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Nicaragua: Before and After the Revolution

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NICARAGUA: BEFORE AND AFTER THE REVOLUTION

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PROPOSAL

The victorious Sandinistas and their governing junta stood on the threshold of a Nicaragua eager to be transformed form the exploited, dependent, and terribly poor nation-state it had been virturally since its independence from Spain into a truly new society based on popular will and welfare. After a decade of governing with this goal in sight, however, the Sandinista government led by President Daniel Ortega was defeated in the 1990 elections. I will examine this electoral defeat as the last in a series of setbacks that prevented a revolutionary society from emerging. I will attempt to demonstrate how it was that despite the overwhelming support of the Nicaraguan people, substantial foreign assistance, and a clear policy agenda, the Sandinistas failed. I will also attempt to explain that failure as a result of their inability to withstand a sustained armed civil conflict, and of their inability to diversify their monoclutural economic system to break their historic pattern of dependency.

INTRODUCTION: A BRIEF HISTORY OF NICARAGUA, 1933 - PRESENT

The United States Marines occupied Nicaragua almost continuously from 1912 to 1933. In order to insure the continued internal stability of the small, agrarian country, they left in their place the commander of the U.S.-trained National Guard, Anastasio Somoza García.[1] His authoritarian rule would continue until his assassination in 1956, followed by another, more brutal dictatorship under his son, Anastasio Somoza Debayle. It was under his regime that the leftist opposition born in Nicaragua's countryside evolved into the revolutionary movement known as the Sandinistas. Deriving their ideological foundations from both the Cuban revolution and from the

popular revolutionary leader, Augusto Cesár Sandino, the Sandinista movement gradually gained wide support among the vast majority of Nicaragua's large agrarian population and urban workers throughout the 1960's and 70's. Following a huge mobilization of the revolutionary forces, the Frente Sandinista de Liberación Nacional (FSLN) finally took power in 1979, forcing Somoza to flee the country.

The decade that followed was, in large part, the result of the FSLN's attempt to produce a total social and political revolution consistent with their vision of a more equitable Nicaraguan society. The new marxist government instituted sweeping reforms in the economy and the government, and pursued aggressive policies to attack a number of the nation's serious social and economic problems. After ten years under the revolutionary regime, however, Nicaragua remained plagued by many of the same problems that had inspired the armed opposition against Somoza. The FSLN was, in fact, defeated in the elections of 1990 and replaced by the more centrist government of Violetta Chamorro, a long-time leader of the opposition to the revolutionary government. Her administration, however, faces most of the same challenges the Sandinista government unsuccessfully confronted.

The Somozas

The U.S. hoped to accomplish three objectives in establishing the National Guard: to replace Nicaragua's old army and police with a central, well-trained and well-equipped military force; to establish internal order; and to make the military a non-political force with the task of preserving a constitutional government and free elections.[2] Although the second objective was by far the most vital to U.S. policymakers, the third is particularly ironic in that the Guard became perhaps the most politicized entity in

Nicaragua throughout both the Somoza regimes. The installation of Somoza in 1933 marked the beginning of a long and violent family dynasty, committed only to enhancing and preserving the power of the Somozas through unprecedented oppression and corruption.[3] After the 1932 elections, supervised by occupying U.S. forces, Somoza García was named to the post of Jefe Director of the National Guard, which had quickly evolved into the most capable army Nicaragua had ever had. Somoza would soon utilize its forces as his personal instrument of domestic political oppression.[4] By February of 1934, he had already ordered the assassination of Sandino, thus eliminating the largest obstacle to his recent ascension to power. Though there are conflicting accounts and interpretations concerning Sandino's assassination, Somoza--whether reluctantly or with great conviction, ordered the murder to be carried out by members of the National Guard.

By 1937, Somoza García had been officially inaugurated as the President of Nicaragua, thus beginning a forty-two year era of authoritarian rule and tyranny. During his first term, Somoza began consolidating his power and increasing his own wealth at the expense of the national treasury and the nation's poor. His personal holdings, which soon reached into both the industrial and agrarian sectors, combined with his influence over the command of the Guardia formed an immensely profitable personal network between the government, the economy, and the military.[5] The President was also able to recognize and take full advantage of the shift in U.S.-Nicaraguan policy to one of non-intervention. The reluctance of the Truman administration to interfere with the Somoza inner circle facilitated his ascension to, and consolidation of supreme political and economic power.

When his term as President was due to expire in 1947, Somoza selected Leonardo Argüello to be his successor on the Liberal Party ticket. Following

a fraudulent election administered and overseen by the National Guard, Argüello was installed as President. Determined to assert his authority and prove he was no puppet, however, Argüello tried to make staff changes among the Guard officers without notifying Somoza. Less than one month later, he was deposed and replaced by the dictator, thus establishing a pattern of illegal succession that would characterize Somoza rule in the years ahead.[6] Such an overtly anti-democratic maneuver, however, left the U.S. government no choice but to withhold diplomatic recognition until 1948, when it recognized the government of Somoza's uncle, Victor Manuel Román y Reyes. Consistent with the trend of the previous decade, Somoza again assumed the presidency when Román y Reyes died in May 1950, less than one year after giving up the post.[7]

The dictator moved swiftly to insure the continuation of his rule, seeking renewed military aid from the U.S. in 1951. By 1953, Nicaragua had negotiated such an agreement with the U.S. whose policymakers had been convinced that Communists in Guatemala and Costa Rica posed a serious threat to Central American security. Somoza García skillfully used his strategic position to gain special military, economic, and political concessions from the U.S. government, and carefully maintained close personal relationships with key members of the State Department until his assassination in 1956.

Luis Somoza, who was the President of the Nicaraguan Congress, assumed the presidency upon his father's death and appointed his younger brother, Anastasio Somoza Debayle as commander of the National Guard and of the Air Force.[8] The two brothers would continue to rule what had become their personal fiefdom until Luis' death in 1967, by which time the younger Somoza had simultaneously achieved the presidency and command of

the Guard.[9] The worst corruption and brutality of the Somoza period then began to characterize the socio-political system. Somoza Debayle was determined to remain in power and to retain his position of wealth. He maintained both through blatant fraud and literal elimination of any political opposition via the National Guard. Like his father, "Tachito" carefully cultivated personal relationships with U.S. officials. Despite the atrocities of his government, he was ever-mindful of maintaining the friendship of the Unites States, and in particular, the State Department.[10]

The 1970s, however, proved to be a decade of change in Nicaragua that would finally bring about the fall of the dynasty. In 1974, Somoza declared a state of siege after a successful hostage operation by the Sandinistas that humiliated the government and the National Guard. The crack down included complete press censorship and the unleashing of the Guard on the Nicaraguan population. What ensued was nothing short of a reign of terror that marked the beginning of Somoza Debayle's fall from power.[11] After the 1974 hostage incident, opposition to the dictatorship grew steadily, setting off a brutal cycle of opposition and repression culminating in the 1979 Sandinista victory in what had become, by that time, a full-blown civil-war.

The Sandinistas

The FSLN was founded in 1962 by Carlos Fonseca Amador. With support from Cuba, its explicit intent was to overthrow the Somozas through a revolt fashioned after the 1959-1960 removal of Fulgencio Batista by Fidel Castro and his followers.[12] Soon after the FSLN's founding, many of its Cuban-trained guerrillas were diffused throughout the countryside to gain the support of local peasants and to mobilize them.[13] The Nicaraguan export

economy had long been at the mercy of international markets. The landed aristocracy whose estates produced export commodities experienced cyclical booms characterized by major opportunities for employment, followed by recurring market declines resulting in mass unemployment and starvation for farm workers and their families.[14] The FSLN appealed to the needs of these peasants, and to urban workers who were desperate for an end to the social and economic vulnerability and political repression resulting from Somoza rule. Their aspirations proved to be the foundations for armed struggle against Somoza and the National Guard that led to his overthrow.[15]

Following the Sandinista victory, in accordance with the FSLN National Directorate (DN), a junta was established as the formal, provisional governing body.[16] This body faced the enormous task not only of literal reconstruction of the country, but also of restructuring the entire social, economic, and political environment in accordance with the goal of broad-based, popular participation in national policy. The Sandinistas instituted far-reaching, innovative reforms in education and health care. The economy was redesigned and reoriented toward revolutionary ends, while it sought to maintain the cooperation of the traditional middle sectors. Despite significant gains in literacy, medical facilities, women's rights, and human rights, as the decade of the eighties drew to a close, the "new Nicaragua" appeared to have failed to materialize and the Sandinista government was defeated in the nation's first ever free elections.[18]

Nicaragua's Future

Violeta Chamorro and her government inherited a Nicaraguan state and socio-economic system in a state of total crisis. Its gross national product had, in fact, experienced a negative growth percentage rate every year

after 1983, and the national treasury was nearly depleted.[19] The masses of people who had been disappointed by Sandinista economic failures now looked to Chamorro with a new, if somewhat skeptical, hope for socio-economic relief, a monumental task virtually impossible to achieve given Nicaragua's staggering foreign debt and utter lack of resources.

In addition to economic recovery, the new government also faced, like the Sandinistas before them, the task of rebuilding the entire social system after years of civil war and foreign intervention. Tens of thousands of armed Nicaraguans, both Contra* and Sandinista, remained a volatile element present in almost every area of the country. The diffusing of such a potentially violent armed forces had to be carried out within the context of transition from the military government of Daniel Ortega and the FSLN to the civilian government of the Chamorro UNO coalition. It thus had to be performed cautiously, with little room for error.

