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Consolidating democracy or stopping at polyarchy?
An evaluation of the Chamorro administration in Nicaragua (1990-1997)

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April 2003

Introduction

February 27, 1990 marked the beginning of discussions between the ruling Sandinista National Liberation Front (FSLN) and the incoming National Opposition Union (UNO) in Managua.¹ The initial encounter between outgoing President Daniel Ortega and President-elect Violeta Chamorro, the first since her departure from the 1979 provisional government, had occurred the evening prior at Chamorro's home. Nicaragua faced tremendous uncertainty about its economic and political future as the reins were to be turned over to the wife of slain national hero Pedro Joaquín Chamorro. Violeta Barrios de Chamorro had no experience in office. Even though the elections had proceeded with success under the watchful eyes of the international community and a fragile peace had been negotiated between the Sandinista forces and the U.S.-backed *contrarevolucionarios*, or Contras,² the public remained largely divided and both sides had yet to be demobilized. Still, the picture was one of great hope amid the destruction that over a decade of civil war had caused – physically, socially, and emotionally. Nicaragua in 1990 was isolated internationally by the fall of the USSR and the resulting economic crisis in Cuba. U.S. President George H.W. Bush was pushing for a hard-line neoliberal economic program and a complete de-Sandinization of the government. A crushing US\$11 billion foreign debt made immediate and tangible economic reform all but impossible. Although the Sandinistas had agreed to transfer executive power to the UNO and Chamorro, Sandinista loyalties pervaded all levels of government, especially the armed forces. This was the political and economic landscape at the time that Chamorro began talks with the FSLN.

The period from 1990 to 1997, the tenure of the Chamorro administration, presents a salient and unique case study in Latin American 'democratic consolidation', although as we shall see, this concept is problematic when applied to Nicaragua.³ It is difficult to evaluate objectively the

¹ These negotiations would result in the signing of two agreements: 'The Toncontin Accord for the Disarmament and Demobilisation of the Nicaraguan Resistance' (23 March 1990) and the 'Procedural Protocol for the Transfer of the Executive Power of the Republic of Nicaragua' (27 March 1990). The obstinacy of both sides and the resulting failure of pact-making as a requisite for effective democratic transition is well documented in Laura Nuzzi O'Shaughnessy and Michael Dodson's 'Political Bargaining and democratic transitions: a comparison of Nicaragua and El Salvador.' (*Journal of Latin American Studies*, February 1999, 31: 99.)

² The Contras, an ad hoc politico-military organization of former National Guardsmen, disaffected Sandinistas, and moderates taken from all sectors of the opposition, received funding (although such aid was only intermittently approved for *military* use by Congress) from the United States covertly through the Central Intelligence Agency (CIA) or overtly through the National Endowment for Democracy (NED). The now famous secret diversion of funds from illegal Iranian arms sales by Lieutenant Colonel Oliver North to the Contras continued the U.S. support to the Contras after Congress explicitly prohibited such aid.

³ This essay does not view the 1990 regime transition as a "transition from authoritarian rule" that would necessitate examination of the processes that culminated in open elections. Rather, I will show that elections were imposed externally and that the burden of democratic consolidation lay on the Chamorro administration and was not intrinsic to the occurrence of elections in 1990. Thus,

performance of the decade-long tenure of the FSLN, since the government had civil war thrust upon it even as Sandinista tanks rolled into Managua's Plaza Central in 1979. The process of democratic consolidation in Nicaragua began long before the 1990 election, however. The purpose of this paper, then, is to evaluate the Chamorro administration in terms of the degree to which it furthered or inhibited the progress of democracy. I use two differing interpretations of progress toward "democracy" in order to objectively advance my assessment of the administration and place it in a theoretical context. First, the essay is broadly organized according to criteria that represent the dominant democratization paradigm. Put forth by Larry Diamond, Jonathan Hartlyn, Juan J. Linz, and Seymour Martin Lipset in *Democracy in Developing Countries: Latin America*, they are:⁴

- Historical legacies, paths, and sequences
- State structure and strength
- Political institutions
- Political leadership
- Political culture
- Socioeconomic development and economic performance
- Civil society and associational life and
- International factors.

Second, I contrast these criteria with an approach that is deeply critical of the assumption that democracy is in fact being "strengthened". Instead, I will argue that changes in governance that occurred in post-revolutionary Nicaragua resulted in the development of "polyarchy", a concept introduced by Robert Dahl. The notion of "relatively (but incompletely) democratized regimes...that have been substantially popularized and liberalized"⁵ constitutes a better yardstick by

conclusions such as those put forth by Guillermo O'Donnell and Philippe C. Schmitter in *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies* (The Johns Hopkins University Press, 1986) would not be appropriate in the Nicaraguan case.

⁴ Diamond, Larry, Jonathan Hartlyn, Juan J. Linz, and Seymour Martin Lipset, eds. *Democracy in Developing Countries: Latin American, Second Edition*. Boulder, Co.: Lynne Rienner Publishers, 1999. In my analysis, I will dispense with the otherwise important criterion of "inequality, class, and other cleavages". The existence of sharp inequalities in social standing and income resulting from a colonial past has been well documented in all of Latin America. The widespread cleavages in Latin American society that are particularly acute in Nicaragua (before and after the 1990 elections) have enjoyed adequate articulation in the discourse of regime transition and democratic consolidation in Latin America. Therefore, I choose to focus my essay on the remaining sources of democratic progress and failure according to Diamond, et al.

⁵ Dahl, Robert A. *Polyarchy: Participation and Opposition*. New Haven: Yale University Press, 1971. p.7.

which to judge the Chamorro administration than the Diamond et al. standards. While Dahl originally meant the term “polyarchy” as a positive contrast to “closed hegemonies” which had little or no public contestation, it has subsequently come to connote a system in which “a small group actually rules and mass participation in decision making is confined to leadership choice in elections carefully managed by competing elites.”⁶ Using the same categories (Diamond et al.), I will analyze their potential for creating polyarchical forms of governance conditions (as put forth by Dahl).⁷ I will advance the following arguments:

- that the Chamorro administration in Nicaragua was able to introduce procedural and normative aspects of democracy to a greater degree than the Sandinistas in the period 1986-1990, and that these improvements evidence the “consolidation of democracy” within the dominant democratization paradigm;
- that the administration arrived at a form of governance that is resistant to further popular contestation and participation—a polyarchy;
- that political liberalization and inclusiveness within Nicaragua since the Chamorro administration have worsened in varying degrees to this day owing to the construction of a polyarchy during the early 1990s;
- that a variety of internal and external factors brought polyarchy into existence, the most important of these being the new type of intervention in Nicaraguan politics that the U.S. practiced preceding and during regime transition.

My evaluation has several limitations. Because it attempts such a broad survey over a long period while taking into account the full spectrum of political actors involved, the text necessarily focuses more on some aspects than others. In addition to the limitations of my own analysis, the body of literature dealing with post-revolutionary Nicaragua is scarce compared to that dealing with

⁶ Robinson, William I. ‘Nicaragua and the World: A Globalization Perspective.’ in Walker, Thomas W., ed. *Nicaragua without Illusions: Regime Transition and Structural Adjustment in the 1990s*. Wilmington, Delaware: Scholarly Resources, Inc., 1997. p.23.

