

Cuba: Continuing Revolution and Contemporary Contradictions

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Introduction

The Cuban revolution with its socialist economy has demonstrated tremendous resilience in the face of enormous political obstacles and challenges. It successfully defied a US orchestrated invasion, naval blockade, hundreds of terrorists' attacks and half-century boycott.(1) Cuba was able to withstand the fallout from the collapse of the USSR, the Eastern European collectivist regimes, China and Indo-China's transit to capitalism and to construct a new development model.

As many scholars and political leaders – including adversaries – have noted, Cuba has developed a very advanced and functioning social welfare program: free, universal, quality health coverage and free education from kindergarten through advanced university education.(2)

In foreign, as well as domestic, policy Cuba has successfully developed economic and diplomatic relations with the entire globe, despite US boycotts and pressures. (3)

In questions of national and personal security, Cuba is a world leader. Crime rates are low and violent offenses are rare. Terrorist threats and acts, (most emanating from the US and its Cuban exile proxies), have declined and are less a danger to the Cuban population than to the US or Europe.

It is precisely the successes of the Cuban Revolution, its ability to withstand external threats, which would have brought down most governments, that now has created a series of major challenges, which require urgent attention if the revolution, as we know it, is to advance in the 21st century. These challenges are a result of past external constraints as well as internal political developments. Some problems were inevitable consequences of emergency measures but are now pressing for immediate and radical solutions.

Revolutionary Virtues

The great virtue of the Cuban revolution is that it survived, maintaining many of its positive social achievements, when many previous and subsequent reformist or revolutionary regimes were defeated or overthrown or collapsed. The US and its allies overthrew the reformist regimes of Arbenz in Guatemala (1954), Mossadegh in Iran (1953), Allende of Chile (1973), Lumumba in the Congo and many others. The White House ousted the Sandinista Government in Nicaragua in 1989, the Aristide regime in 1992 and 2004 and many others. In contrast, Cuba defeated a US-sponsored invasion in 1961, resisted a US naval blockade in 1962, rebuffed hundreds of CIA-organized assassination attempts and terrorist attacks over a half-century, and overcame a worldwide economic boycott.(4)

Thanks to very astute diplomacy, Cuba secured favorable and opportune trade and aid agreements with the former USSR and Eastern Europe. By the end of the 20th century, Cuba had diplomatic and economic relations with almost the entire world despite the US boycott. By 2001 Cuba even broke the US trade embargo by importing (on unfavorable, one-sided terms) food and medicine from US exporters and farmers.

The sudden collapse of the USSR and the conversion of Russia and Eastern Europe into Western capitalist dependencies was a devastating blow to the Cuban economy. The loss of trading partners led to a precipitous decline of production. China and Indo-China's transition to

capitalism offered few alternatives. The Cuban Government adopted an emergency economic strategy inaugurating a 'Special Period' of forced austerity and structural adjustment which spread the pain of economic recovery throughout Cuban society – unlike the experience in the capitalist countries. From 1990-2000, Cuba reconstructed its economy to meet the new exigencies of the world economy, while retaining its social safety net, an unprecedented accomplishment.

Cuba's recovery was based on several new axis: the rapid and comprehensive development of the tourist sector through large-scale, long-term investments in association with European and Latin American multinationals; massive investments in bio-technology to stimulate research and development of pharmaceutical exports; long-term, large-scale trade and investment agreements with Venezuela involving Cuban medical teams and medical facilities in exchange for petroleum products on favorable terms; joint ventures to develop and export nickel, rum, tobacco and citrus products; and food import agreements with US and Canadian agro-business corporations.(5) The Cubans shut down the majority of their sugar mills and sharply reduced sugar production, reconverting cane fields to alternative crop production on a limited scale.

Major investments in new advanced schools of computer science (\$200 million dollars) (6), medical tourism and external humanitarian projects continued. This economic strategy, combined with favorable external conditions (high world prices for commodities, the radicalization of Venezuelan President Hugo Chavez, the shifts from far-rightwing to moderate center-right neo-liberal regimes in Latin America) and the willing sacrifice of the majority of the Cuban people, led to a gradual but steady economic recovery from 1994, followed by accelerated growth from 2003 onward. (7)

From deep depression to economic recovery, the Cuban Government maintained the basic structure of its social network and welfare provisions. All the major health and educational programs continued free and open to the public. Workers displaced because of economic restructuring continued to receive their wages and were offered state funded jobs and retraining programs. Rents and charges for public utilities remained low. Pensions continued to be paid. Food subsidies and rationing of basic items continued. Cultural, sports and recreational activities progressed despite sharp cutbacks in funding. Despite general scarcities, and social deprivation, crime rates remained far below Latin American and US levels.

National security institutions successfully protected the Cuban public from US-backed terrorist attacks and domestic destabilization efforts sponsored by White House-funded 'dissident' organizations.(8) Despite Cuba's greater economic vulnerability it rejected US and European Union attempts to dictate its domestic security and economic policies.(9) Cuba rejected Washington's attempt to convert Cuba into a free market satellite similar to the Eastern European, Caucasian and Russian examples and pursued its own independent political economic model.

