

A  
396429



© 2008 Information Management Consultants  
May be used for personal purposes only or by  
libraries associated to dandelion.com network.

# The State and Domestic Agricultural Markets in Nicaragua

## From Interventionism to Neo-Liberalism

Max Spoor

*Senior Lecturer in Development Economics  
Agricultural and Development Programme  
Institute of Social Studies  
The Hague*

**M**

**St. Martin's Press**



**Institute of  
Social Studies**

in association with  
THE INSTITUTE OF SOCIAL STUDIES

(1995)

---

# Contents

---

<i>List of Tables</i>	x
<i>List of Figures</i>	xiv
<i>Acknowledgements</i>	xv
<i>Acronyms</i>	xvii
<i>Spanish Terms</i>	xxv
<i>Preface</i>	xxix
<b>1 The State and Agricultural Markets in LDCs: An Interventionist or Laissez-faire Approach?</b>	<b>1</b>
1.1 Introduction	1
1.2 Reasons for Market Intervention	8
1.3 Instruments of Market Intervention	13
1.4 Agricultural Markets in Socialist Transition	24
1.5 Liberalization and Deregulation of Agricultural Markets	32
<b>2 The Limits of Market Intervention: Nicaragua (1979-90)</b>	<b>41</b>
2.1 Introduction	41
2.2 Outline of Market Intervention Under Sandinista Rule (1979-90)	42
2.3 The Somoza Legacy in the Agricultural Sector	48
2.4 Economic Strategy of Socialist Transition	53
2.5 Market Intervention and Its Context	63
<b>3 Transformation of the Grain Market</b>	<b>71</b>
3.1 Foundations of State Marketing: 1979-84	73
3.2 First Reforms Under War Conditions: 1985-87	84
3.3 Adjustment Programme and Economic Reform: 1988-90	90

<b>4</b>	<b>Agricultural Price Policy and Parallel Markets</b>	<b>95</b>
4.1	Guaranteed Prices and Cost of Production	97
4.2	Consumer Prices and Subsidies	108
4.3	Domestic Prices and External Markets	115
<b>5</b>	<b>Agricultural Credit Policy</b>	<b>127</b>
5.1	Rural Credit Before the Economic Reforms (1979-87)	128
5.2	Economic Adjustment and Rural Credit (1988-90)	134
5.3	Differential Impact of Credit Policy	143
<b>6</b>	<b>Agricultural Inputs and the Choice of Technology</b>	<b>147</b>
6.1	Investment Policy	147
6.2	Capital-Intensive Technology and the Input Market	150
6.3	Distribution of Chemical Inputs and Agricultural Machinery	155
6.4	The Labour Market	164
<b>7</b>	<b>Farm Survey in Jalapa, Jicaro and Quilali</b>	<b>171</b>
7.1	Subsidized Technology	174
7.2	Production Costs and Subsidies: The Case of Corn	177
7.3	Marketing of Corn and Beans	181
7.4	Purchasing Power and Consumption	189
<b>8</b>	<b>From Interventionism to Neo-Liberalism</b>	<b>195</b>
8.1	The Demise of Interventionism	195
8.2	UNO: A Swing Towards Neo-Liberalism	200
8.3	Sectoral Impact of <i>Laissez-faire</i> Policies	204
8.4	Final Observations	207
	<b>Notes</b>	<b>213</b>
	Preface	213
	Chapter 1	213
	Chapter 2	213
	Chapter 3	215
	Chapter 4	218
	Chapter 5	220

Chapter 6	221
Chapter 7	225
Chapter 8	226
<b>Statistical Appendix</b>	<b>229</b>
Chapter 2	231
Chapter 3	233
Chapter 4	247
4A.1 Current and Real Prices: The Problem of Deflators	247
4A.2 Official Cost Versus ENABAS and Market Prices	248
4A.3 Relative Prices	257
Chapter 7	275
7A.1 Classification of the Survey Sample	276
<i>References</i>	281
<i>Index</i>	293