⁷ Dahl, 202.

revolutionary Nicaragua (owing to a variety of factors) and most of it is highly critical of economic neoliberalism (Phillips 1998), seemingly nostalgic of FSLN rule (Walker 2000), and deeply cynical of the liberal peace that followed regime transition (Escobar 1995). Furthermore, the authors vary widely regarding the emphasis they place on the role of U.S. intervention in the 1990 elections and throughout the decade. Some allege that U.S. “intervention” was the sole determinant of Nicaraguan polyarchy while others acknowledge the part of the U.S. while pointing to an abundance of internal decisions and processes that lead to the fall of the Sandinistas. The latter suggest that a realization among Nicaraguans that low-intensity military opposition to the regime would not end until they elected a regime favorable to the U.S. contributed to the legitimate election of Chamorro in 1990. I traveled to Nicaragua as part of a geographical research assistantship in January 2003, a brief examination that permitted me a cursory glance at the economic and political situation. I use data collected from my many interviews and observations solely as background information, to generalize where more concrete material is presented, or to support claims that have been made by others or suggested empirically by research requiring a higher methodological integrity.

First, I will define the Nicaraguan democratic imperative, democratic consolidation, and ‘polyarchy’ and terminology implicit in understanding it. Second, I will outline the short-term historical context from the beginning of the Somoza dynasty to the 1990 peace agreement in order to give the reader a sense of the Nicaraguan collective consciousness at the time of regime transition. Third, I will evaluate the Chamorro administration’s performance in furthering democracy according to the two democratization paradigms presented previously. Fourth, I emphasize the internal and external factors that brought about polyarchy, providing a research agenda for further study of succeeding tenures of the Nicaraguan presidency. Last, I will reflect on the role that polyarchy plays in the articulation of a new set of relations between the global North and South and how the Nicaraguan case vividly illustrates this “liberal world system”.⁸

⁸ Duffield, Mark. *Global Governance and the New Wars: The Merging of Development and Security*. New York: Zed Books, 2001.

Collecting definitions of 'democracy'

Diamond et al. identify the process of democratic consolidation as the processes by which "political leaders, parties, social organizations, and the mass public come to manifest both an attitudinal, or normative, and a behavioral and constitutional commitment to democracy, and to its rules and restraints. While democratization is an ongoing process and very few would argue that "full democracy" exists anywhere in the world, Nicaragua will have taken significant steps in that direction by fulfilling the procedural minimal, achieving distributive justice to the satisfaction of the electorate, ridding itself of direct U.S. intervention in its politico-economic affairs, and allowing for mass instead of limited participation in all realms of decision making.

At the lowest level, Robert Dahl's 'procedural minimal' classification of democracy emphasizes a bare institutional and behavioral minimum that needs to be fulfilled:⁹

- Control over government decisions about policy is constitutionally vested in elected officials;
- Elected officials are chosen in frequent and fairly conducted elections in which coercion is comparatively uncommon;
- Practically all adults have the right to run for elective offices in the government...;
- Citizens have right to express themselves without the danger of severe punishment on political matters broadly defined...;
- Citizens have a right to seek out alternative sources of information... [and];
- Citizens also have the right to form relatively independent associations or organizations, including independent political parties and interest groups.

According to Diamond et al., "democracy must come to grips with the substantive problems confronting the society, and in Latin America this means poverty and inequality."¹⁰ In other words, the 'procedural minimal' guidelines do not suffice for Nicaragua, where the Sandinistas' initial legitimacy was linked in large part to their efforts to correct imbalances in resource distribution. The concept of "distributive justice" pioneered by John Rawls¹¹ adds to our understanding of the

⁹ Dahl 1982, 11.

¹⁰ Diamond, 5.

¹¹ Rawls, 45.

Nicaraguan democratic imperative. Rawl's theory serves as a useful critique of key assumptions contained in the "democratic consolidation" paradigm. That is, institutional and behavioral aspects of democracy that the Chamorro years may have embodied under the Diamond et al. criteria may fail to address the need for social equality implicit in "distributive justice"- the "allocation of wealth and income across a population."¹² This liberal conceptualization of democracy makes a case for the equal distribution of all social primary goods – "liberty and opportunity, income and wealth, and the bases of self-respect". While linking the equal provision of such goods as fundamental to a basic understanding of democracy is a radical notion, ethicists have long sought to establish that democratic governance implies more than simply providing "equality of opportunity."¹³

As for the democratic imperative in Nicaragua, I suggest that oligarchy (under the various Somoza regimes), centralist democratic socialism (under FLSN rule), and a long-lasting low-intensity civil war of attrition (the Contra War) have all caused in the mass public a collective realization that political disputes are best resolved at the polls. The respective evolutions of the FSLN and Contras from fringe terrorists to mainstream political parties further this assumption. The faith that people have shown in elections in the last three rounds (1990, 1996, 2002) – despite a history of rigging, coercive methods, and foreign intervention – suggests that democracy is widely accepted as the only legitimate means of governance. Additionally, the steady and unyielding proliferation of civil society organizations during the early 1980s and throughout the 1990s points to a legitimization of democracy and a rejection of authoritarian forms of rule.

A historical context of regime transition

Beginning with the removal of the U.S. Marines from Nicaragua and the subsequent insertion of the brutal National Guard in their stead, Anastasio Somoza García took office on January 1, 1937. Setting the precedent for his two successors, the first Somoza had Augusto Cesar Sandino, the Nicaraguan hero responsible for the expulsion of the Marines, assassinated. What followed were a tight reign on the military, close ties to Washington, and a drive to acquire all the means of production within Nicaraguan society.¹⁴ By 1979, the Somoza dynasty owned hundreds of private

¹² Rawls, 24.

¹³ Daniels, Norman. *Just Health Care*. New York: Cambridge University Press.

¹⁴ Walker 1997, 3.

enterprises directly, ranging from plantations to automobile dealerships.¹⁵ The government made no attempts at economic structural adjustment during the entire period, preferring the agro-export model as a means of sustaining the kleptocracy. Upon Garcia's assassination in 1956, his eldest son, Luis Somoza Debayle, took power and continued to rule in much the same way until 1967, when the most brutal of the three, Debayle's younger brother, Anastasio Somoza Debayle, assumed the presidency.¹⁶

Although the role of the FSLN in the 1979 popular movement that overthrew the Somoza regime is much contested, three points are obvious. First, the Sandinistas, who had emerged from relative obscurity when they met with Cuban President Fidel Castro in 1967, actively catalyzed the public sentiment against the regime which was created by the death of Pedro Joaquin Chamorro in 1978.¹⁷ Second, although many Sandinista leaders were in exile during the years leading up to the final takeover, they were instrumental in debasing the regime.¹⁸ Third, the FSLN enjoyed broad popular support as its tanks rolled into Managua on July 19, 1979. ¹⁹ The revolutionary provisional government at its formation also widely was accepted as legitimate.