In short, the Nicaraguan socio-political system inherited by Chamorro closely resembled that won by the Sandinistas over a decade earlier. She too, set out to eradicate the many social and especially economic problems for the people of her country. Although there were pledges of significant international support for her government only hours after the UNO victory was announced, the legacy of foreign intervention, particularly by the U.S., had to be overcome. Most importantly, despite economic reforms instituted by the Sandinistas, Nicaragua's economy remained heavily dependent on two major export crops to earn the hard currency it needed to import finished goods. Confronted with such obstacles, the rapid growth that so many

* The term "Contra" is an abbreviated form of the Spanish word for the counterrevolutionary forces in Nicaragua.

Nicaraguans had come to expect under the Chamorro government is simply not likely to materialize.

PRE-REVOLUTION NICARAGUA THROUGH 1979

Social Climate

Perhaps the most glaring legacy of the Somoza dynasty was the miserable social climate in which the majority of the Nicaraguan people lived, particularly the rural poor. As is often the case in highly centralized authoritarian systems in which only a handful of elites hold the largest proportion of political and economic power, the Somoza inner circle amassed immense and unprecedented wealth, while thousands of people were denied even the most basic needs for survival. While the Somozas dined with U.S. State Department officials, children starved to death in the streets of Managua and in the fields of the cotton plantations. Education was chronically inadequate; illiteracy rates were high even by underdeveloped nations' standards, and high numbers of Nicaraguans had no access to schools of any kind. Serious shortages of medical facilities and supplies produced both high infant mortality rates and a low life expectancy. In fact, Nicaragua ranked at or near the bottom of all Latin American countries for social statistics throughout the Somoza period.

Nicaraguan society under the Somozas was a deeply traditional and, therefore, highly unequal one. As with the great disparities between the quality of life for urban and rural citizens, workers and elites, men and women held very different social roles and were afforded quite different levels of justice within it. This was, of course, largely attributed to the concepts of marianismo and machismo, so prevalent in all traditional Latin American cultures. Within the boundaries of the role of women under the concept of marianismo, the Nicaraguan woman, regardless of class, simply did not possess the same legal rights as did her male counterpart. Women of

all classes and backgrounds were legally subordinate to fathers or husbands, while being expected to live by different moral standards that diminished Nicaraguan men's legal and moral responsibilities, consistent with the machismo concept. In a moral code closely tied to the beliefs of the Roman Catholic Church, women were charged with upholding the morality of the family and were responsible for its spiritual development and well-being. Conversely, men were largely exempt from this duty and were not legally bound to support their families financially or to acknowledge and support the children they fathered out of wedlock.

The result was a high rate of male desertion that left large numbers of female-headed households living in poverty without any legal means to require male financial responsibility.[1] Married women working in rural areas did not even receive the income they earned as wages, farm workers being paid to the male head of a household for the work done by all members of his family.[2] While adultery was strictly forbidden on religious and social moral grounds for women, it was usually overlooked in the case of men. Illegitimacy carried a serious social stigma for both mother and child, regardless of socioeconomic status. Advertising was blatantly sexist, with virtually no legislation to regulate the industry in existence.[3] Overall, Nicaraguan women during the Somoza years were less educated, had fewer financial resources, were concentrated in less-skilled, lower-paying jobs, and had fewer civil and legal rights than men.

The health care system for the majority of Nicarguans was miserably inadequate under the Somozas. Most Nicaraguans had extremely limited access to sanitary drinking water and medical attention. The average life expectancy was 53 years and the infant mortality rate was 120 per 1,000 live births.[4] The availability and quality of medical care was, like many other

basic provisions, very unequally distributed between different segments of the population. Throughout the Somozas' rule, institutionalized health care was virtually absent in most areas of the country. Residents of the rural areas typically had to travel for hours to reach even the most basic medical attention. Although access to and quality of health care was somewhat more adequate in urban areas, hospitals were almost exclusively located in cities. Rural dwellers, especially the poor, were left without even emergency medical attention.[5] The facilities that were in existence were operated at chronically low levels of efficiency and tended to be staffed with patronage employees and administrators far more concerned with their relationship to the Somocista elites than for the people to whom they were to provide care. Medical institutions competed with each other for the few resources that were allocated by the Somoza government, usually at the expense of their patients.[6] The generally poor quality of Nicaraguan health care is perhaps most plainly obvious as demonstrated by the fact that members of the Somoza family elite travelled exclusively abroad for medical attention. In fact, when Somoza García was fatally shot in 1956, he was flown immediately to a U.S. hospital in the Canal Zone.[7]

Like health care, public education for the vast majority of Nicaraguans under Somoza was either highly inadequate or non-existent. Again, those in urban areas had better access to educational facilities than their counterparts in the countryside, but even in cities scarcely one half of the population was literate. In rural villages, illiteracy was over 80 percent.[8] During the last decade of Somoza rule, education policy completely ignored rural Nicaragua and was hardly a priority in the cities. The disparity between urban and rural education is painfully obvious from the demographic statistics for the 1970s. Over two-thirds of all students were from urban

backgrounds, while less than five percent of all children from agrarian backgrounds even finished primary school.[9] Higher education existed solely to educate the elite children who were fortunate enough to attend the very limited numbers of Nicaraguan colleges, most of which were structured to fit the business interests of the Somocistas. Most wealthy students, however, were educated in the U.S. and trained to uphold the traditional military and economic power structure of their homeland.

Such gross neglect of domestic education was not a random omission on the part of the Somoza government. Denying access to education to the middle classes and, especially to the unskilled urban and rural poor was highly functional in maintaining the dictatorship in a position of supreme power and preserving its complete domination of Nicaragua's political, economic, and social life.[10] Education of the large number of Nicaragua's workers presented a serious threat to the traditional order of the country. It was, in fact, by design that the Somoza regime provided very little public education, the assumption being that the uneducated posed less of a threat to the status quo.[11] Illiteracy, therefore, served as a means to insure the passivity of the poor and to provide Nicaraguan elites with a large pool of unskilled labor that was crucial to the agroexport economy on which they depended. Such an education system created generation after generation of poor, illiterate, landless workers who were dependent on the coffee and cotton plantations for securing employment and survival.[12]

The Roman Catholic Church had always played an important role in the social development of the Nicaraguan social system. Under the Somozas, the Church did not operate as a single, cohesive unit with a unified policy. In fact, its position changed significantly throughout this period. This change, in part, was a result of the dual nature of its structure; that is, its two

elements: the Church hierarchy and official Church, and the so-called people's Church. The former consisted of the bishops who decreed official policy for their respective dioceses; the latter encompassed parish priests and laypeople who worked and lived with the largely poor congregation. The official Church was historically the more conservative, in the sense that its position virtually always reflected a desire to maintain the status quo. The "popular" Church, on the other hand, became increasingly more concerned with social justice and providing for the needs of its members in as self-sufficient a manner as possible. This policy shift occurred gradually during the century between independence from Spain and the installation by the U.S. of the Somoza dynasty.

Consistent with the traditional dual-hierarchy characterization, the official Church was generally supportive of the Somoza governments which subsequently allowed traditional ecclesiastical officials considerable influence within society.[13] This relationship had its historical beginnings in the post-Independence alliance between the Church and the Conservative Party, which agreed to protect Church privileges within Nicaraguan society.[14] Although the Somozas were powers within the Liberal Party, their arrangement with the bishops was the same. The Church, which held a monopoly on religion and social influence for the masses, contributed important political endorsements for the dictators in exchange for political favors and concessions from the Somoza government. The bishops complied absolutely with the government of Somoza García and therefore were allowed to continue exercising control over religious instruction, their influence over many social laws, and the ownership of substantial property.[15] Because Somoza García did not impose traditionally liberal anti-clerical measures on the Church, it was simply in their best interest to support his regime. This

mutually beneficial relationship continued with the governments of the younger Somozas until 1970, when Church support began to erode and, ultimately shifted to a position of active opposition.[16]

The Vatican II Council and the Alliance for Progress provided the Church with the inspiration to pursue social change for Nicaragua. Members of the people's Church had long been engaged in attending to the social needs of their congregations; needs which had grown more and more desperate as Somoza rule wore on. With the spark of support from the bishops, however, the movement of laypeople for social justice gained considerable momentum.[17] Soon the Church hierarchy recognized that the Somoza regime, and the economic system perpetuated by it, represented the structural bias responsible for the oppression and starvation of the majority of Nicaraguans. Although Church opposition to Somoza was not unanimous, as some bishops were, in fact, fearful of challenging the dictator, its members provided a significant and critical support to the movement that brought down the dynasty.[18]

Economic Climate

The Somocista political economy played an important part in producing the vast inequality and deprivation that characterized the country. Throughout its history, as today, its economy has been completely dependent on agricultural exports to survive. This largely unregulated monocultural system was responsible for an extreme polarization in Nicaraguan society. Almost all productive land was held by a tiny percentage of the population who in turn required a large cheap labor pool in order to profit from the production of export crops. Such a system also insured that landed elites retained and expanded their holdings from decade to decade.

Somoza García was installed as the head of the National Guard at the height of a world depression that produced nothing short of economic collapse. Coffee, sugar, and banana prices plunged on the world market in the early 1930s, leaving the country destitute and without its only sources of revenue. The landholding exporters subsequently increased cultivation of their crops in order to compensate for decreased revenues, a behavior pattern which resulted in a further decline in prices.[19] Smaller landholders were pushed off their lands by plantation owners as arable land became more and more concentrated into the hands of upper class elites.