Unlike the ex-Communist countries of the USSR, Eastern Europe and Asia, Cuba's transition to its new economy did not result in monstrous inequalities in which a tiny group of billionaires and multi-millionaires seized control of public assets and resources and left the rest of the population poor and jobless, facing skyrocketing rents, inaccessible privatized health and education and miserable pensions.(10) Likewise, Cuba retained majority shares and control over most (if not all) joint ventures with foreign capital (11), in contrast to the US and European takeovers of almost every major part of the Eastern European manufacturing, financial, media and commercial sectors!

Even more noteworthy, unlike Eastern Europe and the ex-USSR, Cuba did not suffer the massive outward transfer of profits, rents and illegal earnings from large-scale networks of

prostitution, narcotics and arms sales. Nor was Cuba's transition to a mixed economy accompanied by organized criminal syndicates, which played such a major role in the making and unmaking of electoral outcomes in Bulgaria, Poland, Romania, Albania and the rest of the new capitalist democracies.(12)

Cuba's great success in overcoming world-historic obstacles to its survival, its striking economic recovery and formidable national defense force are in large part due to the combination of popular perseverance, loyalty to revolutionary leaders and embrace of common values of egalitarianism, solidarity, national dignity and independence. Yet the very success of the Cuban government in meeting and overcoming the obstacles resulting from the US boycott and collapse of the USSR has created a new set of challenges and contradictions.

Contradictions and Challenges of the 'New Post-Special Period'

Promotion of tourism as an axis of economic recovery was the fastest, easiest and most rational use of Cuba's natural endowment to compensate for the economic depression, scarcity of capital and political isolation. Moreover it was the sector, which most interested prospective foreign investment partners. Tourism generated scarce hard currency to import essential commodities, especially petroleum and manufactured products, medical supplies and food.

However, over time tourism led to major distortions in the economy: unskilled or semi-skilled tourism-connected employment earnings far exceeded those of highly-trained scientists, doctors, skilled workers and agricultural workers among others. Moreover, the 'mixed enterprises' in the tourist sector led to the emergence of a new rich bureaucratic bourgeoisie and the growth of inequalities.(13) Equally damaging, the massive influx of tourists led to the growth of a lumpen-proletariat, prostitutes, drug pushers and other forms of non-productive 'hustlers' whose illicit earnings exceeded those of workers, employees and professionals. This group developed networks with hotel, restaurant and nightclub managers, which encouraged corruption and challenged the revolutionary ethos. Continued scarcity, low real purchasing power and the absence of desired consumer goods weakened the government's campaigns to 'moralize' tourist activity – without driving out the tourists.

Large-scale, long-term investments in tourist infrastructure – hotels, restaurants, imported furniture and food – diverted funds from agriculture: Agricultural production especially in foodstuffs declined significantly, especially the availability for the local population, encouraging the widespread of black, gray and 'free' markets. Cuba became a food-dependent country.(14) While tourism attracted hard currency, hundreds of millions was spent on importing food from the US, Canada, Argentina, the Dominican Republic and elsewhere. Food dependency on the US increased Cuba's vulnerability to any tightening of the export embargo. It could be argued that Cuban national security was weakened by Cuba's paying hard currency upfront, as required by the US Treasury Department, for an increasing proportion of US food imports.

Some political commentators in and out of Cuba argued that US farmers, agro-business firms and politicians (from more than thirty states) involved in the Cuban trade are a powerful lobby capable of pressuring for an end of the White House's blockade. The data fail to bolster this argument. The past decade, under Presidents Clinton and Bush, showed no real progress in ending US pressure on Cuba. On the contrary, as Cuba's imports from the US have increased so has Congressional restrictive legislation on travel, remittances, blacklisting third country enterprises as well as White House funding of destabilization and propaganda campaigns.

While tourism served as a necessary immediate strategy in the Special Period, unfortunately it has become an entrenched and strategic growth sector for the economy. Cuba continues to follow its traditional cycle of 'monoculture' dependency – shifting from sugar export

to the US and then to the USSR and Eastern Europe, then to tourism for Canadians and Europeans. The problem with the new dependency (like the old) is that it provides 'short term' solutions while deepening long-term structural problems, including a misallocation of human resources (architects becoming bellboys) and the lack of a diversified economy with resiliency to cope with the inevitable economic cycles endemic to the world capitalist market.

Cuba's growing food dependency is becoming especially acute, reflected in the increased importation of rice, beans, poultry, pork, beef and other essentials (including, at times, sugar) in the Cuban diet. In his July 26, 2007 speech, Raul Castro pointed to the enormous increase in prices of imported food, citing the threefold increase in the cost of powdered milk in the previous three years; the 10% increase in the price of milled rice between 2006 and 2007 and the doubling of the price of chicken.

Cuba's agricultural production is directed, in large part, toward the tourist and export market: tobacco, citrus, tropical fruit, sugar (barely); much of the quality fruit, meat, produce and poultry is sold in the private 'farmers' markets, or in the special stores which trade in dollars or 'convertible' currency. As a result, there is a scarcity of products at the state-subsidized neighborhood stores. The development of 'urban gardens' has been one solution for certain neighborhoods – providing fresh quality 'organic' produce – but fail to cover much of the population's needs.

