

# WAR AND REVOLUTION IN NICARAGUA

## The impact of the US counter-revolutionary war on the Sandinista strategies of revolutionary transition

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### 1. Revolution and War

The impact of the war of aggression waged by the United States government against Nicaragua has been enormous. Between **1980** and **1986** counter-revolutionary activity has caused destruction of property and losses in production amounting to **\$596** million—that is, **15** per cent of the total material product of those years. The sectors most seriously affected were agriculture, forestry and construction, which bore **82** per cent of the total losses. In the same period, the aggression claimed over **17,500** victims.<sup>1</sup> The actions of the American government included the direct and indirect financing of counter-revolutionary groups, providing them with military and logistical materials, training their troops and officers, mining ports etc; in addition requests to multilateral agencies for development finance have been blocked and a commercial embargo declared, among other measures. The total direct impact of the war on the Nicaraguan economy has been estimated at almost **\$1,000** million; the equivalent of three years of export earnings.

The indirect impact of the war has been equally great. Military aggression has produced a general distortion of national economic and social life in a whole number of areas: the non-productive use of scarce resources, the lack of both labour and machinery in the productive sectors, the relocation of large sectors of the rural population, the disarticulation of channels of circulation of goods, an inorganic money supply, a growing fiscal deficit, budget imbalances etc. About half of government spending, and about **20** per cent of the economically active population, have been absorbed by the defence effort.

This situation has had the effect of concentrating the bulk of the analysis of the impact of war on the Sandinista revolution on the magnitude and gravity of the losses. This perspective is useful for making international public opinion aware of what is happening and mobilising solidarity

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campaigns—for it draws attention to the enormous damage wreaked by US government aggression in every area of national life.

Nevertheless this way of discussing the issue does have its limitations. Once the basic argument has been established, it leaves little room to explore another, and equally important, dimension of the impact of war on the revolution. For while the war has created new tensions and difficulties, and has had such a destructive impact, it has also produced conditions in which the initial perspectives and strategies of the revolution must be reformulated, new policy directions set, and the alliances on which they are based and which they in their turn express, themselves reconsidered.

This article considers the impact of the war from this latter point of view. Its starting point is that a people's war of national defence is an inescapable stage of all social revolutions in the imperialist epoch, as history and comparative experience attest. Whether it is revolutions of national liberation, socialism, or even processes of deep thoroughgoing nationalist reform that are at issue, the experience of 20th century revolutions is that sooner or later they all had to confront the military aggression of imperialism—and of the United States first and foremost.

In cases as different as Mexico, the USSR, China, Guatemala, Cuba, Angola, Vietnam, Grenada and Nicaragua, the United States has tried to ensure that their revolutions would fail. And once they had taken power, the American government used a whole range of means and procedures in the attempt to undermine and destroy these revolutionary processes. At an early stage, the US confronted the Mexican Revolution of 1910, harassed it militarily along the border and only made peace with it thirty years later once its early dynamic had been moderated. In the cases of the USSR and China, the United States only accepted the new reality and began to seek an accommodation with these revolutionary governments one or two decades later, and once they had demonstrated their firm hold on power. In the case of Angola, Vietnam and Cuba it has still not acknowledged the existence of their **revolutionary governments**—and indeed, has openly supported counter-revolutionary movements in Angola. In Guatemala, the US achieved the international isolation of the reformist government of President Arbenz and participated openly and with determination in its overthrow by military invasion in 1954. In Grenada, it took advantage of the internal contradictions of the revolutionary regime to invade the country and crush the revolution.

The early measures taken by social revolutions are aimed at ending or severely limiting the direct presence of multinational capital and re-defining the external political and economic relations of their respective countries. They dismantle the dominant power bloc, leaving colonialism and imperialism without internal allies. Progressively, both external domination and its internal social and political bases disappear. In these

circumstances, the impact of colonialism and imperialism in marginal societies changes its character. What was previously an essentially political and economic presence—through direct investments, control of the financial system, the indirect control over government decisions etc—is now transformed into external aggression, as the nature of political power changes. This external aggression can take a number of forms—commercial embargoes, blockage of channels of credit and finance, diplomatic isolation, destabilisation tactics, military aggression or terrorism, among others. All social revolutions of the 20th century have had to confront invasions, assaults, wars of aggression led directly or indirectly by those governments whose economic and political interests have been undermined. And every social revolution has had to face military forces thrown against it by the old colonial and neocolonial powers.

This experience has led to two ways of defining the relationship between revolutionary transformations and defensive war. The first has seen the war as an obstacle to further revolutionary transformations, arguing that the imbalances occasioned by war create a range of objective conditions which make it impossible to answer the needs of defence and social change at the same time. They see the magnitude of the war effort in terms of extremely scarce material, financial and human resources; the destruction of the productive apparatus; the tensions that war provokes in every area of national life, as major obstacles. War destroys what little was available, impedes development projects, complicates everything. In some cases the *political* primacy of defence has become a *temporal* primacy, leading to the reintroduction into revolutionary thought of the concept of 'stages' in the transition to socialism, which suggests that there are two phases in the revolution: the first dedicated to national reconstruction, the development of the productive forces, and in general to 'creating the conditions' for the second stage—the socialist transformation—to be set in motion. In other words, first defence, then peace, and socialism later.

The second view sees war in the context of revolutionary transformation. In Central America and in Africa, aggression has taken the form of a prolonged war aimed at destroying the revolutionary project by undermining the economy, driving down the living standards of the people, and directing violence against a broad sector of the population. The object of war is to prevent the consolidation of the process of social transformation. Thus defence and social change are two aspects of a single process.

The consequent proposition is that the war of aggression slows down the advance of the revolution from the point of view of certain strategies and class alliances, yet at the same time opens up new forms and directions of revolutionary development. The priority given to defence implies that primary attention is given to the war zones and to those classes and sectors who are making the major contribution to that defence—in general

terms the peasantry and the rural workers. From this point of view, socio-economic transformation and the consolidation of popular power are a central feature of the strategy of national defence. The popular war of national defence becomes the context for the advance of political and socio-economic transformations. For this is not a conventional war but, at root, the most violent expression of the confrontation between two political—and ultimately class—projects. On the other hand, the evolution of war determines the way in which strategies for transformation, development, democratisation, and popular organisation—in fact all the dimensions and institutions of the revolutionary process—evolve.

The present essay starts from this second perspective in arguing that the people's war of national defence is the terrain defined (by force) by imperialism on which the actual development of revolutionary processes in the Third World takes place. The question is how these revolutions can be consolidated under such difficult circumstances. In the first place, the general conditions of the revolutionary process are defined by the war. It creates tensions, it generates disorganisation, it destroys; it becomes necessary to resettle large numbers of people, and enforces the mobilisation of thousands of workers away from production and into defence. Further, counter-revolutionary activity may, under certain circumstances, attempt to define its own mass strategy as an alternative to the revolutionary power. The counter-revolutionary objective is the overthrow of the revolutionary power, but there are circumstances under which some sectors of the population might come to see in the counter-revolution a means of expressing their discontent with what they see as negative or misguided aspects of revolutionary policy. The counter-revolution often works on the frustration of the people's expectations, on the disillusion felt at the delay on the part of the revolution in taking up their demands. There is always a certain asynchrony between the immediate character of many of the popular demands and the strong emotional charge with which they are invested, and the medium or long-term character of the structural transformations which the revolution pursues in order to satisfy those popular demands. The intermediate terrain between popular aspirations and government response becomes a battlefield between revolution and counter-revolution—and it is here that the struggle is seen at its most overtly political.

In the second place, the need to divert an enormous quantity of resources to defence makes it difficult, if not impossible, to realise the strategies or reach the objectives defined in time of peace—for both are usually elaborated in the enthusiastic and optimistic climate immediately following the victory of the revolution. The revolution cannot be held back—though that precisely is one of the objects of the aggression. The defence of the revolution involves not only the defence of the revolutionary government itself but also of all that its existence implies for popular

expectations and the transformation of society. Thus it is imperative both to defend and advance. Yet the war itself makes it impossible to advance at the same pace, or in the same way as would have been possible in time of peace.

The consequence is that war forces the revolutionary regime to modify its perspectives, consider questions which it had previously set aside, redraw some of its policies, introduce modifications in the conception and functioning of certain institutions, adapt its original conceptions and strategies in the light of the need to direct increasing resources to defence, and revise the content and the limits of certain alliances. At this second level, therefore, war becomes a direct determinant of the way in which the revolutionary regime carries forward socio-economic and political change. This does not mean ignoring the difficulties generated by the counter-revolutionary war; but it does require that ways are found to ensure that the operational and material difficulties created by the war do not become obstacles to the realisation of the revolutionary project. In the final analysis, the war of defence is a difficult and painful, but inevitable, politico-military challenge to the decisiveness and creative capacity of the revolution.

Within the general picture, the Sandinista Popular Revolution has its own specific characteristics. Those of the Nicaraguan case respond to a number of factors: 1) the particular features of United States foreign policy after Ronald Reagan's accession to the White House, and especially the development of what has been called (from the point of view of the aggressor) *low intensity warfare*; 2) the particular circumstances of the initial stage of revolutionary transformation in a very backward and unevenly developed economy which was extremely open to the international market; 3) the regional geographical and geopolitical context. These aspects fall outside the frontiers of the present essay, and have already been broadly discussed elsewhere.<sup>1</sup> In what follows we shall analyse the impact of the popular war of national defence on three aspects of the revolutionary process: a) the question of the peasantry and agrarian reform; b) the ethnic-regional question; c) the general strategy of transformation and development.

## *2. Two stages in the war of aggression*

Very early in its existence, the Sandinista Revolution had to confront the military activities of ex-members of Somoza's National Guard who had taken refuge in Honduras, and later more developed forms of warlike aggression openly supported, trained, supplied and financed by the US government—and this included the direct involvement of members of its military and intelligence organisations. The territory of Honduras, Costa Rica and El Salvador have become so many launching pads for military assaults on Nicaragua.

Figure 1 shows the evolution of the war between 1981 and 1985 in terms of the number of engagements involving the Nicaraguan armed forces and the casualties suffered by the counter-revolution.

*Figure 1*  
*Growth of armed activity*

<i>Year</i>	<i>Number of engagements</i>	<i>Contra casualties*</i>
1981	15	40
1982	78	337
1983	600	2495
1984	948	3810
1985	1637	5469
<b>Total</b>	<b>3278</b>	<b>12153</b>

\* (Includes those captured, wounded and killed.)

