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Soviet Policy Toward Nicaragua

An Intelligence Assessment

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An Intelligence Assessment

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of Soviet Analysis. [redacted]



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**Soviet Policy
Toward Nicaragua**

Key Judgments

*Information available
as of 24 November 1986
was used in this report.*

Over the last few years, the Soviet Union has seized new opportunities to increase its influence in Latin America at the expense of the United States. Nicaragua is a key element in this policy, second only to Cuba in importance. While seeking over the longer term to establish a firmer strategic position in the region through consolidation of the Sandinista regime, the Soviets hope to exploit the Nicaraguan conflict to isolate Washington diplomatically and encourage the Latin American left.

The Soviets are playing for time. They see short-term risks to their interests in precipitating a US military move against Nicaragua—and are thus probably wary of provoking Washington by allowing the Sandinistas to obtain jet fighter aircraft in the near term. Moscow appears to believe US resolve to oppose the Sandinista regime will weaken by the 1988 US election. We expect the Soviets—in conjunction with their Warsaw Pact partners and Cuba—to continue, and indeed increase, their military and other assistance to the regime. The military aid is likely to be delivered with discretion for the time being, however, to avoid fueling the wrong side of the debate in Washington.

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Soviet Policy Toward Nicaragua

General Secretary Gorbachev's projected trip to Latin America next year reflects both the new activism in Soviet foreign policy and a heightened interest in this region. Moscow's perception of opportunity in the area was stimulated in the late 1970s by the Sandinista victory and subsequently by the political repercussions of the Falklands war and the opportunities for penetration in South America offered by the region's transition to democratic rule and its economic crisis. Today, in Latin America, the Soviets see numerous possibilities for enhancing their position and putting Washington on the defensive. Moscow sees the potential for long-term gain as gradually increasing, but, at the same time, it seeks to maximize the prospects for near-term advantage by exploiting its position in Nicaragua.

Nicaragua in Soviet Strategy Toward Latin America

Moscow seeks to build a Marxist-Leninist state in a Nicaragua that is militarily strong, economically stable, institutionally unified, and responsive to Soviet political and strategic interests:

- *In the near term*, the struggle over Nicaragua provides an opening for a Soviet presence in the region as protection for an embattled regime, fuels anti-Americanism, and complicates US relations with other Latin American countries. It demonstrates the Soviets' capacity to play a critical role in a prime US sphere of influence. It strengthens, moreover, their capability, in association with Cuba, to aid leftist forces and helps to normalize the status of Cuba by highlighting its role as a Latin patron to the besieged Sandinistas.
- *In the longer term*, if the Sandinista regime can be consolidated, it promises to create a platform for further extending Soviet influence and supporting the left in Latin America. Inevitably, Moscow will press Managua—as it has Cuba, Vietnam, and

other Third World regimes—for military concessions, such as air and naval access rights and signals intelligence sites.

Soviet Assessment of Trends in Nicaragua

Although the Soviets continue to state publicly that the United States is planning to intervene in Nicaragua and topple the Sandinista regime, privately they reportedly believe that their support of Managua is effective and that the Sandinistas have a good chance of surviving.

in Moscow's assessment, the insurgents will ultimately be defeated, the Nicaraguan economy will stay afloat (if just barely), and internal US opposition to President Reagan's policies will forestall any US military intervention.

At the same time, the Soviets have a clear appreciation of the problems that must be surmounted during the near term in Nicaragua: the potential for a more active insurgency, continued economic deterioration, and lingering internal political opposition to Sandinista rule. They also understand that their investment in Nicaragua could be put at risk by their own provocation of the United States, by ill-timed Sandinista activities similar to Ortega's visit to Moscow in the spring of 1985, and by uncoordinated Cuban actions that might provoke a harsh US response.

Soviet Actions

The Soviets—aided by their Warsaw Pact partners—are meanwhile stepping up support for the Sandinistas in a variety of ways

Soviet-Warsaw Pact Economic Disbursements and Military Equipment Deliveries to Nicaragua

