

# *Hemisphere*

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The New Old Cuba

# Hemisphere

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**COVER:** Ismael Gómez Peralta, "El fénix" de la Serie Iluminaciones, 2006  
Mixed media on canvas, 69 x 59 inches. Photograph by Pedro Portal.  
The artist is represented exclusively by Cernuda Arte, Coral Gables, Florida.

# Hemisphere

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## The New Old Cuba

Is there a new Cuba? The traditional perspective suggests that Cuba is frozen in time, based on a view from the top: a political system that has remained quite unchanged if not atrophied. But, if one looks deep into the macro-structures of power, one will find that things have dramatically changed among political institutions and leaders outside the inner circle. Particularly at the grassroots level, these changes will have a decisive impact on the island's future. Following the collapse of the Soviet Union, 15 years of the Special Period, and significant demographic changes, there is a new Cuba emerging. This new Cuba has become clearer with the recent news that Fidel Castro's illness has caused him to cede power to his brother, Raúl Castro. We will now see the contours of newness even sharper.

Despite the dynamics of social change, the island of Cuba is often perceived to be suspended outside real space and time, beyond the parameters of global social life. Such a portrayal highlights the tendency to feature and magnify Cuba's uniqueness. As this issue of *Hemisphere* reveals, transnational norms, capital, identities, and mass culture have not stopped short of Cuban shores. Moreover, within Cuban society, economics, and politics, significant sources of change will perhaps play out in unexpected, but important ways.

In "Poverty and Inequality in Cuba," Lorena Barberia reveals that new trends in consumption, income generation, and social mobility represent significant challenges for the egalitarianism embraced by Cuban leaders for nearly half a century. Without a critical reassessment of social policy, Barberia maintains, the stratification of society will continue to widen the gap between Cubans with and without access to remittances and sectors of the economy driven by foreign direct investment.

In examining the Cuban-Venezuelan relationship, Javier Corrales writes that while the island's alliance with its South American neighbor offers enormous material benefits without the obligation to modify domestic policies, Cuba will eventually pay the price for its new dependence, just as the country paid for its dependence on the former Soviet Union.

In "Cuba and China," Dan Erikson and Adam Minson explore how China represents a new lifeline for the island's economy. Yet, while Cuban leaders perceive relations with China as an example of social solidarity, the two countries are separated by an increasing ideological divide regarding the benefits of economic liberalization.

The increasing ideological divide, however, transcends elite politics and foreign affairs. In "The New Politics of Opposition," Orlando Gutiérrez-Boronat analyzes changes in the island's dissident movement, and concludes that a resurgent sense of citizen solidarity noted among some sectors of Cuban society may indicate that a new phase in the struggle for nonviolent change has begun.

A nuanced view of everyday resistance and accommodation is offered by Katrin Hansing in "Changes from Below." Hansing reflects on the transformations experienced by all levels of Cuban society since the Special Period. By seeking new ways of connecting to the outside world and creating alternative spaces, Cubans are increasingly demonstrating an independent attitude that may prove to be one of the greatest challenges faced by the state.

Another continuing challenge for state leaders is Cuba's economy. In "The End Rationing?," Carmelo Mesa-Lago explores the inception and evolution of rationing, and assesses the feasibility of five strategies to fulfill Castro's promise made in November 2005 that the island's 43-year old rationing system would soon be terminated. Mesa-Lago concludes that this promise may be yet another symbolic ingredient of the official discourse designed to assure Cubans that a bright future lies ahead.

Whether that future is bright or cloudy, will depend in part on the role of the armed forces—arguably the strongest institution on the island—and the subtle transformations taking place deep in ranks of the Fuerzas Armadas Revolucionarias. In "Young Blood," Frank Mora examines whether the armed forces are an agent of change or continuity. In the meantime, we will continue to see the contours of a new old Cuba emerge ever so clearly.

**DAMIÁN J. FERNÁNDEZ**

# Changes From Below

by *Katrin Hansing*

Walking through the streets of Havana, one is immediately struck by a myriad of contradictory images, sounds, and sensations. Five-star hotels, fancy cafés, bars and shops offering imported foods, modern appliances, mountain bikes, and perfumes from Paris stand side by side dilapidated and decaying apartment blocks, empty *peso* shops, and local *bodegas*, where Cubans can be seen standing in long lines waiting for their monthly food rations. Flashy Mercedes Benz, Toyota, and funny egg-shaped taxis bustle through the streets next to overcrowded *guaguas*, *camellos*, and *particulares* (different types of local public transport). Churches, new and old, Catholic, Protestant, and especially Pentecostal are being rebuilt, restored, and revived, while Afro-Cuban religions have become so popular that many foreigners are now flocking to the island to become initiated. In many of the city's tourist areas more and more people, especially the elderly and children, can be seen begging for money, clothes, toiletries, or just asking for *chicle* (chewing gum), while tourists and members of the newly emerging Cuban nouveau riche class can be seen lounging around one of the five-star hotel pools or bars. Although Havana is not Cuba, these contradictions are emblematic of many of the changes the island is currently undergoing. Cuba is no longer the isolated island, cut off from the rest of the

world's political, economic and social events, popular cultural influences, and consumer culture. Since the Special Period, and particularly in the past decade, Cuba has experienced fundamental and enormous changes on all levels of society. In this article I will reflect on some of these transformations and their consequences, particularly those that have and continue to occur at the grassroots social level.

It is 9 am and Dalia is anxiously waiting for Carlos, a local street vendor, to pick up her freshly made *croquetas*. Over the past few months, Dalia has stayed up every night making around 200 cheese, fish, and/or chicken *croquetas*, which Carlos then tries to sell to hungry *habaneros* during the day. Dalia is an accountant by training and until recently worked for a Cuban state-owned company. Although she enjoyed her work, she could no longer survive on her meager income and had to leave her profession. "I had no choice," she says, "I only earned 280 *pesos* and could not feed my mother, daughter, and myself on that wage. I now make *croquetas* but at least we can get by."

Juan, an accomplished neurosurgeon, who has served as a doctor on several internationalist missions to Africa, has a different yet similar situation: He can no longer provide for his family of five on his monthly *peso* income. Having earned the right to buy a car after his first mission to Zambia, Juan, like many other Cubans who are lucky enough to own a car, has become a taxi driver. Due to the

high cost and difficulties in acquiring a taxi license, Juan, however, works illegally. Despite the risks of a high fine if caught, Juan nevertheless drives his old *Lada* around town every day and night looking for potential clients, preferably foreigners, who will pay in hard currency. "What can I do?," he asks. "We need to live. I don't like working illegally but the state has literally pushed me into being dishonest."

Cuba's economic crisis over the past 15 years has brought about tremendous social and economic changes, which, among other factors, include: the legalization and increasing dependence on the US\$ dollar (now CUC or Cuban convertible peso); the partial official opening of certain economic sectors such as tourism; a major increase in living expenses but stagnation of people's salaries; the formation of a double economy; the increasing dependence on remittances and formation of new social classes; the demise in the quality of social services; and the continuing control and repression of any independent activity and thought, which was most visibly witnessed in the March 2003 crackdown of 75 dissidents.

As the examples of Dalia and Juan show, these changes have not only altered Cubans' lives in very practical, everyday kinds of ways, but also provoked major changes in people's attitudes and actions toward their lives, their futures, and the state.

Before the economic crisis, most Cubans relied on the government

## *New spaces, attitudes, and actions in contemporary Cuba*



*A man drives a bicycle-taxi through the streets of Santa Clara, Cuba. Cubans have found creative ways to survive the economic hardships that afflict the island and, in so doing, are fostering a growing sense of independence and self-reliance.*

and, arguably, many still had faith in the system. The stagnating economy, eroding quality of health care and education, growing corruption, and continuing repressive government policies have led more and more people to no longer count on the state to help them solve their problems. Weariness, skepticism, and distrust have instead kicked in, forcing many people to look for alternatives. Although apathy, depression, and leaving the country are some of the more drastic and dramatic measures people have resorted to, many, if not most Cubans are responding by creating and carving out their own spaces, networks, and mechanisms—whether economic, social, or cultural in nature—independently from the state.

Like every Sunday morning, the Salvación Pentecostal Church's 11 am service in Boyeros, on the outskirts of central Havana, is packed. Most congregants have already attended Sunday school or Bible study classes since 9 am and many will spend the rest of the day on the church grounds taking part in one of the many recreational activities or meals offered by the church. "The church has become my second home," says María, who has been a member of the congregation for three years. "I come here almost every other day. Sometimes to eat, to see my friends, watch a film, and of course to pray." In search of community, food, medicine, and entertainment, but also to fill their spiritual void, more and more Cubans, like María, are seeking out religious communities. Whether Catholic, Protestant,

Pentecostal, Afro-Cuban, Jewish, Buddhist, Hindu, Masonic, or Muslim, many of these and other faith-based organizations have turned into important alternative spaces of spiritual refuge and social upliftment, as well as material support based on self aid and solidarity.

Increasing numbers of Cuban youth, which make up more than half of the island's current population, are also searching for alternatives. Despite having been brought up to be like Comrade Che, many have a strong craving to be themselves. There is among many a growing sense of wanting to be different and a curiosity about different lifestyles and values; in short, a desire for options. One of the more visible signs of this is the growing presence of a number of both older and newer youth cultures, which include expressions such as the *hippie*, *freakie*, *roquero*, *rapero*, as well as Rastafari movements. Through their alternative lifestyles, body cultures, and outlooks on life, these subcultures offer many young people the possibility to question and explore who they are and what they want.

These examples represent some of the more institutionalized or semiorganized forms in which people are searching for and finding alternative answers and spaces to the official state rhetoric and system. The search for news, information, and knowledge beyond that provided by the state has become particularly important. While contact with family members abroad, interacting with foreigners, involvement in grassroots organizations, and listening to Radio Martí are among the more established forms of doing so, increasing numbers of individuals are finding new ways of connecting to the outside world.

A few months ago I was standing at a street corner stall having a coffee, when I overheard a group of people talking about a special news program on the current situation in Venezuela. I assumed that they were making reference to the *mesa redonda* session, a daily news program on Cuban television, when I suddenly realized that they were in fact talking about a program that had been aired on Miami's Channel 51, which all of them had watched. When I asked one of the men about the program, I learned that a certain individual in the neighborhood has a cable TV antenna to which about three dozen or more households are connected. Each individual household pays the owner of the antenna \$5 a month, which helps him make a living, while the others get to watch highly sought out foreign movies, *telenovelas*, and news programs.

Although highly illegal and thus very risky, activities such as connecting to cable television and the internet are becoming more and more common. Besides offering different types of news, information, and entertainment, these media allow people to connect with the outside world and, in so doing, experience a completely different reality, however momentarily.

So what do these examples show us? For one, they demonstrate how more and more people are carving out and creating alternative spaces and parallel mechanisms to the state. In so doing, they are acting independently. This not only shows that many are taking initiatives but also responsibility for themselves—i.e., people are taking their own lives into their own hands, which, after decades of depending on a cradle-to-grave system, is a huge step.

Given that many of the activities and mechanisms involved in doing

so are deemed illegal, people have to be very creative in outwitting the system and must constantly be on their toes not to be caught. These are skills that can and should not be underestimated, let alone the energy and determination that go into them. Moreover, these activities are acts of defiance—defiance against a system that prohibits people from making an honest, decent living. And that takes courage.

In short, a qualitative difference in the way many people think and act has emerged and is growing more and more each day. Despite the crackdowns on dissidents and the Varela Project, as well as the continuing everyday repression and restrictions people live under, many no longer are afraid to speak their mind among each other, engage in illicit activities, or find new and creative ways of forging their own spaces. It is this independent attitude and its accompanying actions that I would argue are among the most important social changes that have occurred on the island in the last 10 years. Cubans may not yet be turning to the streets to express their frustrations and discontent, but it is this newfound and growing independence among many that may just turn out to be one of the greatest challenges to the state. ■

*Katrin Hansing is currently director of a research project on Cuba's social collaboration ties to Africa, based at the University of Bayreuth in Germany and funded by the German Research Council. She has worked as a consultant for think tanks and policy institutes on numerous Cuba-related issues and is an associate fellow of the Cuban Research Institute at Florida International University.*



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Founded in 1979, LACC is a leader in the field of Latin American and Caribbean studies. As a federally funded Title VI National Resource Center for Language and Area studies, LACC has a mandate to promote graduate and undergraduate education, faculty research, and public education on Latin American and Caribbean affairs.

Florida International University has one of the largest concentrations of Latin American and Caribbean studies scholars of any university in the United States. LACC's faculty associates range across many fields and have produced important works on such topics as migration, US-Latin American relations, trade and integration in the Americas, indigenous cultures, economic stabilization and democratization, sustainable development, and environmental technology. FIU Latin Americanists include highly regarded social scientists, humanists, artists, business experts, and engineers.

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# The New Politics of Opposition

by Orlando Gutiérrez-Boronat

**O**n July 26, 2005, Fidel Castro addressed a closed-door gathering of hand-picked followers. Half of his two-hour speech was dedicated to attacking an internal pro-democracy movement which he described as an “illusion,” orchestrated from abroad. The Revolution, he promised, “will not concede a millimeter of ground” to these individuals. The streets belong to the Revolution and will stay that way, he concluded. In the cavalcade of violence following these words, government-organized mobs across the island heckled, spit upon, and sometimes even beat peaceful dissidents outside their homes.

Some observers claim to be perplexed by Castro’s recurrence to street violence against a pro-democracy movement that they do not see as a serious threat to the communist regime’s 47-year old hold on power. Others argue that Castro’s resort to public violence against a movement that the government has repeatedly pronounced dead demonstrates the resiliency of Cuba’s embryonic opposition.

The Cuban case is perhaps best understood in the context of the dynamics of nonviolent, grassroots social struggle. Throughout history, lone dissidents manage to coalesce into increasingly effective committees, coalitions, and movements. These articulated channels of social power reshape civil society, which, in turn, becomes the platform for sustained and ultimately successful civic defiance. Cuban dissidents are on this path, and the Cuban government is bent on stopping them.

