

## NICARAGUA'S SEVEN YEARS OF REVOLUTION: WHAT'S REALLY HAPPENING?

*Passions often prevent an objective view of Nicaragua. South of the Rio Grande, most analyses differ from traditionally held views in the U.S.*

On July 19 the Sandinista Revolution will celebrate its seventh anniversary. Pressured on all sides, caught in a costly war with the contra, victimized by a severe economic crisis and opposed by the top hierarchy of the Catholic Church, the Sandinista leadership is getting ready to evaluate their government's achievements and failures. Their program of mixed economy, political pluralism and nonalignment has been put to severe tests. The eyes of the international community are fixed on the events that unfold in the country. Nicaragua, against its will, has been converted into one of the hottest spots on the globe. The Reagan administration's disproportionate aggression against the Sandinista govern-

ment has been the most important external factor in determining the course of the revolution. Washington has used military pressure, an economic boycott and political confrontation against the Nicaraguan government. Until now, the Sandinistas have been able to resist the assault, but the social costs have been high. By the beginning of 1986, the Sandinistas had been able to turn back the armed counter-revolutionary forces. According to Western press reports, the contras have now retreated to their Honduran base camps. U.S. military analysts and European diplomats assigned to Central America believe that the contras have already been defeated in strategic terms and that even with U.S. aid they would need at least two years before they could represent a real threat to the Managua government.

Sandinista troops have been successful thanks to their implementation of irregular warfare tactics and the use of air support from some 24 Soviet-made helicopters. But even more important than these factors, no doubt, has been the fact that the contras have not been able to gain massive support from the population or to create the supply networks they need to be able to develop their forces. One important indication of the setbacks suffered by the anti-

Sandinista forces was their inability to interfere with the country's most recent coffee harvest (coffee is Nicaragua's principal export crop), after having been successful in such an effort in 1984.

While in military matters the Sandinistas may have reason to be optimistic, in economic affairs things look pretty bleak. According to official figures Nicaragua's 1985 inflation rate was 213% (independent estimates put the rate at about 400%) and the balance of pay-

ments deficit was \$400 million. At the same time, industrial production was down 6% in relation to the previous year, and the value of manufactured export goods fell by 30%. Only agricultural production held to 1984 levels, which was extremely important since agricultural products bring in 80% of all of the country's foreign exchange.

Without a doubt, the war is the single-most important factor in Nicaragua's negative economic growth. According to govern-

