



Back by Unpopular Demand: Nicaragua's Daniel Ortega

Roger F. Noriega

As Nicaraguans prepare to vote in their country's presidential election on November 5, Sandinista dictator Daniel Ortega is leading in the polls against a divided field. If Ortega were to regain the presidency, the reversal of the democratic trend in Central America would be devastating.

Americans are justifiably proud of President Ronald Reagan's legacy in Central America: despite a bitter partisan confrontation in the 1980's, *Reaganistas* backed courageous democrats in that region to roll back communism and give democracy a chance to take root. Today, elected leaders of the five small Central American nations¹ are working together to fortify a promising partnership based on free people and free markets.

All that our Central American friends have built after years of war and sacrifice is up for grabs in the November 5 election in Nicaragua. The region's democratically elected leaders are terrified that a Sandinista rebound would wreak havoc in a region that has taken strides in recent years toward economic integration and political stability. They contend that an Ortega victory will scare capital away and slow Nicaragua's sputtering economy, which is just now beginning to recover after a decade of Sandinista misrule.

Back to the Future?

Most Nicaraguans are eager to climb to a brighter future, but they seem to be trapped in a political grave dug for them by a decade of dictatorship under Ortega and by a legacy of cronyism and corruption under former president Arnoldo Alemán, who held office from 1997 until 2001.

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From 1979 until 1990, Ortega led a ruthless communist regime that established a Cuban-style dictatorship which denied basic political freedoms, waged war on its opponents, confiscated private property to benefit its cronies, and wrecked the Nicaraguan economy. His plans were undone by Nicaraguan democrats, and backed up by an armed *campesino* guerrilla movement (the U.S.-backed Nicaraguan Resistance) that resisted oppression and demanded genuine elections. Surprised by a resounding electoral defeat in 1990, a very bitter *Comandante* Ortega promised to "govern from below." He made good on that threat by using his votes to undermine the efforts of his democratically elected successors to rebuild a country that the Sandinistas left in ruins. He used Sandinista loyalists in the judiciary, security forces under his own control, and even thugs in the streets to accomplish his ends.

The Ortega-Alemán Pact

Ortega appeared to have met his match in old-fashioned party boss Arnoldo Alemán, who took office in 1997 and proceeded to rebuild the disciplined Liberal Party political machine of Anastasio Somoza. His well-oiled machine defeated the Sandinistas handily in two back-to-back presidential elections (1996 and 2001) and provided a nationwide platform that rivaled the Sandinista National Liberation Front's (FSLN) network.

Tragically, although Alemán may have had the best interests of the country at heart at the beginning of his presidential term, his notorious corruption and his efforts to manipulate the state to destroy his political rivals proved to be his undoing. For example, in an attempt to outflank Sandinista obstructionism and consolidate his own power, Alemán forged a pact with Ortega in 1999 that offered the FSLN just enough of a stake in government that it might give Nicaragua some political stability and permit economic recovery.

The result of this notorious *pacto* was a series of constitutional reforms that Alemán hoped would set up the Sandinistas as a permanently disadvantaged opposition. The two party bosses divided up the instruments of government between them. As a result of this cynical power-sharing arrangement, the various branches of Nicaragua's government were converted into partisan instruments that Alemán and Ortega have since manipulated to harass their political opponents and, quite frequently, one another.

A central feature of the *pacto* is a contrived formula in which a presidential candidate can win a first-round victory by garnering just 35 percent of the vote and leading his nearest competitor by five percentage points. An overconfident Alemán was willing to offer this tempting deal to the Sandinistas because he counted on unified anti-FSLN sentiment and a well-heeled Liberal machine to keep Ortega at bay. But Alemán's corruption undermined him among decent Nicaraguans (including his own vice president Enrique Bolaños and cabinet minister Eduardo Montealegre) and exposed his political jugular to his foes. Alemán also underestimated the clout that Ortega would wield through the partisan judiciary that has remained mostly in Sandinista hands for a quarter century.

Alemán's Liberal movement backed his dutiful vice president Bolaños in the 2001 presidential elections, despite Bolaños's outspoken anticorruption platform. When Bolaños assumed the presidency in 2002, Alemán sought assurances that he would be immune from his successor's anticorruption crusade. President Bolaños, who has stubbornly confronted decades of harassment by ruthless dictators and unscrupulous thugs, refused to accommodate Alemán, who was stunned to find himself

abandoned by his successor. Relying on Liberal members of the National Assembly who owed their loyalty to him and not to the new president, Alemán seized real power by claiming the presidency of the unicameral assembly in 2001.

In the ensuing years, Bolaños has played a very weak political hand by trying to "triangulate" between Alemán and Ortega. Bolaños used short-lived accords with the *Sandinista* and *Arnoldista* blocs in the National Assembly to achieve international debt relief, to ratify the Central American Free Trade Agreement (CAFTA), and to make some modest reforms that have helped Nicaragua's economy begin to recover from the disastrous policies of the Ortega years. However, Ortega and Alemán have conspired over time to extract even more power from the executive branch, to the point where the Organization of American States (OAS) intervened in

2005 to defend the constitutional principle of separation of powers. In short, Bolaños has managed to remain in office with the help of the international community and because of the simple fact that Ortega and Alemán—who distrust Bolaños only a little more than they do one another—do not see the upside of ousting him.