## A Patchwork of Unrest

The international community has recognized Cuban dissident leaders such as the Ladies in White, Oswaldo Payá, Vladimiro Roca, Marta Beatriz Roque, Oscar Elías Biscet, Gustavo Arcos, and Elizardo Sánchez Santacruz, offering them honors and awards. These well-known men and women, however, do not constitute the “body” of the Cuban opposition. The pillars of civil resistance to the Castro regime lie deep within the island’s population, spread out across the provinces: among disaffected youth and blacks, Catholics and Protestants, and, increasingly, former Communists disenchanted with the regime’s rejection of economic and political reform. In 1997, the Steps to Freedom report counted 44 civic resistance actions across the island; in 2004, the number was 1,805. Intensely active, fueled by rising social discontent and increased international support from abroad, the Cuban civic movement itself is a patchwork of individuals, families, groups, and religious denominations spreading across regions and sectors where opposition to Castroism has traditionally been high.

Year after year, a greater percentage of actions occur outside Havana. In 2004, 81.5% of civic resistance activities took place in the country’s interior. Of the 75 civic leaders arrested in March 2003, 43 were from the provinces. After Havana, the provinces with the highest level of activity were Villa Clara and Matanzas, the sites of deep-rooted *campesino* rebellions against the Castro regime in the 1960s.

Berta Antúnez and her family from Placetas, Villa Clara, are examples of the role played by provincial dissidents in mobilizing protests against the government. Berta’s brother, Jorge Luis García Pérez “Antúnez,” has been imprisoned since 1990 for speaking out in favor of *glasnost* and *perestroika*. His tenacious struggle from behind bars has turned him into an icon of the pro-democracy movement and a leader of the political prisoners. Berta’s uncle, Omar Pernet, is also in jail, one of the 75 civic activists arrested in March 2003.

Berta has organized family members of political prisoners in the provinces to support their imprisoned relatives. They have published and circulated newsletters, carried out sit-ins in front of prisons, held weekly prayer vigils, and collected signatures for the Varela Project referendum drive.

Berta has paid a high price for her activities. In addition to the prolonged incarceration of her brother and uncle, Berta’s daughter, Damaris, has been expelled from school and barred from further pursuing her education. Government-organized mobs have demonstrated outside the family’s home.

The Sigler family in Matanzas province is another example of a nucleus of democratic resistance. Of Gloria Sigler’s four sons, two are in prison and one is in exile. Communist Party officials have ransacked the Siglers’ house and Gloria herself, a frail 76-year-old, was hurled to the floor and beaten in her own home by government thugs. This aggression hasn’t deterred the

## *Civil resistance to the Castro regime*



*A group of Cuban demonstrators are harassed by pro-government thugs during a march in Havana on July 13, 2005. The demonstrators were marching to commemorate the anniversary of the sinking by the Cuban Navy of a tug with 43 people on board who were attempting to reach Florida.*

Siglers from carrying on with their activities. They have organized public demonstrations, set up independent libraries, and collected signatures for the Varela Project's referendum drive. Their defiance of the regime in Matanzas has turned them into national opposition leaders.

It is difficult to calculate how many dissidents like the Antúnez or Sigler families are active in the provinces. Some observers, such as

human rights activist Elizardo Sánchez Santacruz, estimate that there may be 5,000 activists across the island. Oswaldo Payá agrees, describing the movement as "several thousand strong."

In 2001, the Cuban Democratic Directorate, together with the University of Miami's Cuba Transition Project, conducted a census of the internal opposition in Cuba. Working closely with activists

inside the island, it counted 283 dissident groups. Of these, 86 are independent libraries, 29 are independent press agencies, 107 are groups engaged directly in some type of political activity, and 61 are labor groups, think tanks or civic institutions. The census further showed that some type of dissident organization exists in all of the island's major cities, all of its provinces, and in most municipalities.



*Members of the Cuban dissident group, Ladies in White, walk through Havana on March 18, 2006, to protest against the government and demand amnesty for imprisoned dissidents. Despite the international recognition that the group and other Cuban dissidents have attained, the pillars of the Cuban opposition are found within the disaffected segments of the island's population.*

### Strategy and Prospects

The Castro dictatorship has been forced into a tense tug of war with the internal pro-democracy movement. The regime has tried to balance its need to repress social discontent with its desire to grow closer economically to the United States and the European Union. Dissidents have used the latitude afforded by this juggling act to reach out to the general population.

The regime has proven adept at blocking the growth of the pro-democracy movement at critical junctures, but it has paid a high political cost for doing so. The 1996 repression of the Concilio Cubano meeting and the murder of the Brothers to the Rescue pilots resulted in the enactment of the Helms-Burton bill. The 2003 crackdown doomed the regime's

attempts at incorporation into the EU's Lomé Accord, which would have meant millions of dollars in loans and credits. However, some informed observers, such as author and journalist Carlos Alberto Montaner, have argued that Castro doesn't really care about normalizing political and economic ties with the United States and the European Union because of the possible political consequences. In this totalitarian political scenario, the pro-democracy movement holds out the potential for an alternative democratic future for Cubans.

A factor adversely affecting the development of the movement is the widespread perception, inside and outside the island, that change will not take place until Fidel Castro's death, and that once this has happened, change will be inevitable.

Many analysts have pointed out that this may not be the case, given ambitious plans implemented by the dictatorship to guarantee totalitarian continuity. The listlessness caused by the waiting game over Castro's death hurts the dissidents in their efforts to mobilize citizen participation in social change. To overcome this problem, the movement must do more to reach out and connect with the basic social grievances and aspirations of Cubans on the street. "Our hope does not lie in the biological finality of any one man, but in the fact that we are struggling," Oswaldo Payá has said.

Something of this sort may have already begun. As acts of sanctioned violence against dissidents have escalated, their neighbors have come out of their homes to defend them.

Berta Antúnez is proud that no one from her neighborhood participated in the demonstrations against her family. "They had to bring them in from the outside, people who didn't know us," she says smiling.

On his way to his version of cultural revolution, Castro may have stumbled upon a resurgent sense of citizen solidarity in Cuba. It may mark a new phase in the struggle for nonviolent change on the island. ■

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# FORTHCOMING FROM THE UNIVERSITY OF TEXAS PRESS

A comprehensive analysis of corruption in Cuba and prescriptions for minimizing it in the post-Castro era

## CORRUPTION IN CUBA: *Castro and Beyond*

BY SERGIO DÍAZ-BRIQUETS AND JORGE PÉREZ-LÓPEZ

Although Fidel Castro maintains his longtime grip on Cuba, revolutionary scholars and policy analysts have turned their attention to life after Castro. Among the many questions to be answered is how the new government will deal with the corruption that has become endemic in Cuba. While combating corruption cannot be the central aim of post-Castro policy, Sergio Díaz-Briquets and Jorge Pérez-López suggest that, without a strong plan to thwart it, corruption will undermine the new economy, erode support for the new government, and encourage organized crime. In short, unless measures are taken to stem corruption, the new Cuba could be as messy as the old Cuba.

Fidel Castro did not bring corruption to Cuba; he merely institutionalized it. Official corruption has crippled Cuba since the colonial period, but Castro's state-run monopolies, cronyism, and lack of accountability have made Cuba one of the world's most corrupt states. The former communist countries in Eastern Europe were also extremely corrupt, and analyses of their transitional periods suggest that those who have taken measures to control corruption have had more successful transitions, regardless of whether the leadership tilted toward socialism or democracy. To that end, Díaz-Briquets and Pérez-López, both Cuban Americans, do not advocate any particular system for Cuba's next government, but instead prescribe uniquely Cuban policies to minimized corruption whatever direction the country takes after Castro.

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A collection of original essays on ten modern Latin American heroes, their legacies, and the societies that produced them

## HEROES AND HERO CULTS IN LATIN AMERICA

EDITED BY SAMUEL BRUNK AND BEN FALLAW

Latin American history traditionally has been defined by larger-than-life heroes such as Simon Bolívar, Emiliano Zapata, and Evita Perón. Recent scholarship, however, tends to emphasize social and cultural factors rather than great leaders. In this new collection, Samuel Brunk and Ben Fallaw bring heroes back to the center of the debate, arguing that heroes not only shape history, they also "tell us a great deal about the places from which they come."

The original essays in this collection examine ten modern Latin American heroes whose charisma derived from the quality of their relationship with admirers, rather than their innate personal qualities. The rise of mass media, for instance, helped pave the way for populists such as radio actress-turned-hero Evita Perón. On the other hand, heroes who become president often watch their images crumble, as policies replace personality in the eye of citizens. In the end, the editors argue, there is no formula for Latin American heroes, who both forge, and are forged by, unique national events. The enduring (or, in some cases, fading) influence of those discussed in this volume validates the central placement of heroes in Latin American history.

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# Cuba and China

by Daniel P. Erikson and Adam Minson

Cuba's international relations have changed remarkably in recent years, with old alliances unraveling and new partnerships emerging. Since 2001, Cuba has experienced its most important realignment of foreign relations since the collapse of the Soviet Union in the early 1990s. The European Union remains an important economic partner, but diplomatic relations soured following Cuba's crackdown on dissidents in 2003. When European embassies responded by inviting opposition leaders to important embassy receptions, the Cuban government cut all contacts with European ambassadors and refused EU aid. Only days after an official rapprochement was announced in January 2005, Fidel Castro told reporters that "Cuba does not need Europe."

Cuba's relations in Latin America are also in flux. Governments in Argentina, Brazil, and Uruguay have moved left-of-center and increased diplomatic engagement with Havana. The election of left-wing indigenous leader Evo Morales in Bolivia continues this trend. Meanwhile, Cuba's once staunch alliance with Mexico has verged on total breakdown during the term of President Vicente Fox, who has backed successive UN resolutions condemning the state of human rights in Cuba. Without question, the rise of Venezuela's Hugo Chávez led to the most dramatic change in Cuba's hemispheric relations. Chávez and Castro have forged a strong political alliance

that has sparked anxiety in some quarters. More than 30,000 Cuban medical and other highly-trained specialists have been dispatched to Venezuela in exchange for 90,000 barrels per day of preferentially-financed petroleum. The efforts of the two leaders to counter US influence in the region have ensured that simmering tension with Washington will not abate anytime soon.

Against this backdrop of shifting geopolitical alliances, China's renewed interest in Cuba has been the subject of considerable intrigue. Of course, Cuba's relations with the People's Republic of China are hardly novel; the two countries first established diplomatic ties more than 45 years ago. In recent years, however, China's stunning economic growth and increasing global power have cast a new light on this historic bond. Since 2001, China has emerged as an increasingly relevant actor in Latin America, and Cuba is an important part of this panorama. Beijing's renewed interest in Cuba has produced more frequent high-level meetings, rapidly expanding levels of economic cooperation, and numerous exchanges in the areas of science, technology, and defense. Most critically for Cuba, China represents a vital new lifeline for the island's flagging economy. Trade between the two countries has surged to the point that China is now Cuba's second largest trading partner after Venezuela. The Chinese have also pledged hundreds of millions of dollars in investments in nickel, petroleum exploration, and agricul-

ture. If those investments materialize, China could become Cuba's top foreign investor.

## Early Ties

On September 1, 1960, Fidel Castro severed diplomatic ties with Taiwan in favor of a relationship with the People's Republic of China. The two countries formally established relations on September 28, 1960, making Cuba the first Latin American country to recognize Mao's China. However, Cuba's close alliance with the Soviet Union took shape against the backdrop of the Moscow-Beijing rivalry, which stymied any deeper alliance with China. In fact, Castro became openly critical of Mao's China in the 1960s, and condemned the country's invasion of Vietnam in 1978. Relations began to improve in the 1980s, as the Chinese and Soviet governments inched closer to a *détente* and a new generation of leadership took the helm in Beijing.

In December 1984, China dispatched resident military attachés to Cuba, initiating a series of friendly military contacts. Four years later, China and Cuba ceased to require passport visas of citizens traveling between the countries. The two countries signed a trade protocol in 1988 under which China would buy nearly 100,000 tons of Cuban sugar largely on barter for Chinese products. By 1990, annual Cuba-China trade topped \$600 million, and China became second only to the Soviet Union in trade with the island. Among the bartered goods were the

## *The new face of an old relationship*



*Cuban President Fidel Castro salutes an honor guard as he walks with then Chinese President Jiang Zemin at the Palace of the Revolution in Havana on April 12, 2001.*

famous Chinese bicycles that replaced many of Cuba's automobiles during the country's post-Soviet economic crisis, known as the "Special Period."

Havana was one of the few capitals to express support for Beijing's brutal repression of protestors in Tiananmen Square in 1989, when the Cuban foreign minister commended Chinese authorities for "defeating the counterrevolutionary acts." The response signaled

increasing closeness between the governments. State relations reached a milestone in 1993 when President Jiang Zemin became the first Chinese head of state to visit Cuba. Two years later, Castro reciprocated with his first visit to China. While his itinerary included perfunctory stops at the Great Wall of China and Mao's Tomb, he also visited Shanghai and Guangzhou, two cities at the epicenter of China's capitalist experi-

ment. At the time, Castro was reported to be quite taken with China's "market socialism," and speculation abounded that the increasing trade and diplomatic ties would lead to a Chinese-style opening in Cuba. But the island was entering a severe recession caused by the end of Soviet subsidies, and trade with China dwindled, in part due to the collapse of Cuba's sugar industry. Trade relations began a slow rebound in 1996, when China

agreed to begin paying for Cuban goods with hard currency, but Cuba's conservative central planners increasingly distanced themselves from the Chinese economic model.

### **The Wonder Years**

A 2001 visit to Cuba by Chinese President Jiang Zemin played a crucial role in reinvigorating the commercial links. During this trip, the two countries signed an economic and technical cooperation agreement, which granted Havana a \$6.5 million line of interest-free credit and an additional \$200 million loan to modernize and expand Cuba's telecommunications at the local level. Another \$150 million credit was given for Cuba to import Chinese televisions.

In 2003, China made Cuba its first approved tourist destination in the Western Hemisphere. The World Tourism Organization projected that China would be the world's fourth-largest supplier of tourists by 2020. However, China has since added nearly 40 new approved destinations, including several other Caribbean islands and South American countries. Although some visitors from mainland China can be spotted in Havana nightclubs, the island has not yet seen any large influx of Chinese tourists and the special designation remains largely symbolic. That may change if the much-discussed direct flights from Beijing to Havana become a reality.