The decline of food production, especially rice (Cuba imports over 75% of its rice) is striking. I was told by a leading Cuban economist that this was the result of a lack of agricultural workers willing to farm rice – a labor-intensive crop – at least for the pay offered in comparison to employment in non-agricultural sectors. Cuba, with its low birth rate and very highly educated population, lacks agricultural workers. However, Cuba, for reasons not clear, rejects the idea of encouraging emigration from countries with a surplus of skilled agricultural workers, like Haiti, to bolster its declining farm labor force and increase the production of basic domestic food crops on which food security depends. Cuba's agricultural dependency on foreign capital, especially Israeli investors in the citrus sector, is also incomprehensible – given the abundance of agronomists, agricultural extension operators and opportunities to learn marketing skills.(15) The world citrus market has been especially lucrative to Brazilian capital, at least since the 1960's... while Cuba has belatedly entered the market and in part via foreign capital – transferring profits abroad.

While Cuba has effectively channeled large-scale capital investments into tourism, biotechnology and other productive sectors, it has neglected its housing sector creating a 10-year waiting list for over a million families. The housing deficit is one of the major sources of discontent among the Cuban people, even among its mid-level party and government officials, who have to live with their in-laws. In addition, current housing is in great disrepair, especially pronounced in Central 'Old' Havana, where even low cost paint and plaster could re-vitalize working class neighborhoods – now so badly deteriorated.

While the government has announced a program to build 100,000 homes and apartment per year, the program suffers from mismanagement (bureaucratic delays), the pilfering of building materials by officials, low labor productivity and an inadequate supply of building materials.(16) In large part, housing has not received the priority that the hotel building tourist sector received over the past 20 years. The emphasis on 'economic recovery' during the Special Period has led to under emphasis in basic consumer needs in the housing sector.

Short-term 'production' over consumer strategies is leading to middle and long-term problems. Cuban demographers have noted the absolute decline in Cuba's population as well as an aging population, lowering the number of people available for productive work.(17)

According to Cuban population analysts – the key socio-economic factors accounting for the demographic crisis is the lack of housing and the high cost of living (Oficina Nacional de Estadísticas (ONE) 2007. Cuba's economic development as well as its social stability and political legitimacy require giving top priority to home building, repair and re-habilitation.(18)

Cuba's low economic productivity, its 'bureaucratic inefficiencies' as well as everyday apathy at the work place is in part a result of the very inadequate public transport system – transport for moving people as well as goods, at least in relation to the domestic market. Long waits at bus stops, lack of punctuality, overcrowded buses and trucks 'converted' into public transport (the kidney-jarring 'camelos') and highly polluting fuels have led to chronic malaise. Tardiness at work resulting from inadequate public transport has contributed to low productivity and occasionally is a 'legitimate' excuse for absenteeism. The lack of punctual public transportation undermines morale at work and school: if the public authorities are incapable of administrative discipline in something as basic as transportation, how can they speak to employees of the need for greater work discipline? The lack of managerial discipline is a bad example for all workers.

Cuba's recent purchase of a thousand buses from China has provided some alleviation but the workers' extensive reliance on hitch-hiking testifies to the continued inadequacy. Likewise the 'losses', which occur during the transport of goods from producers to consumers, have generated chronic shortages of foodstuffs, building materials and petroleum.(19) Corruption, widespread theft, lack of coordination, inadequate managerial supervision are largely to blame as well as lack of mechanisms of political control by consumers and conscientious workers. In sectors where the state has set high priorities, such as tourism, nickel and pharmaceuticals, the transport system functions in a reasonably efficient manner.

The transport problem is not simply due to the lack of political will. Fidel Castro's announcement in November 2005 that over 50% of gasoline was being pilfered, siphoned and sold on the black market is indicative of the breakdown of governmental authority and administrative oversight.(20) The ministers in charge of energy, transport and commerce were not even publicly reprimanded.

Cuba requires at least 10,000 new transport vehicles – but that is only a start. It needs trained maintenance and staff personnel as well as organized consumer and workers oversight committees to ensure that the new transport, once acquired, serves its stated purpose.

To motivate workers, socio-political education, moral exhortation and citation of exemplary historic leaders are necessary but obviously inadequate in the absence of decent wage and salary levels.

Raul Castro pointed out in his July 26, 2007 speech in Camagüey, "We are also aware that because of the extreme objective difficulties that we face, wages today are clearly insufficient to satisfy all needs and have thus ceased to play a role in ensuring the socialist principle that each should contribute according to their capacity and receive according to their work. This has bred forms of social indiscipline and tolerance, which having taken root proved difficult to eradicate even after the objective causes behind them have been removed." (21)

Low wages, weak motivation, lack of work discipline, low productivity is a cycle that has affected services, manufacturing and agricultures in a vicious cycle, which can be converted into a virtuous cycle. Over the past three years, wages were unfrozen after almost two decades and some relatively substantial increases were granted. Yet relative to the substantial increases in charges for home electricity use, food (a substantial proportion of which is purchased in the 'free'

market), clothing and other necessities, the pay increases are below what is necessary to stimulate greater productivity.

