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Cuba Discussion

The Cuban Revolution at the Crossroads

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Since 1989 a very large part of the world press - and not only the newspapers that are linked to the "anti-Castroist" emigration in Miami - have regularly announced the end of the Castroist regime. Fidel Castro's hospitalization in the summer of 2006 has once again been the occasion of what must be described as disinformation.

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Because 15 years after the implosion of the USSR and the strengthening of the US trade blockade which immediately followed it, in spite of the instantaneous ending of 85% of the foreign trade that Cuba had with the countries of so-called "really existing socialism", the society and the regime produced by the revolution of 1959 still survive. And they do so in spite of the political and economic pressure of imperialism and of the world market. In spite too of a serious degree of bureaucratization and worrying signs that certain bureaucratic sectors are aspiring to the restoration of capitalism, and despite poverty, shortages, and social differentiation.

What is at stake

But if the reports that are regularly published in the world press insist especially on the numerous mistakes and failures of the Cuban regime, it is not only because a big majority of the reporters are trying to understand a different society according to the criteria of capitalist society, it is also because this press, like capital which dominates the planet, is hoping for an end to the Cuban experience, because important things are at stake there.

Whereas capitalist relations of production have been re-established practically everywhere on the planet and the last barriers to the penetration of commodities are being removed, facilitating the realization of surplus value (that part of the value of labour that capital appropriates for itself, but whose realization is only possible on condition of being able to sell everything that is produced), Cuba is still resisting. And this resistance encourages people to think what another world could be like... Because even if the Cuban system is bending under the pressure of the world market, it has not yet capitulated in the face of the absolute domination of the commodity.

The length of time that the Cuban experience has lasted is not without influence on the struggles in Latin America. Although in the whole world the offensive of capital against labour is provoking popular resistance, and although neo-liberal ideology is continuing to lose its legitimacy, it is only in Latin America - in Venezuela, in Bolivia, and most recently in Ecuador - that governments which result from the rejection of the neo-liberal model are talking not only of social transformations but also of ... "socialism of the 21st century".

Because in spite of its numerous faults, Cuba remains a model of reference on this continent where poverty continues to worsen. What is more, the emergence of governments that are breaking with imperialism in the three countries we have just mentioned loosens the stranglehold that imperialism has imposed on Cuba. The recent failures of US imperialism in Latin America and in particular the failure of its project of the Free Trade Area of the Americas are proof of this. And so is the rehabilitation by the Venezuelan and Bolivian governments of the very idea of nationalization, after 20 years of absolute world domination of a model whose aim is to privatize everything.

It is nonetheless true that the survival of the system that came out of the Cuban revolution is something of a miracle. First of all, because Cuban resistance in the face of imperialism is rather like the mythical fight of David against Goliath. But also because Cuban society has undergone a process of bureaucratization, which the serious mistakes

in orientation of the Castroist leadership have made worst.

An Economy in Crisis

Isolated by the imperialist economic blockade, the Cuban revolution had no other choice but to re-orient its economy towards the Soviet bloc. But this re-orientation had to bend to the demands of the Kremlin. First of all by imposing an economic model which excluded the establishment of collectivist relation of production, based on workers' self-management, the free cooperation of the producers and their democratic planning. Instead of which it was a centrally administered economy, leaving no space for the initiative of the producers, which came into existence, a wasteful and completely dependent economy...

Such a central, hierarchical administration is the very basis of inequality. Especially when shortages increase, as has been the case since the reduction and then the ending of trade with the Soviet camp. Today that model - which continues to be wrongly identified by the Cuban leadership with socialist planning - is in the process of collapsing.

One example is enough to indicate the scope of the phenomenon: the most official Cuban statistics indicate that with an average wage it is not possible to satisfy 100% of essential food requirements. And the economists are still discussing whether the percentage of satisfaction that such a wage makes possible is 80%, 60% or still less... But if everyone has noticed that the Cuban population is not living in luxury - with the exception of a minority of the new rich - people are not dying of hunger on the island, although this ought to be the case if for more than a decade wages have not made it possible to satisfy food requirements.

Formulated differently, that means that a significant percentage of economic life is outwith the plan and that consequently other social relations enable the Cuban population to survive. What relations? Market relations based on the enlargement of the sector of petty commodity production, on tourism and on everything that it brings in terms of relations of domination, including prostitution. And of course the whole informal economy, from the "light grey" market to the black market.

But there are also all sorts of non-market relations which escape the administrative economy, services that citizens do for each other by breaking or circumventing the administrative rules. These services can sometimes lead to monetary compensation, but even in such cases it is not a question of market relations, in the absence of a unified market that fixes prices.

