

Actualización in Perspective

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May 21, 2012

Evolution of Cuban Socialism

- ▶ 1960-1970: Rise of Cuban Socialism
- ▶ 1970-1985: Institutionalization
- ▶ 1986-1990: Rectification
- ▶ 1990-2008: Post-Soviet Era
 - ▶ “Special Period” (1990-1997)
 - ▶ Socialist reaffirmation (1997-2008)
- ▶ 2008-Present: *Actualización*



1960-1970 Rise of Socialism

Origin and end point	Elements
<ul style="list-style-type: none">• Consolidation of power (1959-1961).• Construction of socialism (early 60s).• US trade embargo 1962.• Alignment and formal cooperation agreements with the USSR.• Internationalism• Drive for ten million ton harvest of 1970 and outcome.	<ul style="list-style-type: none">• Land expropriation and agrarian reform (1961; 1963) and nationalization (early 1960s, complete in 1968's "revolutionary offensive").• Failure of industrialization strategy and gradual rise of soviet influence.• Debate between "guevarismo" (ideas of Che Guevara, inspired in Mao) and soviet bureaucratic model ("the new man" and moral incentives over economic incentives). Ideology and charisma as key political elements.



1970-1985 Institutionalization

Origin and end point	Elements
<ul style="list-style-type: none">• Revision of model after 1970 sugar harvest.• First congress of the Cuban Communist Party (1975).<ul style="list-style-type: none">◦ Close ties with Soviet Union confirmed.• Africa wars (70s) and development of armed forces (FAR).• Second Congress of PCC (1980).• Institutional role of party strengthened.	<ul style="list-style-type: none">• Cooperation agreement with the USSR: Soviet oil, machinery, military hardware in exchange for Cuban sugar.• Adoption of new Economic Management and Planning System (SDPE) to manage and coordinate economy.• Creation of farmers' markets.• Liberalization of consumption of select goods; parallel markets.• Wage and pricing policy to include material incentives.• Cuban-Americans authorized to visit Cuba.

1986-1990 Rectification

Origin and end point	Elements
<ul style="list-style-type: none">• Third congress of PCC (1986) launches “rectification” campaign.• Rejection of 1985 soviet path (see Fidel Castro’s speech in July 1986), but close economic ties to the USSR.	<ul style="list-style-type: none">• Strong critique of bureaucracy, planning system and on-going reforms (material incentives; farmers’ markets).• Return to volunteer work brigades, agrarian collectivization, rekindling of moral incentives (“Che’s spirit”), and the primacy of politics over economic (market) considerations.• Reaffirmation of Fidel Castro’s personal leadership. Adaptive practices from below (“black market”) cannot be stopped.

1990-1995 Special Period

Origin and end point	Elements
<ul style="list-style-type: none">• Dissolution of the Soviet Union and CMEA (1989-1991).• Fourth congress of PCC (1991).• Global shift (Soviet and east European transitions and liberalization in China and Vietnam) forces Cuba to seek reintegration into a markedly changed international order driven by economic globalization.• US trade embargo II: Cuban Democracy Act, 1992	<ul style="list-style-type: none">• Exports and imports contract by 80%, GDP by 35%.• Fuel and other shortages: blackouts, reduced diets, breakdowns in transportation, industry, and agriculture; sugar production sharply declines.• Informality and new forms of out migration.• Expanded foreign investment and tourism (1992).• Expansion of farmers' markets, self-employment, start of agrarian cooperatives (UBPC) in 1993.• In 1994-1995: attract remittances and legalization of dollar; liberalization of currency exchanges; hard-currency stores (consumer goods).• In 1997-1999: Financial & banking reform; more policies to attract remittances. Slow recovery.

