

ECONOMIC EDUCATION FOR A MARKET ECONOMY: THE CUBAN CASE

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The transformation of a centrally planned economy (CPE) into a market economy provides an excellent example of hysteresis between the trajectories corresponding to the transformation of each economic system into the other. The first process involves a transformation of a low-complexity system to one of much higher complexity. Inversely, upon establishing a centrally planned economy following Marxist-Leninist tenets, the process is characterized by a reduction of complexity in several dimensions: a) institutional, b) legal, c) economic, d) behavioral, and e) cognitive. A *Washington Post* reporter, John Pomfret (1994) captured the phenomenon of hysteresis very succinctly, "Everybody knew how to go from a free economy to a communist one, but nobody knew how to go back." Pomfret's critical variable is knowledge and it will also be the focal variable in this paper.

The reduction in institutional complexity is easily observed when the newly established economy eliminates institutions such as financial intermediation, advertising, industrial organizations and relations, legal and other services associated with a market economy, and reduces the number of enterprises in all industries (rationalization). This process of institutional reduction is accompanied by the creation of some institutions, but they do not match in complexity the old ones. For instance, the creation of a Central Planning Board and state monopolies are simple processes of concentration and centralization of old institutions. Besides, the disregard for money and profits brings about a general neglect of account-

ing and financial management systems in virtually all enterprises, deepening the process of institutional simplification at that level.

The simplification of the legal system starts with the elimination or significant constraining of property rights, the keystone of a market economy, followed by the elimination of all legal instruments related to contractual security, market regulations, etc. This process is accompanied by the obvious reduction and simplification in the institutions that correspond to the legal system, starting with legislative bodies, the judiciary, tribunals, the human resource endowment (judges, attorneys, etc.), the accumulated practice, libraries and archives, etc. Even though there are new additions to the legal system, they are focused in the reduction of the degrees of freedom of the individuals to conduct all sorts of businesses and activities appropriate to a civil society. This characteristic involves a process that is predominantly of simplification because it reduces the range of choice of the society at large and, therefore, the implications of having more choices.

As institutional and legal constraints increase and become more binding, economic choices are reduced for all economic agents, consumers, workers, entrepreneurs, investors, savers, etc. This process takes place directly and indirectly. Direct effects are represented by those created by the new legal and institutional constraints. Examples of direct effects could be the impossibility of buying equitable instruments, selling real estate, or getting a loan in a bank. Indirect effects are those that appear as secondary, usually un-

expected consequences of the implementation of the new constraints. Among the most common are the reduction in the availability of consumer and producers goods due to decreases in production and distribution efficiency and rationing.

As individual choice is so severely constrained, individual behavior is equally constrained and a general loss of welfare can be expected at some point in the process.¹ Under these circumstances, how can a political system impose such radical changes without jeopardizing its tenure in power? The answer lies on the application of sheer physical power (military, police), social intimidation, and persuasion. The latter factor, persuasion, is a combination of educational strategies designed and applied for many audiences, at all levels of the society and covering virtually any topic, from economic to political, religious to philosophical, and scientific to artistic. Any person vaguely familiar with a CPE under a Marxist regime knows how many resources are dedicated to this effort, and how critically important this activity is considered by the authorities.

Why then has a similar effort not been made to prepare the ground for the establishment of market economies in the former members of the Soviet empire? It can be argued that this type of effort is necessary because it takes a great deal of deception (along with total control of all forms of communication) to impose a society whose ideological foundations would not stand freedom of expression, and this is true. But is also necessary to recognize that, after years of Marxist indoctrination, there is a great deal of prejudices in these societies, and they must be addressed in very specific terms. Such prejudices work against the installation of market economies and represent one of the sources of ammunition for those

who oppose the advent of a market economy and a free society.

Economists, unfortunately, have not paid too much attention to the needs for economic education in these contexts for two main reasons. First, the lack of glamour or drama in economic education. Many of the economists involved in transition economics seemed fascinated by the apparent opportunities to be influential in economies in transition as soon as the Soviet block began to unravel and there were initial movements towards liberalization. Second, the lack of understanding of how these societies were organized, from their institutional setup to the existence of mentalities and attitudes—after decades of indoctrination and lack of freedom of expression—generally incompatible with market economies and an ample spectrum of individual freedoms. Few know that in Marxist dominated societies the mere study of western economics is not allowed and to pursue it may bring severe punishment to those who dare break the rules, and many underestimate the extent of the damage done by the government control of all forms of communication and information.² There seem to be the pervasive notion among many economists that individuals will automatic and instantly adapt to a new set of prices and macroeconomic conditions, regardless what they know, their values, etc.

