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Promise of Progress Unfulfilled in Nicaragua

By Zack Gross

July 19th marks the 27th Anniversary of the victory of the Sandinista revolutionary movement in Nicaragua. It's easy for me to mark the day, as it happened the day after my first son was born in 1979, so life appeared to be changing radically, not only for my wife and me, but also for the people of Nicaragua, long oppressed by a dictatorial government. The Sandinistas remained in power until 1990, but today Nicaragua is back to struggling with unrepresentative government and massive problems of underdevelopment.

When the Spanish arrived in Nicaragua in the early 1500s, they found a productive, communal agrarian society, growing beans, peppers, corn, cocoa and cassava on rich, volcanic soil. All this was destroyed, as the conquistadors forced the native population to work in gold mines and spread European diseases among them. The jungle took hold in much of the country and mining and cattle raising became the chief industries of the conquerors.

For a century, from the mid-1800s to the mid-1900s, Nicaragua became a single product country as coffee became popular in Europe. As this industry needed large amounts of capital to function, an export economy controlled by corporate interests ruled the nation. As coffee prices fluctuated, so did the well-being of the people of Nicaragua.

Economic diversification after World War II added new crops to the mix – cotton, sugar cane and bananas – as well as some initiatives in manufacturing. However, just a few families continued to control Nicaragua's wealth. The Somoza family, the last political rulers before the Sandinista takeover, held sway over 60% of the state economy and were worth more than \$1 billion.

An earthquake in 1972 killed 10,000 people and destroyed the capital, Managua, and its government offices, financial institutions and small business sector. Reconstruction also seemed only to further benefit the ruling classes and nearly all of the population became alienated and militant. As the opposition forces strengthened and fighting intensified, foreign investment stopped. Fifty thousand people died in the civil war and the country's infrastructure was destroyed. When I visited Nicaragua in 1985, Managua was, in many districts, still in ruin, with people cooking over fires in bombed out homes (Somoza bombed his own people).

When the Sandinistas took power in 1979, they were determined to make the economically underprivileged the beneficiaries of their new society. Somoza's land was confiscated and fear among the captains of industry grew, but this new government really supported the idea of a mixed economy, not a socialist model alone. Fighting against the U.S.-funded "Contras" in a civil war, having foreign investors pull their support out, and

ultimately facing a U.S. embargo on trade, the Nicaraguan economy floundered. In September of 1988, Hurricane Joan caused extensive damage and when an election was held in 1990, Nicaraguans were ironically poorer than ever.

Over the past fifteen years, Nicaragua has had more conservative rule, opting to follow the dictates of the International Monetary Fund (IMF), the World Bank and the US Administration. Poverty has continued despite – or because of – these policies (depending on your point of view), but also due to droughts, tidal waves and hurricanes that have occurred, one after another. Nicaragua is now signed onto the Free Trade Agreement but little evidence of economic progress can be seen.

Thus, the promise of social change for Nicaragua has not materialized, despite the best of intentions and the heady days of the Sandinistas. Many humanitarian aid groups continue to work there, but not with as much enthusiasm and hope as in the 1980s. Interestingly, Daniel Ortega, the Sandinista President of Nicaragua from 1979 to 1990, continues to lead that party but many observers would say that this is not a good thing. Both the country and his party have seemingly lost their energy and no social progress is being made at the national level.

My second son visited the country last year and reports it to be friendly, poor and looking for something to help it take off. Nicaragua's story may be the template for many "Third World" countries that need policy change from us to allow them to flourish – fairer trade laws, more and better aid, and an end to debt payments. Until then, so many Southern countries and their people will face unfulfilled promises.

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