

COMRADES AND INVESTORS: THE UNCERTAIN TRANSITION IN CUBA

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Much to the delight of technocrats and businessmen, the Cuban government has made what it calls economic reform its immediate priority. It was not as if it had very many choices. The disintegration of the Eastern bloc economies and later of the Soviet Union was a serious blow to the Cuban economy. Between 1986 and 1989 it had been virtually stagnant, and the brutal decline which began in 1990 meant that by 1993 the accumulated contraction of GNP had come close to 40%. The situation of the external sector was even more complex; suddenly, the country lost 85% of its traditional (and often preferential) markets, almost all its long and medium term lines of credit and its main sources of technology. Its capacity for imports fell by nearly two thirds.

In this situation, the customary hostility of the Cuban political leadership to the market gave way to a pragmatic acceptance of a series of linked realities. Cuba had to enter the capitalist world market, on a strictly competitive basis; for that to happen it would have no choice but to restructure many of its most basic economic and social organizations. In a memorable speech on July 26th 1993, the Cuban President, Fidel Castro, **recognised** the limiting conditions of the immediate programme of action: the preservation of the gains of the revolution in anticipation of better times, when socialist construction could resume its course.

Despite the bureaucratic obstacles placed in its way, and frequent setbacks, the process of economic liberalization and adjustment has been surprisingly rapid. The opening to foreign investment began in 1987; in 1995, a specific regulatory law gave investors broad legal protection. In 1992 a sweeping constitutional amendment was approved which **recognised** the right to private ownership of the means of production and opened the door to the decentralization of state

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enterprises **by** abolishing the state monopoly over foreign trade. One year later, in the midst of a dramatic collapse in **GDP**, ordinary Cubans were given permission to hold dollars and other strong currencies which could be spent in a chain of shops which until then could be used only by resident foreigners, tourists and a small local elite. During the same **period**, a **significant** proportion of state lands passed to cooperatives or, in a smaller number of cases, to small farmers. Self-employment in the service sector was also encouraged by the passage of favourable legislation.

In 1994 a process of budget adjustment, price increases and the imposition of taxes **began** with the aim of reducing a vastly excessive liquidity. In **the** second half of the same year, even though the state authorized a free market in food, throughout the eighties official discourse had repeatedly denounced the very notion. For just as the basket of basic necessities was **slowly** being reduced, a substantial proportion of popular consumption was taking place in a free dollar market which paid no regard to the wages earned by workers. Steps taken **through** 1996 and 1997 simply served to consolidate the processes already under way by successive changes in legislation and transformations of economic institutions: free trade zones were recognized in four areas of the country, the customs laws were modified, the banking system was reorganized, etc.

The Cuban political leadership has repeatedly proclaimed the achievements of its **policy** of opening to the market throughout this rough period. The economy was rescued from collapse, and after 1995, began to register **significant** rates of **growth**. And it must be acknowledged that this closed one option to which the U.S. extreme right and its associates in Miami aspired – a great march against a revolution in full economic collapse. **Considering** that these results have been achieved in the midst of a confrontation with the United States, whose economic blockade and politics of intervention have been the catalyst for the crisis, they can clearly be seen to merit recognition as having a historic national and international **significance**.

In the second place, the official line is that the recovery has been possible without recourse to orthodox neo-liberal measures, without **sacrificing** the public health service, education or social security, whose budgets have been maintained or have actually increased (they represent 60% of **public** spending), and preserving a clear and distinct role for the state. This too is undoubtedly a recognisable achievement that confirms the social commitment embedded in the programme of the revolution.

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A number of questions remain, however, for any observer who remains convinced of the historical value of the Cuban revolutionary heritage. The process of liberalization and economic adjustment in Cuba differs from other similar processes elsewhere in Latin America not only for the reasons referred to earlier, but because what has happened in Cuba is not simply an adjustment to an existing standard capitalist mode of operation but a radical restructuring of the political economy, the forms of social regulation and cultural-ideological production. This is a qualitative transformation of profound significance; the slow commercial colonization of socialized areas of the economy has posed challenges at many levels to the most central of all political questions – the distribution of power. If we take as axiomatic the fact that a combination of militant anti-imperialism and the provision of free social services does not amount to socialism, we are left with a question as to the real depth of these systemic changes: first, at the social (and more specifically the class) level and, second, at the level of the rearticulation of the whole of **political** life.

It is central to this writer's **thinking** that the reforms are producing a recomposition of social classes as a consequence of the emergence of a technocratic-entrepreneurial bloc, and that that process is to the detriment of the popular classes. This tendency towards the restoration of capitalism in the country (in the name of socialism and under the direction of the Communist Party) is not inevitable. Therefore a second central idea informing this essay is that alternative paths exist that would permit the maintenance of socialism, and that they are inseparable from the articulation of the Cuban revolutionary agenda with an alternative left project at the international level. This would imply a major renovation of the political system in the direction of genuine popular power.

A subsidized utopia?

