

Cuba: From State to Private Capitalism

Adios Socialismo

Walker Lane (Peter Werbe)

2010

HAVANA — We entered the elevator on the ground floor of Havana’s renowned FOCSA building in the city’s Vedado district and were quickly whisked, non-stop, to the 33rd floor. When the doors opened, tuxedoed waiters welcomed us to La Torre, an elegant, candle-lit restaurant with floor to ceiling windows overlooking the city and harbor twinkling in the night below us.

“Damn,” I thought, “if the communists come back, we’re screwed.”

Of course, they never left, but the incongruity of eating an expensive meal (by Cuban standards) in opulent circumstances seemingly contradicts the island’s slogan of “Socialism or Death,” but it actually neatly sets the context for what may be the country’s future.

Also, if you happened to be one of the “Ladies in White,” who were recently protesting the imprisonment of their dissident husbands, brothers, and sons, you also realized that the communists are no more tolerant of opposition than they have been in the past. [See page 26, *State Violence & Cuba’s Ladies in White*, for more on this.]

Dinner at an improbably elegant restaurant occurred on the final night of my third trip to Cuba with a Toronto-based tour group. After having previously traveled with them to the eastern and western sectors of the 700-mile long island, this trip featured a week in the nation’s capital. I was the only American among 25 Canadians, mostly professionals in social services who were anxious to see how their Cuban counterparts work in related fields of medicine, social work, juvenile crime, women’s issues, etc.

I am able to circumvent the U.S. blockade which prohibits Americans from going to the island by an exclusion from the law allowing journalists to travel there. [More on this at the end.] Through fortuitous occurrences, I wound up with accommodations at the Hotel Nacional de Cuba, an historic luxury hotel located on the Malecon, the broad esplanade, roadway, and seawall that runs along Havana harbor.

The building’s lobby and rooms are so steeped in Cuba’s pre-Revolutionary history that one can almost feel the presence of the multitude of American gangsters, movies stars, athletes, writers, and corporate managers who lodged there during their stay in the corrupt Latin playground for the wealthy. Some of the rooms are even named after the famous, such as the “Frank Sinatra and Ava Gardner Room,” which a couple from our group was able to score.

Stories set in the Nacional fill books, but one hit me particularly as I was reading *The Mafia in Havana* by Enrique Cirules during my stay. The tripartite ruling powers of the island from the 1930s through to the 1959 revolution were the Mob, U.S. intelligence agencies, and American corporations, all abetted by the criminal state whose last president was Fulgencio Batista.

In 1946, the U.S. mob called a summit meeting, convened by Lucky Luciano in Havana, to decide how to split up the American rackets and the newly expanding ones in Cuba. They reserved all of the Nacional’s 500 rooms for their meetings, and were met by chauffeured limousines at the airport to transport them to the hotel.

The gangsters' first big meal at the Nacional consisted of grilled manatee, roast flamingo, and turtle. From then until they were run off the island in 1959, the Mob increased its revenues as it expanded into casinos, hotels, and entertainment, much of it connected with Hollywood stars such as George Raft and Sinatra.

As on my other visits, we were bussed around by an able crew of guides and interpreters to local projects that showed the ingenuity and spirit of a people living under great economic and political stress. City residents reacted to us like the tourists we were and none offered political opinions. They were pleased, however, to show us their projects.

For instance, at the Organopónico Vivero Alamar, on the outskirts of Havana, the director and several workers proudly explained how the vast urban gardens on Havana's outskirts, of which this was one component, provided the majority of the city's vegetables. Many of the workers were retirees from other sectors of the economy and used their labor at the farm to supplement their pensions and to continue as part of the social fabric of the area:

Workers are paid wages by the state and the farm has a small retail outlet for local consumption.

Back in the city, we took a walking tour of Old Havana, a UNESCO World Heritage Site, with its restored colonial buildings housing museums, shops, and restaurants which mostly cater to tourists. It is here that one encounters panhandlers and scam artists not usually seen elsewhere on the island.

