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Characteristics of a New Economic Model

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Characteristics of a New Economic Model

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INTRODUCTION

In the first half of the 1980s the U.S. debate about Central America was often inflamed by widely varying perceptions about the direction of Nicaraguan social and economic policies. The Reagan administration, for example, repeatedly asserted that Nicaragua had become a clone of Soviet Marxism-Leninism, tempered perhaps by tampering in Cuban laboratories.¹ This impression of Nicaragua was fortified at times by the rhetoric of the Sandinista government. Moreover, the modes of historical analysis and political thought most frequently encountered in contemporary Nicaragua do reflect the profound influence of Marxist thought in pre-1979 intellectual circles.

Most observers, however, including U.S. embassy personnel in Managua when speaking not for attribution, scoff at the notion of Nicaragua as a simple rerun of the Cuban experience. Scholars of the Cuban revolution and those familiar with other socialist and non-socialist developments in the Western Hemisphere have been quick to note the differences between Nicaragua and Cuba, both in declared policy and in actual practice. Those studying the Nicaraguan experience itself point to the non-Marxist origins of and the rationale for many of the economic policies implemented during the first years of the Sandinista regime.² Indeed, the importance of private capitalist production in Nicaragua's critical export sector, the evolving nature of Nicaraguan agrarian reform, the stimulus given to private-sector production by the Sandinista government (often at the cost of virulent criticism from its most radical supporters), and the courting of foreign private investment, for example, hardly fit with a simplistic view of the Nicaraguan economic experiment as typically socialist.

