Planning and Castroism: 
Economic Policies and their Effects on Cuba's Political and Social Paradigm 

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ABSTRACT 

This paper chronicles the history of economic policies within Cuba’s 37 year socialist history. It is an attempt to understand how a socialist government has evolved over the last four decades given restraints imposed by internal and external forces and how economic, political, and social policies have responded to these obstacles. It examines the goals outlined by the revolutionary movement of 1959 and the successes and failures surrounding these objectives. Particular attention is placed on Cuba’s relations with Third World countries, eastern European countries, and of course the United States. 

Thesis Supervisor: Lisa R. Peattie 
Title: Professor of Urban Anthropology, Emeritus
To my niece and nephews
Cynthia, Anthony, Michael, and Bryan

WITH LOVE
I am enormously grateful to Lisa Peattie, Meenu Tewari, and Karl Seidman for their friendship, guidance, and input throughout the writing process.

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INTRODUCTION

Socialist Cuba has been around for close to four decades. Since the 1959 Revolution dozens of developmental policies have been pursued on the island. This study is an attempt to understand how political, economic, and social policies have intertwined in Cuba’s development over the last 37 years. In particular, I am interested in how economic policies were used as means to achieve social and political goals. Many of the regime’s initial goals were first outlined in Fidel Castro’s, “History will absolve me”¹ speech given on October 16th, 1953. In hind sight this historic proclamation has become a detailed blueprint for the future of Cuba. In many respects the dictums first articulated in 1953 were the first series of foreign and domestic policies by the Castro government. Many goals set out in the famous speech have come to fruition. I will examine the evolution of several domestic goals including those affecting national education, public health and nutrition. I will likewise examine foreign policies and their respective goals by laying out a chronology of policies that have unfolded over the last four decades. The time span for the research is delineated by three periods in Cuban History. The first decade titled simply the “early years of the revolution” progresses into the “Rectification Period” consisting of the 1970s and 1980s, and finally the “Special Period” during peace time makes up the 1990s.

The study, therefore, is both a historical and analytical analysis of Cuban developmental policies.

Cuba is an ideal country for such a study that parallels historical development along side foreign and domestic policy development given its short yet turbulent history over the last 37 years.

Although Americans have had limited visitation rights for travel into Cuba since the 1961 economic embargo was enacted, the island is nonetheless a frequented destination for the rest of the world. Our relative isolation from an island a mere 90 miles from the Florida coast makes this study a pertinent one for those, like myself, who mistakenly perceived Cuba as an isolated economy.

From an American perspective, Cuban isolation began soon after the successful socialist revolution in 1959. Trade between the United States and Cuba ended at that time. With the elimination of American trade, foreign exchange plummeted leaving economic planners with the daunting task of recreating lost economies once exclusive to the United States. Since that time Cuba has scrambled to create dialogues with socialist, capitalist, and any type of government willing to trade. New relationships have blossomed around the world for Cuba but many have come at a great political and economic expense.

American separation has created dramatic political, economic, and social changes for Cubans. Although there have been great domestic advances, life in Cuba today is beset with food shortages, a decaying infrastructure, and limited foreign trade. There is little in the way of potential American trade so the country continues as it has for the last 37 years. Impromptu foreign policies designed to fill the gap created by American sponsored sanctions continue to dominate Cuban politics.

This study becomes an anomaly of sorts when one considers the depth of American influence on Cuban history. The two countries have their respective histories tightly intertwined.

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on a political, economic, and social level. Admittedly, examples of American influence can be
drawn from around the world but perhaps no other country has linkages as strong as those
between the United States and Cuba. Cuban expatriates wielding political and economic sway in
the United States are just one example of the forces that contribute to these linkages.

Although this paper will review the depth of American influence there is likewise
substantial information about Cuba’s relations with other countries, in particular eastern
European countries. I realized early on that the Soviet Union was disproportionately represented
among foreign allies. A significant part of this study is devoted to diplomatic relations between
the two countries.

Through this study I will address the question of how political, economic, and social
policies have come to fruition in Socialist Cuba. Secondary information on Cuban history,
culture, and theory were used to answer the primary question. Additional statistical data came
from Cuban and non-Cuban sources.
CHAPTER TWO

PROSPERITY MODELS: EARLY ECONOMIC POLICIES

2.1 Domestic changes introduced by socialist rule.

2.2 The downfall of many socialist directives.

2.3 The return to sugar production.

2.4 A national call for self-sacrifice.

2.5 The resultant policies based on moral incentives.

2.6 Rise in social services.
2.1 Domestic changes brought on by socialist rule.

Perhaps the greatest changes introduced after socialist rule was in Cuban developmental strategies. Economic planners broke from traditional Cuban policies, specifically they moved away from sugar as a main export, to compensate for years of underdevelopment. Planners believed it necessary to discontinue the production of sugar as a main export in order to make room for other crops of fruits and vegetables. Planners argued the importance of export diversification in order to eliminate the vagaries of world prices on a single crop (i.e. sugar). Diversification was supposed to promote Cuban self sufficiency by eliminating the need for imported foodstuff.

The policy was accomplished in two ways; industrialization and agricultural diversification. These strategies were to reduce Cuban vulnerability to the volatility of the world sugar prices, reduce the dependence on foreign imports through domestic production, and improve the balance of trade. Agricultural diversification seemed the best means to these ends. Before the revolution imports consisted primarily of food stuff such as rice, cotton, and potatoes, items the new government believed could be easily manufactured on the island. Cubans believed many of the imports could be produced on the island for much less than the prevailing world prices. The goals of domestic production and diversification required new industrial and manufacturing investments in capital goods and technology.

Investment policies for the promotion of new industries brought changes to virtually every facet of domestic production. Industrial policies included the development of new industries, including metallurgy, chemicals, heavy machinery, and transportation equipment. Growth in industrial projects hinged on greater capital investment, investment financed primarily through credits from socialist countries.
2.2 The downfall of many socialist directives.

Diversification programs collapsed very quickly. Less than five years into the program, industrialization projects came to a halt. Personnel ill-prepared for the industrial transition were unable to bring economic policies to fruition. Foreign earnings from crops affected by the downturn declined drastically or disappeared all together. Low crop yields, bad weather, and inexperience with new crops plagued diversification projects. As a whole, agricultural production fell drastically from pre-Revolutionary levels. Much of the downturn in sugar exports were caused by the shift in resources from sugar to other crops. Production fell some forty-three percent in the first three years of the new policy implementation from 6.7 million tons in 1961 to 3.8 million tons in 1963. Sugar production had not reached such low levels in twenty years. The effects of the economic disarray were felt throughout the country. Shortages of foodstuff and basic consumer goods were common throughout the island. In response to shortages the government initiated a general food rationing that included consumer goods of all types. Ironically, Cuban dependence on foreign imports increased dramatically as did their reliance on sugar exports during this period. Sugar exports grew from 78% to 86% as a proportion of total exports. The trade deficit with socialist countries likewise increased from $14 million in 1961 to $238 million in 1962, $323 million in 1963, $297 million with the Soviet Union alone.

