

**Cuba**  
The Process of Socialist Development  
by  
*Ken Cole*

Our country, with modest resources but with a deep sense of social justice, has given man dignity like never before and has met his needs for education, health care, culture, employment and well-being . . . we do not betray our principles.

—Fidel Castro

Since the revolutionary victory of January 1, 1959, two themes have characterized the process of Cuban development: the need to industrialize and the imperative of social participation in the development process. “With the exception of a few food, lumber and textile industries, Cuba continues to be a producer of raw materials. We export sugar and import candy, we export hides and import shoes, we export iron and import ploughs. Everybody agrees that the need to industrialize the country is urgent” (Castro, 1967: 4). For Cuban living standards to rise and livelihoods to be more secure, the economy had to be reorganized to be less dependent on primary production (essentially sugar) and more oriented to secondary production (manufacturing). This was a transition that crucially relied on an economic surplus for investment in manufacturing processes, a surplus to be generated by international trade, and a recurring constraint has been Cuba’s dependence on sugar as the major export. “Cuban development strategy since the Revolution has always been in the context of a dependent external sector that has been a major obstacle” (Rodríguez, 1990: 209, my translation).

Industrialization was part and parcel of the “development” that was to be achieved as part of a process of self-determination—a revolutionary process that had a long history in Cuba (see August, 1999: Chaps. 1-3). “Our task is to enlarge democracy within the revolutionary process as much as possible . . . to assure channels for the expression of the popular will” (Che Guevara, quoted by Zeitlin, 1970: 78). At times these objectives have conflicted; economic and political imperatives have been in contradiction.

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The necessary interdependence of economic development and “the expression of the popular will” for a socialist development strategy—industrialization through political participation—explains the phases of Cuban development strategy: 1959-1963, idealistic spontaneity; 1963-1970, centralized pragmatism; 1970-1986, centralized planning, adapted in 1976 with the introduction of Poder Popular (Popular Power) to combine “central planning” with “popular participation”; 1986-1990, the Rectification Campaign; and 1990—the present, the Special Period. The intellectual project of this article is not to discuss the evolution of Cuban development strategy since the revolution (see Cole, 1998: Chap. 3) but to address the process of socialist development in Cuba in the new millennium.

Since 1959 the impending crash of the Cuban Revolution has been repeatedly predicted, and the continued survival of “Castro’s Cuba” has been attributed to Soviet largesse in “bailing out communism.” The collapse of the Eastern bloc of planned economies (1989-1991) was widely thought to have demonstrated the limits of societies not oriented to the hedonistic expediency of consumers “maximizing utility”: free markets are, after all, in accord with human nature, aren’t they? And now that Cuba would have to face “economic reality,” the end could not be long in coming. After all, without the Soviet Union, where were the raw materials, machinery, spare parts, etc., that kept Cuban industry running to come from? Further, the needs of agriculture (herbicides, pesticides, fertilizers, fodder, etc.), foodstuffs, and fuel were all substantially imported from the Eastern bloc, and who would buy Cuban sugar (at preferential prices)? The Cuban Revolution without Soviet support would be unsustainable, wouldn’t it?

A “Special Period in Time of Peace” was declared in 1990, after the collapse of the Council for Mutual Economic Assistance (CMEA), the Eastern bloc’s international trade organization, through which Cuba conducted up to 80 percent of its foreign trade. The effect was dramatic: “Hospital equipment, without spare parts, goes unrepaired. Medical doctors, lacking medicines, anxiously seek herbal cures. Newspapers and magazines are in short supply: no paper. Lack of gas, batteries, and tires cripples buses, trucks and cars. Stores, offices and homes darken as electrical output falters. Cooking gas is available for only a few hours each morning and evening” (Fitzgerald, 1994: 1). Between 1988 and 1993, according to the *Financial Times* (September 27, 1994), there was a decline in imports of some 80 percent, and from the end of 1989 up until December 1993 per capita income declined by almost 40 percent. In 1993, Fitzgerald (1994: 174) reports, Cuba faced the combined force of the collapse of Soviet-bloc communism and the U.S. economic blockade, newly strengthened by the malicious Cuban Democracy (Torricelli) Act. In

