

# Redefining Socialism in Cuba

By GARRY LEECH, SEPTEMBER 18, 2015

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US Secretary of State John Kerry travelled to Havana this past August for the flag-raising ceremony at the re-established US Embassy in Cuba. While this event was viewed as a landmark occasion by many in the United States, including the mainstream media, it was just the latest in a never-ending stream of landmarks for Cuba. From the victory of the socialist revolution in 1959 to emerging ties with the Soviet Union and the Socialist bloc during the 1960s to

political and economic reforms in the mid-1970s to the disintegration of the Soviet Union and resulting "Special Period" during the 1990s to the far-reaching economic reforms of recent years. In other words, socialism in Cuba is not stagnant; nor is it reliant on US policy. To the contrary, Cuba's socialism has constantly evolved as it has responded to both domestic and international conditions, and this constant redefining of the model continues today.

The recent changes in Cuba's socialist model are perhaps most evident in the country's capital city of Havana. While being a major draw for foreign tourists, Havana is also home to 2.2 million Cubans. Tourist Havana is evident in the newly-renovated buildings in various neighborhoods of the old colonial section of the city. These buildings host boutique hotels, restaurants, bars and shops. These neighborhoods have their own tourist currency (the convertible peso, CUC) and are filled with English-speaking Cubans. This is the side of Havana, indeed of Cuba, that most foreigners have experienced since the country opened up to tourism during the 1990s to obtain the hard currency required to import necessities it cannot produce itself. But there is another side to the city that constitutes a very different world, and it is the world in which most Cubans live.

Not far from the touristy parts of Old Havana is a neighborhood known as Belén. Its older buildings are not renovated and its streets are rarely traversed by foreigners. The convertible peso, or CUC, is largely useless here because everything is purchased using the national peso. In short, Belén is a typical urban neighborhood where Cubans go about their daily activities. What quickly becomes apparent in Belén though, are the social and economic changes that have occurred in Cuba's socialist model over the past 20 years. At the root of these changes is a shift from state socialism to a more participatory model.

In the 1980s, Cuba more closely reflected the state socialist model that ultimately failed in the Soviet Union. As one resident of Belén stated: "We were so dependent on the state to do everything for us that we'd call the government if we needed a light bulb changed."

But with the collapse of the Soviet Union and the disintegration of the socialist trading bloc, Cuba had to become more creative if it was to survive both literally and figuratively as an island of socialism in an ocean of capitalism. And it was the creative survival strategies that emerged during the 1990s that have helped to redefine socialism in Cuba today.

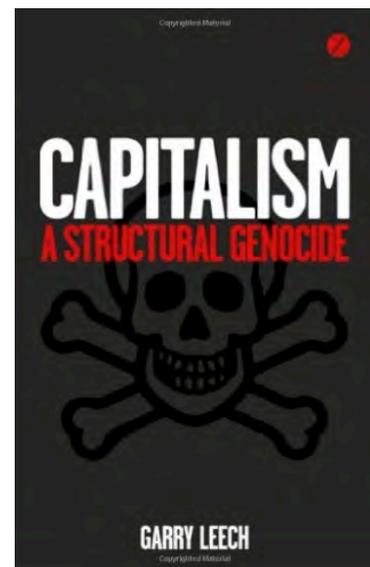
The collapse of the Soviet Union, in conjunction with a corresponding tightening of the five-decades-long US blockade, meant that Cuba could no longer import sufficient food or oil. The country responded to the shortage of petroleum-based pesticides and fertilizers by becoming the world's leader in organic agriculture. It responded to the shortage of fuel by becoming a leader in urban agriculture to diminish the need to transport food great distances to markets. As a result, more than 80 percent of the country's agricultural production is now organic.

This shift is evident in communities such as Belén, which contains four farmers' markets within six blocks that are open 12 hours a day, seven days a week. One of the markets sells produce grown on urban plots while the other three offer fruits, vegetables and meats cultivated on farms located on the outskirts of the city. The markets are also cooperatives, highlighting another shift in Cuba's socialism. In order to find alternatives to large-scale industrial farming and to stimulate production the government broke-up many large state-owned farms and turned them over to the farmers as smaller worker-owned cooperatives. The new cooperatives not only increased production, they also constituted a shift away from state socialism by empowering workers who previously had little or no voice in the running of their workplaces.