The first half of Sandinista rule, from 1979 until 1984, was characterized by Marxist oriented but pragmatically based economic and social policies. Among the more popular of these reforms were a land redistribution program, the nationalization of key industries expropriated from the Somoza family, an expensive social welfare program for the rural poor, and an extensive literacy initiative. Some (perhaps well-intended) domestic and foreign policies had the effect of alienating Nicaragua internationally, plunging it into economic chaos at home, and terrorizing parts of the population.²⁰ Human rights abuses amid a more overt program of restricting political freedoms in the name of a national emergency are well documented. Much of government action was reactionary in that it was often formulated in response to crises that emerged as a result of either external influences or the failure of previous policies. The importance of the Civil War (1979-1990) in shaping the shared Nicaraguan historical experience during this period should not be underestimated. The extent of the

¹⁵ Walker 1997, 4.

¹⁶ Walker 1997, 5.

¹⁷ Walker 1997, 7.

¹⁸ Walker 1997, 7.

¹⁹ Walker 1997, 7.

²⁰ Walker 1997, 8.

threat posed by the U.S.-backed Contras to national security and regime stability is reflected in Sandinista rhetoric and the government's decision to turn to the USSR for economic and military support.

From 1984 on, the economy began a sharp decline provoked by the loss of loans from the World Bank and Inter-American Development Bank, influenced by the U.S. The 'Constitutional Period' that followed (1984-1990)²¹ was differentiated from the previous half decade by an economic freefall as well as an erosion of many of the popular social welfare programs. The Contra War was taking its toll. The United States showed no signs of diminishing military and so-called 'non-lethal' aid to the Contras during this period. Instead, the CIA increased its tactical operations against the Sandinista government, mining a harbor, mounting vast gray- and black-propaganda campaigns, and intensifying the quantity and unpredictability of Contra attacks up until the elections.²²

Historical legacies, paths, and sequences

The Nicaraguan experience under Spanish colonial rule was distinguished by a large-scale and successful subjugation of the local Indian population by the *conquistadores*. The presence of an exploited Indian underclass set the stage for the social order of the next four hundred years. Thomas Walker suggests that this historical legacy, dating back to the arrival of the Spaniards, has been the chief determinant of social upheaval in Nicaragua, as compared to neighboring countries such as Honduras and Costa Rica. This disparity in historical political stability is "no accident but rather the product of very different pathways in their social and political development,"²³ especially the racial makeup of the countries. A two-tier socioeconomic system dictated power relations until 1979. Nicaragua is also unique in the high degree of U.S. intervention that it experienced beginning in the mid-19th century, even as compared to its neighbors.

State structure and strength during the Chamorro administration

²¹ Walker 1997, 12.

²² Walker, Thomas W. 'Nicaragua: Transition through revolution.' in Walker, Thomas W. and Ariel C. Armony, eds. *Repression, Resistance, and Democratic Transition in Central America*. Wilmington, Delaware: Scholarly Resources, Inc., 2000. p. 78.

²³ Walker 1997, 1.

The assumption that democracy is reliant upon an “authoritative, effective state”²⁴ helps us evaluate the nature of state structure and strength in the period from 1990 to 1997. Furthermore, “the capacity of the state to maintain political order and, at the same time, a rule of law has been an important determinant of democratic stability.”²⁵ The transition from Sandinista to UNO rule in 1990 was marked by a unique tripartite historical moment. The fall of the USSR and subsequent overthrow of communism in Eastern Europe, the collapse of the Cuban economy, and the possibility of an end to U.S. economic sanctions all had tremendous implications for the nature and rate of reform in Nicaragua.

Economic intervention

The new UNO government gradually and systematically began to remove itself from many spheres of industry and commerce previously occupied by the bureaucracy of the FSLN government. As Diamond et al. have demonstrated, linking degree of economic intervention to democratization is a tenuous claim – European welfare states practice a high degree while the United States a lower degree.²⁶ The neoliberal economic program makes room for no such contestation, instead demanding rapid disjuncting of the public and private sectors. Although pragmatic neoliberal reform began under the Sandinistas, who were eager to raise capital to finance the Civil War, the Chamorro administration wholeheartedly adopted economic structural adjustment policies demanded by the U.S. Agency for International Development (USAID), International Monetary Fund (IMF), and World Bank (WB) international economic policy trio.²⁷ These are detailed in the section dealing with economic performance. The economic policy of the new regime was highly decentralized compared to the Sandinistas, allowing existing social programs to be undercut and refusing to provide a safety net for industry, small business, and farm production. Florence E. Babb helps us understand the problem of distinguishing between the Sandinista and UNO economic

²⁴ Diamond, et al., 15.

²⁵ Diamond, 16.

²⁶ Diamond et al., 17.

²⁷ A transnational elite made up of representatives from USAID and the IMF/WB often met in person to formulate the three aims that would form the nucleus of the Chamorro’s economic policy:

1. “[To] assure macroeconomic stability and juridical conditions for the operation of capital...
2. provide the human and physical infrastructure necessary for capital accumulation and
3. maintain social order” (Walker 1997, 26.)

programs.²⁸ While the tendency is to draw the line between Sandinista state-regulated socialism and UNO market capitalism, the market liberalization reforms of the FLSN in 1988 (driven by pragmatism and not linked to a broader neoliberal political agenda) demonstrate the complexity of such a distinction.²⁹ The key differences between the UNO and FSLN economic reforms were rhetorical and procedural. While the FSLN “promoted the distribution of available resources among the broad population,”³⁰ the UNO provided no such guarantee, to the great detriment of Nicaraguan society.

The military

The main crisis of state structure and strength was the debate over the future of the armed forces. The U.S. demanded a retributive transition in all sectors of the government that would have slowed the pace of national reconciliation by deepening existing rifts between the FLSN and UNO. President Bush called for a broad and immediate de-Sandinization of the Sandinista People’s Army (Ejercito Popular Sandinista, or EPS). Instead, in a move that gained her legitimacy and perhaps even made possible the peaceful transfer of power, Chamorro kept Humberto Ortega³¹, the FSLN general, as head of the defense forces.³² Following the elections, the EPS faced a crisis of mission. It was comparatively well trained and had amassed a wealth of military hardware from the Soviet Union, Cuba, and the Eastern bloc countries that had been used largely internally to contain the Contras.³³

The military’s gamble was this: would it agree to demobilize and take orders from the new government at the expense of not being able to resist effectively the Contras if they did not fulfill their end of the bargain by disarming?³⁴ In the end, Chamorro agreed to “respect the integrity and professionalism of the EPS and the public order forces, as well as their tasks, personnel registries,

²⁸ Babb, Florence E. ‘From Cooperatives to Microenterprises: The Neoliberal Turn in Postrevolutionary Nicaragua.’ in Phillips, Lynne, ed. *The Third Wave of Modernization in Latin America: Cultural Perspectives on Neoliberalism*. Wilmington, Delaware: Scholarly Resources, Inc., 1998. p. 109.

²⁹ Babb, 111.

³⁰ Babb, 111.

³¹ Federal Research Division, US Army. *Nicaragua: a country study*. Washington: GPO, 1994. p.80.

³² The administration of U.S. President Bill Clinton, when it decided to release aid funds to Nicaragua frozen by Bush, placed four conditions on their dispersal. Among these was the dismissal of Humberto Ortega, the last remaining conspicuous presence of the Sandinistas in the new government, as chief of the armed forces. (Walker, et al. 1997).

³³ Walker, 65.