The dynamics of Cuban society between **1959** and **1989** were dominated by two contradictory tendencies: social levelling and social mobility. The first prevailed **through** the early years as a consequence of the radical reality of the revolution. **It** led to the virtual liquidation of the bourgeoisie and a **significant** proportion of the middle class, who either emigrated or underwent a process of proletarianization. Gradually, the society came to be organized around social and state ownership of the means of production. At the same time, this social levelling was accompanied by the rising social mobility of the majority

of the people, particularly during the seventies, through state programmes for the provision of jobs and social services. By way of illustration – in 1953 57% of the population lived in urban areas, around 25% of the population were illiterate and only 11% had intermediate or higher education **qualifications**. By 1989, the last year in which annual statistics were published, 73% of a population of 10.5 million were living in urban areas – and some 38% in cities of over 100,000 population.' Illiteracy was by then a distant memory; over half the population had reached sixth grade of secondary education and there were around half a million technicians and **professionals**. Over 140,000 people, in addition, were involved in higher education.

This intense social mobility, while it led to an objective differentiation **between** social subjects, did not have corresponding effects on the self-identification of social sectors; that identity was determined by other factors, including the tendency to emphasize the concept of 'el pueblo' (the people) as the sociopolitical subject of social transformation and national defence. The political system acknowledged this through its adoption of the Leninist model of sectional organization which acted as 'transmission belts' between the people and the 'vanguard' organized in the Communist **Party**.³ The result, inevitably, was a high level of concentration of political authority, given the monopoly of the revolutionary political class in the regulation of social life, in at least three senses.

First, the power to **assign** resources through a single, centralized and directive **planning** mechanism was reinforced by Cuba's entry into the Soviet economic bloc at the beginning of the seventies (from then until 1987 the Cuban economy experienced extensive growth with relatively abundant resources within the framework of a political economy characterised by **undemanding production** targets, equitable distribution and subsidised consumption). Second, the Leninist model of political organization, lubricated by a high level of political consensus, became a powerful mechanism of social control, not only with regard to the repression of counter-revolutionary tendencies (which were insignificant in real terms after the early sixties) but above all in relation to popular mobilizations on the one hand and the socialization of values and political behaviour on the other.

Third, and no less significant, was the capacity of the political leadership to produce a credible legitimating ideology which functioned as a kind of teleological paradigm in relation to both internal and external factors. This ideology exhibited a certainty that left little possibility for doubt about the actual, the possible and the

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best. It was coherent, given the close interrelation between the perceptions of day-to-day reality emanating from the social structure and official discourse; and it was accessible to the ordinary citizen, sharing values at the heart of national political culture which emphasised ethical principles like patriotism, internationalism and social justice as the motor of politics. Capitalism and all its organic components – the bourgeoisie, consumerism, inequality, the market, etc. – were fiercely anathematized and regarded as part of a past that would not be given a second opportunity.

Yet this structure contained within it serious contradictions between the declared goal of the socialization of power and the **gradual** appropriation of that power by a bureaucratic layer that had first emerged during the sixties and whose power was definitively consolidated in the subsequent decade through the so-called 'institutionalization' process. In systemic terms, the establishment of this bureaucratic layer could only be achieved by extending clientelistic relations, slowing down the socialization of power and consequently paralyzing the socialist development project itself.

History has exposed both the virtues and the drawbacks of this way of regulating social and political life. In a society with a low level of what Giddens has called 'universalization and social reflexivity', such a system of political regulation could function effectively; among other things, it made possible a successful confrontation with the very real aggression from the north, it facilitated the mobilization and equitable distribution of disposable resources and it promoted a culture of **political** solidarity and a vast network of mechanisms of social participation and political mobilization. But its own achievements implied its approaching obsolescence, especially as people's mobility and high **qualifications** began to clash with the rigid mechanisms of socio-political control, producing **dysfunctions** like apathy and anomie. Economic reforms have dealt with the rest. The market, a discreet actor in earlier decades, began to play an increasingly key role in the allocation of resources and the distribution of the meagre surplus – and consequently in the reshaping of the relations of power. And ordinary Cubans began to realize to their astonishment that the future was nothing like as certain as the official discourse had suggested **for** so long.

Society, politics and the relations of power in the new era

It has been one of the constants of the official Cuban discourse that the political structures should be periodically renewed; on the other hand,

this has been limited by a number of other factors, ranging from the inviolability of certain precepts, like the single party, to the refusal to countenance any changes induced by external pressures – an understandable refusal, of course, given the U.S.'s commitment to changing the Cuban political system to the point where it could resume its role as a decisive actor in the internal affairs of the country.

1990 was a crucial year in the dynamics of political renewal. It was not exactly a good year; since 1987 the economy had shown a stubborn tendency to decline which could not be reversed even by the 'rectification' proclaimed by the political leadership. The ideological constructions around the irreversible nature of socialist progress had sustained some heavy blows as a result first from the effects of perestroika and second by the less than edifying spectacle of the collapse of the Berlin Wall. Then, in the latter half of 1989, Cuban society was shaken by a public exposé of corruption among high officials of the armed forces and security services as well as civilian agencies.

The need to recover consensus and reaffirm the legitimacy of the regime was recognised as urgent by the political class on the eve of the Fourth Congress of the Cuban Communist Party scheduled for 1991.⁴ The Party therefore called for a public debate whose purpose would be to '...make possible a consensus based on a recognition of the diversity of views that exists within the population and strengthened by democratic discussions within the Party and the Revolution, above all in the search for solutions, the examination of the means of achieving our socio-economic objectives, and in general in the perfection of our society.' For several months, Cuba experienced the freest and most democratic public debate in its history. Millions of people in thousands of settings (schools, labour halls, community centres) exercised their right to criticise, to propose solutions or simply to offer opinions on questions ranging from daily life to public policy. The results of these debates were never published, but the various reports and comments reflected a demand for profound renewal of the system within the framework of an enduring commitment to social objectives and national independence. The Cuban political class had access to more than enough information to judge the state of mind, aspirations and opinions of the majority of the Cuban people.