Source: Press information.

Figure 2 shows the increase in counter-revolutionary attacks from Honduran and Costa Rican territory, and violations of Nicaraguan air space.

*Figure 2*  
*External aggressions*

<i>Year</i>	<i>Attacks from</i>			<i>Violations of airspace from</i>			
	<i>C Rica</i>	<i>Honduras</i>	<i>Total</i>	<i>C Rica</i>	<i>Honduras</i>	<i>USA</i>	<i>Total</i>
1980	—	49	49	n/d	n/d	n/d	—
1981	24	59	83	47	89	22	158
1982	16	53	69	36	109	74	219
1983	25	83	108	117	361	110	588
1984	22	46	68	248	407	149	804
1985	75	19	94	187	383	464	1040
<b>Total</b>	<b>162</b>	<b>309</b>	<b>471</b>	<b>635</b>	<b>1349</b>	<b>819</b>	<b>2809</b>

Source: as Figure 1.

Figures 1 and 2 show a marked intensification of the war from 1983 onwards. In fact, it is possible to identify two phases in the development of the war; the first from 1980 to 1982, the second from 1983 onwards.

The first phase was fundamentally **organisational**. The counter-revolution evolved from a dispersed and disorganised group composed of bands of ex-members of the National Guard, into a true army armed, trained, financed and supported by the United States government. At the same time the US increased its military presence in the area by way of permanent military

manoeuvres along the Nicaraguan border, which involved pouring in thousands of soldiers, building airports, and sailing an array of warships into the area. The public face of the counter-revolution was the FDN (Fuerza Democratica Nicaraguense—Nicaraguan Democratic Force), based in Honduras, and ARDE (Alianza Democratica Revolucionaria—Revolutionary Democratic Alliance) with headquarters in Costa Rica. Attacks were launched from both countries against peasants, militia men and women, literacy tutors and later against larger targets like schools, co-operatives, hospitals and food stores. During this phase the predominant forms of counter-revolutionary action were murder, rape and robbery and, towards the latter stages, the kidnapping of peasants and assaults on the productive sector. The delay in implementing some of the policies of the revolution, and the errors and ignorance of some of the cadres, allowed the counter-revolution to gain some sympathy among sectors of the peasantry, and to recruit and enjoy support of some of them.

The second phase was marked by the direct and public involvement of the US government combined with qualitative changes in the counter-revolutionary forces. Better supplies, better financing and a range of advisers enabled the groups to become task forces organised under three regional commands—north/internal, north Zelaya, and South—covering peasant regions (in the departments of Jinotega, Nueva Segovia, Matagalpa, Boaco, **Chontales**, Rio San Juan) and Indian areas (north Zelaya). In fact, international propaganda presented the conflict as a confrontation between the revolution and the peasantry and native peoples. The permanent presence of American troops, the building of training camps and military airfields, turned Honduras into a country under US military occupation and a launching pad for a war of aggression. Major zones of Nicaragua—particularly its productive heartlands—were affected by the war. Workers co-operatives, peasant organisers, technical advisers to the agrarian reform programme became the favoured targets of contra attacks from Honduran and Costa Rican territories. And military actions were combined with political—ideological work; this was the period of the 'CIA Manual' on psychological actions and armed **propaganda**,<sup>3</sup> of the manipulation of religious symbols, and of a virulent anti-communism.

Sabotage of economic objectives, indiscriminate attacks against unarmed populations and the **large-scale** kidnapping of peasants and Indians were articulated with armed propaganda activities. At the same time the contras exploited the errors committed by the revolution in their treatment of the Indian question and in its response to peasant demands, errors aggravated by the regime's difficulties in **taking** on board some of the most urgent problems of the most backward areas of the country. In the external field, economic support to the contras from the US government reached million dollar figures—in 1985 Congress authorised the granting of **\$27m**, a figure that rose to **\$105** in 1986.

From **1983** onwards the revolution changed its responses to the challenge laid down by the counter-revolution and external aggression. At the military level, the Sandinista army developed a greater operative capacity and a higher technical level. The introduction of military service gave it a wider power of recruitment and raised its general level of battle effectiveness. The formation of the BLI (Irregular Combat Battalions) and more sophisticated armaments implied a greater ability to confront the counter-revolution despite the support it enjoyed from the US government.

At the same time far-reaching changes were proposed in the way in which the strategy for economic transformation had been developing; the effect was to consolidate the internal front and strengthen political support for the revolution. The National Directorate of the FSLN took direct charge of Region V (departments of Boaco and Chontales) and Region VI (departments of Matagalpa and Jinotega), where the mis-handling of the peasants and of the producers in general had created conditions in which counter-revolutionary ideology found a sympathetic hearing. In practice this was a direct FSLN intervention in the state, and contributed to the taking of the decisions which soon afterwards led to modifications in both the agrarian reform programme and agricultural policy in general.

The position of the revolution on the imperialist war of aggression is that it is not simply amilitary war, but an aggression framed and nourished by socio-economic and political contradictions. In these conditions, the operational efficiency of the military operation is closely linked to the development of the revolutionary process in terms of its demands, its promises and the expectations of its social bases. The progressive dynamic articulation of these two levels made the strategic defeat of the counter-revolutionary project a real **possibility** by the end of **1985**. In the strictly military sense, the counter-revolution has proved itself incapable of carrying through major operations and able only with great difficulty to recover from the blows dealt to it by the Sandinista army. In the political sphere, the increasing economic difficulties that people have to face have not significantly undermined popular support for the revolutionary process or its Sandinista leadership. On the other hand, the inability of the contras to present a military challenge has led to a deep internal crisis at the highest level of leadership and in its relations with the US Department of State.

### 3. *War and agrarian policy*

From the outset, agrarian reform was the axis of the revolutionary strategy for development and transformation, and it generated a high level of expectation among the peasantry and the rural population in general. For reasons that will be considered below, its initial development was slow

and concentrated fundamentally on the establishment of a state sector based on the resources confiscated from Somoza and his supporters. The distribution of land to the peasants was relatively slow.

*Figure 3*  
*Forms of landholding by property sector, 1978 and 1984*

Property Sector	1978		1984	
	Area *	%	Area *	%
Individual	8073	100	4984	62
Over 500 mz	2920	36	884	11
200-500 mz	1311	16	1021	13
50-200 mz	2431	30	2391	30
10-50 mz	1241	16	561	7
Less than 10 mz	170	2	127	1
Co-operative			1540	19
CAS**	—	—	804	10
CCS***	—	—	736	9
State Sector (ERA)			1549	19
Total	8073	100	8073	100

\* Thousands of manzanas. 1 manzana = 1.7 acres.

\*\* Sandinista Agrarian Co-operatives

\*\*\* Credit and Service Co-operatives

Source: General Directorate of Agrarian Reform Ministry

Figure 3 is revealing in several respects. First, it shows the markedly anti-oligarchical and anti-Somocista character of the agrarian reform during this period. Two-thirds (67.5 per cent) of the land redistributed up to the end of 1984 affected farms of 500 manzanas (or 850 acres) and above. This group included both the most modern farms in the agro-export sector linked to the Somoza family and its allies, and the traditional and most backward *latifundia*. Secondly, the figures show that the property situation had not markedly changed by 1984 as far as small and medium producers were concerned. The principal changes involved the creation of (State) Agrarian Reform Enterprises (ERAs) and of the co-operative sector, which by the end of 1984 accounted respectively for 50 per cent and 28 per cent of the land redistributed by the agrarian reform.

Nevertheless the amount of land at the disposal of the small and medium farmers (those farming up to 200 mzas) was more or less the same as before the triumph of the revolution.<sup>4</sup> This is not to say that their situation was the same as it had been under the Somoza dictatorship, only that the revolution was quicker to respond to problems other than the question of land distribution. The non-economic mechanisms of subordination of the peasantry were dismantled, and more attention was

paid to questions of supply in the countryside. Social services became increasingly widely available and bank credit more accessible. But at the same time there was considerable caution regarding the distribution of land to those small and medium farmers who were either without or who had insufficient land. Very little attention was paid to the question of legalisation of land titles.'

The ERAs and the co-operative sector were created at the expense of the medium and large private farms confiscated from the Somoza family and its allies. The 38 per cent of the land taken out of the private sector was distributed equally between the ERAs and the co-operatives, but of the land taken from the largest enterprises, the largest part (80 per cent) was assigned to the state sector and only 20 per cent to the co-operative sector. The reason is that this land belonged mainly to relatively modern capitalist enterprises specialising in agro-exports; and the revolutionary government decided to maintain them as state enterprises. These lands were taken over immediately after the triumph of the revolution as part of the initial policy of nationalisations; it was transferred to the public sector before the agrarian reform process was set in motion.

Figure 3 shows that until 1984 the peasants were only given land in the form of co-operatives. Membership of these organisations is voluntary, but many of the government's policies (on credit, technical assistance and others), and the political discourse of the revolution, directed the peasantry towards them. By its very nature co-operative organisation is slow to develop, and in this sense the slow pace contrasted with the demand for land coming from the landless peasants or those who saw little attraction in the co-operatives. On other occasions there were tensions and strains because of the gulf between the time and effort necessary to prepare and raise the general level of consciousness of the producers, and the haste of state functionaries to carry through the process of co-operativisation. In some cases, attempts were made to force co-operatives through by making the handing over of land conditional to the incorporation of the producers into those organisations.