³⁴ The threat of continued Contra resistance was real. There existed large divisions between the Contras’ political leadership that was in close contact to the U.S. and that negotiated the peace of 1990 and the high-level commanders in the field. (Kinzer 1991).

and commands, in accordance with the Constitution and the nation's laws."³⁵ The incoming government team had decided to follow one of the golden rules of transition: "[the armed forces'] institutional existence, assets, and hierarchy cannot be eliminated or even seriously threatened."³⁶ The wisdom of this dictum is evident in Nicaragua even though the armed forces were not responsible for widespread and systematic human rights abuses of the nature experienced under authoritarian regimes in Argentina or Chile. Finding a purpose for the military would be a chief concern of the new government. The army³⁷ was reduced in size from 80,000 to just over 15,000.³⁸ While the government promised pensions and even land for the discharged soldiers, it failed to live up to these promises in the end.³⁹ The effect on the urban centers was devastating: tens of thousands of young men trained in nothing but the science of counter-insurgency were now unemployed and homeless.

Political Institutions

The 1990 election was an experiment in party politics. In 1985, a U.S.-financed Contra candidate had run for the presidency, only to publicly renounce his candidacy shortly before the election citing a lack of sincerity on the government's part to conduct fair elections.⁴⁰ Political parties with clear platforms and a broad and defined social base were still new to Nicaragua. The UNO, also largely U.S. financed, was a delicate coalition of fourteen different political parties. Chamorro was chosen for her recognizability and universal appeal to the original ideals of 1979 evoked by the death of her husband. If a strong party system is essential to democracy, then even by the end of the Chamorro administration, one had failed to materialize.

The Parties

The UNO was especially weakened by political rivalries between Chamorro's close advisors in the executive branch and members of the various parties that constituted the UNO coalition in the

³⁵ Walker, 66.

³⁶ O'Donnell, Guillermo and Philippe C. Schmitter. *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*. Baltimore: The Johns Hopkins University Press, 1986. p. 69.

³⁷ The figures for the Army represent those for the military as a whole, excluding the National Police, because the Navy and Air Force are integrated parts of the Army. (Walker, 78.)

³⁸ Walker, 68.

³⁹ The burden that the neoliberal economic reform agenda placed on the new government's budget forced it to retract the crucial promise to provide land for former EPS soldiers. (Walker, 68.)

⁴⁰ Walker 2000, 75.: "Arturo Cruz, at the time a highly paid CIA asset with connections to the Contras, was employed to show apparent interest in running, campaign without formally registering, and then withdraw with great fanfare."

National Assembly. These fissures revealed the extent to which the organization was essentially an opposition party with no predetermined national strategy. Daniel Ortega, the FSLN president for over a decade, became the perennial FSLN candidate, having run in 1990 and presenting himself in 1996 and again in 2000. The FSLN philosophy when it was seeking power in the 1970s and in power during the 1980s had been “political pluralism, a mixed economy, and nonalignment.”⁴¹ From Ortega’s election night concession speech onward, the party was transformed from playing the role of ‘vanguard’ to that of loyal opposition, subordinating its political program (which had been largely discredited by the 1990 elections) to economic criticism of the new government. Not all members accepted this reversal of form and in 1995 the FSLN split in two.⁴² Among the more significant political parties that formed or were resurrected (from the pre-revolutionary past) in time for the 1990 elections or shortly thereafter (as post-election registrations) were the National Action Party (Partido Accion Nacional, or PAN- 1989), the National Conservative Party (Partido Nacional Conservador, or PNC- 1989), the Neo-Liberal Party (Partido Neo-Liberal, or PALI- 1989), the Liberal Constitutionalist Party (Partido Liberal Constutucionalista, or PLC- 1968), and Conservative National Action (Accion Nacional Conservadora, or ANC- 1992).⁴³ Kenneth M. Coleman and Stuart H. Douglas attribute the rapid proliferation of parties in post-revolutionary Nicaragua to “a lack of planning in a polity buffeted by external forces and in which freedom of political organization had been long denied.”⁴⁴

Constitutional features

The UNO government operated under the Nicaraguan Constitution of 1987 (until 1995, when it was revised), established by the FSLN.⁴⁵ The Constitution provided the legal parameters for the 1990 election and for the transition. Although elements of the Constitution’s text suggested allegiance to the Sandinistas, it was largely democratic, providing for elections and a mixed economy. Essential

⁴¹ Prevost, Gary. ‘The FSLN.’ in Walker, Thomas W. and Ariel C. Armony, eds. *Repression, Resistance, and Democratic Transition in Central America*. Wilmington, Delaware: Scholarly Resources, Inc., 2000. p. 153.

⁴² The offshoot of this division was the Sandinista Renovation Movement (Movimiento Renovadora Sandinista, or MRS). The split had begun much earlier, between rightist FSLN Vice President Virgilio Godoy and centrist President Daniel Ortega, and before even that during the formation of the FSLN. The former lead a group that supported dissolution of the revolutionary program while the latter still favored a socialist program. Furthermore, on the far left, some FSLN leaders refused to acknowledge the legitimacy of the 1990 election results. (Prevost, 159.)

⁴³ Coleman, Kenneth M. and Douglas Stuart H. ‘The Other Parties.’ in Walker, Thomas W. ed. *Nicaragua without illusions: Regime transition and structural adjustment in the 1990s*. Wilmington, De: Scholarly Resources, Inc., 1997. p. 165.

⁴⁴ Coleman and Stuart, 180.

⁴⁵ Federal Research Division, 147.

to determining the *de jure* boundaries of political leadership in any political society is the constitutional provisions of executive power. The 1987 Constitution outlined a powerful role for the president, who was commander in chief, appointer of all cabinet level positions, and creator of the national budget.⁴⁶ Part of Nicaraguan revolutionary law was decree-based, deriving legitimacy from the top on down, rather than from legislation enacted by elected representatives.⁴⁷ Similar to more established democracies, the government featured a unicameral National Assembly (an early change ratified by the Sandinistas), a Supreme Court (justices appointed by the president) which rendered decision on appeal, and an Executive Branch to which a Council of Ministers was responsible.⁴⁸ The Constitution is uniquely linked to the context of the 1980's, however: the most anti-democratic element is the power vested in the president during national emergencies.

Political Leadership

Her charisma propelled her to the forefront of Nicaraguan politics with the rise of the UNO, but Violeta Chamorro had long occupied a unique role in the national memory for her resignation from the ruling directorate in 1979.⁴⁹ By stepping down, she etched in the public's mind the picture of a principled and fearless leader. As president, she allowed a great degree of dissent and did much to dismantle the repressive internal security apparatus of the Sandinistas. Chamorro has been widely regarded as a moderate, although less so in the economic realm. Her political skills were put to the test by the economic and general political crises that transpired during her term. In response to neoliberal reforms that privatized industry and made commodity prices higher, both the private and public sectors experienced crippling strikes in the first half of the decade. The administration's response was slow and ineffective, as it had no strong ties to organized labor.

Political Culture

Nicaragua has always been characterized by a strong political culture, although it has not always been manifested through democratic institutions. Even during the worst of the Somoza years, *La Prensa*, the international-award-winning daily Nicaraguan newspaper, did not fear reprisal when it documented the regime's diversion of international relief aid following the 1972 earthquake that

⁴⁶ Federal Research Division, 147.

⁴⁷ Federal Research Division, 148.

⁴⁸ Federal Research Division, 149-150.