During World War II, economic activity was accelerated somewhat as the Allies' demand for raw materials boosted aggregate export income. This in turn, however, created an overwhelming dependency on the U.S. market to import its goods.[20] As the war drew to a close and the demand for these materials vaporized, Nicaragua again plunged into a recession that lasted for the remainder of the decade. Somoza's answer to these economic troubles was a temporarily successful diversification of export agriculture and a huge increase in cotton planting during the 1950s. Under the Alliance for Progress from 1962 to 1970, with a huge infusion of economic aid from the United States and international lending institutions, the economy experienced a period of substantial growth in terms of production and development.[21] Its overall trade figures increased at an annual rate of ten percent during the 1960s, and its level of dependence on cotton and coffee declined as a result of limited diversification.

The decade of the 1970s, however, brought economic problems that could not easily be dealt with, and which were intensified by the internal turmoil surrounding the growing revolutionary movement and its repression by the Somoza government. Following the 1972 earthquake that devastated

Managua, the country began a period of heavy foreign borrowing that would continue and in fact accelerate until the fall of Somoza by which time the debt had reached $1.15 billion.[22] During this period, the economy moved through cycles of significant gains to intense lows, accompanied by high unemployment and inflation. Between 1972 and 1979, when it became evident that the Sandinistas were close to victory, total productivity had decreased by 25 percent and the inflation rate had reached more than 80 percent.[23]

The boom and bust cycles that characterized the economy under Somoza were most apparent in the agrarian sector, and during most of the period of the dictatorship, in coffee cultivation and its performance on the world market. Coffee was its single largest industry in terms of employment, land under cultivation, and proportion of the gross domestic product.[24] Despite several attempts to introduce other crops for diversification, Nicaragua continued to rely on coffee for the capital it needed to import finished goods, a state of affairs which only served to solidify its position as a dependent raw-materials exporting nation-state.[25]

During the 1950s however, the Nicaraguan agricultural sector, as did those of other Third World countries, experienced an unprecedented cotton boom. In a successful attempt to increase his personal wealth by means of exploiting the then high prices on the world market, Somoza Debayle increased cotton production by 120 fold by 1955, when the extent of its cultivation reached a peak of 40 percent of the country's cultivated land.[26] The world cotton price proved to be extremely profitable for the Somoza family and Nicaragua's other landholding elites while, at the same time, it was devastating for the small farmers displaced by the boom and left without employment after it had ended. After the cotton period ended, the

agricultural sector again turned to coffee as its main focus, while investing some resources in beef, tobacco, and sugar as well.

Nicaragua had remained self-sufficient in basic food crop production until cotton was introduced for large-scale export. After this period, as the population inexorably increased, food crop production decreased, and by the mid-1950s, the country was forced to import food to feed its population, setting off a rapid acceleration of foreign debt in the late 1950s. This policy, however, proved to be very beneficial for Somoza and his elite circle of agricultural producers who were able to increase their landholdings and profit from the increased export revenues. It was, however, financially crippling for the small farmers and rural workers who were at the mercy of the export economy for their income, and who were forced to pay higher prices for imported food that could have been grown on Nicaraguan soil.[27] Agricultural sector behavior, therefore, was a clear example of how the self-serving policies of the government produced the exploitation of the poor and working classes of the country and set off wildly fluctuating cycles of prosperity and depression in the overall economy.

The state of the industrial sector, like the rest of the nation's economy, was subject to the rural, agricultural peaks and recessions that characterized the Somoza period. Although industry employed far fewer workers and contributed much less to the nation's income than agriculture, it became an important economic force in the more populous, urban areas of Managua and León. Its significance increased in the 1950s, particularly when Somoza Debayle began to take a personal interest in industry and manipulated industrial policies so as to increase his own wealth. Although its contribution to Nicaragua's GDP was hardly marked, the industrial sector quickly became an important national concern when Somoza began acquiring

industrial properties to offset the losses he incurred during the recession of the late 1950s.[28] Others of his personal friends did the same, buying factories in the cities and temporarily boosting the industrial sector. This injection of capital investment in industry had important implications for the urban working class which grew significantly during this period.

The Alliance for Progress brought new capital resources to the Latin American nations and spawned the Central American Commom Market (CACM), and both developments contributed to the growth of the Nicaraguan industrial sector. Increased capital allowed construction and improvement of factories, light industry, and other mechanized operations. The CACM provided a new and large market for Nicaragua's agricultural exports and, therefore, increased activity in the industrial processing of those goods.[29] Following this period of growth, however, a recession settled in across the region throughout the 1970s. The financial burden fell most heavily upon the members of the newly developed industrial working class, the majority of whom were concentrated in urban industrial centers where employment became increasingly difficult to secure. This situation intensified as the Somoza government continued to impose policy favorable to agricultural elites, to the detriment of the working class.[30] These policies only contributed to the ever-increasing inequality between the economic classes. The result was the growth of volatile labor unrest, manifest in periodic strikes that led to violent oppression by the National Guard, particularly after the Sandinista movement had gained momentum. In the industrial sector, therefore, as in agriculture, the policies of the Somoza dynasty ultimately inspired the mass mobilization and armed insurrection that brought down the dictator.

The personal wealth of the Somoza family, within the context of Nicaragua's dependent and underdeveloped economy, cannot be accurately measured. Although he was of humble beginnings, Somoza García amassed his fortune while serving as Jefe Director of the National Guard. His moneymaking techniques generally involved the granting of political concessions for bribes and other similar means of exploiting his position. Through such business transactions, Somoza developed important relationships with both domestic elites and foreign investors with whom he would collaborate to push Nicaragua's economy further into a state of dependency.[31] Somoza García also extracted wealth from thriving Nicaraguan gambling, prostitution, and other illegal activities, receiving bribes in exchange for preventing the national police from interfering with them. In addition to these and other illegal ventures, Somoza was also involved in several legitimate businesses, including agricultural cultivation and production, industry, infrastructure development, and mining. Few areas of the economy with profit earning potential escaped his attention, and by the 1940s, he was one of the wealthiest men in Nicaragua and in fact, in all of Central America.[32] Somoza then used his tremendous power within the government to write himself and his inner circle secret loans to finance additional industrial projects. By 1945 his fortune had grown to almost $60 million.[33]

Luis and Anstasio Somoza Debayle were born into the most powerful family in Nicaragua, and were socialized in this advantageous position, and taught to preserve it at all costs. Like their father, the Somoza brothers cultivated relationships with key domestic and foreign economic players to insure a continued successful cooperative effort for personal gain. When Somoza Debayle officially assumed power after Luis death, he continued to

enforce regulatory legislation that eliminated competing companies from infringing on his economic operations. He was able to use his virtually total governmental power to channel into his personal bank accounts millions of dollars in foreign relief funds after the Managua earthquake disaster in 1972. These funds were then used illegally to fund reconstruction efforts that generated even more graft and profit for his family and coterie of friends.[34] According to some sources, before his fall from power in 1979, Somoza Debayle's annual income was estimated to be between 40 and 50 percent of Nicaragua's gross domestic product.[35] The Somoza family fortune became the most obvious and blatant example of the economic exploitation, dependency, and disparity of the period.

Political Climate

Prior to 1979, the Nicaraguan political structure was designed to maintain the interests of the elite circle of the Somozas and their supporters. As was the case in the national economy, the dictator and his allies enjoyed absolute control of an extremely centralized government apparatus comprised of the executive bureaucracy, the Nicaraguan Congress, and the armed forces, particularly the National Guard. Key positions in each branch of the government were occupied only by the closest of friends and loyal political allies, preferably a family member, in order to insure that the decisions of the officials would be consistent with the Somozas' agenda.[36] Although the Somozas were the de facto government authority from the time the U.S. Marines withdrew from Nicaragua in 1933 until the Sandinista revolution 46 years later, a Somoza did not consistently hold the title of President throughout the entire period. Somoza García held the position of Jefe Director of the National Guard, a post which was technically subsumed under the governmental powers of the President, Juan Bautista Sacasa. Through a

series of extralegal political maneuvers and the manipulation of key positions within the command level of the Guard, Somoza was soon able to exercise his own political agenda over President Sacasa's faint objections.[37] He finally ousted Sacasa in 1936 and had himself declared President, thus simultaneously controlling both the government apparatus and the military. His three sons all served as commanders in the Guard promoting their father's policies through any necessary means. This system of family control of both formal governmental and military power centers continued and expanded during the regimes of the younger Somozas, although they did not consistently hold the title of President throughout the entire period.

During this era, as had been the case throughout most of Nicaragua's history, the government experienced the power struggles between the Liberal and Conservative parties as most citizens and nearly all elites were affiliated with one of the two.[38] Unlike a conventional democratic two-party system, however, the Nicaraguan government structure was controlled almost completely by the party of the current dictator, while the other served the opposition until it gained power. This system was characterized by constant conflict, divisions, and weak coalitions built around the personal interests and relationships of socio-economic elites. The Somozas were members of the Liberal Party and it was under their control that this traditionally personalistic political organization gained absolute power at the expense of those who did not identify with it.[39]

Loyal members of the Liberal Party benefitted from the same fraudulent elections that maintained the Somozas in control of the presidency. Congressional officials appointed Liberal judges and filled the ranks of the bureaucracy with those individuals most likely to remain compliant with their policies and political interests. Most of the ideological base for the two

parties, however, had deteriorated into an incohesive elitist clustering of personal cliques by the time of the 1933 installation of Somoza García.[40] One notable exception was the periodic presence of young members of the Conservative Party who became active in the party hoping for political change. Most of these reformist Conservatives, however, were exiled, imprisoned, or isolated by these party leaders who feared being associated with any opposition to Somoza.