The political changes that occurred in the two subsequent years tried to take these demands into account, but rarely managed to be more than a pale reflection of the intensity of the earlier debates. In the first place a substantial constitutional reform was enacted which modified

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some 60% of the original document. Although most of these changes referred to the economic sphere (the system of property ownership, the decentralization of foreign trade, etc.), others, at least theoretically, touched on what **Azcuy** has called the 'hard core' of the 1976 **Constitution**:⁵ the declaration of the non-denominational character of the State and the prohibition of any discrimination against religious believers; the removal of all references to democratic centralism and the unity of power; the removal of the strictly class-based definition of the social base of the State; the organization of direct parliamentary elections; etc. A subsequent Electoral Law reaffirmed the latter provision. It had the virtue of reaffirming that the Communist Party would not intervene in the selection of candidates or the elections themselves, and of reinforcing the role of the social and mass organizations in these areas; but it limited its democratic impact by placing restrictions on the principle of competition which had been the cornerstone of the much-vaunted local elections. At the same time new sub-municipal structures – the popular councils (*consejos populares*) – were created which came to play an important role in mobilizing local resources, in local decision-making and in some cases in drawing up community projects with a strong element of participation and self-management.

But what some sectors had envisaged as the auspicious beginning of the construction of a pluralist, participatory democracy, a political response to questions about socialist continuity under new social conditions, proved to be a series of changes on matters of detail that had more to do with good government than with democracy. In other words, if politics is not only, nor even principally, a question of norms or institutions but above all, according to Held, a question of the interaction of actors and subjects **through** the control of mechanisms of resource and value allocation, then we can affirm that politics in Cuba began to suffer a slow decline with the imposition of a new model of accumulation whose most crucial expression was the reorganization of the social networks of **power**.⁶ Thus the formal changes that can be carried out today will be very different from those that may be realized in the future, **when** the **configuration** of forces has **changed** significantly. A brief analysis of the process of social **reconfiguration** will show a double tendency: the strengthening of a technocratic-entrepreneurial bloc that benefits from its links to the market and has real possibilities of becoming the hegemonic social layer; and at the same time, the fragmentation and weakening of the popular sectors.

Recycling the elites

From the point of view of this essay the most obvious result of the process of opening and reform has been the creation of an incipient new social bloc, which we shall call 'technocratic-entrepreneurial', within which three basic components can be identified. The first is located within the ambit of foreign investment. According to available statistics, in 1990 there were no more than twenty or so foreign investors. In 1994 there were 176 joint foreign enterprises, with investments of the order of \$1.5 bn.⁷ These involved 36 countries and 26 areas of economic activity. At the same time, 400 commercial companies were functioning inside Cuba.⁸ By the end of 1996, the number of foreign investors had risen to 260, some of which were beginning to establish themselves in the newly-created free-trade zones (*zonas francas*). In the same year, 800 foreign firms were operating.⁹ As the organs concerned are joint enterprises with the State, this sector is closely tied to a layer of entrepreneurs and local businessmen who share experiences, lifestyles and aspirations substantially different from the rest of the population.

The second component of this emerging bloc is formed by directors of state enterprises who have found themselves a favoured place in the world market and achieved a considerable autonomy as a result. Their new functions are incompatible with the traditional image of a public administrator within a centralized planned economy locked into the tragic triad of knowing nothing, doing nothing and wanting nothing. In his place there arises a new type of local entrepreneur more concerned with profit maximization than any other political considerations. The number of firms within that layer will also increase as the reform process continues.

A third (potential) component of this bloc is represented by those people (wealthy peasants, commercial intermediaries, service providers, etc.) who have accumulated large sums of money and other property through speculation on the black market, frequently at the expense of state resources. Given that most of these fortunes were illegally acquired, it is impossible to quantify their economic potential. But we can make an estimate by analyzing current bank accounts, where approximately 60% of the liquid cash is deposited and which in recent years have demonstrated a disquieting tendency towards concentration. According to figures issued by the Cuban National Bank and other official agencies, in late 1994 14.1% of the total accounts contained 77.8% of the total amount of savings. A year later,

13.1% of the accounts contained 83.7% of the total and by 1996 the concentration had reached the point where 12.8% of the total number of accounts (some 600,000 accounts) represented 84.7% of the total, some 6.6 billion pesos.¹⁰ More significant perhaps is the fact that in the same year 2.7% of accounts contained 43.8% of all savings.

With the liberalization of markets in agricultural and industrial products, and the extension of self-employment, this sector has not only grown and 'laundered' its fortunes, but has also established increasing control over the circuits of circulation and realization in the internal market. In a not too distant future this sector will become an investor in small and medium enterprises and will become contractors to the formal sector of the economy, which will in turn expand its potential for accumulation.