1995-2008 Socialist Reaffirmation

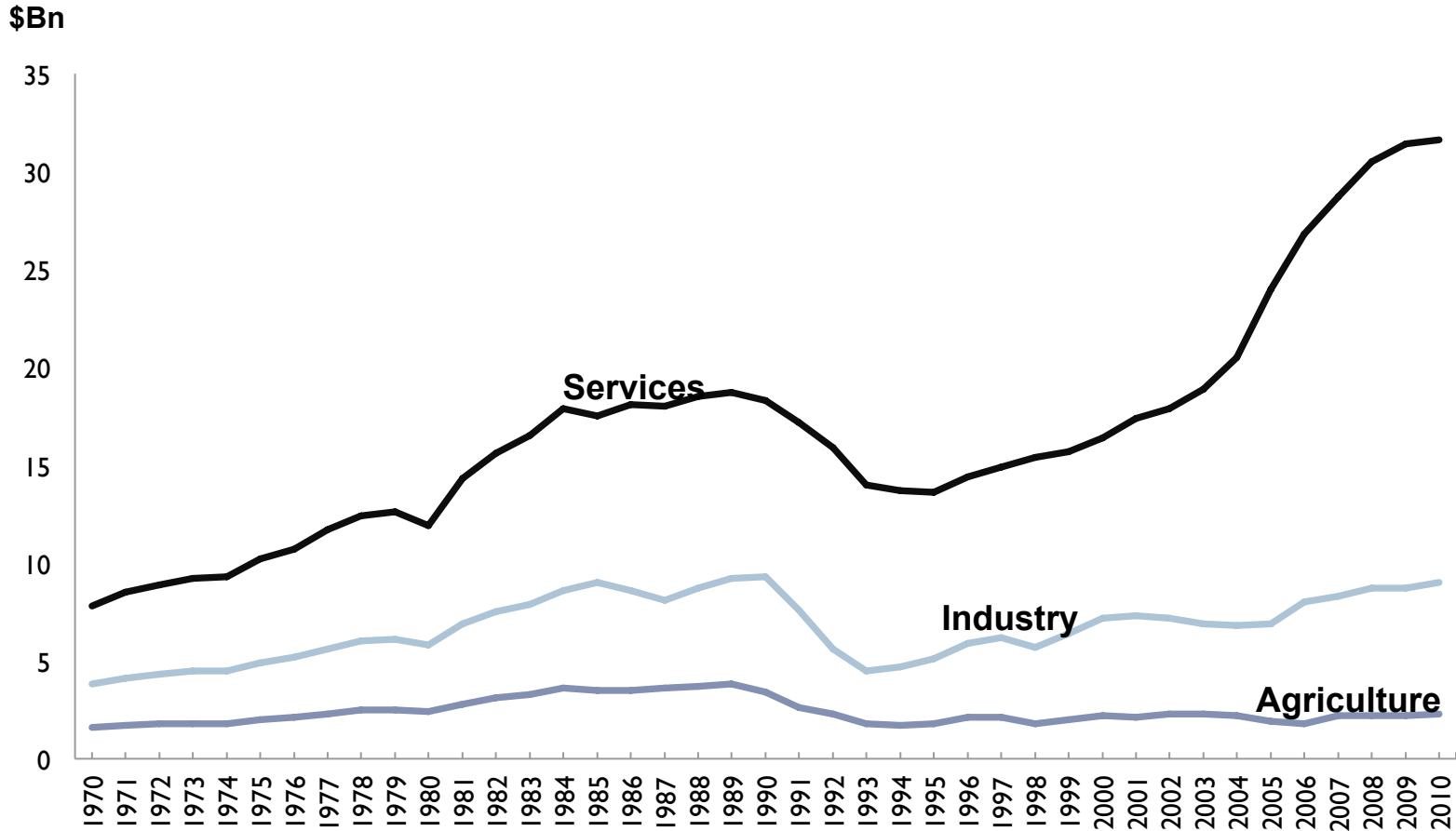
Origin and end point	Elements
<ul style="list-style-type: none">• Fifth congress of PCC (1997).• US trade embargo III: Helms-Burton, 1996• Fidel Castro's "Battle of Ideas" builds on post-1999 mass mobilizations (Elián González case).• Rise of Hugo Chávez and Venezuela's role as key supporter of the Cuban revolution.• Illness of Fidel Castro in 2006 and end of presidency.	<ul style="list-style-type: none">• Cooperation agreements with Venezuela: oil for medical and other services.• Reaffirmation of socialist ideology combined with strong nationalism.• Fidel: "socialism is irreversible" renewed emphasis on political unity/consensus against American hegemon and capitalism.