The extreme caution displayed in dealing with the fundamental demands of the peasantry was in marked contrast to the positive response of that sector, from the outset, to the economic strategies of the revolution. Faced with the hesitations, reticence or even open opposition of private enterprise and the agrarian bourgeoisie towards the economic policies of the revolutionary government, the positive response of the peasantry was a very significant contribution to the recovery of levels of production, and to ensuring that the Nicaraguan economy could continue to function. It is possible that in many cases this was not the result of a pro-Sandinista political position so much as a consequence of the lack of any alternative. In any event, there is a definite contrast between the growing hostility of agrarian bourgeoisie and the slow take-off of the state enterprises, on the

one hand, and the productive activity of the majority of peasants on the other.<sup>6</sup>

There are many reasons why the revolution gave strategic priority to the state sector and the co-operatives in the transformation of agriculture. As far as the ERAs are concerned, we have already pointed to the desire to preserve intact as far as possible the sector where the productive forces had developed furthest, and which was also the most important from the point of view of the agro-exporting strategy of the new government. The initial emphasis on the formation of the state sector flowed from the broader decision and necessity to make the state the central axis of both the process of accumulation and in the revolutionary transformation of the economy. In its turn, the priority given to the state sector relates to a number of factors. Undoubtedly, it has to do with the general backwardness of the Nicaraguan economy, and the reluctance of private enterprise to give their support to the revolutionary process. But it was also the product of the perspectives and initiatives of the urban middle-class technicians and professionals who joined the revolution in the latter days of the struggle against the dictatorship, and who filled and expanded the apparatuses of the new revolutionary state. The co-operatives, for their part, were considered to be the type of organisation which could give an impetus to the elements of collective production and collaboration lying dormant in the peasantry, and encourage a progressive advance towards more socialised forms of production. This assumption was based on the experience of some areas in the Pacific region where, during the final days of the popular insurrection, the workers on some farms owned by Somocista capital together with some poor peasants seized the land and collectively took control of production.

The slowness in taking on rural demands for more land is linked in the first instance to this double option. The creation of a state sector in the countryside implied, among other things, the need to concentrate production units which were often widely dispersed across one region or department. It therefore involved a relatively slow and complex process of land purchases, absorption of neighbouring farms etc. In general, this was done by slow negotiations in order to minimise the potential for conflict with the farmers affected by the process. Equally, it was necessary to create new management capacity and to design criteria and methods of management, and more efficient mechanisms of articulation of the new enterprises with the rest of the public sector and with the economy as a whole. In a word, it was necessary to create the organisational and technical conditions which could enable the farms in the state sector to fulfil the role that the revolutionary process had assigned to them—and this always involves a long and complicated process with few precedents to draw on.

The co-operative option is also by its nature slow to develop, especially

as far as production co-operatives are concerned. On the one hand, co-operatives are certainly a relatively advanced form of collective production; they allow the producers who are involved to combine their efforts, to participate in joint decisions, they optimise the use of resources and combine the development of productive functions with the active incorporation of members into other revolutionary tasks. The expansion of the popular militias and territorial defence in the countryside, the highest levels of participation in popular education collectives are directly linked to the development of co-operative organisation. But at the same time co-operatives do not attract all producers; in general they win the enthusiastic support of landless labourers and small and medium producers rather than that of the poor peasantry.<sup>7</sup> Further, co-operative organisation, when it is a movement promoted by the state—because of lack of any prior experience, and of marked technical backwardness etc—requires a prior process of identification of the groups of producers who qualify to be organised, a minimal initial provision of infrastructure and technical supply, advice and training. This makes the strategy a relatively costly one, and therefore one that is relatively slow to evolve. The decision to push forward rapidly a wide-ranging co-operativisation programme can, by contrast, end in frustration and disappointment for those involved, as the difficulties begin to emerge and official institutions prove unable to provide the assistance and support that are required.

In the second place, the initially cautious progress of land distribution can be interpreted as a consequence of the revolution's general plan for national unity and a mixed economy. This plan arose from the revolution's general interest in establishing a broad alliance with elements of the private sector as a condition of their participation in economic reactivation. The inclusion of these sectors in the revolutionary alliance required the reformulation of some aspects of the historical programme of the Sandinistas, in particular in its original emphasis on the quick and broad satisfaction of the demands of the peasantry for land.<sup>8</sup> The issue was to reduce to a minimum the potential for conflict with the anti-Somocista agrarian bourgeoisie, by creating economic incentives to encourage them to invest and remain within the country, and above all, by guaranteeing them a secure legal status.

The intensification of the war between **1983** and **1984** made the revolution increasingly concerned to maintain broad national unity in order to present the most solid resistance to the counter-revolution. On the one hand, greater efforts were made to integrate organically broad sectors of medium and large producers into the UNAG (National Union of Farmers and Cattlemen), an organisation created in **1981** in order to channel the demands of the small and medium rural producers and promote the co-operative movement. The object was to convert UNAG into a broad-based organisation of rural producers, as an expression of

the broad alliances formed in the countryside. On the other hand, the official discourse as far as the medium and large farmers were concerned laid great stress on the legal guarantees offered to those proprietors who used their resources rationally (that is to say, who actively involved themselves in production plans) and who did not collaborate with the counter-revolution. Sometimes, it was the second factor that took priority over the first. In 1984, the government began to provide cash incentives in dollars to those agricultural producers who gave active support to national production plans. At the end of that year, the Ministry of Agricultural Development and Agrarian Reform announced that the appropriation of land for agrarian reform purposes had effectively ended; from then on the emphasis would be placed not on the recuperation of land but on organisational *questions*.<sup>9</sup>

The technical characteristics of the ERA/Co-operative option and the interest in maintaining the anti-imperialist alliance with sectors of the agrarian bourgeoisie, generated or brought to the fore contradictions with broad layers of the poor peasantry. The state's emphasis on an efficiency defined by the central decision-making institutions without the involvement of the direct producers and without reference to their concrete conditions of production; the care taken not to frighten off the medium and large farmers and drive them towards the counter-revolution, were in marked contrast to the caution employed in dealing with basic demands of large sectors of the peasantry and the middle farmers, and introduced tension and dissatisfaction into the situation. The revolution took a long time to reach the countryside, or rather it arrived by way of effects never envisaged in the expectations of the peasantry.

The government's early attention to the process of *rationalising* and consolidating the ERA created insecurity and fear among the small and medium producers, who began to see their farms threatened by the process of expanding state enterprises. This fear also affected the small producers who had no title deeds. The memory of past experiences with *Somoza's* National Agrarian Institute, which during the sixties and seventies played a decisive role in despoiling the peasants, combined with the accelerated expansion of the state sector to create insecurity among layers of small and medium producers. At other times, the poor peasants who were occupying the agricultural enterprises owned by *Somoza* and his allies in the last phases of the insurrection in 1979 now had to face options that they did not find attractive as these enterprises were transformed into ERAs—the option of becoming wage earning workers in the new enterprises, accepting collectivisation through production co-operatives, or abandoning the lands altogether.

On the other hand, the transformation of the oligarchical *latifundia* into state enterprises led to the disappearance of a series of functions fulfilled by the landowner in relation to the peasants and agricultural

workers of the estate—but they were functions which the state could not take over. In the world of the *latifundia* there existed a certain balance between the exploitation of the peasantry and the agricultural workers and the fulfilment of certain welfare functions, often institutionalised through the *compadrazgo* kinship system. In the Pacific area, this traditional clientelistic structure was destroyed by the expansion of agro-export capitalism from the beginning of the 1950s, but it remained in many of the more backward areas where the oligarchical *latifundia* remained outside the process of capitalist modernisation; thus it fell to the revolution to take these structures on. From the revolutionary point of view, it is the exploitative character of the structure that is (correctly) identified; but it fails to take into account another, secondary, level where it does answer certain elementary needs of people. As happened in many other revolutionary situations, these functions disappeared at the same time as their structural underpinning. The establishment of the state sector in the countryside was envisaged as an economic process in its most restricted sense, but without realising that the suspension of benefits which people considered as *acquired rights* could also have an impact on their response in the field of production.<sup>10</sup>

As far as the production co-operatives (CAS) are concerned, it has already been noted that many poor peasants and broad sectors of medium producers saw little appeal in them. On the other hand, to the extent that integration into these organisations could be taken as a fairly accurate indicator of the relative support of producers for the revolution, the counter-revolution made the CAS one of the principal targets of their military attacks—kidnapping and murdering co-operative members and their families, destroying machinery and crops etc. This in turn increased the reticence of many sectors of the peasantry, as well as holding back the pace of development of the co-operative movement.

These tensions and contradictions served to expose how unsatisfactory was the initial perspective with which the revolution looked at the agricultural world; and it was not just the pace of change, but its general perspective that was open to question. The original view was oversimplified and failed to leave room for the *objective differentiation* within the peasantry and the rural producers in general. Thus it failed to recognise the diversity of its interests and demands within the framework of the *subjective unity* of the agricultural world over and above many of its social contradictions." This extreme simplification of the complex agrarian problematic connected at times with an urban-centred perspective—the product of a combination of technocratic arrogance and abstract Marxism—which saw the peasantry simply as a factor of *backwardness*.<sup>12</sup> In some cases, then, the revolution came late; in others, it came, but wrongly equipped. The ignorance of many of the new bureaucrats and political activists sharpened tensions and in some regions of the country encouraged

the growing feeling that the revolution was something alien, and indeed hostile to the countryside; indeed it led at times to political neglect or even to the bureaucratic rejection of the demands of this sector. This in its turn generated mistrust and frustration among some sections of the peasantry and certainly fertilised the terrain where the political discourse of imperialism and the counter-revolution grew and flourished.<sup>13</sup>

Between 1982 and 1984 there developed in the countryside a contradictory and complex situation. On the one hand, the production co-operatives (CAS) became a focus for Sandinista and for revolutionary enthusiasm. They actively took on board the economic strategies of the government and contributed to the reactivation of the rural economy and food production. At the same time, they became integrated into the military defence of their areas, and the majority of their members participated in the Sandinista Popular Militias, in National Service (Patriotic Military Service) and in general in the confrontation with the counter-revolutionary bands. At the same time, there developed forms of individual resistance and protest among the peasantry—abstention in the elections of November 1984, a fall in the level of participation in adult education programmes, the reorientation of production towards the distribution network linked to the black market etc. In some areas, it even went as far as sympathy or even covert support for counter-revolutionary groups.<sup>14</sup>

Amid so many difficulties and contradictions, the FSLN found a way to respond to this complex situation. Various factors contributed to this: the direct work of rank and file and middle cadres and the receptivity of the leadership; peasant mobilisations and pressure in various areas of the country between 1982 and 1985 and the organisational and lobbying dynamism of UNAG. The National Directorate of the FSLN took direct political control over Regions V (departments of Boaco and Chontales) and VI (departments of Matagalpa and Jinotega) where various problems arising from the inappropriateness of the initial perspectives, policies and procedures had produced serious tensions.<sup>15</sup> New methods to permit direct participation of people in the definition and application of the policies that affect them were developed. Better knowledge of the complex rural world and its sharp internal differentiations allowed the initial errors to be amended, state policies to be better adapted to the actual contours of the real world, and new state policies developed which responded more clearly to the concerns, demands and needs of the peasantry. The Sandinista revolution confronted the counter-revolution on the very ground where it had located the conflict—the peasantry—and the success of the new perspective was linked politically to a higher level of operative efficiency in military defence.