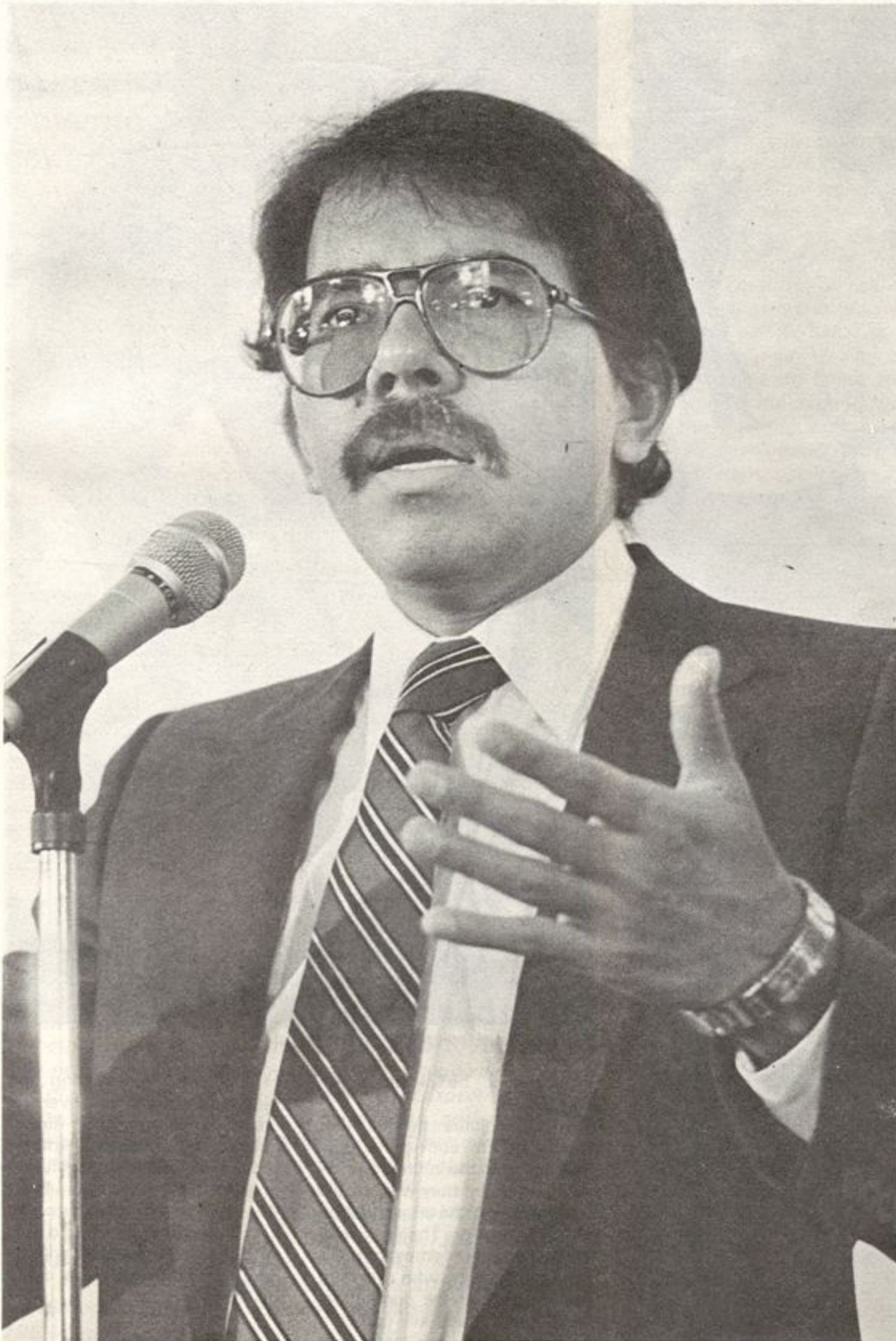
ment statistics, 38% of the national budget is devoted to defense-although other sources insist that it is really more than 50%-and losses due to contra attacks each year represent one-half of the value of all exports (in 1985 Nicaragua exported \$350 million worth of goods). Last May the Reagan administration also declared a trade embargo that affects 95% of the country's productive infrastructure and 15% of its foreign commerce. Currently, 30% of Nicaragua's trade is with Western European countries, 25% with the Soviet block, 21% with Latin America, 12% with Japan and the rest with other countries.

A financial blockade promoted by the United States meant that in 1985 Nicaragua did not receive a single loan from the World Bank or the Interamerican Development Bank (IDB). In early March of this year, the situation changed slightly when the IDB approved a \$50 million loan thanks to mediating efforts on Managua's behalf by Brazil.

At the same time, President Daniel Ortega acknowledged that part of the responsibility for the country's economic crisis lies with the government. Excessive bureaucracy and inadequate planning have worsened economic problems. All of these factors together make it harder and harder for the Sandinista government to maintain the achievements of the revolution, especially in the areas of nutrition, health and education.

In this context the Sandinistas can have no illusions about the future and what they call a survival economy. President Ortega clearly stated that his government cannot aspire to economic growth in 1986, but rather must adapt to the limitations imposed by the war and the blockade.

In the political arena, the Sandinista government has its weakest flank in its relationship with the Catholic hierarchy, led by Cardinal Miguel Ovando y Bravo. Relations between the Church and the State are extremely polarized. Government officials accuse Ovando y Bravo of following CIA orders and of being the political head of the counter-revolution in Managua. The Catholic hierarchy, in turn, denounces alleged human rights violations by the Sandinistas and shares the Reagan administration's accusations that the Nicaraguan government is following the path to totalitarianism, under orders from Moscow and Cuba.



Nicaraguan President Daniel Ortega. Photo by Renzo Gostoli.