⁴⁹ Pastor, Robert A. *Not Condemned to Repetition: The United States and Nicaragua*. Boulder, Co: Westview Press, 2002. p.268.

destroyed Managua.⁵⁰ Widespread public demonstrations in 1979 long before it was clear that Somoza would fall and the U.S. would stop backing him are further evidence of a vibrant Nicaraguan political culture. Benign repression can often spawn an underground civil society of dissent. During the early Sandinista years, peaceful opposition was both widespread and overt. Many idealistic FSLN members welcomed this type of criticism.⁵¹ As national emergency and a narrowing of political power within the FSLN befell the nation, this dissent moved underground. Similarly, the Chamorro years saw a resurgence of activist political culture, a movement given further explanation in the section on civil society and associational life.

Socioeconomic development and economic performance

The most important judgment of the Chamorro administration – of its implementation of successful economic reform – would be passed by members of the FSLN anxious for public redemption of their program, opponents of the policymaking nucleus within the new government, and the international community. For its part, the administration espoused a particularly harsh brand of neoliberalism, given the country's condition. The Sandinistas had allowed for a mixed economy, with private enterprise functioning alongside the state industrial center.⁵²

The main features of Chamorro's neoliberal agenda were the privatization of industry, health care, and education, and the trimming of state-provided services, subsidies, and basic food packages.⁵³ The early 1990s saw the expansion of an informal sector and a rise in both unemployment and underemployment. The privatization of health care and other cuts in social protection dramatically worsened the predicament of the urban poor.⁵⁴ The unpopular Minister of Finance Francisco Mayorga implemented the "Plan of 100 Days", which had the effect of cutting the deficit and helping to lower inflation while increasing unemployment and increasing commodity prices.⁵⁵ By year's end, some one hundred state-owned companies, out of three hundred fifty, had been privatized. Additional early reforms included a substantial revision of the tax code and an

⁵⁰ Walker 1997, 5.

⁵¹ Walker 1997, 13.

⁵² Federal Research Division, 107.

⁵³ Federal Research Division, 111.

⁵⁴ Babb, 113.

⁵⁵ Federal Research Division, 107.

enhancement of the revenue collecting mechanism. The government lowered the tariff rate and the national income tax.⁵⁶

Nicaragua's foreign trade had previously been with Eastern Europe and the USSR – crops had not been diversified since the English, and Americans fought for control of the area: coffee, cotton, bananas, sugar, and beef. Almost immediately, trade with the U.S. increased, although not the levels expected by the administration. By 1990, Chamorro's government resigned itself to the possibility that it would have to abandon much of its market-reform agenda.⁵⁷ The general strikes made this fear a reality. To add to the quandary, 1992 brought a severe drought and a tidal wave on the west coast that devastated large portions of some farms.⁵⁸ Foreign aid was necessary and problematic. Nicaragua had to turn to the U.S., which hinged aid to further privatization, cuts in the military, and the cancellation of a diplomatically embarrassing 1985 International Court of Justice damage suit against the U.S. (*Nicaragua v. United States of America*) regarding support for the Contras as a violation of international law.⁵⁹

The burden of external debt precluded the possibility of allowing budget errors or further crises to occur. When the administration took power, Nicaragua was the most indebted country in Central America with a total of US\$10.6 billion owed to the USSR (\$4 billion) and to Western nations and international organizations (\$6 billion).⁶⁰

Civil society and associational life

The popular-sector organizations that form the civil society and associational life of Nicaragua have been shaped by the depoliticizing experience of *Somocismo*, the corporatism of *Sandinismo*, and the ideological reorientation and relative depoliticization impressed upon them by the Chamorro administration. O'Donnell and Schmitter document the process by which authoritarian regimes depoliticize civil society organizations by removing forums of free expression. Thus, "by trivializing

⁵⁶ Federal Research Division, 107.

⁵⁷ Babb, 114.

⁵⁸ Federal Research Division, 118.

⁵⁹ In 1985, through the International Court of Justice, Nicaragua filed a "Case concerning military and paramilitary activities in and against Nicaragua" and demanded reparations in *Nicaragua v. United States of America*. Among other charges, Nicaragua cited the United States' "mining of ports, attacks on oil installations...overflights, [and] support of armed bands opposed to the government [of Nicaragua]" as evidence of illegal activity that justified monetary compensation.

⁶⁰ Federal Research Division, 119.

citizenship and repressing political identities, authoritarian rule destroys self-organized and autonomously defined political spaces and substitutes for them a state-controlled public arena in which any discussion of issues must be made in codes and terms established by the rulers.”⁶¹ During the overthrow of the Somoza regime and the early part of revolutionary rule by the FSLN, mass organizations (peasants, labor, women, and youth) were largely devoted to supporting the goals of the FSLN as a fighting force and were thus highly mobilized.⁶² Under the Sandinistas, the various grass roots organizations’ agendas⁶³ were subordinated to the government’s socioeconomic development plan. Erica Polakoff and Pierre La Ramée document how “Nicaraguans grew disenchanted with the mass organizations for their apparent inability to help them meet their most pressing and immediate needs, and participation in all of these organizations declined.”⁶⁴

The intentional path that the Chamorro administration (guided by the U.S. government) followed in decentralizing the leadership of these and other groups and encouraging the adoption of a neoliberal political ideology is a process I will characterize as ‘ideological reorientation and subtle depoliticization.’ With the depoliticization process, the administration intended to create a void which neoliberalism would fill. More on the international influence of such a process is detailed in the section on ‘international factors.’ The goal of this depoliticization was the “legitimation of a neoliberal social order...eroding the revolution’s value system.”⁶⁵ The Chamorro administration’s fundamental alteration of the nature and organization of civil society was one of the many factors that led to the intentional formation of a polyarchy, as I will demonstrate later on. The most tangible aspect of the government’s attempt to depoliticize civil society was the move to replace Sandinista textbooks with new ones. Some began with the Ten Commandments and asserted the “disgrace” of divorce, referred to abortion as “murder”, and emphasized the meaning of “obedience to parents and legitimate authorities.”⁶⁶ In all sectors of civil society, the attempt to purge “the libertine philosophy of the Sandinistas” from the founding charters and membership lists of organizations

⁶¹ O’Donnell and Schmitter, 48.

⁶² Polakoff, Erica and Pierre La Ramée. ‘Grass-Roots Organizations.’ in Walker, Thomas W., ed. *Nicaragua without illusions: Regime transition and structural adjustment in the 1990s*. Wilmington, De: Scholarly Resources, Inc., 1997. p. 185.

⁶³ The main civil society organizations in early revolutionary Nicaragua were the Sandinista Defense Committees (CDS), the Luisa Amanda Espinosa Women’s Association (AMNLAE), the Sandinista Youth (JS), the Sandinista Workers’ Central (CST), and the Rural Workers’ Association (ATC) (Polakoff and La Ramée, 185).

⁶⁴ Polakoff and La Ramée, 185.

⁶⁵ Robinson, 32.