Figure 4 shows how the agrarian reform process adapted itself to the objective differentiations within the peasantry, to its uneven political development, and to the evolution of the war.

Between 1981 and 1983 only 24,000 peasant families (about 18 per cent of the total) benefited from the agrarian reform. 83 per cent of the land taken over during the first year (1981-2) was assigned to co-operatives. In 1983 the emphasis on co-operatives was slightly reduced (54 per cent of the total) and more emphasis given to 'legalization' (40 per cent of the land), i.e. the presentation of legal titles to producers who were already working the land but whose legal situation was still undefined. The measure was designed to create a sense of security among these sectors, and to contest the counter-revolutionary propaganda which asserted that agrarian reform meant that the land would be taken away from them. In 1984, the emphasis on legalisation grew (covering 79 per cent of all land affected), and the rate of distribution also increased. By the end of 1984, 63,000 families (almost half the total) had benefited from the agrarian reform.

From 1985 onwards, the emphasis shifted towards the distribution of land in individual plots. This was a response to peasant sectors who were either without land or who possessed only tiny holdings, and to those producers who did not find the co-operative option attractive—whether out of fear of counter-revolutionary attack, or because they were peasants with a long tradition of individual work, among others. 26 per cent of the land distributed that year was done in this way and 28 per cent in legalisations—that is 54 per cent in total—and 35 per cent to co-operatives. The distribution of land to the indigenous communities of the Atlantic Coast also increased in that year. In 1986 co-operatives again took pride of place (52 per cent of the total land and nearly two-thirds of the families), while individual titles involved only 37 per cent of the land and the families affected.

*Figure 4*  
*Evolution of land distribution through agrarian reform 1981-1986*

a) Surface area distributed (in 1000s of manzanas)

	1981-82*	1983	1984	1985	1986	Total
Co-operatives	110.9	269.2	246.0	180.5	198.3	1004.9
Individual	23.3	13.1	15.8	142.7	138.3	333.2
Legalizations	—	198.6	1090.5	133.6	29.5	1452.2
Indigenous communities	—	21.1	28.3	51.8	12.5†	113.7
(Annual) Total	134.2	502.0	1380.6	508.6	378.6	2904.0

Figure 4 (contd.)

## b) Number of families affected

	1981-82*	1983	1984	1985	1986	Total
Co-operatives	8,754	9,618	12,012	9,266	9,854	49,504
Individual	387	344	372	6,204	5,887	13,194
Legalizations	—	3,805	25,328	3,400	103	33,636
Indigenous communities	—	1,548	1,600	200	217†	3,565
(Annual) Total	9,141	15,315	39,312	19,070	16,061	99,899

\* October 1981 to December 1982

† First quarter of 1986

Source: General Directorate for Agrarian reform

Of the total of redistributed land, **50** per cent was given in the form of legalisations, **35** per cent to co-operatives and **11** per cent to individuals (covering respectively **33** per cent, **50** per cent and **13** per cent of families). But if we take into account only the land actually assigned by the agrarian reform—and leave aside the legalisation of occupied land—what emerges is that **70** per cent of the 'new' land was given to co-operatives (covering **75** per cent of families). It should be said that while the co-operative strategy has been the preferred mode of agricultural transformation, other modes of distribution have been opted for in the course of the last six years, their relationship and emphasis depending on the politico-economic efficacy of the different methods and on the course of the war.

The dynamisation of the agrarian reform took place between the end of **1984** and the beginning of **1985**. **62** per cent of the land assigned to co-operatives, **86** per cent of legalised lands, **89** per cent of the land assigned to individuals and more than **70** per cent of the lands given to indigenous communities were distributed or legalised in this period. It was during this time that **78** per cent of the total land was distributed and **75** per cent of families benefited. By the end of **1986**, private farms of **500** manzanas and over represented approximately **10** per cent of all land cultivated in farms. Thus the agrarian character of the Sandinista Revolution was definitively established.<sup>16</sup>

At the beginning of **1986** the agrarian reform law was modified to enable it to respond more directly to the demands for land coming from the peasants. The new legal text extended the amount of land open to expropriation by dropping the minimum size of farm from **500** to **100** and **50** manzanas, according to the region. This meant a considerable growth in the potential stock of land available at the expense of lazy, inefficient or absent landowners. The decision had a considerable impact in some regions of the country where peasant pressure for land could not be satisfied by the expropriation of *latifundia* alone (for example,

in the departments of Masaya and Carazo in region IV or the department of Managua in region III). The new legislation initially generated some insecurity in the UNAG, insofar as medium producers who did not work their land efficiently or who were absentee proprietors, could now be affected by the law. Up till now, however, the disposition of the revolutionary government and the FSLN to sustain a broad dialogue with the agricultural producers has ensured that the new phase has developed without major conflicts. On the other hand, the new drive to distribute land has even affected the state sector, which reduced its landholdings by almost 35 per cent between 1984 and 1986—from 2.5 million acres at the end of 1984 to 1.9 million at the end of 1986.

The acceleration of land distribution and its better adaptation to the objective differentiation in the rural world, was complemented by changes in pricing policies, in supply systems and provision of services and by an improvement in the wage levels of agricultural workers. Maintaining supplies for the rural producers was given priority even over supplying urban workers, and some state enterprises in the countryside began a progressive reorganisation whose object was a better articulation with small and medium producers for the satisfaction of their need for assistance, inputs, supply, labour etc.

Figure 5 shows the evolution of real prices of four typical peasant crops between 1980 and 1985. It offers too a tentative approximation to the real relations of exchange between the city and the country, insofar as the general consumer price index, which basically expresses urban prices, was used as a deflector. With the exception of maize, the prices of the other three crops underwent significant falls in the 1982-4 period—and up to 1985 in the case of coffee—in relation to a basic basket of consumer goods. In 1985 the three products geared to the internal market substantially improved their relative position, but in 1986 the violent acceleration of the inflationary process produced a new fall in real prices.

*Figure 5*  
*Evolution of real prices of some peasant crops, 1980-85*  
(Index: 1980 = 100)

<i>Year</i>	<i>Beans</i>	<i>Maize</i>	<i>Coffee</i>	<i>Sorghum</i>
1980	100	100	100	100
1981	92	100	87	114
1982	104	93	66	95
1983	105	88	67	80
1984	104	78	95	80
1985	146	116	72	116

*Source:* Based on figures from Ministry of Agricultural Development and Agrarian Reform (MIDINRA) and Nicaraguan Institute of Statistics and Census (INEC).

The organisation of the peasantry was approached with greater flexibility, with an eye to the particularities of each region and each type of producer. New forms of **organisation** were encouraged, like self-defence co-operatives, 'dead-furrow' co-operatives',<sup>17</sup> and others. The voluntary character of integration into the co-operative movement was also underlined.

Military aggression also opened a new front for the agrarian reform process; the question of those displaced by the war. From 1983 almost one third of the peasant population of the country has had to be relocated on new lands where they could be safe from counter-revolutionary attacks. It is easy to see the impact that this has had at every level of agricultural transformation in particular and of rural society in general. Those involved are families who have been forced by the war to leave their land and have been granted other lands by the government in more secure areas. This has meant having to respond to the demands of a rural population which now joins those sectors traditionally without land; further, the need to create a minimal economic infrastructure—roads, schools, health centres—in the new settlements, and to assure basic supplies until the people are in a position to resume the productive cycle. The need to turn to collective efforts to set things in motion once again has favoured a rapid growth of co-operative organisation, and particularly of production co-operatives, among the resettled population.

#### *4. War and the regional ethnic question*

The so-called Atlantic Coast of Nicaragua embraces more than half the national territory and less than 8 per cent of the total population. About half this population is composed of Mestizo peasants who migrated from other areas of the country as **agro-export** capitalism expanded after the Second World War; the other half consists of indigenous groups (Sumo, Miskito, Rama) and of descendants of the African slaves brought by English plantation owners and merchants during the 17th and 18th century (Creoles and Gariphones).

The initial attitude of the revolution towards the Atlantic Coast combined a developmentalist type of economic strategy, an economic reductionism towards the coastal ethnic groups, and an almost functionalist perspective on their cultures, reducing them to their symbolic **elements**—language, religion, values.

The question of the Atlantic Coast was addressed by the FSLN as a regional dimension of the problem of backwardness and dependency, but without incorporating into the range of structural variables the distinguishing ethnic elements of the region. The exploitation of the natural resources of the Coast by foreign companies; the historical role of the Coast in the internal expansion of England in the first place and the United States later; the general backwardness of the region; the high rates of illiteracy, undernourishment, infant mortality etc were central to the revolutionary

perspective and allowed the ethnic problem of the coast to be subsumed into the general problematic of exploited and oppressed groups and classes in the country. But no reference was made to the cultural and historical specificities of the respective populations, or to their ethnic diversity. The consequence was an approach in terms of socio-economic development that drew a mechanical parallel between the indigenous and black peoples of the Coast and the mass of Mestizo workers and peasants in the rest of the country.

The perspective was not wrong, but it was partial. The specific problematics of the forms of social organisation of the coastal groups, the conjugation of productive relations and the structures of kinship, the different modes of organisation and the exercise of authority, ideological and linguistic differentiation, distinct historical trajectories, were all subsumed in the geography of backwardness. Ignorance of the ethnic question led the new government to pay almost exclusive attention to the most visible material problems faced by the coastal peoples—the poor farmers or the wage workers of mine and forest impoverished by foreign capitalists and traders. The initial focus of the revolution placed the emphasis on incorporating the indigenous labour force into the wage sector, focusing on their extreme poverty, while at the same time interpreting certain practices of co-operative production and some characteristics of community life as survivals of elements of primitive communism. At the same time, this class-based culturalist reductionism reduced coastal ethnicity to its symbolic elements (different religions, languages, values) alone, while disregarding its socio-economic and political dimensions (productive practices, access to natural resources, relations to the power structure).