2.3 The return to sugar production.

By the mid-1960's policies affecting agriculture changed once more. Disastrous outcomes from the early 1960s demanded a different approach to domestic production.

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Policies aimed at import substitution and industrialization had brought widespread social distress and economic hardship. After 1965 policies limiting the number of new crops in production resulted in greater efficiency and higher output. By limiting the number of crops, Cubans were able to focus on proven commodities like sugar, tobacco, and coffee.

By the mid-1960s sugar had again become the primary export from Cuba to the Soviet Union and other eastern European countries. Policy changes had brought sugar back to the forefront of foreign exchange. Policy changes culminated with a ten-million ton crop initiative for the 1970 harvest. Cubans were encouraged to participate in a national endeavor to produce the largest sugar crop in the islands history. Many steps were taken to facilitate the remarkable crop. Acreage dedicated to cane expanded. The harvest season was lengthened. Government actively urged people to support and make sacrifices for the success of the harvest. Virtually all national resources were geared toward the realization of the ten-million-ton crop.

2.4 A national call for self-sacrifice.

Cubans were called on to make changes in how they lived their lives. The sugar crop represented more than a shift in economic policies it was based more on moral commitments. It represented the rise of a new consciousness for the people of the revolution. Economic strategies were now based on appeals to selflessness and sacrifice. The goal was to create a new revolutionary ethic wherein collective advancement was favored over personal gain. Leadership believed Cubans should resist individualistic temptations and concentrate instead on collective
goals. The socialist paradigm proposed through economic policies stemmed from Castro’s vision of a truly socialist country.  

Cuban leadership focused on socialism as a primary objective for all Cubans. In doing so the government used sacrifice and solidarity as rallying cries. The government argued that economic development was connected with the development of a new consciousness based on sacrifice. They believed this, more than economic incentives, would raise levels of production in the fields and factories. Socialist directives brought an end to wage differentials, administrative bonuses, and salary scales in the workforce. The use of such incentives were believed to hinder the progress toward communism and likewise adversely affect the realization of communist ideals.

2.5 The resultant policies based on moral incentives.

Supported through moral incentives, Cubans believed the new consciousness would arise from a rededication to work and country6. Moral rewards took precedence over material incentives. Material incentives thought incompatible with the goals of the revolution were eliminated. Achievements at the workplace were now recognized with non-monetary distributions of badges, medallions, scrolls, and other awards. Workers pay was no longer tied to quality of production. Overtime pay was eliminated. Model workers were highlighted at rallies, parades, and assemblies with honors and titles.

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Workers bought into the socialist paradigm by actively competing for these accolades. They also contributed in other ways outside of work through volunteerism in social programs. Policies eliminating material rewards transformed Cuba into one of the most socialist states in the Western hemisphere.

2.6 Rise in social services.

Domestic policies created many free services for Cubans. Among those were free health services, daycare facilities, education, funeral services, utilities, sports events, local bus transportation, and local telephone services. Rent control was established at a maximum of ten percent of income. Many people paid no rent at all. Some government officials considered doing away with rent all together along with the abolition of money.
CHAPTER THREE

MISDIRECTED ECONOMIC POLICIES AND REFORMS

3.1 Political infrastructure dominated by centralized planning.

3.2 Fluctuating nature of domestic policies.

3.3 Fading Support for Socialist Ideals Became Readily Apparent.

3.4 Even mother nature challenges Cuban resolve.

3.5 The effect of the United States embargo.

3.6 Presence in global economy.

3.7 Apathy translates into petty violence.
3.1 Political infrastructure dominated by centralized planning.

Economic performance through the 1960s and early 1970’s in Cuba was highly erratic. High trade volume was unattainable mainly because of overly ambitious diversification policies. Planners bent on creating immediate and sweeping changes were faced with insurmountable economic constraints. A critical component of these problems was a centralized method of planning that bypassed local conditions and limitations, thus allowing for unrealistic goals and inefficient utilization of resources. Officials and workers alike lacked foresight and clumsily mismanaged many resources. Nationalized properties fell victim to disorganization and wastefulness. Cooperative ranches and farms headed by inexperienced personnel often slaughtered valuable breeding stock for food while scarce foreign exchange was being used to import additional animal stock.7

3.2 Fluctuating nature of domestic policies.

Economic policies created for the nationalization of 57,000 small businesses in 1968 also created problems and unanticipated circumstances. Many business were consolidated while others were simply eliminated. Localities like Pinar del Rio were transformed overnight as businesses were closed by the hundreds leaving the area with less than half of its initial number of businesses. Business closures had a domino effect negatively affecting adjacent pockets of industry. Economic policies took its toll on all aspects of Cuban life. Across the island street vendors were eliminated depriving people of informal food supplies. Sparsely stocked state stores were unable to make up the difference.

People found themselves taking days off from work in order to stand in the long lines that formed at state stores for scarce foodstuff. Many felt disgruntled by the changed wage criteria and likewise chose to stay home from work. It seemed the Cuban economy suffered with every new economic policy implemented by the new government.

As first decade of the revolution passed the circumstances in Cuba seemed to become worse. After 1968, more professionals left the island leaving behind 50,000 vacant managerial and administrative positions. Shortages and scarcities also continued adding to the already dire situations on the island. Disgruntled Cubans turned to violence and crime as sabotage against industries, warehouses, and government buildings increased.

3.3 Fading support for socialist ideals became readily apparent

Cuba’s problems were exacerbated by the depleting number of trained and skilled personnel but other circumstances also contributed to the problems. Throughout the island, waves of discontent created by the lack of adequate compensation stymied production levels. Moral incentives waned as self-sacrifice became passé with workers who were willing to skip work. Initially, the call for “moral incentives” proved successful and output increased in certain sectors of the economy, but as time passed many felt overburdened by the initiative and lost faith in the government inspired directives. Absenteeism became a national problem as it rapidly grew, reaching staggering levels. Tardiness likewise increased during this period. Those who permanently left their employment lived off the rationed goods available to them through friends or family. Productivity was in decline throughout the island from the fields to the factories. Faltering production levels were accompanied by the production of mediocre products. Many
industries had gotten in the practice of sacrificing standards in order to meet production quotas. Quality was likewise affected by the absence of raw materials and poor manufacturing.

3.4 Even mother nature challenges Cuban resolve.

Inclement weather also disrupted Cuba’s economy during this period. One of the most severe droughts in Cuba’s history occurred in 1961. Virtually every agricultural sector was affected. In 1961 hurricane Flora claimed some 4000 lives leaving in its wake an estimated $500 million worth of damage. In 1963 another hurricane swept through the island destroying that years tobacco crop. And in 1966 hurricane Inez made its way through the eastern side of the island destroying major portions of that years sugar crop.