This paper is based on the assumption that, although economic behavior can be significantly influenced by all sorts of typically neoclassical variables, the cognitive endowment and values of individuals, and their nature and distribution in a society do play an important role in the workings of the society and its capabilities to evolve. This paper is an attempt to catalog what the author believes are some of the most critical issues in economic education in a previously

1. This is a highly controversial statement but we can assume that at least a large segment of the population will experience such a loss.

2. A dramatic example of the ensuing isolation is provided by Reid (1994, p. A26) reporting on an interview with North Korean official Kim Dal Hyun, a nephew of Kim Il Sung trained in economics. Until then he had believed that Kim Il Sung defeated Japan in World War II and liberated Korea from Japanese rule. After been asked about the role played by the U.S. in defeating Japan, Kim Dal Hyun replied “This is the first time anyone ever suggested to me that America helped defeat Japan in World War II. History shows that it was Kim Il Sung who defeated the Japanese.”

Marxist-dominated environment. The paper draws significantly on the author's years of experience in Cuba, as a student of Marxist economics, as an official in the Central Planning Board, and, later, as a professor of planning in American University and an international economic advisor in Washington, D.C. The paper has three sections. The first section is a he catalog of issues *per se* with individual discussions of the nature of each topic and how to address it in an education program for a market economy. The second section provides the elements of an educational program including a view of the audiences that must be identified and targeted for in any education program of this sort. Finally, the third section presents concluding remarks.

A CATALOG OF ISSUES

The issues discussed below and the corresponding prejudices or misconceptions generally have a Marxist origin. Nevertheless, this is not always the case. Some economic misconceptions prevalent in Marxist societies are actually originated by governments or are more modern than Marx. In the Cuban case, the most important one is perhaps concerning *imperialism* and its role in determining the relative backwardness of less developed countries (LDCs), especially the U.S. imperialism. This will be discussed further below.

Surplus Value and Profit

In Marx's system, value is only generated by the worker through the application of "labor-power."³ Surplus value is what remains of the total value generated by the work force after paying for the corresponding wages and other inputs excluding the use of capital. Marx then illegitimizes the payment to the factor capital (profit) by stating that capitalists monopolize the access to the means of production according to a legal system based on private property. In this logic, it follows that surplus value is tantamount to stealing from the workers.

Though Marx's logic was not understood by most of the people living in former or current socialist countries, it still serves to feed those in charge of ideologi-

cal and political propaganda. They appeal to the intuition of their audiences to expose the illegitimacy of profits as a result of the exploitation of man by man. In socialist planning, on the other hand, the concept of profit was never taken into consideration for a number of reasons. First, the Stalinist centralization of enterprises, combined with price controls and rationing, made profits virtually obsolete. There was not even a substitute term. Enterprises could always spend more than what they registered as income. It is important to keep in mind that in this system the enterprises have very little influence, if any, on prices, levels of employment or investment; they are essentially limited to implementing quantitative production targets. In other words, even when there is space for a concept of profit in a socialist economy, profits have not been important and the general public is not used to associating profits with efficiency.

The lack of importance of profits is reflected in many ways. In Cuba, for instance, accounting schools at all levels ceased to exist towards the end of the nineteen sixties. One prevalent notion in government circles was that accounting was not important since the country was already marching towards communism where money is not necessary! Yet lack of or poor accounting is not only a problem in CPEs, it is also a major obstacle in the privatization process necessary to establish a market economy. This is illustrated by Pomfret (1994, pp. A1 and A13) when reporting on a joint venture between General Motors and the Polish carmaker FSO: "Socialist accounting didn't factor in profits, and it didn't care about losses. A culture flourished, the old saw goes, in which the state pretended to pay the workers and the workers pretended to work."

In order to reestablish the legitimacy of profits is necessary to work on two fronts simultaneously. Firstly, educating the public to erase the notion that access to the means of production is a monopoly of "capitalists." This includes demonstrating the importance of small enterprises in most modern economies, and

3. See Heilbroner (1991, p. 158) for a simplified, but effective treatment of these concepts.

why market efficiency and financial intermediation are essential to widen the access of the general public to ownership of capital. The second front should be the public enterprises themselves before they can be privatized. It is necessary to quickly reestablish accounting systems and publicize the financial statements of these enterprises as a means to educate the workers and the general public. As relative prices and other distortions come to an end, losses will be frequent and discussions about their causes and how to transform them into profits could be used as important educational material at many levels.