2008- *Actualización*

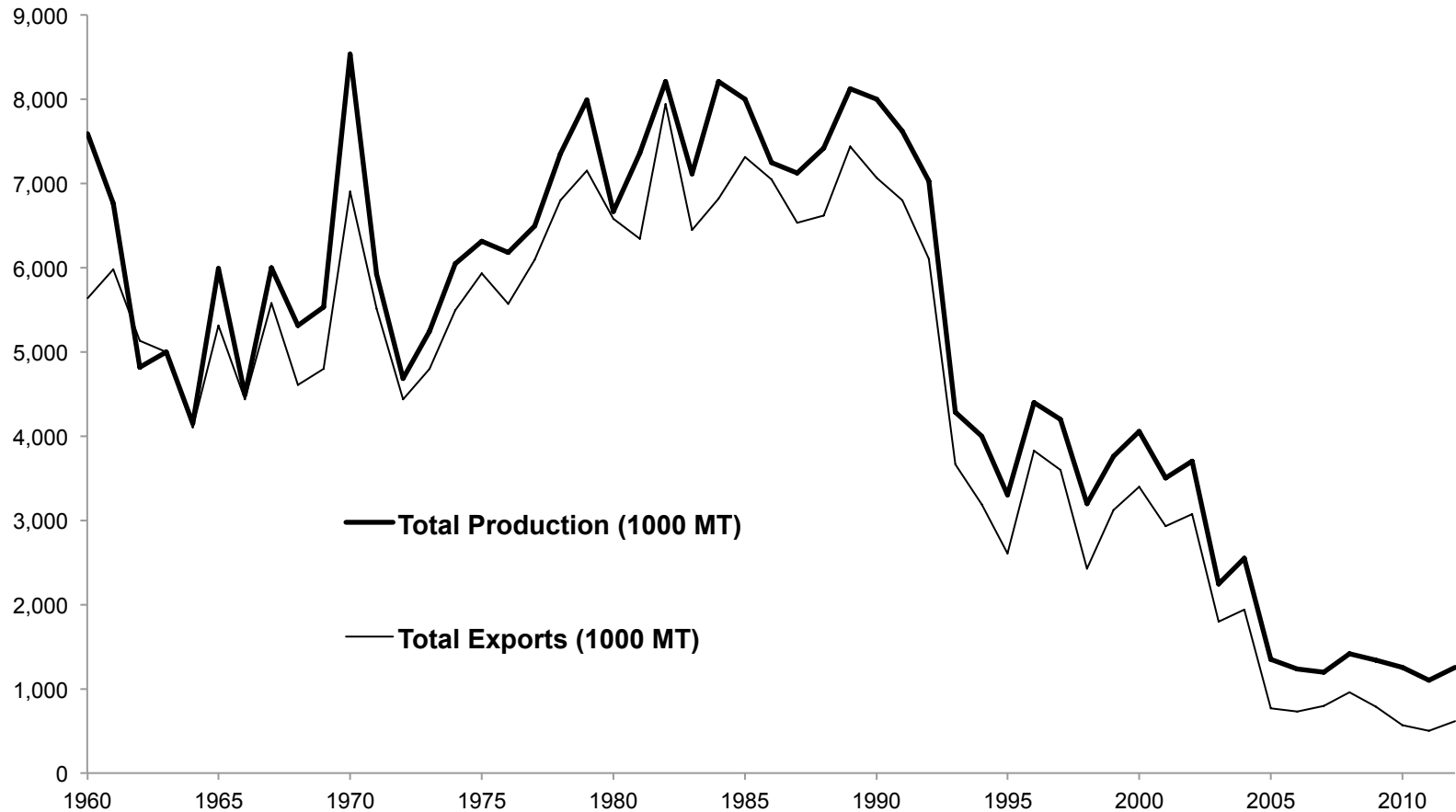
Origin and end point	Elements
<ul style="list-style-type: none">• Raúl Castro elected president<ul style="list-style-type: none">• Debate about reforms and search for a new model opened.• Sixth Congress of PCC (2011) formalizes <i>Lineamientos</i> (2012) or new economic plan.• PCC Conference in early 2012 to strengthen political institutions.	<ul style="list-style-type: none">• Pragmatism, economic reforms and search for a new model of Cuban socialism.<ul style="list-style-type: none">◦ Land to agriculturalists.◦ 2011-2014 economic plan (<i>Lineamientos</i>) and small private businesses (self-employment or <i>cuentapropistas</i>).◦ Institutional development (limits to terms in office) and role of Communist party.◦ Expansion of role of military and former military personnel.◦ Emphasis on consultation. Dialogue with the Catholic Church.

