# "A Multifaceted Approach"

The Role of U.S. Contra Aid and Economic Pressure in the 1990 Nicaraguan Election

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The Nicaraguan Revolution of 1979 represented a drastic shift for the country, as it allowed the revolutionary socialist group known as the FSLN, or Sandinistas, to seize control from the US empowered Somoza family which had ruled since 1937 and attempt to institute a new form of government, centered around more leftist ideals. The FSLN's seizure of power brought with it the potential for a radical shift in the structure of the nation and the well being of the general population. Nicaragua, following decades of exploitation by Somoza, was in a ruinous state, a fact only further compounded by the destruction brought about by the revolution. The redistribution of the land and wealth that had previously been held by the dictatorship, as well as the institution of socially beneficial programs such as the literacy campaign and the creation of a Ministry of Culture, represented positive steps toward rebuilding the country. This upward trend was interrupted, however, by the emergence of armed opposition to Sandinista rule by a coalition of forces collectively known as the Contras, who, with the help of US training and funding, waged an increasingly destructive civil war launched from bases in neighboring Honduras and Costa Rica beginning in 1981, and only ending with the election of 1990 and the Sandinista removal from power.

The historical conception regarding the reason behind the loss of the 1990 election is generally split between two factors: US pressure in the form of economic embargo and continued Contra support and the increasingly repressive policies of the Sandinistas leading to a loss of popular support. These explanations, however, leave several questions. First and foremost, what is the relationship between the two? How did US pressure influence or affect those policies? How in turn did that relationship lead to the Sandinista loss of power?

This work will attempt to analyze the reasons behind the decline of Sandinista support among the Nicaraguan population leading to their eventual loss of the 1990 election from the perspective of these questions by first comparing the pre and post revolution situations within the country, then by categorizing and creating a timeline of US Contra aid and economic pressure, then by examining the relationship that pressure had with the changes in Nicaragua's economy and in methods of Sandinista governance, and finally by analyzing the effects of that change situated within the context of levels of popular support and the 1990 election. This will be accomplished through analysis of both US Government (NSA, CIA) and FSLN documents, as well as newspapers, polling information, and economic reports from the time period, thus attempting to bridge data analysis and historical analytical tradition and thus gain new insight into the topic. Through this examination, this work will demonstrate how US pressure and financial aid ultimately created the conditions for the shocking political upset that was the 1990 election.

By better understanding the reasons behind the outcome of the election, as well as their effects on the population and economy, one can attempt to draw parallels between it and the contemporary political and economic situation in Nicaragua, and other nations around the globe deemed against US interests. The case serves as an example of the influence as well as modus operandi of the US in parts of Latin America and the rest of the developing world, and its examination allows one to better understand the nuances and intricacies of both US foreign policy and, more generally, modern neo-imperialism.

## Pre vs. Post Revolution

The revolution of 1979 created the potential for positive democratic change for much of the country. It was carried out with massive popular support from various sectors of the country and was intended to redistribute both the power and wealth that had been so tightly concentrated within the Somoza regime. Decades of exploitation by the Somoza family had crippled the industrial and, more importantly, agricultural sectors of the country, with Somoza's focus on the production of cotton, at the expense of food products, clearly demonstrating the effect the regime had on impoverishing the common people. Health care, too, was almost nonexistent, as "The generally poor quality of Nicaraguan health care is...demonstrated by the fact that members of the Somoza family elite traveled exclusively abroad for medical attention". Perhaps the most obvious example of the exploitation and disparity the country faced can, however, be seen in the personal fortune held by the Somoza family. Following the 1972 Managua earthquake, Somoza used his power to divert millions of foreign aid dollars intended for disaster relief into his personal bank accounts, leading to some sources estimating that "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"<sup>2</sup>. At the time of the Sandinista takeover, the country was on its knees, with a national debt valued at over 1.6 billion US dollars, a devastated economic infrastructure, between 30,000 to 50,000 war dead, and another 600,000 homeless left over from the revolution itself.<sup>3</sup> "Countless cities and villages had been destroyed leaving thousands of Nicaraguans homeless and without employment. Economic production had virtually ceased, as

<sup>&</sup>lt;sup>1</sup> John A. Booth, The End and the Beginning: The Nicaraguan Revolution (Boulder, Colorado: Westview Press, 1982), 68.

<sup>&</sup>lt;sup>2</sup> George Irvin, "Nicaragua: Establishing the State as the Centre of Accumulation," Cambridge Journal of Economics 7 (1983): 130.

<sup>&</sup>lt;sup>3</sup> Walker, Thomas (1981). *Nicaragua: The Land of Sandino*. Boulder, Colorado: Westview Press

many of the farmworkers 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."

