

from civilian to military functions, the drain of talent through emigration and the loss of productive capacity as a consequence of the displacement of populations — have been estimated in the tens of billions. Capital flight alone may have totalled \$9 billion over the last ten years. Worse yet, the wars have coincided with the region's worst economic depression since the 1930s. With depressed demand and export prices, more than a third of the regional labour force was unemployed in 1986, according to the Secretariat of Central American Economic Integration (SIECA). The value of intra-regional trade in 1985 was less than half of what it had been in 1980. The foreign debt — \$20,757 million — equaled twice the gross domestic products of the region's countries in 1986; in per capita terms, it added up to \$778.70 — 72 percent more than the average Central American's income.³ According to the UN Economic Commission for Latin America and the Caribbean (ECLAC), in 1986 the per capita product of the region descended for the eighth year in a row; this signified a 28 percent contraction with reference to 1978.

This dramatic crisis and the resulting decline in mass living standards hit populations already poverty stricken and societies characterized by extreme inequalities in income and access to basic services. According to ECLAC, around 1980, 41.8 percent of Central Americans (over 8.5 million people) could not satisfy their "biological-nutritional requirements." An additional 21.9 percent (some 4.2 million) could not meet such basic needs as minimally decent housing and safe drinking water. These two groups, the poor and the extremely poor, made up almost two thirds of the region's population — 24.8 percent in Costa Rica, 68.1 percent in El Salvador, 71.1 percent in Guatemala, 68.2 percent in Honduras and 61.5 percent in Nicaragua. Costa Rica, where civilian rule and democratic traditions are well established, had the least skewed income distribution profile — the wealthiest 20 percent of the population received 49 percent of national income and the poorest 50 percent made do with 21 percent. The corresponding figures were 66 percent for the wealthiest fifth and 12 percent for the bottom half in El Salvador; 51.1 and 17.8 percent in Guatemala; 59.3 and 17 percent in Honduras; and 58 and 11 percent in Nicaragua.

The revolutionary movements that emerged in the seventies gained widespread popular support, precisely because they demanded improvements in mass living standards through redistributive reforms and development programmes specifically designed to redress socio-economic disparities, which had deepened during previous years of rapid growth. The most extreme forms of poverty were especially

³ The foreign debt figures include Panama.