1993, because of this “double blockade” and particularly destructive weather conditions, Cuban sugar production, which had averaged 7.5 million tons in the period from 1987 to 1991, dropped to a low 4.2 million tons. The country braced to earn hard currency sufficient to pay for little more than its planned imports of food and fuel, and the value of Cuba’s total imports fell another 24 percent. By 1993, the Cuban Revolution had entered the full depths of the crisis.

The value of the peso had plummeted to 130 to the dollar, the budget deficit was around a third of the gross domestic product, food shortages necessitated an extension of rationing, there were frequent power cuts, water supply was irregular, and so on. Cuba’s predicament was exacerbated when, in March 1996, U.S. President William Clinton approved the harshest-ever package of measures against Cuba: the Cuban Liberty and Solidarity (Helms-Burton) Act. Today, however, a dollar will only buy between 20 and 22 pesos (a sixfold revaluation of the Cuban currency), the budget deficit is down to 2.5 percent, economic growth in the first six months of 2000 exceeded 7.5 percent, unemployment is below 6 percent, and investment yields have risen to 14 percent: “the recovery of . . . the macro-economic indicators has been nothing short of a miracle” (Richard Mendes, consultant with the Kingsford Corporation, a New York investment broker, quoted by CBF, 2001). How was this remarkable turnaround—defying all the “laws” of economics and in spite of the machinations of Cuba’s powerful neighbor, only 90 miles to the north—achieved? To answer this question we first have to consider the meaning of *socialist* development.

### SOCIALIST DEVELOPMENT

Humans, uniquely, are creative, *self-conscious* beings, “Trite as it seems . . . man is the only . . . [animal] to treat not only his actions but his very self as the object of his reflection; this capacity distinguishes him from the animals who are unable to separate themselves from their activity” (Freire, 1972: 70). People are aware of *being alive*: they can imagine what they will do tomorrow and can think back to what they did yesterday and reflect on the past. Scenarios are constructed whereby individuals can imagine how they might have behaved differently and improved their lives. People can *choose*, and people can *develop*. “Praxis” is the process by which we learn from experience, increasingly understanding the social context of our activity. “Only men *are* praxis, which, as the reflection and action which truly transform reality, is the source of knowledge and creation. Animal activity, which occurs without praxis, is not creative; man’s transforming activity is” (Freire,

1972: 73). This is not the place for a full discussion of “self-consciousness,” “praxis,” “creativity,” and “social change” (but see Cole, 1999: Pt. 4). For the purposes of this article it is sufficient to note that through social experience people change; their awareness and consciousness evolve toward fulfilling their social potentials, realizing new ambitions that cannot be achieved by individuals independently. Hence, if human potentials are emergent as people change with social experience and socialist development is directed toward people’s better fulfilling their changing potentials, then a socialist society must change as a reflection of people’s changing needs. This change can only be achieved through participation that reflects individuals’ evolving ambitions, of which only they themselves can be fully cognizant. Consequently, “socialism” is not a “system” for the “egalitarian” administration of society but a political “process” that adapts to changes in the creative potentials within people as *social* individuals (see Cole, 1998: Chaps. 4, 7, and 8; 1999: Chaps. 10 and 13). “Only by degrees, one stage at a time, has humanity acquired consciousness of its own value and won for itself the right to throw off the patterns of organization imposed on it by minorities. . . . This consciousness was formed . . . as a result of intelligent reflection. . . . Every revolution has been preceded by an intense labour of criticism, by the diffusion and the spread of ideas amongst the masses of men” (Gramsci, quoted by Forgacs, 1988: 58-59).