⁶⁶ Robinson, 32.

was government policy.⁶⁷ Most of grass roots organizations retained their militancy, however.⁶⁸ This was evidenced by the success of two consecutive national strikes protesting neoliberal reforms imposed by the new government.⁶⁹

International factors

Most important to our understanding of how and why a polyarchy was imposed on Nicaragua is the detailing of U.S. intervention during the Chamorro campaign leading up to the 1990 elections and the subsequent pressure applied by the aforementioned international economic policy trio (USAID, IMF, and WB) in the early years of post-revolutionary Nicaragua (1990-1997). The fundamental question about the legitimacy of the 1990 elections is whether the Nicaraguan people actually supported Chamorro's reformist message or simply resigned themselves to any candidacy that would end the low-intensity conflict being conducted by the United States. While some (Walker 1997) have put forward the theory that U.S. action in Nicaragua during the 1980s represents an emerging international (or at least regional) doctrine of covert or semi-covert regime change, there is little evidence to suggest that the formula applied to Nicaragua, which proved to be politically damaging (within the U.S.) and ineffectual in the short-run, is being applied elsewhere. Furthermore, the funding of insurgents and foreign election manipulation have been used in the past by the U.S. in other parts of the world. Earlier, I summarized the involvement of the U.S. in supporting overtly and covertly the Contras throughout the 1980s. A variety of domestic factors led to the abandonment of this policy. The U.S. intervention in Nicaragua did not end with the prospect of open elections. On the contrary, the U.S. began a concentrated effort to influence the election outcome in favor of the opposition. William I. Robinson maintains that five goals drove the shaping of the opposition under Washington's tutelage:⁷⁰

1. "[T]o dismantle...the partial transformation of property relations in favor of the popular classes...the revolution's juridical structure, and its military apparatus;
2. [T]o reconstitute a propertied class and a political elite under the leadership of New Right technocrats tied to the internationalist capitalist order...;

⁶⁷ Robinson, 33.

⁶⁸ The militancy of Nicaraguan grass roots organizations owes much to the vertical structure of leadership and the instruments of advocacy used by these groups, including strikes, marches, and other demonstrations. (Robinson, 31.)

⁶⁹ These strikes, in May and June 1990, respectively, forced the government to compromise on the extent of some of the privatization of the public sector. (Robinson, 31.)

⁷⁰ Robinson, 30.

3. [T]o construct a neoliberal state;
4. [T]o [penetrate] Nicaraguan civil society and [construct] a counter-hegemony to that won by the Sandinistas therein; and
5. [T]o oversee the reinsertion of Nicaragua into the global economy and tie internal social order to transnational order.”

We shall see in the next section how these goals inevitably contributed to polyarchy. For now, we will content ourselves with examining the degree to which the U.S. directly attempted to bring about these outcomes. The U.S. promoted regime change in Nicaragua through a number of different agencies, including the “AID’s Center for Democracy and Governance, the National Endowment for Democracy (NED), and new agencies in the Department of Justice and Defense, among others.”⁷¹ As political insider Robert A. Pastor’s book *Not Condemned to Repetition* documents, former U.S. President Jimmy Carter and his Council of Freely-Elected Heads of Government [election monitoring foundation] were instrumental in reaching an agreement between the Bush administration and President Ortega regarding the disarmament of the Contras in exchange for an assurance of free and open elections.⁷² At first, the Bush administration was hesitant to set even broad parameters for such an accord, since mutual suspicion had characterized Washington-Managua relations for over a decade.⁷³ The U.S., by cutting off aid to the Contras, was betting on the fact that “free and open” elections would bring about the desired outcome, the ousting of the FSLN. President Bush qualified his promise to Carter that the U.S. would not mount any covert campaign to undermine the FSLN during the campaign by saying that “I can’t rule it out in the future if the Sandinistas were to try to overthrow the process.”⁷⁴ Overt aid to opposition “in accordance with Nicaraguan law” was to be funneled through the National Endowment for Democracy. The U.S. Congress appropriated US\$9 million for the 1990 elections, with \$1.8 million going to the UNO.⁷⁵

⁷¹ Robinson, 27.

⁷² Pastor, 243.

⁷³ U.S. Secretary of State James Baker III told Carter and Pastor: “It would be better to separate elections from the repatriation/contra issue.” (Pastor, 243.)

⁷⁴ Baker added that “[t]he administration has no intention of sending covert aid to Nicaragua; it would be counterproductive.” There is also considerable evidence that the U.S. was seriously concerned with the possibility of Soviet aid to the FSLN during the campaign, as both Bush and Baker made sure that Carter would compel Ortega to reveal his sources of foreign campaign funding. (Pastor, 244.)

⁷⁵ Pastor, 244.

There is no question as to the efficacy and benevolent nature of the Carter Center's election monitoring in Nicaragua. Pastor, who enjoyed a high degree of personal involvement during the whole affair, treats the intervention of the U.S. government in the election rather lightly in his account, all the while giving due praise to the FSLN for "playing by the rules." What he ignores is that the FSLN was made to play by rules that overwhelmingly favored the U.S.-funded UNO. The magnitude of U.S. campaign contributions did not make for a level playing field. The UNO outspent the FSLN in the 1990 campaign by three to one.⁷⁶ In addition, President Bush sent signals that only a UNO victory would guarantee an end to support for the Contras. The administration's implied threat that Contra activity would resume if the elections were in any way corrupted placed high stakes on the people's choice for president. The U.S., in shaping international opinion, defined that choice as one between continued tyranny or immediate democracy and peace. Through the AID and NED, the U.S. dispersed a US\$541 million aid package for the newly "democratic" country.⁷⁷ Thus, the elections, although procedurally open and fair, were in reality framed in such a way as to ensure a predetermined outcome.

Conceptualizing Nicaraguan polyarchy

If I find the "consolidation of democracy" during the Chamorro administration to be problematic, it is because I consider, along with many others, that post-revolutionary Nicaraguan political society exhibited many of the characteristics of a polyarchy. The importance of qualifying Nicaragua's placement in the global column of "democracies" and the subsequent neglect from the international community that this designation implies is central to examining the concept of polyarchy. The empirical evidence suggesting the emergence of key elements of democracy and the negation of others during the Chamorro administration thus far has been organized along the sources of "democratic progress and failure" given by Diamond et al. (i.e. historical legacies, state structure and strength, political institutions, etc.).⁷⁸ Using these same broad categories, which correspond to a large degree to those "conditions favoring polyarchy" according to Robert Dahl (i.e. historical

⁷⁶ Pastor, 244.

⁷⁷ Robinson, 31.

⁷⁸ Diamond et al.

sequences, socioeconomic order, subcultural pluralism, etc.),⁷⁹ I will show how polyarchy formed in Nicaragua during the Chamorro administration.

Several authors have criticized the official U.S. view that the 1990 elections marked the liberation of the Nicaraguan people from what Chamorro termed a “dictatorship”⁸⁰ and the insertion of a true democratic regime. They can be divided into two camps: the globalists (although articulating different versions of the development discourse) and the U.S. domestic conservatives. The globalists see the transformative powers of a globalized capitalist economy as the cause of internal structural changes within Nicaragua.⁸¹ Conservative censure of U.S. policy in Nicaragua following the 1990 elections focuses on the failure of true democracy to come about in Nicaragua as a renewed threat to U.S. interests.⁸² The existence of consensus among both camps, with their vastly different audiences and viewpoints, on what Nicaraguan political society is *not*, persuades me of the emergence of limited democracy, or polyarchy, constructed by the Chamorro administration in conjunction with the USAID/IMF/WB trio. In this section, I will first outline both critiques and the implications of polyarchy on their respective constituencies (or audiences). Second, I will refine my earlier, more general definition of Dahl’s polyarchy. Third, I will attempt to place the information presented thus far into the table formulated by Dahl to facilitate the classifying of regimes as polyarchies. Last, I emphasize some aspects of the polyarchy table over others that remain of marginal importance in the Nicaraguan case.