3.5 The effect of the United States embargo.

Breaking diplomatic ties with the United States had its own series of consequences on the Cuban economy. The United States government made it clear from the outset that the new government would languish by following through with a break in formal relations. Cubans continued with their plan of self-sufficiency but at exorbitant costs. Following Cuba’s decision to follow a socialist path the United States government made it unofficial policy to disrupt the new Cuban political trajectory. American policies were designed to isolate Cuba economically and to obstruct its economic endeavors, increase domestic discontent, and promote internal dissension. Virtually every aspect of Cuba’s economy was affected by United States products before the revolution. Industry, agriculture, mining, transportation, communications, and utilities were all created with United States products. It was painfully clear that Cuban dependency on United States products was significant. Cuba’s industries were highly strained when the 1961
the embargo was enacted. By the early 1960s virtually all industries requiring replacement parts were at a stand still. Industries came to a halt, plants were inoperative, and in many parts of the island public transportation ceased. By the end of 1961 nearly a quarter of all buses were out of commission. And by 1962 one-half of the 1400 passenger rail cars were out of service.

Widespread turmoil beleaguered whole industries after the embargo was enacted. In order to keep some plants running others were closed to provide spare parts. This practice sacrificed smaller industries for larger ones. As a result mills, factories, and plants were either closed, dismantled or consolidated.

The effects of the embargo stymied and in many instances killed production all together in some factories. For example, dependence on raw material from the United States created desperate situations for the Cuban tire industry that required rubber and petrochemicals. Similarly, tanneries suffered because they lacked pancreatic enzymes and tannin. Paint factories requiring imported oils, pigments, and solvents; pharmaceuticals dependent on serums and antibiotics; soap and detergent manufacturers requiring caustic soda and tallow all decreased or stopped production because of the lack of materials. Many newly constructed factories stood idle and could not open without American imports. Cuba could not turn to other countries to replace these items because many refused to have diplomatic relations with the new socialist government.

The American embargo consequently created among other hardships, unemployment. Lacking material to operate factories left many Cubans out of work. In time, unemployment combined with apathetic sentiments toward the new government translated into petty acts of violence.
3.6 Presence in global economy.

Following the 1959 revolution, Cuba slowly switched its trade pattern from one predominantly with the United States to several relations with sympathetic allies. Trade with new partners at time came with heavy tolls for the Cuban economy. Newly formed trade agreements with eastern Europe for example created its own series of problems. Originally designed to accommodate short-haul trade, Cuban ports and harbors were inadequate for long-haul freighters and barges coming from eastern Europe. The port system was designed with docks that could accommodate ferries and sea trains, not large oceangoing vessels. In addition, storage facilities were designed for short storage perishable goods. Great difficulties arose as trade with distant partners commenced and large freighters carrying huge shipments of supplies arrived in Cuba. Immense shipments in quantities never before seen arrived from all over the world. Soybeans from China, fresh fish from Japan, and onions from Egypt arrived to find inadequate refrigeration and a lack of temperature controlled warehouse facilities. As a result many ports were continually congested, distribution channels were slow, inevitably financial and product losses increased.

3.7 Apathy translates into petty violence.

United States covert operations were in full swing against Cuba during the 1970s. The Central Intelligence Agency devised a variety of economic sabotage operations against Cuba, designed to dampen moral and instigate counterrevolutionary groups on the island. Carefully orchestrated plots were carried out in paramilitary fashion to destroy sugar mills, sugar and tobacco plantations, farm machinery, mines, oil refineries, lumber yards, water systems, warehouses, and chemical plants. Other acts of violence against the government included train
derailment, destruction of bridges, and attacks on communication facilities. Cuba’s trade agreements were also affected by covert operations. Sugar sales were encumbered by blocking credit to Cuba and in some instances agricultural crops designated for trade were contaminated before they got to market by counterrevolutionaries. Many western European manufacturers were persuaded to sever trading agreements with Cuba. More elaborate offensives include the seeding of rain clouds before they arrived over Cuba as a means to induce drought. Covert operations came to an apex in the late 1960s as the CIA tried to prevent the realization of the ten-million-ton-crop. The organization was also accused of releasing African swine fever on the island in 1970-71, that resulted in the slaughter of some 500,000 pigs.

Cuba responded to natural and artificial obstacles with policy reforms in the 1970s. The following chapter describes Cuba’s response to their mounting domestic and foreign problems.
CHAPTER FOUR

DECENTRALIZED REFORM FOR A NEW DECADE

4.1 The effects of decentralization in the 1970s.

4.2 And the effects of domestic reorganization.

4.3 A new constitution.

4.4 Mass participation and its effects on domestic policies.
4.1 The effects of decentralization.

By the late 1960s, the Cuban government realized its economic policies were ineffective in creating economic and social stability. Absenteeism had become a widespread dilemma, worker morale was low, productivity was down, and shoddy product quality were all indications that the newly formed socialist country was in deep trouble. Government planners responded with new developmental planning for the 1970s. Their response entailed greater localized control of the regional decision making process. Officials believed many of their problems stemmed from an overly-centralized method of planning and a lack of material incentives at the work place. With this in mind, wide participation and decision-making were promoted and material incentives were restored. By the mid 1970s decisions regarding social welfare and developmental policies affecting cities and neighborhoods were all decided upon at the local city level.

4.2 And the effects of domestic reorganization.

The 1970s were a time of reorganization as renewed commitment to the revolution flourished without counter revolutionary insurgency. Despite the hardships of the 1960s the spirit of the Revolution lived on in the majority of the Cuban people, not in any small part to the unwavering enthusiasm and influence of their President, Fidel Castro. His seemingly endless rallies were constant reminders of the revolution and its socialist objectives.

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Ironically, his role as teacher and conscience to the country was aided in part by his perennial nemesis to the North. United States policy aimed at promoting internal dissent more often than not served to solidify Cuban rancor against their American neighbors. Of course, not everyone joined in the bitterness against the United States. By the late 1960 some 20,000 political prisoners of the government were in prison. Many were tortured and others were killed during their stay in prison at the hands of the Military Units to Aid Production (UMAP 1965–1967). This period was also marked with widespread emigration. An estimated 200,000 Cubans left the island between 1966 and 1971. In total, more than half-a-million Cubans left the island and resettled in the United States, Latin America, and Europe. By the 1970s stability and security of the revolution was complete as a result of the large outflow of dissidents. Although the United States trade embargo continued into the 1970s, it was no longer a noteworthy threat to Cuba’s solidarity. With so many dissidents leaving the island, Cuba was left with a majority of Cuban who supported the revolutionary government. In addition, covert operations against Cuba declined.