While greater effective consumer purchasing power is necessary so is the greater availability of consumer items at competitive prices. Salary increases in the face of scarcity leads to greater money pursuing fewer goods and informal price increases eroding the nominal 'raises'. The economy needs to balance greater production and imports of consumer goods with investments in capital goods and production for export markets. Investments in tourist facilities need to be balanced with capital investments and production for export markets. The gap between luxurious facilities for tourists and poor state of workers' housing grew enormously during the 'Special Period'. The continuation of foreign tourism's expansion during the decade and a half of recovery erodes the socialist ethos as much as inequalities resulting from theft of public resources. Inequalities have widened because of unofficial 'bonuses' to top officials engaged in joint ventures, foreign trade and the dollar/Euro economy. A new income policy in itself can contribute to greater incentives for productivity if it is combined with greater direct participation of all workers in the organization and administration of the work place as well as the opening of multiple spaces to discuss the restructuring of the economy.

New income policy should be directed toward promoting strategic sectors of the economy. Stimulating growth in agriculture, manufacturing and applied information systems require changing the direction of government policy and in particular its educational and professional training programs.(22) While most Asian and Latin American countries lagged behind Cuba in the 1960's, they have far surpassed Cuba in diversifying their economies, developing competitive export manufacturing sectors and lessening their export dependence on a narrow group of exports. By adding value to their products, Asian countries have increased earnings, which has led to higher wages and a better 'fit' between advanced education and occupational opportunities. Cuba's economy is marked by a great disequilibrium between a highly developed educational system and a virtual mono-cultural economy, which does not provide jobs appropriate to the universalization of higher education. Cuba needs to adjust its education to train graduates to manage and run industrial and agricultural activity that mass-produces goods for mass popular consumption as well as trained scientists in medical services.

Cuba produces and exports nickel and citrus – yet the downstream value added activity – processing and manufacture of finished products take place elsewhere. Cuba produced 5-6 million tons of raw sugar for export for decades; following the demise of the USSR, it had to sell at world prices. In contrast, Brazil was advancing in the multiple use of processed sugar cane, especially as a source of energy while Cuba wasted scarce foreign exchange importing petroleum, lowering overall growth. Subsequently, Cuba closed many sugar mills. Some former sugar fields were recycled to other products but many sugar fields remained fallow, even as the price of ethanol skyrocketed and Cuban food imports increased. While many critics are right to point to the negative effects of shifting from food production to ethanol, this is not the case for Cuba: fallow fields produce neither food nor ethanol.

Economic growth and social equality is greatly affected by high levels of theft of public property. Fidel Castro pointed to only one indicator: the loss of 50% of earnings in the distribution of petrol, sold on the black market. Official corruption and public theft concentrates income in the hands of the black market operators, increasing inequality and erodes the work ethos among honest workers. Equally important theft leads to the misallocation of resources, delays in deliveries of goods and services and leads to shortages of goods. Punishing high officials is necessary but insufficient. What especially requires reform is a new system of public accountability based on independent accounting authorities, consumers' and workers' oversight commissions with the power to 'open the books'. Workers and professional control will not

eliminate corruption altogether but it will challenge the authorities through independent periodic reviews. De facto President Raul Castro has demanded that Ministers now follow strict agendas, provide up to date written reports relevant to their field of work. Greater accountability within the leadership is necessary but not sufficient. There must be control and vigilance by authorized commissions from below and by a parallel independent general accounting office.

Joint ventures and some degree of class inequalities were perhaps necessary to attract capital during the years of systemic crises and collapsing trade and financial networks – the Special Period. Nevertheless what was seen at the time as a tactical retreat or adjustment to particular time period has become entrenched with far-reaching effects. Social inequalities have created, what Fidel Castro calls, a class of new rich embracing liberal ideology. They pursue greater space for public - private collaboration, ultimately seeking to integrate Cuba into a world market dominated by imperial capital. The public sector in Cuba is still dominant and politically powerful (23) but as it fails to come to grips with scarcities in public necessities and to provide for individual consumption, it becomes increasingly vulnerable to liberal critics and self-styled 'market socialists'. The latter argue that the solution to scarcity is greater space for capitalist investors and commercial interests, both domestic and foreign.

Social inequalities are not solely the result of market forces, corruption and tourism. It is also a product of the concentration of political power over the administration and direction of the economy and disposition of public spending. To curtail the growth of a nouveau riche bourgeoisie requires more than periodic popular mobilizations – such as the social workers taking over the gas stations – and a renewal of moral exhortations (which are important). The struggle against the New Class requires a new system of elected representatives to oversee the allocation of the budget to the various ministries and the power to summon responsible officials to televised hearings for a strict public accounting, when necessary.

One of the most frequent and repeated points of discontent among the general population is the great disproportion between foreign humanitarian aid and the scarcity of goods in the domestic market. No one calls for an end to solidarity with the poor abroad but the Cuban populace does not support the degree to which resources are currently spent, given the scarcities of consumer goods at home.

Several objections have been raised about Cuba's overseas commitments and misplaced priorities. First of all, much aid is donated and has no practical benefit for Cuba: the health programs are not reciprocated by favorable diplomatic or political responses by the regimes in the recipient countries. In fact Cuban health spending allows many reactionary pro-US regimes to continue to allocate funds for incentives to foreign investors or the purchase military weapons – as is the case in Honduras, Pakistan, Africa and elsewhere – taking popular pressure off of the national governments to provide social services. No doubt Cuba gains the good will of the poor of these countries, but it also provokes the resentment of many Cubans. Given the urgent need to accelerate domestic programs, Cuba is not in a position to maintain costly overseas programs, with no monetary, state or commercial benefits. The same questioning is raised with regard to the subsidies for foreign students, patients and the numerous conference delegates.