The first joint venture between Cuba and China was a plastic slipper factory in Cuba that opened in 1997. By last year, the two countries shared 10 operative joint ventures and three "cooperative production contracts," many with higher-value production like pharmaceuticals and biotechnology. Sixteen cooperation agreements in nickel and mineral processing and

exploration were signed during President Hu Jintao's visit to Cuba in 2004. In addition, China pledged to invest over \$500 million in a new Cuban nickel plant in Moa, based in the Holguín province. This would make China the largest investor in Cuba's flourishing nickel market. With the help of Chinese investment, Cuba could double its nickel and cobalt output, which is already the fourth highest in the world. Hu also offered credit for 1 million more Chinese "Panda" brand televisions, known in Cuba to be rewards for Communist Party loyalists. In 2005, collaboration between China and Cuba even reached into the island's oil sector with a major contract for production with petroleum giant Sinopec.

Beyond trade ties, China and Cuba are close diplomatic allies. China has consistently opposed US sanctions on Cuba at the United Nations. In October 2004, China's deputy representative to the UN Zhang Yishan rebuked the US for its decision to maintain the embargo and, in so doing, "obstinately stick to the wrong position and ignore the just demand of the international community." In April 2005, China reiterated its longstanding opposition to US-led efforts to condemn Cuba for its repression of civil and political liberties. For its part, Cuba has strongly backed China's goal of eventually reclaiming its "renegade province" of Taiwan under the "One China" policy. During a visit to Beijing in March 2005, Cuba's Minister of Government Ricardo Cabrisas Ruiz vowed support for China's widely condemned Anti-Secession Law, which contemplated military action against Taiwan. Some analysts even suspect that China is using its telecommunications involvement in Cuba as cover

for espionage against the US. Indeed, there has been speculation that Beijing has taken over the Lourdes spy base after Russia ended its lease in 2001 and is operating another base, Bejucal, near Santiago de Cuba.

### **China and Cuba's Future**

Perhaps the most intriguing aspect of the Cuba-China alliance concerns the potential impact on Cuba's eventual transition process once Fidel Castro leaves power. For many years, the United States has positioned itself as the single most important actor shaping Cuba's post-Castro politics. While other countries – especially Canada, Spain, and others in Europe – conducted business in Cuba, they basically agreed with the U.S. objective of supporting the island's evolution towards a market-oriented democracy, even though they disagreed with a sanctions-based approach. With the notable exception of Venezuela (and now Bolivia), Latin American countries have generally distanced themselves from the Cuban model since the 1990s. After the collapse of the Soviet Union, Cuba found itself with trading partners but no true allies interested in supporting Cuba's communist system.

China, the emerging superpower, has now undertaken significant investments in Cuba and may have an interest in maintaining the island's current political order once Fidel Castro leaves the stage. Chinese diplomatic engagement in Cuba is a consensus policy for China's Communist Party. It suits two of China's most important foreign policy goals: securing natural resources for a rapidly growing economy, and rewarding countries that uphold a "One China" policy, which precludes diplomatic support for Taiwan. History has

shown that trade and commercial relations between China and Cuba ebb and flow in response to changing economic circumstances. China's support of the Cuban economy could quickly diminish if its investments do not yield dividends or if China's own growth slows, as some analysts have predicted. Although Cuba's diplomatic relations with China are firmly rooted, its commercial ties have been cyclical, and this newest peak of trade and investment is by no means irreversible.

The Cuban leadership touts China's friendship as an example of socialist solidarity, but the two countries are separated by an increasing ideological divide. China has progressively liberalized its economy, while Fidel Castro has

condemned market forces at every turn. In his 2003 visit to Beijing, a bemused Castro told the head of the Chinese legislature, that "I can't really be sure just now what kind of China I am visiting, because the first time I visited, your country appeared one way and now when I visit it appears another way." By contrast, Cuba has resisted embracing the type of change that has fueled China's enormous growth. In fact, as Chinese trade, aid, and investment have grown, Havana has recentralized control over its economy. Unfettered by concerns over free markets or human rights, China's burgeoning ties with Cuba have helped to breathe new life into the most retrograde tendencies of Fidel Castro's aging revolution. ■

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*Adam Minson is program assistant for the Caribbean at the Inter-American Dialogue. His writings and interviews on the Caribbean have appeared in the Baltimore Sun, Boston Globe, and Journal of Democracy.*

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## CUBA AND THE TEMPEST

LITERATURE AND CINEMA IN THE TIME OF DIASPORA

by Eduardo González

In a unique analysis of Cuban literature inside and outside the country's borders, Eduardo González looks closely at the work of three important contemporary Cuban authors: Guillermo Cabrera Infante (1929-2005), who left Cuba for good in 1965 and established himself in London; Antonio Benítez-Rojo (1931-2005), who settled in the United States; and Leonardo Padura Fuentes (b. 1955), who still lives and writes in Cuba. Through the positive experiences of exile and wandering that appear in their work, these three writers exhibit what González calls "Romantic authorship," a deep connection to the Romantic spirit of irony and complex sublimity crafted in literature by Lord Byron, Thomas De Quincey and Samuel Taylor Coleridge. In González's view, a writer becomes a belated Romantic by dint of exile adopted creatively with comic or tragic irony. González weaves into his analysis related cinematic elements of myth, folktale and the grotesque that appear in the work of filmmakers such as Alfred Hitchcock and Pedro Almodóvar. Placing the three Cuban writers in conversation with artists and thinkers from British and American literature, anthropology, philosophy, psychoanalysis and cinema, González ultimately provides a space in which Cuba and its literature, inside and outside its borders, are deprovincialized.

**"A major work of scholarship and reflection by a uniquely talented critic in his prime. Employing an eclectic approach that blends myth criticism and psychoanalysis, González, at his best, is nothing short of dazzling."**  
-Gustavo Pérez Firmat, Columbia University

**Eduardo González** teaches literature and cinema at The Johns Hopkins University. He is author of three other books, including *The Monstered Self: Narratives of Death and Performance in Latin American Fiction*.



# Young Blood

by Frank O. Mora

Perhaps no other institution of the Cuban regime has undergone such fundamental changes in its mission, structure, and personnel in the last decade-and-a-half than the *Fuerzas Armadas Revolucionarias* (FAR). The Cuban armed forces shifted its focus from proletarian internationalism to assuming responsibility for reforming and managing the economy in an effort to survive the Special Period. It is the institution responsible for introducing and implementing the *sistema de perfeccionamiento empresarial* (SPE), a system that introduces principles of capitalist organization and management as a means of making the economy more efficient and competitive. Troop strength declined significantly after 1990 from over 200,000 to approximately 45,000 active soldiers in 2004, and its budget was equally slashed by nearly 50 percent over a period of almost a decade. Finally, since the early 1990s new generations of FAR officers have been promoted to general officer rank, holding key positions in the military high command and in state-controlled economic industries. Such change in what is arguably the Cuban Revolution's most important and powerful institution—key to its consolidation and survival—is worthy of careful analysis. Yet, despite the restructuring and the reformist economic outlook of many of its leaders, the Cuban military remains very much an institution loyal to the regime and to its succession strategy when Fidel Castro passes from the scene. It

begs the question, is the FAR an agent of change or continuity? Answering this question can help shed light on future prospects for democracy and market economy in a post-Fidel Cuba.

An illustrative way of addressing this question is by focusing on the dramatic changes that have taken place in the leadership of the FAR's military command structure. New generations of general officers with very unique experiences and outlooks have assumed critical positions in the general staff, regional commands, and key economic industries managed by the Ministry of the FAR (Minfar). Since the mid-1990s, a number of generals, with strong credentials as *históricos*, died or retired, and were replaced by general officers (promoted in 1992 and 1998) that were all born between the mid-1940s and 1952. Members of this group were either too young to have been in the Rebel Army or, as in the case of Brigadier General Rafael Borjas Ortega, only toddlers when Fidel Castro and his men departed for Cuba on the *Granma*. Only some were old enough to have served as *milicianos* or members of other paramilitary groups that fought against domestic counterrevolutionary forces in the 1960s.

Raúl Castro—defense minister and heir apparent—worked to bring in younger officers with special skills to help reform the economy and ensure stability and institutional cohesion within the FAR, key requirements of any succession strategy. Many of these *camilitos*, (the name given to graduates of the pre-

cadet Camilo Cienfuegos Military Schools located in each province) in their mid to late 40s, replaced the *históricos*, and since then have consolidated their position as the future power brokers of Cuba. Raúl Castro acknowledged in 2000 that from their positions of command and political influence within the FAR, economy, party, and government, these officers “have the opportunity, according to their experiences and interests, to rethink their own formulas of continuity and change in Cuba.” In late 2001, Raúl elaborated “there are already *camilitos* that are generals and colonels commanding important combat units and in a majority of key positions in the general staffs of the regional commands.” This generational shift in the general officer corps over a span of less than a decade-and-a-half has led to a number of public policy changes—albeit at times vacillating because of Fidel Castro's resistance to reform—that can be described by an axiom often repeated by some in the military leadership: “the more things change, the greater the chance of continuity.” In other words, peaceful change and continuity (i.e., preserving the Revolution's accomplishments) depends on implementing and consolidating some key reforms.

There is a slightly older generation of general officers that fought as young combatants in the July 26 movement and are today between 60 and 65 years of age. They are not the *camilitos* that Raúl referred to, nor are they agents of retrenchment. Their formative experience in the Sierra and their close bonds with

## *Continuity and change within Cuba's Revolutionary Armed Forces*



the *históricos* is what defines these so-called “Young Rebels.” The better known officers in this group are Rogelio Acevedo (president of the Civil Aviation Institute), Abelardo Colomé Ibarra (Minister of Interior and First Deputy Minister of Minfar), Leopoldo Cintra Frías (commander of Western Army), Joaquín Quintas Solá (commander of Central Army), and Ramón Espinosa Martín (commander of Eastern Army). As heads of commands and key ministries, these generals see their primary role as defense of the Revolution and nation against armed aggression from abroad. These officers fully recognize that defense of the homeland is tied to economic revitalization. Their outlook and focus is on issues related to the military and defense, but within their strategic understanding of regime survival and orderly succession is the need for economic restructuring.

The next two generations—promoted in 1992 and 1998 to brigadier general—have a distinct outlook and responsibility. Their loyalty to the Revolution and its leadership is unequivocal. Those in the 1992 generation—Álvaro López Miera (chief of the general staff and first deputy minister of Minfar), Leonardo Andollo Valdés (deputy chief of the general staff), Pedro Mediondo Gómez (head of the Air

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*Defense Minister Raúl Castro has brought in young officers with special skills to reform the economy and maintain stability within the FAR, and, ultimately, ensure regime continuity.*

Defense and Air Force, DAAFAR), and José Antonio Carrillo Gómez (chief of Minfar's political directorate)—are very close to Raúl Castro and his succession project, which involves expanding and deepening economic reforms and engagement with the international economic system. Since 1998 many of these officers have been promoted to the rank of division generals. Because of their age and close bonds to Raúl, they are likely to remain in positions of military and political influence for the next seven to 12 years.

Like the previous generation, those promoted to flag officer rank in 1992 are quite enthusiastic about adapting the Chinese and Vietnamese model to Cuba. Again, the central tenet of the model is that by expanding and deepening economic reforms, the regime is able to improve the standard of living of Cubans and thus, establish new bases of legitimacy for the regime in a post-Fidel Cuba. This core of military leaders have always been less interested in the Soviet military economic model, preferring the structures of China and Vietnam, particularly in terms of the military's role in economic reform and reorganization. They experienced firsthand the material difficulties and disappointments of the late 1980s and early 1990s. They suffered up close the intensity and the magnitude of the hardships associated with this period. As a result, these "technocrats" (many of them engineers and logistic experts) are more pragmatic and receptive to the need for economic reforms as a means of not only mitigating the impact of the Special Period on themselves and the FAR, but, more importantly, on society and the future of the regime.

In addition to the transformative experiences of the Special Period,

this generation's outlook is shaped by the education they received in business management programs in Europe, Asia, and Latin America. These "technocrat-soldiers" are managers and administrators, in addition to being soldiers. Through the application of Western business techniques (i.e. SPE), they are attempting to enhance the efficiency and productivity of military and civilian industries during a period of crisis and change for the regime. Not all of these officers participate in the military's economic endeavors, however. Some like BG Ermio Hernández Rodríguez (chief of staff Western Army), BG Miguel Abud (Eastern Army), and Navy CAPT José Rosello Pérez hold key positions in the regional commands; however, the technocrats—the most visible group—manage enterprises or head ministries. Some of the more notable of this promotion include; BG Luis Pérez Rospide (Gaviota, S.A.), BG Eladio Fernández Cívico (Grupo Empresarial Geocuba), BG Luis Bernal León (Military Industrial Union), BG Moisés Sio Wong (former president of Institute of State Reserves), and BG Silvano Colas Sánchez (former Minister of Communications).

Below in rank and age lies an influential cohort of colonels and lieutenant colonels, most of them between 40 and 45 years old, who have very similar backgrounds and experiences to their superiors. In the last 12 years they, too, were exposed to a considerable number of exchanges and interactions with military institutions and officers in China and Vietnam, as well as taking courses on business management methods in Latin America and Europe. The socioeconomic hardships associated with the Special Period of the 1990s—particularly the downsizing of the FAR—had a profound and lasting impact on this

group of senior officers. But despite this experience and their predilection for military-led economic reform, these colonels—such as Colonel Oscar Basulto Torres (Habanos, S.A.), Colonel Jose Manuel Vivo (Aero Gaviota), Colonel Manuel Marrero Cruz (Minister of Tourism), and Lt. Colonel Rene Rojas Rodríguez (Tecnotext)—have not necessarily turned against Fidel, his retrenchment, or the Revolution. Quite the contrary. Perhaps more than any other generation, these senior officers are convinced and committed to the notion that the survival and continuity of the regime depends on economic reform, albeit without political liberalization. The lesson that these and the previous two generations draw from the Chinese and Vietnamese cases is that unless the material well-being of the Cuban people is improved, the legitimacy and popular support of the regime are likely to wane.

