BOOK REVIEW

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Reviewed by Al Campbell

The Cuban government has for many decades put out a large amount of data on the performance of its economy, in the first instance in the flagship economic publication Anuario Estadístico de Cuba, and then in numerous more specific publications from ONEI (Oficina Nacional de Estadísticas e Información). A glaring exception to this is the absence of official data on FDI (Foreign Direct Investment) into the country. The government has long argued that this is due to the obsessive enforcement by the US of its economic Blockade against Cuba; publicising who is making investments into Cuba is helps the US government execute its policy of exerting as much pressure on investors as possible to cancel their investment before it is even initiated. As one example among thousands, see Panasonic’s cancellation in 2018 of its contract for Cuban cobalt (Erisman 2023).

Regardless of the reasons for it, the government of Cuba does not publish data on FDI into Cuba.

Given the need for estimates of such FDI by both economists evaluating the macro-performance of Cuba and investors considering investing in the island, the two standard approaches to generating such estimates are the following. First, one can continually scrutinise the hundreds of presentations and discussions about the economy by different members of different parts of the government or sometimes academia that are presented on television and reproduced in newspapers, finding and collecting small pieces of information about FDI presented here or there. Alternatively, people who do overall investigations of the performance of the Cuban economy (for which, again, the Cuban government provides much information) can use standard (though somewhat variable) economic models and reasoning to deduce estimations of how much FDI must have occurred for the rest of the data to be consistent. By far the best-known and most used of such estimations are those made from time to time by the EIU (Economist Intelligence Unit) in its reports on Cuba’s economic performance. Both of these types of estimates appear in many of the chapters throughout the book.
This book looks to an additional source for additional pieces of information about Cuban FDI. As indicated by the title, Hernández reaches out and interviews people inside and outside Cuba whose jobs give them some knowledge about Cuban FDI, and various aspects of Cuba’s economy relevant to it. While there have certainly been a small number of such interviews scattered in various business publications over the last three decades, the uniqueness and value of this collection is accurately indicated by John Kirk in his foreword: “No finer source of updated information on his topic exists than this collection of interviews, replete with advice, and the experience of specialists in various investment areas in Cuba” (p. 6).

Prior to the 37 interviews that constitute about six-sevenths of the book, Hernández includes four chapters as introductory background: an extremely informative foreword by John Kirk, her introduction on the gestation and birth of the book, a sketch of an overview introduction by Cuban economist Juan Triana on FDI into Cuba, and some brief comments by Mark Entwistle, Canadian ambassador to Cuba from 1993 to 1997 and the co-founder and current co-managing director of Acasta Cuba Capital Inc., a company located in Toronto, Canada, that advises and assists people outside Cuba who want to do business there.

The 37 interviews are presented as addressing 12 issues: government; the economy and foreign investment; industrial zones; banking; lawyers and the law; business; oil and energy; healthcare, biotechnology and medical tourism; tourism; agriculture, the non-state sector; micro, small, and medium enterprises (MSMEs); and nonprofit organisations. Note that the heading “the economy and foreign investment” must not be misread as suggesting that the interviews in the other 11 categories are not directed to these topics. All the interviews are about foreign investment, or aspects of the broader economy that are particularly relevant to foreign investment.

While as noted above John Kirk correctly indicated that the information in these interviews remains relatively current and therefore very relevant as we go into 2024, there is one development hoped for in a number of the interviews that repeatedly strikes one, because it subsequently completely failed to pan out. Joseph Biden had promised in his campaign for the US presidency that if elected he would undo many of the most draconian of Trump’s escalations (actually Marco Rubio’s) of the US Blockade. And while it was possible to hope through 2021 and into early 2022 that he might indeed finally get around to fulfilling part of his campaign promise, by mid-2022 that possibility was completely off the table. By then it became abundantly clear that instead Biden had chosen to embrace US democracy’s standard presidential behaviour of not feeling any responsibility to the people who elect them to carry out whatever they promise that they will do to get elected, if they later decide not to follow through.
Again, John Kirk’s short forward clearly indicates the importance of this book for anyone either simply interested in understanding, or beyond that in engaging in, FDI into Cuba: “The book, painstakingly edited by Ms. Hernández, represents obligatory reading for all travelling this road” (p. 6).

Reference