

Waiting for the Other Shoe to Drop

Almost immediately after winning the presidential election last November, and even before the final vote count was tallied, then-President-elect Daniel Ortega moved quickly and decisively to meet with business leaders and foreign investors to assure them that their money would be safe here.

Given the history of the Sandinistas' land confiscations and persecution of the private sector in the 1980s, Ortega was wise to deliver a clear and firm message to business leaders right out of the starter's blocks: "We want to work with you, not against you."

That message was received enthusiastically by many who decided to give Ortega an early vote of confidence. Others, however, decided to play their cards more conservatively and wait to see if the other shoe would drop.

For the 70 mostly U.S. investors of Arenas Bay development on the Pacific coast near Tola, the other shoe just hit the floor.

The luxury development, which recently accused several high-ranking members of the Sandinista Front of running an extortion racket, was suspiciously issued a work-stoppage order this week by the Environment Ministry for allegedly violating environmental norms. Several days later, a regional prosecutor asked a judge to annul the title and registration of another large section of the development's property in an act that is being likened to a government confiscation.

Armel González, the polemic developer of Arenas Bay, claims the government's actions against the development are a form of political revenge for his recent efforts to expose Sandinista extortion efforts and government corruption. The Sandinistas, whose quiver contains many arrows, couldn't get him one way, so now they're getting him another, he says.

That perception is a real concern in a country with a weak separation of powers and a very powerful government, one whose roots are a clandestine guerrilla movement, no less.

In Nicaragua, two separate yet seemingly related events that appear to be a coincidence are oftentimes not. And the difference between "legal" and "illegal" here often depends on how hard the authorities want to look, and what they hope to find.

Perhaps Arenas Bay was in violation of some environmental norms. But it is hard to imagine that they are the only culprits in a country with lax environmental enforcement and more than 100 competing development projects popping up along the coast and in other delicate ecosystems.

Was Arenas Bay the first project to be censured by a government that has suddenly decided to enforce its environmental legislation, and miraculously found the funding to do so? Doubtful.

Is Arenas Bay a casualty of a multi-flanked counteroffensive by a government that felt threatened by a corruption scandal? Who knows.

What is clear without knowing all the facts, is that from a distance the situation smells a bit like Lake Managua. And this government should be worried about perception, because most investors and business leaders are watching the saga unfold and forming opinions about whether to invest here.

The American-Nicaraguan Business Chamber in Miami this week expressed alarm at the turn of the events, echoing similar concerns raised earlier last week by the National Tourism Chamber in Managua.

For a government that is sending its pro-business envoy – conservative Vice-President

Jaime Morales Carrazo – to assure the private sector and foreign governments that the Sandinistas will respect and protect private property and enterprise, the closure of Arenas Bay is sending mixed signals.

If Arenas Bay was indeed in violation of environmental norms or an illegal acquisition of land, then the problem needs to be straightened out and due penalties applied. But the laws should be applied evenly and consistently to everyone, and not selectively as an arm of government repression or payback.

Ortega, who yesterday celebrated the 28th Anniversary of the Sandinista Revolution, needs to follow through on his campaign promises of providing judicial security and an even playing field for everyone.

The President's real problem so far is not related to his controversial and high-profile friendships with revolutionary Venezuela and Iran. Ortega's problem is his relationship with Nicaragua. ■

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Perspective

Managua: The Good, the Bad and *Gallo Pinto*

By Sam Jacoby

I didn't know what to expect from Managua.

From a tourist's perspective, it seems like one of the least-loved cities in the world. Everyone I had spoken to before I left gave me their own bit of advice, variations on a theme, "Don't spend much time in Managua."

I hadn't been planning on it, but I was going to be there for a night, the first in a six-month stay in Nicaragua. I didn't expect to see both halves of the city unfold so neatly before me, to find the good and the bad presented so closely together. But it happened upon my arrival to Nicaragua. It is not an epic tale, but I think it packages some of the curious dualities that exist in a country that is full of them.

My plane was delayed in Miami. A massive thunderstorm crouched over the city and sheets of water poured across the windows. It would be hours, we were told. The flight had been scheduled to land in Managua in the evening. Now it would arrive much later, closer to midnight.

Finally, we were cleared and departed. The flight was like most flights, and my arrival went smoothly. My luggage made it out – a good start. I still had my passport, wallet and laptop – quite a coup.

I had arrived at Latin American airports before, so I was prepared for the barrage of offers that collapsed on me as soon as I stepped out of Customs. Doing what any prudent backpacker might, I promptly stepped into the beaten-up taxi of the loud-

est, most aggressive driver I could find.

I quickly committed the errors that guidebooks warn against. We were already driving before I asked how much the ride would cost. Twenty dollars "American," he said. That seemed exorbitant, even for an airport-taxi scam.

I argued, and he argued back. Suddenly, he said he didn't know the neighborhood where I wanted to go in Managua. He knew another place though, "a better one."

The airport had disappeared behind us, and we were speeding through dark shuttered streets.

Not a nightmare yet, but heading there quickly. We turned sharply across the highway, and into a parking lot. It was very late. When I had arrived at the airport, the money-changing kiosk had been closed. I had told the cabbie that I had only dollars.

That was fine, he said, he knew a place where I could change them.

The place, it turned out, was a massive casino. I pulled out my bags angrily. Perhaps aware that his fare was skipping out of reach, the taxi driver followed me through the gold-plated doors of the casino.

We were not the typical casino clientele. Several mystified security guards converged upon us. Inside, a thin wiry man wearing

glasses, a manager, approached our confused party. As best I could, I explained what was going on. Trying as much to help me, as to get us both out of his classy establishment, the manager quickly organized a compromise. I paid the cabbie an exorbitant amount for the ride to the casino, changed my money, and was soon under way in a new taxi.

I slumped in my seat. I felt stupid, cheated, dirty and disappointed. The whole thing left a foul taste in my mouth, and I still had to find a bed that night. But as with all

things, the clouds soon parted.

There was an elderly couple in the back seat of the cab, they lived close to

the casino, and we went to drop them off first. As they stepped out onto a quiet residential avenue, the woman leaned through the window and asked if I would, perhaps, like to spend the night in their house?

Sick of cabs and sick of traveling, I quashed my fears, and got out. So, somewhat after midnight in the slumbering outskirts of Managua, I had the pleasure of meeting Daniel and Rafaela, who took me into their home with a kindness and generosity I had never before experienced.

Their house was humble. A piece of plywood across the hall kept the chickens out of

the living room. The shower was just a bare tube sticking out of the ceiling. They didn't have a refrigerator. That night, in the hot, windowless bedroom Rafaela had made up for me, I slept deeply.

I woke up the next morning to a steaming cup of coffee, a heaping plate of *gallo pinto* (the traditional rice and beans dish), eggs and cheese. We chatted during breakfast, sitting in tiny brightly painted school desks. There were more stacked against the wall. During the day, the main room was used as a small classroom.

Around midday, Daniel led me onto a colorful bus. We rode together to the bus terminal, where he escorted me through the gang of pushy passenger hounds and onto the first bus for Granada.

As the minibus turned across the highway, I saw him waiting at the bus stop for his ride back to the outskirts of the city. I felt grateful. I had not asked for their kindness, and they had not wanted anything in return.

Still, I couldn't help but laugh.

How absurd! To go from a sleazy cab to the warmth of a hospitable home in the span of a few minutes. I had been jerked from my normal rhythms, and entered into a system that operates on a different set of rules. A system in which the good and the bad don't have to be so far from each other, and in which experiencing one makes the other all the more meaningful. ■

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