Liberalization and reform is not viewed as a betrayal to the principles of the Revolution. The pragmatism of these officers is, in fact, perceived as evidence of their steadfast commitment to finding alternative and effective means of defending and strengthening the Revolution in the post-Soviet era and, inevitably, in a post-Fidel Cuba. The survival and continuity of the regime hinges on the ability to reform and make necessary adjustments. The technocrats of the FAR and many of their superiors understand that Fidelismo without Fidel is a guarantee that succession or continuity will fail. ■

*Frank O. Mora is professor of national security strategy at the National War College, National Defense University. He is the author of several studies on the Cuban military.*

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## Out of the Shadows

Political Action and the Informal Economy  
in Latin America

EDITED BY PATRICIA FERNANDEZ-KELLY  
AND JON SHEFNER

"With few exceptions, scholars from Left to Right have presented simplistic accounts of the political ramifications of economic informality in the underdeveloped world. Such depictions have been curiously out of synch with the salutary influence of the 'bringing the state back in' scholarship of the last couple of decades or so. This volume makes a crucial contribution to the scholarly and policy literatures by emphasizing the embeddedness of informal economies in state-society arrangements that cut across local, national, and transnational terrains of the Latin American and global political economies. The volume represents essential reading for scholars, policy specialists, students, and others who seek to make sense of the politico-social consequences of deepening inequality and poverty in the contemporary world."

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Since the beginning of scholarly writing about the informal economy in the mid-1970s, the debate has evolved from addressing survival strategies of the poor to considering the implications for national development and the global economy. Simultaneously, research on informal politics has ranged from neighborhood clientelism to contentious social movements basing their claims on a variety of social identities in their quest for social justice. Despite related empirical and theoretical concerns, these research traditions have seldom engaged in dialogue with one another. *Out of the Shadows* brings leading scholars of the informal economy and informal politics together to address how globalization has influenced local efforts to resolve political and economic needs-and how these seemingly separate issues are indeed deeply related.

In addition to the editor, contributors are Javier Auyero, Miguel Angel Centeno, Sylvia Chant, Robert Gay, Mercedes González de la Rocha, José Itzigsohn, Alejandro Portes, and Juan Manuel Ramírez Sáiz.

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## Rethinking Development in Latin America

EDITED BY CHARLES H. WOOD  
AND BRYAN R. ROBERTS

"At no point in recent memory are we more in need of fresh thinking about development strategies for Latin America than today. The distinguished authors in this volume challenge existing paradigms and offer provocative insights to stimulate renewed debate about how Latin America might move ahead and, indeed, once again provide a development model for other regions in the world."

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"A dozen very accomplished social scientists here reassess the theories that have informed the study of Latin American societies over the past forty years or so. The authors also consider analytic revisions that may be needed to address new social issues or paradigmatic gaps. The text conveys a subtle picture of contemporary societal and political dilemmas in Latin America, stressing the interplay among social issues, public policies, and evolving analytic models."

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Understanding development in Latin America today requires both an awareness of the major political and economic changes that have produced a new agenda for social policy in the region and an appreciation of the need to devise better conceptual and methodological tools for analyzing the social impacts of these changes. Using as a reference point the issues and theories that dominated social science research on Latin America in the period 1960-80, this volume contributes to "rethinking development" by examining the historical events that accounted for the erosion or demise of once-dominant paradigms and by assessing the new directions of research that have emerged in their place.

In addition to the editors, contributors are Marina Ariza and Orlandina de Oliveira, Diane Davis, Vilmar Faria, Joe Foweraker, Elizabeth Jelin, Alejandro Portes, Joe Potter and Rudolfo Tuirán, Juan Pablo Pérez Sáinz, Osvaldo Sunkel, and Peter Ward.

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# Poverty and Inequality in Cuba

by Lorena G. Barberia

As Cuba's labored emergence from the economic crisis of the 1990s continues, important new trends in household consumption and socioeconomic mobility have emerged. For many households with access to remittances from abroad or to tourism and other sectors of the economy driven by foreign direct investment, the past decade has created new opportunities for income generation and social mobility. Yet, for those whose economic fortunes are tied more closely to the cash-strapped state, real income has declined and mobility prospects have narrowed. There is an evolving spatial dimension to these divergent fortunes as well: poorer and more economically isolated households tend to concentrate in particular regions, such as the rural eastern areas of the island, and even in particular neighborhoods, such as those on the periphery of metropolitan Havana. Combined with lackluster economic growth and fiscal over-extension for the nation as a whole, these striking new patterns represent challenges for Cuba's economic and social policy, for its political life, and for the egalitarianism that Cuba's leaders have endeavored to defend for almost half a century.

## Social Mobility, Poverty, and Inequality since the 1990s

In spite of its status as a low-income developing country, Cuba's social policy has been recognized for its conquest of significant gains in social indicators. In the 1990s, contrary to what happened in many

## *Confronting the challenges of social and economic change*

Latin American countries that experienced severe economic contractions in the last two decades and during which gains in social reforms were reversed or halted, Cuban social policy was responsive. The Cuban state countered economic shocks based on a three-pronged strategy: the reallocation of government resources, the adoption of innovative social policies, and the increase in social expenditures to reinforce the social safety net. In the aftermath of the crisis sparked by the collapse of the Soviet Union in 1989, strong political will and the proactive role of the state have continued to guarantee minimum levels of welfare and social protection. As CEPAL highlights, Cuba spends 32% of its GDP in social programs, the highest investment in Latin America.

Yet, evidence has also emerged showing that the restructuring of the Cuban economy has increased income inequality and altered the pathways to social mobility in Cuban society, creating new pockets of poverty and fewer options for mobility. While it is clear that income inequality has undoubtedly risen, the exact scope of poverty remains an issue of significant debate. Measurements of the impact of the multifaceted changes taking place are complicated by the need to account for new patterns, such as the marked differences in formal and informal earnings, the changes in social mobil-

ity and economic opportunities, and difficulties in capturing the adequacy of the state's provision of universal social policies. These factors are further complicated by emerging differences among individuals in their subjective perceptions of needs and the cultural and political norms of equality embedded in Cuba's social fabric over the course of the last four decades.

In light of these changes, the question of whether lower real incomes (or expenditures) and limited progress on social mobility for significant portions of the population, separately or combined, have contributed to increased poverty in Cuba since 1989 has become central. There are some signs that formal wage income and market segmentation have limited the coverage of consumption needs for the population. Relative to pre-1989 levels, consumption fell dramatically between 1990 and 1993, with a modest decline in social and government spending and a much larger drop in private spending. In subsequent years, although total expenditures have risen, consumption by Cuban households continues to remain below pre-1989 levels. The available evidence also indicates that Cuba's recovery in household consumption, but not household income, has been largely driven by social and government expenditures. For some, there are significant con-



cerns that official income estimates may be understating the real level of unmet needs and inequality.

The scope and magnitude of these transformations, however, are much more difficult to measure today than they were prior to 1989. Not only is there a general shortage of publicly available data, but the emergence of diversified survival strategies has complicated data gathering and analysis due to the increase in nonofficial sources of income included in measures of the population's real income and expenditures (GDP, household budget surveys and macroeconomic wage and income data). These factors present a challenge to measuring income, poverty, and inequality among Cuban households.

In addition to difficulties associated with the measurement of these trends, challenges also exist with respect to what paradigms should be used to measure development and progress. Increasingly, poverty research worldwide has sought to move beyond traditional economic measures of GDP and household consumption toward alternative indicators, such as the Human Development Index, that capture multiple aspects of human well-being, many of which are not captured by economic indicators. Scholars have also sought to capture other critical dimensions, including social exclusion and capabilities, thus, broadening what constitutes development. The Cuban experience continues to speak to long-standing debates about the inadequacies of poverty rates, which compares household incomes to a market basket of basic needs, as an appropriate measurement tool.

### **The Fundamental Challenges**

As Cuba continues to seek to consolidate its development with priority given to social policy, three essential

(and related) challenges stand out. First, in the long run, unless economic growth is enhanced, it is unlikely that the state will have the resources and ability to continue its expenditures and financing of social services at current levels. Coupled with multiple natural and political adversities pounding the island, Cuba has struggled to sustain its economic recovery. While social spending investments have continued to grow, GDP growth has remained lackluster. With the state being the only social program provider, the risks of a collapse in the safety net are even greater as individuals have no other options for education, health care, and other needs. Sustainability is also clearly essential for political reasons as the state's legitimacy is undoubtedly tied to the conditions of these services.

Second, large-scale initiatives, designed centrally, have been the hallmark of Cuban social policy and have helped it swiftly address long-standing social problems. While recognizing the state's fundamental role as the architect and guarantor, some question the effectiveness of this strategy as Cuba surges ahead, with a more complex economy and a rapidly differentiating population. As income inequality translates into unequal distribution of social problems—as it does all over the world—there will be diversified demand for social services: social assistance, medical care, education and programs for adolescents, workforce development and re-training. Can universal programs hope to address the proliferation and diversification of needs?

In recent years, Cuban policy has begun to increase investment in universal programs while adding targeted interventions for the neediest. First education and then health have experienced large investments. In education, classes were reduced, schools were refurbished and outfit-

ted with televisions and computers, and the salaries of teachers were increased. In health care, polyclinics and family doctor's offices were renovated and some clinics were outfitted with high technology medical equipment, bringing high-tech medicine closer to local communities. At the same time, targeted interventions have been introduced and aimed at addressing the needs of the most vulnerable. Some examples include the deployment of social workers in vulnerable *barrios* and new workforce training initiatives.

Central to these strategies is the role of government, which remains the sole actor in the field of social policy. By examining social policy innovations that have been strengthened and tracking policy effectiveness, debates are surfacing on whether social policy should be universal or targeted, and whether centralized or decentralized models of social service delivery would be most effective in the new economic context. On the one hand, the centralized character of social policy has assured access to minimum levels of certain consumption goods, such as food. Moreover, the government has been able to mobilize the preparation and response to natural disasters, as witnessed during the active 2005 Atlantic hurricane season, through centralized planning.

On the other hand, centralized planning, as successful as it has been in addressing some social problems, has proven inflexible in addressing the specific needs of communities or sectors of the population. "One size fits all" interventions have only succeeded in reproducing inequality. For those who raise these concerns, targeted interventions that protect and support the individuals most affected by the decade-long economic crisis are urgently needed. For some, social policy must be linked to new definitions of inequality and the

construction of a new policy of equality. What level of equality—not egalitarianism—is desirable and under what conditions can it be attained? It also requires recognition that economic differences are today an organizing factor of Cuban social structure and, therefore, must be at the center of the design of social policy.

Finally, after decades of attention to the economic, social, and cultural consequences of uneven development, new spatial inequalities have made themselves felt with considerable force once again. Cuba's limited reinsertion into international tourism and other economic growth sectors is distributing investment and jobs in distinct territorial patterns. To be sure, the tourism industry is drawn to localities with certain assets, such as historical treasures, beaches, or nature preserves, that are difficult or, in some cases, impossible to duplicate from one place to the next. Similarly, there is some evidence to suggest that access to the other main source of US dollars in Cuba's dual economy—remittances from abroad—also follows a spatial pattern. With higher historic migration from urban areas, particularly Havana, and with geographic mobility very limited on the island since 1959, it is reasonable to expect that receipt of remittance dollars and the consumer networks generated from these flows are concentrated in Havana and a small number of other cities. Furthermore, a racial skew in the population of Cubans abroad may be contributing to unequal remittance income by race on the island.

The market driven investment in tourism and ancillary industries has meant that some areas of the country have obtained great economic benefit while others have lagged behind. Studies have documented the growing gap in human development indi-

cators between provinces and municipalities more integrated into the new economy and those further removed from the stream of investment dollars. The easternmost provinces are clearly the most disadvantaged.

The dynamics within Cuba's cities are also marked and perhaps this is more so in the case of the country's capital. A closer look at Havana reveals an interesting story because the usual assumptions about poverty and place miss the reality of the situation in this city. The absence of investment in the nation's capital as a result of decades of policies that favored development in the countryside may lead one to think that poverty is extremely widespread in Havana. Despite the extreme physical deterioration of Havana's buildings, streets, and homes, the city's residents have a quality of life that one would not expect. It is not just the urban poor that live in the city's dilapidated neighborhoods; doctors, engineers, and other professionals make their homes here as well, giving Havana's communities a remarkable mix of human capital. Conversely, some old housing of the upper and middle class, who no longer live in Cuba, are now occupied by persons from the humblest of extractions, as many peasants occupied that housing early on in the revolution.

There is a clear disjuncture between income/status and housing. This is a reflection of the tremendous social mobility that universally available education, access to health care (and other benefits), and policies of nondiscrimination in employment and housing have made possible for those who were poor prior to 1959. Havana's housing paradox is also the result of policies that have for decades discouraged the sale of housing and even the use of income to improve housing conditions. The

latter has resulted in many families remaining in the same "place" although their status and their life chances have changed substantially. Place did not necessarily represent a barrier to mobility and status in socialist Cuba. But what role will it play as new socioeconomic structures emerge in the country?

And what about race or class background? Is it possible that the policies of "equal treatment" that have been in place for decades today are reproducing inequality? As new socioeconomic patterns emerge, should more individualized attention be given to the most disadvantaged? As these questions suggest, there is a pressing need to take a deeper look at the concepts that drive and the process that distribute the benefits of social policy. Addressing income inequality and poverty, and its uneven distribution across the island, will require finely tuned interventions that rely on the intimate understanding of the local political economy and the conditions it spawns, and the active participation of those affected by them. In order to not reproduce inequality, solutions will have to go beyond the palliative and address structural conditions. Without a critical reassessment of social policy, the process of stratification taking place in Cuba will continue. ■

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# Cuba's New Daddy

by Javier Corrales

Ever since the collapse of the Soviet bloc in the early 1990s, Cuba has been desperately seeking a new “daddy,” an external patron willing to provide material resources with few strings attached. The Soviet Union played this role beautifully for Cuba by offering trade subsidies and other aid with few conditions on how to run domestic political affairs. After the demise of the USSR, Cuba looked to the European Union (EU) as a potential replacement patron. In the interest of making a political statement against the US policy of isolating Cuba, the EU adopted a policy of economic and diplomatic constructive engagement, which Cuba hoped to exploit to its advantage. But Cuba's dream never fully materialized: Europe's level of material support was generous in the 1990s, but never as massive or as unconditional as the support delivered by the Soviet Union. And starting in 2000, the EU even began to impose some sanctions on Cuba for human rights violations.