The FSLN had two explicit goals following the revolution: the creation of conditions that allowed for as complete a recovery as possible from the Somoza era, and the establishment of a "popular democracy based on mass political participation and national unity". <sup>5</sup> These were attempted through a combination of social, economic, and political changes, some of which grew to be extremely successful, primarily through the enjoyment of immense levels of popular support. The establishment of a Ministry of Health as well as a national immunization campaign created widespread improvements to the healthcare accessible to much of the country (the vaccinations in the immunization campaign, for instance, reached an estimated 85 percent of its intended recipients), and advancements in the standardization of medical training helped cement those improvements. In education, too, large improvements were made, with the national literacy campaign instituted by the Sandinistas in 1980, which encouraged urban students into the countryside to teach rural peasants, in particular drawing global acclaim and winning several awards for its success, including the prestigious UNESCO Nadezhda K. Krupskaya literacy prize. The creation of the National Education Consultation as a means of increasing access to educational services, free of charge, as well as the general use of Sandinista propaganda as learning materials also greatly increased both the education and levels of support among the general populace. The revolution also saw large gains made in the pursuit of gender equality in

<sup>&</sup>lt;sup>4</sup> Zaremba, Laura M., "Nicaragua: Before and After the Revolution," Southern Illinois University Press (1992), 26.

<sup>&</sup>lt;sup>5</sup> Ilja A. Luciak, "Democracy in the Nicaraguan Countryside," Latin American Perspectives 17 (1990): 55.

<sup>&</sup>lt;sup>6</sup> Thomas John Bossert, "Health Policy: The Dilemma of Success," in Nicaragua: The First Five Years (New York: Praeger Publishers, 1985), 347.

the country, with the Sandinistas viewing the contribution of women as essential to the nation's success, and thus encouraged female participation in leadership positions as well as the sponsoring of legislation demanding equal rights and pay. Their success in this area is demonstrated by the fact that, as of 1980, it was estimated that at least 30 percent of the combat forces of the FSLN were women. However, perhaps the greatest changes instituted by the Sandinistas were in the economic sector, through agrarian reform that resulted in the confiscation and redistribution of large portions of Nicaragua's land, industry, and private businesses previously owned by Somoza and his elites. Despite this, up to two-thirds of the crop land in the country was still privately owned, which allowed the Sandinistas to maintain some level of support among the middle and upper classes.

The drastic changes to the country made by the Sandinistas could not have been achieved, or even attempted, had they not enjoyed massive amounts of popular support from both the urban and rural lower classes. The FSLN very early on realized that it could not mount a successful revolution without that backing, and thus the most effective way of achieving their primary goals "was to co-opt the support and advice of the organizations to which the people belonged." The inclusion of women, too, created a very powerful voice within the revolution, and allowed the Sandinistas to employ their support in the pursuit of economic, social, and political reform. These groups, organized into mass movement organizations such as the Sandinista Workers' Federation (*Central Sandinista de Trabajadores*), the Luisa Amanda Espinoza Nicaraguan Women's Association (*Asociación de Mujeres Nicaragüenses Luisa Amanda Espinoza*), the National Union of Farmers and Ranchers (*Unión Nacional de*)

<sup>&</sup>lt;sup>7</sup> Robert A. Pastor, Condemned to Repetition (Princeton, New Jersey: Princeton University Press, 1987), 28.

<sup>&</sup>lt;sup>8</sup> Zaremba, Laura M., "Nicaragua: Before and After the Revolution," Southern Illinois University Press (1992). 45.

Agricultores y Ganaderos), and, perhaps most importantly, the Sandinista Defense Committees (CDS), acted as some of the primary means through which the Sandinistas enacted change. The FSLN's goals, as well as level of popular support enjoyed, can both be summed up by a quote from a declassified report sent from the US embassy in Nicaragua to the US State Department several years after the revolution, which notes that the Sandinistas' "stated goals were political pluralism, respect for Human Rights, mixed Economy, Non-Alignment, and profound social and economic changes designed to better the life of the vast majority of Nicaragua's population...and enjoyed widespread international sympathy in addition to the jubilant support of over 90 percent of the population."9

The Sandinistas' attempts at change, while originally rather successful, ran into a new obstacle in 1982, as the United States began to fund opposition groups known as the Contras in an effort to remove the FSLN from power. The largest of these groups, the Nicaraguan Democratic Forces (FDN), was made up primarily of former National Guardsmen from the Somoza regime, and were based primarily out of Honduras. Trained and equipped by the US, these forces became an ever growing problem for the Sandinista government, who were forced to devote increasing amounts of time and resources to combat the threat. The Contras, while composed primarily of Nicaraguan nationals, were ultimately a US creation, and served as an extension of US influence and interests in the country, as can be demonstrated by an analysis of US Contra aid.