It will come as no surprise that the social origin of these groups, and particularly of the first two, is the traditional civilian and military bureaucracy and their families, as well as young technocrats recruited and patronized by them. Even the third group reveals the close connection between the most prosperous private enterprises – restaurants and tourist accommodation – and retired top bureaucrats and their families, for both these activities require comfortable, centrally located accommodation of a type usually assigned by the State to this social layer. Pareto would undoubtedly have felt entirely vindicated by these developments.

The fragmentation of the popular sectors

Before 1989, the Cuban working classes were a **relatively** homogeneous sector. In that year, some 3.5 million people, 94% of the workforce employed in the civil sector consisted of wage earners in the state economy, the majority of whom were organized into trade unions supported by a very paternalistic labour code. Self-employed workers were just a few thousand in total, and the peasantry, independent or cooperativized, was numerically small and shrinking. The crisis, and the process of adjustment and liberalization, have substantially changed that **picture**. The wage earning sectors and the working class in particular have suffered an absolute reduction in their numbers as a result of the opening of new and more lucrative employment opportunities in the private or cooperative sector and the reduction in the number of **supernumeraries** in state enterprises themselves. In 1996 the wage-earning sector absorbed 78% of the economically active population, 16% less than eight years earlier."

No less significant has been their loss of economic power as a result of the dollarization of the prices of a substantial number of consumer goods and economic services and the continuation of wage levels designed for subsidised consumption. In this sense, salaries in the state sector have been subject to a regime of super-exploitation to the point where the price of labour is lower than the cost of its reproduction. According to unofficial calculations, a Cuban family of four in which at least two people are working and receiving an average salary would require double their earned income in order to guarantee a minimum consumption of food, hygiene products and commercial services.

In real life, this situation is assuaged in various ways. Around 20% of wage earners working in areas privileged by the new economic dynamic (tourism, advanced technology, export industries) receive wages in cash or in kind in addition to their official **salary**; the effect is a virtual restructuring by international capital of the working classes and the wage earning sector in general. In other cases, these same workers have developed areas of self-employed activity, whether formally (26% of the licences issued in 1996 went to state employees for example) or informally. But such people also frequently have recourse to other expedients, not linked to work, which in turn generates a growing social anomie. One such instance is the receipt of economic **help** from relatives abroad. Another, no less relevant, is corruption. There is no need to go further into the ethical and ideological implications of these modes of survival. Another significant social tendency is the proliferation of unwaged individual and cooperative modes of production.

At one level it is worth examining the situation of small peasants and agricultural producers combined in cooperatives who for one reason or another have not managed to save. As we noted earlier, these sectors underwent a gradual and absolute reduction from the triumph of the revolution in 1959 onwards, so that by 1970 they represented 11% of employees in the civil sector, falling to only 5% in 1989.¹² With the creation in 1993 of Unidades **Básicas de Producción** Cooperativa (UBPC – Basic Units of Cooperative Production) the situation underwent a dramatic reversal; even though there are no official figures, it is estimated that some 300,000 joined the ranks of the agricultural cooperatives and that they now work 30% of the land. Another 50,000 people received individual land titles. The self-employed sector in the cities grew to a similar degree. These activities had expanded earlier, through the seventies, but their growth was cut off between 1986 and 1989 during the so-called period of rectification,

when such pursuits were considered incompatible with socialist aims. In the summer of 1993, **self-employment** was officially rehabilitated as a means of generating employment and limiting the reach of the black market. Although the 'self-employed sector' hides several real fortunes accumulated by those who have won the best positions and successfully evaded the government's rising tax demands, the vast majority of operations covered by this law are small individual or family units whose net incomes, even though they are higher than the earnings of most workers in the formal sector, do not allow of any capital accumulation.

In February 1994 there were 142,000 legally self-employed people in Cuba; by June the **figure** reached 160,000 and by January 1996 it had risen to 208,346. In 1997 it was reported that the number had fallen to around 160,000. Yet none of these **figures** truly reflect the dynamics of the process. By the end of 1997, 401,847 applications had been received and some 158,597 people had left their jobs – an indicator of profound instability. Only 0.9% of the total worked in the most lucrative sector, the private restaurants; 27% ran small food or non-alcoholic drink vending stalls. At that time 26% of self-employed people still worked in the formal sector at the same time, while 30% were unemployed, 18% were housewives (a euphemism which often means an unemployed woman) and the rest were retired. 73% of licence holders were men, which leads one to assume that women played a subordinate supporting economic role. It is interesting to note that 80% of those holding licences had reached ninth grade in **education**.¹³

Finally, Cuban society is now beginning to move from a situation of full employment (legitimately considered a major achievement of the revolution even if its price was a notorious economic inefficiency) to one in which unemployment is a structural feature. In 1994 open unemployment reached 8.4% of EAP and in 1997 7%, which some analysts have interpreted as a positive indicator. But it does not suggest an irreversible downward **move**.¹⁴ The administration of unemployment by the state has been made possible by a gradual application or even postponement of the rationalization of the numbers of workers in state enterprises. Against that, the labour market has started to provide new employment options, particularly in the emerging private sector. It is calculated that 70% of the decline in state employment has been absorbed by the self-employed sector; and it is likely that the future authorization of small and medium businesses will open new escape valves from the same sector. But it will not be an

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unlimited supply of jobs, for the unemployed will continue to increase in number even if the economy maintains a reasonable level of growth, precisely because it is a precondition of economic reproduction in the new model of accumulation that supernumeraries be expelled from the workforce.