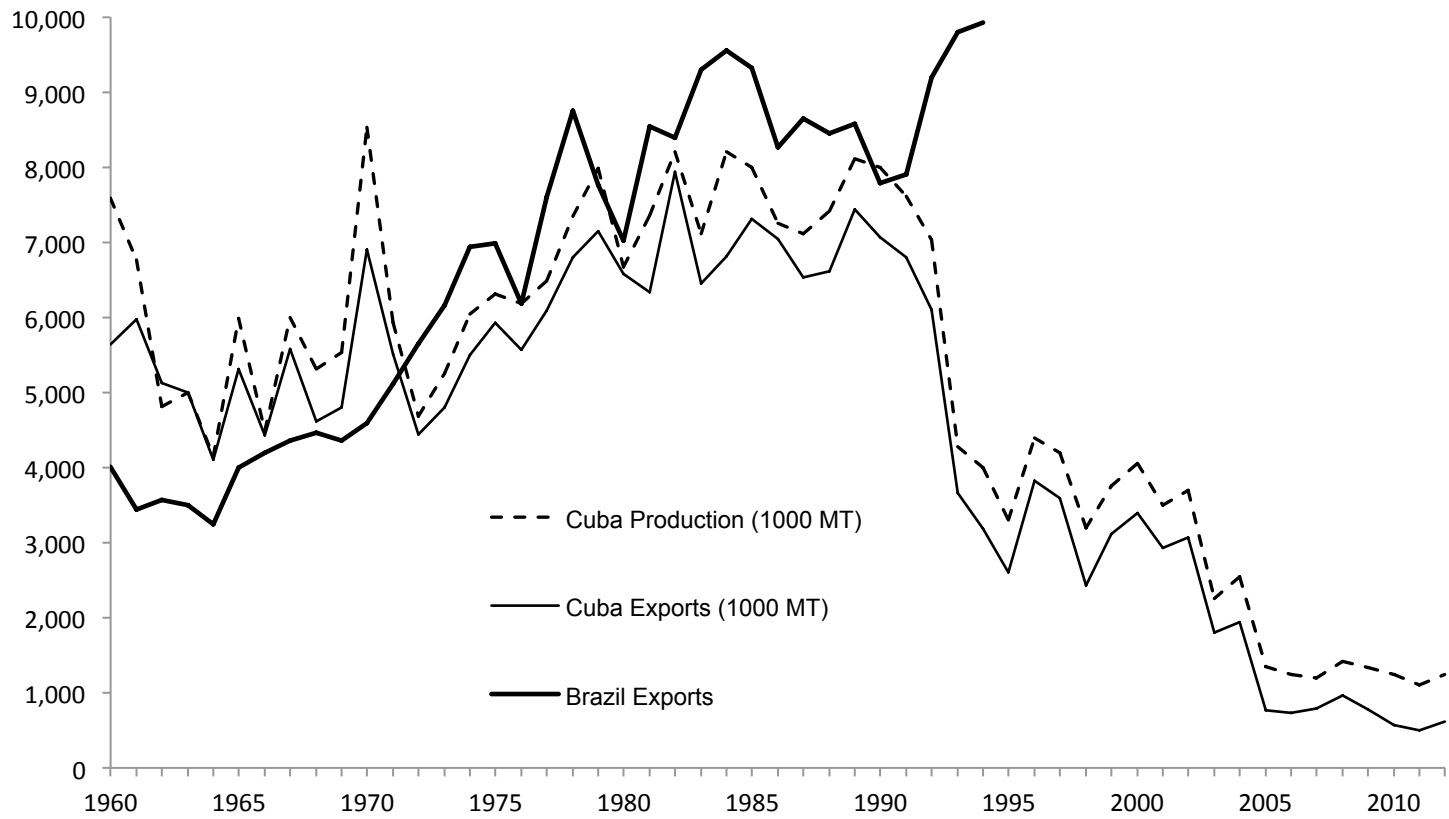
Main Economic Sectors, 1970-2010

(Net Output, in Billions of Constant 2000 US\$)