This emerging worker democracy through cooperatives not only existed in agricultural production, it also occurred in the selling of products. A group of community members in Belén formed the Belén Agricultural Market as a cooperative to sell produce that they purchased from a farming cooperative situated on the outskirts of the city. Communities such as Belén now enjoy an abundance of inexpensive organic fruits, vegetables and meats that were harvested only hours earlier.

According to Cuban permaculturalist Roberto Pérez, Cuba established the foundation for a more ecologically sustainable society more than fifty years ago "when the revolution gained sovereignty over the resources of the country, especially the land and the minerals, this was the base for sustainability. You cannot think about sustainability if your resources are in the hands of a foreign country or in private hands. Even without knowing, we were creating the basis for sustainability."

The shift to a more ecologically sustainable agricultural production has resulted in healthy organic food being the most convenient and inexpensive food available to Cubans. Because of the US blockade, processed foods are more expensive and not readily available. This reality stands in stark contrast to that in wealthy capitalist nations such as the



United States and Canada where heavily-subsidized agri-businesses flood the market with cheap, unhealthy processed foods while organic alternatives are expensive and more difficult to obtain. The consequence in the United States is high levels of obesity, diabetes and heart disease.

Cuba's 2011 economic reforms expanded the cooperative sector to include a variety of business sectors including transportation. The reforms have also allowed people to establish small privately-owned businesses beyond allowing families to establish restaurants and rent out rooms in their homes. As a result, a walk along the ten blocks of Sun Street (*Calle Sol*) in Belén reveals a mixture of state-owned businesses, cooperatives and small private enterprises. The bakery, two egg shops, two bars, a restaurant, two gyms and a convenience store are owned by the state. As previously noted, the farmers' markets are cooperatives, while private enterprises operating out of peoples' homes consist of several repair shops, an ice cream vendor, two pizza parlors, two small household goods vendors and three coffee shops.

When the Cuban government announced in 2010 that it was going to lay off more than half a million public sector workers, the US mainstream media proclaimed the failure of socialism and a shift towards capitalism. The Cuban government's reduction in the public sector workforce was viewed in the same light as the austerity measures implemented by capitalist nations throughout the global South under neoliberalism. But such analysis highlighted a fundamental misunderstanding of Cuban socialism that is common in the Western mainstream media.

Unlike in capitalist nations, Cuba has not simply laid off thousands of public sector workers and left them to fend for themselves as unemployed desperately seeking private sector jobs. The layoffs are a multi-year process and, due to the 2011 economic reforms, many workers will continue to perform the same job. For instance, in many sectors, such as stores, bars, restaurants and transportation, workers have been offered the opportunity to establish cooperatives and to take over their existing places of business.

In one such case, five workers in a state-owned restaurant formed a cooperative and now lease the property from the state and run the business as their own. So while they are part of the downsizing of the public sector because they no longer work for the state, they continue to do the same job as previously. In the eyes of many, such a transition actually constitutes a strengthening of socialism rather than a shift towards capitalism because it is empowering workers who now have a meaningful voice in their workplace—something they didn't have under state socialism and would not have under corporate capitalism.

The establishment of small private enterprises constitutes a redefining of Cuban socialism because it liberates workers from the hierarchical structures of state socialism by allowing them to become their own bosses. Further evidence that allowing small businesses and cooperatives to emerge does not necessarily represent a shift to capitalism is the fact that it remains illegal to establish a corporation. Because an individual is only permitted to own one place of business, corporate chains that monopolize production and markets cannot be established so the overwhelming majority of businesses remain locally-owned and rooted in the community.

What Cuba is attempting to avoid are the gross inequalities that inevitably result from monopoly corporate capitalism where workers have no meaningful voice in their daily work lives. So while many mainstream analysts in the United States view the shift to small private businesses as a move towards capitalism, such a view ignores the reality that small privately-owned businesses are not unique to capitalism, they existed in societies long before capitalist model came into existence.