<sup>&</sup>lt;sup>9</sup>United States Embassy. Nicaragua. Sandinista Revolution After Three Years 1982.

## Aid to the Contras

United States aid to the Contras, from the Reagan Administration onwards, was designed to, "prevent Sandinista support of the anti government rebels in El Salvador; to pressure the Sandinistas to democratize their policies and pluralize their economy; to force the Sandinistas to negotiate security arrangements satisfactory to the United States...and perhaps to overthrow the Sandinista regime." Given the relatively small amount of aid given (when compared to the resources at the US's disposal), the Contra War was extremely successful in achieving its goals. CIA Director William Casey put those goals bluntly when he commented on the FSLN, "Let's make the Bastards sweat!"

In examining US aid to the Contras, it is important to make the distinction between lethal and nonlethal aid, due to the passing of the Boland Amendments between 1982 and 1984, which first limited, and later outlawed lethal aid to the Contras, creating the need for both third party assistance and work-arounds such as the infamous Iran-Contra affair. The former type of aid included money meant for "anti tank and anti aircraft weapons, additional vehicles, small arms and ammunition, and providing US army advisors to train FDN soldiers in Honduras" whereas the latter included funds meant for "boots, uniforms, food, and trucks and aircraft for supply operations" From fiscal year 1982 to fiscal year 1990, the US gave a total of \$321.65 million in total aid, split approximately \$179.65 million and \$142 million in lethal and nonlethal aid, respectively. As demonstrated in Table I, for fiscal years 1982 through 1990, respectively, the

<sup>&</sup>lt;sup>10</sup> Scott Armstrong et al., *The Chronology: The Documented Day-By-Day Account of the Secret Military Assistance to Iran and the Contras* (New York: Warner Books, 1987), 18.

<sup>&</sup>lt;sup>11</sup> Leogrande, William M. "Making the Economy Scream: US Economic Sanctions against Sandinista Nicaragua." *Third World Quarterly* 17, no. 2 (1996)

<sup>&</sup>lt;sup>12</sup> United States Congress Arms Control and Foreign Policy Caucus. Special Alert on Contra Aid 1986.

<sup>&</sup>lt;sup>13</sup> United States Congress Arms Control and Foreign Policy Caucus. Special Alert on Contra Aid 1986.

U.S. government provided for the contras (FY82) \$19 million (lethal), (FY83) \$29 million (lethal), (FY84) \$24 million (lethal), (FY85-86) \$27 million (nonlethal), (FY86) \$13 million (nonlethal), (FY87) \$100 million (\$70 lethal, \$30 nonlethal), (FY88) \$32.9 million4 (nonlethal), (FY89) \$27 million (nonlethal), and (FY90) \$49.8 million (nonlethal).

TABLE 1: CONGRESSIONALLY APPROVED US CONTRA AID FY1982-1990

Fiscal Year	Nonlethal Aid (Millions of US\$)	Lethal Aid (Millions of US\$)	Total Aid (Millions of US\$)
1982	0.0	19.0	19.0
1983	0.0	29.0	29.0
1984	0.0	24.0	24.0
1985	27.0	0.0	27.0
1986	13.0	0.0	13.0
1987	30.0	70.0	100.0
1988	32.9	0.0	32.9
1989	27.0	0.0	27.0
1990	49.75	0.0	49.75
Total	179.65	142.0	321.65

#### Sources:

Nina Serafino, 'Contra Aid: Summary and Chronology of Major Congressional Actions" (Washington, DC: Congressional Research Services, 1989), 17.

United States Congress Arms Control and Foreign Policy Caucus. Special Alert on Contra Aid 1986.

These totals, however, do not include non congressionally approved aid, such as the funds generated by the Iran Contra Scandal, which directed between \$16 million and \$25 million (lethal) towards the Contra cause. <sup>14</sup> They also do not include aid given by third party countries

<sup>&</sup>lt;sup>14</sup> Daniel K. Inouye and Lee K. Hamilton, Report of the Congressional Committees Investigating the Iran-contra Affairs (With Minority Views), abridged version (New York: Times Books, 1988), 159, 204.