In Cathedral Square, where mostly Canadian and European tourists congregate to drink mojitos, smoke Cohibas, and take in the sights, it occurred to me that if Americans were permitted to visit, which looks like it may happen soon, there would have been thousands of people in the square rather than hundreds. One thing glaringly missing are the normally ubiquitous signs with revolutionary implorations for socialism that are present everywhere else in the city, so as perhaps not to offend the capitalist sentiments of visitors.

In a corner of the square, four elderly Cuban men were playing and singing traditional island songs. Suddenly, a group of school children rushed up and stared at the music makers for a second, and then began enthusiastically singing along with them, obviously familiar with the song.

Wow, I thought, there's still a traditional folk culture here that hasn't been superseded by the global industrial music machine. However, later that night, still in the Old City, we witnessed the Canonazo, the Cannon Blast ceremony, a tradition dating from the Spanish colonial days, when shots were fired signaling the closing of the gates of the walled city and the raising of the chain across the entrance to the harbor. The tradition of firing a cannon every night at 9:00 pm has been maintained as a pageant even though the wall was torn down a hundred years ago. Re-enactment performers marched to the rampart and fired off the cannon to the delight of several thousand assembled Havaneros and a few dozen tourists.

As the dark encompassed the centuries old Morro Castle, we trekked back to our bus and came across about a hundred or more Cuban young people dancing wildly under a canopy. Upon listening, I realized it wasn't the Cuban rumba or chacha-cha animating them, but the music of the LA-based, hip-hop band, The Black Eyed Peas; the young people knew all the words and loudly sang the choruses in unison.

It's not news that American popular culture has become globalized to the point of total domination at the expense of other countries' traditional forms, but in Cuba, even a seemingly innocuous song can be seen as one of the many signals of re-penetration of U.S. capital. Washington and Wall Street have never given up their goals of moving the island back into its military and investment portfolios.

Such occurrences, even small ones, are usually hailed as signalling the end of a dour, authoritarian "failed state," one "stuck in the last century." Liberal critics, at least, are willing to allow that there are many admirable features on the island such as the always vaunted Cuban universal health care system and other state provided social services. The government's domination of most aspects of economic activity, to say nothing of its vice grip on the political apparatus, is something all critics agree is a vestige of another era, one long ready for "reforms" and "transition." Or, so goes the narrative by all but the most unreconstructed leftists who see little or nothing wrong with the current state of Cuban affairs, and are blind to the changes occurring.

Leaving aside the question of which nation, the U.S. or Cuba, suffers worse from a creaky bureaucracy, a repressive police apparatus, and more readily qualifies as a failed state, it's worth a look at what so-called reforms advocated for Cuba would look like. One only need recall the collapse of the Stalinist dictatorships in Eastern and Central Europe to realize how quickly the transition from state to private ownership can occur.

Are the former Soviet bloc people better off today? Probably not in Mother Russia from whence the state socialist forms were imposed on its satellite nations, but in many of the latter, life has improved for most, but certainly not all.

Most countries under Soviet domination had already achieved a status of modern industrial capitalist economies, so their transition back to private entrepreneurial economies wasn't difficult, particularly when Party bosses quickly grabbed the reins of the previously socialized enterprises.

Castro and his band wrenched an island with little modern infrastructure other than in big cities, an impoverished peasantry, and an economy looted and corrupted by foreign imperialists, gangsters, and domestic elites from the hands of U.S. corporate and military interests. Following the Revolution, attempts to build a modern industrial economy under the auspices of the state, and now, increasingly utilizing the market, all the while surrounded by a hostile major power, has proved and continues to be daunting for the little island.

The results were and are a fragile state capitalist economy, albeit with equitable forms of benefits for the population, and a rigid, authoritarian political command structure. There are more democratic modalities on a local level than is generally realized, but ultimately, policy is top down. Recent media accounts celebrate that "[Cuban president] Raul Castro is trying to modernise the system without jumping to full-scale capitalism." This in a BBC News web site report about how Cuba is turning over hundreds of state-run barber shops and beauty salons to employees "in what may be the start of a long-expected privatisation drive."

The article notes that "other communist countries such as China and Vietnam have long since pushed through market reforms while maintaining political control." If those countries are a model, it's not much to look forward to for the Cuban people.