The globalists place the internal politics of Nicaragua in relation to the phenomenon of “the penetration of peripheral states by the transnational elite through diverse direct and indirect mechanisms made possible by the structural power that global capital exercises over nation-states, particularly small peripheral ones.”⁸³ In short, procedural democracy exists to ensure the flow of capital into the periphery country as a consumer market and out of it as a source of cheap labor. The agent of such a phenomenon is the policy hegemony of economic liberal reforms, including the

⁷⁹ Dahl, 202.

⁸⁰ Chamorro, Violeta. *Dreams of the Heart*. New York: Simon & Schuster, 1996. Back cover.

⁸¹ The “globalization perspective” on regime transition and the motives behind the Chamorro government’s aggressive neoliberal policies are expressed in William I. Robinson’s ‘Nicaragua and the World: a Globalization Perspective.’ in *Nicaragua without Illusions: Regime transition and structural adjustment in the 1990s* (Scholarly Resources, Inc., 1997).

⁸² Brown, Timothy C. *Causes of Continuing Conflict in Nicaragua: A View from the Middle*. Stanford: Stanford University Press, 1995.

⁸³ Robinson, 27.

privatization and reduction of trade barriers undertaken by the Chamorro administration. This globalized capitalism, in contrast to previous forms of such “crony capitalism” practiced by the Somoza regime, “targets civil societies as the locus of hegemonic order and societal control, in tandem with efforts to influence states.”⁸⁴ I will examine this new global order further in the last section.

From the point of view of the U.S. national interest, the emergence of polyarchy is interesting because it reveals self-defeating flaws inherent in limited democracies. Timothy C. Brown, who characterizes post-revolutionary Nicaragua as a “patriarchal, non-democratic political system,” argues that the “primary aid beneficiaries...have been pro-Chamorro elite and the Sandinista senior cadre.”⁸⁵ While this last assertion may surprise some, the author is reacting to Chamorro’s decision not to completely de-Sandinize all ranks of government and the fact that many early U.S. aid payments went to paying debts owed by the FSLN.⁸⁶ As a threat to U.S. commercial interests and national security, the “intraelite” political society within Nicaragua perpetuates violence between the two sides (former Contras and current FSLN soldiers),⁸⁷ allows for the continued organizational vitality and political viability of the FSLN as political party, and scares away potential foreign investors because of the perception that the country is “unstable” because it is “undemocratic.”⁸⁸ Thus, both the globalization perspective and the U.S. domestic view of Nicaraguan politics yield a negative assessment of the post-revolutionary political society in Nicaragua, though owing to different reasons.

The Polyarchy Model

Robert Dahl, in *Polyarchy: Participation and Opposition*,⁸⁹ focuses on one key aspect of true democracy – the presence of “opposition, rivalry, or competition between a government and its opponents.”⁹⁰

⁸⁴ Robinson, 27.

⁸⁵ Brown, Executive Summary.

⁸⁶ Brown, 3.

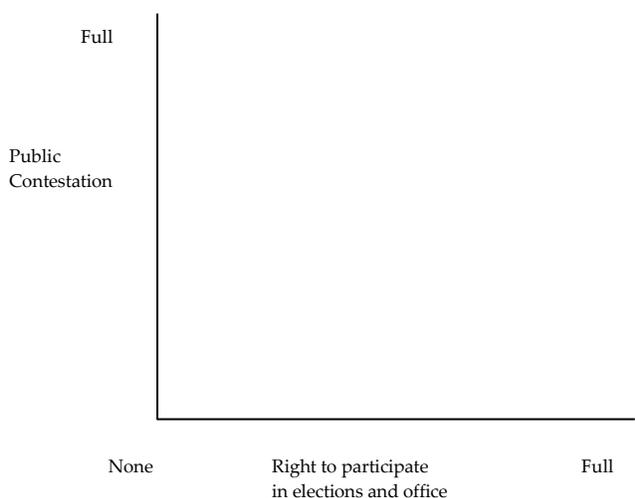
⁸⁷ Written prior to the 1996 elections, but still arguably a tenable position given the current state of affairs, Brown’s position points to the continued violence in the form of politically-motivated homicides of former Contras as well as remaining pockets of both armed camps operating in the geographical Northeast of Nicaragua. (Brown, 1-2.)

⁸⁸ Brown, 1-12.

⁸⁹ For a thorough treatment of the conditions favoring full participation versus polyarchy, the reader will refer to Dahl’s extensive writings on this topic.

Dahl conceives of an elaborate set of opportunities that must be available to citizens in a true, or “full,” democracy: the freedom to form and join organizations, the right to vote, eligibility for public office, free and fair elections.⁹¹ At first, many of these criteria seem to parallel those of the ‘procedural minimal’ definition of democracy, but full participation goes much farther along in the democratic continuum toward “rule by the people”. Although a full treatment of the Gramscian theory of the state’s coercive capacity is beyond the scope of this paper, I will briefly outline the concepts of hegemony and coercive versus consensual domination strictly as they relate to constructing Dahlian polyarchy. “Polyarchy, as distinct from authoritarian systems based on coercive domination, is a form of political organization based on consensual domination, or a Gramscian hegemony.”⁹² Whereas domination –preeminence over something– by coercion involves force, hegemony involves domination by a perverse form of consent (agreement without authentic choice). Dahl, characterizing democratic forms of governance as essentially competitive (in varying degrees), designs the following model to place various regimes.

Figure 1⁹³



The *x*-axis he calls “inclusiveness” and the *y*-axis “liberalization”. Making use of his earlier distinction between regimes as “closed hegemonies” (authoritarian), “competitive oligarchies”, or “inclusive hegemonies”, Dahl visually defines the liberalization and inclusiveness of *polyarchies* as follows.

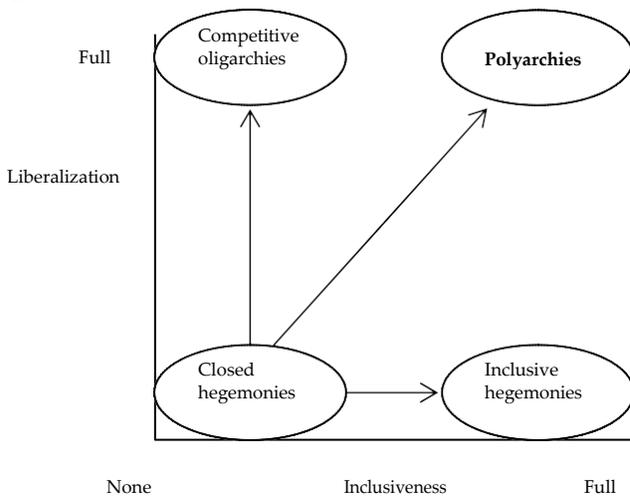
⁹⁰ Dahl 1971, 1.

⁹¹ Dahl 1971, 3.