Although the Conservative Party was ineffectual under Somoza García, it regained some of its former influence during the presidency of Luís Somoza and later under Somoza Debayle. After his fraudulent election to the presidency, Tachito sought to appease the Conservative faction by giving them 40 percent of the seats in the National Assembly; a small concession given that the Assembly exercised little real authority.[41] Overall, both Liberal and Conservative Parties, like the government structure as a whole, remained the personal, political organizations of the privileged elites, and to some extent, the bourgeoisie, but remained insulated from the concerns and participation of the masses.

When Somoza García moved to the forefront of Nicaraguan politics as an influential member of the Liberal Party, all hopes for maintaining the National Guard as an apolitical institution were dashed. Instead, the military became the Somozas' principle vehicle for consolidating and maintaining political power and eliminating the opposition. Because the position of top command was always held by a members of the Somoza family, its actions were guaranteed to support the dictator in the interest of self-preservation.[42] This also insured that plots against them would remain at the rank-in-file level, and therefore easily be extinguished. Somoza García carefully garnered the unconditional psychological and emotional support of his

Guardsmen by providing them with equipment, training, and salaries, and by assuring them that their loyalty would be rewarded. His use of the Guard to repress his political opponents, employing extreme violence against often innocent people, served to alienate its members from the civilian population that grew to hate Somoza's military establishment. Their isolation from virtually all non-military Nicaraguans left them utterly dependent on the Somozas and forced them into a stance of unquestioning defense and loyalty at all costs.[43]

The National Guard was given duties in all areas of the government and, in fact, continued to expand its jurisdiction throughout the Somoza period. They were responsible for the postal service, immigration and emigration, all imports of military hardware, national sanitation, all communication media, the administration and oversight of elections, and the very broad duty to maintain internal security.[44] In addition to legal activities, the Guard was also actively involved in regulating and collecting the profits from the Somozas' wide and lucrative network of gambling, prostitution, and political corruption. Its first priority, however, was to keep power concentrated in the dictatorship, and eliminate all internal opposition to it. Repression by the National Guard increased under Somoza Debayle, who faced increasing internal opposition to his authority following his brother Luís' death in 1967.[45] In a futile attempt to remain in power, he was forced to employ unprecedented violence against opposition from any and all levels of society. As his enemies continued to gain support for his overthrow, only his Guardsmen remained loyal in the hopes of maintaining their own position.

In the late 1960s the effects of over three decades of dynastic domination became increasingly visible with the rise of the popular leftist

movement of the FSLN. In addition to the traditional opposition sources--elements of the press, university students, and outspoken members of the bourgeoisie--Somoza Debayle was confronted with increasingly frequent uprisings by urban and rural workers demanding change. The FSLN movement began with a series of clandestine operations modeled after those of Sandino's and Castro's guerrillas, increasing to the point that Somoza imposed a state of siege in 1974.[46]

Opposition growth accelerated both within Nicaragua and abroad. Honduras served as a site of guerrilla bases for Sandinista camps, and Cuba continued to provide training for strategists and field commanders, as well as limited material assistance. Even the United States, the long-time friend and supporter of the Somozas, tapered off its substantial economic aid as human rights abuses worsened. Domestic opposition came from scores of organizations including labor unions, political parties, and the popular Catholic Church.[47] Perhaps the single most powerful event that mobilized Nicarguans against Somoza was the January 1978 assassination of La Prensa editor Pedro Joaquín Chamorro, a long-time opponent of the dictator. As the masses demonstrated in the streets, this action by Somoza compelled many middle and upper class Nicaraguans to publicly call for his removal.[48]

By January 1979, the dynasty was on an irreversible course to its demise and political and economic elites began to flee the country in fear of a victory by the revolutionaries. Although membership in the National Guard had reached an all-time high of 14,000 soldiers, the revolutionary forces had grown far too large to be contained.[49] The FSLN launched its "Final Offensive" in June 1979, covering key urban and rural areas and quickly defeating the declining number of Guardsmen who were left to fight in vain. Somoza Debayle fled Nicaragua on July 17, the remnants of the

Guard quickly surrendered to FSLN forces, and Sandinista Nicaragua was born.

NICARAGUA UNDER THE SANDINISTAS

Social Conditions and Policy

When the military junta of the newborn Sandinista government arrived in Managua in July of 1979, they brought with them the hopes and preliminary plans for the "New Nicaragua", to be the result of a total social, economic, and political revolution. As victorious civilian revolutionaries who had taken up arms against Somoza raced through the streets elated at the prospect of real change, members of the governing junta could not have imagined the tremendous task that lay before them. The scars of the decades of military dictatorship, the insurrection, and oppression ran deep, and although the military battle had temporarily subsided, the complete reconstruction of their country was at the forefront of their agenda. Countless cities and villages had been destroyed leaving thousands of Nicaraguans homeless and without employment. Economic production had virtually ceased, as many of the farm workers were fighting the battles of the insurrection's final days. Scarcely one half of the population was able to read about the Sandinista victory and starvation was still a reality for thousands in urban and rural areas alike.

Despite these overwhelming internal obstacles to progress, the FSLN met perhaps its greatest challenge in opposition from the government of the United States. In the face of diplomatic and economic sanctions, then outright military action, however, the Sandinistas attempted to maintain a general policy of non-alignment. They did develop close ties with Cuba and courted officials of the Soviet Union, always insisting that their revolutionary aims were not expansionist. Their major objectives, in truth, were related to the domestic needs of Nicaragua, and by the mid-1980s, the

government simply did not have the resources for military expansion because of counterrevolutionary activity within Nicaragua's borders. Their explicit goals in 1979, therefore, were to erase as completely as possible the despotism and exploitation of the Somoza period in favor of popular democracy based on mass political participation and national unity.[1]

The FSLN's social policy was perhaps its most powerful vehicle for producing change and, thus, represented its most successful endeavors. Social service investments in 1980, in fact, accounted for 33.6 percent of the government's total expenditures, and would remain at that level through 1984.[2] In addition, despite the degree of challenge presented by Nicaragua's intense social problems, the new government had the benefit of overwhelming support from is people for their new programs. The Sandinistas hoped to develop social programs which would channel support for the revolution into a thorough national mobilization effort. In a 1970 speech delivered by Carlos Fonseca Amador, the FSLN's objective was to "achieve a profound change in their conditions of life."[3]

In terms of financial investment, the immediate improvement of health care was the Sandinistas' highest priority. In terms of statistics, the Somoza record was atrocious and major public health improvements became the specific target of the revolutionary agenda.[4] Health care policy, which was directed toward a vast expansion of preventative medicine and mass-based health education, was administered by the newly created Ministry of Health. This department was the first of its kind in Nicaragua's history, responsible for all health programs, facilities, personnel, and education. Capitalizing on wide popular support, the government program enlisted the assistance of the people themselves for administration of a national immunization campaign. This effort included vaccinations for polio, measles,

and malaria that reached an estimated 85 percent of its intended patients and resulted in a drastic reduction in these infectious diseases.[5] In addition to bringing health information to the public, FSLN policy also made strides in institutionalized medical education. New training programs and medical schools were established to attempt to produce a dramatic increase in the number of medical personnel available to staff the few existing health care facilities. By 1985, the number of students enrolled in medical school was ten times that of 1979.[6] In order to improve curative care, the new government instituted a program to dramatically increase the number of hospitals and medical clinics, another method of utilizing popular support. Volunteer workers assisted in the construction of such facilities and the transportation of the medical supplies they were able to acquire. Although new FSLN government programs were limited in scope by scarce domestic financial resources and inadequate humanitarian assistance from abroad, its achievements were possible because Sandinista health care programs had the overwhelming support of the Nicaraguan people.

This support proved crucial to Sandinista accomplishments of the in health policy. By virtually every health care index, Nicaraguan capabilities improved dramatically within the first five years of the regime, and certainly by the late 1980s.[7] The number of health care centers grew from 177 in 1977 to over 600 by 1985. The infant mortality rate dropped from 120 per 1,000 live births in 1976 to 74 per 1,000 in 1982. Previously widespread diseases like polio and malaria had been all but eliminated, with very few cases reported annually.[8] Strong efforts to provide greater access to safe drinking water and improved sanitation were equally successful, leading to the distribution of over four thousand latrines. Over 250 facilities for oral rehydration and nutrition were set up, treating over 100,000 young children

and drastically reducing the number of child deaths from thirst, the ingestion of contaminated water, and starvation.[9] So successful were these programs in bringing about change that the World Health Organization named Nicaragua a "Model Nation in Health Attention" in 1983.[10] Overall, Sandinista health care policy provided a fine example of real progress toward revolutionary change and improved the quality of life for its people.

Although it did not receive nearly as much financial support as health care, education was recipient of more popular support from volunteer workers than any other Sandinista policy. The National Literacy Crusade was the first and most important education policy of the revolutionary government. Literacy had been a major theme in the FSLN's proposed plan for a "new Nicaragua" and was closely tied to their notion of a fundamental liberation for all Nicaraguan citizens.[11] Ignorance and illiteracy had been a major instrument of control for the Somozas and a painfully difficult social problem for the Sandinista leaders. Their initial plan, built around the active nation-wide promotion of the Literacy Crusade, involved the mass-mobilization of citizens at the grass-roots level to do nothing more than to teach other Nicaraguans to read. This collective effort was executed under the direction of the Ministry of Education.[12] The Literacy Crusade served two major functions: First, it provided a means for illiterate Nicaraguans to participate more actively in the revolution and become more productive members of society. Second, it allowed the pro-FSLN messages to become firmly entrenched in the beliefs of the people by teaching them to read using Sandinista literature.