Therefore, a change in society is labeled “socialist” not by comparison with some ideal(ist) model of what might be but by comparison with *what has been*. For instance, people in Britain are better able to fulfill their potentials at the beginning of the twenty-first century than in the seventeenth, eighteenth, and nineteenth; there *has been* “socialist” development. There has not, however, been a socialist development *strategy*. A socialist strategy can be said to be in train when government policy is deliberately conceived in terms of fulfilling people’s changing needs and potentials through their increasing participation in the control of society. In Britain, progress has been the consequence of an ongoing process of class struggle, not the “gift” of benign authorities (see Cole and Postgate, 1961; Thompson, 1968; Baker, 1975; Abendroth, 1972). Progress has been fought for.

People are self-conscious beings whose potentials evolve with experience. Communist society is conceived of as a society in which it is possible “to do one thing today and another tomorrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, criticism after dinner . . . *without ever becoming* hunter, fisherman, herdsman or critic” (Marx and Engels, 1974: 83 and 54, emphasis added). It is an image of a utopia in which individuals would be able to fulfill their particular (evolving) potentials. Socialist development is the process of moving toward this ideal, a process through which

people's changing potentials are better realized through a deepening participation in the organization of society—the process of democracy.

The nature of power within society and hence the degree to which people are able to participate in their own development reflects who controls the social means of production—which defines “class interest.” Insofar as people are not *class-conscious*—are unaware of the processes of the social control of production—their ability to participate in the control of society and socialist development is constrained. Capitalist class power, which through competition generates social and economic inequality, is essentially effected through *commodity exchange*. “What I proceed from is the simplest form in which the product of labour in contemporary society manifests itself, and this the commodity” (Karl Marx, quoted by Dragsted, 1976: 44). Markets, for Marxist theorists, are processes by which individuals' actual “concrete” labor power is valued as social, “abstract” labor, according to the interaction of social supply and social demand: the “anarchy” of market forces (see Cole, 1995: Chap. 5; 1998: Chaps. 4 and 7; 1999: Chap. 5; McNally, 1993: Chaps. 4 and 6; Weeks, 1981). Market forces cannot reflect people's evolving *social* potentials: competitive processes of exchange individualize and alienate people from society. Commodity relations fetishize social life: “a definite social relation between men . . . assumes . . . the fantastic form of a relation between things” (Marx, 1970: 77). To the extent that the encouragement of relations of commodity exchange is a component of development strategies, for instance, in the proposals of the “market socialists” (in the Cuban context see Carranza Valdés, 1992; 1995; Carranza Valdés, Monreal González, and Gutiérrez Urdanetta, 1995; 1998), socialist progress is precluded (for a discussion of the theoretical integrity of “market socialism,” see Cole, 1998: Chap. 7).

Given that socialist development is directed toward the fulfillment of individuals' changing social, creative potentials, it is, as Heredia (1993: 64, emphasis added) points out,

a process of successive upheavals not only in the economy, politics and ideology but also in consciousness and organized action. It is a process premised on unleashing the *power of the people*, who learn to change themselves along with their circumstances. Revolutions within the revolution demand creativity and unity with respect to principles and organization and broad and *growing* participation. In other words, they must become a gigantic school through which people learn to direct social processes. *Socialism is not constructed spontaneously, nor is it something that can be bestowed.*

People empower themselves to participate in the social control of their existence as they become more conscious of the relation between human potentials and social experience.

Fundamentally, social change is the response of people who feel constrained from fulfilling their creative potentials by social forces beyond their control. Their everyday frustrations may include unemployment, high prices, low wages, inadequate health care provision or educational facilities, etc.—ordinary everyday obstacles that are not obviously “class” issues. “We make and change the world only through the mind of man, through his will for work, his longing for happiness, in brief, through his psychological existence. The Marxists who denigrated into economists forgot this a long time ago” (Gramsci, quoted by Boggs, 1976: 57).