The original ignorance on the ethnic question has a number of causes which we can only touch on here.<sup>18</sup> Firstly, the general absence of the issue from Marxist and revolutionary thought from the 1930s onwards, and particularly so in Latin America despite the fact that the majority of the inhabitants of the continent are indigenous peoples. Marxist theory gravitated towards a powerful economic reductionism, essentially Eurocentred in origin, which proved incapable of grasping the specificity of the socio-economic and demographic profile of peripheral capitalism on this side of the world. In the second place, the structural conditions which permitted the development of a revolutionary alternative matured outside the Atlantic Coast. Between the end of the last century and the crisis of the 1930s, the Coast was the most dynamic area of the Nicaraguan economy in the form of an enclave capitalism controlled by North American timber and banana companies. But with the crisis of the 1930s the region entered a deep and prolonged recession. From the 1950s onwards the dynamic centre of the economy moved to the Pacific and central-north region, taking the form of an agro-export economy under the

control of a local agrarian bourgeoisie. The profound transformations introduced by agro-export capitalism—the dispossession of the peasantry and the progressive proletarianisation of the labour force, the emergence of new economic groups within the bourgeoisie, the redefinition of the external articulations of the society, among other things—were concentrated geographically in the West and central-north regions, and had scarcely any impact on the Atlantic Coast. As a consequence, the Sandinista struggle against the Somocista dictatorship and the formation of Sandinista thought on the revolutionary transformation of the country did not take into account the specificities of the Atlantic Coast. The coastal population took no part in the revolutionary struggle and the Sandinista revolution only finally reached the Atlantic Coast when it was already established in power.

The low level of involvement of the coastal population in the struggle against the Somocista dictatorship, certainly a product of the uneven development of the revolutionary conditions on the Pacific and Atlantic coasts, produced within the FSLN a basic lack of confidence about the attitudes of the coastal peoples towards the revolution. They gave clear preference for Mestizos from the Pacific coast in appointments to government positions on the Atlantic Coast. The coastal population, for their part, began to experience again their old distrust of the Pacific coast Mestizos which had been reinforced by their experience of discrimination under the Somoza government. What had previously been subordination to the Mestizo functionaries of the Somocistas, now became subordination to Mestizo bureaucrats of the Sandinista government.

The delay in satisfying the basic economic and political demands of the coastal peoples—participation in the institutions of local government, specific modes of access to the land and natural resources, particular forms of communal organisation and others (or the lack of understanding of and opposition to them) produced a generalised frustration of expectation placed by the majority of the coastal people in the new authorities, and created conditions under which their protests could turn into an open confrontation with the revolutionary regime. The agrarian reform law passed in August 1981, for example, includes an article which acknowledges the right of indigenous communities to access to the land, and to work it according to their own specific forms of organisation and production (article 30). Yet this disposition only began to be applied in 1983. Government delay was presented by leaders of the indigenous communities as proof of the revolution's intention to repress the demands of the coastal people, and was manipulated by the American government in its denunciations of so-called 'ethnocide'.<sup>19</sup> This in its turn placed further obstacles in the way of satisfying coastal demands, insofar as their articulation with oppositional political strategies, and eventually with counter-revolutionary demands, reinforced government suspicion of

their legitimacy—these were now not merely 'backward' demands, they were counter-revolutionary.

On another level, some of the revolutionary government's general development policies came into conflict with the forms of organisation of indigenous villages and communities. The nationalisation of banking and foreign trade, for example, which are conventional measures in the revolutionary nationalist experience of Latin America for confronting the traditionally dominant groups and international capitalist interests, created problems for many coastal families whose income largely depended on dollars remitted by relatives in the US or Jamaica. Similarly, access to imported consumer goods became immediately more difficult and ultimately impossible—yet over more than a century these goods had come to be regarded as cultural needs by many of the coastal populations. These needs had different social foundations on the Pacific and the Atlantic. In the Pacific regions of Nicaragua, they formed part of the consumption of the middle and high income groups, while on the Atlantic Coast they figured in the basic consumption patterns of a people shaped by the presence of the foreign enclave. But the undifferentiated treatment of the question by the revolutionary authorities facilitated the ideological unification of these different social groups and the manipulation of their complaints to the political benefit of the Mestizo bourgeoisie and the middle sectors of the Pacific coast. Similarly, the nationalisation of natural resources—especially forests, mines and fishing—was understood by many indigenous groups and Creoles to mean the loss of their traditional right to access to these resources.

These contradictions between aspects of the revolutionary transformation and elements of the coastal population—added to the ignorance and ethno-centrism that characterised both sides—explain the long history of conflicts and clashes between the Atlantic and the Pacific coasts, between indigenous peoples and Creoles on the one hand and Mestizos on the other. They served now to create the conditions for a growing confrontation between the coastal peoples and their leaders and the revolution. As in other Third World revolutions, the early failure to find an appropriate way of dealing with the ethnic question created an ideal climate for the growth of a counter-revolutionary offensive backed by the American government, which transformed many parts of the Atlantic Coast into a theatre of counter-revolutionary war.

At first, the response of the revolutionary regime was pre-eminently military, with the objective of ensuring the integrity of the state geography in the face of a counter-revolutionary plan to establish there some kind of 'liberated' territory from which to appeal for international recognition. Further the permanent military manoeuvres that the United States had set in motion at the end of October 1981 were taking place on Honduran territory close to that very area of the Coast. At the same time, the posting

of units of the Sandinista Peoples' Army and the Sandinista Peoples' Militias to the area brought them into direct contact with the peoples of the Coast, with their ways of life, their demands, their contradictions. It was obviously traumatic for both sides: for the inhabitants of the Coast, the army took on the appearance of one of occupation; for the Sandinista fighters, these were sectors of the people (poor, historically subject to exploitation by foreign companies) who distrusted or opposed a revolution which was trying to improve their living standards.

One of the effects of this permanent presence of revolutionary soldiers on the coast has been a greater knowledge of the particular features of the region and its people. The revolution has begun to distinguish between the effective demands of the coastal populations: access to land and other natural resources; specific modes of local government; recognition of their languages as equal in status to Spanish; bilingual education; active participation in the political and economic institutions of the revolutionary regime, all of which fit perfectly well into the programme of the revolution; and their perverse articulation in the manipulative strategy of the counter-revolution. Slowly but surely, the FSLN began to understand that the popular and democratic character of the revolution opened a space in which the political and economic demands of the peoples of the coast could legitimately be satisfied. At the same time, it became increasingly clear that there can be no peace on the Atlantic Coast until the basic demands of the coastal peoples had met with a satisfactory political response.

It is now clear the contradictions that led to confrontation between the coastal populations and the revolution had a subjective rather than an objective character, and that the factor which turned them into fuel for the counter-revolutionary war was their manipulation by the US government and agencies related to it. In any event it is the case that the regional ethnic question has never produced in Nicaragua the kind of brutal confrontations that it generated in Nigeria, Ethiopia or Sri Lanka, for example.

Late in 1983, this change of perspective led to a wide-ranging amnesty for the coastal people who had been taken prisoner for their participation in counter-revolutionary military activities. In some sense this implicitly recognised that their involvement in the counter-revolution was a misguided response to the mistakes of the government in its approach to the problems of the Coast. The amnesty was later extended to all those coastal people who were members of the counter-revolutionary military forces and who wished to return to Nicaragua in peace. In 1984 permission was given for the return of Brooklin Rivera, leader of MISURASATA and a member of ARDE, and a series of discussions began between the revolutionary government and the organisations of indigenous coastal peoples established outside the country, with a view to achieving a ceasefire.

It should be pointed out that these were not easy measures. The amnesty

for indigenous and Creole fighters allowed them to lay down their arms and return to their homes. This produced intense contradictions within the counter-revolutionary groups—the leadership of which often attempted to prevent people from returning. But on the other hand the victims of the counter-revolutionary attacks, on the coast or inland, found it hard to accept the idea or the fact of the return of indigenous and Creole *ex-contras*. In general, however, the political persuasiveness of the revolutionary regime and the shared desire of the majority of Nicaraguans for a real peace (and in the specific case of the coastal populations, the desire to be reunited with their families) made it possible to avoid major clashes.

In 1984, the process of granting land to indigenous communities was speeded up (cf. Figure 4 above)—during that and the following year more than 80,000 manzanas were distributed in this way. In the general elections of November, coastal representatives (Miskito, Sumo and Creole) were elected to the **National** Assembly. At the end of 1984, the revolutionary government established a **National** Autonomy Commission, presided over by a member of the FSLN's National Directorate, whose brief was to study the possibilities of establishing a form of autonomous government for the indigenous and ethnic populations of the coast, and taking up in this way demands put forward by the coastal people themselves.

In 1985 a ceasefire was finally agreed between the Nicaraguan government and armed indigenous groups. The agreement made it possible for people to return to the communities of **Rio Coco**—from where they had been removed at the beginning of 1982 when the conflict broke out—and the resumption of basic supplies to the communities. Shortly afterwards a process of broad popular consultation over the autonomy project was begun in all the villages and urban centres of the Coast. Throughout this process, the coastal peoples were encouraged to participate in the political, economic and military institutions of the state based on the Atlantic Coast, as well as in the structures of the FSLN. The highest posts in the Atlantic Coast regional government were given to representatives of the region, and similar changes were made in the party organs of the FSLN.

This new perspective on the part of the revolutionary regime narrowed the political base of the counter-revolution. Until then the US government, the FDN and ARDE had been able to present their struggle as the active defence of the demands of the coastal populations which had been ignored by Sandinista totalitarianism. The new compatibility of the revolution with its objective social base on the Coast, and the decision to take over their demands and make them its own, narrowed the political space available to the *contra*.

In mid-1986, pilot projects in local government began to function in a number of communities in North and Central Zelaya province. The majority of those indigenous peoples who after their transfer to **Rio Coco** in late 1985 and early 1986 had been forced by the *contra* to move into

Honduras in March–April 1986, have returned to Nicaragua, and many armed opposition groups have now entered the autonomous government. KISAN, an organisation created in October 1985 under the auspices of the American government to unify armed indigenous groups and bring them under the leadership of the FDN, rapidly broke up and one faction, possibly the majority faction, is now collaborating with the Nicaraguan government in the development of autonomous government. In a number of communities indigenous peoples who have laid down their arms have taken on the functions of local police, and elsewhere indigenous militias have been formed to defend the communities against contra attacks. Recently the National Assembly included in the Political Constitution of Nicaragua various articles which lay down the foundations for the creation of a multi-ethnic national state—among others, the official use of the coastal languages on an equal footing with Spanish, the recognition of the rights of the communists to the property of natural resources (forests, land, fish etc) located within their territory, and the right to autonomous government.

