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## **Cuba's Second Economy: From Behind the Scenes to Center Stage**

*Jorge F. Perez-Lopez*

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***Cuba's Second Economy*** is an important and clearly written book. Jorge Perez-Lopez, a veteran student of the Cuban economy, presents a cogent context for the reform process of the 1990s. Although "the" transition (to a market economy) has not yet begun, "a" transition (to something other than a centrally planned economy) is not only evident, but is picking up momentum in the aftermath of the August 1994 migration crisis. Perez-Lopez has rendered the community of scholars, journalists, and prospective investors interested in Cuba a service on two counts: by offering comparative perspectives with the experience of other centrally planned economies (CPEs), and by placing the current process in view of post 1959 economic policy-making. In doing so, he enables the reader to put recent measures, such as making the dollar legal tender, liberalizing self-employment, and reopening peasant markets, in broader perspective.

Too often those of us who study Cuba have eschewed analytical comparisons on the grounds of an allegedly pervasive Cuban uniqueness. While distinctiveness is an element of any historical experience, so is commonality. In his introductory chapter, Perez-Lopez reviews the concepts of economic informality in Latin America, the underground economy in advanced industrial societies, and the second economy in CPEs, and chooses the latter as the proper one for understanding the Cuban economy. Throughout the book, he brings in examples from other CPEs when discussing problems such as economic crimes, employment, production bottlenecks, and distribution shortages.

functional similarities of the island's economy with those of its former allies.

History has also been a frequent casualty in Cuban studies. Generally, the year 1959 stands as the "great divide" in the field; historians and social scientists have meticulously segregated their labor, rarely building analytical bridges. With the end of the cold war, analysts seem to be erecting another artificial divide in the study of Cuba. References prior to the 1990s are becoming increasingly sparse in the literature, the result being a seriously diminished understanding of the Cuban government's current predicament. A second merit of this book is the author's succinct overview of economic policy-making since 1959. Perez-Lopez focuses primarily on the weight of domestic factors in explaining the present crisis. He painstakingly traces its origins to the long-simmering problems besetting the Cuban economy, even if these were, indeed, grievously aggravated by the end of Soviet subsidies. Sooner or later the Cuban government will need to redress these problems; finding alternate sources of credit, establishing new trading partners, and even (the for-now-improbable) lifting of the U.S. embargo will not put the Cuban economy on a steady track toward recovery, unless accompanied by a far-reaching domestic restructuring. While the reforms of the 1990s, which Perez-Lopez ably summarizes, modestly point in that direction, the present leadership has yet to grab the bull by its horns, that is, "the" transition to a market economy.

*Cuba's Second Economy* suffers from two glaring

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Vietnam. Where is the second economy taking Chinese and Vietnamese societies? Market economies and political democracies in the sense we in the West understand them do not appear to be on the horizon there. Do Cuban reforms augur a path of transformation more akin to those in these two countries that in the former CPEs of Eastern Europe and the Soviet Union? The second, more critical, is the peripheral place Perez-Lopez accords politics in his otherwise incisive analysis. Indeed, the character of politics (the preeminence of Fidel Castro; the role of mass mobilizations; the successful identification of nationalism with the government; the continuing, even if much diminished, reservoir of popular support) constitutes an important element in what is unique about Cuba. Significantly more so than in other CPEs, political vagaries have shaped Cuban economic policy over the course of 35 years and, the apparent momentum in favor of reforms notwithstanding, they may still do so again in the 1990s.

Today Cuba is already quite different from what it was in the 1980s. Undoubtedly, broader and more radical changes lie ahead. This latest book by Jorge Perez-Lopez is obligatory—and fortunately enjoyable—reading for all who seek a solid understanding of the ongoing transformation of Cuban society.

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