Private Versus Public Property

Private property of the means of production is considered immoral by many members of Marxist societies. Private property is also perceived as predatory by large segments of the population, a perception that owners of capital refuse to accept as fact. These notions are consistent with the early Marxist concept of monopoly of access to the means of production. The feeble defense of private property against massive expropriations by the Cuban government in the early sixties lend support to this notion, as well as the lack of sufficient popular support to return expropriated holdings to their former owners in Nicaragua after the Chamorro government took over.

It is also important to realize that certain social-democratic trends in Cuban circles, inside and outside the country, show their lack of confidence in private property of capital by their continuous advocacy to the future development of a mixed economy. The most vociferous defenders of the full restoration of private property rights, however, have been those who suffer expropriations in the early sixties. Nevertheless, they have based their arguments on notions of fairness instead of on notions of economic expediency. Neglecting to accept the possibility that the restoration of private property rights in a post-Castro Cuba may depend on the will of the millions of constituents living currently in Cuba, acting in a democratic context, previous holders of properties in Cuba may be unwillingly contributing to the permanent loss of their holdings for not recognizing the ideological or educational complexities around this subject.

Yet property rights may be fully reestablished in Cuba before recognizing all of the existent claims. Regardless of the damage that this course of action can be expected to inflict upon the Cuban economy, there are additional reasons to educate the Cuban population at large about the legitimacy and the economic advantages of universal property rights. Even if a transition government decides to recognize previous claims on capital ownership and return the corresponding properties to their former owners, there is an unknown volume of state property that was never private, but a result of the government's investment plans since the early sixties. These properties can easily fall into the hands of their administrators as a result of the combined effect of (a) the workers lack of understanding of their potential role as future owners, and (b) a lack of a well-designed and implemented privatization program, as is taking place in many ex-socialist economies. Pomfret (1994, p. A13) reports that,

“a recent study by researchers at the University of Warsaw found that at least six out of 10 managers of medium-sized to big businesses were former Communists. Hungary's privatization program effectively allowed many former Communist plant managers to buy up the firms. In the Czech Republic, two waves of a voucher privatization program will theoretically place 80 per cent of the economy in private hands by early next year. But beneath the surface, the old Communist bosses remain: the privatization has yet to be accompanied by changes within most companies.”

The point here is not the former political affiliations of the new owners, but the ironic lack of equity of a privatization process that may exclude most of the non-militant population simply because the current bosses are better positioned to become the new capitalists and the lack of preparedness of the majority of the working population. This result may cast serious doubts on the legitimacy of property rights for a long time, and is not a desirable outcome of an effort to establish a market economy. To avoid this a major public education campaign should be implemented to raise the public understanding of these issues in behalf of their own private interests. It would be a gross mistake to assume that such an education is not necessary since the public is intelligent and would be

able to determine where their interests lie in all conditions. This is true in the long run, but in the short run, those with more knowledge of these issues and more access to the relevant sources of information are better prepared to take advantage of the confusion of the transition—especially if it is not well planned and executed.

Trade

According to Marx, surplus value is only produced by work-power when applied in the sphere of material production. Commercial activity is a net consumer of surplus value, the argument follows, therefore it does not generate wealth. Such is the conceptual rationale for the virtual marginalization of trade activities in CPEs. Trade is seen as an activity that could be automatically performed as a necessary consequence of the socialist division of labor, but without deserving the level of attention that it enjoys in market economies.

These concepts are additionally reinforced by the Marxist labor-theory of value, the concomitant rejection of any “subjective theory of value,” and the extrapolation of both concepts to a CPE.⁴ In other words, in a “perfect” economy, prices are determined by the amount of “socially necessary labor,” a notion founded on the philosophy of dialectic materialism that leaves no room for supply and demand, consumer preferences, or any “subjective” factor. Under these tenets, the freedom that is involved in trading is illegitimated, disregarding the need for the massive exchanges of information that take place in a market economy between producers and final buyers, including the essential intermediation of traders at different levels, covering all the spectrum from wholesale to retail commerce. All this results in the marginal position of the commercial sector in CPEs, expressed not only in terms of a reduced number of establishments, but also in their chronic lack of sup-

plies and inventories, and their generally drab appearance.