It has been a complex, difficult and traumatic process for the revolution to become reconciled to the multi-ethnic character of the Nicaraguan population—and it is far from complete, though great steps forward have been taken. The political maturity of the revolution, the necessities imposed by the war of national defence, and the political prudence of many of the coastal political leaders, have made the improvement possible; the prospects for the future are optimistic. The process has many facets, dimensions and levels, but three of those aspects deserve to be singled out, insofar as each is the axis of articulation of a number of other issues.

First, the recognition of the multi-ethnic character of the Nicaraguan people and its state. The triumph of the revolution made possible the development of a process of popular nation-building—national sovereignty as an attribute of popular sovereignty. The recognition of the multi-ethnic character of this nation born of the popular victory is the culmination of this process, insofar as that state is made tributary to the ethnic multiplicity of the people it consists of and not only of one, albeit the majority, of its ethnic components. This implies a recognition that the unity of the Nicaraguan people is consolidated through its free expression in a plurality of forms of social organisation, systems of relations with nature, political institutions, languages etc.

In the second place, the political constitution of the multi-ethnic state, whose institutions express the popular leadership of the revolutionary process across the wide spectrum of its ethnic plurality. That much is indicated in the autonomy project for the peoples and communities of the coast. Autonomy is selfgovernment, that is free and effective participation of the people in the administration of their affairs, in agreement with the procedures and forms which respond best to the needs and

possibilities of the country and the region. It implies an assumption that the content of democracy will vary according to ethnic differences within the people.

In the third place, the process of constitution of the multiethnic state implies the design of a development strategy responding to the real needs of people and their initiatives of participation. The economic strategy of the revolution for the Coast is not attractive for many of the coastal population, large segments of whom think that the developmentalist perspective underpinning national investment policy does not accord with the evolution of local forms of production and exchange on the basis of which they have built their daily life and their expectations of progress. To this should be added the fact that, up to now, the official economic strategy of large investment projects intensive in complex technologies has not shown itself to be especially effective in fulfilling its own objectives. The war has certainly had a considerable impact in this respect—but the actual design of the strategy and its distance from forms of regional social organisation and the experience of participation of the respective populations also has something to do with it.

The institutional distance that still exists between the official development strategy and the real world of the Coast makes it difficult to see clearly the magnitude of the impact of the war on the effects of state policies. The coastal peoples still see this question as racism and discrimination, and the resentment of many government bureaucrats reinforces that view. If it wants the autonomy policy to function fully, and peace to be established on the Coast, the central state **must** introduce substantial modifications into the perspectives that inform its principal investment projects. It must opt for planning and development strategies better adapted to the specificities, needs and possibilities of each region of the country, be prepared for a greater decentralisation of its functions and resources, and accept broad participation of the coastal peoples in the design of development strategies and policies.

##### *5. War and the reorientation of economic strategy*

The counter-revolutionary war has seriously hit the revolution's original strategy for transformation and development. That strategy combined a resolute promotion of agro-exports with the strengthening of food production for the internal market, a greater integration of agricultural production and its local industrial processing. It envisaged too its reinsertion into the international economy through diversification of exports and the development of new markets. The core of the scheme was an ambitious programme of major public investment projects designed to encourage the development of productive forces in the priority sectors, and in the first place in agro-exports and economic infrastructure. The investment programme was based on expectations of broad external

co-operation, both bilateral and multilateral.

The intensifying confrontation with the US government and the unleashing of a war of aggression introduced major tensions and disequilibria into this strategy. As far as finance was concerned, for example, from 1983 onwards Nicaragua's access to multilateral financial agencies was severely restricted, basically as a result of pressures brought to bear by the US government; institutions like the IDB or IBRF were particularly sensitive to American pressure.

On the other hand, the very design of the strategy produced some contradictions with the short term needs of the economy. This was a long term programme, with major investments which would not produce immediate effects as far as most people were concerned. It had little capacity to generate jobs, only minimal articulation with the peasant economy, and assumed the use of relatively sophisticated technologies of which hardly anyone in the country had any experience at all. Further, the administration of the projects was complex and little prior research had been carried out. The result was that the plan created major strains on the operative capacity of the state and the priority it was given served to divert resources away from the most deeply felt demands of the workers and the people in general. The emphasis on agro-industry and agro-exports postponed many of the demands of the peasants on land, prices and supplies. The need to ensure the profitability of the new state enterprises led to neglect of the wage question, with the result that the productivity of the workforce fell. The preferential attention given to the demand for inputs into the major investment projects aggravated the scarcities in the market and principally affected the small and medium producers and day to day consumption. The development projects which did begin on the Atlantic Coast ignored the material dimensions of coastal ethnicity, and developed a style of accumulation not markedly different in form from the foreign companies of the pre-revolutionary period.

In general it was a developmentalist, modernising tendency which in some way reflected the complex coalition of social forces on which the revolutionary state was based. The conception that the proletariat is by definition the vanguard class, and the need to develop the productive forces—two central themes in a socialist perspective—were articulated with certain elements of technocratic ideology which translated that into the need to prioritise the strengthening of the public sector of the economy and to administratively centralise the fundamental decisions. This connected with the ideology of the technical cadres of the bourgeoisie—and with surviving elements of the bourgeoisie *itself*—which identified economic efficiency with that of the enterprise in a capitalist sense.

The reduction of access to external funds, changes in the condition of the international market, the disarticulation of the mechanisms of

regional exchange as a result of the crisis and the complexity of the projects themselves combined with the growing impact of the war to force a reorientation of the original strategy.

The programme of public investment had increasingly to be internally financed, pressurising the fiscal deficit in a major way and thus contributing to the acceleration of inflation. The concentration of the programme on major new investments led to a neglect of the investments required to maintain already established stocks and led indirectly to their increasing deterioration. Various aspects of the simple reproduction of society—health, transport, spare parts—became increasingly difficult to maintain and a crisis began to develop foremost among whose causes was the pressure of a high investment coefficient. The strategy of accumulation had its counterpart in a reduced short-term efficacy of those investments; the pressure of investments on consumption—including basic consumption—was not translated into equivalent levels of growth in production or employment. The pressure of investments on the internal debt weighed heavily on the fiscal deficit, encouraged inflation, and together with other factors contributed to the growth of the external debt.

Figure 6 shows the behaviour of these variables between 1980 and 1985.

*Figure 6*  
*Evolution of some economic variables, 1980-85*  
(Real annual average growth in %)

	1980-85	1985
Gross domestic product	1.6	-3.0
Fixed investment	31.8	-9.4
Imports	12.2	-1.8
Total consumption	3.1	-1.1
Public consumption	21.2	8.0
Private consumption	-3.8	-8.1
Consumer price index	79.1	274.4

*Source:* Elaboration from figures provided by Budget and Planning Secretariat and Nicaraguan Institute of Census and Statistics.

On the other hand, the international market followed a different development from the one that had been implicit in the original design of the strategy. The price of a number of Nicaragua's principal exports (cotton, meat) have evolved in a negative direction, leaving prices in some cases lower than the costs of local production. In other areas, like cane sugar, a recent positive movement has not been sufficient to compensate for the high costs of production of new public investments in the sector—the rise of the international coffee price in 1986 has been followed by a significant fall. Further, the disarticulation of the Central American

market as a result of the regional crisis, and the sharp scarcity of funds with which to finance the import of inputs drastically reduced industrial exports. Finally, but no less important, counter-revolutionary military movements seriously affected activities in fishing and forestry, both of which are mainly on the Atlantic Coast.

The fall in export earnings produced major tensions over importing capacity; seen together with other factors, this has led to a deepening crisis in the balance of payments and to the growth of external debt. The commercial embargo declared by the US government in May 1985, the vulnerability of various Western European governments to American diplomatic pressures, the Central American economic crisis, and the better conditions for co-operation and exchange offered by the countries of the socialist bloc, all combined to favour a clear reorientation of international economic relations to the socialist countries. Towards the end of 1986 nearly 40 per cent of Nicaragua's external trade (imports plus exports) was with the socialist area, and the most important investment projects have employed both advice and co-operation from the socialist countries (Cuba, Bulgaria, Yugoslavia, German Democratic Republic).

The sharpening of the war and the tensions that it has imposed on the society as a whole aggravated ~~the~~ the unconsidered effects on the original strategy of the revolution. It is obvious that the Nicaraguan economy in its present configuration cannot sustain both the investment effort required by that strategy and the war effort at the same time. Hence the prioritisation of defence and the intensification of the war efforts have been translated into a tendential reduction of investments, into a de-emphasis on the accelerated growth targets of the early years; at the same time, the official political discourse is increasingly centred on the need to elaborate a *survival strategy*.

*Survival* does not mean that the revolution will stop, but rather that perspectives and lines of action must be adjusted in order to optimise defence efforts in every area of society, and to carry forward the process of socio-economic transformations in this context. In no sense is it a case of a one hundred and eighty degree turn from the conceptions of the early years. The reorientation towards a survival strategy must take on board the rigidities generated by decisions already taken and carried through. There is an inertia effect deriving from the application of the initial strategy. Investments, debt, technological commitments etc have already been implemented and any substantial reversal of them is unthinkable. At present the objective of the revolution is rather to adapt that original strategy to the conditions established by the war and by the need to give a more satisfactory response to popular demands.

In the first place, the strategy for survival concedes priority to war and the defence effort. The slogan 'Everything for the fighters' synthesises the fundamental position. It certainly implies giving priority to the military

effort, to its needs and its resources, but it also implies something else. It means giving priority to the regions of the country most affected by war, and to those who live and work there and must face the day to day effects of aggression—that is, to the demands, needs and hopes of the peasants and the agricultural workers. This requires the articulation of a territorial and a class perspective; the first privileges the treatment of the problem of all the social groups living in the war zones and affected by the aggression—fighters and civilian population, resettled groups, agricultural producers, agricultural workers etc. The second gives priority in this context to the fundamental demands of the wage workers of the countryside, poor peasants and small and medium farmers.