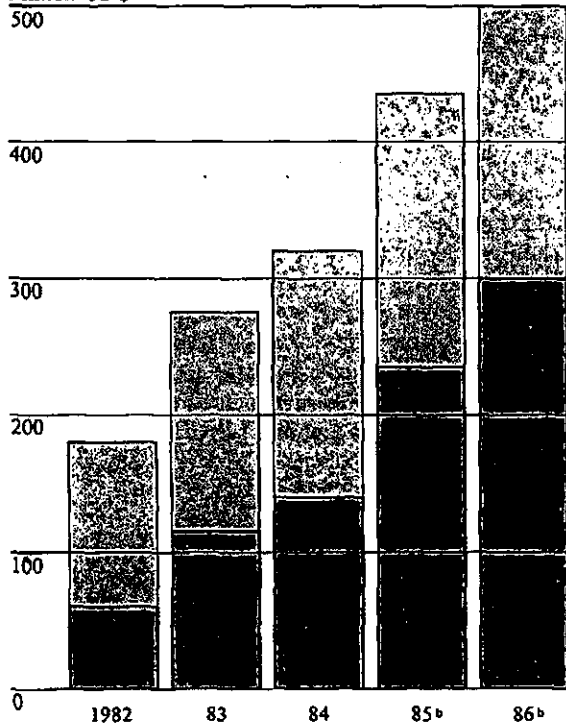
Note scale changes

Legend

Non-Soviet Warsaw Pact
Soviet

Economic Disbursements^a

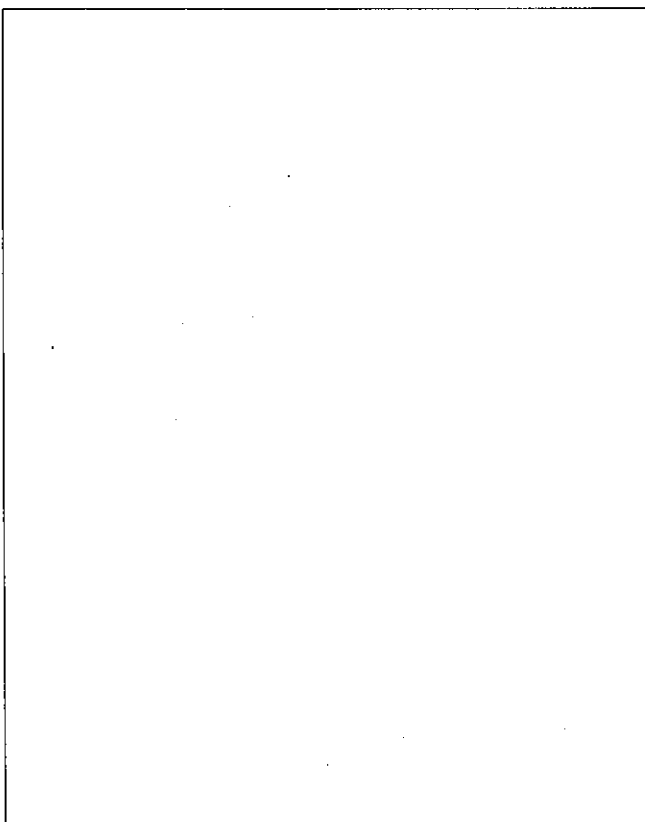
Million US \$



^a Includes Cuban disbursements.

^b Estimated.

Military Equipment Deliveries



Military Aid. Since 1982, Soviet military assistance to Nicaragua has steadily risen (see figure 1), and this assistance has included helicopters and other equipment useful in combating the insurgency. [redacted]

[redacted] Since 1984 support from the non-Soviet Warsaw Pact has declined substantially, highlighting the increasing share supplied by the USSR. [redacted]

Economic Aid and Advisers. The Soviets have also provided increasing economic assistance and have encouraged other Bloc states to do so as well. Moscow's aid alone this year is up about 30 percent over that of 1985. Bloc support includes economic credits, oil deliveries, and even scarce hard currency: East Germany, for example, provides a greater share of hard currency support than does Moscow. The Soviet Union is also pressing Managua to reorganize its economic institutions according to the Soviet model. In the fall of 1985 and during 1986, Soviet State Planning Committee experts visited Managua to examine Sandinista economic performance and to advise the Sandinistas on reordering their planning procedures. Some Soviet economic experts have been permanently assigned to Managua to oversee Nicaragua's economic agencies. [redacted]

Propaganda. The Soviets are supporting a major propaganda effort to legitimize the Sandinista regime internationally, especially within Europe and Latin America, and to isolate those who oppose the regime. Moscow reportedly has advised the Sandinistas that the best way to maintain the flow of necessary Western economic support to Nicaragua is to carry out the charade of a multiparty state. [redacted]

[redacted] Vsevolod Ovchinnikov, a *Pravda* commentator, speaking at a foreign policy seminar at Patrice Lumumba University, stated that the appearance of a multiparty state provides Nicaragua with "good camouflage." [redacted]

Security and Political Advisers. [redacted]

[redacted] Soviet and other Bloc advisers—especially Cubans and East Germans—are working

closely with the Sandinistas to structure the Nicaraguan security apparatus along Cuban lines to increase internal political control. Moscow is encouraging the Sandinistas to consolidate and stabilize their power, to reorganize their party, and to propagate their ideology more deeply among the Nicaraguan population. [redacted]

[redacted] the inexperience of the commandantes was of concern to the Soviet Bloc states. He claimed that, as insurance, Bloc advisers are working within the Sandinista party to help transform it—without public fanfare—into a typical Communist party. [redacted]

