

# NAVAL POSTGRADUATE SCHOOL Monterey, California



## THESIS

**IMPROVING REGIONAL SECURITY IN CENTRAL  
AMERICA: MILITARY ENGAGEMENT OPTIONS FOR  
NICARAGUA**

by

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June 2002

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**IMPROVING REGIONAL SECURITY IN CENTRAL AMERICA: MILITARY  
ENGAGEMENT OPTIONS FOR NICARAGUA**

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## **ABSTRACT**

Nicaragua plays an essential role in the stability and security of the Central American sub region. The de-stabilizing influence of Sandinista policies in the 1980s gave way to the possibility of a cooperative security community in the 1990s. However, border disputes and increased arms and drug trafficking have recently threatened the trend toward increased stability and sub regional security. Sub regional confidence-building measures adopted immediately following the election of Violeta Chamorro have collapsed in the last two years. This collapse of confidence-building measures has led to increased tensions between Nicaragua, Honduras, El Salvador, and Costa Rica. The U.S should promote Nicaraguan participation in regional confidence-building measures in order to reduce these tensions.

In addition, the relationship between the U.S. and Nicaragua is still strained from the policies of the Sandinista and Reagan administrations. Although relations have been normalized between the two countries, steps should be taken to expand the current passive relationship into a more active one. Confidence-building measures between the U.S. and Nicaragua will help to alleviate some of the strain between the two countries.

This thesis recommends U.S. involvement and participation in re-establishing confidence-building measures in the sub region. A perceived gap in U.S.-Nicaraguan civilian engagement could be filled through the implementation of a comprehensive military engagement plan. The use of confidence-building measures in military engagement will foster stability and security in the sub region and strengthen U.S.-Nicaraguan relations.

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# TABLE OF CONTENTS

<b>I. INTRODUCTION.....</b>	<b>1</b>
<b>A. PURPOSE OF THESIS.....</b>	<b>2</b>
<b>B. THESIS ARGUMENT .....</b>	<b>3</b>
<b>C. THE USE OF CONFIDENCE-BUILDING MEASURES .....</b>	<b>5</b>
<b>D. METHODOLOGY .....</b>	<b>7</b>
<b>II. U.S. POLICIES TOWARD NICARAGUA: THE ROOTS OF A TROUBLED RELATIONSHIP .....</b>	<b>11</b>
<b>A. U.S. POLICY 1980 TO 1988.....</b>	<b>12</b>
<b>B. U.S. POLICY 1989 TO 2001 .....</b>	<b>15</b>
<b>C. CURRENT U.S. POLICIES .....</b>	<b>17</b>
<b>D. SUMMARY OF U.S. POLICIES .....</b>	<b>18</b>
<b>III. NICARAGUAN SECURITY POLICY AND REGIONAL SECURITY .....</b>	<b>21</b>
<b>A. NICARAGUAN SECURITY POLICY 1980 TO 1990.....</b>	<b>21</b>
<b>B. POST SANDINISTA SECURITY POLICY 1990 TO 2001 .....</b>	<b>25</b>
<b>C. CURRENT SECURITY THREATS.....</b>	<b>28</b>
<b>D. SOLUTIONS TO NICARAGUA’S SECURITY THREATS .....</b>	<b>38</b>
<b>IV. U.S. ENGAGEMENT OPTIONS .....</b>	<b>47</b>
<b>A. BILATERAL OPTIONS.....</b>	<b>48</b>
<b>B. SUB REGIONAL MULTILATERAL OPTIONS .....</b>	<b>52</b>
<b>V. THE FUTURE OF U.S. ENGAGEMENT.....</b>	<b>55</b>
<b>A. INTEGRATION OF OPTIONS AND CBMS.....</b>	<b>55</b>
<b>B. RECOMMENDATIONS.....</b>	<b>58</b>
<b>LIST OF REFERENCES.....</b>	<b>65</b>
<b>INITIAL DISTRIBUTION LIST .....</b>	<b>71</b>

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## LIST OF FIGURES

Figure 1 Nicaraguan Arms Imports: 1979 to 1993.....	22
Figure 2 Total Number of Personnel in the Nicaraguan Military: 1979 to 1993.....	23
Figure 3 Nicaraguan Cocaine Seizures: 1992 to 1998.....	31
Figure 4 GDP per Capita: 1990 to 1998 .....	36
Figure 5 Income Distribution for Nicaragua: 1993.....	36
Figure 6 Analytical Framework for Recommending CBMs.....	41

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**LIST OF TABLES**

Table 1 Recent Natural Disasters.....33  
Table 2 Matrix of Options to CBMs to Threats .....58

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We cannot permanently adhere to the Monroe Doctrine unless we succeed in making it evident, in the first place, that we do not intend to treat it in any shape or way as an excuse for aggrandizement on our part at the expense of the republics to the south of us; second, that we do not intend to permit it to be used by any of these republics as a shield to protect that republic from the consequences of its own misdeeds against foreign nations; third, that in as much as by this doctrine we prevent other nations from interfering on this side of the water, we shall ourselves in good faith try to help those of our sister republics which need such help upward toward peace and order.<sup>1</sup>

Theodore Roosevelt, Chautauqua, New York, 1905

This problem has the peculiar difficulty of all problems in international relations. In such problems, with mutual confidence, everything can be accomplished; without mutual confidence, nothing. Therefore the common interest of all concerned depends upon establishing a condition of mutual understanding coupled with good-will and confidence. This is especially important where, as here, the differences between us and our Latin-American neighbors ...so easily make for misunderstanding.

Henry Stimson on U.S. – Nicaraguan relations, 1927.

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<sup>1</sup> Emphasis added by author.

## I. INTRODUCTION

Nicaragua has been the cornerstone for security in Central America for the past twenty years. It is geographically situated to dominate coastal sea borne traffic on both the Pacific and Atlantic inshore waters. It also dominates North-South land traffic on the Central American isthmus and has common borders with three of the other six Central American nations. Nicaragua also dominated the political environment of Central America during the 1980s. Its promotion of revolution and Marxist ideology destabilized the Central American sub region during that period. Difficult terrain along its borders allows armed insurgents to cross borders at will. This permeability of its borders was instrumental in the success of the Sandinista revolution and enabled the survival of the Contras. This permeability is again becoming a problem due to the presence of drug and arms traffickers in Nicaragua.

Recent border disputes with neighboring countries have threatened to erupt in open conflict. Regional confidence measures established following the end of the Sandinista regime in 1990 have collapsed. This collapse has led to increased tensions in the sub region, which have effectively stalled the development of a Central American Common Market (CACM). This has had and will continue to have a negative effect on the development of Nicaragua and the sub region unless these tensions are resolved in a manner acceptable to all nations involved confidence-building measures would provide an initial point for future resolution. The threats of armed groups, increased drug and arms trafficking, border disputes, and stalled development need to be reduced or eliminated in order to foster security and development in the sub region. Re-establishing confidence-building measures is critical to stabilize the region and to create a climate that will allow the reduction or elimination of these threats.

While Nicaragua's relationships with its neighboring countries have been problematic in the last twenty years, its relationship with the U.S. has been more so. The outright conflict in political ideologies between the U.S. and the Sandinista regime led to U.S. intervention just short of armed conflict. The Reagan administration's proxy war against the Sandinistas through the Contra forces created an environment of deep

animosity toward the United States. While relations have been improving since the Nicaraguan 1990 elections, more could be done to strengthen the relationship between the two countries and foster Nicaraguan economic and political ties with the U.S. The U.S. continues to remain involved in the Nicaraguan political process, most recently by opposing Daniel Ortega's candidacy for president in the 2001 elections. Sandinista supporters see this involvement as meddling in the affairs of their country. With arms and drug trafficking through Central America on the rise, closer ties will facilitate mutual interdiction efforts in the future. One way to strengthen relations would be the establishment of confidence-building measures between the U.S. and Nicaragua.

#### **A. PURPOSE OF THESIS**

This thesis promotes the need for U.S. engagement with Nicaragua with a focus on engaging in and promoting Confidence-building measures (CBMs). Throughout the 1980s Nicaragua was the cornerstone for regional stability and security (Wehr and Pfoser 1990). Insurgent forces tended to radiate out of or into Nicaragua from the three adjacent states. In the process, weapons, insurgent training, and destabilizing ideologies were exported or imported. The Sandinistas were supplied from Costa Rica and Honduras in the late 1970s. Insurgent movements in Honduras and El Salvador were supplied from Nicaragua in the 1980s. The Contras were supplied from El Salvador and Honduras during the same period. This tendency for permeable borders makes Nicaragua a key actor for regional stability.

Currently Nicaragua continues to be the cornerstone for regional stability and security. Although CBMs have enabled stability in the Central American sub region, recent maritime border skirmishes between Nicaragua and Honduras over the Gulf of Fonseca and Honduras' recognition of a Colombian claim on the San Andres Islands have threatened that stability. The resultant military mobilizations in both countries point toward a need for further measures. Additional border disputes with Costa Rica combined with the Honduran skirmishes have threatened to cause a sub regional trade war. Arms trafficking from Nicaragua through Costa Rica and Panama to Colombia have added further instability to the sub region. Perceptions of a potential arms race and increased

military expenditures have compounded the problems and led to a flurry of conflict-related statements and actions. These activities occurred during 1999 and 2000 and threaten the peace that was deepening throughout the 1990s.

Nicaragua is experiencing problems in development, which also threatens regional security. Although Nicaragua has had success with its democratic transition since 1990, the current economic situation and perceived exclusion of certain interest groups are causing domestic security problems, including both common crime and political violence. Given the history of Central America and the geographical situation of Nicaragua, domestic struggles can transcend borders and cause instability in the region. Sub regional migration and drug and arms trafficking may increase if the Nicaraguan economy worsens.

A review of current literature, periodicals, and policy focus reveals that Nicaragua is not a priority for U.S. foreign policy. The U.S. has typically applied policies for engagement only when Nicaragua has caused open regional conflict. Examples of this are the occupation in the 1930s and the Sandinista revolution in 1979. The last efforts that the U.S. made for a truly comprehensive engagement plan were the 1990 elections and subsequent demobilization of the Nicaraguan Army and the Contras. Since 1995, the only significant policy move was the signing of an investment treaty in 2000 (Clinton 2000). Nicaragua and its neighbors are still experiencing negative effects of the U.S. regional policies from the 1980s. The U.S. could influence regional stability and improve its image by strengthening ties with Nicaragua. The U.S. could further its national security goals of reducing drug and arms trafficking through establishing improved relations with Nicaragua.

## **B. THESIS ARGUMENT**

A comprehensive and continuous engagement plan is needed. Confidence-building measures should be an integral part of that plan and possibly could lead to a sub regional cooperative security community in the future. The establishment of such a community would ensure peace in the region as well as enhancing the regional capability to deal with border disputes, natural disasters, armed criminal elements, and arms and

drug traffickers. In order to determine which confidence-building measures will be most successful in promoting interdependence and stability, an analysis of Nicaraguan security threats is necessary. If confidence-building measures that enhance the Nicaraguan security goals are chosen, they will be much more likely to be adopted and sustained. This analysis should take into account current Nicaraguan perceived threats as well as historical and developmental threats. This thesis will outline a framework for this analysis and derive recommended CBMs from that framework. Those recommended CBMs will then be compared to the current U.S. engagement plan for Nicaragua to determine whether existing engagement policies meet the need for CBMs. If gaps in CBMs are identified, new measures will be recommended.

Comprehensive, threat-oriented confidence-building measures are needed not only between the countries in the region, but also between the United States and Nicaragua as through these measures, the lingering level of mistrust between the U.S. and Nicaragua can be overcome. In order to understand the need for these measures, some background of the relations between Nicaragua, the U.S., and the countries in the sub region is necessary. Since the U.S. and Nicaragua share similar goals in reducing trafficking and expanding economic integration, possible CBMs will be analyzed to determine the best possible measures to implement between the two countries. The strengths of military engagement lie in the capability to cooperate in reducing common threats and promoting trust between the U.S. and Nicaragua.

The recommendations for engagement presented in this thesis are based on a thorough analysis of current published Nicaraguan and United States policies. The framework for analyzing possible confidence-building measures is based on the idea that CBMs should be tied to mutual perceived threats. CBMs that are functional in terms of accomplishing mutual national security goals have the dual advantage of building trust while working toward those goals. They are also more attractive to implement, as mutual gains will be obtained through their implementation. The key to understanding the need for these measures lies in an understanding of the past role that Nicaragua has played in the region, as well as what the future could hold if engagement is not deepened.

### **C. THE USE OF CONFIDENCE-BUILDING MEASURES**

The U.S. promotes many types of military engagement through its theater Commander in Chiefs (CINCs), military attaches and Military Groups (MILGPs) within foreign countries. These military diplomats are used to engage the U.S. military and Department of State with foreign military and defense personnel. Military engagement takes many forms, but one of the more successful forms is that of promoting Confidence-building measures. Confidence-building measures (CBMs) are actions taken to lower tensions and reduce the likelihood for conflicts resulting from misunderstandings and mistakes made in foreign policy. They seek to make national defense activities transparent so that other countries are informed and aware of security policies and actions, and also seek to increase trust between countries. Examples of CBMs are:

- Establishing direct communication links between the governments and military organizations of separate states.
- Notifying neighboring states of pending military exercises, especially near sensitive border areas.
- Exchanging defense budgeting and modernization information.
- Exchanging personnel in training activities.
- Increasing contacts through multilateral military activities such as peacekeeping, regional forums, conferences, and disaster relief efforts.
- Establishing joint patrols for border areas or demilitarizing those areas (Child 1996).

CBMs were used extensively in Europe from 1919 to 1938, and between the U.S. and the Soviet Union from 1945 until 1989. The use of CBMs in Latin America became widespread in the 1990s. The publishing of defense strategy “White Papers” in the Southern Cone countries in the 1990s has been part of their movement toward a pluralistic security community (Kacowicz 1998). More recently, multilateral agreements

for disaster preparedness have been established in Central America (SIECA 2000). These agreements have fostered exchanges of military personnel, training exercises, participation in regional forums, and converging operations models between states in the region. The amount and quality of CBMs in Central America continues to increase since the first real CBMs were employed to end the wars in the region during the 1980s. Those initial efforts culminated in the Esquipulas peace plan, effectively ending the Nicaraguan civil conflict and providing for a stable demobilization process in the region.

In the latter half of the 1990s, the governments of the sub region appeared to be working toward a pluralistic security community.<sup>1</sup> However it may appear on the surface, sub regional border skirmishes and resulting tensions have forced Nicaragua away from many of the CBMs established in the 1990s. Since the border skirmishes, Nicaragua has refused to conduct joint patrols with Honduras, stating that the borders are well defined so there is no need for patrols. In addition, Honduras and Nicaragua are being evasive about their military expenditures and exchanges of information. The breakdown of CBMs shows that more are needed, and that instead of a cooperative security community, what really developed was an amalgamation of states' policies. In order for a true cooperative security community to develop, the states in the sub region need to be integrated rather than amalgamated.