For individuals to be aware that their distinct problems and frustrations may be systematically linked, different manifestations of a common cause (the relative powerlessness of the disadvantaged over the control of the social means of production), requires an abstract, theoretical interpretation of particular experiences to reveal general interests. The “appearance” of individuals’ daily social lives disguises a shared “essence” of social existence—a *class interest*. It is the role of socialist activists, Gramsci’s “organic” intellectuals (see Forgas, 1988: Chap. 10), to make this shared interest an aspect of people’s “common sense,” informing their intuitions and behavior. “Theory . . . becomes a material force once it seizes the masses. Theory is capable of seizing the masses once it becomes *ad hominem*, and it demonstrates *ad hominem* once it becomes radical. To be radical is to grasp matters by the root. But for man the root is man himself” (Marx, 1970: 137).

People’s understanding revolves around their daily experience. They struggle over the immediate issues of their lives—housing, environmental degradation, repression, hunger, discrimination, etc.—and seeing that these issues, often referred to in the literature as “social movements,” coalesce into a “class” movement to challenge power relations is the role of the political activist, the revolutionary intellectual, working through a political party (Petras, 1998: 32, emphasis added):

Class consciousness is a *social construct* which, however, does not make it less “real” and important in history. While the social forces and expressions of class consciousness vary, it is a recurring phenomenon throughout history and most of the world, even as it is overshadowed by other forms of consciousness at different moments (that is, race, gender, national) or combined with them (nationalism and class consciousness).

Socialist development does not preclude change through conflict. Paradoxically, insofar as people are intuitively class-conscious, aware of their shared interests and communal needs and obligations, in a society in which the means of production are not private property struggle is *not* a class issue. Peo-

ple still strive to fulfill their (changing) potentials in the face of social institutions that define “social order,” but now such frustrations can be resolved democratically, through people’s participation in the organization of society.

Socialism is the process of democracy. Therefore, there is an explicit ideological dimension to socialist development oriented to facilitating class-conscious activity. “The task of the revolutionary is first of all to arm people’s minds, arm their minds! Not even physical weapons can avail themselves if their minds have been armed first” (Fidel Castro, quoted by Medin, 1990: 5). And again, “Once the weapons were secure in the hands of the people, it was necessary to wage a great battle in the field of ideology, in the field of politics. It was necessary to dismantle bourgeois culture, at the end of the military struggle the enemy still possessed extremely powerful weapons: those of ideology and political custom” (Castro, quoted by Harnecker, 1979: xvi). (On the ideological and cultural evolution of the Cuban Revolution see Cole, 1998: Chaps. 2, 7, and 8; Evenson, 1994.)

The process of Cuban socialist development at the beginning of the twenty-first century has to be addressed with regard to the political and ideological implications of Cuba’s engagement with the world market—an engagement predicated on the disappearance of a one-time ally, the Soviet Union, and renewed efforts to destabilize Cuba by an implacable foe, the United States. To what extent is international “commodity exchange” the Trojan Horse that will subvert the process of socialist development in Cuba?

### **POLICY IN THE SPECIAL PERIOD**

In his opening address to the Fourth Congress of the Cuban Communist Party on October 10, 1991, Fidel Castro said, “When the Soviet Union still existed . . . we had solid bulwarks on which to depend and on which we have depended for the past 30 years. Now these solid bulwarks no longer exist. We are our own bulwark” (1991a: 33). The Special Period essentially had two phases: 1991-1993, crisis management in the face of precipitate economic decline, and 1994-present, a return to growth and development, with 0.7 percent growth in 1994, 2.5 percent in 1995, 7.8 percent in 1996, and 2.5 percent, 5.5 percent, and 6 percent in the years 1997-1999 (Pérez Villanueva [1998] divides it into three phases).

