

## NICARAGUA COUNTRY PROFILE

Capital: Managua



### **Quick Facts** (updated June 20, 2006):

Population: 5,570,129

GDP (Purchasing Power Parity): \$16.09 billion

GDP per capita (Purchasing Power Parity): \$2,900

GDP composition by sector:

Agriculture: 18.1%

Industry: 26.6%

Services: 55.4%

Size of labor force: 2.01 million

Labor force: by occupation:

Agriculture: 30.5%

Industry: 17.3%

Services: 52.2%

Unemployment Rate: 6.9% plus underemployment 46.5%

Population below poverty line (\$2/day): 50%

Life expectancy at birth: 70.63 years

HIV/AIDS – adult prevalence rate: 0.2%

Adult Literacy Rate (age 15 and over):

Male: 67.2%

Female: 67.8%

For more information: <http://cia.gov/cia/publications/factbook/geos/nu.html>

### **Political History**

After a period of Spanish occupation, Nicaragua declared independence from Spain on September 15, 1821. It was first officially recognized as the Republic of Nicaragua in 1838. During the 1900s, tensions rose over government manipulations and corruption, leading to the uprising of the Marxist Sandinista Guerrilla group, which gained power of Nicaragua in 1979. During the 1980s, Sandinista Guerrillas and Contras, anti-Sandinista armed resistance groups supported by the United States CIA and former President Reagan, fought a civil war that tore the country apart. In 1990, 1996, and 2001, Nicaragua held free elections, each one seeing the Sandinista group defeated. Currently led by President Enrique Bolanos Geyer, Nicaraguans are working hard to erase their violent past so they can move towards a brighter future.

For more information: <http://en.wikipedia.org/wiki/Nicaragua>

### **The Economy**

Nicaragua's economy was devastated by the Contras War. After the 1990 election, the government began a free market reform that privatized over 350 state enterprises. These measures brought a crippling 33,600% inflation rate down to 9-12% and cut Nicaragua's debt in half. After being hit hard by hurricane Mitch in 1998 and again by the global recession in 2001, Nicaragua's economy is slowly on the rise. Nicaragua's primary agricultural products include: coffee, bananas, sugarcane, cotton, rice, corn, tobacco, sesame, soya beans; beef, veal, pork, poultry, dairy products; shrimp, and lobsters. The primary industries are: food processing, chemicals, machinery and metal products, textiles, clothing, petroleum refining and distribution, beverages, footwear, and wood. Trade continues to be an important contributor to the economy, but Nicaragua is not able to produce enough to sustain itself. In 2005, Nicaragua exported \$1.55 billion worth of goods and imported \$2.865 billion. The United States continues to be Nicaragua's largest trading partner. Debt remains a problem at 130% of GDP and 25% of GDP comes from foreign aid. Nicaragua has one of the least equitable income distributions in the world. The bottom 10% of society receives only 1.2% of the income, while the top 10% receives a whopping 45%.

For more information: <http://cia.gov/cia/publications/factbook/geos/nu.html>

### **Advocacy Issues**

- Coffee prices on the world market are hurting small farmers.
  - o [http://www.oxfamamerica.org/newsandpublications/publications/research\\_reports/crisis\\_continues](http://www.oxfamamerica.org/newsandpublications/publications/research_reports/crisis_continues)
- Oxfam's "**Make Trade Fair**" campaign targets the trade practices of major western corporations. This campaign seeks to improve the lives of women, the group most vulnerable to unfair trade practices. Although this campaign demands more favorable working conditions and higher wages, these major corporations demand cheaper labor and faster production. To get involved in Oxfam's "Make Trade Fair" campaign, please visit: <http://www.maketradefair.com/en/index.htm>
- CAFTA trade agreement between USA and Central American governments. This agreement is said to worsen the situation for \*\*\*\* people instead of making it better. For more information visit:  
[http://www.oxfamamerica.org/newsandpublications/press\\_releases/archive2004/art7283.html/?searchterm=nicaragua](http://www.oxfamamerica.org/newsandpublications/press_releases/archive2004/art7283.html/?searchterm=nicaragua)  
and  
[http://www.oxfamamerica.org/newsandpublications/publications/research\\_reports/research\\_paper.2005-04-19.0062107283](http://www.oxfamamerica.org/newsandpublications/publications/research_reports/research_paper.2005-04-19.0062107283)