The distinction is important. Integration makes states interdependent with the mutual expectation of shared economic gain; a successful Central American Common Market would promote regional integration. Amalgamation is the formation of organizations, associations, and political institutions without true integration (Kacowicz 1998). The creation of organizations such as the Secretariat of Central American Economic Integration (SIECA) has enabled cooperation between the countries in the sub region, but has not forced true interdependence and integration. Rather the countries are

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<sup>1</sup> A pluralistic security community is one comprised of member states that share common norms, values, and political institutions, and are deeply interdependent (Kacowicz 1998). The resurrection of the Central American Common Market (CACM) promoted interdependence, but the recent increase in tensions due to border disputes has prevented interdependence.

cooperating independently from a true regional community. In Central America we have seen the formation of organizations and associations, but the states are still not interdependent. Refocusing on CBMs is one way to increase that interdependence from a security perspective in order to set the stage for successful economic integration.

Confidence-building measures such as joint patrols and exchange of information promote trust between neighboring countries. This trust is crucial to deepen political and economic relations between nations. In Central America, this trust is also crucial to creating joint, multilateral efforts in the reduction of common security threats such as drug and arms trafficking, armed insurgent and criminal groups, and natural disasters. It is likely that multilateral efforts will increase interdependence and inter-reliance. For example, if neighboring countries are dependent on each other for joint border security and that dependence is rewarded by decreased drug and arms trafficking, they will be more likely to use multilateral approaches to other problems such as the elimination of criminal groups, mitigation of natural disasters, or cooperation in economic development.

#### **D. METHODOLOGY**

The method used for analysis is an interpretive case study of the relations between the U.S. and Nicaragua since 1979, the security goals of the U.S. and Nicaragua in the sub region, the use of confidence measures to establish improved relations, and recent U.S. engagement policies in the theatre. The analysis is qualitative rather than quantitative based on the difficulty of determining past outcomes of confidence-building measures during the turbulent periods of the 1980s and the post Sandinista transition. Past U.S. and Nicaraguan relations will be examined in order to establish the need for improved relations. The framework for analysis will use a systematic approach to relating threats to security goals, and then security goals to confidence-building measures. This framework focuses on the key common threats in the sub region as identified by the U.S. and Nicaragua. The security goals promoted by Nicaragua are then matched with confidence-building measures that will facilitate their achievement. Once the framework is used to establish linkage between the threats, security goals, and confidence-building

measures, U.S. engagement options will be examined to determine the best possible set of options that will facilitate the achievement of both U.S. and Nicaraguan security goals.

A wide range of source material is available on the topic of U.S. and Nicaraguan relations due to the long history of U.S. involvement in that country. The 1970s and 1980s generated voluminous amounts of scholarly work on the Sandinista revolution and the covert and overt U.S. actions to contain that revolution. English and Spanish language sources from both the U.S. and Nicaragua were used to include popular works, detailed policy analyses, and economic analyses. Sub regional and U.S. periodicals and newspapers were also used to provide a more detailed examination of specific actions between the U.S., Nicaragua, and the other countries in the sub region. While the literature covering the 1990s and the Nicaraguan transition to democracy is not as rich as that of the 1980s, many Spanish language sources exist covering security policies, confidence-building measures, and military engagement. These sources coupled with the large amount of published work on U.S. military engagement in the 1990s allows a deeper look at recent policies and events pertinent to the subject examined by this thesis.

## **E. THESIS STRUCTURE**

Chapter II reviews U.S. policies and relations toward Nicaragua since 1980 and establishes the need for deeper engagement between the U.S. and Nicaragua. Deeper engagement is necessary in order to overcome the problematic relationships of the past. This chapter also discusses the current U.S. policies and security goals in the sub region in order to outline what future U.S. policies should be promoted in order to achieve those goals. The concept that the same policies that will improve sub regional security as a whole will also allow the U.S. to achieve its security goals is presented.

Chapter III shows the evolution of Nicaraguan security policies from 1980 to the present. The change from the outward looking Sandinista policies to the transition to the inward looking policies of the 1990s is reviewed. Current security threats are presented as identified by Nicaragua and Nicaraguan security goals are listed. This chapter establishes the need for integration between threats, security goals, and confidence-building measures and uses a framework to link these key points. Nicaragua's past participation in

confidence-building measures is discussed in order to show the need for the re-establishment of failed measures or implementation of new ones.

Chapter IV outlines the possible options for U.S. engagement through bilateral and multilateral approaches. Bilateral options are presented as a means to improve relations between the U.S. and Nicaragua and overcome the negative relations of the 1980s and deepen the improving relations of the 1990s. Multilateral options are discussed as a way to improve the security of the sub region and work toward a cooperative security regime. These options are all framed in the context of the framework for linking threats, security goals, and confidence-building measures.

Chapter V discusses the potential for U.S. engagement options to support the most broad-reaching confidence-building measures and makes recommendations for the implementation of the options discussed in chapter IV. The framework for linking the key points is tied to the list of options in order to outline which option will support a given key confidence-building measure. The need for improved relations between the U.S. and Nicaragua and the other countries of the sub region is revisited and the options for engagement are presented as a means to provide a window of opportunity in order to foster security and development.

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## **II. U.S. POLICIES TOWARD NICARAGUA: THE ROOTS OF A TROUBLED RELATIONSHIP**

Past relations between the U.S. and Nicaragua need to be examined in order to understand the difficulties of the current relationship between the two countries. Years of U.S. policies that were perceived by the Nicaraguan people as aggressive and invasive can yield insight on the need for confidence-building measures between the two countries. This chapter will analyze the decades of the 1980s and 1990s separately to examine what the recent U.S. role has been. The current relationship will be discussed in order to determine if current U.S. policies actually support the national security goals for the sub region.

For forty-four years, from 1936 until 1979, the U.S. supported Somoza regime governed Nicaragua. U.S. policies ranged from the casual indifference of the 1940s and 1950s to the support of a repressive regime in order to maintain the status quo during the 1960s and 1970s. The U.S. trained and equipped National Guard would ultimately be used to severely repress a civil population that was completely alienated by the exclusionary politics and economic rapacity of the Somozas. Up until the overthrow of Somoza, Nicaragua had been the U.S.'s staunchest ally in the Central American sub region. With that strong past alliance in mind, the rise of the Sandinistas and their ultimate takeover can be seen as possibly the most disastrous blow to the U.S. influence in the sub region. This abrupt, revolutionary transition from a conservative, pro-U.S. dictatorship to a Marxist regime would polarize U.S. policy against the Sandinistas for the next ten years. The actions taken by the Sandinistas to provide aid to other revolutionary movements in the sub region would lead to U.S. aggression just short of outright war. This stance was taken in order to prevent the fall of neighboring U.S. supported regimes. While ultimately successful, this U.S. policy would destroy the Nicaraguan economy and leave the country with the highest per capita debt in Latin America.

## **A. U.S. POLICY 1980 TO 1988**

In 1979, the U.S. effectively cut off all military aid to the Somoza regime in Nicaragua, even to the point of influencing other countries such as Israel to stop aid. President Carter made this decision following human rights abuses by the Nicaraguan National Guard. While the Nicaraguan National Guard faced shortages, the Sandinista National Liberation Front (FSLN) received a growing quantity of newer and more effective weapons from Cuba, Panama, and Costa Rica. The National Guard was no longer able to control the countryside and was having problems in the cities as well. Somoza resigned on July 17<sup>th</sup> 1979 and the National Guard collapsed on the 18<sup>th</sup>. The Sandinistas entered Managua on July 19<sup>th</sup> and proclaimed victory; they immediately set out to consolidate their hold on the government. Civil Defense Committees were organized throughout the country with a central headquarters in Managua. The new government strengthened ties with Cuba and Soviet Russia and coordinated aid for the Marxist revolutionaries in El Salvador and Honduras (Kagan, 1996). The decision to support the revolutionaries in El Salvador and Honduras with Cuban and Soviet equipment was to polarize Washington's reaction to the new Sandinista led government in Nicaragua.

The Carter administration in the U.S. was faced with a significant challenge in Central America. The incoherent foreign policies of 1977 through 1979 had enabled the worst possible scenario from a U.S. perspective: the presence of a Cuban style Marxist state in Central America. Hoping to avoid the mistakes made in the early days of Castro's Cuba, the U.S. initially advanced a conciliatory tone toward the Sandinistas. A confidential cable from Warren Christopher in August of 1979 directed the U.S. Embassy in Nicaragua to "explore and encourage Private sector participation in various Developmental projects ..." (Digital National Security Archive 2001). Nicaraguan aid legislation for US\$ 75 million was proposed to try to influence more moderate political leanings. The promise of aid from the U.S. enabled the Sandinistas to reschedule the foreign debt and acquire a two-year moratorium on debt payments. In October of 1980, US\$ 118 million was given to Nicaragua. The receipt of aid prompted a reversal of policy

by the Sandinistas. The Sandinista leadership consigned any elections to the hazy future, stating the current government would remain until at least 1985.

The Carter government sustained hopes for some moderation in the Sandinista party. The presence of Cuban and Soviet military aid in 1980 eroded that hope. The new Reagan administration immediately took a hard line against the Sandinistas after U.S. intelligence sources noted the presence of Soviet ships in Nicaragua carrying aid for the rebels in El Salvador. Assistant Secretary of State Enders went to Managua in August of 1981 to talk to Daniel Ortega and other officials. If the Sandinistas would halt aid to Salvadoran rebels, the U.S. would commit to not using force to destabilize the Sandinista government. Enders explained clearly to the Sandinistas that there were “only two things which could oblige us to involve ourselves militarily in the region:” continued aid to El Salvador and an arms buildup by Nicaragua (Kagan 1996).

Almost immediately after the 1979 revolution, defeated National Guardsmen started building support for a counter-revolution. The small groups they formed in Honduras and Costa Rica would ultimately come to be called “Contras”. The presence of the Contras and increased U.S. commitment to turn the tide of communism in Central America forced the Sandinistas to re-examine their security strategy. Increasing dissent by moderate and right wing groups within the country, the presence of the Contras, and the possibility of U.S. intervention drove the FSLN to call for civil support of a large military. The refusal by the Sandinistas to end aid to the Salvadoran rebels triggered the Reagan administration’s efforts to provide aid to the Contras.

The Reagan administration and Republicans in the House and Senate promoted aid to the Contras; liberal Democrats who did not agree with the interventionist style of Reagan’s Central American policy opposed this policy. From 1982 until 1987, aid would be proposed for the Contras through various republican bills in the House and Senate. The Democrats would fight each bill with the moderates from both parties typically providing a swing vote for or against. The end result was an intermittent trickle of aid for the Contras, which left them in no position to prosecute a sustained, protracted war. During times of aid flow, they would conduct operations against the Sandinistas, as aid dried up, they would filter back across the borders to their safe havens in Honduras and

Costa Rica. This unreliable form of assistance would lead the Reagan administration to seek aid from outside the legislative process, ultimately with disastrous effect.

The Central Intelligence Agency was involved in the conflict almost from the very beginning. From mining the harbors of Nicaragua to arranging money transfers from the Saudis, the CIA would provide the impetus for U.S. operations in and around the region. It was unreasonable to expect that the CIA's mining, air transportation operations, and money transfers would go un-noticed by Congress and by 1983, House Democrats had formed a significant block of supporters to conduct an investigation and move to halt the administration's involvement in Nicaragua (Kagan 1996). Stories of the U.S. intervention were also starting to make their way into the press and the American people were beginning to compare the efforts in Nicaragua to the initial U.S. efforts in Vietnam. The opposition by the Democrats and the lack of support by the American public would end official aid for the time being and force the administration to seek for external foreign aid through what would become the administrations most embarrassing mistake.

On again, off again aid continued to trickle through the period from 1984 to 1986 based on the popularity of Reagan and his re-election campaign efforts. In 1985 a 100 million dollar aid package was presented and debated until mid 1986 with passage in June. The aid money had just begun to flow again when the presence of CIA involvement was discovered. A CIA cargo plane was shot down while delivering equipment to the Contras. The revelation of direct U.S. support to the Contras would ultimately cause the Iran-Contra scandal and almost resulted in the impeachment of President Reagan in 1987 (Ryan, 1995). The resulting investigations completely revealed the extent of illegal aid flow and devastated the administration's Central American policy. Nineteen eighty-seven brought a slow year for Contra operations as the U.S. sorted out exactly what had happened. The U.S. elections of 1988 were set in an atmosphere of a U.S. public that was tired of the "shady dealings" down South. This public opinion and the new caution over covert operations displayed both in Congress and the administration would force newly elected president Bush to adopt a more open policy toward Nicaragua.

## **B. U.S. POLICY 1989 TO 2001**

U.S. policies during and immediately following the Nicaraguan elections were a break from the direct confrontation of the Reagan administration. The Bush administration adopted policies that allowed the Sandinistas breathing room during the elections, and did not publicly rejoice in the outcome (Kagan, 1996 and Close, 1999). President Bush and Secretary Baker both needed to achieve a landmark victory in the new U.S. foreign policy of compromise. Baker worked through the Soviet Union to send a message to the Sandinistas that the U.S. would normalize relations with Nicaragua regardless of the victor. Financial assistance from the U.S. was given to the opposition UNO party but was released so late that it had little effect on the actual campaign and election.<sup>2</sup> The Bush administration was not forecasting a UNO victory, and sent several open messages to the Sandinistas prior to the election concerning an increase in embassy staffs for both countries. The UNO victory validated Bush's approach as much as it repudiated the popular support for the Sandinistas. True to its word, immediately following the election the U.S. pressured the Contras to demobilize and assisted the new Nicaraguan government to achieve legitimacy with the populace.

By 1993, however, the Bush administration shifted its policy from one of unconditional support for the Chamorro administration to one focusing on restitution for properties owned by U.S. citizens and businesses that had been nationalized by the Sandinistas. This would remain as the only constant focus from the U.S. toward Nicaragua in the 1990s. Similar to the Cuban restitution case, this policy has aggravated relations strained beyond the breaking point during the 1980s. The properties involved were mainly large land holdings that were broken up and distributed by the Sandinistas. It is interesting to note that land re-distribution is one of the key neoliberal reforms advocated by the International Monetary Fund and World Bank. To date, this issue has not been as large a priority as it is in the case of Cuba; this has so far prevented the fallout

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<sup>2</sup> A \$9 million U.S. aid package was approved by the U.S. congress in October of 1989, however; approximately \$5 million did not reach the UNO party until January (Kagan 1996).

that would occur if a major emphasis were placed on restitution. This issue has the potential to severely damage an improving U.S.-Nicaraguan relationship.