By the early 1970s the Cuban government had moved away from centralized governance to more localized governance. Reorganization of ministries was at the forefront of the many changes taking place. The Ministry of Construction was subdivided into smaller parts, the ministry of Merchant Marine and Ports was established, the Finance Ministry was reorganized and a new ministerial-rank committee on prices and supplies was established. In addition, an Executive Committee of the Council of Ministers was created in 1972 to facilitate coordination among the new agencies. The committee was responsible for such areas as basic industry,

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energy, consumer goods, domestic trade, sugar, non-sugar agriculture, construction, transportation, communication, labor, education, culture, foreign relations, and foreign trade.

The decentralized approach discussed above can be interpreted in two ways. First and foremost it tried to mitigate the slew of inefficiencies at the local level. As mentioned earlier in the paper, the majority of personnel hired to manage Cuban industries were ill prepared for the managerial positions. Regional policy decisions made at the local level were believed to mitigate previous labor, managerial, and production inconsistencies. Second, the policy was as a means to empower citizenry. The new constitution brought greater control of the municipalities to the local level. Citizens were able to influence policy decisions at this level with the support of local administrators.

4.3 A new constitution.

Perhaps the greatest change affecting Cuba during the early part of the 1970's came in the form of a new constitution. It introduced many changes to Cuban political affairs. It first introduced a presidential system of government. The president presided over the Council of State and the Council of Ministers. The new constitution also created a National Assembly and installed provincial and local government officials throughout the country. The new National Assembly assumed the role previously held by the Council of Ministers. The new constitution assigned political administrative positions to match newly redesigned provincial boundaries. Province boundaries were redrawn creating an additional eight provinces for a total of fourteen throughout the island. The provinces of Pinar de Rio and Matanzas were the least affected by the changes, they remained substantially intact. Havana was divided into city and the remainder into a province. Las Villas was transformed into three provinces, Cinefuegos, Villa Clara, and Sancti
Spiritus. The province of Camaguey was divided into two separate provinces, Ciego de Avila and Camaguey. Lastly, the single province of Oriente was transformed into five distinct provinces, Las Tunas, Holguín, Granma, Guantanamo, and Santiago de Cuba.

Geographic transformations placed greater emphasis on local participation. By creating new municipalities, government was in effect creating platforms for domestic participation. The socialist vision of mass participation was coming to fruition with the help of localized power. Cuban who were once marginalized because of socio-economic status now had the voice to effectuate change in newly formed communities through the new municipalities.

4.4 Mass participation and its effects on domestic policies.

Changes taking place included broad measures designed to decentralize power and distribute decision making capacity to the provinces themselves. This was accomplished with elected local administrators in the newly formed regions. Known as “Poder Popular”, political organizations now worked in conjunction with municipal assemblies, provincial assemblies, and deputies that made up the National Assembly. Poder Popular increased during the 1970s making mass participation readily accessible to the masses. Municipal assemblies were responsible for local enterprises such as retail operations, consumer services, and local factories. They were also responsible for schools, health care facilities, cultural as well as sports centers, and transportation within their respective municipalities.

Mass participation blossomed during this period of decentralization. Organizations such as the Federation of Cuban Women, the Committees for the Defense of the Revolution, and the National Organization of Small Agriculturists took on greater responsibilities and roles in the
development and implementation of domestic policies. Trade unions also grew in number and in strength during the mass reorganization thanks to the participation of the Confederation of Cuban Workers. An estimated 26,000 new locals were established with their help.

Other changes included the restricted role of the Communist Party. Over the years the Communist Party has acquired administrative positions for various industries. Since the reorganization members of the communist party were restricted to the coordination and supervision of administrative functions. State enterprises once run by one person were now run by councils, composed of senior administrators, management assistants, and elected representatives from the local party organization, trade union, and Communist Youth Organization. Factories were likewise democratized. Elected delegates met regularly with management council to discuss production requirements, policy changes, and labor issues.

Decentralization became the means to shared governance in Cuba. Domestic changes spurned involvement allowing virtually every Cuban to participate in decision processes that affected communities, cities, and regions. The goals behind the policies were encapsulated in socialist ideals that promulgated the broad participation of Cuban citizenry in every-day decisions. According to government policy, mass participation was the essence of socialist rule.
CHAPTER FIVE

MATERIAL INCENTIVES AND OTHER “CAPITALIST” TENDENCIES

5.1 The reemergence of material incentives.

5.2 Market standards are reintroduced.

5.3 Attempts at capital efficiency.
5.1 The reemergence of material incentives.

Part of the reorganization of domestic policies included a return to material incentives. This meant wages were once again tied to productivity and prices were determined by scarcity. The thirteenth labor congress convened in 1973 approving these measures, adding a maximum forty-hour work week and reinstating overtime pay.

A new system of incentives was designed to boost productivity and likewise elevate morale. Work quotas were reinstated, monitoring production levels on an hourly, daily, weekly, and monthly basis in order to regulate labor productivity. Productions standard were agreed upon by management and labor. Managerial personnel, party members, technicians, and skilled workers took part in determining production standards. Workers were paid according to their output levels, those that exceeded quotas received a percentage increase proportional to their performance. Those that produced below their quotas, received a wage deduction commensurate with their under performance. Overtime pay was also reintroduced.

Government planners reinstated material rewards hoping to increase product quality. They believed if material incentives were used to compensate productive workers, then better performance would follow. If material incentives were not enough to coax more efficient work habits the government imposed wage deductions for substandard performances.

In the hopes of increasing worker morale, consumer goods were distributed through the workplace as they became available. Outstanding workers were rewarded with goods such as automobiles, televisions, washing machines, and refrigerators. Distribution of consumer goods at the work place was also believed to increase productivity. An estimated 100,000 television sets were distributed to exemplary workers who superseded their quotas. Those who worked beyond the prescribed forty-hour work week were remunerated with overtime pay. And by 1974,
Fidel Castro had allocated $132 million for wage increases for administrative and skilled workers.

Efforts to increase productivity and curb absenteeism included an anti-loafing act introduced in 1971. The act later became part of the 1976 constitution, it required all males between the ages of eighteen and sixty to join the labor force. The law coaxed an estimated 100,000 people into the work force, more than half of which had never worked before.

5.2 Market standards are reintroduced.

Goods that were once free now had a price that all Cubans had to pay. Fees for telephone service, bus transportation, and sporting events were all reinstated. Day-care centers were also charging based on family income. Talk of doing away with rent and money ceased.

Although domestic policy changed drastically in the 1970s some things remained the same. For example, health care and education both remained free to the public. Secured employment and pensions were still guaranteed. Housing rents were left at 10 percent of income and at times even less. Some food items, however, were still rationed.

5.3 Attempts at capital efficiency.

As labor productivity increased with new work policies the government introduced programs to improve capital efficiency. Sophisticated planning techniques and data collection were introduced. A system similar to cost accounting was implemented to help streamline capital management on the island. Inefficient administrators were replaced with better skilled managers and technicians and work was systematized. By the end of 1970, a new Center for National Computation and Applied Mathematics was opened. Expenditures in computer
technology increased throughout the 1970s and 1980s. A new dedication to the development of technicians, economists, system analysts, and business administrators developed.