Nicaraguans both in the cities in and the countryside were bombarded with propaganda calling for them to join the Crusade, and thereby created an important sense of nationalism for the participants. They were made to

feel that they were not only improving themselves, but contributing to the overall development of their country as well. Volunteers became members of the Popular Literacy Army (EPA) which was comprised largely of high school and university students who had embraced the ideology and spirit of the revolution and popular participation. The most intensive portion of the Crusade lasted five months and required a tremendous effort and commitment both on the part of the organizers and participants as well.[13] It involved sending urban student-teachers out into rural areas, often into remote areas of the countryside to conduct classes in makeshift schools, churches, or outdoors.

The second phase of the education policy called for the establishment of a system of education to accommodate the newly literate population. The National Education Consultation began where the Literacy Crusade ended. It was designed to reform, restructure, and expand the nation's educational system.[14] These goals involved primarily increasing the accessibility of education to all Nicaraguans free of charge. The Ministry of Education implemented plans for school construction, the expansion of existing facilities, and an increase in the number of teachers and classes. In addition to expansion, the Sandinista policy also made provision for changing school curriculum to fit the technical needs of post-Somoza society. Through these structural changes, schools were expected to educate citizens about more productive methods in farming and industry, thus improving the labor force and the overall economy.[15] The Sandinistas recognized the correlation between ignorance and exploitation, illiteracy and underdevelopment, and formed an education policy designed to remedy these traditional problems, viewing it as a social investment in Nicaragua's future.[16]

As was the case with health care, the Sandinistas made great progress through their well-organized and highly supported education policy. Illiteracy was reduced dramatically from over 80 percent in 1979 to 12 percent by 1981. The number of students enrolled in institutionalized education grew from less than 300,000 in 1979 to over one million only ten years later.[17] The Literacy Crusade itself became an umbrella program that enlisted several smaller organizations into a highly functional network of volunteers for other social programs. Because of these efforts, Nicaragua was awarded the UNESCO Literacy Prize in 1980.[18] The education programs, despite their great proven successes, were stifled by the onset and growth of the civil war with the Contras. Perhaps because their Crusade did make such significant progress, teachers and schools, particularly in the rural areas, became the target of Contra aggression and destruction which seriously hampered the success of the FSLN's mass-based education policy.[19]

Improving the social position and legal rights of women was a major Sandinista goal, beginning with the announcement of its Historic Program in 1969. It was the Program's expressed intent to eliminate the systematic, traditional discrimination practiced against Nicaraguan women, promote equality among the sexes, and incorporate women into the revolutionary government.[20] Such a profound change required a struggle not only against pre-revolutionary law, but also against traditional, conservative social and religious targets as well. Sandinista leadership realized that the process of emancipating women would not be completed through the simple passage of laws; women had to be fully incorporated into the male-dominated society as moral, physical, and intellectual equals. In this respect, Sandinista accomplishments in women's liberation came long before the 1979 victory. The most substantial change came through their participation in mobilization

efforts of the revolution, particularly their presence as combat personnel in the Sandinista popular army. It is estimated that 30 percent of the FSLN combat forces were women.[21] Beyond their initial mobilization during the revolutionary insurrection to overthrow Somoza, Nicaraguan women were mobilized in large numbers for the Literacy Crusade and the health campaign in 1980-81. Their emancipation came quickly due to the fact that they were not viewed as an auxiliary force in the military struggles, but as integral and necessary for the success of the revolution's goals and objectives.[22] The integration of women into society became solidified as they developed into a major component of the new armed forces, and founded the Nicaraguan Women's Association (AMNLAE). This organization, which became a nationally visible player promoting egalitarian values between the sexes within their society would never have been possible in the Nicaragua of the Somozas.[23]

In addition to their promoting the social elevation of women, the Sandinistas also implemented revolutionary legislation to in order to secure equal rights for women. The Provision Law of 1982 made all adult members of the family unit legally liable for maintaining it; that is, for providing it with the income necessary to survive. Its intent was to combat high rates of male desertion that left large numbers of female-headed households without the means to provide for them. To further the ability of women to secure an income, legislation was passed that required employers to pay each of their adult workers individually, prohibiting the traditional practice of paying only the male head of the household.[24] The Sandinista government's support of equal rights legislation served to reinforce the trend toward the social and economic equality that had begun during the 1970s. FSLN policy on women's rights was wholly consistent with their revolutionary aim to build

a new country based on "the logic of the majority", correctly assuming that "the majority" had to include Nicaraguan women.[28] As a result, women continued to hold positions of command in the armed forces and leadership positions in the government, labor unions, grass-roots organizations, and businesses.

Economic Conditions and Policy

Despite the economic chaos inherited from Somoza, the junta members established themselves in Managua optimistically armed with a well-detailed economic plan to reconstruct and revitalize the economy. Every sector and industry had been devastated by the end of the insurrection. Sandinista policy had to address four basic economic dilemmas. First, the infrastructure required major repair of the damage inflicted by the war and an administrative reorganization was needed to direct that repair effort. Second, policymakers with very limited public resources were under pressure to provide relief in the face of massive food shortages and extremely high unemployment with fairly limited resources. Third, economic conditions mandated the payment on or renegotiation of Nicaragua's enormous external debt. Finally, the expressed aims of the revolution called for the construction of an entirely new economic system.[29]

Nicaragua's foreign debt in July, 1979 was measured at $1.65 billion, most of which was owed to the United States for agricultural, industrial, and military imports. The loss of human resources was equally great as 50,000 Nicaraguans representing two percent of the total population had died in the revolution, and another 100,000 had been wounded.[30] The United Nations' estimates of the cost of infrastructure repair and restoration of industrial capital damaged in the war was $481 million-a cost which appeared even more prohibitive for reconstruction in light of Nicaragua's $1.5 billion flight of

capital by the end of 1979.[31] The GDP fell concurrently with the wave of decapitalization that followed the insurrection, eventually dropping to 1962 levels. The productive land so vital to the overall economy remained concentrated into the large plantations that had been operated by landed elites, a significant number of whom remained in the country after the fall of Somoza. As a result, the most comprehensive portions of the revolutionary program were directed at the agrarian sector.

The greatest challenge to marxist economic policy is the paradox of land distribution and productivity; a problem that immediately confronted the Sandinista leaders. Because many campesinos and migrant farm laborers had fought in the anti-Somocista insurrection, poor rural Nicaraguans quickly demanded that elites land holdings be confiscated with the land equally distributed among the workers and their families. Complete equality in distribution, however, is likely to produce a sharply downward shift in production as small farms are cultivated primarily to produce food for consumption by the families who live on them. In such a scenario, the economy is unable to produce the export crops necessary to obtain foreign capital. Without hard currency from abroad, the Sandinistas would not only be unable to make payments on the huge foreign debt, but unable also to import the capital goods it needed for reconstruction.[32] Any failure to redistribute land, however, would surely destroy the the new government's credibility and jeopardize the mass support needed to facilitate social and economic recovery.

The immediate response was the confiscation and nationalization of the 1,500 estates (encompassing two million acres of land) owned by the Somoza family and its closest allies. This symbolic act of popular will was the first step not only toward land distribution but also through moving toward

agrarian reform. A state agricultural sector was formed under the direction of the newly created Ministry of Agricultural Development and Agrarian Reform (MIDINRA) which was charged with the administration of all Sandinista agrarian policy.[33] The MIDINRA quickly implemented a new collective system of community-run estates assembled from the confiscated Somoza holdings which were well-equipped for the processing of agroexport crops. Rural families joined cooperatives that provided them not only with land to farm, but also with the mechanization needed to harvest and process their crops, however out-dated the machinery was. Through increased levels of agrarian reform the Sandinistas hoped to raise the rural standard of living, make the country self-sufficient in food production, and increase the agroindustrial base to produce more foreign exchange income.[34]

Despite their immediate program of land distribution, however, two-thirds of all agricultural land would remain the property of owners wealthy enough to employ laborers to work it. By allowing these land holders to retain ownership of their property, Sandinista leaders hoped to maintain the support of the middle and upper-middle classes by protecting their interests in spite of marxist policy changes; a practice for which they would later be criticized. On the assumption that these lands would remain productive in private hands and maintain the agroexport economic base, the MIDINRA officials made a conscious effort to negotiate with the middle-range land holders.[35] Another source of policy input came from the Rural Workers Association (ATC), a coalition of over 80 farm labor unions with 60,000 members. Its main goals were to assist and advise the revolutionary government in constructing a program of agrarian reform that would maintain pre-1979 production levels and to establish a peasant movement founded on Sandinista principles.[36]

In the interest of these two campesino-related objectives for agrarian reform, the MIDINRA launched its second reform policy initiativein 1981, a program of increased farm mechanization partly as a response to a labor shortage that had developed after the civil-war. The plan involved the large-scale employment of mechanical harvesters, but only on cotton fields as they could not be used on the rugged terrain of the coffee plantations. Unfortunately, mechanization was not widely successful because in addition to its limited harvesting capabilities, the machinery had to be imported, thus absorbing Nicargua's minimal foreign exchange earnings. As cotton prices fell on the international market during the early 1980s, importation of expensive machinery and the depletion of the country's capital represented an increasingly dysfunctional set of circumstances.

The third major Sandinista agrarian reform policy was the BEP (Batallones Estudiantiles de Producción) voluntary labor program announced in 1983. Volunteer laborers were recruited from government offices, workplaces, and particularly from schools and universities. Like the Literacy Crusade, the BEP program depended on the success of nation-wide mass appeal to form a collective effort for the 1984/85 harvest. The program relied heavily on moral incentives as it did not produce any significant material incentives. Because of tremendous social pressure to join, however, over 20,000 students volunteered their labor to further the goals of the revolution.[37] The program was relatively successful in harvesting many of the crops that would otherwise have been left to rot in the fields. Such a high level of volunteer support, however, could not be sustained (especially in 1985 with the increase in Contra attacks on farm workers).