Diplomatic Support. Moscow's support for the Contadora peace process is [redacted]

[redacted] part of the Soviets' attempt to strengthen the worldwide constituency supporting the Sandinista revolution. Moscow probably calculates that a treaty will never be formalized, but that Soviet rhetoric favoring Contadora projects an image of solidarity with the regional Latin powers involved in the process and throws the spoiler role to the United States. [redacted]

Near-Term Constraints

Despite the Soviets' enthusiasm for their Nicaraguan client, there are limits to how far Moscow will go to protect the Sandinistas. There are no indications, for example, that Moscow contemplates taking direct military action in support of the Sandinistas—a disinclination reportedly made clear to both the Nicaraguans and the Cubans. Moreover, since the invasion of Grenada in 1983, Moscow, in our judgment, has been sensitive to the potential for a harsh US response. [redacted]

The plethora of materiel Moscow and its partners have provided the Sandinistas in recent years suggests that they are committed to providing the military equipment the Soviets judge Managua requires to defeat the insurgents. In the near term this support is likely to include, at a minimum, more helicopters,

upgraded air defense equipment, trucks, mobile artillery, multiple rocket launchers, small arms, and training. []

To protect their interests, the Soviets and their Bloc partners are also likely to continue and indeed increase economic assistance to Nicaragua; Soviet economic assistance in 1987, for example, could be up to 50 percent higher than in 1986. []

[] Moscow is showing increasing irritation with the waste and inefficiency of the Sandinista economy, but it has tolerated such problems with other clients—as with Cuba and Vietnam—and there are no indications it will turn off the economic aid tap. []

Assessing US Staying Power

[] Moscow expects that US opposition to Managua will soften and that the next administration will tend to accept the Sandinista regime as a fait accompli. The recent US midterm Congressional elections may have encouraged Moscow's hope that US backing for the insurgents will decline even before the next election. This judgment about US staying power would strongly counsel a Soviet policy of playing for time, consolidating the Sandinista regime internally, cultivating favorable international opinion on behalf of Nicaragua, and avoiding major risks or provocative behavior that could play into the hands of the Reagan administration. []

Moscow also probably calculates that Nicaragua has a more generalized impact on other aspects of bilateral relations with the United States, although it is not clear how finely tuned such calculations may be. The extent to which Moscow recently went in trying to conceal the delivery of more helicopters to the Sandinistas is, perhaps, a measure of Soviet sensitivity to this consideration. []

Whether Moscow will deliver MIG-21s or other jet fighter aircraft to Nicaragua is a key test of how far the Soviets calculate they ought to go.¹ The weight of []

evidence leaves little doubt that Nicaraguans have been trained to fly MIGs, and such aircraft may already have been set aside in Cuba for Nicaragua. The Soviets are sensitive to Washington's concern about the introduction of these aircraft into Nicaragua, and they almost certainly assume that the present US administration would attack such planes if they were discovered there. If the Soviets chose to deliver such aircraft, their decision would probably be based on the calculation that a US attack would, once the dust had settled, strengthen opposition in the United States to further aid to the insurgents, or would, in any event, inflame opinion in Latin America and Europe against the United States. []

But Moscow probably finds the arguments for restraint more compelling:

- Even if the aircraft were not destroyed, they would not add appreciably to the Sandinistas' ability to defeat the insurgency.
- Fallout from a confrontation with Washington over the jet fighters could affect the whole range of US-Soviet bilateral issues, including other regional hot-spots, a possible summit, and arms limitation talks.
- US destruction of the aircraft would once again expose Soviet inability to defend a client against US military power.
- The act of introducing MIGs or other aircraft might well be seen as provocative and alarming by Latin American countries that the Soviets are wooing, such as Mexico. []

Prospects for a Trade-Off?

[] there has been some talk in Soviet official circles of possible "trade-offs" between Moscow and Washington involving Nicaragua and other theaters of regional conflict, including Afghanistan. We believe that the Soviets are inclined to think in terms of "spheres of influence," although not to accept the legitimacy of Washington's claims to vital geographic interests. []

discussions on Central America signaled the end of the Monroe Doctrine and legitimized a Soviet role in Central America. It is conceivable, although we have no evidence for it, that the Soviet leadership itself views its support of the Sandinistas not only as a move to build Communism and extend Soviet influence in the Western Hemisphere, but also as a counterweight to US assistance to insurgencies against Soviet clients elsewhere.

It would not follow from such thinking, however, that the Kremlin is interested in or sees a realistic possibility of cutting a deal with Washington. It is unclear why the Soviet leaders would be interested in "trading" Nicaragua, since they apparently think that time is working on their side in consolidating the Sandinista regime; and it does not appear, in any event, that they think they now must choose between Nicaragua and a client of higher priority. It is also unclear what sort of exchange Moscow would visualize to be acceptable in principle or politically practicable for the current US administration.