Some hard thinking and even harder economic decisions have to be made to strike an effective balance between Cuba's urgent domestic needs and its overseas humanitarian missions. A positive example of balanced reciprocal relations is Cuba's socio-economic exchanges with Venezuela; discounted oil, investments and trade from Caracas in exchange for large-scale medical, educational and social services from Cuba's highly trained work-force.

Cuba is a developing country, which has high expectations and accomplishments, but it is still a country in which poverty is evident in the dilapidated housing and infrastructure of Central Havana.

If Cuba is to defeat the emerging foreign and domestic challenges from incipient neo-liberalism, the public sector must be more responsive to popular needs. To ensure greater transparency and responsiveness it requires greater representation and supervision from consumer and productive sectors.

Culture: Revolution and the Neo-liberal Critics

The threat of neo-liberalism comes from several sources. The most obvious ‘hard threat’ comes from the US empire – from the government and its pseudo-Non-Governmental Organizations (NGOs) mass propaganda and entertainment media as well as from informal sources like relatives and sports recruiters. I would argue that this ‘hardline’ animosity to the Cuban Revolution is well-known, formidable but the least effective...because it is clearly identified and widely and deeply understood.

The clearest immediate cultural threat to Cuba is from within, evidenced in the decline in revolutionary cultural productions, in cinema, literature, theater and music. In the 1960’s-70’s, Cuba produced magnificent documentaries on the heroic struggles of the Vietnamese people, the black uprisings in the United States and the contrast between vacillating intellectuals and militant revolutionaries. Over the past two decades there is not a single documentary about the world-historic struggles of the Iraqi, Afghan or Somali resistance to the US directed imperial wars; the Colombian guerrilla struggle against the death-squad ‘democracy; and the struggle of the black masses of New Orleans against capitalist eradication of their homes, schools and hospitals.

I was told by a leading Cuban official in the cinema industry that these were ‘important topics’ but they lacked funds and frequently had to work in joint ventures with Spanish and other European producers who were not interested in revolutionary struggles. The financial argument is not convincing. (24). Documentaries on anti-colonial wars have been made on a shoestring budget: two air-tickets, a video camera, recorder, sleeping bag and the political will – all for less than \$5,000 (less than the price of a single tourism advertisement in a European newspaper). There is no financial need to cater to the tastes of European liberal, post-modern co-producers.

Many so-called ‘critical’ films and writings caricature revolutionaries or militants, or exclude them altogether. One gets the impression from watching, listening and reading current Cuban cultural productions that there are no honest revolutionaries left in Cuba.

Recently Cuban television interviewed literary officials from the 1970’s – functionaries who defended rigid and dogmatic cultural positions in that period. The ‘new critics’ raised a hue and cry, not only justifiable criticizing the cultural politics of the former officials, but attacking the TV stations, government cultural policy and calling for dismissals, investigations and censorship.(25) In other words, the ‘new critics’ were calling for exactly the same authoritarian methods as their former persecutors. Moreover, the vehemence of their general campaigning took on the coloration of a witch-hunt against any literary or artistic endeavor which sought to defend, project or engage revolutionary values, situations or any positive social realities or situations of contemporary Cuba.

As part of the repertoire of the ‘new cinema’, as a counterpoint to the mechanistic-wooden caricature of revolutionaries, Cuban exiles are portrayed as sensitive individuals who have ‘feelings’ for Cuba but are comfortably situated abroad. The new cinema fails to mention that in the USA the exiles lack universal health care, and free education through graduate school.

In their films, the exile protagonists lack any consciousness of the murderous Bush regime killing millions in the Middle East. None of the crimes against humanity enters into the sensitive 'personal scenarios' of the new critics.

The new literature in Cuba – in its break with social realism –contains racial and sexual stereotypes – usually featuring the sultry mulata with long legs and prominent buttocks (nalgas). Romantic adventures with European tourists or businessmen lead to tearful departures and promises of a better future abroad.

Considering the decades of close cultural and educational relations with the USSR and Eastern Europe, there is a total absence of any film portrayal or novelistic account of the catastrophic crisis that has affected the post-Soviet society and the rise of neo-liberalism in Eastern Europe. Nowhere do the Cuban artists register the massive socio-economic crises resulting from the foreign take-over of the economies of the ex-communist societies. There are no documentaries or dramatic productions of the pillaging of the pension funds, the vertical growth of criminal gangs engaged in drugs and sex slavery of poor women and girls and the unprecedented decline in population due to drugs, alcohol, suicide and once conquered infectious diseases, like TB and syphilis. In portraying Cuban exile nostalgia, there is nothing of the other side of neo-liberalism, only a vision of the relative affluence in the Western middle class, itself a class with declining living standards.

Can it be that the 'new critics' with their own liberal visions refuse to portray the disastrous consequences of 'market socialism' or 'post-socialism' for fear of undermining their own version of a transition to a 'new and open Cuba'? In avoiding the horrendous consequences of the transitions to capitalism, they focus instead on the easier task of contrasting the immediate problems and contradictions of Cuba's past and present to an idealized West. Few artists and intellectuals express concern with the pitfalls and contradictions of their liberal-democratic posture.