Sandinista agrarian reform achieved its greatest successes between 1979 and 1984 with the mixed-model agricultural sector producing its highest

growth rate of 15 percent in 1983. Its major shortcoming, however, was its failure to develop a viable policy solution to the problem of landless campesinos who were not members of cooperatives. After 1984, frequent Contra attacks began to seriously affect levels of agricultural production and to discourage landless peasants from joining state farms and cooperatives for fear they would become victims of counterrevolutionary violence.[38] Levels of output decreased throughout the period of Contra activity in the countryside until the 1987 cease-fire, and continued sporadically thereafter. Furthermore, the agrarian reform was unable to achieve food self-sufficiency despite import substitution, export diversification, and production policies. The agrarian measures, therefore, carried more subjective value in their ability to gain popular support, volunteer labor, and cooperation from workers organizations. In objective terms, Nicaragua's continued reliance on exporting coffee and cotton and its failure to produce the expensive products it imported ultimately doomed the Sandinistas to economic failure.

Although the industrial sector had traditionally been of little significance when compared with its agricultural counterpart, it had met with rather encouraging gains during the 1960s. This was due largely to its ability to export goods to the CACM and to the investment in manufacturing by the Somocista elites.[39] Industry suffered a major slump during the 1970s, however, as worldwide economic recession shrunk the regional market for the country's manufacturing exports. The decade of the seventies also brought civil war that damaged and destroyed a large segment of the industrial base. Industrial production had virtually ceased during the last several months of the insurrection given that much of the fighting during the Final Offensive was carried on between the National Guard and factory workers-turned urban guerrillas on the streets of Managua and other

industrial centers.[40] Nevertheless, Sandinista leaders were confident that their economic recovery plan could rebuild manufacturing and develop a strong profitable industrial sector for the new society. They hoped to attract foreign and domestic industrial investment in order to begin immediate recovery. That great infusion of international investment never materialized.

Much like their early agrarian program, the initial Sandinista industrial program involved large-scale expropriation. In the months follwing "The Triumph", 30 percent of the country's manufacturing sector was nationalized although, because of later concessions made with the bourgeoisie, the proportion of privately-owned industry remained at a constant level throughout the 1980s.[41] The revolutionary government also initiated state industrial investments that created urban jobs and unemployment was reduced from 28 percent in 1979 to 17 percent in 1980. Initial FSLN policy during the period following the victory did manage to produce a respectable 12 percent gain for industrial production in 1980, but it was unable to repeat this feat in the years following. As a result, urban employment figures for 1989 were nearly the same as they had been ten years earlier during the insurrection.[42] By the mid-1980s the situation for both state and private-owned manufacturing firms was dismal with little chance of improvement given the growing military expense and destruction incurred by the regime as a result of the Contra war and the increasingly bleak future for the attraction of additional investment.

The Sandinista industrial plan was never able to achieve the kind of objective or subjective gains that occurred in the agrarian and social sectors. Perhaps the single greatest obstacle to industrial growth was the utter lack of investment, foreign or domestic, to rebuild, update, and expand existing facilities. The private industrial sector within Nicaragua

was reluctant to invest in the post-revolution economy because of its inherent instability and dependence.[42] Another factor was the serious shortage of foreign exchange needed to import the machinery, supplies, and raw materials that Nicaragua was unable to produce. These factors, together with the lack of anticipated foreign investment produced little hope for prosperity. Finally, the state-owned manufacturing sector revealed serious weaknesses in Sandinista policy because even though some industries were owned by the government, they operated in a free market without a system of strict economic planning. The Somozas' factories had been confiscated, but could not be made to run efficiently. A system of state-run firms that produced goods unable to compete with private enterprise on the free market obviously could not create the "mixed economy" for which the Ministry of Industry had hoped.[43] Consequently, Sandinista industrial program came to be characterized by dysfunctional policy and revolutionary failure.

In addition to the major domestic barriers to economic reconstruction and recovery, post-revolutionary Nicaragua was soon faced with a variety of international constraints as well. In the early 1980s, just as the new society was beginning to emerge, the legacy of foreign domination and intervention, especially from the United States, returned to haunt it. Nicaragua did develop beneficial economic and political ties with Cuba stemming from the pre-revolution relationship between the FSLN and Fidel Castro as well as from similar ideological goals and objectives. Immediately following the Triumph, Cuba responded with large-scale humanitarian aid sending food, medical supplies, and hospital personnel to relieve the war-torn nation.[44] Total aid from the Cubans between 1979 and 1982 totaled $286 million in emergency economic and technical assistance which was used for health,

education, reconstruction, industrial development, and infrastructure. In fact, the most significant international economic commitment to post-revolutionary Nicaragua was that made by Cuba.

The Sandinistas also cultivated an economic relationship with the Soviet Union from which they received additional emergency aid, economic assistance, and trade.[45] This assistance accelerated markedly in 1981 after the U.S. economic boycott was announced; in that year Nicaragua was granted $50 million in Soviet trade credits in order to import much neede machinery. Soviet aid increased during the deacde of Sandinista rule and some sources claim that Nicaragua received almost one million dollars per day in trade credits and material goods. When combined with supplemental aid from Cuba, estimates of Eastern Bloc humanitarian, economic, and military assistance for the 1980s reached one billion dollars per year.[46]

Aid from communist governments, however, carried a heavy price. Beginning in 1981 the United States commenced a major nine-year effort to destabilize the Nicaraguan economy in the hopes of bringing down the Sandinista government. In April of that year, President Reagan announced his decision to terminate aid to Nicaragua thereby dashing all hopes of receiving the $75 million aid package approved by the Congress less than six months earlier.[47] Also in 1981, the Reagan administration set into motion its plan to prevent the post-revolutionary government from trading internationally, therefore hastening the regime's collapse and ordered a U.S. economic blockade of Nicaragua.[48] The U.S. imposition of sanctions worsened as the decade progressed and in 1985 Reagan ordered a total embargo on U.S. trade with the country. In addition to trade sanctions, the U.S. forced the termination of loans from the World Bank and the

Inter-American Development Bank in an effort to produce rapid economic collapse.[49]

The most crippling U.S. economic policy did not come in the form of sanctions, however; it was manifest in the U.S.-engineered Contra war against Nicaragua. For the already fragile economy, the cost of fighting a nearly eight-year insurgency was devastating not only in terms of human lives and money spent, but also in lost productivity. The CIA-sponsored couterrevolutionary attacks began in 1982 and escalated steadily until fighting reached the level of full-scale civil war by 1984 and was sustained for almost four years. In addition to committing a major portion of its already-limited budget resources in an attempt at relieving the dire economic situation, by 1986 the Sandinista government was spending 50 percent of its treasury on anti-Contra defense. Compounding this enormous depletion of the annual GDP was the drastic reduction in commodities production.[50] By 1984 Nicaragua had lost over $285 million in agricultural production due to the war as state-owned collectives became the repeated victims of Contra attacks that resulted in the burning of thousands of acres of cultivated land and the killing of the campesinos who worked on it. Over 40,000 Nicaraguans were killed in the U.S. proxy war, a huge loss of human resouces for a nation of only four million people.[51] The Contra strategy was particularly damaging to the country's infrastructure, much of which had only recently been rebuilt following the war for liberation.

Although U.S. sanctions and international economic pressure did succeed in cutting off substantial amounts of income for the Sandinista government, trade sanctions were largely mitigated because of increased aid from Cuba and the Soviet Union. The economic effects of U.S. Contra policy, however, proved to be extremely damaging. Production levels fell

dramatically during the 1982-85 period of the most intense fighting and the need for defense spending continued to escalate. Sandinista political economy could not withstand these continued pressures and by the time an initial cease-fire agreement was made, the Nicaraguan economy was in ruins.

By the late 1980s, the Nicaraguan economy was experiencing tremendous domestic and international pressure that called for the imposition of drastic policy changes in an attempt to avert total economic collapse. In 1988, President Daniel Ortega announced a series of radical policy shifts including austerity measures and a significant departure from earlier socialist rhetoric. By the time the emergency program was developed total output of the economy had dropped below the output levels of the 1960s, per capita income had fallen 17 percent since the 1979 victory, and unemployment had reached 23 percent. The always serious problem of decapitalization persisted and the treasury was forced into printing cordobas to the extent that the annual inflation rate had reached an incredible 20,000 precent by 1988.[52] The Sandinista policymakers had no choice but to implement an austerity plan that was ultimately criticized not only for its ideological shift but also for its objective failure.

The most significant policy shift came with the announcement of the program of concertación (convergence), literally the uniting of politics and economy to accomplish the single goal of post-civil war recovery and reconstruction. In practical terms, the plan involved defining the boundaries of the different economic sectors and their participants, as well as obtaining the cooperation of representatives from the government, industry, agriculutre, and labor.[53] Through compromise on such issues as wage and price controls and competition between public and private sectors, the govenrment hoped to stimulate production and control inflation.

Specifically, and most controversially, concertación called for the introduction of market mechanisms, the reduction of state economic intervention, and more government cooperation with capitalist groups. Ortega and other leading Sandinistas soon came under attack, however, both from the organizations on the left, and from the middle sectors as it appeared that the latter groups' ability to survive in the mixed economy was becoming increasingly unlikely. Critics from the left charged that concertación involved the forfeiture of socialist goals, while the more laissez faire factions viewed it as a plan to divide private interests in favor of more socialist measures.[54]

In addition, more conventional austerity plans were put in place that year. The harsh reform package included the reduction and eventual cessation of government subsidies for the consumption of imports through a multiple exchange rate structure. Although this caused the consumer price of imported goods to soar and forced the rationing of some commodities, it did reduce the fiscal deficit. The plan decreased government spending across the board including defense, health, and social welfare, and the reduction of capital investment for development. Finally, the government instituted strict monetary reform and devalued the cordoba first by 3,000 percent in February, then by 9,000 percent in June.[55] The early optimism of the Ministry of Planning for economic reorganzation had given way to economic disaster. It had become painfully obvious that despite the significant gains made in the areas of social welfare, the revolutionary economy of the "new Nicaragua" had been a failure.