The prejudices against commercial activity are reinforced in non-socialist economies, when there are intermediation and transportation monopolies, which traditionally affect agricultural products. Pre-Castro Cuba seemed to have been full of these cases, which notoriously included among many others the alleged monopoly of pineapple wholesale trade held by Benito Remedios, a Senator of the Republic, and controls of stands in the “Mercados Libres” or Free Markets. Latin American countries are also full of similar examples. Cargo transportation monopolies in Panama are legendary, while this and other countries still suffer from serious restrictions to free trade by the power of government-granted monopolies and protection privileges. Such restrictions are rooted in the mercantilist tradition of the rent-seeking Spanish colonial system and contribute to a culture that accepts government centralization and intervention as part of the natural economic order.

An education campaign to overcome these concepts can be easily designed on the abundant empirical evidence about the benefits of trade. This campaign, however, may be less necessary today in Cuba as even the limited and timid liberalization of “mercados agropecuarios” or agricultural markets and small family-operated restaurants (“paladares”) are showing a significant impact on the population’s level of consumption.⁵

MONEY, SAVINGS, INVESTMENT AND INTEREST RATES

The rate of interest is the price of an inter-temporal transaction between economic agents. As property becomes public in a CPE the state becomes the only economic agent, financial intermediation virtually disappears. All savings—with minor exemptions for consumer purposes—and all investment is done by

4. We must remember that Marx wrote almost nothing on the economic theory of socialism.

5. With the disappearance of the Soviet subsidies, the Cuban government was forced to do its own structural adjustment program, more reluctantly so as it did not count with the anesthetics that could have been provided by the International Monetary Fund and the World Bank. The work of a post-Castro transition government will be undoubtedly easier if Castro finishes fundamental macroeconomic adjustments before departing.

the government. Individual time preferences lack a vehicle of expression, which is logical in a society that does not believe in “subjective theories of value.”

In a CPE, while the government seems to adopt a growth-maximizing behavior within a budget constraint dedicated to internal and international security, investment expenditure tend to be maximized too, the level of aggregate consumption receiving a residual treatment. Investment projects are chosen by haphazard methods, as profits cannot be taken into consideration, in most cases. The Cuban case is somewhat different, since economic considerations seem to be less relatively important than political ones. The Cuban government, at least until the demise of the Soviet block, seemed to have followed what can be characterized as a policy of maximizing its influence in external affairs. In both cases, however, decisions concerning investments were never made taking risk, profits, or the population’s time preferences into account.

It is not possible to predict what the consequences of this lack of exposure to fundamental economic decisions have on the population. Many people may have grown used to not taking chances and live under the protective umbrella of the state paternalism. This type of attitude is frequently reported among the citizens of former socialist states, especially those that have voted the old Communist rulers back into power, with the exception of the Czech Republic.

Public education to address these issues should be well coordinated with the issues raised previously about privatization. The topics covered in this section, however, are more abstract in nature than those relative to property rights and ownership, and they will require a different approach.

Rationing and Price Flexibility

Rationing was instituted in Cuba in March 1962 and it is still officially alive though apparently non operational. Nevertheless, an entire generation has been educated under the notion that a group of bureaucrats can arbitrarily decide not only about the prices of consumer goods, but also their availability, if at all, to the Cuban population. The most dramatic example of the consequences of this regime is the severe

deterioration of all buildings in Cuba, after more than three decades that the Cuban government denied the access to basic means of maintenance to the regular consumer.

The need to liberalize prices in order to restore equilibrium to supply and demand relations is indispensable to recover the Cuban economy and to install a market system. This however must be explained to the population to avoid the uncertainties that Russia suffered in this regard during the winter of 1992. Even though the current liberalization of some markets in Cuba may help in this direction, the population needs to understand why prices may remain flexible and change with external and internal economic conditions. Part of the state paternalism in Cuba is reflected in the expectation by a significant segment of the public that the state should always protect the common citizen from the vagaries of the economy.

Public enterprises, on the other hand, never had to worry about adapting their production decisions to varying prices. In fact, these enterprises have developed as institutional puppets of the Central Planning Agencies that work under the assumption that they know everything.

