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Survey Indicates Nicaraguans Skeptical About Effectiveness Of New Currency

by Deborah Tyroler

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According to results of a survey conducted by Costa Rican firm Demoscopia, most Nicaraguans do not believe the introduction of the new currency, the cordoba oro, will put an end to hyperinflation. Survey results were published in the July 3 issue of La Prensa. Notimex reported that La Prensa did not mention survey parameters, such as sample size, type and methodology of selection, margin of error, or information on respondent profile. Only 49% of survey respondents said they believed the new currency will end hyperinflation. Next, 14% said the cordoba oro "is a total lie," while 60% said they believed it would have some positive impact on the economy. According to 58% of the respondents, living conditions had declined compared to two years ago, although in 1988 inflation reached a record 36,000%. Notimex reported that inflation in the first half of 1990 came to 900%. The new currency, to be established on a parity basis with the US dollar, is to be released at the end of July. Central Bank president Francisco Mayorga asserted in the last week of June that inflation will decline to about 8% in September, and reach zero by year-end. At a press conference on July 3, former president Daniel Ortega criticized the government's economic plan and its centerpiece, the cordoba oro. The plan, said Ortega, is grounded in a model that has experienced resounding failure in other countries, including Argentina, Brazil and Peru. Ortega said the government is attempting to deceive Nicaraguans with its economic policy rhetoric. He added, "But, these people are feeling in the flesh the results of an economic policy that benefits a minority...the rich." (Basic data from Notimex, 07/03/90)

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