Industry also flourished through the 1970s, manufacturing expanded at a rate of 7 percent annually, capital goods at 16 percent, and construction at 14 percent. In total, between 1971 and 1980 the economy had grown at an estimated annual rate of 5.7 percent. The Cuban economy prospered as the changing policies helped boost productivity, consumption, and trade. By 1974, Cuba had its first surplus balance of trade since the revolution in 1959. Productivity increased in practically every sector of the economy.

Economic policies of the 1970s included efforts to diversify exports. Diversification policies were designed to reduce Cuban susceptibility to world prices for single crop production (i.e. sugar). Sugar exports were reduced drastically from a high of 90 percent in the total value of Cuban exports in 1975 to 65 percent in 1985. Non-sugar exports increased by 60 percent by 1983. Although trade patterns changed significantly during this time, exports such as sugar, tobacco, rum, nickel, citrus, sea products, and tourism continued to dominate trade. Some new industries developed including textiles, clothing, shoes, cement, steel, products, and construction material.

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CHAPTER SIX

THE SOVIET UNION:
ITS ROLE IN CUBA’S SURVIVAL

6.1 Relations with a super power.

6.2 Soviet aid really meant economic development.

6.3 A trail of subsidies.
6.1 Relations with a super power.

Cuba managed to survive the first two decades after the revolution despite many unforeseen policy mishaps. One of the greatest reasons for their success was the ongoing support from soviet countries of Eastern Europe, especially the Soviet Union. The Soviet Union played a pivotal role in the early stages of development for Cuba. Its economy received the greatest support in trade and aid from the Soviet Union. Beginning with subsidized purchases of sugar in the early 1960s to continued support after the failed ten-million ton crop, the Soviet Union was from the outset an important player in Cuba’s economy. As a whole, trade increased dramatically between Cuba and socialist countries after the 1959 revolution. For example, between 1959 and 1961 trade increased from 2.2 percent to 74 percent, imports increased from 0.3 percent to 70 percent. Trade with the Soviet Union accounted for almost half of these exports and 40 percent of the imports. Exports between 1959 and 1970 to the Soviet Union increased from 12.9 million pesos to 529 million and imports from zero to 686 million pesos. The Soviet Union trade pact was one of the most critical success factors to the Cuban revolution. The early years following the revolution were perhaps the most difficult for Cuba, without Soviet aid it is questionable whether the fledgling socialist state would have survived.

Trade with the Soviet Union remained stable from the early 1960s through the late 1970s. Trade with them represented about 40 percent of exports and 50 percent of imports for Cuba. There was some increase in the early 1980’s as export dependence on the Soviet Union climbed to 64 percent.

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As trade with the Soviet Union grew so did an erratic Cuban deficit with its distant trading partner. In 1962, the deficit had reached 237 million pesos, by 1963 it increased to 322 million, in 1967 it dropped to 294 million pesos, then rose again the following year to 451 million, settling at 314 million pesos by 1973. Interestingly, after 1970 trade with socialist countries outside of the Soviet Union produced a surplus. Cuba’s largest trade deficits were disproportionately held with the Soviet Union. Eighty-five percent of the total deficit Cuba had during the 1970’s and 1980’s was with the Soviet Union.

Debt with the Soviets translated into subsidized development for Cuba. In essence, low interest rate loans, inflated Cuban prices, and direct material support from the Soviet Union meant the survival of the Cuban revolution was being paid by the Soviet Union.

6.2 Soviet aid really meant economic development.

On the surface, trade deficits with the Soviet Union allowed for continued trade during the difficult transitional period for the socialist regime. In essence, the Soviet Union was financing Cuban economic development by their willingness to amass a deficit that by the mid 1980s was close to $30 million. Debt payment schedules were repeatedly postponed, new lines of credit were created, and subsidized prices were paid for Cuban exports. Repayment of previous credits were postponed until 1985, interest-free credit was extended until 1975, and interest-free credit repayment was postponed until 1986. In 1986 new trade agreements were created wherein Cuba received Soviet credit of $3 billion between 1986-1990.

Soviet support then was a broad net stretching over virtually every part of Cuban life. Soviet influence throughout the last 37 years of socialist rule becomes obvious when you consider the number of areas of Cuban life affected by Soviet personnel, capital, and industry. It
would be interesting to explore the effects such infiltration had on Cuban nationalism. Although much of this study revolves around the relations between the two countries I did not come across any resentment or hostility toward Soviet intervention.

6.3 A trail of subsidies.

The Soviet Union contributed to Cuban economic development with other programs outside of their support of trade deficits. The Soviets continually purchased sugar at subsidized prices above the prevailing world prices. Technical assistance as well as material support for industrial enterprises were available to Cubans. Soviet advisors worked in Cuba during the 1970s and 1980s, working on projects ranging from construction, oil exploration, mining, telecommunications, and transportation. Soviets were also involved in building and modernizing an estimated 160 industrial projects, including the overhaul of more than a hundred sugar mills and the construction of an electrical plant, biotechnology labs, and fertilizer factories.
7.1 Social programs abound.

7.2 The gap between the poor and the very poor.

7.3 Faltering socialist ideals.

7.4 Accomplishments in the Educational System.

7.5 Improvements in health and nutrition.
7.1 Social programs abound.

As Cuba gained political stability through successful economic policies it engaged in broad social welfare campaigns. The rationing system for food and medicines made limited resources available to all Cubans. Despite the shortage of goods and food stuff available products were shared more equitably through the system. Once exclusive establishments like private beaches, clubs, and schools were now open to all Cubans. Social security was enacted in 1963 and extended to all workers. Social security allowed for cash payments to the sick and retirement to the totally incapacitated. Wages were increased in virtually all sectors but in particular in agriculture wages. Income of sugar workers rose some 56 percent between 1958 to 1968.

7.2 The gap between the poor and the very poor.

As material incentives were reintroduced in the early 1970s, however, efforts toward egalitarianism waned. In the early part of the socialist government significant strides were made in narrowing income differentials. At that time income for agricultural workers was 64 pesos per month and 844 pesos for senior government officials. Measures to eliminate income differentials came to an end in 1970 when material incentives were reintroduced. Monthly minimum wage for agricultural workers increased to 85 pesos, likewise government officials saw their wage increase to 900 pesos per month. The gap in earnings was reduced in the 1970s but not by much, it was smaller than in the 1960s and considerably less than during the 1950s.

The first two decades of the socialist government, however, did accomplish a redistribution of wealth in other ways other than altering income differentials. The poorest 40 percent of the population saw their per capita income rise between 1958 and 1978 from $182 to
$865, more importantly the per capita income of the richest 5 percent declined from $5,497 to $3,068.