There is a need for a cultural revolution in Cuba – to overcome the under-representation of Afro-Cubans in advertising, leadership positions and official visibility; and to deepen and extend the professional formation of Afro-Cubans to lessen their over-representation in boxing and other injurious sports.

Recovery of revolutionary cultural practices and racial affirmative action programs strengthen and deepen the process of 21st century socialism and open the way to critical re-thinking of economic decision-making. Critical reflections and debate on past economic practices is likely to lead to greater attention to greater rationality, coherence and cost-benefit analysis. The reliance on moral appeals for sacrifice is no longer as effective as it was in the 1990's. The introduction of new large-scale public projects with 'delayed results' or promises of future deliverance to the populace is not generating popular enthusiasm as Raul Castro explicitly noted in his July 26, 2007 speech.

Cuban investment planning has been dominated by bursts of enthusiasm for a Big Advanced Idea, which may contain certain progressive features, but which, carried out in isolation from other priorities, does not meet criteria of cost-benefit analysis. Two areas stand out: Computerization and biotechnology. Both receive multi-million dollar investments and have produced some innovative results. But this has been at great cost in relation to other sectors.

Cuba's investment of the equivalent of several hundred million dollars in building an elaborate university specializing in computer science is a case in point. The university project could have been incorporated and integrated with existing university centers and, more important, integrated with key institutions to construct data bases and programs capable of processing

information improving the performance of factories, gasoline stations, hospital and patient records etc. The contradiction between a special, costly advanced computer science university and backward data processing in key social and economic institutions is indicative of the tendency to seize on a 'Big Idea', computerization, without thinking through how it fits into and can be applied to solving problems of inefficiency, theft and delays.

Biotechnology is the area most cited by Cubans as their future growth sector. Over \$1 billion dollars has created first rate facilities, trained and recruited first-rate scientists and produced some important vaccines and advances in medical care. Yet it must be recognized that in Cuba, as in the rest of the world, the returns on biotech investments, both in terms of medical break-through and in monetary terms, has been at best uneven. Biotech innovations have made modest improvements in public health, in Cuba, in Europe and in the US. For every successful discovery, several dozen costly programs have failed. Given Cuba's need to meet elementary needs of inexpensive and readily available, nutritious food, public transport, family housing and other urgent needs, the question of priorities has to be raised and debated widely and openly in Cuban society. Given the high levels of chronic consumer scarcities, the deterioration of infrastructure, the low salaries, can Cuba continue to invest billions into highly risky sectors?

Is international scientific recognition and humanitarian aid worth the price of disenchantment and declining revolutionary fervor in the face of twenty plus years of domestic scarcities?

Cuban foreign policy has had a great many major diplomatic successes: it has gained 98% support in the United Nations General Assembly and near unanimous vote in the Organization of American States against the US economic blockade. Cuba has trading relations with almost the entire world and even non-reciprocal trade with the US, despite Presidents Clinton and Bush's enforcement of the Helms-Burton trade and travel embargo. Cuba and Venezuela have successfully promoted a strategic trade, investment and military alliances despite severe pressure from the White House. Cuba's foreign policy has opened up and expanded diplomatic and economic relations with Washington's most servile client regimes, despite pressure from Washington. Cuba's 'people to people diplomacy' has created good will with the poor throughout the world. Cuba's intransigent opposition to free markets and military invasions in Asia and the Middle East (particularly colonial invasions of Iraq, Afghan and Lebanon) has gained Cuba the support of people around the world, and the sympathy of many Third World governments.

The very success of Cuba in breaking the imperial diplomatic and economic blockade has created a new set of contradictions: the legitimate state interest in maximizing Cuban trade and diplomatic support has, at times, led the government to support and endorse some reactionary, neo-liberal regimes like Lula Da Silva in Brazil and to make friendly gestures to the Death Squad President Uribe in Colombia.(26) The key problem is the lack of separation between the Cuban state and the Cuban Communist Party. What is appropriate diplomatically for the Cuban state is politically reactionary from the view-point of the popular mass movements in the countries combating neo-liberal regimes. Cuba could solve the problem if the state and party were distinct organizations. The Party could speak from a revolutionary perspective in solidarity with the people's struggles and the state could work with the existing regimes.

Conclusion: Contradictions and Alternatives

Cuba's success in overcoming the collapse of its main trading partners in Eastern Europe and the ex-USSR, and restructuring its economy is one of the most dramatic events in contemporary history. Likewise, Cuba's national security system's ability to defeat every effort

by the world's biggest superpower to destroy the revolution is unprecedented in recent world history.

Cuba's success in securing a modicum of economic recovery, while sustaining important social programs marks out Cuba from the rest of the world where economic restructuring was accompanied by vast reductions in social services. The changes engineered by the revolutionary government however have created important contradictions, which as yet are not system threatening, but could become so if neglected. There are processes, practices, policies and structures which are gradually eroding the basis of mass support and should be addressed with some urgency while they are still solvable. Positive reforms could include:

1. Balanced economic planning, worker-consumer oversight of administration and participation in joint decision making
2. Publication for public scrutiny of accounts, income, expenditures of all ministries
3. Publication of expense accounts, transport, housing, private gifts and assets, overseas purchases, of all top officials.
4. Public debates and referenda on investment priorities, overseas aid versus domestic programs in health, housing, food and transport.

