

# WebMemo



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## Nicaragua: Is Daniel Ortega a “Vegetarian” or a Carnivore?

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Marketing himself as a pro-democracy, “vegetarian” leftist, complete with reassuring sound bites, Sandinista leader Daniel Ortega finally recaptured the presidency in November 2006 with a mere 38 percent of Nicaraguan votes. It was his third re-election attempt since leaving that office in 1990. Ortega, now 62, assumed the presidency for the second time in January 2007. As he approaches the first anniversary of his inauguration, however, his carnivorous tendencies are beginning to re-emerge. The United States must use diplomatic and economic channels to keep Nicaragua on the path to real democracy and free markets.

**Vegetarians and Carnivores.** In their amusing, but also very serious book, *The Return of the Idiot*, Plinio Apuleyo Mendoza, Carlos Alberto Montaner, and Álvaro Vargas Llosa analyze the unmistakable slide back to a socialist South America ruled in some cases by despotic leftist and populist “caudillos” (strongmen), capturing perfectly the ridiculous and sobering results. They divide the new wave of leftists into two camps: vegetarians and carnivores.

The most notable “vegetarian” democratic socialists are Presidents Michele Bachelet of Chile, Luiz Inacio Lula da Silva (“Lula”) of Brazil, and (most recently) Álvaro Colom of Guatemala. These leaders see the many benefits of capitalism and are willing to work within the market-based global economic system to create good and sustainable private-sector jobs. Although they tend to favor excessive regulation, rigid labor markets, and bloated bureaucracies, these leaders do not pose a threat to either market-based democracy or to the United States.

On the other hand, totalitarian dictator Fidel Castro of Cuba has now been joined by younger “carnivores,” such as Hugo Chávez of Venezuela, Rafael Correa of Ecuador, Evo Morales of Bolivia, as well as Mr. (and most recently Mrs.) Nestor Kirchner of Argentina. All of these leaders (to varying degrees) oppose the United States and appear determined to tear apart market-based democratic capitalism and anyone who stands in their way. In place of the “neo-liberalism” they despise, the carnivores would substitute “neo-communism.”

**Nicaragua on the Fence.** Daniel Ortega certainly has a carnivorous pedigree. He was a leader of the Sandinistas when they initially seized power in 1979 after a bitter and violent guerilla war against the Somoza dictatorship. The Sandinistas remained powerful during Ortega’s years out of office and were able to retake the presidency for him both through corruption and intimidation and collusion with corrupt politicians on the right. The former *Comandante* has walked a tightrope since taking office in January 2007, appearing to support capitalism as well as the U.S.–Central American–Dominican Republic Free Trade Agreement. He has maintained relations with the U.S. while simultaneously seeking close relations with—and cash from—world troublemakers such

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as Mahmoud Ahmadinejad, Hugo Chávez, and Moammar Qadhafi. In exchange, those leaders have been demanding that Ortega mouth their anti-U.S. rhetoric and permit their agents to operate freely in Nicaragua. Based upon his performance to date, then, it is unclear whether the Daniel Ortega of 2007 still craves red meat or has hopped aboard the vegetarian wagon.

**What the U.S. Should Do.** U.S. authorities should take the following steps to prevent a Nicaraguan slide into “carnivore” socialism:

- The Bush Administration should conduct a review of the U.S. Millennium Challenge Corporation’s (MCC’s) \$175 million, 5-year Compact with Nicaragua to determine if the Ortega government is complying with its terms. It should report to Congress on its findings.
- The MCC compact should be reduced or cancelled if it is determined that MCC funds are not producing the changes needed to keep the Nicaraguan government and economy on the path to having more market-based, democratic institutions and policies. Although more than \$60 million was scheduled to be disbursed during 2006 and 2007, less than \$10 million had actually been disbursed as of October 2007.
- The Bush Administration should order the U.S. Agency for International Development to devote more resources to democracy and governance programs that encourage the viability of strong, transparent, and pro-democracy political parties and institutions in Nicaragua.
- The Bush Administration should order the Office of the U.S. Trade Representative and the U.S. Department of Commerce to conduct a study of Nicaragua’s participation in—and benefit from—the U.S.–Central American–Dominican Republic Free Trade Agreement and should report to Con-

gress on its findings.

- The Bush Administration, through the Offices of the U.S. Executive Director, should request that detailed studies be done by the Inter-American Development Bank, the World Bank, and the International Monetary Fund to determine the effectiveness of those institutions’ programs with regard to achieving U.S. goals. The results of those studies should be reported to Congress.
- The Bush Administration should increase and enhance its State Department public diplomacy efforts in Nicaragua to encourage the viability of strong, transparent, market-based, and pro-democracy political parties, economic policies, and institutions in Nicaragua. Congress should increase funding for this purpose.
- Congress should hold hearings to assess the situation in Nicaragua and to determine whether the Ortega government’s actions, especially with regard to Venezuela and Iran, constitute any threat to U.S. national security.

**Conclusion.** Nicaraguan President Daniel Ortega continues to walk a tightrope between his “vegetarian” campaign promises and his “carnivorous” past and tendencies. To advance the security and prosperity of both Nicaragua and the United States, U.S. leaders must use the diplomatic and economic tools at their disposal to encourage the development of democracy and free markets—not only in Nicaragua but throughout South America. The United States must also take a hard look at its current policies and those of international organizations, working to end or change those that are not effective. The ultimate goal must be the victory of freedom over both “carnivorous” and “vegetarian” socialism.

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