Cuba recently turned over a quarter million plots of unproductive state-owned land, laying fallow since mass sugar production ceased to private farmers. Some taxi drivers are allowed to work for themselves.

Some, anticipating the re-introduction of private capitalist forms, are almost delirious with anticipation. Timothy Ashby, an official in the Reagan and Bush, Sr. administrations, and a specialist in privatization issues, writing in *Travel Wire Industry*, says, "Cuba is positioning itself for a China-style economic leap forward." The island, he writes, "remains a hugely untapped market of 11 million consumers."

So, it's, adios, socialismo, or, what passed for it. Ashby sees the lifting of the 50-year American trade and travel embargo as benefiting the economies of both countries—creating a modern, efficient economic infrastructure for the island and a shot in the arm for the U.S.' beleaguered employment situation. He estimates "that lifting travel restrictions alone would increase [U.S.] domestic output by between \$1.2 billion and \$1.6 billion annually, and create between 17,000 and 23,000 new jobs—yes, in tourism, but also in real estate, retail, food processing, transportation and associated sectors? He further reports that the Cuban government, with foreign partners, is planning 14 new condominium and golf resorts, part of a new, massive tourist infrastructure.

"The same projections see U.S. airlines, cruise ships and tour operators generating more than \$522 million from Cuban trade add-ons in the first year alone, increasing to \$1.6 billion by the fifth year, and creating more than 10,000 jobs. An estimated 60 cents out of every dollar spent by Americans in Cuba reliably would end up back in the United States."

This all has a familiar ring, doesn't it? It sounds just like the equation which immiserated the Cuban people during the period up until 1959. Cuba as the recreation zone for Americans and others with the cash to vacation there while the people of the island will mix mojitos and make beds in resorts for them. Definitely, the Mob won't be allowed back in, but the other control sectors formerly excluded certainly will. But, what about the almost 6,000 American corporations and businesses the Cuban revolution nationalized for which the U.S. still demands compensation? Lawyer Ashby has a plan for that as well.

He writes, "American law requires that claims against Havana for 1960's-era U.S.-owned property that was seized, must be resolved before full relations can be re-established."

So, the new Cuba will enter the modern capitalist world in debt to the corporate gangsters who looted the island unrestricted for years. Maybe Cuba could get an IMF loan to pay off its debt and impose a little austerity along the way as the bankers almost always demand.

Ashby is quite enthusiastic about the future “once American visitors descend on the island.” And, descend they will just like before and just like they do on other Caribbean island resorts, Jamaica, perhaps being the best comparison.

As I noted in the Summer 2008 *Fifth Estate* article about another Cuba trip, “Socialism or Cell Phones,” there is a growing class of Cubans with disposable incomes thirsting for all of the technological gadgets and fashion available to modern citizens. The process Ashby advocates and the direction in which it looks like the Cuban government is headed will lead to the Jamaicaization of the island—another swell tourist destination.

But, there’s no reason to think that the rising class stratification won’t also produce the worst elements of Kingston which in late May necessitated a state of emergency declared by the Jamaican government following clashes between police and heavily armed narcotrafficantes which left 30 people dead. A lot like that other bastion of tourism and democracy-Mexico. Right now, Cuba has none of that.

In a new, reformed Cuba, IMF-imposed austerity would undoubtedly mean that the extensive social services extended to all citizens will disappear, as would state subsidies. Currently, prices for most basics, such as food and housing, are now subsidized or very cheap.

For instance, at Havana’s famed Heladeria Coppelia, a solid block of ice cream shops, a 4-scoop sundae costs about 20 cents in the local currency, but often entails a 45-minute wait. Fast service is available using CUCs, the tourist money, but the cost soars to \$3 to 4. The same is true for venues such as the Morro Castle where canonoza takes place, which also has two-tier pricing. No one goes without on the \$20 guaranteed monthly income the U.S. media never fails to mention as proof of how poor the country is.