With the decline of the CMEA, Cuba had to address the world market. Difficulties in earning foreign currency and maintaining expenditures on health, education, and social services had led to a huge public-sector deficit of over 33 percent in 1993 (compared with the Brazilian deficit of 8 percent in the summer of 1998, which the IMF considered “unsustainable”). The Cuban



deficit fueled a “liquidity crisis”—spending power with nothing to buy: “The average Cuban would have to be out of work for a year or more before it would affect his capacity to buy commodities” (Martínez, 1998: 9, my translation). Key policies in the Special Period included controlled market openings in industrial products and self-employment; modified property relations, especially in agriculture, with much state land being turned over to self-managing cooperatives and a decline in the state sector’s share of cultivated land from 80 percent to 25 percent (Ritter, 1995: 15); an expansion of foreign investment, reaching over US\$2,000 million in 1998; the introduction of income taxes for the self-employed and price increases for some state services (though not on essentials); a reduced state bureaucracy; and a modernized banking system.

For many commentators these policies reflected the victory of market forces over socialist planning: the inevitability of commodity exchange. “Policy changes [toward the free market] are *essential* if former CPEs [centrally planned economies and therefore Cuba] are to prepare themselves to reap the long-term benefits associated with a market economy and their insertion into the world economic system” (Pérez-López, 1992: 367, emphasis added). For the Cuban authorities this apparently “promarket” strategy was merely a socialist response to the vicissitudes of the world economy. “Our opening is not an opening toward capitalism, but rather a socialist opening toward a capitalist world. It is based on certain principles that guarantee the preservation of socialist order over our economy and our ability to meet our economic and social objectives” (Carlos Lage, quoted by Pérez-López, 1994: 191).

Although “the global economy is a potential threat, it is also a potential opportunity” (Martínez, 1998: 16, my translation). To understand the politics of the Special Period and this potential window of opportunity, we have to go back to 1986 and the Campaign of Rectification of Errors and Negative Tendencies (Rectification Campaign). The period 1970-1986 was one of central planning based on the Soviet system of physical planning through “material balances.” The impetus for planning came from the 1970 failed record sugar harvest, the *zafra* (of 10 million tons). In the 1960s the generation of an economic surplus to finance the industrialization drive had been conceived of in terms of an expansion of sugar exports. The failed *zafra* called for a change in development strategy. The Soviet Union was by far the biggest purchaser of sugar exports and the largest supplier of manufactures, and in 1972 Cuba joined the CMEA to render this relationship as stable as possible as an alternative way of stimulating industrialization. To effect the coordination of the Cuban economy with those of the other members of the CMEA, in 1973 the Sistema de Dirección y Planificación de la Economía (Economic Management



and Planning System—SDPE), modeled on the 1965 Soviet economic reforms, was introduced. The first five-year plan was introduced in 1975, applying to 5 percent of enterprises in 1979 and 95 percent by 1980 (see Hernández and Nikolenkov, 1985).

The SDPE system emphasized material incentives, personal income, and financial gain within centrally planned limits. Enterprises were concerned only with their own performance measured in “value” terms, albeit at fixed prices. “What was profitable for the enterprise . . . was not equally profitable and beneficial to the government . . . and projects (such as construction) were left unfinished because the values of the final stages of building were lower than the initial stages. . . . Indeed at the time of the launching of the RP [Rectification Campaign], the number of unfinished projects had . . . got out of hand” (Eckstein, 1994: 75). It became increasingly clear that the socialist development of Cuba was not compatible with central planning, not least because within the CMEA Cuba was *the* sugar producer, a dependent role that precluded industrialization just as much as pre-1959 U.S. domination: “It can reasonably be maintained that in terms of trade . . . [with the Soviet bloc], Cuba today is as vulnerable to external economic . . . influence as it was before the revolution” (Mesa-Lago, 1981: 94). “This [SDPE] system was incapable not only of running the economy efficiently but of overcoming underdevelopment” (Castro, quoted by Reed, 1992: 102). Socialist development is more than “economic” development; economic efficiency has to be reconciled with the expansion of participation—“rectification.” “The most serious error of economic policy put in practice between 1975 and 1985 was undoubtedly its reliance upon economic mechanisms to resolve all the problems faced by a new society, ignoring the role assigned to *political* factors in the construction of socialism” (Castro, 1987: 13, emphasis added).