Therefore, re-educating the general public about the advantages of price flexibility and free supply and demand also requires some attention to functioning under these radically different conditions. This may sound very obvious and even naive to those lucky ones that have only lived in a free market environment, but it represent a revolutionary change for those that were born in a CPE.

Competition and Planning

A closely related topic is that of the advantages of a competitive economy versus central planning. In the Marxist world, market economics is equivalent to chaos, where the free enterprise system impedes the improvement of the standard of living of the common citizen because there is not a “rational allocation of resources”. The fallacy is based on the notion that the state can always look for the public good much better than a system based on private property and economic freedom.

Marx's obsession with his theorem about the falling rates of profit under capitalism, blocked him from understanding the importance of a legal system working in a democratic society. But whatever his reasons, many still believe that competition is detrimental to the general economic welfare since there is a great deal of redundancy among enterprises and resources, plus the fact that competition is inherently destructive. Planning, the argument follows, is necessary to reduce the chaos introduced by competition and only the state can be in charge of such a task.

The evidence about which system is more efficient is overwhelming but there is always the need to support the evidence over more theoretical foundations. The education campaign, for the audiences that can handle abstract discussions of the topic, must be focused on the fact that redundancy in itself is a desirable outcome of competition. On the one hand, it avoids monopoly and all its undesirable consequences, on the other, it provides more stability of supplies because if a supplier fails to deliver there are other sources to rely on. Competition also encourages the constant improvement of the quality of the traditional products and the development of new ones. But competition, to be beneficial, must exist in an environment of freedom of enterprise and consumer sovereignty.

Labor Productivity and Employment Security

One of the thorniest issues in the transition towards a market economy is how to provide job security. Many socialist workers will definitely miss their job security in a market economy, though they never knew how much it cost in terms of economic stagnation and chronic poverty. Nevertheless, in the Cuban case, where the collapse of the economy demonstrated that job security can be an illusion even in a CPE, the educational effort required in this front may be minimal after all the adjustments that are currently taking place in the country.

In any case, a public education program should emphasize: The dependence of the standard of living on

the level of real salaries; the latter as a function of productivity; and the need to protect the levels of productivity by letting enterprises reduce employment when economic conditions—or specific behaviors by some workers—demand such an action.

International Trade and Exploitation

Cubans are aware of their economic dependence from the world economy, possibly today more than ever. The government, however, in its failure to manage the economy and its enterprises efficiently, blames the world economy for the poverty of the country through what they call “unequal terms of trade.” This condition, they say, is the main instrument of exploitation of the country by foreign powers.

These notions should be quickly dispelled by showing how intelligent economic policies can be highly beneficial to small countries. The examples of Holland, Switzerland, Denmark, Chile, and the Asian success stories must be widely disseminated in Cuba to foster the development of a market economy and contribute to its success through an export-oriented culture.

THE ELEMENTS OF AN EDUCATION STRATEGY⁶

A public education program in support of the transition to a market economy should distinguish among different audiences since their requirements and capabilities vary widely. The main audiences should be the following:

1. The general public
2. The opinion makers
3. Government officials
4. University professors and students of economics, business, law, and related disciplines
5. Legislators
6. Workers and administrators in selected enterprises

6. Although this section is written with the Cuban case in mind, the similarities with what other countries require may overwhelm the differences.

7. Union leaders
8. Primary, secondary and other non-university teachers
9. Primary, secondary, and other non-university students

This campaign should be designed and administered by personnel that can project the effort as a serious one and not as an exercise in propaganda. The public's minor suspicion of propaganda will inflict irreparable damage to the credibility of the effort and turn it wasteful at best. The program execution should not be overseen on a day-to-day basis by any political appointee of the government in charge. The design of the program must avoid addressing specific conflicts that may arise during its implementation in other sectors of the economy, even though it has to be prepared to approach highly controversial issues in a sober and intelligent manner.

The most important audience is the **general public** and it should receive top priority in this program. This campaign should be implemented over a long period of time, with a variety of activities to be performed through the communication media of the country, including radio, television, and newspapers. The detailed formats will not be discussed here but should include ample public participation in radio and television round tables, talk shows, and interviews with experts that can answer telephone calls. These programs should also publicize other education activities of a more specific or specialized nature, and the availability of reading material that could be made available as part of the education program.

An indispensable complement to the program addressing the general public is the education of **opinion makers** and journalists of all persuasions. This part of the effort requires that some of the individuals in charge of the education campaign be given significant access to the media, not only as guests but also as hosts, producers, and directors of the programs to be delivered to the public.