Elections Held Hostage by Corruption and Cronyism

Corruption remains Alemán's Achilles' heel, and garnering legal immunity is his Holy Grail. Since leaving office, Alemán and his cronies have been investigated or prosecuted by Nicaraguan, Panamanian, and U.S. authorities. In Nicaragua, he has been convicted of corruption and sentenced to years in prison. Panamanian authorities have issued an international arrest warrant for him through Interpol. Investigations are said to be underway in the United States. Ortega has used the infamously partisan and corrupt Sandinista judiciary to toy with Alemán, threatening incarceration and dangling immunity to keep his opponent off-balance. In the meantime, Alemán's cronies appear to have placed a higher premium on his personal fate than on the future of their party or their country. Many believe that much of the *Arnoldista* wing of the Liberal movement are compromised by their chieftain's widespread corruption.

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This brings us to the current elections. One characteristic that Alemán and Ortega have in common is dread of an honest, effective state that might hold them accountable, so the outcome of the 2006 elections is of paramount importance to both men. In addition to rigging the electoral apparatus by installing malleable cronies on the country's Supreme Electoral Council, they continue to abide by a pact to give Ortega every opportunity to win a first-round victory.

Alemán is supporting former vice president José Rizo, who has no chance of being elected; his singular role is to siphon anti-FSLN votes from fellow Liberal Eduardo Montealegre, a capable, pro-U.S. technocrat who served as foreign minister under Alemán and as finance minister under current president Enrique Bolaños. Alemán's calculation is that he has much less to fear from the dictator Ortega than he does from the Boy Scout Montealegre. He is probably right: before the campaign, Montealegre offered to step aside in favor of Rizo on the condition that Alemán would not receive amnesty, and Rizo rejected the arrangement. In another nod to the pact and in a breathtaking display of cynicism, Ortega installed as his vice presidential running mate one of Alemán's key advisors, Jaime Morales, whose Managua home Ortega personally confiscated during the revolution and lives in to this very day.

Two men have a chance to stop Ortega: Montealegre, who leads the National Liberal Alliance ticket, and Edmundo Jarquín, a former official of the Inter-American Development Bank, who inherited the nomination of the Sandinista Renovation Movement upon the July 2, 2006, death of anti-Ortega maverick Herty Lewites. Recent polls suggest that Ortega is holding steady with about 30 percent of the vote, Montealegre and Jarquín in the 20 percent range, and Rizo trailing badly. Many observers believe that as Rizo's support continues to drop and as Montealegre is able to project a nationwide message, the substantial anti-FSLN sentiments will buoy Montealegre's numbers to deny Ortega a first-round victory and to defeat him easily in a runoff.

Life under Daniel Ortega

The quotes below, taken from the U.S. government and OAS reports, provide grim reminders of what life was like under Daniel Ortega's dictatorship.

"As regards the right to life, the period covered by this Annual Report registers several complaints of violations of the same, chargeable to members of the Sandinista Popular Army and to the Ministry of the Interior's General Bureau of State Security, which took the form of extrajudicial executions and forced disappearances. According to the available information, these violations were particularly serious in the Sixth Region."

Inter-American Commission on Human Rights, Organization of American States, "Nicaragua," *Annual Report of the Inter-American Commission on Human Rights, 1988-1989*, OEA/Ser.L/V/II.76, September 18, 1989, available at www.cidh.oas.org/annualrep/88.89eng/TOC.htm.

"Until *La Prensa* [Nicaraguan daily newspaper] was finally shut down completely on June 26, 1986, the newspaper suffered censorship, harassment, and economic pressures at the hands of the Sandinistas. . . . According to *La Prensa* editor Roberto Cardenal Chamorro, on average about half of the material submitted to censors was returned after a delay of several hours with the warning 'Do Not Publish.' Sometimes censorship was so severe—as high as 80 percent—or the delay so great, that the paper could not publish at all. Articles about the church, the independent political parties, democratic trade unions, and the economy were most heavily censored, although the government routinely denied permission to print reports on subjects such as elections in the veterinarians' association and damage caused by storms."

U.S. Department of State, *Crackdown on Freedom in Nicaragua and Profiles of Internal Opposition Leaders*, Department of State Publication 9509, August 1986, 6-7.

"The first major crisis of the new government occurred when the FSLN decided to use its power to secure total control over the Council of State. . . . In April 1980, shortly before the Council was to hold its first session, the junta decreed that the Council of State was to be restructured; seats were reallocated and the total membership was raised to 47. Nearly all the new seats were awarded to Sandinista-controlled organizations: for example, the Sandinista Defense Committees received nine seats."

U.S. Department of State, *Human Rights in Nicaragua under the Sandinistas: From Revolution to Repression*, Department of State Publication 9467, December 1986, 46.