The rigidity of the SDPE system was tempered by the introduction of Popular Power (see Cole, 1998: 36-39) in 1976. Article 3 of the 1976 Cuban Constitution states: “In the Republic of Cuba sovereignty lies in the people, from whom originates all the power of the state. This power is exercised directly or through assemblies of people’s power” (quoted in August, 1999: 253). All citizens have the right to elect and be elected, and the political landscape is divided into municipal, regional, and national organs of Popular Power. In the most recent election (1997-1998), in which voting was not compulsory, over 98 percent of the population (of voting age) voted in 14,533 constituencies. There was one candidate per constituency, chosen during a nine-month-long process of candidate selection (based on 36,434 nominating assemblies, from which the Communist Party was excluded by statute), and each candidate had to receive at least 50 percent of the possible vote to be confirmed as a delegate (see Cole, 1998: 36-39; LeoGrande, 1989; Center for Cuban

Studies, 1976; Roman, 1999; Fitzgerald, 1994: 80-84; Harnecker, 1979; Borge, 1993: 111-125; Evenson, 1994: Chap. 2; August, 1999: Chap. 4; García Brigos, 1998). However, the ideological underpinnings of Soviet-style central planning, “democratic centralism,” precluded the evolution of power “from below”: “The principles of democratic centralism stipulated that, although the masses *should not make* decisions, they should participate in the pre-decision stage of discussion and in the post-decision stage of implementation” (Fitzgerald, 1989: 286, emphasis added). Che Guevara’s agenda of “enlarging democracy within the revolution as much as possible” and the participative potentials of Popular Power were stymied.

On April 19, 1986, the declaration of the Rectification Campaign reasserted political participation over “economic” management. “The rectification process constituted the revolution’s strategic counter-offensive . . . which provoked an extraordinary turnabout in our society, facilitating the revival of the roots, principles, and genuinely humane, ideological, and *ethical* values that gave breath and life to our own kind of socialism” (Fourth Party Congress, 1991: 106, emphasis added). The political emphasis of the early days of the revolution in the 1960s began to return: “Little by little we began to recover the idea that the revolution was not only a matter of a more just distribution of wealth, but also a spiritual project to release people’s *creativity* and give them a degree of *participation* in society” (Blanco and Benjamin, 1994: 28, emphasis added).

Socialist development is about fulfilling people’s changing potentials. It is, as Castro (quoted by Reed, 1992: 78, 89, 158) has pointed out, about human dignity:

What would remain of the dignity and honor of every man and woman in this country [without socialism]? . . . Martí talked about . . . the dignity of human beings. . . . The specific nature of the Cuban revolution . . . consists of the fusion of José Martí’s radical thinking and a singular tradition of struggle for national and social liberation. . . . We must ensure that the principles of Marx and Martí endure.

The Rectification Campaign was conceived of as a long-term, evolutionary process of social change, not an economic policy. Indeed, “revolutionary Cuban development has been characterized by a succession of moments of rectification . . . in each of which the dialectic between the political and the economic has been the central dynamic of policy and change” (García Brigos, n.d.: 74, my translation). The renewed political emphasis of the Rectification Campaign “defined the course of development policy in the Special Period” (García Brigos, n.d.: 63, my translation).

In the Special Period, “Cuba’s insertion into the capitalist world market . . . [was] an inescapable condition of its national survival” (Dilla, 1999: 238). There was a need for an *apertura*, an opening to the world economy. The state monopoly of foreign trade was ended; foreign investment was seen as a source of capital, resources, expertise, and markets, with a guarantee against nationalization and 100 percent profits repatriation; the industrial strategy emphasized “the biotechnological industry, the pharmaceutical industry and the medical equipment industry . . . [in which] we can compete successfully with . . . developed countries” (Castro, quoted by Borge, 1993: 115, 122); etc. This opening to the world market had its origins in the mid-1980s with the Rectification Campaign. Growing commercial imbalances had led to the suspension of hard-currency debt repayment in 1986. The need to earn foreign exchange surpluses, combined with the anomalies of central planning noted above, made an emphasis on world market exchange inevitable.