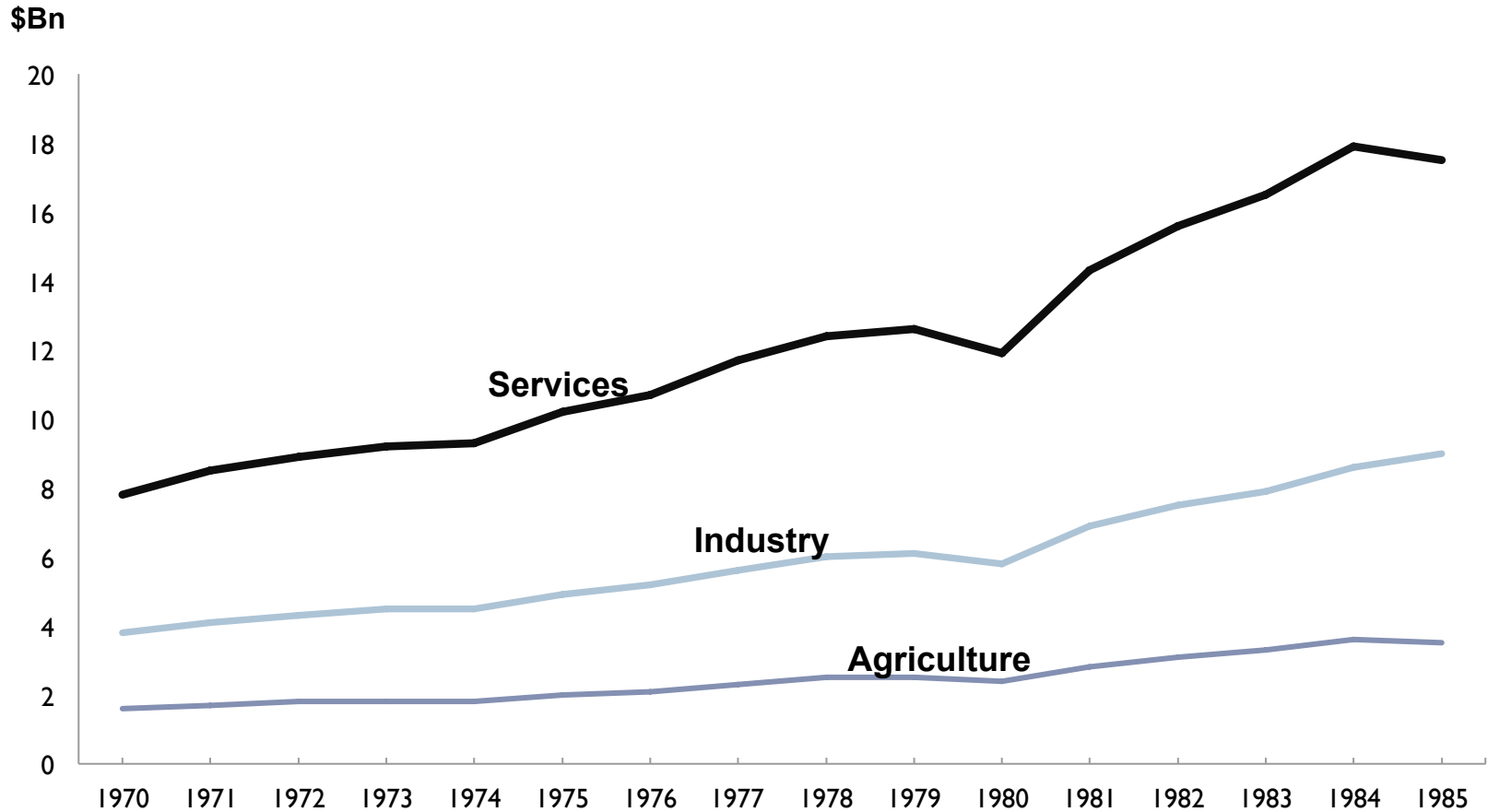
Sugar Production and Export





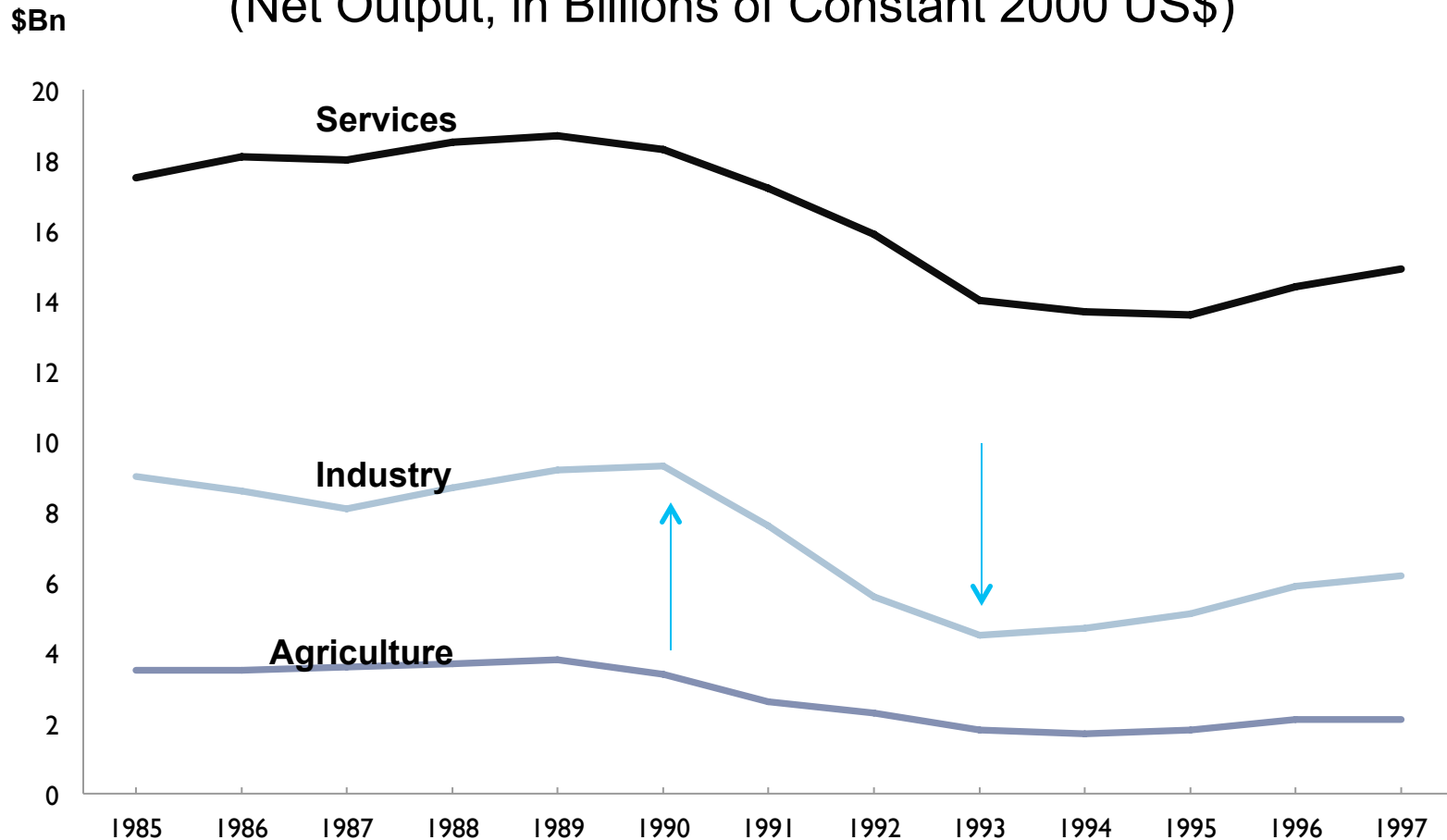
Main Economic Sectors, 1970-1985

(Net Output, in Billions of Constant 2000 US\$)



