

CUBA IN TRANSITION

Volume 7

Papers and Proceedings of the

**Seventh Annual Meeting
of the
Association for the Study of the Cuban Economy (ASCE)**

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PREFACE

These Proceedings, from ASCE's Seventh Annual Meeting, contain a rich variety of analyses and discussion about the Cuban society and economy. They come to light at a time when the Cuban Government has decided literally to stop the timid reform process it had started during the past few years. Many of these reforms, including the licencing of selected independent work, the apparent dismantlement of the state farms (*sovjoses*) into quasi cooperatives, the licencing of small restaurants (*paladares*), and the legalization of the dollar, were expected to add dynamism to an almost paralyzed economy. In practice, however, despite their initial success, or more probably because of it, all of these reforms have been severely restricted, from the inception, by all sorts of impediments. Thus, their potential beneficial impact has been greatly curtailed.

It is not difficult to understand why this schizophrenic behavior. Individuals' economic success generates independence from the state, a situation that a government that practices totalitarian control can hardly afford. Sadly, the result of this "fear of flying" is an acute duality in which access to dollars makes the difference between achieving a minimum level of comfort and barely covering basic human needs. Also, as individuals endeavor to either comply or disregard governmental restrictions, all sorts of distortions creep in, reducing efficiency and productivity of resources used. Furthermore, the practice of paying peso salaries to Cuban workers in joint ventures while collecting much higher dollar salaries for their work from the foreign investor, not only distorts the labor market, but amounts to the government confiscating the surplus that has been earned by the worker. Karl Marx would have defined it as exploitation of the worker by the state.

ASCE's Seventh Meeting was very successful, mostly because of the enthusiasm and work of its members and their commitment to conduct serious analysis and discussion of the Cuban economy. I, together with the Board of Directors, want to express our strong appreciation to our past President, Jorge Pérez-López, and to José Alonso for the large amount of high quality work that has been done in preparing this publication. We are also very grateful to the North-South Center of the University of Miami for their support and co-sponsorship of the meetings and for the financial contributions to the meeting by several corporate sponsors.

Antonio Gayoso
President