Not only did Cuba have to open itself to trade but it also had to become self-reliant. The delay or absence of food imports after 1989 made food self-sufficiency an imperative. The Plan Alimentario (Food Plan) became a central plank of the Special Period policy platform (García Brigos, 1991). Home-produced bio-fertilizers and bio-pesticides were developed and used and oxen substituted for tractors, and local communities became more intimately involved in a low-input sustainable agriculture program. “From 1989-1992 . . . [Cubans] moved substantially to implement . . . [a low-input sustainable agricultural program] at the levels of research stations, the extension services, and the farm producer . . . [in] the largest attempt at conversion from conventional agriculture to organic or semi-organic farming . . . in human history” (Rosset and Benjamin, 1994a: 34; 1994b: 82). This policy initiative, too, had its origins in the 1980s. Under central planning, agriculture had been characterized by extensive monocrop production for export (sugar), heavily dependent on imported agro-chemicals, hybrid seed, and machinery. In the early 1980s scientists at the Ministry of Agriculture developed a critique of existing agricultural practice to try to address falling yields and increasing dependency. Their research endorsed a small-scale, organic agenda for agricultural organization (see Rosset and Benjamin, 1994a; 1994b; Levins, 1991).

Beyond the initiatives already cited, the domestic policies of the Special Period included the extension of rationing to equalize hardship; institution of farmers’ markets (trading in pesos) to increase the food supply, raise the value of the peso, and reduce liquidity; the legalization of the dollar in domestic transactions and the introduction of the “convertible peso” to tap into the hitherto black-market dollar economy; and expansion of the tourist industry by some 18 percent per annum in the 1990s (see García Brigos, n.d.: Chap. 3).

These “economic transformations have been not improvisations but part of a strategy based on analyses and predictions as to the likely situations that were to arise and the alternative responses” (*Granma*, 1997, my translation). According to Castro (quoted by Borge, 1993: 115-116, emphasis added):

For us, the essential thing isn't just to survive but also to develop . . . apart from the privations to which we may be subjected for an indeterminate length of time . . . as a matter of *principle* . . . resources must be shared amongst us all. [If workers are unemployed] we will guarantee a large part of their wage. Nobody will be left without support. [Cuba has been] deprived of more resources than any Latin American country, but we haven't closed any schools, hospitals, polyclinics or medical services at all, and we haven't thrown anybody out of work with no pay.

There has also been a political *apertura*: the process of participation has deepened. On the eve of the Fourth Party Congress in 1991 there was a call for public debate to establish 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” (*Cuadernos de Nuestra América*, 1991). And 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” (Dilla, 1999: 232).

The Fifth Congress of the Cuban Communist Party in October 1997 was prefaced by a widely discussed document on the defense of human rights and unity. All of the economic policies enacted by this Congress had been extensively discussed within the institutions of Popular Power (see August, 1999: Chaps. 6-9), with decisions based on the widest consensus. “In the development of socialism . . . the number and quality of the avenues for the political participation of citizens are constantly evolving. . . . the Consejos Populares [Popular Councils] are one of the most recent institutions in the system of government in Cuba” (García Brigos, 1998: 58-59, my translation). These councils, more “local” than the municipal assemblies of Popular Power, had been first proposed at the Third Congress in 1986, tested in Havana in 1990, and extended across the island by 1992. In 1994, *Parlamentos Obreros* (Workers' Parliaments) were instituted as a means of achieving political consensus, and toward the end of 1993 there began a fundamental reform of the agricultural sector. *Unidades Básicas de Producción Cooperativas* (UBPCs—agricultural cooperatives), “a new project of participation in agriculture” (Pérez Rojas and Torres Vila, 1996: 47, my translation), were created to reorganize agriculture away from extensive, centralized state farms (see also

Pérez Rojas and Torres Vila, 1997; Pérez Rojas, González Mastrapa, and García Aguiar, 1997; 1998; 1999).