## latin american issues

What is certain is that with the restoration of the State of Emergency last October, the confrontation has intensified. Just in January, the government closed the Church's official radio station and accused Father Oswaldo Mondragon, director of Managua's Catholic Seminary, of belonging to a contra cell involved in planning sabotage actions. Mutual accusations between Ovando y Bravo and priests working with the government fly back and forth with ever greater frequen-

cy. People even speak of the existence of two Churches. Some bishops have been denounced because they are arbitrarily removing priests and nuns who sympathize with the revolution from their parishes. The situation has developed into a major political and ideological conflict in which the Catholic hierarchy has become the spearhead of the internal political opposition. In spite of these difficulties and the pressures on them to negotiate with the contras, the

Sandinistas have moved forward with their project of mixed economy and political pluralism. A new constitution is being written by the National Assembly with the participation of opposition political parties, and La Prensa, a daily newspaper with ties to the counter-revolution, continues to publish, notwithstanding the permanent censorship. While spaces for political activity have been reduced—because of foreign aggression according to government officials—they

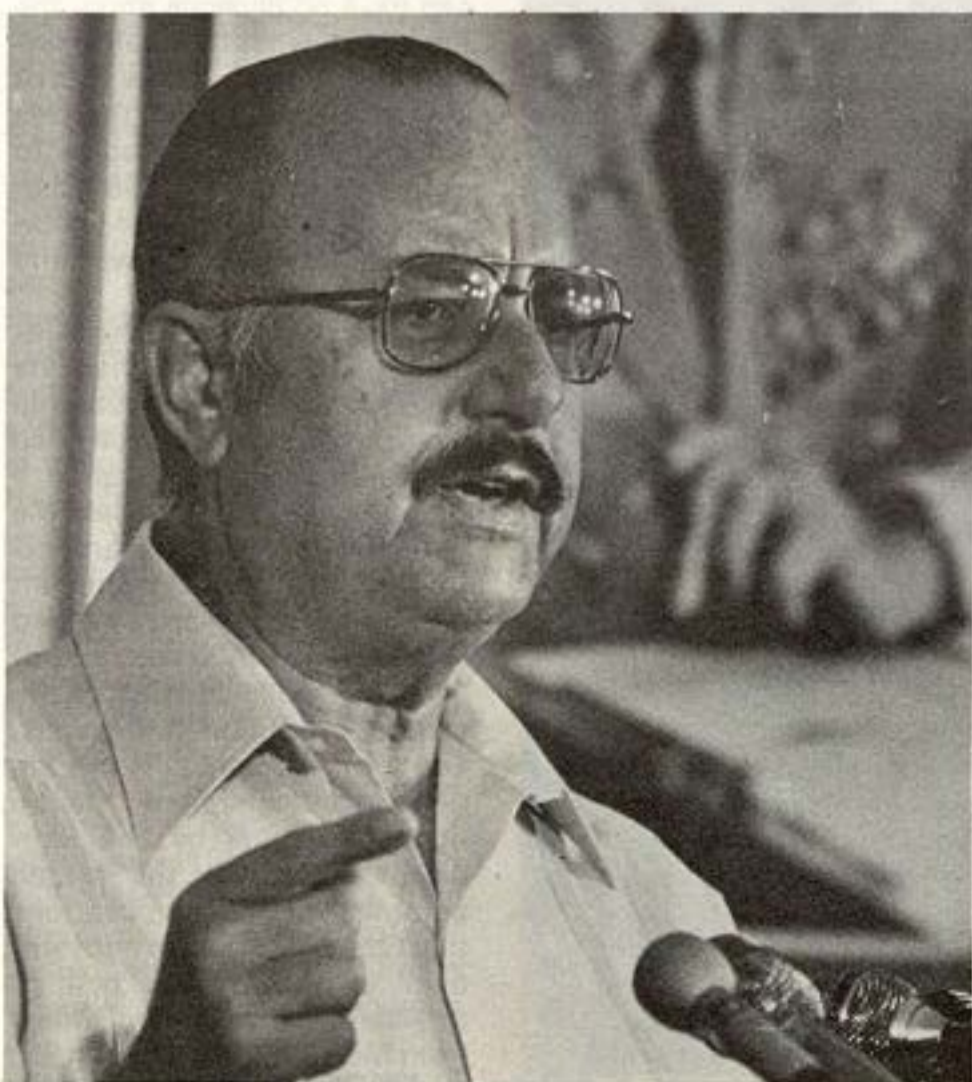
government, and they have begun to institutionalize the revolutionary process. The question is how long can they hold firm with their commitment to a mixed economy, political pluralism and non-alignment, given that the position of the Reagan administration actually lends support to the arguments of the most radical sectors within the Sandinistas.