and private donors. From FY1984 through FY1986, Saudi Arabia, Israel, Taiwan, and Brunei respectively gave \$32 million (lethal), \$5 million (lethal), \$2 million (nonlethal), and \$10 million (nonlethal), and private donors gave a combined \$4.5 million (nonlethal) in aid. 15 It is notable that these countries all held close ties to the US at the time (with the exception of Brunei, who was dependent on the United Kingdom), making it unlikely that they gave these funds on their own accord. In sum, these non congressionally approved funds totalled between \$69.5 million and \$78.5 million, and played a significant role in allowing the Contras to continue insurgency operations against the Sandinista government during periods during which they received no US aid due to Boland Amendment restrictions. It is also notable that problems were recognized in aid distribution, with large amounts of funds going unaccounted for, meaning that not all of the nonlethal aid necessarily went towards nonlethal purposes. 16 While these funds may seem rather small compared to the billions the US spent on neighboring El Salvador, it is important to note that Nicaragua was only a country of between three and four million people at the time, with a national GDP that varied between one and three billion over the decade. This, in conjunction with the fact that estimates of the yearly expenses for the Contras run between \$16 million and \$20 million<sup>17</sup>, demonstrates that even while the Contras were without direct congressional funding, they were still able to obtain funds for military operations.

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<sup>&</sup>lt;sup>15</sup> Sobel, Richard. *Public Opinion in U.S. Foreign Policy: the Controversy over Contra Aid.* (Lanham, MD: Rowman & Littlefield, 1993), 54.

<sup>&</sup>lt;sup>16</sup> United States General, Accounting Office. *Central America: Problems in Controlling Funds for the Nicaraguan Democratic Resistance* 1986.

<sup>&</sup>lt;sup>17</sup> United States Library of Congress Congressional, Research Service. *Contra Aid, FY82-FY88: Summary and Chronology of Major Congressional Action on Key Legislation Concerning U.S. Aid to the Anti-Sandinista Guerrillas* 1988.

## **U.S. Economic Pressure**

The United States also attempted to overthrow the Sandinista government through the application of economic pressure. This primarily consisted of the blocking of both private and foreign commercial credit, through downgrading Nicaragua's creditworthiness rating and actively discouraging banks to invest in or loan to the country, the blocking of foreign assistance, through vetoes in international organizations or threats to withdraw funding to those organizations (such as the Inter-American Development Bank), as well as later instituting a full US trade embargo<sup>18</sup>. Actions such as the mining of Nicaragua's harbors, deemed illegal by the International Court of Justice case *U.S. v. Nicaragua*, helped ensure that these measures remained effective in keeping Nicaragua's economy on its knees. This is exemplified by a remark from a Treasury Department official in 1982 who noted that Nicaragua had been put on the 'economic hit list', which included Vietnam, Cuba, Afghanistan, and, until the US invasion, Grenada. 19

## Effects of U.S. Contra Aid on Nicaragua

The Contra War was extremely successful in diverting the attention of the FSLN away from their program of change, as it soon became the largest problem the Sandinistas had to contend with, as is clearly evident when one examines the economic impact of the war as well as the changes in Sandinista social and political policy in response to the war.

<sup>&</sup>lt;sup>18</sup>Leogrande, William M. "Making the Economy Scream: US Economic Sanctions against Sandinista Nicaragua." *Third World Quarterly* 17, no. 2 (1996)

<sup>&</sup>lt;sup>19</sup>Leogrande, William M. "Making the Economy Scream: US Economic Sanctions against Sandinista Nicaragua." *Third World Quarterly* 17, no. 2 (1996)

The toll of the conflict, in conjunction with US economic pressure, brought Nicaragua's economy to the brink of total collapse, leading to widespread privation and rampant hyperinflation. The Contras, under US direction, primarily targeted the agricultural sector of the economy, attacking and destroying vital sugar and coffee farms/cooperatives, thereby depriving the FSLN of the nation's primary export products. This also created a massive refugee problem, as the government was forced to spend millions relocating displaced Nicaraguans. In 1984 alone, an estimated 142,980 people became refugees in the country, the vast majority of them agricultural workers. The loss of these workers' output was compounded by the need to combat the Contras. In the same year, "20,000 military reservists who were preparing to harvest coffee had to be transferred to active military status when an American invasion seemed imminent to many Nicaraguans following accusations by the U.S. government that the Soviet Union was supplying the Sandinista government with MIG aircraft."<sup>20</sup> This culminated in what Nicaraguan president Daniel Ortega deemed 'the Great Coffee War'21 of 1985-86, which led to the loss of over 25% of the year's harvest.<sup>22</sup> The Contras also followed US instruction in attacking Nicaragua's oil industry through a concerted sabotage campaign, with the assistance of both CIA contract agents termed 'unilaterally controlled Latino assets' (UCLA's) and US Special Operations Forces in the form of US Navy SEAL Teams. This resulted in the Exxon Corporation refusing to send oil tankers to Nicaragua, creating dire shortages within the country. The third major economic target held by the US, and thus the Contras, was the country's trade sector. Nicaragua was highly dependent on foreign trade, thus, CIA Director William Casey reasoned