Relations improved somewhat as the Clinton administration focused on developing trade and financial engagement between the U.S. and Nicaragua in the late 1990s. The decreasing amount of U.S. influence in the sub region due to military and developmental aid reduction has been replaced by the U.S. influence on international financial organizations and the “Washington Consensus” (Fishlow and Jones 1999). Throughout the late 1990s, the U.S. fostered an open trade climate to the benefit of agricultural producers in Nicaragua. In 1999, in an effort to help Nicaragua recover from Hurricane Mitch, the Clinton administration signed an investment treaty giving Nicaragua status equal to NAFTA terms in financial activities such as loans, ability for transnational investments, and equal depositor status. (Clinton 2000). More recently, the U.S. has called for debt relief for Nicaragua and worked to mobilize international support for relief under the Highly Indebted Poor Countries (HIPC) program through the World Bank and International Monetary Fund. Attempts were made for a free trade agreement as well, however the failure of the Clinton administration in getting fast track authority from congress for the FTAA prevented any far-reaching trade legislation.

Apart from the initial engagement of the Bush administration to resolve the U.S.-Sandinista conflict of the 1980s and the trade policies of President Clinton, however, little diplomatic focus was placed on Nicaragua in the 1990s. When attention was given, it was often negative.<sup>3</sup> A review of congressional testimony reveals that the focus of the U.S. embassy appears to be in tracking and verifying property claims. While diplomatic or intergovernmental engagement has been almost nonexistent, military engagement has

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<sup>3</sup> In February of 1993, a hearing was held by the U.S. Subcommittee on Western Hemisphere Affairs, entitled: Democracy and Reconciliation in Nicaragua: A Critical Assessment. This hearing was critical indeed. Dominated by “The Helms Report” a collection of biased statements about property restitution, human rights abuses toward ex-contras, and the mismanagement of aid funds, the hearing did not result in any comprehensive policy toward Nicaragua (103<sup>RD</sup> Congress February 1993). A second hearing was held in October of the same year and also did not appear to yield any significant policy direction. A hearing in 1996 did address the upcoming elections.

been the predominant form of U.S.-Nicaraguan engagement since mid 1998 following Hurricane Mitch.

The SOUTHCOM CINCs (Commanders in Chief) have made considerable efforts to engage Nicaragua. Aid in the aftermath of Hurricane Mitch in 1998 increased the tempo of relations in the realm of U.S. military engagement. General Wilhelm successfully lobbied congress to allow for military to military contact between the U.S. and Nicaragua, and was the first CINC to visit Nicaragua since 1978 (Washington Post 2000). General Wilhelm began his engagement with hurricane relief and expanded it to include deeper military involvement such as the exchange of personnel and invitations for Nicaraguan military personnel to attend conferences and seminars on military development and training, although few invitations were accepted.<sup>4</sup> An anti-drug trafficking agreement was signed in August of 2000, allowing for joint maritime patrols by the U.S. and Nicaragua and U.S. aid to Nicaragua for counter drug operations.

### **C. CURRENT U.S. POLICIES**

The new Bush administration's initial concern was to prevent the election of the Sandinista Party in 2001. In May of 2001, Lino Gutierrez, the former ambassador to Nicaragua traveled to Nicaragua to try to generate support from the liberal and conservative parties in forming a coalition against the Sandinistas: "The basic message from Washington is simple and correct: The Sandinistas haven't changed. If they return to power, they will doubtless throw the country back into the Marxist madness Nicaraguans suffered under two decades ago" (Schwartz 2001).

General Wilhelm's successor as Commander in Chief of Southern Command (CINCSO) was also very involved in engagement with Central America. In an April 2001 briefing to the U.S. House Armed Services Committee on the operations and threats in the Southern Command (SOUTHCOM) General Peter Pace (CINCSO at that time) stated: "The greatest threats to democracy, regional stability, and prosperity in Latin

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<sup>4</sup> Personal conversations between the author, USARSO personnel, and NGB-IA personnel, April 2001.

America and the Caribbean are illegal migration, arms trafficking, crime and corruption, and illegal drug trafficking. Collectively, these transnational threats destabilize fragile democracies by corrupting public institutions, promoting criminal activity, undermining legitimate economies, and disrupting social order” (Federal News Service 2001). While outlining the threats, no plan for engagement was promoted in order to reduce these threats. In order to prevent any accidental clashes during the border disputes in 1999 and 2000, SOUTHCOM provided Global Positioning System receivers and night vision devices to the Honduran and Nicaraguan patrol boats in the Gulf of Fonseca.

Additional focus in the region has been provided in the form of large-scale engineering exercises to assist in the recovery from Hurricane Mitch. These exercises in 1999, 2000, 2001, and 2002 provided military support to civil authorities to rebuild the infrastructure damaged by Hurricane Mitch. The last exercise in Nicaragua resulted in the construction of six rural medical clinics, four rural schools, and four wells for potable water in rural areas. The gradual increase in military engagement points to a deepening in the relationship between Nicaragua and the U.S. This deepening could be sustained and fostered through further military engagement and confidence-building measures.

#### **D. SUMMARY OF U.S. POLICIES**

U.S. policy toward Nicaragua over the last 70 years has been extremely turbulent; the interventionist decades of the 1930s and 1980s have been interspersed with periods of complete uninvolved or support of repressive regimes. The perceived sell out of the Nicaraguan National Guard by the Carter administration in 1979 has left the leaders from that time with an attitude of apprehension toward U.S. policies and involvement in Nicaragua and the sub region. Similarly, Sandinista military and political leaders who can look back on the 1980s as a time of U.S. intervention just short of war are also apprehensive about U.S. involvement. Many of the Contra leaders feel that they were used as bargaining chips in the overall U.S. containment policy; their level of trust is also low (Garvin 1992).

Currently it appears that the only time the U.S. seems to seek involvement is during Nicaraguan political elections and then seemingly only to exclude the Sandinista

party. The 1990s and the new millennium have brought a U.S. policy that is relatively uninvolved except for the issue of property restitution. This issue is not exactly a positive policy focus designed to foster good relations. The apparent hold on any approval of the FTAA has limited the amount of economic policies that can be pursued, and economic policies that have been promoted have been tied to the 1996 elections with support for loan cancellation being tied to the election of a government favored by the U.S. (Prevost and Vanden 1999). The only arena where engagement between the U.S. and Nicaragua seems to be positive is the relationship between the U.S. and Nicaraguan military. Given this “opening” between the two countries since 1998, it makes sense to capitalize on the positive relationship, especially since the U.S. national security goals for the sub region match many of those of the Central American nations.

The same threats that are present to the nations in the sub region also impact the national security of the U.S. It is in the United States’ best interest to foster collective security in the sub region in order to reduce the flow of illegal drugs to the U.S., increase stability by limiting arms flow inside and out of the sub region, maintain infrastructure during natural disasters, and encourage economic development to achieve a larger share in the sub regional market. Reducing or eliminating the most important threats in the sub region directly supports the national security goals of the U.S. The use of confidence-building measures within the sub region and between the U.S. and Nicaragua will enable the nations in the sub region and the U.S. to work toward a stronger security community in the Americas.

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### **III. NICARAGUAN SECURITY POLICY AND REGIONAL SECURITY**

Given the influence of the U.S. in the sub region, Nicaraguan security policies have either been in support of U.S. goals during the 1940s to 1970s or diametrically opposed during the 1980s. Only in the 1990s has Nicaragua developed more of a neutral stand with respect to U.S. foreign policy. This has allowed the Nicaraguan government, ministry of defense, and senior military staff to develop a more modern, mission based evaluation of the security threats in the sub region. This chapter will review past and current Nicaraguan security policies in order to determine what the current or potential threats are, and more importantly, to discuss what types of confidence-building measures will mitigate those threats most effectively.

#### **A. NICARAGUAN SECURITY POLICY 1980 TO 1990**

In the 1980s, the Nicaraguan government was threatened by domestic insurgents and skirmishes along its borders with Honduras and El Salvador. The Sandinistas provided military aid to insurgents in both El Salvador and Honduras (Kagan 1996). The U.S. feared the spread of Soviet aligned governments in Central America and provided military aid to the Contra insurgency in Nicaragua in an attempt to overthrow the Sandinista Regime. The Contra forces never presented a serious threat to the Sandinistas, but as long as they existed the U.S. would have a “lever” to impose its policies on Nicaragua. In this respect, the Contras served the purpose of an “army in being”.<sup>5</sup> The threat of U.S. intervention would remain as long as a force existed that could be influenced by support from Washington. The Sandinistas also feared invasion from U.S. forces (Kagan 1996). The lessons of the U.S. occupations in the 1930s were remembered in the name of Augusto Sandino, a Nicaraguan revolutionary who successfully fought a

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<sup>5</sup> The U.S. naval strategist Mahon proposed the concept of a “fleet in being.” As long as a military force exists it poses a threat, no matter how insignificant, it must still be taken into account and may be able to influence the outcome of a conflict.

guerrilla war against the U.S. Marine occupation forces. The Sandinistas were willing to take extreme measures to prevent an invasion by the U.S.

The Sandinista government engaged in a military buildup from 1980 to 1988 that was unprecedented in the history of Central America (Spalding 1987). Figures 1 and 2 show the increase in imports and personnel respectively. By 1988, eighty percent of total imports were military related. Military personnel strength reached 80,000 active personnel in 1987 without including reserve forces. This was a seventy percent increase in just under eight years. This massive buildup was in direct response to the covert and overt threats presented by the United States policy toward Nicaragua. As U.S. support increased in the mid 1980s, the Sandinistas were forced into escalating spending in order to counter that U.S. threat. The cost of this buildup was staggering.

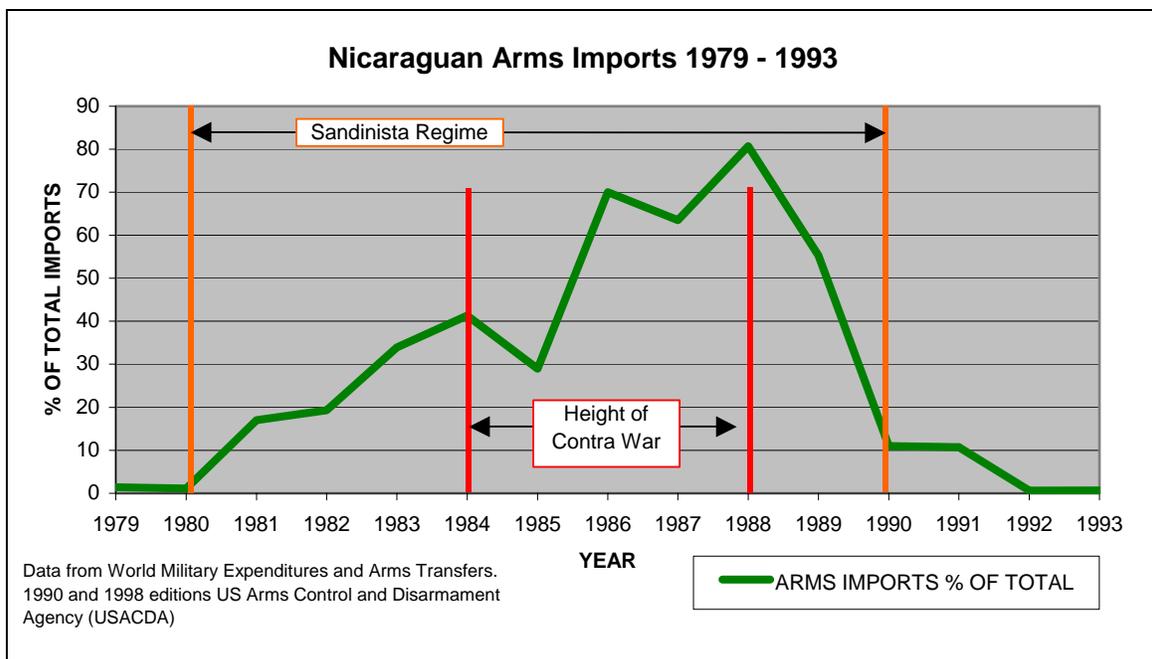


Figure 1 Nicaraguan Arms Imports: 1979 to 1993.

In 1988 alone, Nicaragua spent almost one billion U.S. dollars in current market prices (World Bank 2000). In addition to the economic stress caused by the buildup, the heavy recruiting efforts necessary to maintain such a large force induced social stress. Protests against the draft became widespread by 1988 and as time progressed, more and

more defections from the Nicaraguan military to the Contra forces became evident (Kagan 1996). The Sandinistas were expending both financial and political capital to maintain the fight against the Contras. The economic and political costs of countering the U.S. threat would ultimately force the Sandinistas out of power. It is easy to understand the negative viewpoint Nicaraguan military leaders would have toward the U.S., even after the transition to democracy in Nicaragua.

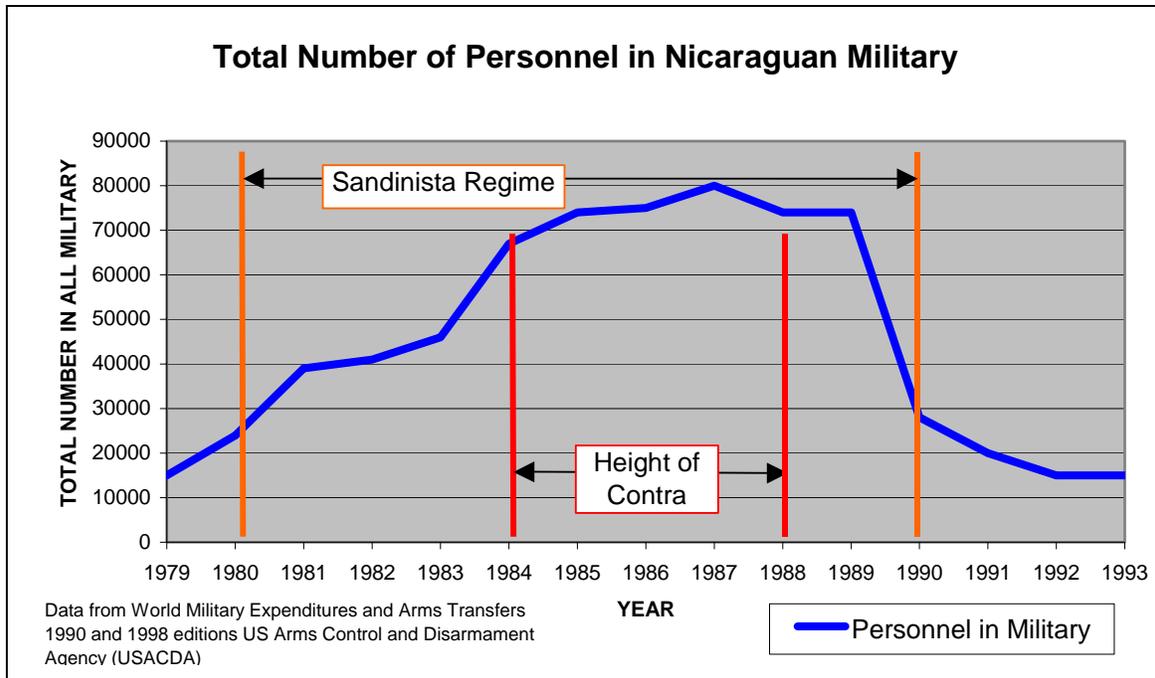


Figure 2 Total Numbers of Personnel in the Nicaraguan Military: 1979 to 1993.