Rethinking the future from the left

Rethinking the future from a left wing perspective is a necessity that goes far beyond the national frontiers of Cuba. The resistance of the Cuban people, their struggle for national independence and their defence of the social gains they have made has won them the admiration of the whole world and motivated a solidarity movement of enormous moral and political **significance**. The intransigent anti-imperialism of its leadership is equally worthy of recognition. All of this is important, but not sufficient.

For Cuba could come to constitute a component of an anticapitalist project in formation that, even **though** it may have different concrete expressions in each national situation, will only be visible on the international level. If that is to happen, however, Cuba must not only safeguard both its independence and its social advances, but must also continue to develop new concepts of development and of politics and to create a genuinely popular power, democratic and pluralist. Cuban society has ample reserves in this respect: a strong network of popular participation, a political culture permeated by a sense of solidarity and cooperation, a social subject both educated and committed to values that are essential to socialist objectives, and a political class important segments of which have a sense of responsibility and a high level of social sensitivity. On the other hand, there is no shortage of obstacles in the way, the most significant of which are precisely those conditions that the country faces that make it particularly difficult to achieve economic recovery, and its asymmetrical relationship with the capitalist world market, all exacerbated by the effects of an immoral U.S. blockade that functions at both the economic and the political level. Given the proven **non-viability** of autarky, Cuba's insertion into the world capitalist market is an inescapable condition of its national survival. This does not imply a fatalistic acceptance of the rules of the game of globalization, however; still less does it mean that it is impossible to find alternative paths that will substantially modify the currently dominant scenarios. A realistic judgment, however, cannot avoid the fact that, whatever the measures adopted, this insertion will

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produce a dramatic alteration in the relations of power and the operating code of the State. This leads to the conclusion that there is a pressing need for a redesigned politics that should be governed by three key principles, contradictory but not mutually exclusive. First, it should guarantee the unity of the nation in face of imperialist intervention. Second, it should strengthen 'the people' and their organizations and acknowledge the increasing complexity of the subject called 'the people'. Third, it should respond to social diversity on the basis of popular hegemony and the negotiated subordination of the emerging sectors that do not fall within that rubric. In summary, it would be a paradigm of a socialist politics that recognised the existence of contradictions and conflicts in a complex society and provided the mechanisms for resolving them in a democratic manner to the benefit of popular hegemony and national independence.

Towards a new associationism

The strengthening of the popular subject automatically assumes the autonomy of its organizations. The transmission belt model was a positive contribution to revolutionary ends in historical conditions that no longer exist. In the new situation, the popular organizations will tend to occupy contradictory spaces, even in relation to the policies dictated by the State.

At one level, the existing sectional organizations would need to be stimulated. The Federation of Cuban Women (FMC), for example, has had a prominent role to play in the social mobilization of women; it should now resume its role on the basis of a feminist perspective challenging the structures of gender oppression that permeate Cuban society and which could easily be reinforced by the exigencies of a model of accumulation one of whose pivotal impulses is the degradation of the female workforce through prostitution, the *maquilas* (assembly plants), etc. Something similar could happen with the trade unions. As long as they were operating in a subsidized economy and under the protection of a paternalistic labour code, the trade unions could maintain their legitimacy even while playing a quite discreet role in the labour process. Insofar as the new model of accumulation imposes an intensified exploitation of labour, however, and raises the costs of its reproduction, the site of labour will again become a place of alienation and contradictions where representation can only be effectively sustained by militant trade unions with the legal capacity to use all types of pressure, including the strike weapon.

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All this has a cost. Let us admit, for example, that more belligerent trade unions could provoke reservations on the part of unsophisticated foreign capitals seeking to maximize profits in the shortest possible time. But this is an inescapable cost, and in any case it is not necessarily this type of capital that should invest in a country whose economic 'attractions' are rather more sophisticated than a cheap and docile work **force**.¹⁵

In the second place, the potential for the popular organizations in contemporary Cuba is not solely to be found in the traditional social and mass organizations. In the last five years, Cuban society has seen the emergence of a range of 'associations', some with strong public involvement, whose common denominators have been their commitment to national independence and a renewed socialism. They include civic associations, **NGOs**, academic organizations and community movements. In their totality they have generated interesting debates around a new vision of development which embraces issues like the environment, gender, popular participation, local culture, etc. The community movements in particular have attempted in practice to offer an alternative form of development and coexistence based in the community, overcoming in this way the traditional division between market and state that has absorbed public discussion in Cuba for so many **years**.¹⁶ Paradoxically, all these movements have been boycotted by the bureaucracy, to the point where the top echelons of the party issued a document declaring their intention to administer the dynamic of these associations in the framework of a 'socialist civil society' whose parameters of inclusion and exclusion were never been defined, thus **leaving** them at the mercy of whatever arbitrary criteria were produced by the bureaucratic organs." The official justification for this action was the argument that the interventionist policies of the United States certainly included utilizing civil society in Cuba as a means for undermining the system, repeating the formula used in some eastern European countries. And it is certainly the case that a strategy of intervention has been in place since **1980**, as both Torricelli (**1992**) and Helms-Burton (**1996**) have shown, which envisaged a second level of operations directed at coopting specific social and political sectors including (though not exclusively) the components of civil **society**.¹⁷ So it is perfectly understandable that the Cuban state should have attempted to protect national sovereignty from the subversive attentions of the United States, and that it should create, to that end, preventive bureaucratic 'filters' and hurdles. But it seems absurd that it should do so by imposing bureaucratic trammels and controls on organizations that expressed in their declarations and their practice the same total

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rejection as the state of all North American attempts at intervention and **subversion**.¹⁹ Perhaps the reaction of the state against 'civil society' is not expressing only the patriotic zeal of the political classes or the traditional reticence of the bureaucracy to share its legitimate competence in matters of social control. It may also relate to its disposition to present to international capital a 'country in good order', incompatible with the existence of combative autonomous organizations.