7.3 Faltering socialist ideals.

Much of the progress made toward creating an egalitarian state was challenged in the 1970s. As material goods became the prime commodity for workers who outperformed their peers, there developed a new type of differentiation tied less to wages than to the labor sector. As industries were assigned a limited number of material goods to distribute to their workers, the goods became as important as the employment. Securing employment soon turned into a competition for material rewards among workers. This was one example of a faltering socialist system. People were more interested in their personal gain than in the lauded advancement of Cuba. Although employment practices showed strains in peoples commitment to socialist ideals, the notion of collective advancement continued to thrive in academia.

7.4 Accomplishments in the Educational System.

The Cuban government made efforts in virtually all facets of life hoping to create a more egalitarian society. Certainly one of the greatest accomplishments was in the educational system. After the revolution, education was available to all Cubans not only for those from wealthy families. Education was also made available to Cubans throughout the island not only those in cities or urban centers. The educational system served to promote ideals of the revolution while simultaneously develop new skills among the people.\footnote{Silverman, Bertram. \textit{Man and Socialism in Cuba}. New York, New York: Atheneun, 1971 Pg. 98-110}
From the outset the revolution made commitments to abolish illiteracy among the poor of the country and to develop educational facilities accessible to everyone. When the revolutionary forces came to power the illiteracy rate was 24 percent among those ten years or older. In 1958, approximately half of all Cuban children between the ages of six and fourteen years had not received a formal education. Only 25 percent of the population fifteen years or older had even attended some type of formal schooling. Seventy-five percent were either illiterate or had stopped going to school before graduating.

By 1961, the government had recruited close to 261,000 people to help combat illiteracy across the island. The twelve-month campaign was christened “The Year of Education.” Four teaching groups, dubbed “Brigades” were organized and disbursed throughout the island. The student brigade was one of the largest totaling close to 100,000 student volunteers. Volunteers were trained at universities before beginning their pedagogical tour. They worked in remote rural regions living with host families from the area. Adult volunteers numbered about 121,000 and worked part-time in urban cities like Havana. An additional 15,000 participants took paid leaves of absence to teach in the program. The fourth group was composed of professional teachers who served as administrators and technical advisors.

The literacy campaign was one in a series of educational programs designed to rectify years of academic neglect in Cuba. At its peak, the program helped raise literacy levels to as high as 96 percent. Cubans had the highest literacy rate among all other countries in Latin America, and one of the highest in the world. The literacy campaign was one of the greatest achievements since the revolution.

Following the success of the literacy program, the “Third Grade Campaign” was initiated the following year (1963). It was aimed at getting as many adults lacking formal education
enrolled into grade school. Classes were held in local work centers where an estimated 500,000 attended school at the height of the program. This was followed by the “Battle of the Sixth Grade,” a program tailored for adults seeking to further their education. Adult education culminated with the Worker-Peasant Educational program, an alternative to secondary school for adults considering attending vocational schools or universities. By the mid 1960s, some 800,000 adults were enrolled in the Worker-Peasant program. Ten years later an estimated 530,000 adults had completed the sixth-grade program and 578,000 adults completed the Worker-Peasant program.

Other areas in Cuban academia enjoyed similar success stories. Enrollment rates increased for elementary schools all over the country, especially in rural areas. The number of elementary schools also grew accommodating the increased number of attendees. The number of teachers likewise increased, replenishing the many who had emigrated to the United States following the revolution.

The Cuban educational system changed drastically following the revolution. In addition to the growing numbers of students, teachers, and schools, programmatic and curricular changes also took place. Economic planning played a critical role in the reorganization of the educational system. Specific subjects were emphasized at universities in order to match policy demands. Areas such as the natural sciences, medicine, engineering, architecture, and agricultural sciences were all emphasized. By way of national appeal and if necessary enrollment quotas, specific disciplines were expanded throughout the 1960s. By the mid-1970s, students graduating from Cuban universities reflected the policy standards established by economic planners. In 1975, at the University of Havana, 30 percent of the graduating class received degrees in medicine, 17
percent in technology, 12 percent in science, economics, and humanities, 10 percent in agronomy, and 7 percent in education.

7.5 Improvements in health and nutrition.

Advances were also made in health care and nutrition. The most prevalent improvement being food availability. Spurned by higher wages and low unemployment, many people had more money to spend on food than ever before. Widespread price reduction and cuts likewise contributed to higher food consumption. These measures were coupled with state imposed rationing systems of the early 1960s guaranteed every household a minimum standard diet. The outcome, the elimination of malnutrition, was another notable achievement of the revolution. The food rationing system was tailored according to the composition of the Cuban families. Those with children, pregnant women, and elderly were assigned specific diets with a minimum caloric intake. Outside the home food rationing was complemented by a number of supplemental nourishment facilities. During the early 1970s, work center canteens sold food at nominal prices and freely distributed meals to patrons with ration cards. At schools, children received free luncheons and at secondary boarding schools children received all their meals free of charge. By the early 1980s, close to one-fifth of the country, received at least one meal from work canteens, schools, and hospitals.

Although there were considerable improvements in the production and availability of many foodstuffs during the 1970s and 1980s, there were still areas that needed improvement. Meat and rice production, for example, were inconsistent.

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Other items like fruits and vegetables fared better and actually expanded production. Milk production also increased. As a result of the improvements, more items entered the rationing system resulting in some surplus items. The food surplus unwittingly created informal channels of distribution off the ration. The formation of black markets invariably evolved into overpriced bartering systems between families with excess allotments of specific goods and products.

By the 1970s, Cubans were among the best fed in Latin America. Although their diet was not as diversified or as plentiful as others it was consistent and nutritional. Malnutrition was no longer an issue for neither city dwellers nor urban peasants. In the early 1980s, the United Nations Food and Agriculture Organization declared the Cuban daily per capita calorie intake higher than most other Latin American countries at 2,705 and more than the generally accepted minimum daily requirement of 2,500 calories.

Improvements in dietary standards were complemented with increased health care services. Before 1959, health care was dichotomized between the wealthy who generally lived in urban areas and the poor who predominated the rural countryside. The majority of rural peasants were neglected by the state prior to the revolution. Ironically, Castro’s government made matters worse before they were improved. As a result, the early part of the revolution was marred with a resurgence of many infectious diseases. Polio, diphtheria, tuberculosis, measles, syphilis, typhoid fever, and hepatitis cases increased in the early 1960s. Death rates also increased during this period from 6.3 per 1,000 citizens in 1957 to 7.3 in 1963, infant mortality also increased from 32.3 to 39.6 per 1,000 infants. However, with massive improvements in the health care industry, infant mortality rates dropped sharply from 39.6 in 1,000 live births in 1963 to 16 in 1984. As quickly as doctors graduated they were placed in new hospitals and clinics being built in rural areas around the island.
CHAPTER EIGHT

THE EFFECTS OF FOREIGN POLICY
ON CUBAN SOLIDARITY

8.1 Foreign policy.
8.2 Presence among Third World countries.
8.3 Foreign relations with Africa.
8.4 Cuba’s reintroduction to Latin America.
8.5 Leftist support in the Western hemisphere.
8.6 Rectification Period.
8.7 Special Period.
8.1 Foreign policy.