<sup>&</sup>lt;sup>20</sup> Nicaragua: The Counter-revolution — Development and Consequences (Managua: Center for International Communication, 1985)

<sup>&</sup>lt;sup>21</sup> Speech by Daniel Ortega, "We've Won the Battle for Coffee," Barricada International, March 21, 1985

<sup>&</sup>lt;sup>22</sup> Nicaragua Mission to the United Nations. *The Costs of the War* 1987

that the mining of the country's harbors would strangle that dependence. An NSC memo from 1984 notes, "Our intention is to severely disrupt the flow of shipping essential to Nicaraguan trade during the peak export period...it is entirely likely that once a ship has been sunk, no insurers will cover ships calling into Nicaraguan Ports." Through the disruption of these three crucial aspects of Nicaragua's economy the Contra war was able to inflict millions of US dollars in both material and production losses, creating an ever growing drain on the already limited resources held by the Sandinistas (especially given the country's state prior to the revolution), as demonstrated in Table II (data was only available until 1985).

TABLE II: MATERIAL AND PRODUCTION LOSSES FROM THE CONTRA WAR FY1981-1985

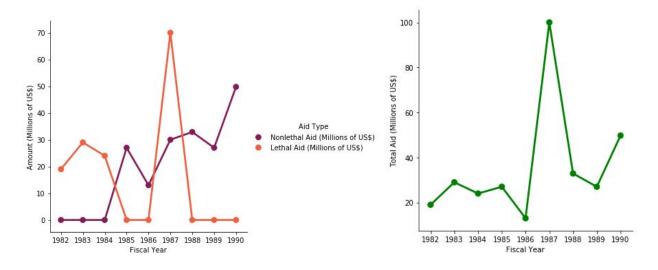
Fiscal Year	Material Damage (Millions of US\$)	Production Losses (Millions of US\$)	Total Damage/Losses (Millions of US\$)
1981	0.5	0.9	1.4
1982	3.9	3.5	7.4
1983	10.8	21.1	31.9
1984	57.5	97.4	154.9
1985	24.4	159.7	184.1
Total	97.1	282.6	379.7

#### Sources

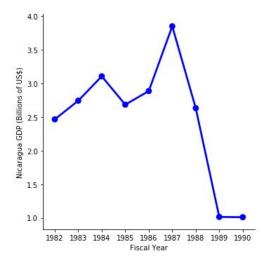
Nicaragua: *The Counter-revolution — Development and Consequences* (Managua: Center for International Communication, 1985)

Nicaragua's GDP can also be used as an indicator of the effectiveness of the Contra War. There is delayed negative correlation between the two, as can be seen when cross examining line plots of the two. The three plots shown demonstrate lethal and nonlethal aid, total aid, and GDP for Nicaragua from fiscal year 1982 to fiscal year 1990.

<sup>&</sup>lt;sup>23</sup> Leogrande, William M. "Making the Economy Scream: US Economic Sanctions against Sandinista Nicaragua." *Third World Quarterly* 17, no. 2 (1996)



Sources: Data from TABLE I



**Sources:** data.worldbank.org

While at first glance there may appear to be a positive correlation between the two, it is important to note that the funds from financial aid do not go into effect immediately, rather, it is after a year or more that one sees its results. With this in mind, the drop in GDP that occured in 1985 (a loss of around 500 million dollars) can be directly attributed to the large lethal aid packages distributed to the Contras in the fiscal years of 1983 and 1984 (\$29 million and \$24 million respectively). Similarly, the massive drop in GDP seen in 1988 and 1989 (a loss of

around 2.83 billion dollars) can be seen as a result of the enormous aid package given to the Contras in 1987 (\$70 million in lethal aid, \$30 million in nonlethal aid). While GDP is not an all encompassing indicator of a nation's economy, it nevertheless provides valuable insight into the relationship between the financial aid given to the Contras and the loss of economic growth in an already poverty stricken Nicaragua.

Another measure of just how large of a problem the Contra War became for the Sandinistas can be seen in the percentage of the national budget that was dedicated to military expenditures or defense over the period in question. Immediately after the Sandinista takeover, approximately 12% of the regular government budget was spent on defense<sup>24</sup>. In 1985, that number had jumped to over 40%, and by 1987 and 1988, at the height of US Contra aid, the percentage of the government budget used for combating the Contras was over 60%.<sup>25</sup> This drastic change in government spending both signals the severity of the Contra problem and foreshadows the change in Sandinista governance over the decade. The loss of the funds and resources devoted to the war would have a direct impact on the level of social services and political freedom seen by the population.