Political Conditions and Policy

The political climate of the envisioned "new Nicaragua" represents one of the clearest examples of departure from the more typical political culture

characteristics under the Somocistas. The Sandinista revolutionary movement was founded on principles related to a freer and more equitable socio-political system for the mass base, including access to the basic necessities for survival and, in general, humane treatment of Nicaraguan citizens. Their primary vehicles for achieving these goals were mass-based political, social, and labor organizations that united under the banner of the Sandinista Front to overthrow Somoza. Following the Triumph, these organizations become the channels of participation through which the people took part in the new society. Human rights moved to the forefront of political concerns in the wake of the overthrow of a 46-year regime of repression and brutality. This was a primary concern for many Nicaraguans and the Sandinista leaders who wanted to make a clear break with the past and focus on reconstruction rather than revenge.

They were generally supported by the Catholic Church which, in general shared the Sandinista goal of creating a more equitable society. Particularly in the initial three years of the revolution the FSLN and the Church enjoyed a mutually beneficial relationship not often found in marxist revolutionary systems. In foreign policy, the Sandinistas hoped to close the chapter on their legacy of dependency and initially pursued an official policy of non-alignment. The new government made a conscious effort to portray their ideology and policy as a fundamental rejection of those of the Somoza dynasty. Political participation following the Triumph was based on the concept of poder popular (popular power) which stressed mass-based participation through grass-roots organizations, worker control of farms and factories, and government consultation with the leaders of these groups.[56] Such practices were absolutely forbidden under Somoza but necessary for the Sandinistas if they were to maintain wide popular support. Farm labor

organizations like the ATC were consulted by the MIDINRA on agrarian policy issues and CAUS (the major trade union) gave policy input to the Ministry of Industry. Although the Sandinista government was not recognized as a liberal democratic system, its leaders initially demonstrated their commitment to pluralism and the will of the majority in the elections held in 1984.[57] Given their history of authoritarian military dictatorships, there was no cause or tendency on the part of the Sandinista leaders to attempt to set up a liberal democratic system. The governing junta was acutely aware of the general demands of the majority of the largely agrarian and poor population: agrarian reform and freedom from oppression. The most effective means to deliver these immediate needs, therefore, was to co-opt the support and advice of the organizations to which the people belonged.

In the initial years of the revolution when the Sandinistas popularity was very high, most of the mass-based organizations were affiliated with the FSLN party. By the mid-1980s, however, as opposition to the Sandinistas grew, the number of parties across the ideological spectrum increased over twenty.[58] Fully confident in the support of the people, the governing junta promised to hold elections by 1985. Under the Law of Political Parties, the revolutionary government recognized opposition parties as legitimate and gave them the right of competitive political participation for the first time in Nicaragua's history. Elections were held in 1984, and with 75 percent of registered voters participating the FSLN received 66 percent of the presidential vote and 63 percent of the votes for the National Assembly, reinforcing their claim to a mandate.[59] Despite the Reagan administration's accusation that the FSLN had prevented the participation of any effective opposition party, most evidence suggests that the withdrawl of the opposition

was more a function of U.S. pressure and incentives than Sandinista coercion.

The movement away from majority participation came not in the absence of elections or the restriction of participation, but in the government's growing need to protect itself from the encroaching Contra threat. In 1983 General Ortega and the members of the junta declared a state of emergency in response to increasing counterrevolutionary attacks, fearing they would be overthrown before elections could be held. Although the anti-Sandinsita press was censored, freedom of speech restricted, and arrests increased, most of those detained were accused of directly supporting counterrevolutionary activity, and therefore, presented a legitimate threat to the survival of the government.

In light of the Contra presence and subsequent civil war, the revolutionary government was confronted with a contradictory dilemma of its commitment to human rights and the preservation of internal security. In an early attempt to demonstrate their effort to prevent the recurrence of the atrocities committed under the Somozas, the junta invited representatives of Amnesty International and Americas Watch to survey their regime. They received quite favorable reports particularly in comparison to the U.S.-backed governments of their neighbors in Guatemala and El Salvador.[60] These organizations did raise questions, however, about the military's use of short-term detainment of individuals suspected of subversive activity. Notably absent was the government-condoned torture, execution, and disappearances that had characterized the activity of the Somocista National Guard. One of the first actions of the new government was to abolish the death penalty. Even those National Guardsmen convicted of murder, rape,

or torture were given only the maximum sentence of 30 years in prison, and the vast majority had been released or pardoned by 1989.[61]

The Sandinistas faced a major social and political obstacle concerning the maintenance of internal security and law enforcement among the general population. Following the 1979 Triumph, Somoza loyalists and remnants of the Guard remained a potential source of counterrevolutionary violence, although most had fled across the borders to Honduras and Costa Rica. In addition, most of the people were heavily armed after the insurrection and crime levels were high immediately following the July victory. The revolutionary government was inexperienced in police functions but instituted several measures to combat the security problem. FSLN patrols were ordered to rid the country of remaining Somocistas forcing them to go into exile or be imprisoned. A national campaign of depistolization was begun to reduce the number of civilians owning and carrying weapons. Hundreds of police officers were fired for using excessive force and foreign experts were brought in to train those remaining in the performane of their duties in a humane and effective manner.[62]

Human rights and internal security concerns grew as the civil war fighting intensified between 1984 and 1987. Although the government Ejército Popular Sandinista (EPS) was forced to employ increasingly repressive tactics in order to maintain the government in the face of an overthrow and put down counterrevolutionary activity, the majority of the most flagrant violations of human rights were reported to have been committed by the Contras. Of course the government could not prevent all individual acts of excessive violence or cruelty, but the Sandinistas did uphold their commitment to maintaining a humane society and never resorted

to the death squads and executions employed by other governments fighting insurgents in the region.

Discussion of the position of the Church and religion during the Sandinista period largely consists of the relationship between the revolutionary government and the two segments (official and popular) of the Catholic Church. The Church and its followers were a formidable force in the revolution as parish priests and campesinos contributed a great deal to the opposition movement either by taking up arms themselves, or by speaking out to others who would. Even the official hierarchy, despite its traditional alliance with the Somoza family elite and its commitment to the status quo, sided with the movement against the dictator in the interest of social justice and their followers living in abject poverty. Following the Triumph, however, the Church experienced an internal division over support for the marxist system that was emerging. This split had important implications for the Sandinistas in a country where the Church remained a significant political force with considerable influence in society.

The people's, or popular Church's primary vehicles of revolutionary activity were the Christian Base Communities (CEBs) endorsed by the bishops as a means of bringing religion into the revolution. The Base Communities were engaged in social welfare activity, and their members' actions in the revolutionary movement were communicated to the bishops in order to keep the latter abreast of developments, especially in more rural parishes removed from the urban-based hierarchy.[63] At the official Church level, the relationship between the hierarchy and the emerging Sandinista government was mutually cooperative. In fact, in 1979 then-Archbishop Miguel Obando y Bravo, the official leader of the Nicaraguan Catholic Church, and his Council of Bishops publicly endorsed the new government,

in return for which the Sandinista leadership assured Church officials that the regime's commitments would not threaten their religious institutions.[64] The following year, the FSLN ratified the "Document on Religion" which guaranteed complete religious freedom and the party also appointed several Church officials to positions within the new government. The Church-State alliance was short-lived, however, as the official Church became the international target of anti-Sandinista efforts. Both the Vatican and the U.S., particularly the CIA, developed ties to Cardinal Obando y Bravo during the early 1980s. Under Pope John Paul II, the Vatican pursued an international policy designed to discourage nuns, priests, and other ecclesiastical officials from engaging in political activity or taking positions in governments. This policy was aimed at a more progressive development in Latin America as a whole, liberation theology, in which Church officials became active advocates for the poor and members of revolutionary movements. Such had been the case in Nicaraguain the post-Second Vatican Council era.

In 1983 the Pope visited Nicaragua and expressed his displeasure with liberation theology urging Nicaraguan Catholics to join the movement of Cardinal Obando y Bravo who had become the head of the Catholic opposition to the Sandinista government in accordance with the wishes Vatican wishes.[65] As for Washington's relationship with the hierarchy, the CIA and right-wing religious groups financially supported the activities of Church officials and used the Contras to exploit the religious issue, internationally portraying the Sandinistas as left-wing persecutors of the Church. The government was in fact, rather tolerant of criticism from religious leaders, save for its efforts to censor the zealous remarks of Cardinal Obando y

Bravo and the expulsion of a bishop for lobbying the U.S. Congress in support of Contra aid.[66]

These pressures from Washington and Rome widened the split between the popular Church and its followers and the Church hierarchy and the Vatican. Most parish-level Church officials ignored orders from above and continued their work in popular volunteer efforts for the country's reconstruction and beyond. Most of the political damage to the Sandinista government by the Church, therefore, came at the international level where opposition to the regime used the Church issue to foster multilateral support for the counterrevolutionary effort. This conflicting policy has actually been more politically damaging to the Catholic Church as many of its members, especially in poor areas, grew weary of the religious infighting and converted to various rapidly growing evangelical sects.