Economic policies designed to enhance Cuba's presence among Third World countries began in the Western hemisphere. This became a daunting task given the political climate at the time. The American trade embargo and faltering diplomatic relations made economic reintegration virtually impossible. In addition, the Organization of American States (OAS) voted in 1962 to suspend Cuban membership. Within two years, every member of the OAS, with the exception of Mexico broke off diplomatic and economic ties with Cuba.

Cuba responded to the attacks with its own arsenal of political armory. Throughout the early 1960s, Cuba encouraged and promoted revolutions throughout Latin America. The strategy had several objectives. In the short run there was hope that successful revolutions would translate into new allies and consequently diminish Cuba's political isolation. More broadly, Cuba sought a more prominent role in the Western hemisphere and among Third World countries.

Cuban foreign polices were polarized between the two super powers in an effort to maintain political equilibrium. Cuba tried to create distance between itself and the United States while simultaneously trying to prevent dependency on the Soviet Union. Cuba's relations with the Soviet Union allowed for the desired distance between itself and the United States. However, Cuba faced a greater task avoiding Soviet influence given the continued military and economic assistance from the Soviets. Attempts to prevent Soviet dependency were most evident in Cuba's domestic policies. By the end of the first decade of the revolution pro-Soviet party personnel were removed from administrative positions in industry and high-ranking positions in government. The ten-million-ton-crop was in many ways an attempt to likewise shed Soviet
dependency by providing badly needed foreign exchange from other countries besides the Soviet Union.

8.2 Presence among Third World countries.

Foreign policies were likewise designed for greater Cuban autonomy and solidarity. As an outspoken supporter of revolutionary movements Cuba distinguished itself among Third World countries. It offered assistance to leftist movements in Guatemala, Colombia, Venezuela, Peru, and Bolivia. In 1966, it hosted the first Tricontinental Conference at which the Organization for the Solidarity of the Peoples of Asia, Africa, and Latin America was founded. This offered Cuba yet another opportunity to establish itself as a leader among Third World countries. The following year at the Organization of Latin American Solidarity Castro offered support to guerrilla movements across Latin America. At the same time Cuba often denounced other socialist countries, in particular the Soviet Union for trading with countries where revolutions were taking place.

8.3 Foreign relations with Africa.

Cuba’s influence was not limited to the Western hemisphere, it also supported socialist movements in Africa. Beginning in 1963 with the border dispute between Algeria and Morocco, Cuba offered Algeria military aid and was soon involved in a number of similar disputes. Cuba later supported the Popular Movement for the Liberation of Angola, the African Party for the
Liberation of Portuguese Guinea and Cape Verde Islands, and the Front for the Liberation of Mozambique.  

By the end of the 1960s Cuban activism in Latin America had slowed considerably. Revolutionary movements throughout Latin America had dwindled or had lost momentum. A great military and moral loss came in 1967 with the defeat and death of Ernesto Che Guevara in Bolivia. During this period the Soviets withdrew much of their financial support for Cuba because of the outspoken challenges by Cuban officials. Retaliation by the Soviets came in oil cuts as high as 20 percent of normal trade. Cuban oil reserves were depleted to compensate for the loss, consequently more fuel and gasoline rationing was required. Cuban foreign policies were also curbed as domestic challenges increased.

8.4 Cuba’s reintroduction to Latin America.

During this time political and economic changes in Latin America reintroduced Cuba to former trading partners and saw new partnerships form. In 1968, new trade agreements were established with Chile. By 1970, Salvador Allende came to power and offered continued support to Cuban-Chilean relations. Similar relations were established in 1972 with Peru, Barbados, Jamaica, Guyana, and Trinidad and Tobago, with Argentina in 1973, Panama and the Bahamas in 1974, and Colombia and Venezuela in 1975. By 1975, the Organization of American States officially sanctioned renewed relations by passing a resolution allowing members to normalize relations with Cuba.

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Although policy changes were prevalent in Latin America, Cuba did not change its internationalist stance in Africa and the Middle East.\textsuperscript{16} Cuba continued to support and exert its influence in the Nonaligned Movement. In the early part of the 1970s, Fidel Castro sent forces throughout Africa offering medical and military support to several movements. Military assignments were also completed in Sierra Leone in 1972, South Yemen in 1973, Equatorial Guinea in 1973, and Somalia in 1974. Cuban military aid was also used in Syria in 1973 during the Yom Kippur War.

Relations with the United States improved during this period but they were short lived. In 1973 an anti-hijacking agreement was signed, creating amicable diplomacy between the two neighbors. Convinced that reconciliation could be possible, Cubans followed the Soviet lead in its attempts at a peaceful accord with the United States. In 1974, during high-level secret meetings, Cuban and American diplomats discussed the possibility of renewed relations between the two countries. Talks were disrupted the following year after Cuba sent troops to Angola.

Cuba’s support for the Popular Movement for the Liberation of Angola ended the progress made with United States diplomats. Some 36,000 Cuban soldiers assisted the Popular Movement in the war against troops from the United States, South Africa, and China. Cuban military aid to Africa continued two year later when another 15,000 Cuban troops were deployed to help protest Ethiopia form Somalian invasion.

Cuba offered its Third World allies additional support outside of military assistance. Foreign policy covered a wide range of areas from military aid to socio-economic programs. As domestic polices improved the general welfare of the island, Cuba engaged in diversified aid programs for other countries. During the 1970s Cubans from virtually every industry worked abroad in aid programs. Construction workers, physicians, technicians, engineers, agronomists, and teacher, participated in assistance programs.

Cuba emerged as a leader among Third World countries during the 1970s and 1980s. Its involvement with Angola garnered praise from leaders of Third World countries from around the world. The praise and adulation, however, would be short lived because of Cuba’s ties with the Soviet Union. In 1979, the Soviet Union attacked Afghanistan, a member of the Nonaligned Movement, Cuba was ostracized by other members because it failed to condemn the attack.

8.5 Leftist support in the Western hemisphere.

The changing political landscape in Latin America created other opportunities for Cuban participation. In 1979, Sandinista forces took power in Nicaragua, giving Cuba a new ally in the region. One year later further ties were built with the Maurice Bishop government in Grenada. Guerrilla movements in San Salvador strengthened Cuban support in Central America. In addition, Cuban support for other Latin American efforts also garnered new allies. Cuba supported Panama’s demands for control over the canal. It also supported Argentina in the Falkland/Malvinas war. Even relations with the United States improved for a while, especially after 1977 when limited diplomatic relations were established through interest sections. In Havana North American diplomats worked in a section of the Swiss embassy and in the United States Cuban diplomats worked in the Czechoslovak embassy in Washington. Renewed relations
were short lived, however, when in 1978 the United States halted negotiations in response to Cuba’s involvement in the Ethiopian-Somalian war.