## Effects of U.S. Economic Pressure on Nicaragua

The pressure placed on Nicaragua's economy by US sanctions, the trade embargo, and the blocking of commercial credit and international assistance also played a large role in undoing the progress achieved by the Sandinistas post revolution. For example, "in 1985 Nicaragua suffered a negative growth rate of 2.5% after six years of nearly uninterrupted growth"<sup>26</sup>, largely

<sup>&</sup>lt;sup>24</sup> Barricada International, February 13, 1982.

<sup>&</sup>lt;sup>25</sup> Barricada International, March 27, 1988.

<sup>&</sup>lt;sup>26</sup> Rose Spalding, *The Political Economy of Revolutionary Nicaragua*. (Winchester, MA: Allen and Unwin, 1986).

as a result of the combined work of the Contra War and economic pressure. Nicaragua, like many other Latin American nations at the time, was an underdeveloped agricultural export economy whose primary trade partner was the United States, thus, when Washington cut it off from the outside world, it especially suffered. By 1987, the inflation rate in the country had reached 1,300 percent, and by 1989, directly prior to the election, it had reached 33,600 percent (the eighth worst case of hyperinflation in history)<sup>27</sup>, primarily as a result of the lack of hard currency available due to the US created trade deficit. The Sandinista government, as a measure of desperation, "took its supplies of old 20 and 50 *cordoba* bank notes and simply printed three more zeros on them to make theem 20,000 and 50,000 *cordoba* bank notes". The losses sustained by Nicaragua's economy as a result of US pressure were clearly devastating, as demonstrated by Table III (data only available until 1985).

TABLE III: LOSSES FROM U.S. CREDIT BLOCKS AND TRADE EMBARGO FY1981-1985

Fiscal Year	Credit Blocks (Millions of US\$)	Trade Embargo (Millions of US\$)	Total Losses (Millions of US\$)
1981	8.2	0.0	8.2
1982	38.3	0.0	38.3
1983	61.3	11.7	73.0
1984	92.1	15.0	107.1
1985	73.0	50.0	123.0
Total	272.9	76.7	349.6

#### Sources:

"The Economic Costs of the Contra War: Nicaragua's Case Before the World Court." Revista Envío. Accessed May 2, 2020. https://www.envio.org.ni/articulo/3408.

<sup>&</sup>lt;sup>27</sup> Leogrande, William M. "Making the Economy Scream: US Economic Sanctions against Sandinista Nicaragua." *Third World Quarterly* 17, no. 2 (1996)

<sup>&</sup>lt;sup>28</sup> Leogrande, William M. "Making the Economy Scream: US Economic Sanctions against Sandinista Nicaragua." *Third World Quarterly* 17, no. 2 (1996)

The multifaceted approach of paramilitary insurgency in the form of the Contra War combined with multiple methods of economic pressure employed by the United States brought Nicaragua to its knees. A nation relies on its economy to survive, and Nicaragua was no exception. The dire situation created by these policies set the stage for the Sandinista removal from government in 1990, as nearly a decade of struggle against US power and interests finally took its toll on the population.

# Effects of both Contra Aid and Economic Pressure on Nicaragua's Population

When examining the effects of the Contra War and US pressure on the Nicaraguan population, it is difficult to separate the two as definitive respective causes for any issue. While in some cases it is clear which of the two is responsible, in others, it would appear that both policies had some hand in how events unfolded.

The most obvious indicator of the conflict's effect on the population would be casualties from the war. As can be seen in Table IV (data only available until 1985), as Contra funding, and thus the war, escalated, so too did civilian casualties. While there is no data available for the half-decade immediately prior to the election, estimates put the final civilian death toll (just death, not including wounded and missing) between approximately 12,000 and 20,000 people, clearly indicating a continued trend of violence escalation. While these numbers may seem small when compared to other conflicts of the time, it is important to remember that Nicaragua's population at the time was only around 3.2 million, making these figures notable portions of the

<sup>&</sup>lt;sup>29</sup> Seligson, Mitchell A., and Vincent McElhinny. "LOW-INTENSITY WARFARE, HIGH-INTENSITY DEATH: THE DEMOGRAPHIC IMPACT OF THE WARS IN EL SALVADOR AND NICARAGUA." *Canadian Journal of Latin American and Caribbean Studies / Revue Canadienne Des études Latino-américaines Et Caraïbes* 21, no. 42 (1996): 211-41.

population. An equivalent proportion of people within the population of the United States would number approximately one million deaths.