Finally, the **strengthening** of the popular subject cannot be limited to the revitalization of existing **organizations**, but must also extend to the emergence of associations organic to the new actors and social layers subordinated in the process of accumulation. A first paradigmatic case is that of the thousands of self-employed workers. Their intermediate position in the emerging social structure objectively conditions their political ambivalence towards the continuity of socialism. As suggested previously, the majority of these workers depend basically on their own labour power and even while the present anomalous economic conjuncture ensures them relatively high earnings, they have no capacity for accumulation. The quality of their life continues to depend **largely** on the provision of social services and the state's commitment to social welfare. But at the same time, they tend to limit their world view to the wretched little world of personal gain from what are objectively 'their business activities'. They therefore see certain social obligations – paying taxes for example – as unjustified demands that represent obstacles in the way of their enrichment. The refusal of the last Communist Party Congress (1997) to allow the formation of small and medium enterprises in fact represents a block on what might have been an incentive to cooperatives and other associations of service providers.

A similar case, in terms of its possible political implications, is that of workers in the agricultural cooperatives, above all those **generated** by the Basic Units of Cooperative Production [UBPC], created (as we noted earlier) in 1993 as a decentralizing response on the part of the state to the need to achieve better agricultural **yields**.²⁰ The nearly 20% of state land ceded to these groups of workers represented the most audacious step towards socialization taken by the Cuban revolution in recent years. It has to be recognized, however, that the creation of the UBPCs lacked from the outset any clear political vision, with the result that they are still marked **by** an air of pragmatism and utilitarianism. The UBPCs were founded with bureaucratic constraints that prevented them having free access to the market and tied them to the bureaucratic structures of the state enterprises. From late 1994, access

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to the market was made possible, which has undoubtedly generated a partial **dynamization** of these institutions. But without other political actions, that dynamization could take a specific course to the detriment of the potential role of the **UBPCs** as areas of socialist property and to their levels of internal democracy. Avoiding these effects will not depend on economic success (though this is indispensable), but on the general political model into which these cooperatives are inserted.

Independent workers – whether self-employed, cooperative or linked in the **future** to small and medium enterprise – thus represent a challenge for a political class accustomed to centralized vertical control. Current policies have tended to insert these workers into the existing trade unions, which is obviously dysfunctional for the trade unions, the self-employed and cooperative workers, and has **yielded** very limited effects. Everything leads us to think that it would be better to stimulate the organization of these sectors into organizations of their own, capable of representing their specific interests within the system, even where that implies a new way of thinking and of doing politics.

Only on the basis of empowering **people** in the various social spheres will it be possible to design an alternative economic model combining forms of popular **economy**²¹ with mechanisms of co-management and **self-management** based on a decentralized model – whether in the framework of state, private or mixed property. And at the same time such a model should embrace consumer organizations which, supported by the relevant legislation, can counter the predatory effect of the market (whether privately controlled or under the control of the state) on the levels of consumption of the population.

The same political **design** should address the necessary but subordinate role of the technocratic-managerial sectors. The importance of these emerging sectors does not derive from their number; **in** fact they probably do not number more than a few thousand people occupying still unstable locations on the social scale, lacking their own organizations and without a coherent **sectoral** consciousness. Their ascendance is linked to qualitative considerations, their positioning in the most dynamic areas of the economy, which provides them with 'exchangeable political **goods**' vis à vis the political class and the traditional bureaucracy. It is a bipartite, complementary relationship, though one not without its contradictions, in which the emerging sectors provide the traditional elite with the economic surpluses necessary for the reproduction of their project for power, at the same time as this guarantees the social peace indispensable for the new

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model of accumulation. And in the last instance, we should not forget that the new technocrats and entrepreneurs come from the very heart of the traditional bureaucracy and have been formed by its current politics, which places them within a very selective network of personal relations and access to resources (informational, material, etc.).

Their qualitative relevance may also be seen in their possession of a high capacity for ideological and cultural production, for which they need only present themselves before society as symbols of personal success in relation to the market. This has already had an impact on the attitudes and behaviour of significant popular sectors, for whom what was once seen as deviations from the norm (influence-peddling, corruption or marginality) are now evaluated as signs of success or simply as a legitimate form of resistance for purposes of survival. Its **paradigm** could **only** be a sweetened Chinese model, speaking volumes about economic and consumerist successes but silent about its depressing consequences in social, political, cultural and ecological terms.

Here, rather than among the insignificant dissident groups, which the system has been able to accommodate with no major problems, is to be found the real social base for a Cuban thermidor, and for what could be a greater problem in the future – the roots of a tropical mafia which is already beginning to acquire influence.