Government officials, new and old, including those in top positions, should participate in regular and intensive seminars and workshops about relevant as-

pects of a market economy. This part of the education program should have a general component and a specific component according to the sector in each case. For instance, the material to be offered to the judiciary will differ in many aspects to the material to be offered to the officials working in economic institutions that survive the initial restructuring of the state bureaucracy. It would be advisable to produce some material for readings. With time this will become indispensable as the needs for the transition process are better defined and understood.

University professors and students of various disciplines follow in importance in the education program. This audience, however, plays a critical role in the short and long run. For the short run, seminars and workshops should be established to deal with the initial issues of the transition to a market economy. But they are also the professors and the future professionals that will be in charge of studying and operating a market economy, therefore a long-run program to change study programs and curricula should be put in place simultaneously, as well as the availability of the corresponding books and journals.

A transition to a market economy requires the participation of **legislators** in order to enact the laws—and finally the constitutional framework—needed in a market economy. The complexity of the task in their hands is impossible to exaggerate and they should work with the maximum understanding possible if a market economy will ever work in Cuba. They will be easy victims of old preconceptions and the political demagoguery that may inflict serious harm to the effort to build new economic and legal systems. Legislators should be subjected to intensive seminars and workshops focusing on the effects of legislative initiatives on the economic affairs of the nation.

All enterprises must change their management style and culture to operate in the much more sophisticated environment of a market economy. **Workers and managers** of these enterprises, even long before any possibility of privatization appears, must participate in education campaigns that would also have a general economic component and a specific one dealing with general business administration practices inherent to a market economy. It is critical to address is-

sues like the following: a) the importance of profits and its relation to worker productivity, salaries, and the economy; b) the need for a management system capable to respond effectively to macroeconomic and market conditions; c) the need for management flexibility and factor mobility to achieve efficiency; and d) the relationships among labor productivity, salaries, and standard of living and how the economic prosperity of a nation depends on the efficiency of its enterprises and not on labor security.

Union leaders would be included in a program similar to the one just described, but perhaps with some adaptations to their roles and institutions. It is important to take into account that one of their main concerns is employment security on the one hand, and on the other that they have been subjected to a traditional paternalistic role by the state and by a social-democratic influence that advocates for a “mixed” economy and heavy state intervention. Perhaps this is the time to look for a more modern concept of trade unionism in which more attention is given to improve the training of the worker and his adaptability to a continuously changing economy.

Teachers and students other than university’s should be included in the educational program on a long-run perspective. This will have to be done, however, during the early stages of the transition to a market economy, since socialist dogma of the current curricula must be replaced by more liberal subject matter as soon as possible. This will be the ideal moment to introduce economic education as part of the regular offerings of the schools system at all levels.

Other audiences which remain and must be incorporated to the program include security forces, police, the military, and the judiciary. They require special treatment because their deep exposure to indoctrination from the past and their need to integrate themselves into the new economic system. Another important sector of the population to be specifically

addressed with tailor-made programs is the agricultural worker and the small farmer. Their integration to a market economy is essential, but their accessibility is difficult for educational purposes; radio may have to be the main vehicle for this group.

CONCLUSIONS

Few countries have undertaken economic education as a major endeavor in support of their economic systems. The United States and the United Kingdom have been the leaders in this field, though other countries have made significant efforts. In the U.S. the existence of the National Council on Economic Education covers several decades and their audiences range from young students to college professors of economics. The Council is today increasingly active in some ex-Soviet republics, a welcome development suggesting that some have discovered the importance of economic education in the establishment of market economies. Yet more efforts are necessary to facilitate this process and avoid losing the ground gained for economic and political freedoms since 1989. Donor agencies and international financial institutions should become more sensitive to this need and dedicate resources to this type of effort. Decades of indoctrination were necessary to install the systems that are already disappearing, but they have left a legacy that must be eliminated more quickly than what can be achieved by a policy of benign neglect. As a market economy is much more complex than a CPE, it require knowledge and understanding of its participants and main beneficiaries.

Raising the level of economic understanding of the general public will contribute to reducing the uncertainties of the transition to market economies in all the countries involved. It will also help to adjust expectations to the immediate realities of each of the countries, especially in Cuba where accumulated needs for over more than three decades is leaving a legacy of an impatient population.

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