As the conflicts escalated in the mid 1980s, and U.S. involvement deepened, several countries in the region established a group to try to find a peaceful resolution. This group was made up of foreign ministers from Mexico, Venezuela, Colombia, and Panama and was named after Contadora Island, the site where the first meeting was held. The Contadora group worked until 1986 to find a solution that was amenable to Nicaragua, Honduras, El Salvador, the Contras, and the U.S. The specific challenges were to end the fighting between the Contras and Sandinistas, halt Nicaraguan aid to El Salvadoran rebels, remove the Contras from Honduran territory, and demobilize warring factions in an environment of mistrust and animosity. Perhaps the largest challenge was doing this in the face of an entrenched U.S. policy toward Central America. In the end,

the hard line taken by the Sandinistas and especially the Reagan administration doomed this effort at peace.

After the failure of the Contadora group's effort, Oscar Arias, the President of Costa Rica, began negotiating with all sides. His timing was better than the Contadora's. Arias was able to take advantage of the window of opportunity presented by the impending collapse of the Nicaraguan economy and President Bush's desire to end the U.S. intervention in the sub region. By 1987 a U.S. scandal had all but eliminated Contra aid, and the Sandinistas were looking for a way out of the seemingly never-ending war. The efforts of Arias and the new Bush administration's softer policy toward Nicaragua resulted in a peaceful agreement. In 1989 the first successful cease fire agreements were reached. The U.S. stipulated that the only requirement to eliminate aid to the Contras and normalize relations was freely held elections.

While the Contras were a small physical threat to the Sandinistas, as long as they existed, the possibility of overthrow and unrest existed as well. In order to get rid of the Contras, the U.S. had to be placated. To this end, the Sandinistas agreed that elections would be held in 1990. Aid to the Contras from the U.S. and Sandinista aid to the rebels in El Salvador decreased to almost nothing, and the cease-fire agreements held (Kagan 1996). Public opinion surveys predicted a victory of the Sandinistas in the 1990 elections. The probability that they would win by popular vote increased the Sandinista efforts to promote fair elections. The Sandinista leadership was of the mind that if free and monitored elections were held, and the Sandinistas elected by popular vote, the U.S. would have to end support of the Contras and normalize relations (Kagan 1996). In order to ensure this, the Sandinistas invited international election observer teams from the OAS and the UN led by ex-president Jimmy Carter.

By 9:00 p.m. on the day of the presidential election, the UN election observers reported that the vote at that point was in favor of the opposition UNO party and Violeta Chamorro. While the Sandinistas debated overturning the election results, they realized this would result in a worst-case scenario in terms of domestic and international reaction due to the emphasis that they themselves had placed on the monitoring of the electoral process. Refusal to recognize UNO's victory would lead to renewed support for the

Contras by both the Bush administration and alienated political elites from the UNO. These were the very things that the Sandinistas were trying to eliminate by holding the election in the first place. There was also the example of Noriega's attempt to rule without legitimacy and his ultimate ouster by the U.S. At 6:00 a.m. on February 26<sup>th</sup>, 1990, the day after the election, the Sandinistas conceded the victory to the UNO.

## **B. POST SANDINISTA SECURITY POLICY 1990 TO 2001**

Newly elected President Chamorro faced a broad set of challenges. While UNO had won the presidential election by a 10% margin, it was an uncohesive coalition of 14 parties. The fact that the Sandinistas still held 42% of the National Assembly seats would create a difficult atmosphere for enacting change (Close 1999). However, the presence of divisions within the new government may have been a benefit with respect to enacting change, as a large diversity in agendas would ensure better representation for all parties, including the disaffected and demoralized Contras.

Nicaraguan security policy in the 1990s was focused inward on establishing civilian control of the military, demobilizing the Contras, and fostering domestic stability. Following the 1990 elections, the Chamorro government immediately set about to reform the many state institutions, including the military. Sandinista General Humberto Ortega refused to step down as commanding General of the Armed Forces and was confirmed in that position, but lost the title of minister of defense. General Ortega's refusal to step down as commanding general resulted in a minor crisis in civil-military relations, but President Chamorro wisely deferred, and significant progress was made in the early 1990s. The army was drawn down, mandatory conscription ended, and the military was given a strict mission of "...ensuring the security of the national borders" (Library of Congress 1994). The Chamorro administration set out to cut the army from 74,000 personnel prior to the election to 28,000 by the end of 1990. An ultimate figure of 14,500 was reached in 1993. The forces remain at that level today although Nicaragua has threatened a buildup in the wake of the recent border disputes (BBC 1999).

Constitutional reform in 1994 -- which led to revisions in every article of the constitution pertaining to the military -- significantly changed the civil-military

environment. The changes in article 93 illustrate the new outlook on civil-military relations (FBIS 1994):

Old Text: Article 93. The Nicaraguan people have the right to arm themselves to defend their sovereignty, independence, and revolutionary conquests. The state has a duty to direct, organize, and arm the people to guarantee this right.

*New Text: Article 93. The Nicaraguan Army is a national institution that is professional, nonpartisan, apolitical, obedient, and not deliberative.*

Symbolic of this new vocation, the name of the army was changed from the Sandinista Popular Army (Ejército Popular de Sandinista) to the Nicaraguan Army (Ejército de Nicaragua, or EN). To consolidate the change, the army requested civil-military assistance from the U.S. in 1994, which resulted in a new military code that “conformed more closely to the canons of military professionalism” (Close 1999).<sup>6</sup>

By the end of the Chamorro administration in 1996, many positive changes had been made in civil-military relations but the government had had less success in resolving problems stemming from the demobilization of the Contras and downsizing of the regular army. At the end of the Sandinista regime and during the Chamorro government land was given to both the Contras and Popular Army soldiers as a pension for their service. However, this allotment of pensions favored the Sandinista soldiers over the Contras, and negative feelings over this exist today. Feelings of exclusion have led the ex-Contra soldiers to form a group known as the *Recontras*. Those Sandinista soldiers who did not

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<sup>6</sup> This request was made to the National Democratic Institute. The NDI delegation established a three-year program to support civil control of the military (Pichardo, 1999).

benefit from the Sandinista land allotments have formed a group known as the *Recompas*.<sup>7</sup> Both these groups have been at the heart of civil unrest in rural areas since the early 1990s. These two groups have avoided fighting with each other; instead, they have chosen to commit criminal activities with political overtones. These activities include robbery, looting villages, and political kidnapping. Although an amnesty in 1993 quieted some of their activities, small groups remain and continue to commit crimes in rural areas (PRS 2001).

Arnoldo Alemán won the 1996 presidential elections and, once in office, continued many of the projects begun under the Chamorro administration. Alemán appointed the first civilian minister of defense in 1996, who focused on demobilizing the armed groups in the North (DOS 1998). Disarmament was completed in 1997 and focus was shifted to deepening civilian control of the military. The mission of the army remained to protect the national borders and prevent internal disorder caused by armed bands of *Recontras* and *Recompas*. Hurricane Mitch in 1998 gave the newly restructured army a high profile mission to execute. The army's professionalism in carrying out orders from the civilian National Emergency Committee minimized much of the disruption caused by the hurricane. The Nicaraguan Army also coordinated with U.S. forces and conducted joint rescue and engineering operations. The minister of defense outlined five major missions for the Nicaraguan Army in 1999 (Chamorro 1999):

1. Protecting natural resources, particularly the forest reserves of Bosawás and Indio Maize, and fighting against piracy of marine resources in the Caribbean.
2. Reinforcing the fight of the National Police against transgressor bands in rural areas, mainly during the time of coffee harvesting.
3. Supporting the fight of the Police against drug trafficking.

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<sup>7</sup> This Sandinista land and property give away was known as the “Piñata” for the rapid means of giving away huge properties and government equipment to the elites of the Sandinista movement. This caused resentment in the lower ranks of the Sandinista Party and Army over the small amounts of compensation they received. It was looked at as a betrayal of the Revolution.

4. Strengthening the mine-clearing units.
5. Facing natural disasters together with civil organizations.

Significantly, territorial defense against neighboring states was not included. Pedro Chamorro, the minister of defense noted, “In the dawn of the new millennium, the possibilities of war are more and more remote, particularly in our hemisphere. Because of this armies can and must play a very important role in supporting democracy.”<sup>8</sup> Based on the missions outlined for the army and the above statement, it is evident that Nicaragua did not feel threatened by its neighbors and viewed war as a decreasing possibility in Central America. In 2000, this view was refuted by armed skirmishes between Nicaragua and Honduras over long standing border disputes. The skirmishes identified the fragile nature of peace in the region and point to a need to include border disputes as a concern for the future.

### **C. CURRENT SECURITY THREATS**

There are four key threats that desperately need to be addressed from a bilateral or multilateral perspective. They are the elimination of armed rural criminal and political groups, prevention of arms and drug trafficking, peaceful resolution of border disputes, and the overarching threat of failed economic expansion and sustainability. Other threats exist in the form of damage due to natural disasters (magnified by unsustainable agricultural practices), uncleared land mines that prevent agricultural development, and poaching of natural resources. All of these threats could be addressed if multilateral security cooperation is stressed through confidence-building measures.

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<sup>8</sup> Translated by the author from *Diálogo Centro-americano* San José, Costa Rica No. 38 Marzo-Abril 1999 *Ejércitos para preservar la paz y la democracia*. Pedro Joaquín Chamorro Ministro de Defensa de Nicaragua

## **Armed Criminal and Political Groups**

Armed criminal and semi-political groups in Nicaragua are the largest threat to internal security. These groups mainly conduct criminal activities such as robbery, extortion, and kidnapping. However, during times of high political tension such as campaigns and elections, these groups also commit political crimes (PRS 2001). Politically motivated bombings, murder, and violent protests have occurred throughout the late 1990s. The large amount of weapons and other military equipment in the region combined with rugged, inaccessible terrain prevents the elimination of these groups by tactical force. Neither the army nor the police have had significant success in eliminating the groups.

Due to the permeable nature of the borders in the sub region, Nicaragua's armed groups are also beginning to present an external threat to the sub region. Evidence is mounting that arms are being sent from Nicaragua through Costa Rica and Panama, to ultimately arrive in the hands of the FARC in Colombia (Simon and Hadden 2001).<sup>9</sup> The bulk of the cocaine being trafficked to Central America is apparently being paid for by weapons left over from the wars of the 1980s (EFE News Service 2000). These arms are being shipped by a variety of land and sea routes. In an area of dense forests and difficult terrain, stopping this growing flow of arms will be a difficult task at best. In addition to arms, the FARC is evidently receiving assistance from military advisors from within Nicaragua. As the FARC purchases more and more technical weapons systems, expertise

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<sup>9</sup> Bishop Romulo Emiliani of Panama has directly opposed FARC personnel operating in southern Panama. He said that the escalation of violence in Colombia is causing Colombian criminals and combatants to turn to Central America for weapons and a safe haven. "The big business now is the arms that come from Central America left over from the various wars in the area," he said. "The situation is very conflicted because the region has high unemployment, underdevelopment and a lot of people who were left with nothing after the wars. Given the present conditions in Central America, I think that in 10 years the zone will become a highly dangerous dictatorship of the underworld." (Gonzales 2000)

in their usage is needed. The Recontras and Recompas who are not integrated into Nicaraguan society appear to be filling the role of trainers to the FARC (Ambrus and Contreras 1999).

### **Increased Drug Trafficking**

The increase of drug trafficking in the region makes the elimination of the armed groups even more critical. Figure 3 shows the increase in cocaine seizures in Nicaragua from 1992 to 1998. Combined with the evidence of arms trafficking for drugs, this points to an increase in drug trafficking and increased police focus on the issue. The two main routes used by traffickers are the Pacific coast and the Atlantic coast although land traffic is significant as well. Domestic drug use is also increasing, predominantly in the economically depressed Atlantic region (INCSR 1999). The fact that arms transfers and military advice to the FARC is occurring also points to the probability of increased drug trafficking from Colombia to Nicaragua. It has been reported that “an estimated 59% of the cocaine bound for the U.S. passes over the land or through the territorial waters of the tiny countries of Central America” (Los Angeles Times 2000). If trafficking continues to increase and the armed groups emerge as trafficking cartels, the violent narcotics regime now present in Colombia may well replicate itself in Nicaragua, albeit on a smaller scale. If the traffickers become entrenched in rural civil society, the narcotics trafficking industry could also expand into production facilities for the processing of coca base into uncut cocaine.

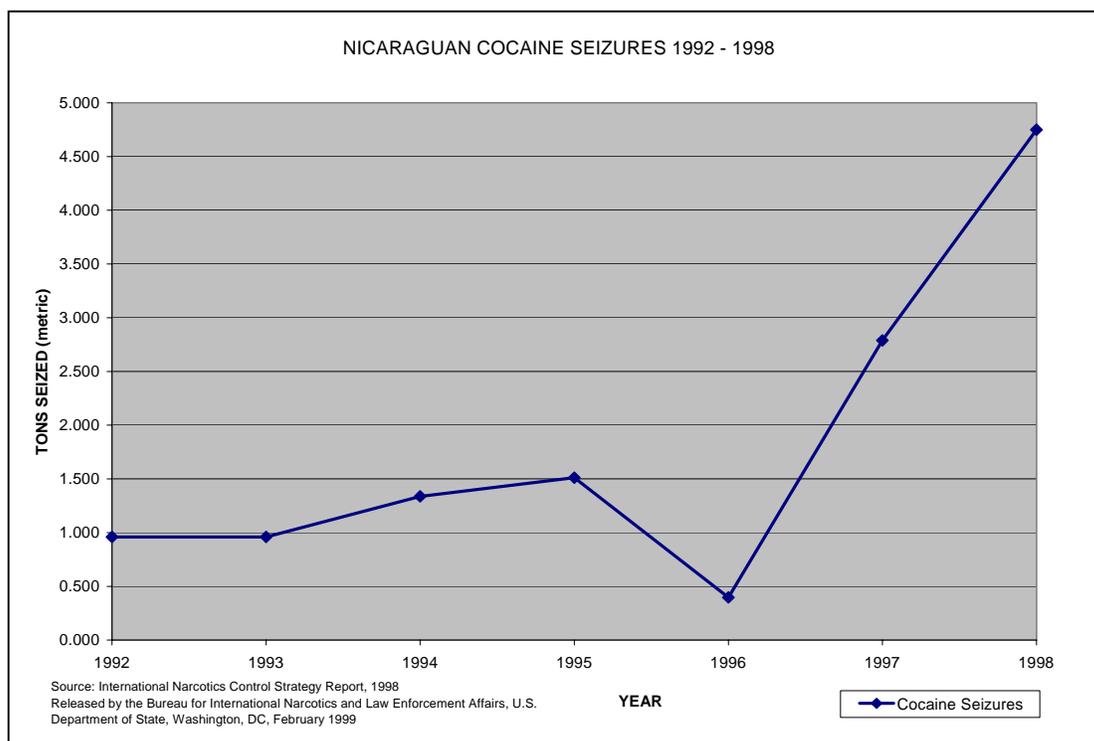


Figure 3 Nicaraguan Cocaine Seizures: 1992 to 1998.