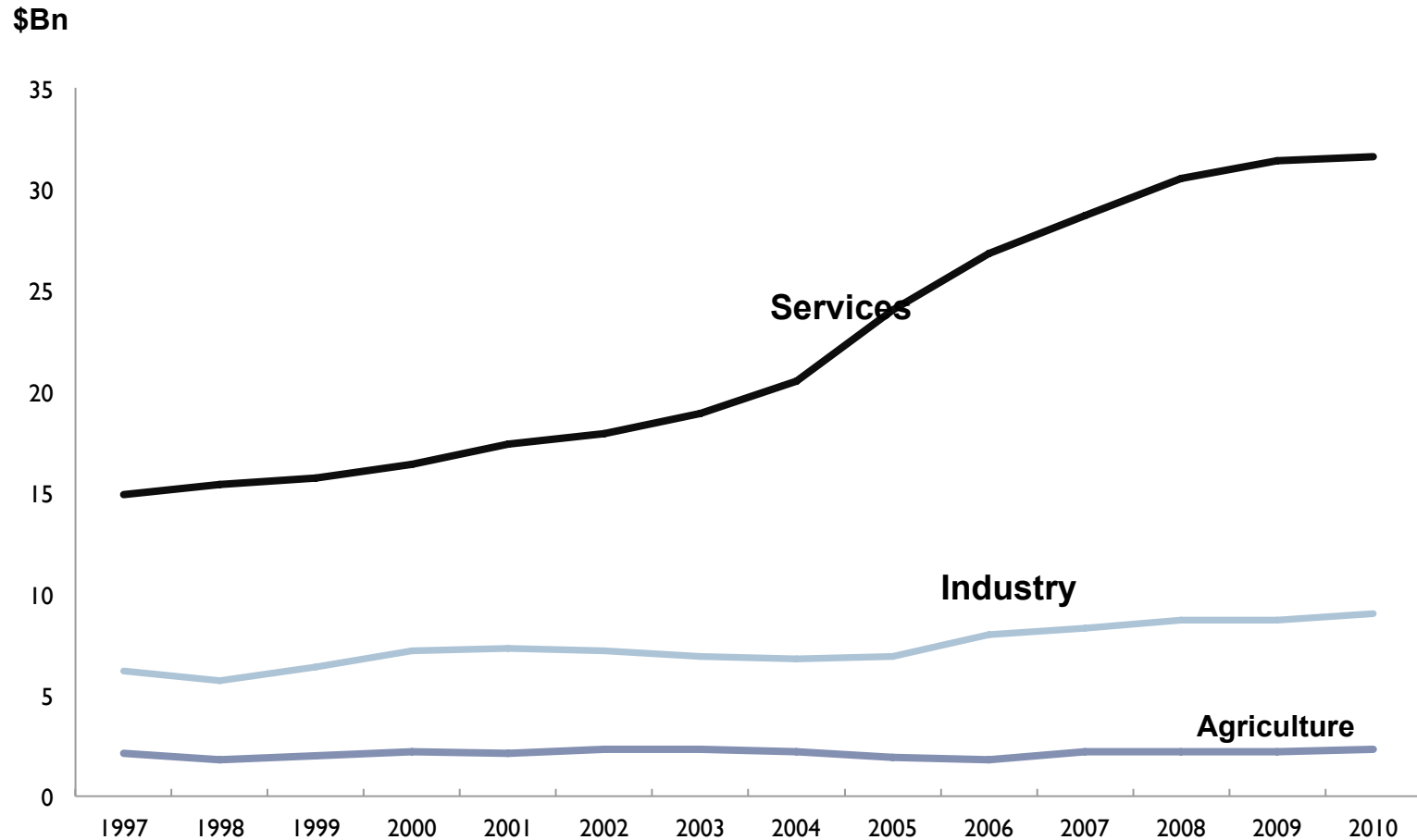
Main Economic Sectors, 1985-1997

(Net Output, in Billions of Constant 2000 US\$)



Main Economic Sectors, 1997-2010

(Net Output, in Billions of Constant 2000 US\$)