In the same way as the development of a sector of petty commodity production and of the "foreign currency market" (in convertible pesos) are indicators of the inability of the Cuban economy to break with the market and of the utopia that the centrally administered economy represents, the generalization of non-market relations of exchange shows the inability of the bureaucracy to plan the economy, as well as the aspiration of society to different social relations, which thus manifests itself in a "deviant" way.

And every Cuban citizen, like all those who knew what life was like in the societies of so-called "real socialism", knows what an incredible expenditure of energy and what inventiveness are necessary to circumvent both market relations and the administered (and defended by the police) economy in order to satisfy, at least in part, their needs. An energy and an inventiveness which could have been put at the service of the free cooperation of the producers...

Bureaucratization

Imposed by the Kremlin - against the criticisms that Che Guevara was beginning to formulate [1] - this administered economy produced a parasitical and useless social layer which weighs heavily on Cuban society. Fernando Martinez Heredia, a well-known critical Cuban Marxist, said on this subject: "Although state bureaucratization cannot be measured by the number of its bureaucrats, the figures are nevertheless eloquent: according to the 1986 statistics, in 12 years (between 1973 and 1985), the number of functionaries has been multiplied by 2.5". And he continued: "The mass means of communication lost the function that they were supposed to fulfil. From instruments of popular struggle favourable to the transition to socialism, they were completely transformed into an instrument of propaganda, which is obviously not at all the same thing.

East European ideology was imposed everywhere, to the extent that the official discourse was full of praise for the supposed successes of the Soviet Union and its system, even going so far as to consider as ideologically unsound any criticisms of it". [2]

The historic leadership of the Cuban revolution, particularly Fidel Castro, had always kept a certain distance from this bureaucratic layer, sometimes publicly treated with a certain attitude of superiority. But at the same time it relied on this bureaucratic layer in order to govern the country.

The process of rectification, begun when the Soviet Union started, in 1985-86, to put in question its economic relations with Cuba, and then the discussion initiated in March 1990 to prepare the Fourth Congress of the Party (held in October 1991), which led to several tens of thousands of assemblies, during which a million criticisms were taken not of, did not lead to the running of the economy by the producers themselves. Whereas the Cuban economic system remains a prisoner of the contradiction between the collective property of the means of production and their individual management, a contradiction which can be resolved either by privatization - and therefore the restoration of capitalism as in the former Soviet Union, in the countries of Eastern Europe, in China, and in Vietnam - or by the collectivization of management, the Cuban leadership is trying to maintain the status quo of a not very efficient administrative management.

And if in the face of the collapse of the Soviet system we have seen economic reforms - de-penalization of the possession of dollars in 1993, re-opening of free peasant markets in 1994, authorization of foreign investments in 1995 - it has to be recognized that they do not at all go in the direction of collectivization of management, quite the contrary. Finally let us note that the various measures that have been taken since then with the aim of limiting the possibilities of private accumulation on the basis of these reforms repose, once again, not on the development of mechanisms of social control, but on the recourse to an administrative and bureaucratic control.

Transition and Market

The principal effects of the economic reforms of the 1990s were a very clear social differentiation. "No doubt - Fernando Martinez Heredia explained in the interview that we have already quoted - it is minimal compared to other countries in Latin America or in the world. But for Cuba it is extraordinarily significant, insofar as the distribution of income per capita was the opposite of that in the rest of Latin America. Nevertheless, we cannot yet say that there are different social classes". [3] Social differentiation has however challenged one of the principal elements of the legitimacy of the system, while at the same time money has greatly increased in esteem... And if in spite of the very strong penetration of market relations and the presence - controlled especially by the military hierarchy - of foreign investments (which, as is normal, accumulate and export capital), we do not yet have the freedom of the Cuban new rich to accumulate capital, we can nevertheless see the appearance of very important monetary savings held on bank accounts by a tiny minority. We have there transformations which could tomorrow constitute the social foundations of a restoration of capitalism.

The re-establishment of market relations and the recourse to the monetary standard were undoubtedly necessary. The centralized administration of an economy based on shortages can in no case represent an alternative to the market. The market is a social relation, which only a superior social relation could make wither away. "The plan - wrote Trotsky in 1932, when there appeared the first disastrous results of so-called planning (in fact a central administration that was not based on knowledge of social needs) - is checked and, to a considerable degree, realized through the market.