The presence of armed groups and narco-traffickers in Nicaragua presents a problem that must be addressed from a multilateral perspective. The permeable borders in the sub region dictate that Nicaragua, Puerto Rico, Honduras, and El Salvador will have to work together to solve the two problems. U.S. involvement in police and military training could also be beneficial. The U.S. could also influence more cooperative multilateral police and judicial interaction within the sub region.

### Sub Regional Border Disputes

In addition to threats from rural armed groups and drug traffickers, the Nicaraguan state faces conflict with neighboring countries over lingering territorial disputes. On 29 November 1999, Honduras and Colombia signed a maritime border treaty in which Honduras rescinded all claims to a group of islands in the Caribbean, effectively acknowledging Colombian sovereignty over the islands. This angered Nicaragua, which also had claims to the islands and in response, Nicaragua immediately

enacted trade reprisals by establishing a 35% tariff on all goods from Honduras. By December 2<sup>nd</sup>, the situation escalated and armed Honduran patrols on the Coco River were barring the access of Nicaragua's indigenous Indian groups to the Honduran side of the river (EFE News Services 1999). Both countries deployed troops to border areas and would periodically withdraw them and then re-deploy them as tensions ebbed and rose. Honduran soldiers demonstrated along border areas by discharging weapons in Jalapa, and on December 15<sup>th</sup>, the Nicaraguan government announced that it was increasing its defense budget (The Associated Press 1999). Honduran boats were denied permission to fish in Nicaraguan waters, and the Nicaraguan Army went so far as to set up anti-aircraft batteries in Managua (BBC 1999).

The tense situation deteriorated further when firefights erupted between Honduran and Nicaraguan patrol boats on February 20<sup>th</sup> and 25<sup>th</sup> of 2000. The OAS began mediation efforts between the two countries, but no true resolution has occurred (CP/RES. 757 (1216/99) 1999). Nicaragua has since filed a claim with the International Court of Justice (ICJ) over the maritime boundary between Honduras, Nicaragua, and Colombia. Honduras has filed a suit with the World Trade Organization over the 35% tariff on Honduran goods. Tensions flared throughout 2000, with agreements being negotiated and then broken.

Nicaragua also has border disputes with Costa Rica and El Salvador. While the Salvadoran dispute over portions of the Gulf of Fonseca appears to be firmly in the hands of the ICJ, the Costa Rican border dispute has not been presented to the ICJ although the OAS is attempting to generate dialogue. The dispute with Costa Rica involves the use of the San Juan River by armed Costa Rican police. The River is in Nicaraguan territory and the Nicaragua has protested the presence of armed Costa Rican police on its waters. Although the Aleman administration resolved the dispute by allowing use of the river after notification by Costa Rica, the Sandinista opposition party used this perceived violation of sovereignty as a political tool in the 2001 elections.

To date, all of the disputes are being resolved by peaceful means either through the International Court of Justice or the Organization of American States. In addition to this positive step, confidence-building measures are needed to prevent conflict between

the countries during the (often long) time period that the disputes are in adjudication. In addition, a country's acceptance of the edict of the International Court of Justice or the Organization of American States is not automatic. Confidence-building measures that repair the relations damaged by recent disputes will increase the likelihood that countries accept the mediated resolutions to their differences.

### **Natural Disasters, Failed Economic Expansion and Sustainability**

Natural disasters pose another significant threat to national security in Nicaragua. Nicaragua's location on the isthmus of Central America and the lack of significant mountain ranges combine to form a region that is extremely susceptible to hurricane damage and other climatological factors. Powerful hurricanes are especially damaging due to their ability to cross the entire country and still retain enough power to cause significant damage. Hurricanes Joan and Mitch both retained enough force after landfall to cross the country. Earthquakes are also prevalent in Nicaragua with initial damage due to shock, and subsequent damage due to fires, landslides, and tsunamis. The following table summarizes the natural disasters that have occurred since 1988:

Year	Type of Hazard	Deaths	Economic Costs
1988	Hurricane Joan	116	US\$213,500,000.00
1992	Tsunami	116	US\$15,600,000.00
1992	Drought	..	UNKNOWN
1993	Tropical Storm Gert	13	US\$71,800,000.00
1995	Heavy rains	32	US\$1,550,000.00
1996	Hurricane César	9	UNKNOWN
1996	Eruption Maderas Volcano***	50	US\$1,800,000.00
1998	Hurricane Mitch**	19,800	US\$1,500,000,000.00

Cost Estimates based on 1998 Mitch Data Using a ratio of US\$1,154.00 per displaced person. The number of displaced persons is reflective of the damage to infrastructure for domiciles and places of employment. Data for displaced persons from UNFPA. \*\* Also has affected Guatemala, Costa Rica, Belize y El Salvador; \*\*\* Ometepe Island (Landslides)

Table adapted from: Martine, George and Guzman, Jose Miguel, UNFPA Country Support Team, Mexico Source: OPS/OMS (1994); CEPAL (1999); OPS-Nicaragua (<http://salud.ops.org.ni/desastre/d-civil/cronolo.htm>); NASA: <http://www.ncdc.noaa.gov/ol/reports/mitch/mitch.html>

Table 1 Recent Natural Disasters

While bilateral and multilateral disaster relief efforts have helped Nicaragua deal with the immediate aftermath of natural disasters, the longer-term economic effects on the economy are significant. While the data in Table 1 reflects the immediate costs of damage, the costs to agriculture are more pervasive. The soil erosion caused by large rainfall due to hurricanes coupled with poor agricultural practices has caused agricultural productivity to decrease from 1 to 1.7 percent per year (Gibson 1996). Soil losses cannot be recovered, and remediation requires extensive fertilization, leading to other problems in surface waters. Damage to crops such as coffee requires re-growth to production maturity, preventing rapid recovery of the crop. Losses also are incurred due to poor sanitation caused by degraded water supplies, loss of forest products due to landslides, and losses to inshore fisheries. In sum, frequent natural disasters have had significant long-term negative effects on agriculture, the country's main source of export income. Bilateral and multilateral efforts to promote economic development would help address these effects.

Land mine hazards in Nicaragua have also contributed to a contraction in agriculture, although recent efforts in de-mining are reducing that threat. During the 1980s, over 135,000 anti-tank and anti-personnel mines were planted inside Nicaragua. The large number of landmines present has had an impact on agricultural development due to the threat of death or injury to farm workers. Mines planted in coffee plantations are especially damaging to the ability to create export dollars from this critical crop. As of June this year, an estimated 78,000 still remain although Nicaraguan Defense Minister Jose Adan Guerra stated that "Nicaragua will be a country free of mines by 2004" (EFE News Service 2001). The de-mining effort in Nicaragua is a multilateral one, with the OAS, the European Union, Spain, Denmark, Norway, the U.S., Canada, Sweden, and Great Britain all contributing financial assistance. Currently Nicaragua is scheduled to host the third meeting of the Ottawa Convention on De-mining in September of 2001.

Finally, exploitation of Nicaragua's fisheries and forest preserves also poses a threat to Nicaragua's economic security. This economic threat is closely related to the border disputes with neighboring countries. The current borders in the Gulf of Fonseca are not clearly marked and this leads to confusion over legal fishing areas. Nicaragua

impounded many Honduran fishing boats following the armed skirmishes in the Gulf during March of 2000. The forest preserves within Nicaragua suffer from poaching and timber theft. The economic impact of this exploitation on eco-tourism is more significant than the direct monetary losses from poaching and theft. Bilateral and multilateral agreements would solve at least some of the problem of resource exploitation.

The sum of these threats creates an environment that is ripe for instability, in large part by undermining the possibilities for economic development. As noted above, frequent natural disasters, land mine hazards, and natural resource exploitation all negatively affect economic growth. In addition, border disputes have slowed progress toward a Central American integration process. As long as Nicaragua is using trade sanctions against Honduras as a lever for border dispute resolution, the development of a Central American Common Market and the economic growth that should accompany it will be prevented.

This is significant because the lack of economic development in Nicaragua poses a national security threat, particularly if unemployed peasants are seen as a pool of recruits for the armed rural groups protesting against the government or trafficking in drugs and arms. Figure 4 shows that while GDP, Purchasing Power Parity (PPP) per capita increased by 33 percent from 1990 to 1998, growth was not sufficient to overcome unemployment and underemployment due to parallel rises in population. Recently growth has slowed and coffee prices have plummeted, leading to the loss of jobs in the agricultural sector and migration to urban areas. In addition to low rates of economic growth, the distribution of income is uneven in Nicaragua. A quintile analysis using 1993 data shows the lowest 40 percent of the population receiving 12.2 percent of the total income, while the highest 20 percent received 55.2 percent of the income (Figure 5). Although no quintile data is available after 1993, it is probable that the situation has not improved.

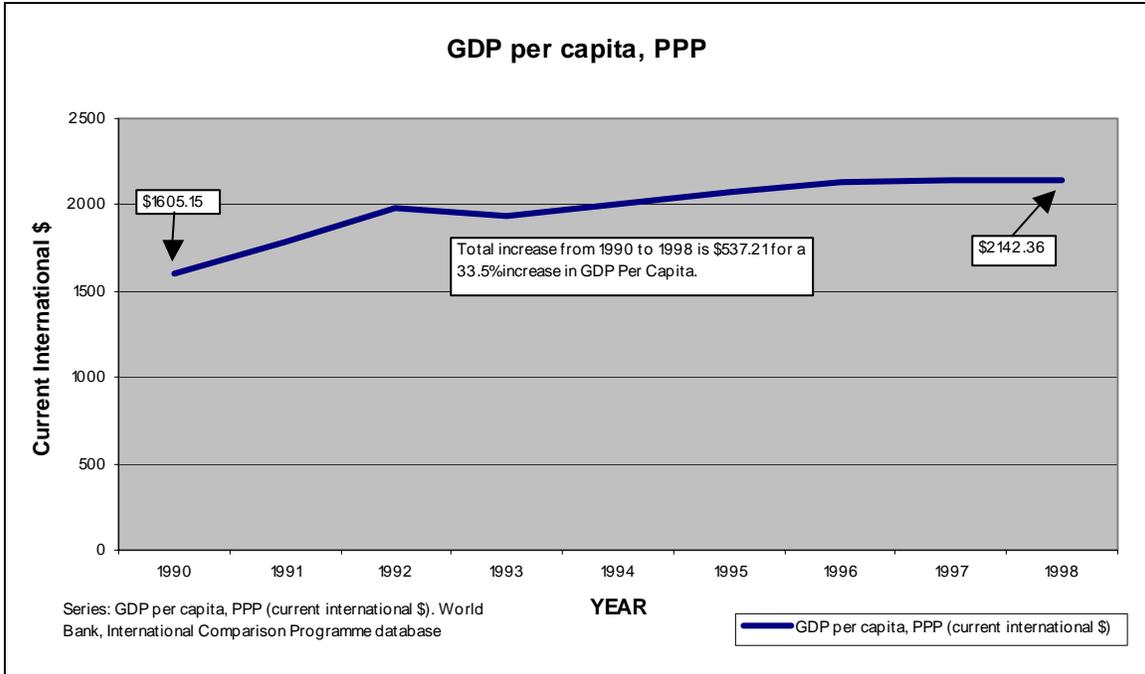


Figure 4 GDP per Capita in Nicaragua: 1990 to 1998

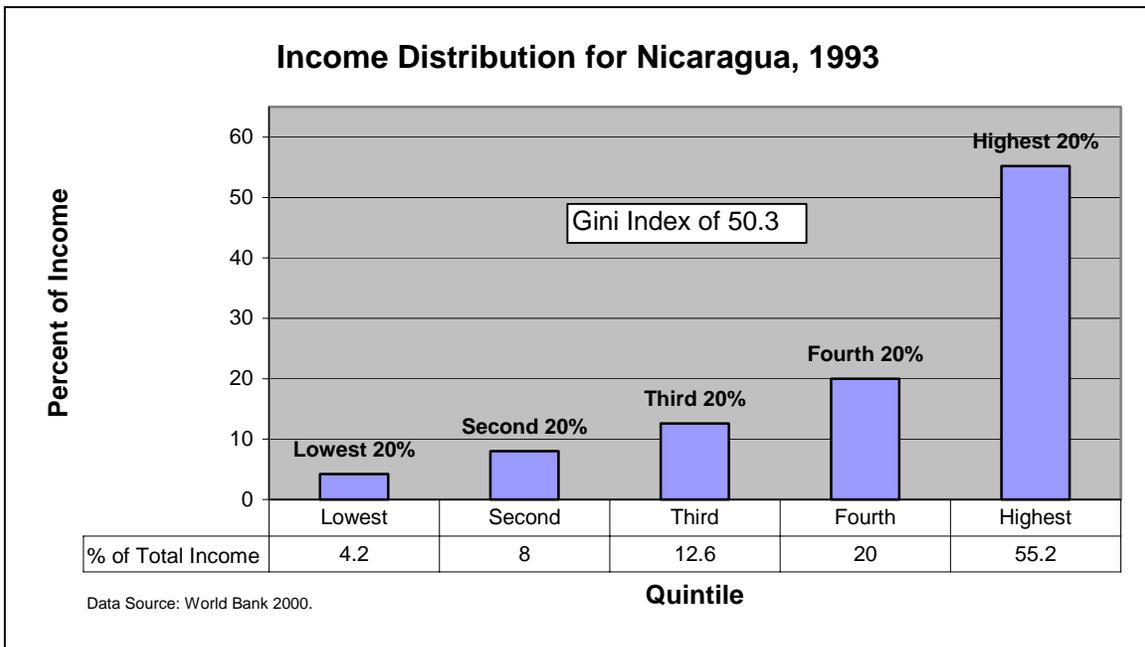


Figure 5 Income Distribution for Nicaragua: 1993

As a result, urban labor unrest and rural instability in Nicaragua are increasing. The fixed wage regime and weakened unions have led to increases in real wages of less than 2% per year for the same period (PRS Group 2001). Protests over low wage rates are becoming increasingly violent and labor organizations are becoming more militant in their actions, resulting in acts of industrial sabotage. In 1998, these actions took on a political aspect when saboteurs cut the telecommunications cables to government and Army buildings. This action followed the Army's repression of labor riots with live gunfire. If economic growth does not benefit workers in the country, there may be a trend toward increasing violence and alignment with the armed groups present in rural areas.<sup>10</sup>

Failed economic development impacts all aspects of a country's ability to achieve internal stability and external cooperation with sub regional or regional trading partners. Nicaragua has had many instances of civil unrest in the last ten years due to the slow recovery of the economy and the problems outlined in this section. External tensions exist due to the border disputes in the sub region. While confidence-building measures will not directly improve the economic conditions of Nicaragua, they will alleviate tensions between the trading nations of the Central American Common Market and allow for improved relations with the U.S., the largest economic power in the hemisphere. If economic development can be nurtured, it is likely that the standard of living will improve thus leading to a decrease in civil unrest currently tied to the poor economy. Both bilateral and multilateral approaches to improving relations will foster an atmosphere that will be more conducive to economic development than the current one. Nicaragua and the other countries in the sub region would be able to increase their capacity for development if a true common market existed; any form of cooperation will foster the positive relations that need to be established in order for that common market to exist.