Around the same time that the international environment was starting to look dark for Cuba again, along came Venezuela, eager to serve as Cuba's new “daddy.” What began as a seemingly innocuous set of agreements between both countries is today a major alliance involving the exchange of strategic assets, including energy resources, large financial operations, information technology, development aid, intelligence services, highly trained personnel, military assets, and joint business ventures. For Cuba, the

alliance with Venezuela represents an enviable political accomplishment. The deal offers the Cuban government enormous material benefits without the obligation to modify domestic policies. But in the medium term, the Cuban state, whether headed by Fidel Castro or his successor, will have to pay dearly for its new dependence on Venezuela, just as it paid dearly for its dependence on the Soviet Union.

## The Nature of the Exchange: Cheap Contributions, Valuable Gifts

Cuba and Venezuela have signed three rounds of cooperative agreements: in 2000, shortly after the election of Hugo Chávez Frías (1999-present); in September 2004; and in April 2005. Very little is known about the content of these agreements, but this much is clear: The agreements benefit both countries by enabling them to exchange assets that are inexpensive for the sender but of enormous strategic value to the recipient, with oil as the most important component for Cuba.

Venezuela sends approximately 92,000 barrels per day (bpd) of oil to Cuba. For Venezuela, a country with enormous oil reserves, this is far from an onerous contribution. Table 1 on page 26 provides some reference points. Venezuela's oil contribution to Cuba in 2005 represented less than 3.5% of its total oil production (which is currently far below actual capacity). For Venezuela, this is an easily affordable subsidy.

For Cuba, on the other hand, 92,000 bpd represents an invaluable lifeline. It allows Cuba to satisfy its rather unusual, surplus-maximizing energy policy. Most oil-importing countries have a straightforward energy policy: They use international trade agreements to acquire the energy that they need domestically; and this need is, in turn, determined by the pace of economic development and the energy efficiency of its industrial and transportation sectors. Cuba follows a different approach. More than satisfying its domestic energy needs, Cuba seeks to maximize energy surpluses—i.e., acquire far more oil than is domestically needed so as to re-export surpluses in exchange for hard currency. To achieve this, Cuba represses industrial and transportation development (so as to keep domestic energy needs low) while simultaneously trying to find vast quantities of oil abroad.

During the Cold War, the USSR provided this excess oil, which Cuba re-exported for a profit. But for Cuba, this Soviet gift was not enough; the more oil it could secure, the more it could re-export. This surplus-seeking energy policy explains many of Cuba's boldest foreign policies. As exiled Cuban general Rafael del Pino y Díaz explained, it is the reason that Cuba financed an armed insurrection in oil-rich Venezuela in the 1960s, and when that failed, tried to keep a 15-year, heavy-handed military presence of 40,000 troops or more in oil-rich Angola (while disregarding Mozambique's request for similar levels of support).

*Venezuelan-Cuban relations since 2000*



TABLE 1: VENEZUELA'S OIL INDICATORS IN RELATIVE TERMS

	Average Barrels Per Day	Index (Venezuela's IQ05 production = 100)
Saudi Arabia's Production (a) .....	9,000,000	340.91
Venezuela's 2012 Production Target (b) .....	5,800,000	219.70
Venezuela's Total Production in 2002 (a) .....	3,300,000	125.00
Venezuela's Total Production IQ05 (a) .....	2,640,000	100.00
PDVSA's share (c) .....	1,700,000	64.39
Venezuela's Exports to the US .....	1,500,000	56.82
Venezuela's Domestic Consumption, 2004 .....	522,000	19.77
Targeted Exports to China (d) .....	135,000	5.11
Estimated Exports to Cuba, 2005 (e) .....	92,000	3.48
Exports to China (d) .....	68,000	2.58

## Sources:

(a) Energy Information Administration, [www.eia.doe.gov/emeu/international](http://www.eia.doe.gov/emeu/international)(b) [www.pdvsa.com](http://www.pdvsa.com) (c) *Veneconomía* estimates (d) *El Universal*, August 24, 2005 (e) *El Universal*, September 10, 2005

The main benefit of Cuba's new deals with Venezuela is that it allows Cuba to fulfill again its surplus-maximizing energy policy. Cuba produces approximately 80,000 bpd of oil, which is 40,000 bpd short of the country's domestic needs, currently estimated at approximately 120,000 bpd. The agreements with Venezuela thus provide Cuba enough to cover this shortfall and still leave some 40,000-50,000 bpd for re-exporting. Furthermore, Venezuela is offering oil under generous subsidies. Oil expert Gustavo Coronel estimates that because payment terms are so favorable to Cuba, Venezuela is providing Cuba approximately 20,000 to 26,000 bpd of *free* oil, amounting to a "gift" of \$6 billion to \$8 billion over the next 15 years. The arrangement allows Cuba to pay 25% of oil shipments over 15 years at interest rates of 2% and with a two-year grace period. Payment requires no

international guarantees and a significant part of the debt can be repaid in services. In April 2006, Venezuela rewarded Cuba with yet another subsidy: an agreement to finance the refurbishing of the Cienfuegos oil refinery, which was completed in 1990 with obsolete Soviet technology, but left idle shortly thereafter because of its inefficiency. Refurbishing this refinery could cost more than US\$100 million (and may never prove worthwhile).

Cuba has thus essentially regained the lucrative oil business that it enjoyed with the USSR prior to 1991, with only one difference: This time, Cuba is making more money. In 1989, the USSR sent Cuba approximately 260,000 bpd, of which Cuba used 200,000 bpd, and then resold the 60,000 bpd surplus. At US\$22.05 per barrel (the average world price for oil in 1989), Cuba was probably generating rev-

enues of US\$1.3 million per day from the resale of unused Soviet oil. If today Cuba is reselling 40,000 bpd of Venezuelan oil at the 2005 average price of \$58.16, its revenue is near US\$2.3 million per day, almost twice what it made during the Soviet era.

In return for oil, Cuba sends Venezuela between 30,000 and 50,000 technical workers, of which about 30,000 are medical doctors. The rest include sport coaches, teachers, and arts instructors, as well as an undisclosed number of intelligence, political, and military advisers. There is debate about how many of the presumed doctors limit their role to practicing medicine and how many are political-military advisers in disguise, but if we accept official statements that they are simply doctors, then Cuba is exporting one-fifth of its medical professionals. This is a large number, but one still affordable for Cuba, which has

**TABLE 2: CUBA'S MEDICAL SURPLUS**

	No. of doctors per 10,000 inhabitants, 1995	Infant mortality per 1000 live births, near 1995
Japan.....	17.7	4
USA.....	24.5	7
Germany.....	31.0	5
Norway.....	24.0	4
Switzerland.....	30.1	5
Netherlands.....	23.8	5
Canada.....	22.1	6
Chile.....	12.0	12
Cuba.....	40.0	11

Source: Madrid-Aris (2002)

an extraordinary surplus of doctors. As Table 2 shows, Cuba has a far greater number of doctors per capita relative to rich countries and relative to its own health achievements, as measured by infant mortality rates. Furthermore, Cuba has significant underemployment and a high demand for exit visas, especially on the part of professionals. According to James Cason, former head of the US Interests Section in Havana, since 2002 more than 100,000 Cubans have entered the consular section and refugee annex in that city seeking to emigrate to the United States and another 81,400 have requested non-immigrant visas. Furthermore, Cuba has also been experiencing a serious "domestic brain drain" since the mid 1990s, with high-skill workers (in the medical and engineering professions) migrating from state-controlled jobs toward informal sector jobs, where incomes are much higher. For Cuba, therefore, sending highly trained personnel, especially doctors, to Venezuela is thus affordable

and even convenient because it allows the government to meet some of the demand for exit opportunities (both from the country or from state-controlled jobs). It also offers the Cuban state one more chance to reward well-behaving citizens by deciding who gets to travel to a freer and richer country.

#### What Venezuela Gains

For the Venezuelan government, the deals with Cuba also yield political payoffs. Cuban workers are stationed in poor areas where few highly trained Venezuelans render social services. This allows the government to establish a presence in areas where political competition (and thus political accountability) is low and the rewards, in terms of potential new voters, are high. There is evidence that many recipients of these medical services are appreciative.

The agreement also calls for educational and medical exchanges, including trips to Cuba by Venezuelans and their relatives for

medical treatment. More than 100,000 Venezuelans have traveled to Cuba in 2005 to receive eye treatment. In addition to the medical benefits they provide, these trips also serve a political purpose by allowing the Venezuelan state to also reward loyalists with travel opportunities.

From Venezuela's point of view, the deal with Cuba involves more than oil-for-labor/services. Leaving aside the "intelligence" assets the two countries trade, which are hard to quantify because they are secret, Venezuela derives enormous economic and military benefits that are easy to observe.

First, Venezuela's rapprochement with Cuba is helping Chávez in his latest effort to reform the military. This most recent military reform, launched in 2004, involves two dimensions. First, the government is seeking to replace the NATO-compliant Belgian rifles that the army has used for more than three decades with approximately 100,000 Russian AK-103s and AK-104s. Venezuela will build factories to produce ammunition for these rifles. There is talk in 2006 of acquiring Russian helicopters and Sukhoi advanced fighter jets. The second pillar of the current reform is the creation of urban reservists to defend the nation in the event of international aggression. The reservists are also supposed to help with "the maintenance of internal order." Estimates place the number of current reservists at 300,000; the government's goal is two million. Both initiatives require the help of Spanish-speaking experts capable of training Venezuelan soldiers in the Russification of their arsenals and helping the government train and organize the new reservists. Cuban military personnel, with their more than 40 years of experience in Russian military

equipment and training urban reservists, are a perfect source of technical advice. Some analysts even argue that in organizing its urban reservists, Chávez is copying the Territorial Troop Militia, Cuba's own paramilitary units.

Second, the relationship with Cuba provides the Chávez administration with additional avenues to evade oversight mechanisms on his government's financial operations. The Venezuelan state owns PDVSA, the state-oil company that holds a monopoly on oil exports. With net sales of US\$58 billion in 2004, PDVSA is the second largest company in Latin America next to Mexico's PEMEX and the fifth largest state-owned oil company in the world. Whoever controls PDVSA controls one of the world's most formidable cash cows. Previous Venezuelan presidents never quite enjoyed total control over PDVSA. The company had significant independence from the executive branch. Venezuelan law used to stipulate that PDVSA's revenues be transferred to the Central Bank, and in 1998, Venezuela created a rule mandating a savings mechanism in times of high oil revenues (the FIEM). Chávez has undermined both rules. In addition to failing to make the obligatory transfers of PDVSA revenues into the Central Bank and reforming the FIEM to allow the government to use saved resources, he has eliminated the autonomy of PDVSA's governing board. Yet, PDVSA still retains some degree of exposure to external scrutiny. PDVSA's offshore operations must still comply with international laws and the laws of host countries, and its domestic operations continue to be covered by the press, which frequently reports on PDVSA's irregularities. Chávez, therefore, needs a place to conduct oil-related financial transac-

tions free of scrutiny. As a country where conventional, international financial and trade laws hardly exist, Cuba provides the perfect hiding place. This explains why Chávez has selected Havana as the headquarters for PDVSA's Caribbean office and for PETROCARIBE, a proposed Caribbean energy agreement. Chávez has also established a new Industrial Bank in Havana charged with financial intermediation of foreign exchange trades involving everything related to oil and its derivatives. In September 2005, the president of Venezuela's Industrial Bank in Cuba, Luis Quiaro, reported that the bank's official line of credit was US\$200 million. Chávez can now conduct multimillion dollar oil-based transactions away from the scrutiny of international and Venezuelan observers.

### **What Cuba Loses**

Most analysts in Venezuela believe that the new relationship with Cuba is disproportionately favorable to Cuba. This is true, but only in the short term. In the medium term, Cuba's new relationship with Venezuela hurts Cuba's development prospects.

For Cuba, the main advantage of its relationship with Venezuela is the illusion of political autonomy. Unlike the European Union, which has provided trade agreements and bilateral aid to Cuba since 1993, Venezuela offers more substantial and less conditional aid. The aid is more substantial because it includes the lucrative oil deal as well as other undisclosed state-to-state transfers that are exempt from scrutiny both in Cuba and in Venezuela, where accountability of government transactions is quickly eroding. It is less conditional because Cuban-Venezuelan relations involve few private investments, sparing Cuba

the need to meet the demands of business groups looking for favorable investment facilities and donors who make aid conditional on human rights. For Castro, Venezuela represents the perfect political gift: an international patron who makes no domestic demands.

This autonomy is only short term, however. In the medium term, Cuba is heading toward a degree of economic dependence that will ultimately hurt the state's political autonomy. One of the enduring insights of the dependency theorists of the 1970s is that nations can gain control of other nations by becoming their benefactors. While the *dependencia* literature overstated many claims, their basic insight that overreliance on external windfalls and patrons hurts development is a serious proposition. At the moment, Cuba is suffering from at least three forms of dependency.

First, Cuba is accumulating a huge debt with Venezuela. In February 2005, *The Miami Herald* reported Cuba's debt to the country as US\$2.5 billion and rising. It may reach US\$3 billion by mid 2006, which makes Venezuela Cuba's top creditor nation, followed by Japan and Argentina. A lot of this debt comes from Cuba's issue of long-term IOUs to PDVSA, deferring all payments for at least 15 years, which violates the original 2000 accord stipulating that no more than 25% of petroleum exports to Cuba would be financed.

Second, by allowing the government to meet its energy and financial needs, the agreements are eliminating the incentives the Cuban government faced in the early 1990s to develop new sources of revenue. One positive trend of the Special Period of the 1990s was that Cuba began to rethink its economic strategy, identifying new areas for invest-

ment and export promotion (tourism, agro-exports, biomedical services, film/cultural production, energy exploration), new forms of business organization (joint ventures with international firms, some forms of self-employment, restructuring of state-owned enterprises, legalization of dollars), and new markets (the European Union). For the first time in decades, Cuba was beginning to diversify its economic relations. To use present-day jargon, the Cuban state was finally managing (rather than eschewing) globalization. The alliance with Venezuela is eroding the incentives to stay on this path. It is no coincidence that since 2000, Cuba has allowed the number of foreign ventures and liberalized sectors to decline, has launched crackdowns on self-employment activities, has banned the use of dollars by Cubans, and has been complacent about provoking tensions with Europe and Mexico, its most important trading partners. By making Cuba's economy even less diversified, Venezuela is further delaying Cuba's capacity to compete in today's world economy.