The principal limits to its evolution into a hegemonic bloc are formed by an alliance of the popular classes with the political elite that emerged from the revolution. As I noted earlier, the signs of caution manifested by the political leadership (and particularly by those who represent its historic direction) in the face of the advance of the market and the reform process, whatever technical value they may merit, express the enduring character of this basic social commitment, which is not open for negotiation given the need to maintain national unity in the face of U.S. hostility. The result is that at the present stage of the Cuban reform process there is still a strong compartmentalization of economic activities and a fragmentation of markets, which makes horizontal relations between the different components difficult even within each sector. It is not hard to see, however, that these structural conditions will be diluted by the force of the market if each popular block does not undergo **renewal**, see itself as an autonomous **force** and develop its own political positions. In formal terms, that would imply institutional, normative and procedural changes, none of which have anything to do with North American demands for a liberal democratization of the system.

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The construction of democratic institutions

The first link in the chain would be more efficient and ~~more~~ participatory municipal subsystem, the first space for a concert of interests and political **negotiation(s)**.²² Cuban local spaces have ceased to be simple vectors of a centrally planned balanced regional development. In their stead, local spaces have begun to experience uneven development relative to their position within the network of economic imperatives set out by the world market. Tourist areas, mining zones, and free trade zones are new variables fragmenting the national space and diversifying localities. Local societies themselves are transformed with the appearance of economic and social agents that generate new relations of power. In this context there is little room left for the traditional ways of nourishing democratic decision-making in the central planning process: the aggregation of the people's demands and their transmission along vertical tracks. A future planning process must be indicative, decentralized and pluralist. Cuban local space should become the first site of democratic planning.

At the macro level, the way in which representative government organs are constituted now demands redefinition. Until now this has functioned on the basis of a popular vote organized by territories only, in the case of local and provincial assemblies that do not admit competitive elections. This has meant on the one hand a lack of representation in local government of groups of workers located in the territories and the underrepresentation of marginalized groups like women. On the other hand, it has brought the erosion of the deliberative capacities of the representative institutions and the recourse to legal fictions in an attempt to ensure that representation where it is necessary. A new design would suggest the composition of these institutions on the basis of different criteria that would satisfy the demand for territorial, **sectoral** and interest group representation. Of course that would also involve the real validation of a **legal** precept that conferred on the representative organs the major powers of the state in each territory. Until now the representative organs have had little involvement in legislation, few meetings – rarely more, than four days a year – and a disquieting unanimity in their vote on every issue that was discussed.

Equally relevant is the establishment of civil liberties, rights and duties, **clearly** established in law and institutionally supported. Cuban revolutionary society has been prodigal in the elaboration of lists of social and economic rights that could be not be made to disappear by 'the magic of the market' and they must be defended as real advances

of the revolution. Nevertheless, at the same time declarations of civic and **political rights** have been few and far between, vague and dependent on their implementation by the state. This has produced disgracefully arbitrary decisions to the detriment of individual and collective rights, and of **public** debate and ideas that dissent from the monolithic desires of the **political** class. We should recall here how classical Marxism described the society that could replace capitalism: '...an association in which the free development of each is the condition for the free development of all'.³⁹

The Cuban Communist Party could not stand apart from this transformation; in fact it must be its protagonist. For only the Communist Party, the organization central to the political system with more than half a million members educated politically into a commitment to socialism, can set in motion the changes that are indispensable with a minimum risk of disruption, and in the process consolidate a genuine popular power. But that would imply in turn the transformation of the Party. A new form of organization and a new function would have to evolve which corresponded more closely to the range of different interests that would already have been acknowledged in the social and political field. In an optimum scenario, the result would be a more democratic party, more open to debate and permitting internal tendencies within the framework of unity around strategic propositions. It is not too dangerous to suggest that this could lead to a multi-party system, particularly if the Communist Party ceased to play a vanguard role. In this sense, a displacement of the political system in the direction suggested could assist the emergence and development of other parties responsible and loyal to the continuity of the system.

For nearly forty years the Cuban people have paid dearly for the sin of wishing to put in place an alternative project of national independence and socialism in what the United States has always considered to be its backyard. For many years it has had to pay the price of the undeniable advantages that Soviet support brought with it. Today it continues to bear a double cost for persisting in its objectives, returning thus with singular brutality to the historic tragedy of socialism in one country. 'The continuity of socialism, of a socialism at once renewed and rooted in a global anticapitalist strategy is not entirely impossible. But neither is it guaranteed by what used to be referred to as the 'general laws of history'. On the other hand, Cuba could certainly face a restoration of capitalism, in which case we would have to see the costs of the last forty years as an investment in the future rebirth of a left alternative. And above all we must continue to

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advance, as Don Quixote enjoined his squire, even if it provokes howls of protest from ex-bureaucrats turned entrepreneurs, ex-dogmatists turned liberals or simply from those who imagine that we really are arriving at the oft-predicted end of history.

Havana, April 28, 1998

(Translated by Mike Gonzalez)

NOTES

The author is a research fellow at the Instituto de **filosofía** in Havana. The views expressed here are entirely his own and do **not** reflect those of the institution where he is currently employed.