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<sup>10</sup> In the short run, the government has attempted to forestall this possibility by providing subsidies for basic food items (World Bank 2000). However, it is not clear how long the government will have the resources to continue subsidies in the absence of economic development.

#### **D. SOLUTIONS TO NICARAGUA'S SECURITY THREATS**

As the previous section showed, all of the security threats currently facing Nicaragua require bilateral or multilateral actions by the states in the sub-region, the U.S., and the economic development NGOs. However, if these cooperative efforts are to be successful, open lines of communication and transparent security policies must be maintained in the sub region. If trust is generated between the governments and militaries involved, the likelihood of increased operational cooperation and integration will be greater. A key to re-establishing the mutual trust necessary to resolve security threats is the use of Confidence Building Measures.

Although trade agreements, increased governmental contacts, or even unilateral actions by Nicaragua would all serve to increase trust, these are all longer-term actions than military to military contact. In many cases these actions are more dependent on domestic politics than military to military contact would be. In other words, increased regional security and emergency preparedness are easy to promote to the public and are hard for opposition elites to argue against. Military to military contact will also be most effective in the short term due to the commonality between armed forces. The similarity among military cultures allows for a greater understanding of mission and goals, even though these missions and goals might be counter to what the other nation's military goals or missions are. At least the military leaders involved understand where the other nation stands based on their own experience.

This is not to say that other options are not important or should not be pursued, rather military to military engagement through the use of confidence-building measures could be used as a window for further and deeper governmental, economic, and civil engagement. The fact that the military directly controls the means for violence within and external to a given country also impacts why confidence-building measures should be pursued. If neighboring nations are in a position of relative parity as are the Central American nations, the more knowledge a nation has about its neighbors capabilities the less likely they are to create a military situation that is irreversible. Information on exercises or activities allows the other nation to respond diplomatically both externally

and domestically to minimize negative impacts within and without. Based on the current problems in the sub region, confidence measures will address many of the issues that are impacting the basic security, territoriality, and future relations of the nations involved.

In order to ensure that confidence-building measures will be effective for the near future, these measures should be tied to those security threats that are common to the countries in the sub region. This commonality should encourage support from all the countries, especially if the resulting economic benefits to cooperation are stressed. CBMs will be much more likely to succeed if the implementation of those measures directly benefits the countries involved. Any CBMs that are promoted should be tied to goals reflecting the security threats. These goals to reduce security threats are:

The elimination of armed groups

The elimination of arms and drug trafficking

Peaceful resolution of border disputes

Mitigation of the effects of natural disasters

Clearing of land mines from rural regions

Protection of natural resources and Exclusive Economic Zones (EEZs)

Cooperative Economic Development

Armed groups are present in Nicaragua, El Salvador, and Guatemala, and arms and drug trafficking are increasing in all of the Central American countries (Gonzales 2000). Border disputes are present between Nicaragua, Honduras, and Costa Rica, El Salvador and Honduras, Honduras and Guatemala, and Belize and Guatemala. Natural disasters such as hurricanes and earthquakes affect almost all of the Central American countries. Land mines are present in Honduras, El Salvador, Nicaragua, Costa Rica, and Guatemala following the wars of the 1980s and the Guatemalan Civil war of the 1990s. All the countries in the sub region are struggling to achieve development and increased economic growth; one of the areas critical to this development is the natural resources and economic exclusion zones that each country possesses. All of these problems are common in the sub region and they all can impact cooperative economic development.

CBMs build a level of trust that should benefit both security cooperation and economic cooperation. In turn, both forms of cooperation contribute to an overall reduction in the level of threat in the region. CBMs that directly address any of the threats above are important in themselves and provide the foundation for a future cooperative security regime. To the extent CBMs directly address economic development, or indirectly contribute to economic integration by building trust, they help resolve the root causes of some of the other security threats, especially the challenges posed by armed groups and drug traffickers.

In order to identify those measures that are most critical and beneficial for both Nicaragua and the sub region, linkage must be shown between threats, goals, and measures. Earlier in this chapter current and future threats were identified and goals for reducing those threats were created. The confidence measures listed in chapter one can now be reviewed to determine a best fit between the goals, and measures needed to achieve those goals. While no confidence measure implemented would be a negative step, it is necessary to identify which are most likely to result in mutual cooperation. These “high payoff” measures can then be the focus of engagement and influence. This process of linking possible CBMs to the identified security policies and threats is shown in figure 6:

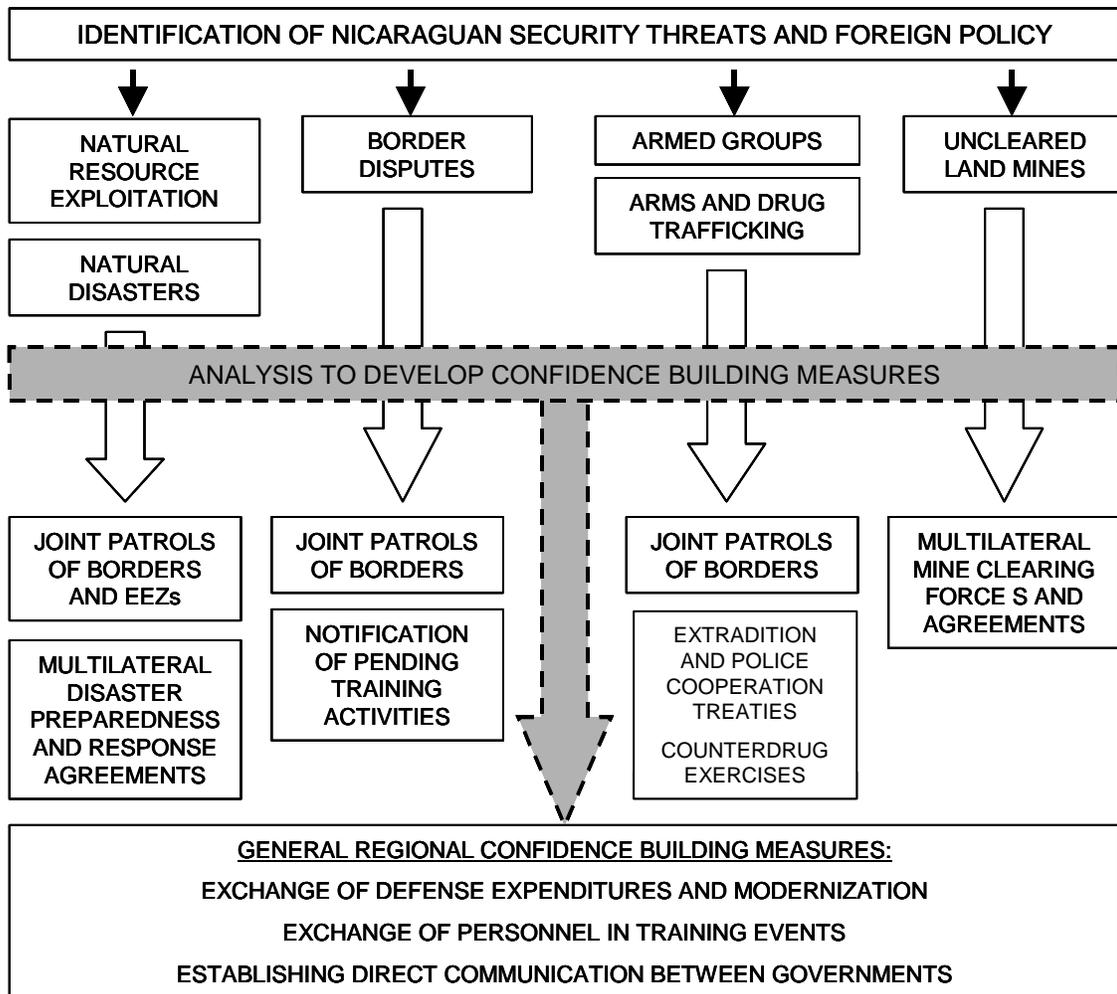


Figure 6 Analytical Framework for Recommending CBMs

### Nicaraguan Participation In CBMs: Lessons Learned

Nicaragua and the other countries in the sub region have participated in confidence measures in the past. These past measures need to be examined in order to determine which measures have been successful or not, and why. Renewed emphasis should be placed on any measures that have collapsed, and gaps between past measures and those identified in this thesis can be filled. Previously established measures can be used as building blocks for reestablishment of failed measures or the initiation of new ones.

CBMs were included in the initial Contadora Group peace process in 1983 and although they were not used at the time, these first efforts in confidence building would be implemented in future peace agreements. Costa Rican president Oscar Arias developed a peace plan that was implemented in 1990 and it included the CBMs from the Contadora proposal. These CBMs focused on verification of Contra disarmament, installation of “hotlines” between regional leaders, joint patrolling, and numerous information exchanges. This initial proposal of CBMs in Central America would prove to be a new model for the entire hemisphere (Child 1996).

CBMs continued in the form of military draw downs in El Salvador, Honduras, and Nicaragua throughout the 1990s. Information exchanges continued and CBMs were made an integral part of peace sustainment in the sub region (Child 1996). In 1995, Nicaragua signed the Central American Democratic Security Treaty (DOS 1998). This treaty attempts to strengthen democracy and cooperation in the sub region. Specific confidence-building measures contained in the treaty include:

- Establishment of direct communication between leaders and militaries
- Notification of military maneuvers, movement or exercises
- The exchange of observers for all military operations
- Mutual reporting on the status of military organization and capabilities
- Mutual exchange of defense expenditures

The presidents of Costa Rica, El Salvador, Guatemala, and Honduras, and the Vice Presidents of Nicaragua and Panama all signed the treaty. However, the treaty is not yet in effect due to a lack of ratification by the governments of the signatories. The fact that Nicaragua signed the treaty (developed by Honduras) indicates some acceptance of CBMs included in the treaty. One indication that the CBMs called for by this treaty were not institutionalized is the fact that during the border disputes between Nicaragua and Honduras and Nicaragua and Costa Rica, all of these measures were either underutilized or discarded in the face of conflict.

Nicaragua is also a signatory to both the Santiago and San Salvador Declarations on confidence and security building measures. However, out of the six Central American countries reporting on CBMs to the OAS, Nicaragua, Costa Rica, and Belize have never reported any measures taken. It appears that although the civil and military leaders support the concept of CBMs, they are either unwilling or incapable of implementing them. There is a gap between the rhetoric and diplomacy of sub regional conferences on collective security and the ability to institute and sustain the specified measures and attain the goals presented in such conferences.

While the threats of armed groups, drug and arms trafficking, border disputes, and natural resource exploitation all point to a need for joint border patrols and general CBMs. The confidence-building measures put in place in the 1990s failed to promote acceptance of patrols, and general measures seem to be superficially implemented at best. The countries in the sub regions were not able to sustain these measures in the face of open border disputes and trade disagreements. The only joint patrols enacted were maritime patrols in the Gulf of Fonseca and these ended by 1999 when border tensions increased. Negotiations in early 2000 reestablished joint patrols, but these too failed when Honduran and Nicaraguan patrol boats exchanged fire. On 16 March of 2001, these earlier accords were re-ratified although Nicaragua is still reluctant to participate (Latin American Newsletters 2001). Some cooperation exists along the border with Costa Rica in order to coordinate Costa Rican patrols of the San Juan River but this is far short of conducting joint patrols.

While cooperation and mutual support for disaster preparedness and response is not specifically a confidence building measure, it does promote cooperation between participating countries. In Central America, emergency management falls under the authority of the military and involves military cooperation. Nicaragua and the other nations in the sub region have established some measures for cooperation during times of natural disaster. There is also an agreement to maintain lines of communication and to ensure that the Pan-American Highway remains open for relief and trade shipments. The massive damage caused by Hurricane Mitch in 1998 showed the need for preparing for and managing similar disasters in the future. Immediately following the hurricane,

Nicaragua, Honduras, and El Salvador all cooperated to assist in humanitarian relief efforts. Assistance was given by the U.S. and continues to the present day. Cooperation in the sub region for emergency management measures is fairly strong. The only gap that I identified exists in the exchange of assessment information for preparedness.<sup>11</sup>

Although strong regional and global cooperation exists in reducing the threat from land mines, this cooperation appears to be more external to the sub region than internal. No references to sub regional cooperation in land mine clearing were found, however, some coordination must be taking place between Nicaragua, Honduras, and Costa Rica, as most of the mines emplaced during the 1980s were located along border zones. The Organization of the American States (OAS) is currently managing the demining efforts in the sub region through the Comprehensive Action against Antipersonnel Mines (AICMA), an outgrowth of an earlier de-mining program started in 1991 at the request of the Nicaraguan government (OAS UPD 2001). The demining efforts in the sub region are proceeding successfully and are forecast to be completed by 2005.