Finally, the Cuba-Venezuela deal is giving rise to significant political discontent in both countries. The departure of so many Cuban doctors for Venezuela is seen at home as a form of economic loss that the Cuban government cannot blame on the US embargo. Furthermore, Cubans cannot help but wonder why the now legendary *apagones* (power outages) across the island have become increasingly frequent since 2004, just at around the same time that Venezuelan oil imports almost doubled. It is hard for the government to escape blame for what seems to be a clear failure to use available imports for domestic needs. In turn, most public opinion polls in Venezuela reveal that

the agreements with Cuba are enormously unpopular, even among government sympathizers, precisely because they appear so disproportionately beneficial to Cuba. This discontent is bad for Cuba. It means that in the event of a change of government in Venezuela, the new leaders may want to act on this discontent and reduce, or possibly terminate, Venezuela's deals with Cuba. This possible pulling of the plug would mean a repeat of the severe blow that Cuba received in the late 1980s, when Mikhail Gorbachev abruptly terminated subsidies to Cuba, plunging the island into a depression.

#### **The Price of Castro's Sovereignty and Implications for the US**

One of the most consistent themes of the leaders of the Cuban Revolution, even before they came to power, has been the defense of the island's sovereignty. For Fidel Castro, this slogan seems to mean nothing more than maximizing his personal freedom to rule the island with no accountability. He has constantly searched for some international patron willing to shower his government with benefits while simultaneously allowing him to dictate with impunity. Luckily for him, he has always found one, and Venezuela is his latest find.

While the deals with Venezuela have been fortunate for Fidel Castro's local freedom, they represent a political curse for Cuba. The deals have eliminated the pressures, strong in the 1990s, that were pushing Cuba to restructure its economy and manage globalization more ingeniously. Paradoxically, granting the Cuban government more political autonomy has served to reinforce rather than lessen its historical proclivity toward mono-dependency. In the end, Castro should know, dependency on one commodity, one

market, and one foreign government ends up restricting rather than expanding any state's room for maneuvering. As long as the Cuban government continues to uphold a personalist view of political sovereignty, real freedom for Cubans will remain a dream.

That Cuba has become Venezuela's new colony has implications for US-Cuban relations. These deals will give Chávez enormous leverage during Cuba's post-Castro transition. Venezuela's presence in Cuba is increasing not only economically, but also militarily. The number of Venezuelan military personnel and state officials in residence in Cuba is at an all-time high. Venezuela's current ambassador in Havana is none other than Adan Chávez, Hugo's brother. Cuba's future leader will inherit the obligations and dependence that the Castros and Chávezes are cultivating. And any regime succession in Cuba will also occur with significant US involvement—either by US citizens acting privately or by government figures carrying out official policy. The Cuban transition may even descend into a military confrontation, possibly involving Cuban-Americans, and thus, the United States. It is impossible to predict the outcome of such a conflict, but we can now be certain that the Venezuelans will be part of it. ■

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# The End of Rationing?

by Carmelo Mesa-Lago

**T**he rationing system was introduced in Cuba in 1962 and gradually expanded in the following 43 years to include most food and selected manufactured goods. The economic crisis that followed the collapse of the socialist camp led to a drastic cut in rationed quotas and, despite the partial recovery since 1995, rationing monthly quotas in 2005 only met seven to 10 days of food needs. Surprisingly, at a speech at the University of Havana in November 2005, Fidel Castro announced that rationing would soon end. In February 2006, Francisco Soberón, president of Cuba's Central Bank, referred to that speech and explained that there is a contradiction in Cuba between those who live only from their salary, which is insufficient to buy goods at market prices, and those who receive non-labor income (legal such as remittances as well as illegal) that allows them to live comfortably, but both groups benefit from rationed goods at state subsidized prices. Soberón remarked that "this is catastrophic for the nation and economy, and ethically unacceptable." He further stated that the situation has "led us to the gradual extinction of the rationing booklet."

This article traces the background of rationing in Cuba, compares prices in rationed and nonrationed markets, calculates the purchasing power of wages and pensions, and assesses the feasibility of five alternative strategies to fulfill Castro's promise.

## Inception and Evolution of Rationing

The official justification for rationing was that the population's purchasing power had increased much faster than the domestic production of consumer goods and the state's capacity to import them: if allowed to be set by supply and demand, prices would have increased significantly and hurt the poor and lowest income groups. In order to protect these groups the government fixed prices centrally and secured minimum quotas for all the people at subsidized prices, in some cases below production costs. On the positive side, rationing was an equalizer and welfare tool in the midst of scarcity. On the negative side, it was costly for the state, did not avoid long queues in front of state shops, and stimulated the emergence and rapid expansion of the black market, where goods were sold at several times the rationing price. In the 1970s and the first half of the 1980s, the government fought the black market by introducing parallel official markets, as well as peasant markets, where prices of goods were set by supply and demand. But those two markets were abolished during the antimarket "Rectification Process" in the second half of the 1980s.

The major problem has been that production of food and other consumer goods, after an increase in the 1970s and 1980s, decreased sharply during the crisis of the 1990s and by the end of 2004 were, in most cases, below the output level of 1989, for instance: beef

63%, fish 65%, sugar 69%, milk 51%, eggs 32%, citrus 22%, textiles 87% and tobacco 42%. Only production of beans, some vegetables, and tubers was higher in 2004 than in 1989. As a result, the government was unable to maintain rationing quotas and cut them so that by 2005 they only covered from seven to 10 days of monthly food needs and considerably less in manufactured-good needs.

The first three columns of the table on page 32 show monthly rationed quotas per person of 20 consumer goods in Havana in three years: 1962 at the start of rationing, in the 1980s before the crisis, and at the end of 2005. In 1962, seven goods were sold "free" (without quotas) but its number had been cut to four by the 1980s and no goods were sold free in 2005. With a couple of exceptions, the quotas of all goods steadily declined in the period. Gasoline, cigars, toilet paper, and beer were sold free in 1962 but were unavailable through rationing in 2005; bread was sold free in 1962 but restricted to a small daily roll in 2005, while sugar went from free to five pounds and cigarettes from free to three packages monthly; the quotas of oil, chicken, tubers, coffee, and detergent shrank between 50% and 75%. Rationed milk is only sold to children age seven and younger or adults under a medically-prescribed diet (one liter daily). It used to be sold also to elderly people (six cans of condensed or evaporated milk monthly) but was discontinued in the early 1990s. Butter is not available through rationing and potatoes

## *Despite the rhetoric, Cubans need the government dole to survive*



*A person holds out a food rationing booklet while standing in line at a government store in the province of Pinar del Rio.*

are the only tuber occasionally offered. The quota of beef was three pounds in 1962 but in 2005 the quota was a half pound for a mixture of ground soy, beans, and meat; very few medicines are obtainable in state pharmacies.

The people survived the severe cut in rationed quotas thanks to the government reforms implemented in 1993-96 that allowed the circulation of the dollar, foreign remittances in that currency, the resurrection of free agricultural markets

and self-employment, and the introduction of state hard-currency shops (“shoppings” or TRD) open to nationals. By 2004 about 62% of the population received dollar-remittances from relatives and friends abroad that permitted Cubans to buy goods in agricultural markets and TRD. Income and access to these markets came from self-employment, family restaurants, dollar incentives paid under-the-table to employees in joint ventures, and speculation in the black

market or the informal sector. Nevertheless, a new antimarket wave that started in 2003 and continued in 2006 reversed the most important reform measures: The circulation of the dollar was banned; a fee of 10% to change dollars into “convertible” Cuban pesos was imposed (two pesos circulate in the island: the regular and the “convertible” whose value is not set in the international market but arbitrarily by the government at a rate of 24 pesos to buy one convert-



## Features

### Monthly Quotas of Rationed Goods per Person in Havana (1962, 1980s, 2005) and Prices in Regular Pesos at Rationed and Non-rationed Markets (2005)

Goods	Rationed Quotas (years)			Prices in Regular Pesos (2005)		
	1962	1980s	2005	Rationing	Agriculture	TRD
Beef, mixed with soy (pound)	3	1	0.50	0.80	No	43-215
Chicken (pound)	3	2	1	0.70	No	29-53
Fish (pound)	1	Free	0.688	0.70	No	68-135
Rice (pound)	6	5	5	0.25	4-5	11-14
Beans (pound)	1.5	1.25	1.875	0.40	8-20	30-40
Tubers (pound)	14	5	4	0.40	2-4	No
Lard (pound) and soy oil (liter)	2	1.5	0.50	0.20	10-18	54
Eggs (units)	5	Free	8	0.15	1-2	2-3
Milk (liter, powder in TRD)	6	3	0	No	6	64
Bread (roll)	Free	Free	30	0.05	10	No
Sugar (pound)	Free	6	5	0.10-0.15	No	16-22
Coffee(pound)	1	0.375	0.25	5.00	No	145-158
Cigarettes (package)	Free	4	3	2-2.50	No	9-57
Cigars (unit)	Free	4	0	No	No	Vary
Gasoline (gallon)	Free	10	0	No	No	73-86
Bath or wash soap (tablet)	2	1.5	1	0.20-0.25	No	8
Detergent (bottle)	1	0.5	0.25	0.90	No	24
Toilet paper (roll)	Free	1	0	No	No	26
Tooth paste (small tube)	1	1	1	0.65	No	60
Beer (national, bottle or can)	Free	Free	0	No	No	20-26

NOTE: Data sent by Cuban independent economist Oscar Espinosa Chepe and a researcher who requested anonymity, as well as articles in Havana internet, December 2005 and January 2006. TRD prices in convertible pesos have been estimated in regular pesos at the current official exchange rate of 24 to one. "No" means that the good is not offered in a given market.



*Food and other goods unavailable through the rationing system can be purchased at hard-currency shops, or TRDs, such as the one pictured above. But for an overwhelming majority of Cubans—who cannot afford to shop at the TRD—the meager basket of rationed food and goods is essential for their survival.*

ible peso in 2005); the convertible peso was appreciated by 8% (proportionally reducing the value of the dollar); the number of self-employed activities and family restaurants was reduced; controls over agricultural markets were tightened, and TRD prices were raised between 10% and 30% and set them in convertible pesos (thus adding another 10% increase due to the exchange fee for the dollar). As a result of these measures, as well as the tightening of the embargo by the Bush administration, the amount of remittances and the access to goods in TRD declined sharply in 2005.

### **Prices in Rationed and Non-Rationed Markets and Purchasing Power of the People**

The last three columns of the table compare prices in regular pesos of goods in rationed and nonrationed markets (agricultural and TRD) in Havana in December 2005. There are huge differences in

the ratios of nonrationed to rationed prices, for instance, 100 times in fish, 200 times in bread and 92 times in toothpaste; 18 and 52 times in rice (the first between rationing and agricultural market prices and the second between rationed and TRD prices), and 90 and 270 times in oil. Furthermore, many rationed items disappear for months (soap, detergent) and the quality of rationed and some nonrationed goods has badly deteriorated: beef has been substituted by a ground mixture of soy, beans, and meat; rationed rice is small and of bad quality; potatoes are often rotten; fish is small and full of bones; bath soap lacks perfume and easily disintegrates; the rationed bottle of detergent is only good for washing dishes, a bag of powder from TRD must be bought for washing clothes; shoes break after a few months of use.

The average monthly wage at the end of 2005 was 334 regular pesos

(\$16.70 at the official exchange rate of 20 pesos per one dollar), the minimum wage 225 pesos (\$11.25), the average monthly pension 180 pesos (\$9), and the minimum received by half of the pensioners 150 pesos (\$7.50). The whole basket of rationed goods for the first seven to 10 days of the month costs only about 30 pesos, but monthly electricity rates adds 10 to 20 pesos, bus transportation 12 to 20 pesos (one taxi drive costs 10 to 20 pesos), and phone and water eight to 10 pesos; the bulk of the population owns a dwelling but a minority pays 10% of salary, an average of 33 pesos; the total ranges from 60 to 115 pesos. With the income left, everyone must buy food unavailable through rationing at agricultural markets or TRD for the remaining 20-23 days of the month, as well as other food and manufactures not available through rationing at all. That is impossible to minimum and average pensioners, as well as minimum wage earners, without foreign remittances, family help, or extra income (many pensioners sell stuff in the streets or do similar tasks). With what is left, average salary earners can buy about one-half of their remaining food needs at agricultural and TRD markets. One pound each of beef, chicken, and fish, four pounds of rice, two pounds of beans, two onions, one bottle of soy oil, and four eggs cost 213 pesos—two-thirds of the average wage. Additional essential toiletries bought at the TRD (one each soap tablet, bag of detergent and deodorant bottle) costs 84 pesos, one-fifth of the average salary; a pound of ham or a pressure cooker wipes out almost half of the monthly average wage or the whole minimum pension, and a light bulb bought at a TRD takes 30% of the average wage and 50% of the average pension. Many cars are immobilized because spare parts,

only available in TRD, are highly priced or because a gallon of gasoline takes 22% of the average monthly wage.

### **Feasibility of Five Alternative Strategies to End Rationing**

All of the above shows that, as insufficient as the meager basket of rationed food and a few manufactured goods is, it is essential for the survival of the immense majority of Cubans. According to the government, the basket of rationed foods guarantees half of the daily consumption of calories although it actually covers one third at best. In any case, the intriguing question is how rationing could be terminated? Five potential strategies to tackle that problem are evaluated below.

The logical way to eliminate rationing would be to increase the supply of consumer goods either through domestic production, imports, or a combination of both. This alternative is unfeasible in Cuba in the mid term for various reasons: domestic production in 2005 was below the 1989 level in most consumer goods (see above) and the population has grown 7% in the last 16 years; imports of food have significantly increased in the last three years, mostly from the United States, but still are grossly insufficient to compensate for the poor domestic output and Cuba lacks convertible currency to buy the needed additional quantities (the merchandise trade deficit in 2005 surpassed \$4 billion, a historical record).