Other aspects of Cuba's economic reality have also been seriously distorted by the US mainstream media. One such example is the reporting on the salaries earned by Cubans. It is often stated that the average state salary earned by a Cuban worker is \$25 a month. While this is true, it is often stated out of context, thereby leaving the reader to believe that most Cubans must exist in dire poverty since they earn only a dollar a day. In actuality, less than 40 percent of Cubans exist solely on a state salary. The majority are earning beyond that as state employees earning tips in the tourist economy, private entrepreneurs, members of cooperatives, or recipients of remittances—or a combination of these.

It is true, however, that for those Cubans who do have to exist on the state salary that life is indeed difficult. They earn just enough to cover their basic needs but can afford little else. So how can a Cuban meet his or her basic needs on only \$25 a month? What most US media references to the average state salary fail to mention are the extensive state subsidies enjoyed by Cubans. All education and healthcare are provided free of charge as is after-school care. More than 80 percent of Cubans own their homes outright, therefore they pay no rent, mortgage or property tax. Electricity is heavily subsidized to the degree that most Cuban homes pay about \$1 a month.

Cubans also receive food ration coupons that provide them with meat, eggs, bread, rice, beans, cooking oil, soap and feminine hygiene products among other essentials. The ration supplies approximately 30 percent of a person's monthly food needs, while another third is met through free lunches provided in workplaces and schools. Therefore, most Cubans only have to pay out of pocket for about one-third of their monthly food needs. And because of state subsidies, the prices of many essentials are extremely low. For example, eggs cost 4¢ each while a large loaf of bread is 20¢. Tomatoes sell for 40¢ lb, potatoes for 4¢ lb and large avocados are 20¢ each. Meanwhile, ice cream cones are 12¢ each and a bottle of beer in a state-owned bar costs 40¢. As for transportation, an individual can go anywhere in Havana on a municipal bus for 4¢. Consequently, a Cuban earning the average state salary can meet his or her basic needs.

For the more than 60 percent of Cubans who live on more than the average state salary, they can also afford a certain amount of luxuries. This portion of the population can be seen spending convertible pesos in the more expensive tourist restaurants, hotels and stores as well as utilizing the new public Wi-Fi hotspots that have been established throughout the island. And while the dual economies that are largely differentiated by the tourist convertible peso and the domestic national peso have resulted in greater inequality in Cuba, the country still remains the most equal in Latin America by far.

For years the US media has also suggested that Cuba's government was restricting Internet access on the island as a means of controlling the population. In reality, the inability of the country to develop the necessary infrastructure for widespread Internet usage is a result of the US blockade. The obvious hi-speed connection point for Cuba is to run a fibre optic cable the 90 miles from Florida to the island, but the US economic blockade has prevented this from happening.

After a failed attempt to run a fibre optic cable one thousand miles along the bottom of the Caribbean Sea from Venezuela to Cuba, a second attempt proved successful in 2013. This established hi-speed Internet in Havana and subsequently led to the creation of public Wi-Fi hotspots in parks and plazas throughout the country. It also led the government to slash the cost of access from \$4.50 an hour to \$2.00. While this still places the Internet beyond the financial means of those existing on state salaries, it has dramatically improved access for the rest of the population. This new reality is evident in the almost permanent presence of people in parks and plazas armed with their iPhones, tablets and laptops.

Cuba's socialist reforms have been implemented without any serious disruptions to the provision of free healthcare and education to the entire population. Cuba has one doctor for approximately every one hundred families, resulting in a ratio of physicians per 1,000 people that is twice as high as in the United States. As a result, in Havana, there is a family doctor for every two blocks and each neighborhood has a polyclinic that assures access to specialists and dentists as well as providing 24-hour urgent care, while hospitals handle serious illnesses and emergencies. This is the reality in Belén, which has a 24-hour polyclinic on Sun Street and a hospital less than a mile away.

Because of its emphasis on healthcare and human well-being, Cuba has a life expectancy equal to the United States and infant and child mortality rates—deaths of children under one and under five years of age respectively—that are both superior to its northern neighbor. When Cuba's health indicators are compared to capitalist nations in Latin America, the differences are astounding. Cuba's infant mortality rate of 5.6 per 1,000 births compares to 19.0 in Mexico, 24.2 in Colombia and 14.4 in relatively wealthy Argentina. A similar discrepancy exists between socialist Cuba and its capitalist Latin American neighbors with regard to child mortality rates.