8.6 Rectification Period.

By the mid 1980s Cuba initiated a new campaign known as the Rectification Period. As the name suggests the campaign was designed to make amends with the past. A past that Cuban leadership believed was beset with capitalist tendencies that had infiltrated the Cuban economy in the early 1980s. President Castro believed market reforms designed to alleviate economic hardship on the island had given way corrupt to mercantilism. The campaign limited the growth of a free market while trying to reorient Cubans to collective forms of economic development.

Policy changes associated with the period created new domestic priorities reminiscent of early 1970s policies. Volunteerism was once again exalted, this time as a means to achieve the desired rectification. Cubans were rallied into voluntary service in areas of construction that were neglected in the early part of the 1980s. Housing, day care centers, and health care centers were constructed during this period. Volunteerism was heavily used in the construction and maintenance of projects during the rectification period. The number of people who participated in the programs were impressive. By 1987, more than 400,000 people joined in the efforts.

Domestic rectification policies brought an end to private farming that until this time had created a successful source of revenue for private farmers. President Castro accused private farmers of selfishly benefiting from higher prices in the open market. As private ownership steadily declined, cooperatives became an alternate choice of food production for farmers.

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Another feature of the rectification period involved greater foreign participation in Cuban enterprises. The tourist, entertainment, and pharmaceutical industries were each heavily promoted to potential investors from Europe and Latin America. Where industries lacked outside investment the Cuban government provided the necessary capital. Growing industries where successful joint ventures flourished created many opportunities for Cuban foreign exchange. The rectification period created free market opportunities for Cuban industries while domestic policies curbed market opportunities for small businesses.

Contradictory policies creating separate standards for domestic workers and large industries contributed to the demise of the rectification period. Policies restricting open market practices for private citizens were creating market opportunities for government industries. Cubans responded apathetically to economically motivated austerity policies. Absenteeism increased as many Cubans skipped work; they abused their positions of power; and they engaged in other illegal activities. More importantly, the rectification period never adequately addressed the fiscal problems affecting Cuba. The rectification period came to an end with the fall of the Soviet Union in 1989. It was replaced with a “special period in peace time” created to cope with the loss of long standing Soviet economic assistance.

8.7 Special Period.

In the late 1980s as the Soviet Union ushered in perestroika and glastnost-type reforms, Cuba responded with its own campaign known as the Special Period. In response to changing political climates in the Soviet Union and eastern European countries, President Castro initiated socialist programs to combat the weakening Cuban economy.
Communism’s demise in the Soviet Union represented economic and social strains on Cuba reminiscent of the early 1960s. Economic hardship spurned by diminished trade with eastern European allies included food shortages, power outages, and massive disinvestment. Siphoned capital from Cuban people and industries prompted self-sufficiency programs such as home-grown food production and consumption. Farming was encouraged to compensate for the strained resources at government stores. Items typically on the ration were quickly becoming scarce as foodstuff trade dwindled from the Soviet Union.

Similar circumstances became prevalent in Cuban industries. Spare parts and oil for machinery were once again in high demand as broken trade agreements with eastern European countries infringed on Cuban industries. Factories and mills were incapacitated because of the lack of parts. Where trade with eastern European countries continued, Cuba increasingly faced higher market prices. Accustomed to subsidized Soviet trade, the open market pricing system created significant economic hardships.

Planners responded with economic stimulus packages designed for foreign investment. More than ever before Cuba began courting foreign investment in virtually every industry on the island. Tourism and biotechnology received some of the greatest infusions of foreign capital. Biotechnology in particular enjoyed early success when sales rose from zero in 1988 to an estimated $800 million in 1990. Economic policies designed to compensate for lost Soviet assistance effectively created semi-capitalist standards for many Cuban industries.

The introduction of foreign capital through investment, tourism, and trade alleviated the loss of Soviet aid during the Special Period. One of the byproducts of this period was the growing dollar economy on the island. Faced with a growing number of tourists and foreign workers, the American dollar became a integral part of Cuban economy during this time. Cubans
quickly adopted the dollar into the black market where it fetched upwards of eighty times the traditional exchange rate with the Cuban peso in 1993. Unable to restrict the growth of the dollar economy President Castro eventually legitimized the use of the dollar

President Castro survived the Special Period and with it the collapse of the Soviet Union. However, this period has been marked with a growing discontent that will undoubtedly carry over into the next presidency.
CONCLUSION

This study began with an assumption that Cuba was, for all intents and purposes, an isolated country. Isolated from the United States and the rest of the world economically, politically, and socially because of its socialist based government. As an American it is easy to contrive such notions given strained U.S.-Cuban relations over the last 37 years. Limited travel opportunities combined with economic embargoes have created a great sociological and political chasm between the two countries. Although separated by less than 100 miles, Cuba today, in my opinion, has never seemed so distant to the American populous. Yet, this study has proven otherwise. The study served two purposes really. First it helped me analyze Cuba’s economic, political, and social policies within a historical context. This in turn gave me the opportunity to learn about Cuba’s history and the events that shaped that history. To this end, the primary issue presented at the outset of the thesis was met. Second, the study expelled the notion of economic, political, and social isolation.

Research has shed light on Cuba’s prominence in the western hemisphere, eastern Europe, and the African continent. This realization quickly put an end to ideas of an isolated economy. The reality is Cuba has stretched itself around the political landscape from one end of the planet to the other since the 1959 revolution. Their numerous military, social, and political ventures around the world have secured Cuba’s global presence among Third World countries, leftist regimes, and capitalist governments.

In sum, Cuba, has persevered in a truly global stage. Their political resolve has maintained over the years despite economic and social hardship. Because of their longevity Cuba in many ways is a measure of human resiliency and perseverance. Despite the many obstacles detailed in this paper it has managed to overcome formidable trials through community
participation and political astuteness. To this end the Cuban experience has significant implications for the planning profession.

In the same way Cuba became an anomaly in the western hemisphere so too are many marginalized communities, economically depressed neighborhoods, and isolated demographic groups becoming anomalies on the American landscape. In the same way Cuba overcame economic, political, and social restraints so too can communities make attempts at overcoming contemporary obstacles. Cuba survived a barrage of attack and continues to this day with its socialist ideals. Similarly, neglected communities on the American landscape must find mechanisms to allow for their solidarity and continuity.

An example of an American community that has successfully adopted this Cuban paradigm for survival is the unincorporated city of East Los Angeles (ELA) in Southern California. Admittedly, there are a number of factors that have contributed to the economic success of ELA but none as dynamic as its citizenry. Determined to make the most out of a stretch of land boxed in by highways and delineated by illegal redlining practices, ELA has prospered over the years. A common denominator to the success of both the Cuban story and the ELA story is the dynamism created by people and their commitment to solidarity and continuity. To this end the Cuban experience has become a lesson in localized planning for myself.
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