In the second place, the reorientation of the initial strategy places greater emphasis on production for the satisfaction of basic needs and the security of food supplies. This, as we have seen, is the result of a number of factors; the recent evolution of international prices of various export products, the inevitable slowness of the reinsertion into the international market, the impact of war on the regions producing export products, and greater attention to the demands of the peasantry whose production is generally oriented towards the internal market. This does not imply closing off the Nicaraguan economy from external markets, but rather reformulating the original articulation between agro-exports and food production for the people. Nevertheless, as long as the major projects of public investment do not produce the expected results, the reorientation of the strategy will aggravate (all other factors being constant) the fall in traditional exports, insofar as growing areas and resources will be devoted to production for internal consumption.

In the third place, the survival strategy means giving more attention and support to techniques of production more familiar to the workers and small and medium farmers and better adapted to the actual conditions of production. As a consequence, there will be more room for programmes organised on a local and regional basis which take account of the specifics of each situation and give more opportunity for the direct participation of those involved. Equally, this requires finding more effective means of articulation with the state sector of the economy, the general orientation of global programming, and the initiatives, efforts and organising methods of the workers and small and medium producers. In this sense, popular defence broadens and deepens the democratic development of the revolution.

In the fourth place, and closely related to the above, a de-emphasis on urban investments and in particular, a partial loss of legitimacy for the demands of the middle class and the petty bourgeoisie which constitute a substantial sector of the Nicaraguan urban landscape—in the first place, in Managua. This change marks a sharp contrast with the tone of the early years, marked by the predominantly urban profile of the Sandinista

insurrection, and which was translated into a concentration on the **cities**—that is, the physical ambit of the insurrection. The key emphasis on the production of basic grains for internal consumption, and the powerful impact of the crisis and financial-economic aggression on the already reduced and fragile industrial sector, reinforced the image of the city as a centre of consumption, as opposed to a countryside which produces. This reorientation must confront, nevertheless, the resistances of broad sectors of the middle classes well entrenched in the state apparatuses and the political organisations, whose interests lie in maintaining traditional styles and levels of consumption, and who often find a response and support within those apparatuses.

### *Present situation and perspectives*

It is still too early to assess the results of this reorientation, but there are some immediate results which allow us to suggest a tentative panorama.

On the strictly military level, the defeat of the counter-revolution is obvious. Aside from the resources which the American government provides directly and indirectly, the counter-revolution has proved incapable of establishing control over even the smallest area of the country, much less of creating a socio-political base inside the **country**.<sup>20</sup> On the other hand, the operative efficiency of the Sandinista Army and the new policy directions already discussed above have consolidated the presence of the revolutionary regime in areas that previously had been vulnerable to the ideological appeals of the contra; the result has been the more active integration of people into the tasks of revolutionary construction. For the time being, nevertheless, the resources provided by the US government to the contras make it likely that counter-revolutionary activities will grow more intense, especially sabotage of economic targets and attacks on the civilian **population**.<sup>21</sup> It is difficult to imagine that it would be enough to redress the strategic defeat of the counter-revolutionary groups, but it will undoubtedly increase the burden of pain and suffering that the people of Nicaragua must already bear.

In the international field, Nicaragua has been able to maintain a wide network of relations with Europe and the Third World, as well as close relations with the socialist countries. In 1986 the International Court of Justice completely accepted the demand of the Nicaraguan government and condemned the aggressive behaviour of the United States; the judgment was also further proof of the international isolation of the White House in its imperialist policies. The arrogant response of the American government to the Hague resolution lays bare its determination to remain outside the framework of international law. The diversion of money and arms towards the contra via submissive **governments** and covert operations suggests, too, that it is unlikely to pay any attention to its own national **legality**.<sup>22</sup> At the same time the

American government has been able to establish itself in a strong military and political position in Central America, thanks to the active collaboration of the governments of Honduras and El Salvador in a contemporary re-edition of the traditional submission of the 'banana republics' to the expansionist policies of the United States in the region.

Nevertheless, the North American government has manifestly failed in its attempts to isolate Nicaragua internationally. It did succeed in isolating Guatemala in the 1950s, as part of the manoeuvres that led to the overthrow of the reformist government of President Arbenz in 1954; it also managed to isolate the revolutionary government of Cuba from the rest of Latin America for over a decade. It has not been able to employ against Nicaragua the kind of 'multilateral' strategies it directed against Guatemala and Cuba.

In the economic field, the situation remains problematic; nevertheless, we should not overstate the crisis of the Nicaraguan economy nor over-emphasise the responsibility of the revolutionary government for it. On the one hand, the options available to the revolution are very limited in this field. On the other, the economic crisis that Nicaragua is facing is in large measure tributary to the regional crisis of Central America and creates a situation which, in *strictly economic terms* is not qualitatively different from the crisis in other countries of the region. We have developed the first point in a previous study:<sup>23</sup> Figure 7 will allow us to consider the second.

*Figure 7*  
*Central America: recent evolution of some economic indicators*  
(Accumulated annual variation, 1981-6, in %)

	<i>Costa Rica</i>	<i>El Salvador</i>	<i>Guatemala</i>	<i>Honduras</i>	<i>Nicaragua</i>
Per capita GDP	-11.0	-16.7	-20.7	-13.8	-14.1
Exports	23.5	-24.2	-27.9	14.7	-50.3
Imports	-22.7	8.6	-26.2	8.6	49.5
Balance of payments (a)	-1823	-1654	-1861	-1842	-3361
Terms of trade	6.5	-12.9	- 5.5	- 5.4	19.4
Fiscal deficit (b)	21.7	45.2	26.7	70.1	102.4
Consumer prices (c)	199.6	113.9	100.5	37.2	1240.4
External debt (d)	23.5	63.4	106.1	78.3	125.7

(a) accumulated deficit on current account in millions of dollars

(b) as a percentage of GDP (1981-5)

(c) variation December to December

(d) Total external debt paid

Source: Own elaboration of data from CEPAL

The fall in per capita production has been similar for all the countries of the region, with the exception of Guatemala, and the same can be said of the disarticulation of external trade, the accumulated deficit in the

balance of payments, growing indebtedness, the accumulation of fiscal deficits and the rapid acceleration in the rate of inflation.

It is obvious that within this regional context of acute crisis, Nicaragua presents some particular characteristics of its own. The impulse to an expansive policy on public investment and later to the development of a defence economy explains why, in the face of the sharp retraction of exports, the policy of import growth has been maintained. The scissors effect of external trade plus the impact of the negative service balance—a situation common to the whole region—has been translated into an accumulation of balance of payments deficits and the growth of external debt. The combination of an expansionist economic policy with heavy defence spending also explains the accumulated fiscal deficits throughout the period, despite the high and rising coefficient of taxation.<sup>24</sup>

The slowdown in investment in **1986** did not give rise to a fall in imports—they grew **8** per cent in value and **13** per cent in volume, while exports in the same period fell **15** per cent in value and **27** per cent in volume. The Nicaraguan economy seems to have reached a plateau as far as the minimum level of imports is concerned, though the defence economy imposes rigidities that are unavoidable. The favourable evolution of the terms of trade expresses fundamentally the positive years of **1984** and **1986**. Nevertheless, the overvaluation of the national currency, the scissors effect of external trade, the high costs of production, the impact of the conversion of export-producing regions into war zones, the resettlement of a high proportion of rural producers and the slow maturing and complexity of some new investment projects, have continued to nourish the sustained fall in export volume and combined with the disequilibrium of mechanisms of commercialisation to neutralise the positive effect of the relations of external exchange.

The violent acceleration of inflation from **1985** onwards seems to have been the joint result of the programme of adjustment adopted at the beginning of that year and of the growing pressures of a defence economy. In a war situation inflation tends to function as a kind of tax; it is difficult to envisage any substantial reduction of public spending, and any measure taken in this direction would be at the expense of productive investments and individual consumption.

The contrast between Nicaragua and El Salvador could not be clearer. Between **1981** and **1985** El Salvador received direct economic aid from the United States amounting to **\$1,740 million**,<sup>25</sup> or almost a million dollars a day. The aid continued at the same level throughout **1986**, and to that should be added funds received from the multinational agencies to which Nicaragua does not have access. The regime of President Duarte, however, has not been able to carry out any significant social transformations; nor drag out of the morass the agrarian reform set in motion in **1980**; nor elaborate any 'orthodox' economic policy to reactivate the economy,

even at the cost of popular poverty; nor put the Frente Farabundo Marti de Liberacion Nacional out of action; nor reach a negotiated peace with it; nor dismantle the political and military power of the most reactionary traditional groups. Although it is difficult to estimate the total amount of aid from the socialist countries to Nicaragua, it is hard to imagine that it can compare to what the United States lends to El Salvador. Apart from supplying the Sandinista Popular Army with equipment, the assistance of the socialist bloc consists of technical co-operation in productive investment projects and economic infrastructure, and in providing better conditions of commercial exchange.<sup>26</sup>

At heart, the qualitative difference between the Nicaraguan economy and the other countries of the region stems from the political decision of the revolutionary regime to push ahead with profound socio-economic transformations despite the war of aggression and the regional economic crisis, and to maintain, at least in its basic outline, a strategy of defending the incomes and guaranteeing the basic needs of the people. This political decision is not taken without reference to the framework of internal social contradictions and tensions, nor is it translated always into the most effective economic measures—but that is a different question.

Finally, on the terrain of political institutions, the revolution has developed and generated its own institutional structures. The process of elaborating a new political constitution is now complete and the project for regional autonomy for the peoples of the Atlantic Coast is well advanced; the political agenda for the next year includes the calling of municipal elections. There can be no doubt that the crisis situation weighs on the level and nature of popular participation. In the cities above all people are more concerned than ever to resolve their day to day problems and this has affected, together with other factors, the organisations of popular power—the need to centralise resources and concentrate them on priority areas of defence has reduced the margin of activity in some mass organisations. Yet the growing number of difficulties in daily life and the problems of transport, prices and supplies among others, do not seem to have affected the general level of commitment, and of the popular sectors in particular, to the revolution.

A large majority of the population seems to share the conviction that the cause of the present difficulties—scarcity, inflation, the daily discomforts—lies in the counter-revolutionary policies of the US government. This conviction does not inhibit the formulation of criticisms of aspects of government policies which people consider wrong or of the behaviour of functionaries—criticisms which are often very severe. But counter-revolutionary propaganda and the complaints of social groups hit by the revolutionary transformations have failed to turn these criticisms into a position of confrontation with the revolution.<sup>27</sup> The idea that criticism is the same thing as opposition is more revealing of the

political frustrations of the *contras* and the perverse imaginings of the intemperate.