A review of Nicaraguan willingness to implement CBMs reveals three apparent problems that are common to all the countries in the sub region. These countries are willing to discuss the implementation of CBMs and have even signed treaties agreeing to these measures, but the actual implementation falls short of the intent of the conferences. The Central American leaders lack either the will, domestic political support, or the knowledge to implement and more importantly to sustain confidence-building measures. The measures discussed for the most part are general confidence building measures that lack a specific program of implementation or support systems that would allocate resources to them. Specific measures tied to border disputes appear to be easily ignored when it is in the interests of a given country to do so. The countries in the sub region need to move beyond the rhetoric and shallow diplomacy of the conferences and move to the next step of implementation and planning for sustainment. One way to promote that is to

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<sup>11</sup> In April of 2001, the author attended a Multilateral Emergency Response Workshop involving all the Central American countries except Belize. The amount of cooperation was evident by the briefings each country presented and from personal conversations with the delegates.

ensure that CBMs that are selected have tangible benefits in facilitating the security goals of the countries involved. More specific CBMs that address real needs such as protection of Economic Exclusion Zones (EEZs), disaster relief, and counter narcotics should be implemented.

### **Civilian will and Competency**

The lack of civilian competency in national security and military issues has also played a role in the lack of understanding and support for CBMs. In 1998 a conference on Cooperative Security in Central America was conducted to develop means for cooperative security in the sub region. Although some progress was made, "...the civil leaders have demonstrated a lack of will and capacity to try initiatives in these types of policies" (Isacson 1998). In order to address the issue of civilian competency as well as the tensions over border disputes, the Declaration of Managua was signed in February of 1999 (FOCADES 1999). This declaration acknowledges a lack of knowledge by civilian leaders in the arena of defense and security. The goal of the declaration is: "To lay the foundations to assure the influences of civil society in the definition of clear, realistic, flexible and viable policies in the matter of defense and national security, as well as those that assure an effective subordination of the Armed Forces and/or police officers to the authority of the democratically elected legitimate civil power." This declaration further outlines internal confidence-building measures that the states in the region will enact in order to promote positive civil-military relations.<sup>12</sup>

While beneficial, the declaration focuses more on civil-military relations than on confidence-building measures and cooperative security. The deterioration of relations in the region following the border disputes of late 1999 and early 2000 indicates that more emphasis needs to be placed on educating the policy makers and leaders of the countries as to the benefits of confidence building. Since the border disputes, a number of meetings have been held by an OAS mediator to try to resolve the tensions between the two countries. The OAS' main solution was a call for confidence-building measures to

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<sup>12</sup> Belize did not sign this document.

include joint patrols and transparency in military plans and acquisitions (Latin American Newspapers, Ltd. 2001).

The externally focused Nicaraguan security policy of 1980s has yielded to a more inward looking one that is tied to promoting development and eliminating crime and the potential for insurgency. The Nicaraguan security goals are compatible to the goals of the neighboring countries and those of the U.S. Nicaragua and the countries in the sub region have all shown willingness to utilize CBMs as a potential means to resolve disputes and sub regional threats. However, this process of focusing on CBMs seems to have faded or lost importance in the light of a greater emphasis on economic development and debt restructuring.

#### **IV. U.S. ENGAGEMENT OPTIONS**

Given the past willingness by Nicaragua and the countries of the sub region to engage in CBMs and the commonality of security goals, the U.S. is in a good position to foster what could ultimately result in a cooperative security regime for Central America. Working toward or even achieving such a regime would be extremely beneficial to the U.S. in terms of reducing the flow of drugs and creating a more favorable environment for development and economic expansion. Greater military cooperation between the nations in the sub region would certainly result in a more effective counter drug effort. This would greatly alleviate the burden on the U.S. to conduct military counterdrug operations in a time of increased operational tempo for peacekeeping and anti-terrorism. Many of the obstacles to economic development in the sub region could be reduced by implementing CBMs since currently the major issue preventing a cohesive Central American Common Market appears to be one of mistrust and punitive economic actions due primarily to border disputes. Minimizing those disputes through cooperative security activities could provide the impetus to renew the common market. This would provide one more step toward an FTAA.

All of these issues can be addressed and promoting CBMs can create a window of opportunity. The question remains then one of what type of CBMs should be used or promoted. This chapter will outline some options for military engagement using existing U.S. programs and will review possible options for influencing sub regional cooperation. Once again, it is not necessary to create new programs; those that are already established should be utilized in an effort to resurrect the failed CBMs promoted in the past. Any gaps identified can then be filled through the implementation of new programs. This group of engagement options could be a part of or form the basis for a comprehensive future U.S. military engagement plan with Nicaragua.

A U.S. policy for military engagement can be broken down into two types of engagement: bilateral engagement between the United States and Nicaragua, and regional multilateral engagement with the influence of the United States. Bilateral engagement options are direct measures taken by the U.S. and Nicaragua to improve

confidence and relations between the two nations. These options are focused on the exchange of personnel and information, joint training events, exercises, and operations, and increased contacts between U.S. and Nicaraguan defense personnel. Regional multilateral options involve using U.S. influence to implement multilateral measures between the countries in the region. Regional multilateral options could include joint border patrols, multinational military exercises, seminars, and conferences, regional security treaties, and the exchange of personnel and information. It needs to be understood that the U.S. does not have to conduct or necessarily even be involved in these regional actions; rather, U.S. military diplomats should work to influence the countries in the region to conduct such activities.

Positive U.S. engagement and promotion of CBMs could foster greater stability in the region and increase the likelihood of establishing a cooperative security community. Military engagement should not be limited to the programs listed below. However, these programs offer benefits that current treaties and levels of diplomatic engagement lack, such as direct contact and coordination between civilian ministry of defense personnel and general staffs, greater knowledge of the working capabilities of a given countries armed forces, and increased familiarity with the operational methods for each of the countries in the sub region. For this reason, CBMs are the main military engagement options recommended in this thesis.

#### **A. BILATERAL OPTIONS**

Mutual trust must be established between the U.S. and Nicaragua in order to overcome the legacy of hostility of the 1980s. Given the Nicaraguan security threats and the need for CBMs to mitigate those threats, options for military engagement can be identified that will increase mutual trust and assist Nicaragua and the U.S. in obtaining their shared security goals. These bilateral measures would be valuable in promoting CBMs as a means for increased security as well as providing examples for the sub region. Bilateral measures between the U.S. and Nicaragua fall mainly within the category of general confidence-building measures such as training exchanges and therefore do not

address the specific threats identified earlier. However, some bilateral measures such as the conduct of counter drug exercises do address specific threats.

Existing military engagement programs focus on the exchange of personnel and ideas, as well as provide opportunities to support civilian as well as military organizations in Nicaragua. They are all coordinated through SOUTHCOM, and U.S. Army South (USARSO) is the main vehicle for the CINCSO to implement these programs. USARSO administers a wide variety of military engagement options for the region. Three of these options fall under the umbrella of CBMs:

- Bilateral Exercises
- Small Unit Exchanges
- State Partners Program

U.S. sponsored exercises have been conducted on a regular basis in the sub region. These events are predominantly of a medical or engineering nature. Twenty-three medical and two large-scale engineering exercises were scheduled for fiscal year 2001 (USARSO 2001). These joint exercises involve all branches of the U.S. military, active component and reserve, and equivalent host country units. The U.S. forces also work with the host country units assigned for collective security during the exercises. These exercises not only promote positive bilateral military relations, they also assist in rural development and humanitarian efforts. The humanitarian aspects also provide an example of positive civil-military relations as the units typically are improving the infrastructure of rural municipalities.

The U.S. also conducts joint exercises for drug interdiction in the sub region. Recently, several exercises were conducted in the region: “Operation Conjuntos” in Panama in 1998, “Tradewinds 2000,” and Central Skies in 2000 and 2001 are all operations in Central America aimed at working with host nation personnel in interdiction and eradication efforts.<sup>13</sup> General Pace, the recent Commander in chief of SOUTHCOM, viewed Central America as being key to U.S. counter drug efforts (Federal

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<sup>13</sup> Nicaragua has not yet participated in any of the U.S. counter drug exercises.

News Service 2001). This is one area where increased engagement and bilateral participation in counter drug measures will directly assist Nicaragua in the goal of reducing drug trafficking.

The U.S. conducted a large “New Horizons” engineering exercise in Nicaragua in 2002. This exercise involved personnel and units from all branches of the U.S. military and is being commanded by an engineer unit from the Wisconsin Army National Guard. This particular exercise is focused on constructing medical clinics, schools, and municipal wells for rural municipal governments. A series of medical exercises are included in this engineer exercise.

Small Unit Exchanges are a means of confidence building through training exchanges. In this program, U.S. Army and National Guard units are sent to foreign countries and the reciprocating nation sends their unit to the U.S. These exchanges typically involve combat units rather than support units. The benefits of exchanging combat units lie in their ability to effect positive military to military relations in the context of professional military forces. The U.S. receives the benefit of training under different doctrine outside of the normal envelope, while the exchange country receives information on U.S. training methods and can “showcase” their military abilities. These exchanges build on the shared pride of military competency and can be quite successful in bridging political gaps between nations. To date, no exchanges of this type have been conducted with Nicaragua.

The State Partners Program (SPP) is a program established by the U.S. National Guard’s International Affairs office to promote military interaction and exchanges of personnel between foreign countries and U.S. states or territories. Current partnerships in the region include Belize and Louisiana, Honduras and Puerto Rico, El Salvador and New Hampshire, and Panama and Missouri. Guatemala is apparently getting ready to

request such a partnership but Nicaragua has not yet requested one.<sup>14</sup> Activities under the program involve cooperative professional military education, promotion of civilian control of the military, humanitarian construction, Non Commissioned Officer development, and emergency preparedness (Matos 2001).

One advantage of using the National Guard as a military engagement force is its dual role in national security. National Guard units have a traditional war-fighting role in support of U.S. active duty forces, but they also have the additional role of military support to civil authorities (MSCA). It is this second role that fits National Guard units perfectly in the promotion of improved relations between Nicaragua and the United States. During times of natural disaster or civil unrest, National Guard army and air units can act in support of the state governor in order to quickly restore order and basic infrastructure. This familiarity with MSCA allows National Guard personnel to assist in the various humanitarian missions promoted by CINCSO. National Guard personnel in state emergency management offices are also extremely familiar with all aspects of natural disaster preparedness and response. The technical abilities that these personnel would be invaluable in assisting Nicaragua with the mitigation of risks associated with natural disasters.

Another advantage of using National Guard soldiers in the role of military representatives is the close tie that National Guard soldiers have to their communities and a civilian environment. The MSCA activities that National Guard units perform in their home communities enable favorable civil-military relations and promote subordination of the military to civil authority. The National Guard also acts as a “window” to educational, business, and sister city relationships that extend beyond pure military engagement (Hutchinson 1999). In some cases, National Guard units have been used to support the operations of non-governmental organizations (NGOs) such as the Partners of the

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<sup>14</sup> The state of Wisconsin has been interested in a partnership with Nicaragua for several years. The basis of this interest comes from the 35-year partnership between the Wisconsin-Nicaragua Partners of the Americas, Inc. This non-governmental organization was an outgrowth of President Kennedy’s Alliance for Progress, established by the Charter of Punte del Este in 1961. There are also thirteen sister city relationships between Nicaraguan and Wisconsin cities (WNP, 1999).

Americas, Wisconsin-Nicaragua Partners, an NGO with 35 years of involvement in Nicaragua (WNP, 1999).

## **B. SUB REGIONAL MULTILATERAL OPTIONS**

While there is a need to conduct bilateral engagement activities between the U.S. and Nicaragua, recent events in the sub region point to a need for multilateral measures as well. The U.S. is in a position of leadership to promote such measures for the improvement of security in the sub region. Possible options for sub regional engagement should be viewed from the role of a facilitator, not an executor. U.S. participation in sub regionally coordinated or hosted events would not be in conflict with that role. The promotion of these measures can be accomplished through both civilian and military diplomatic efforts.

Out of the six threats that can be impacted by CBMs, joint border patrols between Nicaragua and its neighboring countries would assist in reducing three. If borders can be effectively secured, transnational security threats from armed groups and arms and drug traffickers would be reduced. Given the nature of the terrain in the sub region, it is unrealistic to think that any border could be completely secured, however, joint patrols of major crossing and transit sites would be beneficial. Aerial patrols would also assist in reducing the ability of armed groups and arms and drug traffickers to cross borders. Maritime patrols could reduce conflicts arising from illegal fishing in territorial waters and EEZs. Any of these efforts would be more effective if conducted under the auspices of multilateral or bilateral CBMs such as joint patrol agreements, cooperative police efforts and extradition, and comprehensive sub regional agreements to limit arms and drug trafficking. The U.S. would not be involved in patrols, but U.S. diplomats, both civilian and military, could work to promote them. Influence could be fostered both bilaterally and multilaterally through the U.S. representatives to the OAS and Inter-American Defense Board.

For Central America, one of the most influential vehicles for multilateral cooperation is emergency preparedness. This falls under the category of military engagement due to the common practice in the region of placing the civil defense

department under the army. All the countries in the sub region face the same set of natural disasters in the form of hurricanes and tropical storms. Most of them also face earthquakes, major landslides, and volcanoes. Major agreements have already been reached in this field through the common goal of maintaining the Pan American Highway following large disasters. Keeping this primary trade route open has stimulated multilateral responses in engineering and mitigation. Further opportunities for cooperation include exchanges to improve planning and risk assessment for future disasters.

The U.S. is currently an agent for promoting CBMs through international conferences hosted by the U.S. government and subordinate military branches. These include seminars to promote professionalism in police and military forces, multilateral disaster preparedness seminars, and seminars on counter drug efforts. Although Nicaragua has not participated in many of these U.S. sponsored activities, there are indications that this reluctance on the part of the Nicaraguan Army is fading.<sup>15</sup>

Multilateral regional exercises offer another means for confidence building. Exercises can be in the form of large-scale disaster response or multilateral drug interdiction exercises. Nicaragua was conspicuously absent from the last multilateral counter drug exercise in the region.<sup>16</sup> The key issue in promoting exercises of this type is the inclusion of all the countries in the region. Involvement of all forms of military forces as well as national police forces would integrate sub regional cooperation at a lower level than that of agreements such as the CACM, leading to a greater acceptance of sub regional community responsibilities. These efforts would probably have the greatest effect on the creation of a sub regional security community. The problem in conducting

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<sup>15</sup> The author attended a multilateral emergency preparedness workshop in April of 2001. During that workshop it was noted by National Guard Bureau International Affairs personnel and SOUTHCOM personnel that this was the first time they had been able to engage the Nicaraguans in any of the regional or sub regional, U.S. sponsored seminars.

<sup>16</sup> Los Angeles Times, 2000. "A source close to the government in Managua says Nicaragua's armed forces have resisted U.S. overtures because of continuing resentment of American support for the counterrevolutionaries in the 1980s."

large-scale exercises of this type is the lack of experience and funding in the region. This is an area in which the U.S. could provide assistance through military engagement.

