Notes On An Agricultural Strategy For Cuba

by Raúl Fernández

AND

Commodity-Linked Transactions: The Case of Sugar

by Fernando and Jose Alvarez

Comments by Antonio Gayoso

Presenters dealt with agricultural conditions and problems which are new Cuban Government would face in the future. Some approaches were discussed to address these problems. Foremost issue will be the role of the sugar sector. Major conclusion was that it will remain critical to Cuban economic well being. Given market conditions, continuous access to Soviet market will be an absolute necessity. Regarding food production, a complex package of incentives needed to increase supplies was discussed. It included price incentives, input supplies, and open marketing. The crucial issue of land tenure rights was a part of it. Discussion led to conclusion that, without settling tenure rights, such incentives would not work. Only eighteen percent of Cuban productive land is in private hands, who might be only ones responding to such standard economic incentives.

A proposal to use a commodity-linked transaction approach to access capital needed for future reconstruction was also presented. While attractive in principle, financial experts in the audience believed it could lead to unhealthy future indebtedness, without assurance of the desired payoff for the country.

Finally, keeping in mind the protracted litigation to settle ownership of land and other assets, currently underway in Eastern Europe, a notion was suggested to permit quick settlement of land tenure issues. In brief, land ownership would be granted to those who now till the land. Former owners would seek compensation from a special court created for that purpose and a land market would be developed to facilitate land purchases. It was felt that needed investment in agriculture will not occur as long as tenure rights are unsettled. This issue was not discussed for lack of time.