TABLE IV: CIVILIAN CASUALTIES FROM CONTRA VIOLENCE 1981-1985

Year	Deaths	Wounded	Missing/Kidnapped	Total Casualties
1981	53	13	7	73
1982	114	52	91	257
1983	1030	1323	1153	3506
1984	1339	1302	1085	3726
1985	1463	1852	1455	4770
Total	3999	4542	3791	12332

#### Sources:

Foreign Ministry, 1980-84, Barricada International, February 27, 1985, 1986

The attacks on Nicaragua's economy can also be seen in the casualty reports in the form of professions of those killed or kidnapped. Table V shows the percentage of people within the given profession that had lost a colleague due to Contra violence, which, while undoubtedly somewhat inflated (the potential for multiple interviewees to list the same colleague is high), still demonstrates to an extent the level of damage done to the civilian population. It is notable that the professions most affected were in the public service sector, which was a fundamental part of the FSLN's program of change, and in the business owner, farm owner, and factory worker professions, which highlight the intensity of attacks on Nicaragua's economy. While the most damage was done to these sectors, the entirety of the population still felt the destruction from the Contra War.

TABLE V: PERCENTAGE OF PEOPLE WHO HAD LOST A COLLEAGUE TO CONTRA VIOLENCE PER GIVEN PROFESSION

	Professional	Public Sector Office	Private Sector Office	Factory Worker	Rural Worker	Farm Owner	Farm Renter	Business Owner	Student	Housewife	Retired	Unemployed	Entrepeneur
Percentage	28.6	65.0	35.3	42.2	40.0	44.7	18.2	42.3	16.1	37.5	40.0	31.1	38.2

Another major, yet less statistically visible impact on Nicaragua's civilian/voting population was the institution of compulsory conscription by the Sandinista government as a means of combating the Contra threat. This hugely unpopular policy had two unintended effects: it turned large segments of the population against the Sandinistas and it was extremely detrimental to economic production. While the Sandinistas maintained that the draft was necessary, as evidenced by Minister of Defense, Humberto Ortega Saavedra's quote from an interview with La Barricada, the official Sandinista newspaper, "Patriotic military service is a vital part of that defense", many civilians, mothers especially, "protested that their sons are being drafted indiscriminately, cut off from contact with their families and sent into battle without proper training."

While the military draft was by far the most unpopular of the Sandinista policies instituted in response to the Contra War, it was far from alone. Economic hardship led the government to fix crop prices in the cities, leading to rural farmers being forced to sell their products for almost nothing. This in turn led to farmers simply refusing to send their product into the cities, which in turn caused the Sandinistas to begin search and seizure operations on their own population. The war also led the FSLN to institute far more repressive social and political policies. The suspension of the right to strike, as well as radically increased censoring of the press were seen as regressive policies when compared to the progress experienced earlier in the decade, and, while repression never even approached the levels seen under Somoza, it still remained a point of contention between the population and the ruling Sandinista government.<sup>31</sup>

<sup>&</sup>lt;sup>30</sup> Kinzer, Stephen. "MILITARY DRAFT IN NICARAGUA IS MEETING WIDE RESISTANCE." The New York Times. The New York Times, June 26, 1984.

<sup>&</sup>lt;sup>31</sup> Prevost, Gary. "The Nicaraguan Revolution: Six Years after the Sandinista Electoral Defeat." *Third World Quarterly* 17, no. 2 (1996): 307-27.

## **Connections to the Election of 1990**

While the population of Nicaragua undoubtedly suffered tremendously during the Contra War and decade of Sandinista governance, polls from the directly prior to the election indicate that it did not hold the FSLN government entirely responsible for the nation's suffering. For example, Envio, a magazine in opposition to the Sandinistas, conducted a pre-electoral survey in June of 1989, which noted that, "Far more people identified with the FSLN than with any other political party" and that "To the open question, 'What do you believe is the main cause of the war in Nicaragua?,' 47% of those surveyed blamed the United States and/or its *contra* allies. Only 16% directly or indirectly blamed the FSLN"32. The former percentage, while still the majority, is a far cry from the 90% support previously given by the CIA, while the latter demonstrates that portions of the population openly blamed the Sandinistas for the war. The survey also notes that, "there was overwhelming opposition to further US aid to the *contras* from every group in society: 85% said no, 9% said yes", yet "People's explanations for the country's economic problems appear to have changed. Whereas two years go a clear link was made between economic problems and the US-sponsored contra war...that link has become blurred. Nineteen percent of those surveyed named the war, the US economic blockade or US aggression as the country's main economic problem. Others were more likely to list effects rather than causes: shortages of goods (16%), low wages (15%), inflation (14%) and deficient production (13%)"33. This clearly indicates that, while the majority of the population blamed the United States for most of the country's problems, there was still dissatisfaction with the current situation, and thus dissatisfaction with the current leadership.