Since it is clear that the counter-revolutionary groups, by themselves, will not be

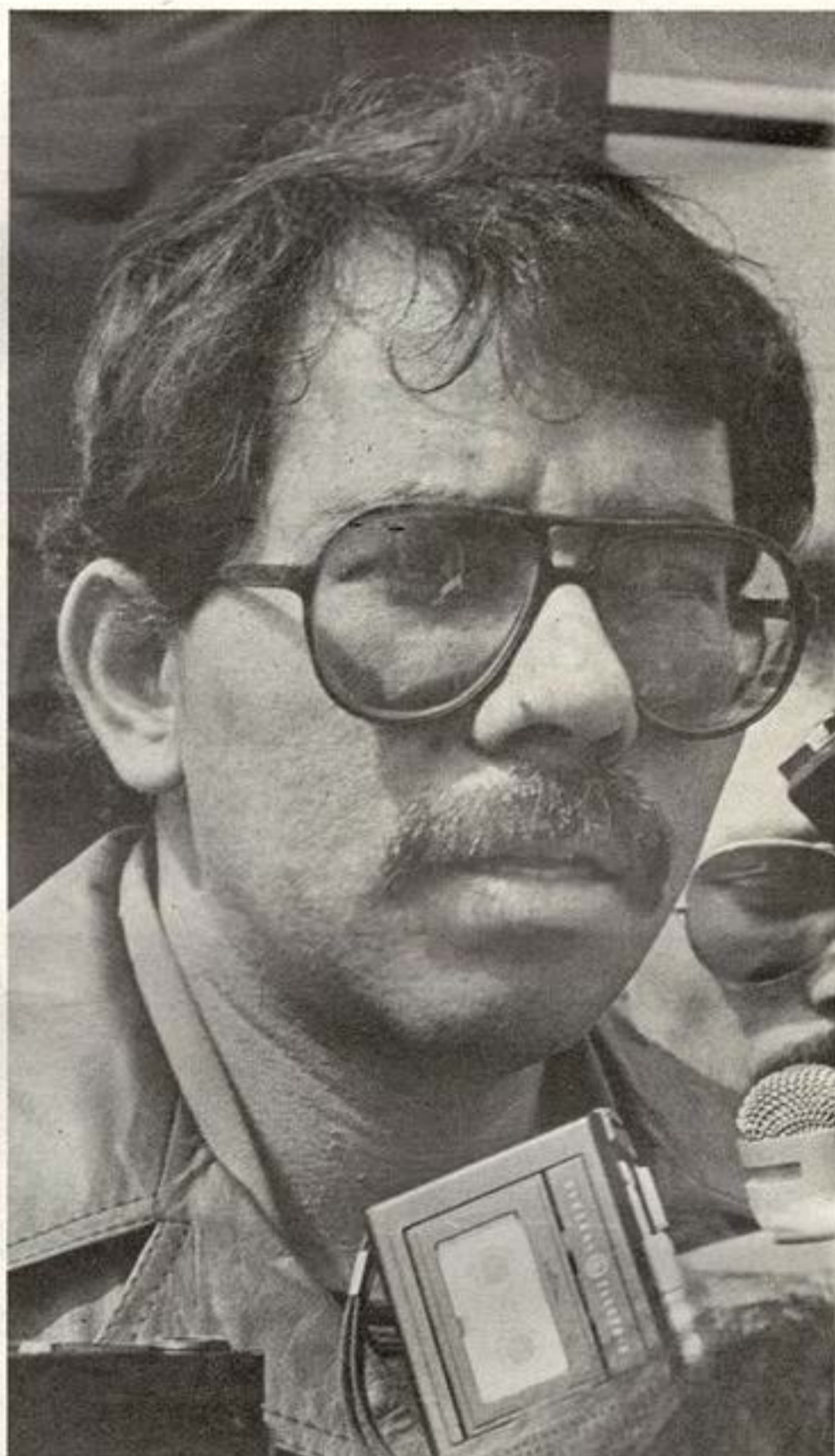
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Picking coffee with arms at hand. Photo by Agencia Nueva Nicaragua.



The Somoza Dynasty. Photo by Pedro Valtierra.



President Daniel Ortega. Photo by Renzo Gastoli.

have yet to be closed down completely.

The Sandinistas believe that despite the economic difficulties and the multiple pressures on them, they will be able to continue in the consolidation of the revolution. Their principal base of support comes from the peasant masses, who make up the majority of the population. In addition, they have gained a great deal of experience in their seven years of leading the

capable of overthrowing the Managua government over the next several years, a further question of fundamental importance for Nicaragua's future must be raised. Will Washington choose to acknowledge the need to dialog with the Sandinistas, or will the administration opt for a direct military invasion?★

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