U.S. military diplomats could also attempt to make some of the current bilateral exercise programs such as “New Horizons” more multilateral. For now, it is enough to work on improving relations between the U.S. and Nicaragua; however, attempts should be made to include sub regional military personnel in future exercises. For example, this would involve inviting Nicaraguan army engineer units to assist in exercises in other Central American countries, and inviting other countries to participate in Nicaraguan based exercises. This form of military engagement could lead to a greater acceptance of multilateral operations in the sub region.

## **V. THE FUTURE OF U.S. ENGAGEMENT**

After reviewing the list of potential engagement options it is necessary to revisit those CBMs that are most likely to enhance regional security and therefore be more likely to be implemented. Therefore the engagement options that I have identified need to be framed against the context of the needed confidence-building measures identified previously in Figure 6. The priority for these measures is as follows:

- Joint Patrols of Borders (and EEZs) due to the potential for conflict arising from border disputes.
- Extradition and Police Cooperation Treaties and Counter drug Exercises due to the expansion of drug and arms trafficking and the associated violence.
- Notification of Pending Training Activities in order to prevent border clashes.
- General Sub Regional Confidence-building measures to increase trust.
- Multilateral Disaster Preparedness and Response Agreements and Cooperation to better integrate differing countries' military response plans.

With the list of options and the priority of CBMs in mind, it is necessary to assess the effectiveness of these options in terms of accomplishing the goals related to the identified CBMs. The integration of threats, CBMs, and options is critical in order to set the stage for a comprehensive engagement plan that will be accepted by Nicaragua and the neighboring countries and will be effective over time in supporting U.S. security goals.

### **A. INTEGRATION OF OPTIONS AND CBMS**

Out of all the possible CBMs identified, the one with the largest impact on improving sub regional security would probably be the establishment of joint border patrols. Since border permeability has been a consistent problem for security in the past, resolution of this problem is a key issue. Joint patrols would also assist in reducing tensions over border disputes. Accidental border incursions by patrols would be less

likely, and even if they did occur, it would be with the knowledge of both countries involved. Joint patrols would also necessitate training exchanges, communications links, and frequent contact of leaders for planning. All of these necessary actions will work to foster relations between the military leadership of the countries involved. Confidence and trust would be gained as the forces of the countries involved became more familiar with the capabilities, tactics, techniques, and procedures of the neighboring states' military forces.

The threat from drug trafficking can best be countered by judicial and operational cooperation. While the topic of judicial cooperation is beyond the scope of this thesis, operational cooperation is well within the realm of confidence-building measures. Joint patrols will also help greatly to reduce this threat, but bilateral and multilateral counter drug exercises and cooperation are key to successful interdiction in the sub region. Counter drug exercises hosted by the U.S. or nations in the sub region will improve the interdiction capabilities of the nations involved and therefore are of significant value as CBMs to reduce the threat of drug trafficking.

There are already successful mechanisms in place for multilateral assistance following disasters. These mechanisms should be expanded to include joint mitigation and planning efforts in the sub region. The value of expanding these mechanisms lies in fostering increased cooperation in the sub region and enabling better planning and response to natural disasters. The conduct of seminars, workshops, and conferences to exchange successful ideas and knowledge is extremely effective in promoting sound planning for and reaction to natural disasters. Further cooperation could also lead to a sub regional response agreement similar to agreements currently in place between states in the U.S. If a specific disaster affects few nations in the region, the other nations can assist in response efforts much sooner if agreements of this type are in place and detailed coordination has already occurred. This improved response will reduce the level of damage sustained and facilitate a quicker recovery from natural disasters. These types of agreements also involve the exchange of capabilities in terms of equipment and personnel in order to quickly identify possible sources of help for specific disasters. This exchange of information is a valuable CBM in and of itself.

General confidence-building measures can address several of the prioritized threats indirectly. The exchange of information both bilaterally and multilaterally is key in building and sustaining trust in the region and sub region. The exchange of personnel promotes trust and familiarity with the military capabilities of the forces involved. Out of all the programs in this category, the most effective are probably the training exchanges. Individual and Small Unit Exchanges involve building confidence through equality, and so are most likely to have the greatest effect on mutual trust. Of slightly lesser value are the regional engineer and medical exercises in support of civil authorities. They are of lesser value only in the context that they sustain images of dependency. The political environment should be watched closely to determine if any negative effects from a perception of dependency are present.

The State Partners Program in and of itself does not initially appear to have a significant value as a confidence building measure. However, it is in its capability to administer a cohesive plan for CBMs that it becomes valuable. The option of establishing this program will provide consistency in future military engagement. While state National Guard assets could not influence CBMs such as joint patrols, operational interdiction, or mine clearing, they do have extensive experience in training exchanges, engineering projects in support of civil authorities, promotion of positive civil-military relations, and emergency management. Some states also have significant counter drug experience and almost all of them have limited experience in this area. This experience can be funneled through a State Partner Program to increase mutual trust between the foreign nation involved and the U.S.

In order to more easily see the relationship between threats, confidence-building measures, and the options recommended, a matrix of options to CBMs to threats is provided in Table 2.

<b>Matrix of Options to CBMs to Threats</b>		
<b>RECOMMENDED ENGAGEMENT OPTION</b>	<b>CONFIDENCE BUILDING MEASURE(S)</b>	<b>TARGETED SECURITY THREAT(S)</b>
U.S. Civilian and Military Diplomacy to Establish Joint Border Patrols in the Sub Region	Land and Maritime Joint Patrols	Drug and Arms Traffickers Armed Groups Conflict Over Border Disputes Exploitation of Resources
U.S. Civilian and Military Diplomacy to Establish Notification Procedures	Notification of Training Exercises	Conflict Over Border Disputes
Continued U.S. Civilian and Military Diplomacy and Military Engagement to Involve Nicaragua in Sub Regional Exercises and Operations	Extradition, Police Cooperation Treaties, and Counter drug Exercises	Drug Traffickers Arms Traffickers
U.S. Military Engagement to Establish Mutual Trust Between Nicaragua, the U.S., and Nations in the Sub Region	General Confidence-building measures: Bilateral and Multilateral Exercises, Small Unit Exchanges, and State Partners Program.	All Threats (General Measures will Increase Cooperation and Trust)
<b>RECOMMENDED ENGAGEMENT OPTION</b>	<b>CONFIDENCE BUILDING MEASURE(S)</b>	<b>TARGETED SECURITY THREAT(S)</b>
Continued U.S. Military Engagement to Foster Cooperation	Multilateral Disaster Preparedness and Response Agreements and Cooperation	Natural Disasters

Table 2 Matrix of Options to CBMs to Threats

## **B. RECOMMENDATIONS**

Based on the analytical framework for recommending CBMs, possible options for engagement, and the integration of those options, several recommendations can be made. These specific recommendations fall into two categories: Civilian and Military Diplomacy, and Military Engagement. Both categories of recommendations need to be implemented in the context of the sub region and a long term planning horizon. Rather than including the Central American countries in regional Latin American activities,

efforts should be focused at a sub region level. It is too easy to lose focus on the Central American countries in the presence of more developmentally mature countries or blocks of countries such as the MERCOSUR group in the Southern Cone. This sub regional approach needs to be implemented in a coherent sequence of engagement steps. Planning horizons should be established in order to avoid a disorganized approach in influencing change. Long-term engagement goals should be published and disseminated through both the U.S. Department of State and SOUTHCOM. A five-year planning horizon would enable consistency and might also prevent disjointed transitions due to changes in U.S. administrations. This joint approach would also ensure a cohesive, linked diplomatic and military engagement plan that would be fairly stable over a multi-year period.

The promotion of sub regional cooperation is likely to strengthen the Central American Common Market, which in turn could lead to the creation of a cooperative security community in Central America. It would appear that the formation of a common market in the Southern Cone (MERCOSUR) has been a significant factor in the creation of a cooperative security community there (Kacowicz 1998). Cooperative security communities exist when regional or sub regional countries share common cultures, values, and political systems and have established mutual responsiveness and trust in dealing with each other. One of the most important aspects of such a community is a mutual expectation of shared economic gains.

The Mercosur countries established a set of rules governing behavior when the Mercosur treaty was initiated. One of these rules was an agreement that any country that discarded a democratic form of government would be expelled from the union. This type of enforcement of common political systems has prevented two coup attempts in Paraguay and forced sub regional, open dialogue in those times of political upheaval. A similar commitment to maintaining such a union in Central America would create the same environment for open dialogue and conflict resolution. This in turn would facilitate the achievement of such shared security goals as resolution in border disputes, mutual consideration for EEZs, and shared defense information.

Civilian and military diplomacy includes promoting multilateral measures in border security, counter drug efforts, and land mine clearing. The promotion of these

types of CBMs should be made a consistent part of U.S. policy for Nicaragua and the sub region. Cooperative multilateral police and judicial interaction should also be stressed. Efforts to promote and even partially fund multilateral efforts and exercises would facilitate future sub regional stability. Future humanitarian exercises should include units from all of the nations in the sub region. The practice of conducting seminars and workshops on CBMs should also be continued, but these activities should be conducted on a sub regional basis. Since the U.S. currently has good relations with all the countries in the sub region, it is in a good position to provide a leadership role in the multilateral measures recommended.

U.S. policy should also include the promotion of multilateral measures through regional organizations such as the Organization of the American States and the Inter-American Defense Board. A comprehensive diplomatic plan should be developed to link efforts from U.S. civilian and military diplomats as well as U.S. representatives to regional organizations. Opportunities outside normal diplomatic events should be seized in an attempt to influence the acceptance of these types of measures. The influence of senior state department officials and the CINCSO should not be discounted in terms of effecting a change in the sub region toward multilateral agreements. Although it might appear attractive to attempt to link the implementation of measures to developmental assistance and funds, this should be avoided, as the potential for negative reactions is too great, and the ability to measure success in implementation is too subjective.

More specific measures should also be conducted between the U.S. and Nicaragua in the form of military engagement. The openness of the Nicaraguan military toward assistance in disaster preparedness should be used as a means for engagement as soon as possible. The exchange of emergency management personnel between the U.S. and Nicaragua would be a significant positive effort in this area. Nicaragua should also be invited to participate in a small unit exchange (SUE) with the U.S. army or Army National Guard. These small unit exchanges provide direct transfer of military knowledge and capabilities and are relatively inexpensive to conduct. The value of conducting exchanges on a level of equality is extremely high. Command group visits during SUEs can be used to reinforce the measures and activities promoted by both civilian and

military diplomats. Nicaragua was selected as one of the host countries for “New Horizons 02,” a large-scale U.S. engineering effort. The conduct of these exercises should be continued as the Nicaraguan people feel the benefits and the U.S. soldiers and units involved obtain better mobilization training than they would in the U.S. While scant resources would prevent the conduct of an exercise like “New Horizons” every year, smaller exercises could be conducted on a yearly basis in order to sustain contact between U.S. and Nicaraguan personnel.

The last engagement option recommendation is to establish a State Partner Program between Nicaragua and a U.S. state. Efforts have been made toward this goal already with interest being expressed by the state of Wisconsin and a representative of the Nicaraguan Popular Army. This particular combination should be closely examined, as it is based not on simply the availability of a given SPP but rather on a thirty-five year relationship between Wisconsin and Nicaragua that has stood the test of time and extreme tensions just short of outright conflict. Although this match makes the most sense from a historical perspective, regardless of the specific state selected, the engagement plan should include a significant presence from a future SPP partner state.

The SPP could be used as an implementation tool for future humanitarian and emergency planning and response exercises. U.S. SPP personnel should also be encouraged to attend workshops and seminars with their partner country. The establishment of a habitual relationship such as an SPP would ensure consistency and continuity above and beyond a long term planning horizon. The SPP state could also be used as a source for Small Unit Exchanges on a regular basis. This would provide opportunities for the involvement of a diverse group of units and commands and would integrate combat support, service support, and combat arms units from the state and Nicaragua. This habitual relationship would have to be monitored by both embassy and military group personnel to ensure that engagement goals are being met and the relationship is fostering mutual confidence, not preventing it.

Although U.S. military engagement appears to be deepening in Nicaragua and the sub region, concerns exist that this may tend to promote military solutions over those negotiated or proposed by civil leadership. Based on a past history of military coups and

political influence, this concern is a valid one. Critics of U.S. policies in the sub region say that the U.S. focuses too much emphasis on the role of the military in humanitarian, drug trafficking and immigration issues and that diplomatic, not military, engagement should be pursued. This is mentioned to establish the concept of comprehensive engagement led by the U.S. ambassador to Nicaragua. Subjugation of the military to civil control must be stressed in all operations conducted by U.S. military units in the sub region. Humanitarian engineering exercises should more closely involve the civilian authorities from the area in which the projects are being constructed. U.S. military personnel should make an extra effort to recognize civilian authorities as being in a position of importance.

The needed confidence-building measures identified by this thesis will only have a chance at succeeding if the civilian leadership of Nicaragua understands the reasons they are needed and how they can work to foster mutual trust and cooperation. This current gap in civilian knowledge of military subjects and policies must also be addressed. It almost appears that the civilian leadership in Nicaragua has agreed to these measures in the past more due to pressure from the U.S. and the OAS than from a true understanding of why they are needed and what they would accomplish. This “parroting” of the concept of CBMs must be changed to a meaningful understanding of the reasons for implementing these measures. This can only be accomplished through a dedicated effort to educate these civilian leaders in defense and security policies. This could be effected by increasing the amount of invitations to civilian leaders from Nicaragua to U.S. sponsored military schools, workshops, and seminars.

Civilian and military diplomacy and engagement also needs to be integrated with development efforts in Nicaragua. Humanitarian assistance in the form of engineer and medical exercises could be meshed with specific developmental programs sponsored by non-governmental organizations such as the World Bank or private voluntary organizations such as the Wisconsin-Nicaragua Partners of the Americas and the Sister City programs. SPP activities could also be meshed with developmental projects in terms of civilian exchanges through the SPP program. Agricultural and infrastructure experts from both the civilian and military sectors could focus their efforts in conjunction with

the efforts of non-governmental and private voluntary organizations. Military transportation assets could also be used to supplement these programs.

Nicaragua is too important for stability in the sub region to be left out of U.S. foreign policy. Some form of comprehensive engagement needs to be developed and implemented. In the absence of sustained intergovernmental engagement, military engagement should be used to foster improved bilateral and multilateral relations between Nicaragua and the U.S., and between the countries of the sub region. Steps have already been taken which, if supported and expanded, could lead to a pluralistic security community. The rise of drug related activity, the continued unrest caused by armed groups in Nicaragua, and the recent border skirmishes are all threatening the current trend toward increased peaceful relations. Active, sustained engagement and the promotion of multilateral cooperation and agreements would have a significant, positive impact on sub regional stability.

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