“Challenges Facing the Ortega Government”
A Panel Discussion:
November 6, 2007

The panelists (from left): Norman Bailey, Amb. Arturo Cruz, James Ferrer, and Joseph Blatchford.

Event Summary
by Tyler Hahn*

On November 6, 2007, The Center for Latin American Issues of The George Washington University hosted a panel discussion entitled “Challenges Facing the Nicaraguan Government”. The panel featured a presentation by His Excellency, Arturo J. Cruz, Ambassador of Nicaragua to the United States. Commenting on the Ambassador’s presentation were Dr. Norman Bailey, Adjunct Professor of Economic Statecraft at the Institute of World Politics and senior fellow at the Potomac Foundation, and Joseph H. Blatchford, President of Summit Communications, Inc. The well-attended discussion included among the audience ambassadors and other diplomats from countries in the region, representatives of multilateral organizations, and U.S. government officials.

Ambassador Cruz presented an expansive and cogent analysis of the problems and potential of Nicaragua specifically, and the Latin American region generally. He argued that Nicaragua is in the most inexpedient position of any country in a region that is, as a whole, going through the difficult process of democratic transition. He posited that this democratic transition is challenged by extreme and prolific poverty in the region; by a historical

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preference for powerful, autocratic leadership; and by a self-perpetuating “gap” in the governments’ ability to supply what their peoples demand. Additionally, the permeation of the social sphere with politics continues to prevent the real, salient issues, such as education, the economy, or energy, from being addressed in practical terms.

The Ambassador nevertheless expressed hope in the face of these challenges, and noted that there is particular reason for optimism in the Central American Free Trade Agreement (CAFTA). He argued that CAFTA will provide a sound legal framework and foundation for future economic development and growth in the region.

Ambassador Cruz posited that Nicaragua needs to maintain a delicate balance between short-term needs and long-term goals, a balance which he viewed as precarious. He contended that a realistic foreign policy needs to acknowledge Nicaragua’s economic circumstances, which require that Nicaragua take assistance wherever it is offered, while maintaining foresight and prudence in developing economic policy for the medium and longer term.

Dr. Bailey praised Ambassador Cruz’s presentation, and stated that he found himself in agreement with much of it. However, he expressed concern over what he termed the “budding romance” between Nicaragua and Iran. He contended that Nicaragua and the region will need to choose between following a path that leads toward democracy, and that embraces the support of the United States, the Inter-American Development Bank, and the International Monetary Fund, and one which embraces neo-socialism, that promotes the Chavez vision of Latin America, and that tolerates and supports the anti-American influence of Iran in the Western Hemisphere. Ambassador Cruz acknowledged Dr. Bailey’s concern about Nicaragua-Iran relations, and assured that his government is aware of the concern.

Dr. Blatchford was equally acclamatory of Ambassador Cruz’s presentation, and also expressed his hope for the CAFTA agreement. He asserted that CAFTA will help to secure U.S. investment in Nicaragua, and will guarantee Nicaraguan access to the U.S. market.
The panel discussion was followed by a question-and-answer period with the audience, wherein concerns were raised over Nicaragua’s antiquated commercial code and the country’s failure to create a system that welcomes foreign investment. Other issues included the notion of citizen-identity in extreme-poverty areas, and the effects of CAFTA on the subsistence farmer.

[Editor’s Note: The views expressed at this event do not necessarily reflect those of The Center for Latin American Issues or of The George Washington University School of Business.]