⁹² Robinson, 23.

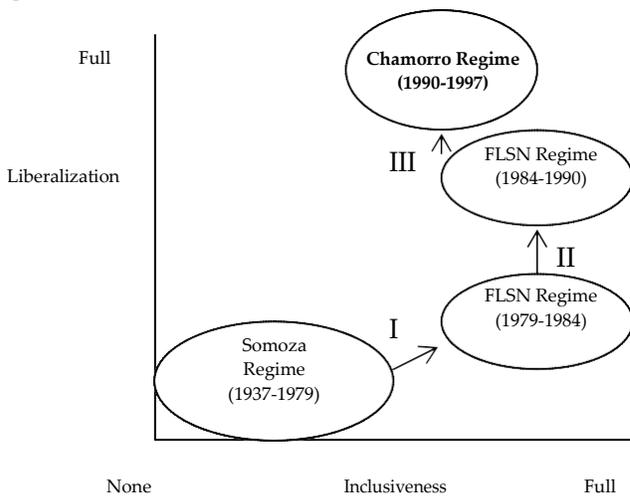
⁹³ Dahl 1971, 7.

Figure 2⁹⁴



We can situate Nicaraguan political society at different historical moments at different points in the model (figure 3).

Figure 3



Thus, while we can observe that the Chamorro administration falls critically short of fitting neatly within the traditional Dahlian polyarchy, we must note that it evidences key characteristics of the “limited democracy” conceptualization of polyarchy by which recent theorists have come to judge Nicaraguan political society. One of the fundamental critiques of the Dahlian paradigm –

⁹⁴ Dahl 1971, 7.

establishing polyarchy as a desirable goal of democratization— is the realization, substantiated by the recent histories of many developing world states, that the ability of regime opponents to “openly and legally organize into political parties in order to oppose the government in free and fair elections”⁹⁵ does not address other aspects of democracy that are seen as essential.

Table 1. Conditions Favoring Polyarchy in Nicaragua (1990-1997)⁹⁶

	Most favorable to polyarchy	Least favorable to polyarchy	Nicaragua (1990-1997)	Nicaragua (1984-1990)
I. Historical sequences	Competition precedes inclusiveness	Inclusiveness precedes competition		
II. The socioeconomic order				
A. Access to				
1. Violence	Dispersed or neutralized	Monopolized	Neutralized	Dispersed
2. Socioeconomic sanctions	Dispersed or neutralized	Monopolized	Neutralized	Monopolized
B. Type of economy				
Agrarian	Free farmers	Traditional peasant	State support went to larger farms	Traditional peasant
Commercial industrial	Decentralized direction	Centralized direction	More Foreign Direct Investment (FDI) led to decentralized industry	Although a mixed economy, most industry was highly-centralized
III. The level of socioeconomic development⁹⁷	High	Low	Higher	Low
IV. Equalities and inequalities				
1. Objective	Low, or Parity and dispersed inequalities	High: Cumulative and extreme	Low	Low
2. Subjective: relative deprivation	Low or decreasing	High or increasing	Low	High
V. Subcultural pluralism				
1. Amount	Low	High	UNO attempted to limit subcultural pluralism	High
2. If marked or high	None a majority None regional None indefinitely out of government	One a majority Some regional Some permanently in opposition	NA	One a majority (all controlled by FSLN)
VI. Domination by a foreign power	Weak or temporary	Strong and persistent	Indirect/temporary economic support for UNO government by the United States/IMF?WB	Strong and persistent U.S. support for the Contras
VII. Beliefs of political activists				
1. Institutions of polyarchy are legitimate	yes	no	yes	NA
2. Only unilateral authority is legitimate	no	yes	no	yes
3. Polyarchy is effective in	yes	no	yes	NA

⁹⁵ Dahl 1971, 1.

⁹⁶ The first three columns of this table are taken directly from Dahl's *Polyarchy: Participation and Opposition* (New Haven, 1971). p.202.

solving major problems				
4. Trust in others	high	Low	high	low
5. Political relationships:				
strictly competitive				
strictly cooperative	no	yes	no	yes
cooperative-competitive	no	yes	no	yes
	yes	no	yes	no
6. Compromise necessary and desirable	yes	no	yes	The FSLN did not initially want to come to the bargaining table with the Contras

Reflections on the role polyarchy in the “liberal world system”

I will now place Nicaraguan domestic politics in the global context of a radical development agenda of social transformation as portrayed by Mark Duffield, Manuel Castells, Arturo Escobar, and David Held et al.⁹⁸ Specifically, I will argue that the construction of polyarchical forms of governance in Nicaragua after 1990 is evidence of the principle of “liberal peace” that is a vital component of the new “liberal world system.” If the aim of liberal peace is “to transform the dysfunctional and war-affected societies that [the global North] encounters on its borders into cooperative, representative and, especially, stable entities,”⁹⁹ then Washington-Managua relations from 1990 to 1997 substantiate the claim of such a new world system. We have already seen how, during the Cold War, the U.S. viewed revolutionary Nicaragua as a threat to national security because of its geographical proximity to North America and the ties the FLSN enjoyed with Cuba and the USSR. The policy of supporting an armed insurgency to destabilize the FLSN was the result a distinct geopolitical discourse, the “domino theory”, which has since been replaced by the notion of liberal peace.

First, the “world system is no longer a necessarily expansive or inclusive.” Instead, Duffield and others have documented the sustained consolidation of existing trade patterns within core regions.¹⁰⁰ This has been paralleled by a securitized development discourse; the threat from such countries as Nicaragua is that of an “excluded South fomenting international instability through conflict,

⁹⁸ Duffield, 11.; Castells, Manuel. *The Rise of the Network Society (Vol. 1 of The Information Age: Economy, Society and Culture)*. Massachusetts and Oxford: Blackwell, 1996.; Escobar, Arturo. *Encountering Development: The Making and Unmaking of the Third World*. New Jersey: Princeton University Press, 1995.; Held, David and Anthony McGrew and David Goldblatt, and Jonathan Perraton. *Global Transformations: Politics, Economics and Culture*. Cambridge: Polity Press, 1999.

⁹⁹ Duffield, 11.

¹⁰⁰ Duffield, 2.

criminal activity and terrorism.”¹⁰¹ New North/South relations, furthermore, are characterized by a “hierarchy of concern” that places more importance on border areas than other regions.¹⁰²

Second, this new “liberal world system” has given way to “polyarchical, non-territorial an networked relations of governance.” It is to the first of these relations that I wish to speak. If states of the global South bordering states of the North (or ones in close enough geographically to act as conduits of drugs, immigrants, and revolution, such as Nicaragua) must be stable to be “included” by the North (receiving direct aid or favorable trade status), then polyarchical forms of governance which ensure such stability are essential to their survival.

In this paper, I have attempted to demonstrate the complexities of neatly placing Nicaragua in the column of democracies, instead showing how a variety of domestic and international actors brought about a form of limited democratic governance, polyarchy. Moreover, I have endeavored to provide my assessment of Nicaraguan governance drawing from a variety of analytical frameworks. In order to create sustainable economic development and democratic institutions based on broad popular support, Nicaragua will need to address issues of distributive justice, a massive external debt, and more openings for civil society.

¹⁰¹ Duffield, 2.

¹⁰² Duffield, 12.

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