### MARKETS, OPPORTUNITY, AND SOCIALIST DEVELOPMENT

The world market may threaten domination of the politics of human dignity by commodity exchange, usurping the process of socialist development, but the institution of greater economic specialization can also be seen as a potential *opportunity* for socialist development. “The realm of freedom actually begins where labour which is determined by necessity and mundane considerations ceases; thus in the very nature of things it lies beyond the sphere of *actual material production*” (Marx, 1972: 820, emphasis added). Individuals have the freedom to fulfill their potentials through socialist development only *after* they have fulfilled the “necessary and mundane considerations”—the material requirements of daily life (food, clothing, housing) and all the associated social and political prerequisites (education, culture, democracy, etc.) which are part and parcel of material production. After this begins “the development of human energy which is an end in itself, the true realm of freedom” (Marx, 1972: 820). Socialist development, then, implies economic equality to release *all* people from “necessary and mundane” activity as far as possible, to allow them to fulfill their unique, creative potentials; economic efficiency to minimize the time so spent, implying specialization in production and therefore trade (socialist development does not imply self-sufficiency); political participation so that people can help mold the changing society to meet their needs; education facilities and health services to maximize people’s potentials; and, generally, a culture oriented to addressing people’s changing needs.

Engagement with the world market allows Cuba to specialize and maximize foreign-exchange earnings (particularly in biotechnology, medical equipment, and pharmaceuticals), offering the potential for socialist development. However, for Dilla (1999: 229), “the slow commercial [market] colonization of [hitherto] socialized areas of the economy has posed challenges at many levels to the most central of all political questions—the distribution of power.” Cuba’s economic decentralization has seen “the emergence of a potentially hegemonic technocratic bloc, who have privileged access to the world market. This bloc has the capacity to appeal to a broad section of the population, including the traditional bureaucracy, the self-employed, salaried workers in the most dynamic sectors of the economy, and intellectuals” (Dilla, 1996: 30, my translation; see also Dilla, 1999: 234). Dilla’s analysis addresses only market *transactions*. Rising living standards imply greater

efficiency, specialization, and exchange, and what should be at issue is the determination of the rate of exchange. Insofar as rates of exchange (prices) are a consequence of the market forces of supply and demand, commodity exchange will affect capitalist-class power, but insofar as economic priorities, resources, and products are democratically allocated (through Popular Power), such specialization can enhance socialist development.

The question, then, is to what extent the process of democracy is evolving toward more inclusive political participation. This can only be established empirically. “Decisive as the revolution has been . . . it has not produced an effective system of participation. . . . With respect to the deficiencies of the existing regime, the debates and the preoccupations with it reflect a need not to replace the regime but to improve it by *deepening* its ideals and its socialist project” (Heredia, 1993: 75-76, emphasis added). The complex contradictions and conflicts inherent in social evolution as a process of people striving to fulfill their potentials have to be explicitly addressed, developing institutional mechanisms for the democratic resolution of differences through meaningful participation. It is not yet clear how producers and consumers, as citizens, will be integrated and to what extent there is a political dialogue over economic priorities. Nor is it obvious how trade unions will function as a countervailing power to market exchange to affect economic decision making (on conflicts within recently established agricultural cooperatives, see Cole, 1998: 143-147).

No longer is the issue of socialist development one of the “state” versus the “market,” although in the light (or shadow) of the ever-present threat of U.S.-sponsored social destabilization, the political authorities seem intent on “administering” socialist participation—bureaucratizing socialist civil society. But then “socialist ideas based on solidarity between people, brotherhood, equality, and justice between men . . . assume different forms reflecting different circumstances” (Castro, 1991b: 12, my translation); echoing Marx’s (1950: 225) famous dictum, “Men make their own history, but they do not do it just as they please; they do not make it under circumstances chosen by themselves, but circumstances directly encountered.”

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