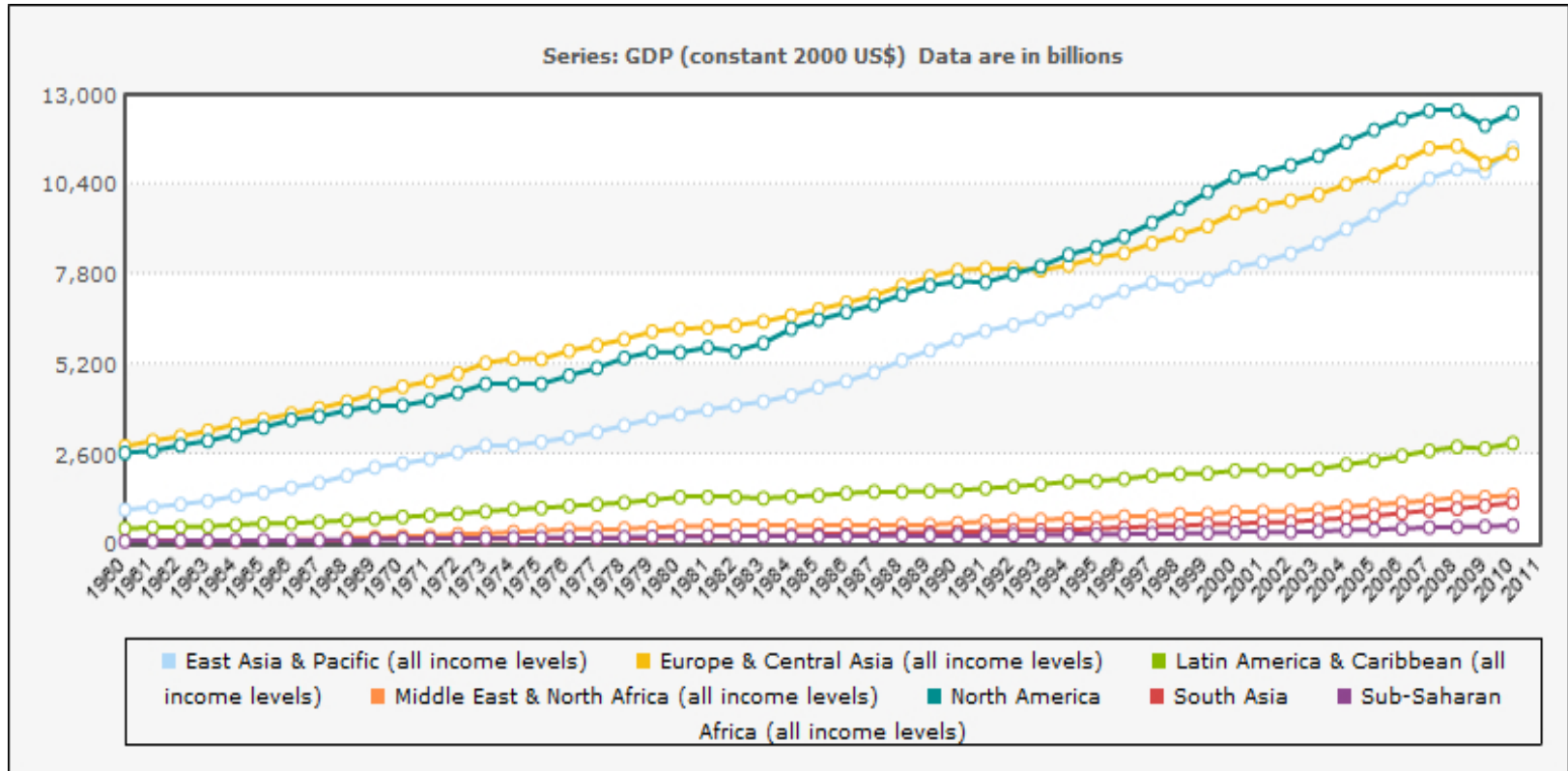


GDP Growth Rate, 1970-2010

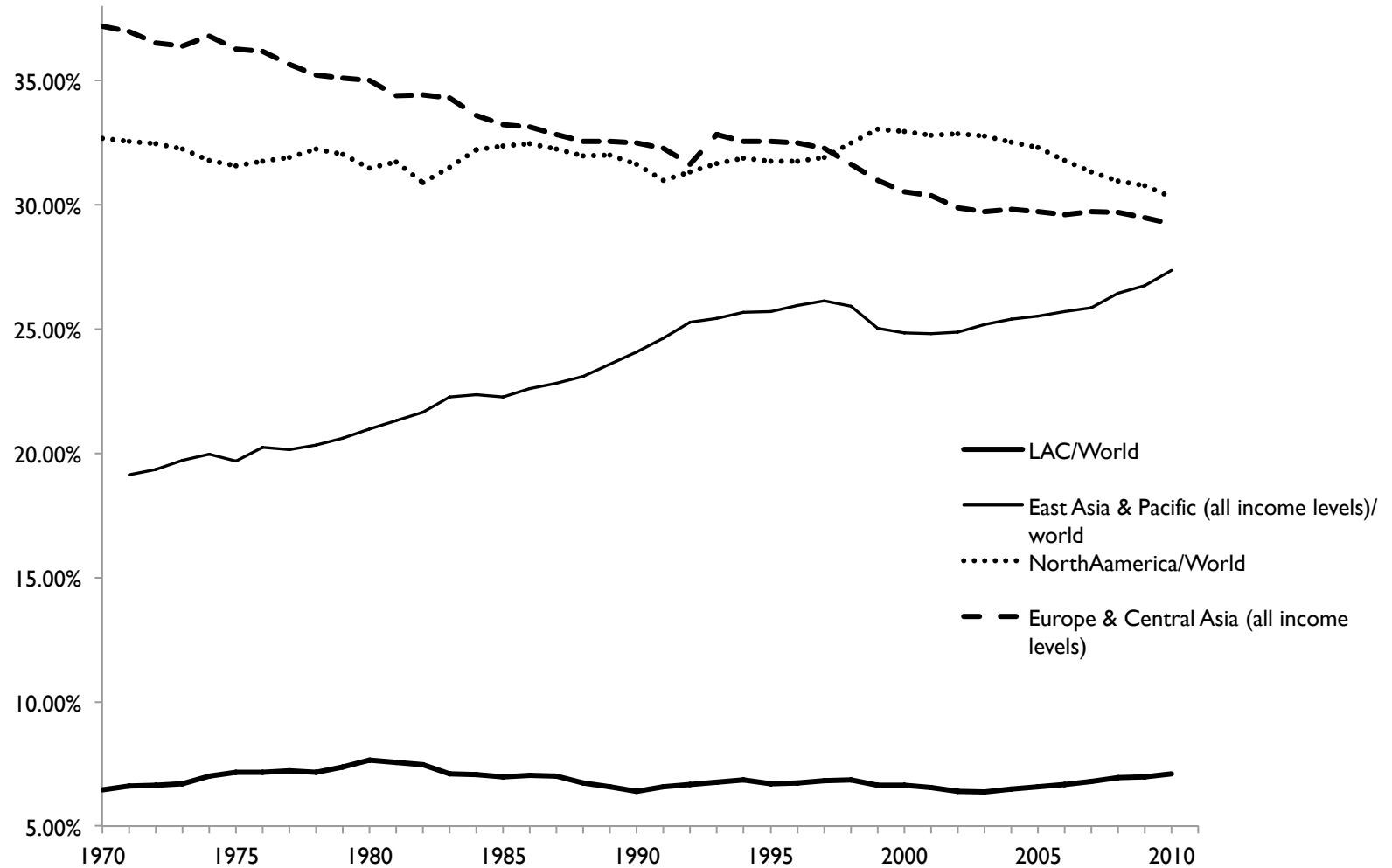


World's GDP Growth by Regions

(Billions of Constant 2000 US\$)



Shares of World Income by Region



Cuba Economic Indicators

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Real GDP Growth (%)	7.26	4.12	1.45	2.06	2.7	3.3	4.4	3.9	4.6	5
GDP	58,604	60,806	62,079	64,328	67,534	73,500	81,133	88,195	96,152	104,767
Fiscal Deficit (% of GDP)	-3.2	-6.9	-4.9	-3.6						
Exports of goods & services	11,918	12,506	10,642	14,258	19,928	21,953	25,947	28,820	30,657	33,868
Imports of goods & services	10,333	14,806	9,565	11,358	13,910	13,816	13,888	14,527	15,043	16,048
Origin of GDP (real % change)										
Agriculture	1,886	1,898	1,894	1,781	1,817	1,889	2,003	2,083	2,187	2,318
Industry	9,755	10,151	10,222	10,087	10,413	10,996	11,656	12,255	12,884	13,544
Services	31,591	32,943	33,793	35,128	35,748	36,677	38,107	39,441	41,216	43,277
Population (m)	11.2c	11.2c	11.2c	11.2c	11.2	11.2	11.2	11.2	11.2	11.2
Unemployment rate (%)	1.8	1.6a	1.7a	1.6a	1.4	1.8	2	2.1	2.2	2.3
Trade										
Current-account balance	401	-2,309	424	-22	328	501	613	558	540	503
Goods: exports fob	3,686c	3,664c	2,863c	4,598	6,347	6,427	7,217	7,622	8,017	8,769
Goods: imports fob	-10,079c	-14,234c	-8,906c	-10,647	-13,257	-13,281	-13,469	-14,234	-14,886	-16,055
Net foreign direct investment (US\$ m)	500	580	550	585	740	780	750	720	800	900
Total external debt (US\$ bn)	16.7	19.6	20.2	20.5	21.5	22.4	22.9	23.4	23.9	24.8
Total external debt (% of GDP)	32.7	36.1	36.2	35.5	35.4	34.7	33.3	32.1	30.7	29.7

Source: Economist Intelligence Unit, CEPAL, ONE