The regulation of the market itself must depend on the tendencies that are brought out through its mechanism. The blueprints produced by the departments must demonstrate their economic efficacy through commercial calculation. The system of the transitional economy is unthinkable without the control of the rouble. This presupposes, in its turn, that the rouble is at par. Without a firm monetary unit, commercial accounting can only increase the chaos". [4] And criticizing the abandoning of the market, he continued: "This means that correct and economically sound collectivization at this stage should lead not to the elimination of the NEP, [5] but to a gradual reorganization of its methods.

The bureaucracy, however, went the whole way (...). Confronting the disproportions of the NEP, it liquidated the NEP. In place of market methods, it enlarged the methods of compulsion". [6] And he finally concluded: "After the adventuristic offensive, it is necessary to execute a planned retreat, thought-out as fully as possible". [7]

I refer here to the terms of the Russian debate at the beginning of the 1930s because the economic schemas borrowed from the Stalinists have deeply marked thinking on transitional societies, above all Cuban society, and because criticism of the negative effects of the market could lead to the hasty conclusion that it would be enough to abandon it. Now market relations, which are social relations, corresponding to a certain level of material production, cannot be "liquidated".

If they are banned they will manifest themselves in a clandestine fashion, undermining all the other economic mechanisms. But since it is a question of social relations, it is by building other social relations that it is possible to have the means of controlling them. The market can only be effectively controlled by the conscious and collective cooperation of producers and consumers. Not by bureaucratic administrators who have recourse to coercion. Because these administrators, as has been demonstrated by the Soviet, East European, Chinese and Vietnamese experiences, sooner or later end up by adapting to and being shaped by the social relations that they were supposed to control. And by becoming in this way a new ruling class.

Defence of Gains

At the moment when the generation which led the Cuban revolution is beginning, of necessity, to leave political scene, Cuban society is at the crossroads. It has succeeded during the last 15 years in maintaining its non-capitalist course, even if that took place at the price of developing its internal contradictions. There is no doubt that this was a conscious choice by its leaders. In the same way, the Cuban leadership has shown itself to be capable of establishing internationalist relations with governments thrown up by the struggle against imperialism and its neo-liberal globalization, in Venezuela, in Bolivia, and - at the present time - in Ecuador. Cuban aid has been of great importance for the advances made by the "Bolivarian revolution" in Venezuela.

At the same time, in the absence of a framework that would allow the self-activity of the masses in Cuba, the re-establishment of market social relations, even partial and subject to administrative control, reinforces the passivity of the population, as well as cynical and disabused attitudes among the young generation [8] and weakens the legitimacy of the Cuban system, even in the eyes of those who are in the final analysis the only ones capable of

defending it against capitalist restoration.

Manuel Vazsquez Montalban proposes the following rather neat formula: “The Cuban revolution deserves to safeguard the best of itself, and to offer that to the globalized peoples as an alternative paradigm to present globalization. But to do that it must break with the worst of itself, that which is inimical to the mechanisms of participation, to criticism, and to a modification of the architecture of power”. [9] The question that is waiting for an answer suspense is whether the Cuban revolution still has enough vitality to enable it to break “with the worst of itself”, in other words if the workers of Cuba have not suffered such a strong and long-lasting atomization that they no longer are capable of collectively opposing the restoration of capitalism and taking their future into their own hands.

[1] In particular his criticism of the Soviet economic manual. See the articles by [Michael Lowy](#) and [Celia Hart](#) in our series on Cuba.

[2] From an interview by Eric Toussaint with Fernando Martinez Heredia, conducted in July 1998 in Havana and published in *Le Pas Suspendu de la Révolution, Approche critique de la réalité cubaine* (edited by Yannick Bovy and Eric Toussaint), Editions de Cerisier, Mons, 2001, p. 80. For those who read French, this collective work, comprising contributions by critical Marxists, Cuban and non-Cuban, is not at all dated and constitutes an invaluable guide to any discussion of Cuba today.

[3] Ibid. p. 85

[4] Leon Trotsky, “The Soviet Economy in Danger”, in *Writings of Leon Trotsky (1932)*, Pathfinder Press, New York, 1973, p. 274.

[5] The New Economic Policy (NEP) was introduced in 1921, and involved a partial return to market relations in an economy that had been devastated by four years of civil war and on which the coercive methods of the system of “War Communism” had become ineffective.

[6] Op. cit. p. 275.

[7] Op. cit. p. 279.

[8] The coexistence between capitalist enclaves (in particular the tourist sector) and others which are centrally administered (and officially defined as socialist planning) give rise to jokes like: “socialism means shortages and capitalism means abundance...”.

[9] From the Introduction to *Le Pas Suspendu de la Révolution*.