Figures derived from the Annual report of the National Committee of Statistics (1989) and from the Report on the results of the 1981 Census of Population and Accommodation (Havana, August 1983).

I have discussed this specific form of societal organization in 'Cuba ¿cuál es la democracia deseable' in H. Dilla (ed) *La democracia en Cuba y el diferendo con los Estados Unidos* (1996) Havana, Centro de Estudios sobre America.

3 Anthony Giddens *Más allá de la izquierda y la derecha* (Beyond left and right) (1996) Madrid, Ed. Cátedra.

4 'Llamamiento al IV Congreso del Partido' in *Cuadernos de Nuestra América*, Havana, July-December 1990.

5 Hugo Azcuy 'La reforma de la constitución socialista de 1976' in H. Dilla (ed) *La democracia en Cuba y el diferendo con los Estados Unidos* (1996) Havana, Centro de Estudios sobre América.

6 David Held *Modelos de democracia* (1992) Mexico, Alianza Editorial.

7 A note of caution: since 1989 no systematic social statistics have been published in Cuba, so that the analyses that follow are based on partial studies and observations that are always open to an element of doubt.

These figures were presented at the 12th Havana International Fair. The opening ceremony of the fair was conducted by a high political official who assured the assembled business people that 'We can offer you an orderly country, a coherent and irreversible policy of openness to capital investment and a cohesive and extensive economic infrastructure. Our productive sector is developing in the direction of efficiency, our workers are industrious and self-sacrificing, as well as highly educated and technically skilled. Our society suffers from neither terrorism nor drugs. We can therefore offer you a sovereign nation with an honourable and incorruptible government' *Cuba Foreign trade*, Havana, July-December 1994.

9 *Granma* 14th December 1996.

10 There were only 4,500 personal bank accounts in hard currency containing some 9.5 million dollars. See Alejandro Beruff 'Las finanzas internas de Cuba' in *CEEC Balance de la economía cubana* (mimeo) (1997) Havana.

11 Vivian Togoros 'Enfoque social del desempeño de la economía cubana en 1996' in *CEEC Balance de la economía cubana* (mimeo) (1997) Havana.

12 Juan Valdés *Procesos agrarios en Cuba* (1997) Havana, Editorial de Ciencias Sociales.

13 For an extremely suggestive critical analysis of these phenomena see Tania Garcia

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- '¿Cuentapropismo o economía popular?', a paper presented to the workshop on 'Municipios **Economía** local y Economía Popular' at CEA, 7th-8th March 1996. Statistics on the number of self-employed should be treated with care. As usual in this segment of the labour market, behind every legally registered worker paying tax there are a number of others contributing their labour more or less continuously to private enterprise. This could multiply the real figure of people whose principal income derives from self-employment.
- 14 *Granma* 26th November 1997 quoted in V. Togoros op. cit. Official unemployment statistics are always lower than the real levels, for they always refer to people seeking work through the official agencies. But only part of the jobless **population** look for work that way. On the other hand there are no data for underemployment. Unemployment has particularly affected young people under 30 (60% of the total) and women.
 - 15 An anecdote, by way of illustration: when the Melia chain opened its first hotel in Cuba, the **Spanish** management refused to accept a trade union. According to one Cuban assistant manager, the Spaniards finally accepted the union on the grounds that 'a well structured union could smooth activity' (*Granma*, 10th April 1991). Such a consensus is deeply disturbing, but in any event it has to be recognized that the trade unions are the **sectoral** organizations that have demonstrated the most courage and the highest level of organization in the face of structural adjustments and reforms. I have partially analysed their role in 'Comunidad, participación y **socialismo**: reinterpretando el socialismo cubano' in H. Dilla (ed) *La participación en Cuba y los retos del futuro* (1996) Havana, CEA.
 - 16 Cf. H. Dilla, A. Fernández and M. Castro *Movimientos barriales en Cuba* (1997) San Salvador.
 - 17 *Granma* 27th March 1996.
 - 18 It was certainly more than a declaration of intent. Since the early nineties, several right wing North American foundations have tried to organize a common front against Cuba, though it must be recognised that they were concerned not only with intervening in civil society but also in influencing other sectors, including civil servants, the military and the security forces. For an analysis see Hugo Azcuay 'Estado y sociedad civil en Cuba' in *Temas*, Havana, no. 4, October-December 1995.
 - 19 CEE Conclusion of the workshops 'Las ONGs en el mundo' Havana 1995.
 - 20 For an empirically based analysis of the UBPC see Niurka Pérez and Cary Torres 'UBPC: hacia un nuevo proyecto de participación' in H. Dilla (ed) *La participación en Cuba y los retos del futuro* (1996) Havana, CEA.
 - 21 For purely functional purposes I define popular economy here as the combination of productive or service activities carried out by individual or collective agents who depend (fundamentally) on their own labour power for the continuation of their activities and whose defining feature is self-regulation based on principles of solidarity and association. See José Luis Córraggio 'De la economía informal a la economía popular' in *Nueva Sociedad*, no. 131, May-June 1994.
 - 22 Cf. H. Dilla 'Municipios y construcción democrática en Cuba' in FLACSO *Perfiles latinoamericanos* (1996) Mexico, Flacso.
 - 23 K. Marx and F. Engels *Manifiesto del Partido Comunista* (The Communist Manifesto) (1976) Moscow, Editorial Progreso.