(continued on next page)

(Life under Daniel Ortega continued)

“The Sandinistas now hold more political prisoners than any other government on the Latin American mainland.”

U.S. Department of State, *Sandinista Prisons: A Tool of Intimidation*, Department of State Publication 9492, August 1986, 1.

“In late 1981, Minister of the Interior Tomas Borge signed a secret order that standardized the application of ‘special measures,’ i.e. the illegal execution of political enemies of the Sandinista regime and habitual criminals. . . . Baldizon reports that this order states that the application of ‘special measures’ may be effected only with the approval of Borge and the First Vice Minister of the Interior, Luis Carrion. Baldizon says that the document ordered the phrase ‘special measures’ be used in all references to assassinations and that only a select group of long-time Sandinista militants would be involved in the executions. He says that only chiefs of general directorates and the MINT regional delegates could request the application of special measures and that they be applied only to people whose detention was not public knowledge.”

U.S. Department of State, *Inside the Sandinista Regime: A Special Investigator’s Perspective*, Department of State Publication 9466, February 1986, 7.

Democracy on a Shoestring

Ortega, Rizo, and Jarquín appear to be flush with cash, as Venezuela’s firebrand president Hugo Chávez is pumping in oil and petrodollars to back his Sandinista comrade. Nicaragua has been hit hard by spiraling oil prices, and the country has experienced blackouts in the middle of the presidential campaign. Hugo Chávez’s pledge of cheap oil and his donations of fertilizer through a network of Sandinista mayors—as well as rumored cash contributions—have given Ortega a decided advantage in terms of resources.

Montealegre appears to be the candidate with the greatest commitment to democratic values and honest government. Additionally, he is the only one favorably disposed to the United States. He is also the candidate with the fewest resources, by far. Most experienced Nicaragua-watchers agree that if Montealegre gets the resources he desperately needs in the next few weeks to run a credible campaign, demonstrate his viability, and unify the Liberal vote, he can hand Ortega his fourth electoral defeat.

High Stakes for the Region and the United States

The consolidation of democracy and stable, free-market government in Latin America in general and Central America in particular will be an extraordinary achievement. The United States stands to reap substantial political and economic benefits from having thriving partners from Canada, and through the Central American isthmus and the Andean ridge to the tip of Chile. Nicaragua is an important wedge in that scenario: Hugo Chávez knows this, and so do U.S. policymakers and allies in the region.

Many Central Americans are aghast at the specter of Daniel Ortega returning to the scene of the crime as president of Nicaragua, his anti-U.S. credential intact, relying on the largesse of Hugo Chávez, and defeating a pro-U.S. free-market democrat. Friends of the United States in the region believe that an Ortega victory will resuscitate Chávez’s anti-American project, which was undermined when his candidates were defeated recently in Peru and Mexico.

They also fear that Ortega’s anti-free market, anti-CAFTA vision will stunt the growth of the region and reverse the impressive strides that Central American governments have made toward integration.

U.S. ambassador to Nicaragua Paul Trivelli and other U.S. officials have been criticized both inside and outside of Nicaragua for taking sides in the presidential elections. But this criticism ignores key facts: Trivelli has criticized an anti-democratic pact, corrupt politicians, and an unreconstructed dictator. Moreover, Trivelli has been called upon to shoot down routine suggestions from the cynical Alemán camp that the United States really finds Rizo an acceptable alternative. It is hard to imagine any envoy from any decent government doing anything differently.

Ortega does not and will never enjoy the support of the vast majority of Nicaraguans. He can be defeated easily provided that the following pieces fall into place between now and November 5:

- The United States must continue to express a preference that Nicaragua have a government that will not abuse or steal from its people. This criterion narrows the field considerably.

- The OAS must be rigorous in demanding that the Supreme Electoral Council deliver free and fair elections on November 5. This is far from assured.
- Finally, Nicaraguan democrats and their friends outside the country must make a commitment to the country's future by supporting generously the best man they can find for the job. This is no time for Nicaraguans to hedge their bets.

Nicaraguans Are on the Spot

Although Nicaragua is a poor country today, the fault lies primarily with wrong-headed or selfish leadership. Time and again, Nicaraguans from all walks of life—particularly the very poor who were among the first to resist the Sandinista dictatorship—have been afforded the opportunity to make decisions for themselves and have

chosen wisely. International friends can and should help ensure a free and fair election. But, as usual, proud Nicaraguans can count only on themselves to take back their country and put it on a course toward greater social equity, sustained economic growth, and political stability. We can only hope they do not let themselves down.

AEI research assistant Megan Davy and AEI editorial associate Nicole Passan worked with the author to edit and produce this Latin American Outlook.

Note

1. In chronological order of election, they are Enrique Bolaños of Nicaragua (November 4, 2001), Óscar José Rafael Berger of Guatemala (December 28, 2003), Elías Antonio Saca of El Salvador (March 21, 2004), Manuel Zelaya of Honduras (November 27, 2005), and Óscar Arias of Costa Rica (February 5, 2006).