Cuba's decision-makers should break with this mono-cultural mentality – it is insufficient to break with sugar exports and to rely on a tourist economy and primary products (nickel, citrus, tobacco and so on). It may be politically smart to develop limited ties with US agro-exporters but it makes no sense to become food dependent and surrender food security, especially in non-reciprocal trade with a United States Treasury Department, which demands cash on the barrel (no credits!).(27) While ALBA is a great alternative to US-dominated ALCA, Cuba must play its part by promoting food imports (currently near zero) from Bolivia, Ecuador or Nicaragua rather than the US, in exchange for charging for pharmaceutical exports and health and educational services.

Cuba should consider re-opening its too hastily closed sugar fields, especially those (flat lands) amenable to mechanized harvests. With the sustainable high prices for sugar due to the turn to bio-fuels (ethanol), Cuba can earn foreign exchange, produce ethanol and reduce its dependence on imported petrol which even at subsidized prices from Venezuela still runs to over \$30 dollars a barrel.

Cuba's new specialized computer science complex should become integrated into the economy and social service sector: applied programs, work-study programs in hospitals and factories to create information networks linking hospitals, clinics and workplaces are urgent. Transport systems need to be computerized to control punctuality, reduce deviant routing leading to illegal delivery of materials pilfered from state stores to black marketers. Computerization, involving daily or even hourly data on revenue from petrol and other distribution points, will increase revenues and reduce corruption. Computerization and consumer-worker-accountant oversight councils will partially define 21st century socialism.

Industrial diversification, especially in lines directly related to products for the popular economy and export require greater emphasis on professional formation, computer design and consumer surveys. Computerization needs to be more clearly linked to satisfying urgent popular needs.

Cuba needs to invest in industrializing its nickel products, adding skilled manufacturing jobs and value-added to its exports to China and elsewhere. Above all Cuba must regain its food

security.(28) There is absolutely no good reason why Cuba cannot become self-sufficient in poultry, meats, rice, beans and other essential food stuffs if it restructures its economic development priorities and puts greater emphasis in developing and deepening its domestic market and shifting its investments from the over-developed tertiary sectors to its primary and secondary sectors.

Cuba has over-emphasized its overseas medical aid programs providing new clinics, while its local hospitals are deteriorating. Waiting rooms and hallways of neighborhood clinics need to be clean and neatly painted. Some clinics are understaffed. Maintenance staff is underutilized. Hospitals lack basic training equipment and chemical reagents in diagnostic centers etc. While outside observers rightly compare Cuba's vast superiority to the poor US public health system, Cubans have recently complained of delays and waits in treatment due to the overseas assignments of medical staff.

Cuba must think, with Marti, in recreating the internal national dynamics of the revolution – by putting first and foremost the meeting of the consumer demands of the Cuban people. This can be accomplished by redressing the imbalances between the export and domestic sectors, the development of advanced training and the practical needs of the economy. The educational system, currently oriented to the service sector, must produce graduates to diversify manufacturing and revive food production.

Cuba has demonstrated its capacity to resolve its internal contradictions in the past. The current contradictions are not irresolvable but they require serious, deep re-thinking of current priorities, strategies and structures. A full-scale open debate among all anti-imperialist Cubans is necessary to deepen and sustain the achievements of the revolution.

The new dogmas and posturing of apolitical and liberal artists, writers and filmmakers are as much of an obstacle to deepening the revolution as entrenched bureaucrats. The Cuban revolution and its leaders can count on an enormous reservoir of good will, solidarity and loyalty from the vast majority of Afro and European Cubans. But there are limits in time and patience – the Cuban desire for a good life is pressing for solutions to everyday needs.

Delays and constant postponements in meeting housing, income and food needs only aids the internal liberal counter-revolutionaries who argue for greater 'market freedoms'.(29) Moral appeals and disciplinary measures are necessary but insufficient if they are not accompanied by greater popular oversight and growing availability of material goods, material incentives, affordable quality and varied food and available housing for each family generation. The future of the revolution is now, not in our lifetime, but this year. Nothing less than the future of the Cuban revolution is at stake as the current wide reaching debate over strategy, social structures and political action proceeds.

As the historic leader of the Revolution of 1959, Commander Ramiro Valdes, stated on May 28, 2007, "Strengthening the internal economy, in the domains of science and technology, in the resolution of social problems and the quality of life of our people are tasks to which we must direct ourselves with greater efficiency, if we, the revolution and Cuban socialism are to be really irreversible, as Fidel and Raul wish."

Footnotes:

1. Morris Morley, Imperial State and Revolution: The United States and Cuba (1952-1986), Cambridge University Press, NY 1987.