Accepting its present restrictions, the government could terminate the rationing booklet but maintain the current subsidized prices, eliminate the compulsory adscription of families to the neighborhood state grocery, and free consumers to purchase the existing limited goods anywhere they are offered. This

would create chaos because production and services would be disrupted as people abandon jobs to hunt for food everywhere, generating the longest queues under the revolution, and unleashing a potentially volatile political situation, all of which makes this alternative highly improbable.

The government could also abolish the rationing booklet but allow prices to be set by supply and demand, and let those people who have enough money to buy the limited goods sold at considerably higher prices. This strategy would badly harm the poor and lowest income groups (poverty is estimated to afflict from 20% to 67% of the total population), precisely the justification that the government gave to introduce rationing back in 1962. In addition, it would significantly expand the inequality of food access in favor of the highest income group and provoke severe nutritional deficiencies in a large part of the population. In view of the current official criticism of inequalities, chances of this alternative are poor.

The previous alternative, however, could be combined with an increase of social assistance to the poor and lowest income groups to allow them to purchase goods at market prices. The government seemed to take this path in 2005 by raising minimum wages, minimum pensions, and social assistance; but the cost of 2 billion pesos (10% of GDP) provoked a significant jump in state budget expenditures, and probably in monetary liquidity and inflation. Still, that largesse was grossly insufficient to improve food access of these vulnerable groups (as shown above); further increases in social welfare would be extremely costly and provoke financial instability.

Finally, rationing could be restricted to the poor and lowest income

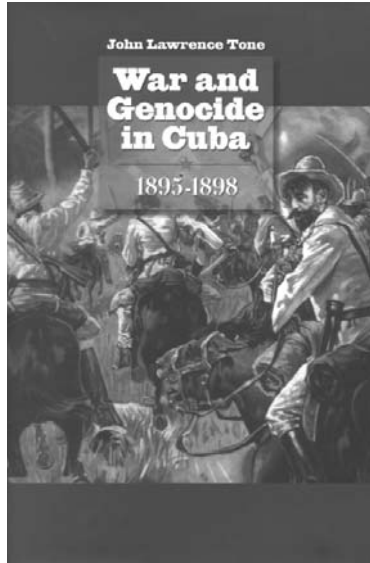
groups and leave the rest of the population to purchase goods at prices set by supply and demand, with supplemental buying at agricultural markets and TRD. Such action, however, would be harmful to the middle-income group, particularly those who do not receive remittances. In order to compensate them, further increases of average wages would be necessary, leading to similar adverse fiscal and stability consequences as in the previous scenario. Castro estimated that the elimination of rationing would cost 600 million pesos, a flagrant underestimation based on the previous analysis.

In view of the lack of easy alternatives, Fidel's announcement of the end of rationing might well be another symbolic ingredient in the official discourse aimed at getting support for the ongoing economic recentralization process, the campaign against corruption, and to assure the Cuban people that the revolution is on the right track with a bright future ahead. Such promise, along with abundant energy in 2006, could go astray as many other promises made by the Maximum Leader have done so in the past 47 years: the largest industrial output per capita in Latin America and a fourfold increase in milk production by 1965; a sugar harvest of 10 million tons and the creation of an unselfish "New Man" in 1970; and a fourfold jump in nickel output, a world power in biotechnology, and food self-sufficiency in the 1980s. ■

*Carmelo Mesa-Lago is Distinguished Service Professor Emeritus of economics and Latin American studies at the University of Pittsburgh and was visiting professor at FIU from 1999 to 2003.*

New from the University of North Carolina Press...

## War and Genocide in Cuba, 1895-1898



### **War and Genocide in Cuba, 1895-1898**

by John Lawrence Tone  
352 pp., 8 illustrations, 4 tables,  
3 maps, notes, bibliography, index  
ISBN 0-8078-3006-2  
\$35 hardcover  
Publication Date: March 13, 2006  
University of North Carolina Press

"Tone deals with not only the military aspects of the Cuban-Spanish-American war, but also the internal political complexities of those countries and the social and economic backdrop on which the story unfolds. The author's narrative technique makes for easy reading, with some chapters centered around the personal life of one of the main characters in the drama and other chapters on political and social problems or military history. Tone masters all of these fields."

**-José Alvarez Junco**  
Centro de Estudios Políticos y  
Constitucionales, Madrid

*War and Genocide in Cuba, 1895-1898* by John Lawrence Tone takes as its focal point the Cuban war for independence from Spain prior to the United States' entry into the conflict in 1898. Tone contends that the events in Cuba before American intervention are paradigmatic of warfare in Latin America and elsewhere in the 19th and 20th centuries and are ultimately more interesting than the "splendid little war" of 1898. Employing Spanish and Cuban sources to recover the experiences of civilians and common soldiers during wartime, the author takes a fresh look at well-known figures such as José Martí, Máximo Gómez, Valeriano Weyler, and Antonio Cánovas and contributes to ongoing historiographical debates about the nature of war, the attitudes of its participants, the methods of combat, and the necessity of US involvement to defeat Spain.

Through his careful examination of the Spanish and Cuban positions prior to US involvement, Tone offers new answers to old questions concerning the attitudes of the Cuban people toward the war and the ways in which the conflict was a civil war as well as a war of liberation. Tone also explores the Spanish policy of "reconcentration," which called for the forcible relocation of thousands of Cubans to concentration camps, raising the question of whether this policy constituted genocide or whether it represented an acceptable level of violence toward a civilian population within the standard rules of engagement. In addition, Tone examines how Spaniards and Cubans fought one another, challenges the widely held notion that the Cubans had defeated Spain before the US declared war, and explores the necessity of US intervention.

Tone treats the "splendid little war" as but a single chapter in the longer war that preceded the 1898 conflict, involving participants who hailed from Havana, Madrid, and the Cuban countryside. His approach depends greatly on newly released evidence from Spanish government and military archives, including hospital records that tell a different story about how battles were fought; intercepted Cuban letters that reveal the war's effect on civilians; battle diaries kept by commanders on both sides that cast new light on the condition of the troops; and administrative records that provide fresh insight into the tragedy of reconcentration.

By telling this more complete story, Tone fleshes out the existing narrative of the war for Cuban independence and underscores the complexity of the issues that lay at the heart of the conflict.

**John Lawrence Tone** is Associate Professor of History at the Georgia Institute of Technology.

# Everything Old Is New Again

by Uva de Aragón

If revolution means radical change, then the Cuban Revolution has lived up to its name—but only in part. Since its earliest days in 1959, the leaders of the Revolution proclaimed a new future for Cuba, even insisting on creating *el hombre nuevo*. Along with the call for revolution was the exhortation to bury what was considered an ignominious past: the Catholic Church, tourism and its ills, bourgeois society and values, and class and racial disparities. The Revolution's intent to create a radically different social, political, and economic order has certainly succeeded. Cuba today is a fundamentally different country than it was 45 years ago.

Yet, almost five decades after Fidel Castro marched triumphantly into Havana at the head of his rebel army, Cuba remains a country virtually frozen in time. The pervasive winds of revolution have not managed to blow away deep-rooted beliefs and traditions. Cubans cling to the past both physically and emotionally. From antique cars to old wives' tales, from yellowed family photos to momentary recollection of the glamour and genteelness of a bygone era, the new men and women of Cuba seem to find greater comfort in old customs and memories, than in the hope of the elusive new Cuba once promised to them.

Today, Cuba is a country of contradictions. Any visitor to the island will immediately see its myriad forms of transportation: from shiny, as if new, old American

## *Despite efforts to eradicate the past, its appeal is palpable in the Cuba of today*

automobiles and late-model European and Japanese cars to carriages pulled by horses and the odd-looking *camellos*. Within the same block one can contemplate the renovated splendor of Havana's magnificent colonial architecture, as well as crumbling buildings. Tourists and natives can easily be distinguished from one another by the way they dress, the places they visit, and where they eat. A new luxury hotel can suddenly sprout in the countryside, a short distance away from old "bohíos" and clotheslines draped with colorful sheets, underwear, and T-shirts. But, the contradictions run deeper than what the eye can see. Families that have suffered the pain of separation for years now communicate by e-mail, and even collaborate in creating family trees or sharing web pages. Family visits, care packages and remittances, and the internet are healing the wounds and forging even stronger ties among relatives. While the US travel restrictions implemented in 2005 have had a negative effect on this family reconciliation, they have not brought it to a halt.

Cuba, of course, is not entirely frozen in time. It is also a country of constant change, for the government reacts with continuous new

campaigns, slogans, and decrees. It is a place that has suffered isolation from the world, but, yet, the signs of modernity are starting to appear, albeit slowly. In its essence, however, Cuba clings to the past rather than embrace an elusive future. Even that effervescent and hopeful time when the Revolution was in its infancy is not part of the collective memory of young Cubans. The irony is that what is being renewed today in Cuba is precisely the past that the Revolution had hoped to bury. One more contradiction in the new old Cuba.

The following photographs were taken during several trips to the island from 2002 to 2005 and hope to capture, much better than these words, the paradoxes of life in Cuba. ■

*Uva de Aragón is associate director of the Cuban Research Institute at Florida International University. A prolific writer, she has published several books on literary criticism, poetry, short stories, essays, and a novel, Memoria del silencio. Her most recent work is Morir de exilio, published June 2006.*



A billboard in Havana with the images of revolutionary figure Camilo Cienfuegos, student leader Julio Antonio Mella, and the iconic Ché Guevara—all of whom met violent deaths—promises that a better world is possible.



Cubans have learned to perform miracles to keep their old American cars running. This one, parked in Centro Habana, shines like new.



A *cocherito* awaits to transport tourists in his horse and carriage around Old Havana. The renovation of old buildings can be seen in the background.

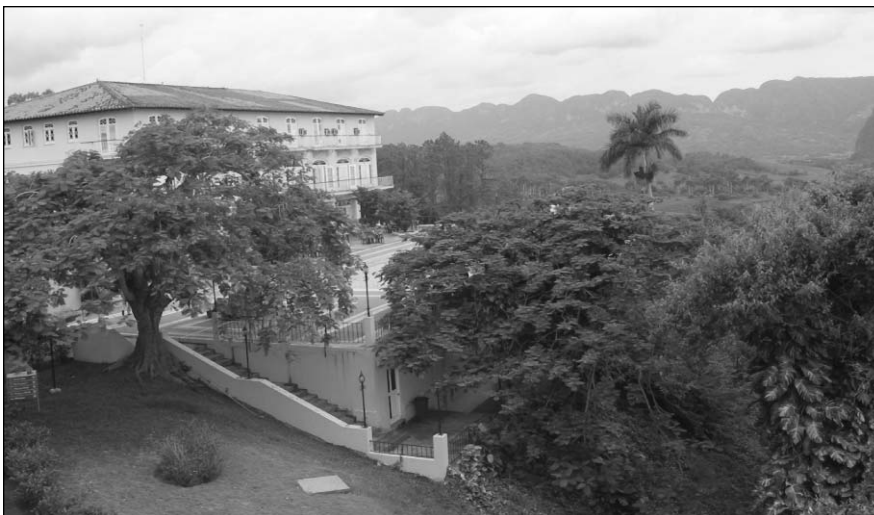
Photo Essay



Havana's Café de Oriente, an imitation of the famous Madrid landmark, caters to tourists. The Cuban government started to welcome visitors to the island as part of its modest economic reforms of the mid 90s. Jobs serving tourists are highly coveted.



Prices in this small coffee shop in Centro Habana are more in tune with the meager salaries of most Cubans.



At the hotel Los Jazmines, adjacent to the Valle de Viñales in Matanzas, Cubans can enjoy the restaurant and other facilities, but are forbidden to stay at the hotel, even if they can pay for it.



Not far from the luxury hotel, there are indications that life in Cuba's countryside has not changed significantly.



Tourists walk through the cobblestone streets of Old Havana.



With the passing of time, the promise of an egalitarian society has become elusive. Beggars can again be seen in the streets of Havana.



Photo Essay



Built in the 16th century, Castillo de la Fuerza is Cuba's oldest military fortress and one of the architectural jewels attracting foreigners to the island.



School children and their coach take a stroll in Plaza Vieja, which is being restored to look the way it did when it was first built in the 17th century.



*Quinceañeras* pose for photographs under the shade of old trees. The lavish celebration of a young girl becoming 15 is a stark reminder of a more elegant era once highly criticized by the Revolution.



Since 1997, when the government allowed Christmas to be celebrated once again, families immediately started to display their old trees, ornaments, and nativity sets, which had been hidden for decades.



Amelia Goyri de Adot was buried in this tomb in the Cementerio de Colón when she died during childbirth in 1901. Legend has it that when the casket was opened years later, the body was intact and Amelia was holding the baby in her arms. According to the popular myth, "La Milagrosa," as she is known, has special healing powers, and is particularly helpful to mothers and their children. Her tomb is always adorned by flowers and notes from devoted visitors.



Young Cubans, dressed in jeans, stroll by a mural in Old Havana depicting distinguished 19th century Cuban men and women of letters.

# Plus ça change...

by Anthony P. Maingot

Brian Latell, *After Fidel: The Inside Story of Castro's Regime and Cuba's Next Leader*. New York: Palgrave Macmillan, 2005.

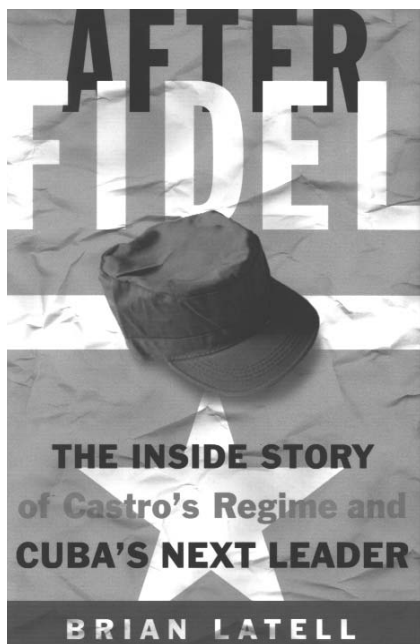
Don Bohning, *The Castro Obsession: U.S. Covert Operations Against Cuba, 1959-1965*. Washington, D.C.: Potomac Books, 2005.