As was the case in the domestic political arena, Nicaragua's foreign policy represented a clean break with the legacy of the Somozas and almost a century of domination by the United States. The junta made clear its official policy of non-alignment, although its economic relationship with Cuba and the Soviet Union would later suggest a lapse in this commitment. As the decade progressed, the Reagan administration's position moved from antagonistic to open hostility until it became known that the United States was funding the Contra insurgency in an attempt to overthrow the Sandinista government. Fueling their nine-year conflict was the Sandinistas regional policy of providing material and diplomatic support to leftist guerrillas in El Salvador and Guatemala fighting against the U.S.-supported, right-wing military government. This novel foreign policy by a once-vassal state was in fact, a major cause of U.S. intervention through the Contras that severely weakened the Sandinista regime.

The nearly nine-year series of actions that would constitute U.S. Contra policy was largely a function of President Reagan and his top administration officials' preoccupation and obsession with ousting the government that had thrown out Somoza. Contra policy began in November 1981 when Reagan announced his support for counterrevolutionary forces, initially comprised of exiled National Guardsmen based in Honduras.[67] This policy was declared in response to persistent intelligence reports of Sandinista assistance to leftist guerrillas in El Salvador. Although the FSLN National Directorate later debated such aid to its Central American neighbor for almost a year and emphatically denied any support for them, by late 1980, the Sandinistas made one of their first and most crucial major foreign policy decisions, the sending of weapons to the Salvadorans.[68] This action was all the justification that hardliner anti-communists in the Reagan administration needed to justify huge aid package proposals for the Contra forces.

The Contra insurgency forces, based primarily in Honduras, served as the proxy army of the United States in its undeclared war on post-Somoza Nicaragua. They received a total of $390.7 million in direct U.S. government aid, assistance through the illegal "Iran-Contra" National Security Council network, and U.S. insurance and loans between 1982 and 1989 despite Congress' temporary halt on all aid to the Contras in 1984 and its indefinite ban on military aid.[69] Attacks on Nicaragua began in force in 1982 and continued through 1987. The heaviest and most damaging offensives occurred in 1983 and 1984 when sea and air-based attacks on vital economic infrastructure and industry were carried out, including the internationally denounced CIA-engineered mining of Nicaraguan harbors.[70] Much of the damage sustained in these attacks was irreparable as the

Sandinista government was forced to allocate greater percentages of its severely limited budget to fight Contra ground battles in the Honduran border region.

The U.S. Contra policy was economically and morally exhausting for the Nicaraguan regime. Although the insurgency effort was rendered powerless once U.S. aid was severed, the government continued to struggle and founder with the economic, social, and political problems caused by the war up until the time of their electoral defeat in 1990. It is unlikely that the Sandinistas' foreign policy could have prevented U.S. intervention through the Contras had they refrained from fostering friendly relations with the Soviet bloc or refused to aid the Salvadoran guerrillas. At most, their foreign policy agenda accelerated the inevitable attack by the United States that compelled the Reagan administration to pursue Contra policy more zealously and with more support from ultra-conservative domestic elements in the United States. At any rate, Nicaragua was again faced with the task of reconstruction when military operations were suspended in 1988.[71]

CONCLUSION:
THE SANDINISTA FAILURE AND THE FUTURE OF NICARAGUA

Foreign Policy and the Contra War

Sandinista foreign policy, particularly with respect to its result in major warfare with the Contra forces, heavily damaged its credibility and ability to survive. Yet, its decision to send military aid to El Salvador, while it did incite the wrath of the Reagan administration, may have appeared as a realistic solution to the problem of the real or perceived Central American right-wing threat to its fragile security. The new government was fully aware that remnants of the National Guard and Somoza Debayle himself remained just over the Nicaraguan borders. Seeking a leftist revolutionary ally in El Salvador, the Sandinistas made the decision to aid guerrilla forces there, perhaps reasoning that such a relationship would be necessary to protect itself from counterrevolutionary threats in the region. At any rate, the Salvadoran policy did serve as a red flag for the U.S. to unleash its Contra policy against the Sandinistas. Nicaragua's ties to Cuba and the Soviet Union served a similar function in internationally labelling Nicaragua as a potential communist satellite and a vehicle for Communist expansionism in the Western Hemisphere.

Legacy of Monocultural Economics and Dependency

The most plausible explanation for the failure of the Sandinista regime is that they were unable to transform their economy to the same degree that they had been able to transform the social and political arenas. A new Nicaragua had begun to emerge with revolutionary policies that produced significant gains in education, health care, and housing. Political reform had transformed the country from its existence as the virtual Somoza family kingdom into a revolutionary polity with increased political participation and

societal freedoms. Ten years after the Triumph, however, Nicaragua remained a monocultural economy subject to the vagaries of the international market. The inability to produce necessary finished goods compounded their dependency as they were forced increasingly to import expensive industrial products they could ill-afford. Huge foreign trade imbalances left the economy trapped in a state of dependency with their only source of income being subject to the whims of the agroexport market.

The government was hard pressed to decide whether to fulfill FSLN promises relative to its revolutionary commitment giving Nicaragua's campesinos the land they had fought for in the insurgency or to invest its scarce monetary and policy resources in industry. While the industrial sector held the country's only prospect for economic diversification and decreased dependence on foreign buyers, supporters of the revolution wanted land to farm and assistance from the government to do so. Fearing a great loss in credibility, the Sandinista government opted for the more politically favorable, but much less economically prudent policy of distributing land to rural peasant farm workers and implementing a crude agrarian reform at the expense of an underdeveloped industrial sector. Their agrarian policy absorbed its precious hard currency resources on inefficient farm machinery for agroexport crops. Although these resources could have been invested in industry and economic diversification, they instead perpetuated Nicaragua's dependence on its major export crops.

A major economic goal of the revolution was to break the historic socio-political legacy of dependency. A decade later, however, Nicaragua remained dependent primarily on coffee, which today accounts for at least 50 percent of its export revenues annually. Efforts to produce cotton and other export crops only superficially changed the equations. The

Sandinistas did in fact break their historic dependent relationship with the United States, only to shift that dependence to Cuba and the Soviet Union; the players changed but the game did not. This dependency continued to leave Sandinista Nicaragua's economy subject to market trends that precluded long-term stability. Sustained economic chaos ultimately overshadowed successes in other areas and ultimately led to the Sandinistas' downfall.

1990 Elections and Violeta Chamorro

At a glance it seems almost ironic that ten years after great masses of Nicaraguans took up arms to overthrow the Somoza dictatorship and the elitist, personalistic system it stood for, the nation would embrace Violeta Barrios de Chamorro, Doña Violeta, as their hope for the future. The daughter of a wealthy cattle rancher, educated in the U.S., and the widow of La Prensa editor Pedro Joaquín Chamorro, she appeared at face value to be an unlikely candidate for the presidency of a revolutionary society based on marxist principles. Like her husband, Mrs. Chamorro had been a long-time leader in the intellectual and upper class opposition to the Somozas, a supporter of the revolutionary movement, and a founding member of the FSLN governing junta. For a people heavily influenced by myth and tradition, she embodies the spirit of her late husband and the fight against Somoza oppression that elevated him to both symbol and hero through the period of the revolution to the 1990 election. Violeta Chamorro's own personal conviction compelled her to leave the junta after less than one year over her disagreement with their plans for a more controlling and orthodox Marxist regime, and her staunch opposition to press censorship. She returned to La Prensa where she continued to speak out against limits on free speech and provided a voice for opposition to the Sandinista government despite its repeated attempts to shut the newspaper down.[1] Doña Violeta

and her supporters forged the 14-party coalition that became the National Opposition Union (UNO) in the summer of 1989, promising to bring economic and political liberation to a people who had grown weary of civil war and desperation. UNO collected a resounding 55 percent of the vote in the 1990 election despite international predictions of another Sandinista victory.[2]

The UNO administration moved quickly to restore civil liberties and reduce the size of the army in an attempt to solidify popular support. Despite Doña Violeta's enormous personal popularity, however, the first year of her presidency was riven with political and economic crisis. As the president of the ATC expressed that group's position, "... you can't eat freedom of expression." Labor unrest over generally desperate financial conditions for all Nicaraguans resulted in a May 1990 strike and riot of civil servants less than one month after the election.[3] In September 1991, controversy raged over legislation that called for the return of property given away in desperation by the Sandinistas before they formally turned power over to the UNO government. Although Chamorro vetoed the bill and called it unconstitutional, her UNO supporters began to question her ability to withstand pressure from the still prevalent Sandinistas opposition. It appeared as though her presidency had become a political balancing act between her coalition and the ousted Sandinistas.

Economically the Nicaraguans remain in a desperate situation. Although the U.S. immediately lifted its embargo and promised to renew economic aid after the Chamorro victory, decreased aid from the Eastern Bloc will leave the nation's huge debt unpaid. President Chamorro declared her country bankrupt in May 1990 seeking an emergency loan from the United States. A steady negative percentage change in the GNP from 1984 on, and an inflation rate of 35,000 percent by 1989 left the new government with a meager $3

million in the national treasury at the time of the inauguration.[4] The hope of heavily increased private investment remained unfulfilled as investors feared the instability of Nicaragua's economy and the threat of another civil war. Despite the initial support for the UNO government, the patience of the people appears to be virtually at an end. After ten years of economic and political turmoil, the vast majority of Nicaraguans are desperate for a government that can bring about peace and financial stability. With the current worldwide recession and general decline of foreign aid from wealthier nations. the probability of rapid improvement is not terribly great. In spite of their personal admiration for Doña Violeta, Nicaraguans may again decide "to vote their stomachs, not their hearts."[5]

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