<sup>&</sup>lt;sup>32</sup> "Sandinistas Surviving In a Percentage Game." Revista Envío, July 7, 1989.

<sup>&</sup>lt;sup>33</sup> "Sandinistas Surviving In a Percentage Game." Revista Envío, July 7, 1989.

Despite this dissatisfaction, however, most polls prior to the election predicted an FSLN victory over the opposition party, the US supported National Opposition Union (UNO), with Daniel Ortega, the Sandinista candidate, holding between a 48% and 32% lead over the UNO candidate, Violetta Chamorro.<sup>34</sup> What then caused such an upset?

The deciding factor in the minds of most of the population came on November 8, 1989, when newly elected US President George H.W. Bush declared that he would, "lift the trade embargo against Nicaragua if the U.S.-backed presidential candidate, Violeta Chamorro, defeats leftist President Daniel Ortega in the February election"<sup>35</sup>. This announcement, in conjunction with the commonly held perception that the US would also continue funding the Contras if the Sandinistas maintained power, convinced large segments of the population that the economic and social hardship brought about by both the conflict and the embargo could only be ended with the election of Chamorro. This perception was later confirmed when, after the election was over, the New York Times noted that Bush made a statement saying, "Given a clear mandate for peace and democracy, there is no reason at all for further military activity', a comment widely read as a message to the Nicaraguan rebels"<sup>36</sup>. The reluctant, and to an extent trammelled nature in which the population voted can also be seen in its reaction to the outcome of the election. Envio notes that, "Reactions to the election results indicate that few suspected so many people would vote for UNO. On February 26, all of Nicaragua, not just the 41% that voted for the FSLN, was in mourning. UNO supporters did not pour into the streets to celebrate—there was almost no

<sup>&</sup>lt;sup>34</sup> Bischoping, Katherine, and Howard Schuman. "Pens and Polls in Nicaragua: An Analysis of the 1990 Preelection Surveys." *American Journal of Political Science* 36, no. 2 (1992)

<sup>&</sup>lt;sup>35</sup> "BUSH VOWS TO END EMBARGO IF CHAMORRO WINS." The Washington Post. WP Company, November 9, 1989.

<sup>&</sup>lt;sup>36</sup> Pear, Robert. "Turnover in Nicaragua; Washington Set to End Embargo And Aid Chamorro Government." The New York Times. The New York Times, February 27, 1990.

celebrating to be found. The streets were silent as people reacted with shock and uncertainty."<sup>37</sup> Clearly, the population voted not out of passion for the UNO, but rather out of hardship and desperation. In the end, the US sponsored Contra War and, "hardships imposed by Nicaragua's economic collapse...fatally undermined the Sandinistas' base of popular support"<sup>38</sup>, leading to the massive upset that was the 1990 election.

## **Concluding Remarks**

The Sandinista loss of the 1990 election in Nicaragua was the result of the population's weariness with almost a decade of civil war and economic hardship, compounded by their fear that both would continue. The nail in the FSLN's coffin occured when the United States issued what was essentially an ultimatum to the people of the country, forcing them two choose between the guarantee of further hardship or the prospect of improved conditions. While the Sandinistas' economic, social, and political policies and goals were not by any means assured of success, they were impossible to fully implement and realize due to the constant state of siege the government found itself under. This all but guaranteed their eventual removal from power, be it through electoral defeat, economic pressure, or counter revolutionary insurrection, or a combination of all three, as demonstrated in this work.

The larger significance of this analysis lies in the multifaceted approach used by the United States in toppling the previously overwhelmingly popular Sandinista government. While any one of these methods may not have individually succeeded, the combined use of both a paramilitary insurgency and concerted economic pressure, the results of which then manifested

<sup>&</sup>lt;sup>37</sup> "After the Poll Wars-Explaining the Upset." Revista Envío, 1990.

<sup>&</sup>lt;sup>38</sup> Leogrande, William M. "Making the Economy Scream: US Economic Sanctions against Sandinista Nicaragua." *Third World Quarterly* 17, no. 2 (1996)

democratically in the 1990 election, proved fatal for the fledgling FSLN government. Nicaragua serves as an example of the success in a multipronged approach towards removing a party from power, given certain circumstances, such as the nation's especially vulnerable economy, and as a case study for the examination of the US's attempts at regime change both historically and in contemporary times. The United States' relationships with Cuba, Venezuela, North Korea, and Russia, for instance, all hold common elements as the one between the United States and Nicaragua during the 1980's, making such comparisons potentially useful when examining modern foreign policy decisions and their results, as well as creating prospective avenues for further research.

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