The Effects of Market Reforms on the Cuban Economy: The Case of Housing
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Untill recently, Cuban housing remained almost untouched since the Communist Revolution in the early 1950s, when Fidel Castro’s regime swiftly built houses to provide all Cuban residents a dwelling. Though most Cubans have a dwelling, many of those dwellings are now in poor condition. Further, after facing 4 hurricanes between 2001 and 2012, housing plans that were set in 2005 no longer reflect housing needs (Mesa-Lago, 2018). In an effort to provide better housing to its citizens, the Cuban government authorized the purchase and sale of dwellings. There were over 88,000 transactions just in 2013 alone (Mesa-Lago, 2018). These small steps towards privatization, however, pose a risk to Cuba’s socialist model, of which housing security is a core tenet. The average sale price of a house in Cuba is 31,000 USD, but average Cubans only earn 25 USD a month (Desai, 2008). Average Cubans also cannot afford to hire private contractors to improve their existing homes. Instead, they must wait days, and sometimes months, for a government contractor to make any improvements to their homes. This disparity in accessibility is widening gaps in the standards of living among Cubans. This paper seeks to analyze how the Cuban government can work to improve the quality of existing housing through market-oriented and state-sponsored reforms, maintaining the importance of housing security as a core socialist principle.