For the poor of city and country, the Sandinista revolution is above all a political conquest whose defence and consolidation promises the fulfilment of fundamental social and economic demands. This continues to be the central conviction of the people—not because the ideological work carried out by the revolution, but above all because of the brutal and destructive effects of the counter-revolutionary war still being conducted by the US government.

*Translated by Mike Gonzalez*

#### NOTES

1. **Ministerio de la Presidencia:** *Daños humanos y materiales causados por la actividad imperialista contrarrevolucionaria sobre Nicaragua* (Managua, December 15, 1986); mimeo.
2. On low intensity warfare see S. Miles, 'The real war. Low intensity conflict in Central America', in *NACLA Report on the Americas*, April–May 1986, pp. 17–48. On the principal characteristics of the Nicaraguan revolutionary process cf: C.M. Vilas, *The Sandinista Revolution. National Liberation and Social Transformation in Central America* (New York: Monthly Review Press, 1986), hereafter Vilas 1986. On the regional context see J. Weeks, *The economies of Central America* (New York: Holmes and Meier, 1985).
3. Cf: *Psychological operations in guerrilla warfare* (New York: Vintage Books, 1985).
4. The reduction of the area covering farm of **50 manzanas** or less stem from their inclusion under credit and **service** co-operatives.
5. The experience during the Somoza period was that title deeds distributed by the Somocista Nicaraguan Agrarian Institute (IAN) meant very **little** in the face of the aggressive policies of the big **landowners**, or the later abandonment by the peasant beneficiaries when technical assistance, services or credit failed to **materialise**. For this reason the revolutionary regime at first paid little attention to the question of property deeds. The **government** was centrally concerned with guaranteeing **small** and medium farmers favourable **real** conditions, seeing the question of documents as an empty legal formality, given that nobody would ever again take the land away from the peasants. That view was not shared by the peasants, however, for whom the possession of titles of ownership were the guarantee of real security.
6. Cf: C.M. Vilas, 'Nicaragua: the fifth year—transformations and tensions in the economy', in *Capital and Class*, 28, Spring 1986, pp. 105–138. The allusions to a fall in peasant production as a gesture of protest are frequent, but objective information is less often provided; cf: for example, F. Colbum, 'Foot dragging and other peasant responses to the Nicaraguan revolution', in *Peasant Studies*, Iowa, No. 13, Winter 1986, pp. 77–94. It is known that there have **been** some individual incidents of this sort, but where systematic information can be obtained it shows that the greatest efforts in production have been achieved by those very peasants and small and medium farmers.
7. Cf: Vilas 1986, chapter 4, and also C. Maldidier and M. Merlet, 'El movimiento cooperativo, eje de la sobrevivencia de la revolution'—a document presented

to the 5th Nicaraguan Congress of the Social Sciences, Managua, October 1986.

8. Cf: on this subject, M. Ortega, 'La **reforma agraria** sandinista', in *Nueva Sociedad*, No. 83, May-June, 1986, pp. 17-23.
9. Ministerio de **Desarrollo Agropecuario y Reforma Agraria**, *Plan de trabajo. Balance y perspectivas para 1985* (MIDINRA, Managua, 1985).
10. We refer to the complex question of relations of reciprocity in the countryside. But the same situation presented itself in relation to private traders. They certainly exploited the peasants and small producers through prices, tied purchases, progressive indebtedness etc. But at the same time these traders supplied the peasants with a wide variety of products that were indispensable for their productive activity and the reproduction of their daily lives: tools, clothes, food etc. The disappearance of these merchants eliminated these mechanisms of exploitation which the producers had suffered, but it also provoked a deterioration in provision and supply in general.
11. That is that the heterogeneity of the demands and interests of the rural producers—a result of their spatial and social differentiation—occurs within a framework shared by those producers, which attributes to the rural world unity in the face of the state and the urban world in general.
12. This was a very widely held and deeply rooted view among technical and professional groups within the state. Consider for example, the following declaration made by the then Deputy Minister of Agricultural Development: 'As regards the peasantry as a productive unit capable of ensuring an expansive dynamic within the present conditions of our agriculture, it is not a viable alternative and should be seen as in need of transformation. Basically it should be integrated into the co-operative movement or into forms of production of special products in particular conditions; undoubtedly this will happen, though I cannot see it becoming significant.' See R. Coronel, 'Una estrategia para superar la dependencia y el subdesarrollo', in *Revolución desarrollo*, 2, July-September, 1984, pp. 9-15.
13. 'In Region VI (departments of Matagalpa and Jinotega) the terrain is more varied and the majority of the peasantry participated in the Sandinista revolution. That is where Pancasan, Bocay and **Zinica** are (three areas where the FSLN established guerrilla bases during the sixties and seventies). After the triumph, however, many comrades from the Pacific were sent there who did not understand those peasants. They called them "bourgeois" and "counter-revolutionary", and they began to harass them; at Pantasma, Yali and **Río Blanco** it reached extremes. That is why the counter-revolution found space to develop there. We are rectifying the situation now.' Daniel **Núñez**, President of UNAG, interviewed in *Pensamiento propio*, No. 30, January-February 1986, pp. 31-36.
14. The principal source of recruits for the contra is the **kidnapping** of peasants. After each incursion into Nicaraguan territory, the contra groups return to their Honduran bases with young people who are forced to remain in the camps, given a minimal training—framed in strongly religious, anti-Sandinista and anti-communist language—and obliged to participate in subsequent raids into Nicaraguan territory. On several occasions young men who were refusing to go were killed in the presence of the 'troops' as an example and a warning. Nevertheless, in the course of such raids some of the peasants recruited in this way have managed to desert. On the other hand, it is clearly the case that between 1981 and 1984 the contra did enjoy the covert collaboration of some elements of the rural population. There are no studies of this complex phenomenon, but this writer's impression is that local issues are usually crucial and that, in any case, the causes are individual reactions to abuses by local bureaucrats, political

errors and frustrated expectations. Kinship relations within the rural community also seem to have had a bearing; in many cases solidarity with a brother or a cousin in the contra proved stronger than the sense of solidarity towards the state or the revolution. On other occasions resistance to the conscription law led many peasants to see the contra as a means of escape, since their camps were in Honduras and thus outside the theatre of operations. The contra encouraged that idea and presented itself to the peasantry as the means whereby young men could get out of Nicaragua. Ironically, their opposition to the conscription of their sons into the Sandinista Popular Army led the peasants to deliver them into the hands of the recruiting sergeants of the contras. . .

15. It is interesting to note that the same decision was adopted in Mozambique in similar circumstances, and more or less at the same time. Cf: H.A. Campbell, 'War, reconstruction and dependence in Mozambique', in *Third World Quarterly*, October 1984, pp. 839-867.
16. Although it lies beyond the scope of the present essay it is worth pointing out briefly some of the basic differences between the Sandinista agrarian reform and other reform processes in the Western hemisphere. The drastic reduction in the *latifundia* sector contrasts with the agrarian reform process carried out by the Peruvian military government (after 1968); the emphasis on co-operative organisation distinguishes it sharply from the Bolivian agrarian reform of 1952; the ample space allowed for small and medium individual and family farms is in contrast to the Cuban agrarian reform, which concentrated on State farms; and lastly, the distribution of land occurred much earlier than in Mexico, where it was carried through during the Cardenas Presidency, that is, nearly a quarter of a century after the triumph of the Mexican Revolution. The 'dead-furrow' co-operatives are organised when a single farm is distributed among several families. The property is divided into various family plots separated simply by a furrow that is left unplanted (i.e. "dead"). The property is held in common as are some means of production; the use of labour is collective—everyone works on every plot. But every family is responsible for its own plot, for the quality of the harvest, and keeps what it earns.
18. C.M. Vilas, 'Revolutionary change and multi-ethnic regions: the Sandinista revolution and the Atlantic Coast', in CIDCA/Development Studies Unit, *Ethnicgroups and thenation-state: the Atlantic Coast of Nicaragua* (Stockholm: University of Stockholm, 1977), pp. 61-100.
19. See for example the declarations made by MISURASATA leader Brooklin Rivera in K. Ohland and R. Schneider (eds.), *National Revolution and Indigenous Identity* (Copenhagen: IGWIA, 1983).
20. See for example the recent declarations by a spokesman of the counter-revolutionary organisation UNO, 'We still have a bad image. We are losing the political, ideological propaganda war to the Sandinistas', in *The New York Times*, 22 January 1987, p. 5.
21. Cf: J. Briskley, 'CIA gives contras detailed profiles of civil targets', in *The New York Times*, 19 March, 1987. The targets mentioned include ports, bridges, dams and government buildings, which were built during the Somoza regime with assistance from American government agencies.
22. Cf: *The Tower Commission report* (New York: Bantam Books, 1987).
23. Cf: C.M. Vilas, 'Troubles everywhere: economic perspectives on the Sandinista Revolution', in R. Spalding (ed.), *The Political Economy of Revolutionary Nicaragua* (Boston: Allen & Unwin, 1986), pp. 223-246.
24. The taxation coefficient (percentage relation between government tax income and GDP) is the highest in Central America, growing from an average of 18.6 per cent in 1980-81 to an average 29.1 per cent in 1984-85 and slightly higher

in 1986. For the region as a whole, on the other hand, it rose from an average 11 per cent in 1980-81 to 12.2 per cent in 1984-85.

25. Cf: I. **Ellacuria**, 'Factores **endógenos del conflicto** centroamericano: crisis **económica y desequilibrios sociales**', in *Estudios Centroamericanos*, Managua, October 1986, pp. 856-878.
26. Cf: M. Conroy, 'External dependence, external assistance and economic aggression against Nicaragua', in *Latin American Perspectives*, No. 45, 1985, pp. 39-65.
27. This emerges clearly from the results of a research project carried out during 1986 by the School of Sociology of the Universidad Centroamericana in Managua; cf: M. **Aleman et al.**, 'La estrategia de sobrevivencia de **los sectores populares** de Managua y el **impacto del mensaje económico** gubernamental', in *Encuentro*, No. 29, September-October 1986, pp. 47-83. On the effect of the problems of daily life and the impact of the reorientation of economic policy on modes of popular participation, **especially** the Sandinista Defence Committees, see **C.M. Vilas**, 'Mass organisations in Nicaragua: the current problematic and perspectives for the future', in *Monthly Review*, New York, 38 (6), November 1986, pp. 20-31.