Jorge I. Domínguez, Omar Everleny Pérez Villanueva and Lorena Barberia (ed.), *The Cuban Economy at the Start of the Twenty-First Century*. Cambridge, MA: Harvard University Press, 2004.

Carmelo Mesa-Lago and Jorge Pérez-López, *Cuba's Aborted Reform: Socioeconomic Effects, International Comparisons, and Transition Policies*. Gainesville: University Press of Florida, 2005.

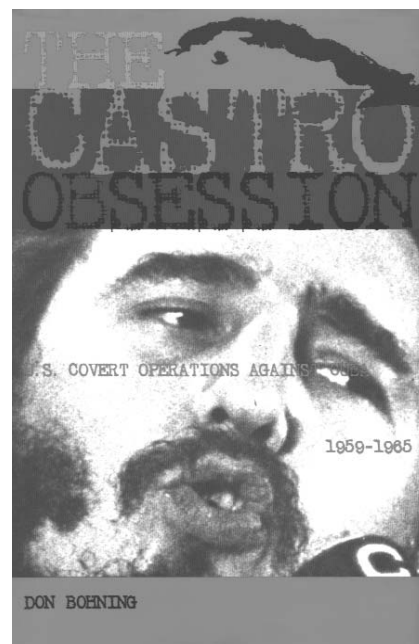
It is said that after a particularly heated exchange with Neville Chamberlain, Winston Churchill vowed that "History will not be kind to Neville Chamberlain. I know because I'm going to write it." And, he did indeed write it solidifying, perhaps for ever after, the association between clichéd portrayals of "Chamberlain" and "Munich."

Will history be kind to Fidel Castro and his revolution now in its 47<sup>th</sup> year? It is a fact that the tendency among non-Cuban authors has been to be increasingly critical of the path taken. And yet, the fascination with the revolution's



charismatic leader continues unabated. On balance, there is more biography than macro-sociological analysis on the shelves.

Joining this trend toward critical biography is Brian Latell's *After Fidel*. Latell has been for decades the senior CIA analyst on Cuba, "fascinated" (his word) since his graduate student days with Cuban communism. On his own admission, this book has been in the oven since at least 1986. Given his long career with the CIA, his access to recently released ex-Soviet files, and his acquaintance with the recent slew of hefty volumes on Castro, one was expecting a ponderous encyclopedia-like tome. What he finally delivered, rather, is a fast-paced and elegantly written account, in every way a terrific good read. That said, one has to be

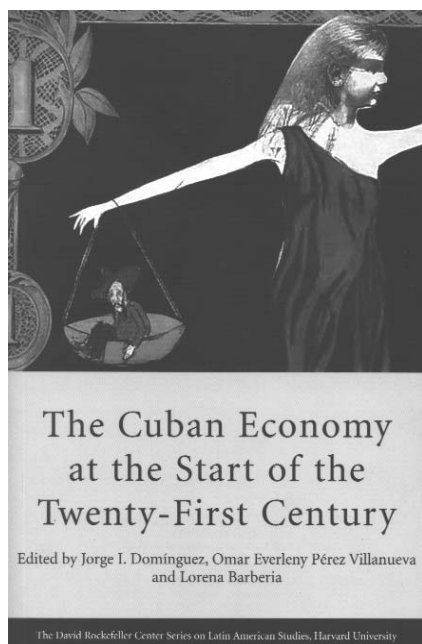


cautious with Latell's heavily psychologistic slant on Castro's style and *modus operandi* as well as his take on Raúl, which, let it be said, is the most important contribution of the book.

To be sure, Latell is quite persuasive when he argues that in Castro we have a classical case of the child being father to the man. Presented here is the illegitimate Fidel in an early and single-minded—even obstinate—struggle to overcome this family shame and a myriad of other obstacles to social and educational mobility. The end result of the many battles to overcome his "pariah" status was a deep-rooted authoritarian personality. Listen to Latell:

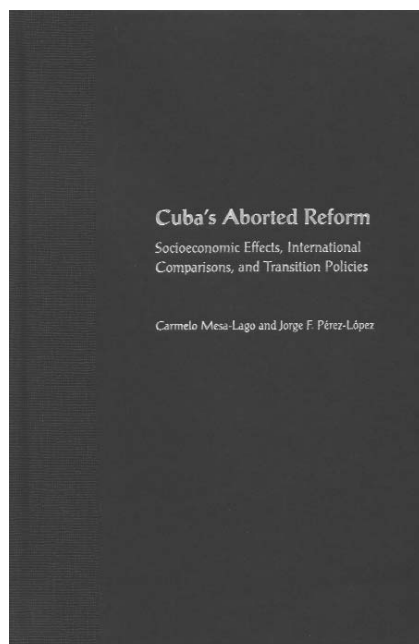
*The survival skills that Fidel began to develop as a child – being on his*

## A review essay on Cuba



*guard, fearing betrayal and rejection, improvising solutions, seizing initiatives, trusting almost no one, threatening and committing acts of violence, and relying on his instincts rather than waiting for fate to be dealt him – have carried over through the rest of his life (53).*

None of this of course, is new. What is new and interesting is the way Latell compares and contrasts Fidel's personality with that of his younger brother Raúl. Also born out-of-wedlock and without any of the attractive physical and social attributes of Fidel, Raúl emerges from these pages as the more stable and dependable of the two. As such, he is "the linchpin" of Fidel's succession strategy, the "guarantor" of political stability in Cuba. "It is highly unlikely," says Latell, "that



Fidel could have held power so long without Raúl's steady control of the armed forces" (21). After Fidel, Latell predicts, it will be Raúl who will have the occasion and the capacity to set the revolution in a more rational and conciliatory (with the US) course.

The problem with the author's psychological approach to both Fidel and Raúl is that it does not explain why and how a leader (in this case, Fidel) variously described as "paranoid" (49, 51), operating under a "permanent link" with a "fantasy world of historical heroes" (59), "vain, spoiled and narcissistic" (84), in short, a "sociopath" (89), managed to out-manuever the world's greatest power for over four decades. We can disregard Latell's throw-away explanation that Fidel has had "exceptionally good

luck..." (18). Rather, we can piece an alternative interpretation from occasional concessions the author makes to Fidel's "exceptional intelligence" (38) and to his total dedication to understanding US politics so as to thwart it at every turn. "With the exception of a succession of Israeli leaders," says Latell, "there is probably no other political figure anywhere in the world who has been more knowledgeable in assessing American politics and accurate in predicting American gyrations" (69). Thus, what we have here is not a leader divorced from reality but rather one inflexibly fixed on his chosen path and determined to devote his considerable talents to short-circuit any and all attempts at stopping him. Clearly not an adversary to be taken lightly which, one suspects, is precisely what the US consistently did.

That there have been no major US leaders equally dedicated to a deep understanding of Cuban politics and gyrations is evident in the tightly argued book by Don Bohning. Writing in the straightforward, unadorned style of the journalist, Bohning makes extensive use of newly unclassified materials to describe what he calls "one of the most extensive sustained, and ultimately futile covert action programs by one country against the government of another in the post-World War II era" (1). He skillfully dissects the eight known CIA plots to assassinate Fidel Castro between 1960 and 1965 as well as the broader attempts at bringing about popular uprisings, including the disastrous Bay of Pigs invasion.

Two of Bohning's conclusions are worthy of reflection 40 years after all the plots and destabilization attempts. First, Bohning concludes that on restudy, it is difficult to see "how grown men could have taken (all these anti-Castro plans) seriously" (8). Secondly, and here one cannot help but think of the Iraq fiasco, Bohning records how the sober CIA assessments of the Castro regime's strengths and its urgent counsels against excessive optimism about impending implosions of the system were consistently ignored by the political leadership.

Bohning ends by quoting a CIA report from 1963 which argued that US programs at their present levels were not likely, barring unforeseen events such as the sudden death of Castro, to result in the early overthrow of the Castro-Communist regime. Having carefully and dispassionately reviewed the record of the US "obsession," Bohning concludes that the CIA's 1963 assessment "remained valid more than four decades later" (263). This "obsession" with the leader's reasoning and intentions has obviously not produced strategies to defeat, or at least neutralize, that leader. Latell, however, believes that the focus on Fidel is essential even though he confesses that dealing with, for instance, how the economy was faring "would have been easier" (184). Would it now? Not if the books by Domínguez, Pérez Villanueva and Barberia, and Mesa-Lago and Pérez-López are good measures.

Although both books attest to the fact that while external factors (fundamentally the US embargo) have played a part in Cuba's economic failures, it is mostly the same "reasoning and intentions" of Fidel Castro, which bedeviled Latell (and his US bosses), that account for

nearly five decades of developmental frustration. This is, of course, not a new revelation. Decades ago, socialist friends of Cuba, such as René Dumont, K. S. Karol, and Charles Bettelheim, bemoaned the voluntaristic and often hare-brained schemes of the Cuban leader. Today, the view that such schemes have for four decades fallen short of their goals seems to be the considered view of a new generation of Cuban economists. Eschewing the tired old Marxist, "world system" and "dependency" paradigms and language of the 1960s and 1970s, they show a solid grasp of modern developmental economics and of the global realities, which present real challenges to all countries, including their own.

The enormous value of the Domínguez reader is that it includes some solid essays by the most outstanding of these economists, i.e. Omar Everleny Pérez Villanueva (two essays), Pedro Monreal, Jorge Mario Sánchez Egozcue, Mayra Espina Prieto, Viviana Togores, and Anicia García. Mesa-Lago and Pérez-López analyze the work of most of these, plus those of other outstanding Cuban economists such as Julio Carranza, Alfredo Gonzalez Gutierrez, Hídiám Marquette, and Juan Triana.

To a man and woman, these economists deal with the economic reforms implemented in the early 1990s in order to confront the disastrous collapse of the economy following the removal of Soviet subsidies, the opening of the economy to foreign investment, the restructuring of foreign trade, the consequences of an expanding tourist sector, and the free circulation of hard currency.

Arguing well within the ideological parameters of the socialist state they all appear to support, there is

consensus that the reforms of the 1990s did not go far enough in restructuring the economy. What is urgently needed are changed property relations, decentralization of economic decision-making, and the promoting of production efficiencies through increased competition and appropriate incentives. They all agree that the existing natural resources economy is exhausted and, as Pérez Villanueva puts it, "physically run down" (Domínguez, 66). "The traditional model—supported by antiquated methods and already obsolete administrative practices," he says, "exists alongside a second one based on decentralized models of self-financing with new economic actors" (67). This was of course before Fidel dropped the guillotine on that decentralized model.

So, one has again to ask: Who in Cuba listens to their best economic thinkers? Certainly not President Fidel Castro. He never has. Writing in 1971, a very sympathetic US economist, Bertrand Silverman, noted that in Cuba the economy was being directed by "individuals without previous experience, technical know-how, or reliable information." Even where there was a formal economic team in place, Silverman noted, Fidel Castro made all final decisions through a parallel planning apparatus (Bertrand Silverman, *Man and Socialism in Cuba* [1971], p. 22). This continues to be his *modus operandi*: reforms are implemented only when circumstances force a sort of "law of necessity" only to be unceremoniously pulled back as soon as relief is in sight. Sustaining "socialist morality" is invariably the justification. That sustained development is impossible under such circumstances is made evident by Jorge Domínguez. In a succinct analysis of the gains and deficien-

cies of the reforms of the 1990s, Domínguez argues that “Several of Cuba’s economic reforms were only partial. Partial reform equilibrium is a long-term recipe for disaster; it delays microeconomic reforms indefinitely” (Domínguez, 41). And, this was written before the draconian measures against “neoliberalism” pushed by Fidel Castro in November, 2005.

Mesa-Lago and Pérez-López note this cycle of on-again off-again attempts at reform and leave no doubts as to where the problem lies:

*We believe that the core reason why the leadership limited, closed down,*

*and eventually reversed pro-market policies and launched anti-market cycles – actions certain to bring about adverse economic performance – is the fear of losing political control as a result: decentralization of economic policymaking, expansion of the market the private sector, and the subsequent surge in economic behavior independent of the state. Political logic, therefore, has trumped economic logic, even though the results have been the deterioration of economic conditions and standard of living. (xii-xiii).*

As of now it appears that Latell’s biographical approach to the political and economic history of the

Cuban revolution “under Fidel” will be vindicated. The question becomes: Will Raúl listen to his economists any more than his brother did? It is most intriguing that Latell seems to be betting that he will. Those in the US administration still “obsessed” with a “clean transition” in Cuba better read his book. ■

*Anthony Maingot is Professor Emeritus of Sociology at Florida International University. His most recent publication (with Wilfredo Lozano) is The United States and the Caribbean: Transforming Hegemony and Sovereignty (Routledge 2004).*

New from the University of North Carolina Press...

## **THE ORIGINS OF THE CUBAN REVOLUTION RECONSIDERED**

by Samuel Farber

Analyzing the crucial period of the Cuban Revolution from 1959 to 1961, Samuel Farber challenges dominant scholarly and popular views of the revolution’s sources, shape, and historical trajectory. Unlike many observers, who treat Cuba’s revolutionary leaders as having merely reacted to US policies or domestic socioeconomic conditions, Farber shows that revolutionary leaders, while acting under serious constraints, were nevertheless autonomous agents pursuing their own independent ideological visions, although not necessarily according to a master plan.

Exploring how historical conflicts between US and Cuban interests colored the reactions of both nations’ leaders after the overthrow of Fulgencio Batista, Farber argues that the structure of Cuba’s economy and politics in the first half of the 20th century made the island ripe for radical social and economic change, and the ascendant Soviet Union was on hand to provide early assistance. Taking advantage of recently declassified US and Soviet documents as well as biographical and narrative literature from Cuba, Farber focuses on three key years to explain how the Cuban rebellion rapidly evolved from a multiclass, antidictatorial movement in to a full-fledged social revolution.

**“A first-rate synthesis and interpretation of the Cuban revolutionary experience--both the rebellion against the Batista regime and the consolidation of power in 1959-60. It is intelligent, well written, and well organized...it is a major contribution to the field of Cuban studies.”**

**--Jorge Domínguez, Harvard University**

**Samuel Farber** is Professor of Political Science at Brooklyn College.

# Cuba's New Society

by Marian Goslinga

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