The result of Cuba's socialist model is a highly educated and healthy population. Additionally, homelessness, malnutrition and violent crime—social maladies that are rampant in capitalist Latin American nations—are conspicuous by their absence in Cuban society. Cuba's lack of violent crime is particularly noteworthy given that five of the top ten cities with the highest homicide rates in the world are located in Latin America. Because violent crime is almost unheard of in Cuba, Elias Carranza, a senior UN official for the Prevention of Crime and the Treatment of Offenders Institute, declared Cuba the safest country in the region.

But despite all the benefits that Cubans enjoy from the socialist system some naturally still harbor frustrations. The most common complaints are low salaries and overcrowded housing. The country's youth also yearn for greater access to the Internet. Consequently, some Cubans see a shift towards capitalism as a possible solution to these

problems and for achieving a more luxurious lifestyle.

Younger generations in particular, those too young to recall life prior to 1959 and who take many of the revolution's social achievements for granted because they have existed since they were born, are inundated with capitalist propaganda in the form of Hollywood movies and TV shows as well as on the Internet. They are being seduced by the capitalist consumer dream—and this, perhaps more than anything else, poses the greatest threat to Cuba's socialist model.

This is not surprising given that it is the luxurious lifestyles of the upper-middle and upper classes in the United States that dominate in movies and on TV as well as the Internet. And, in conjunction with the seemingly endless flow of relatively rich foreign tourists that visit Cuba from wealthy capitalist nations, some Cubans link capitalism with material wealth. But only 20 percent of the world's population live in the manner of people in the capitalist nations of North America and Europe; the majority of those living under capitalism in the global South endure poverty and misery. This inequality is inevitable under capitalism because the Earth cannot sustain 7 billion people living in the manner that North Americans live. Therefore, the imperialist powers are required to consume a disproportionate percentage of the planet's resources to maintain their standards of living and they do so by using the resources of the poor.

Geographically, the closest capitalist country to Cuba is not the United States, it is Haiti. And the poverty that is widespread in Haiti is far more reflective of the reality of most people in the world who live under capitalism than the standard of living of North Americans. But the plight of Haitians is rarely seen in Hollywood movies and on TV shows. It is rarely front and center on the Internet. It remains the hidden face of global capitalism.

Given that Haiti is a capitalist nation, it is clear that capitalism in and of itself does not guarantee a relatively luxurious standard of living for all people, or even a majority—or Haitians would live like most North Americans. It is the combination of capitalism and imperialism that has created wealth in rich nations and poverty in poor nations. Rich nations such as the United States, Canada and Western European countries are imperialist powers because they wield a hugely disproportionate amount of influence over neo-colonial institutions such as the United Nations, the International Monetary Fund and the World Bank in addition the coercive capacities of their own foreign policies.

But Cuba is not an imperialist nation. Therefore, a dismantling of socialism and a shift to capitalism would not allow Cubans to live as most North Americans do. Capitalism in Cuba would more closely reflect the capitalist reality of Haiti, Honduras, Guatemala and many other Latin American nations struggling with poverty, inequality and violence. Capitalism would generate wealth for perhaps 20 percent of the population while half of Cubans would likely endure poverty. In fact, not only would half the population still not have access to luxuries under capitalism, but they would also likely lose the social benefits they currently enjoy under socialism in the form of healthcare, education, food, housing and a crime-free neighborhoods.

Ultimately, Cuba's socialism seeks to achieve a higher level of human development than the materialistic dream achievable to only a minority under capitalism. Most Cubans recognize the Revolution's social achievements and, as a result, would like to preserve the socialist model, albeit with a few more material comforts. But as long as the world remains dominated by capitalism there will be limits to the degree of material comfort that Cubans can obtain.

On the other hand, if a significant socialist bloc were to emerge then a more equitable distribution of the planet's resources might indeed be possible, which would not only improve the standard of living of many Cubans but also of those impoverished billions throughout the global South existing under capitalism.

For more than fifty years Cuba has redefined socialism again and again in its constant quest to achieve ever higher levels of human development. The economic reforms of recent years that are so evident in neighborhoods such as Belén are not the first such transformations—and they won't be the last. Ultimately, anyone seeking to achieve a more sustainable and just world could do a lot worse than look towards Cuba for inspiration.

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