2. Ernst and Young, A Business Guide to Cuba (February 2006), Bridgetown, Barbados. Part 1. See also Fidel Vascos Gonzalez, “Economía Cubana: Se Acelera su Ritmo de Crecimiento”, Cubarte 2007.
3. *ibid* part 3, page 36
4. Morley opcit
5. Ernst and Young opcit
6. Interviews with the Director of the Computer Science University, Feb 11, 2006 – see also Ernst and Young opcit part 6
7. Ernst and Young opcit part 1 and 2. The United Nations Economic Commission for Latin America (CEPAL) report for 2006 emphasized Cuba’s sustained growth since 2003.
8. James Petras, “The Responsibility of Intellectuals: Cuba, the US and Human Rights”, May 6, 2003 www.rebellion.com
9. Interview with Felipe Perez Roque, Cuban Foreign Minister, Feb 4, 2004.
10. Paul Klebnikov, Godfather of the Kremlin: The Decline of Russia in the Age of Gangster Capitalism (Harcourt NY, 2000); James Petras “Global Ruling Class: Billionaires and How They Made it”, Journal of Contemporary Asia, Jan. 2008; David Hoffman, The Oligarchs (Public Affairs NY, 2003).
11. Ernst and Young opcit Part IV Foreign Direct Investment and Part VI Sectors for Foreign Investment.
12. Klebnikov opcit, Hoffman opcit.
13. Fidel Castro, Speech at the University of Havana, November 17, 2005. (Granma, November 18, 2005). Fidel emphasized the Revolution faced its principle danger from the New Class from within.
14. Raul Castro speech in Camaguey, July 26, 2007. “Year 49 of the Revolution.” Raul emphasized the need for greater domestic agricultural production, especially of food stuff for local consumption – pointing to ‘structural deficiencies.’
15. Gideon Alon, “Just a Farmer in Cuba” Haaretz 3/7/07. The report in the Israeli press refers to Rafi Eitan, former head of Israel’s secret police, Mossad’s European operations: “Eitan is a partner in a company that owns vast orchards in Cuba... The company deals with agriculture in Cuba... producing citrus juice concentrate in the world’s largest plant.” Israeli capitalists are investing tens of millions of dollars into a Havana office complex, which will consist of 18 six floor office buildings located on 2 million square feet. The project is a joint venture between the Cuban state agency, Cubalse and Grupo BM, an Israeli conglomerate headed by Rafi Eitan.
16. See Juventude Rebelde, June 18, 2007 in Gerardo Arreola “Trabas burócratas ahondan crisis de vivienda en Cuba: Juventude Rebelde”. Cited in La Jornada, June 18, 2007. According to the trade union publications, Trabajadores, of 8,934 housing units approved for 2005, only 1445 were built as of May 2007.
17. “La Población cubana decrece y envejece” Xinhua 11/07/2007; Gerardo Arreola “Decrece la población cubana”, La Jornada March 9, 2007.

18. Ibid
19. Raul Castro, July 26, 2007 Speech at Camaguey. Raul cites the example of the waste of petroleum in the transport of milk from dairies to processing plants back to consumers living next to the same dairies.
20. Fidel Castro speech November 2005 – University of Havana (Granma November 19, 2005) and follow-up report in Gerardo Arreola “El Presidente Cubano recibe 2006 en un gasolinera de la Habana”. La Jornada, January 2, 2006.
21. Raul Castro Speech July 26, 2007.
22. Pedro Campos “Debería Cuba reconsiderar comercio unidireccional con EEUU y avanzar a la autosuficiencia alimentica”, June 2007 (Perucho1949@yahoo.es).
23. On the predominance of state property despite the inroads of joint ventures see the pronouncements of Economy Minister Jose Luis Rodriguez in Gerardo Arreola “Firme en Cuba el predominio de la propiedad estatal: ministro de Economía” La Jornada May 30, 2007. For a detailed discussion.
24. Interview in Havana, Feb. 7, 2005
25. Gerardo Arreola “Cuba: el fantasma de la censura”, La Jornada January 19, 2007.
26. Gerardo Arreola, “Intercambian invitaciones Castro y Uribe para hacer visitas reciprocas”, La Jornada, April 2, 2007; “Nueva etapa de cooperación y solidaridad con Cuba: Torrijos”, La Jornada Dec. 2, 2005. Torrijos is the President of Panama and a notorious free market advocate and backer of ALCA.
27. Cuba’s head of food imports, Pedro Alvarez, projected the purchase of between \$1.5 and \$1.6 billion dollars in food imports from the United States, the great majority of which could be produced in Cuba. Food imports from the US accounted for more than half of Cuba’s net trade deficit for 2006. Between 2001-2006 Cuba has spent \$2.26 billion dollars in food purchases from the US. On Cuba’s food imports from the US, see Ernst and Young, opcit Part II and III; “Cuba preve comprar este año en el exterior entre mil 600 y mil 700 MDD in alimentos”, La Jornada, July 31, 2007. On the exorbitant prices in Cuba’s farmers’ market relative to wages and salaries, see BBC News, July 31, 2007.
28. Raul Castro emphasizes the need to increase food production and industrialize and diversify the economy in his July 26, 2007 speech, criticizing bureaucratic inertia and calling for new forms of property relations including foreign investment (the latter a response to the incompetence of current state administration.)
29. Currently in Cuba, Raul Castro has convoked a series of independent academically-based working groups to consider the problems and deficiencies of state property ownership and alternative public-private relations.
30. La Jornada, May 30, 2007.

Professor Petras latest books include The Power of Israel in the United States (Clarity Press 2006) and Rulers and Rules (Clarity Press 2007).