFTA opportunities but also of opportunities created through the Alternativa Bolivariana para las Americas (ALBA) in Venezuela, Argentina, and Brazil. The new government's plans for the poor are based on studies by the Centro de Investigaciones para la Produccion y Estudios Sociales (CIPRES).

Orlando Nunez Soto, who conducted the studies, told the UN that they have a very good idea who and where the target populations are. Explaining the philosophy behind the plan, Nunez told the UN officials that these are productive people but "what happens is that they have been impoverished, so it is a mistake to keep treating them like poor people, the intelligent thing is to treat them like producers." Nunez is an economist and sociologist, and he is a Sandinista. He said that the strategy is to capitalize the campesinos, "because they have lost their assets, they have reached the limits of paying debts to the bank and the microfinancers with family remittances."

In recent years, the FSLN has worked with universities and municipalities to capitalize some 5,000 campesino families and has provided them with property and technical assistance. "The result is successful, in a few months they have notably improved their level of life and raised the nutritional level of the families." The program has a long way to go, however. In Nicaragua, 75% of the population is poor and 40% are in extreme poverty. Poverty means a person lives on less than US\$2 a day. Extreme poverty means less than US\$1 a day.

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