Much of the social services operate at a local and neighborhood level. We visited a Casa de Orientation a la Mujer y la Familia, a center for the guidance of women and the family, where support and information are supplied. The all-women staff explained the programs that deal with women’s issues including health and violence in the family. Cuban television airs ads against family violence which they define, besides the obvious, as the withholding of affection.

In a Mother’s Day Index, the international charity, Save the Children, rated Cuba, among less-developed nations, as the best place to be a mother based on access to education, jobs, and health care for women and children. By contrast, the U.S. came in 28th on the index of developed nations.

The week visiting Havana was exhausting with days filled with stops such as at the Antonio Nunez Jimenez Foundation for Nature and Humanity, founded by the cartographer for Castro’s rebel band. It is in the forefront of creating sustainable development and ecological consciousness which probably puts it at odds with the planned centralized official vision.

A trip to development centers for children, the “House of Grandmothers,” and neighborhood community centers, demonstrated a highly organized society. How much of it serves the political apparatus is a separate but important question.

We also were guests at a moving ceremony recognizing the 20th anniversary of Cuba’s treatment of victims of the Chernobyl nuclear accident. Up to 800 children at a time from Ukraine, many with crippling conditions still being caused by radiation poisoning, were present in their wheelchairs. The Ukrainian ambassador to Cuba spoke and entertainment was provided by La Colmenita, a Cuban children’s ensemble who played and sang as well as any adult group. The songs were all traditional.

A trip to one of the poorer barrios brought us to the Muraleando Cultural Project where local artists have festooned the neighborhood with wall murals and sculptures created from cast off junk. Some of it was reminiscent of Detroit’s Heidelberg Project which also makes art from society’s detritus. One mural featured quotes from American socialist and labor leader, Eugene V. Debs.

After three visits to the island, one of my friends remarked that I’m “getting soft on Cuba.” I definitely am, but towards its people, certainly not its government.

Even as the rulers act like bosses and cops, there are many Cubans who take the island’s official ideology of socialism and creating a new world seriously. Their results are in the many scattered exciting projects in education, music, art, ecology, science, culture, agriculture, and other endeavors that in many ways we mirror in our small efforts in this country.

However, the small projects we found admirable are a weak bulwark against the massive economic forces howling at Cuba's door. It is much more likely, sad to say, that the island's future is already determined by its re-integration into global capital. And, perhaps it is a mistake to suggest that the island's economy has previously been independent of global economic forces. From the misery engendered by Columbus' visit which presaged the arrival of the Spaniards and slavery, through the island's colonial period, its domination by the U.S., and then its dependence on the Soviet Union, Cuba has had little capacity for self-reliance.

Since the early 1990s, following the Soviet Union's collapse, increasingly the island's economy has been based around tourism and foreign investment. Even with the U.S. trade embargo in place, Cuba still imports hundreds of millions of dollars worth of American goods yearly. The dinner I ate at La Torre had as its main course fish imported from Canada.

Octavio Alberola, active with GALSIC (Support Group for Libertarians and Independent Trade Unionists in Cuba), a support and information network, and the Cuban Libertarian Movement in Exile (MLCE), remains a steadfast opponent of the Castro government. In an interview with the Kate Sharpley Library available on line, he recognizes there is little or nothing left in Cuba today of the organized anarchist workers movement that Castro ruthlessly suppressed.

This publication desires, as I assume most readers do—a Cuba which experiences a real revolution that abolishes all forms of capitalism, private and state, and the government apparatus along with it which is what anarchists have always fought for. We should support our Cuban comrades when possible, but I doubt if their day is near.

I checked out of the Nacional at 6am, boarded a Chinese-made Yutong bus and roared across the Cuban countryside to Varadero 90 miles away to catch a plane for Toronto. Sixteen hours later, I was crossing the border from Windsor, Ontario to Detroit, arriving at a snow covered customs booth staffed by grim faced, heavily armed border guards at the ready.

Been to Cuba? Out of the car. You've violated the terms of the Cuban Assets Control Regulations.

I'm a journalist qualified to travel there. I write about the island as well as do radio broadcasts about my visits.

You don't qualify. Empty your pockets. Get up against the wall. Spread your legs.

I bet you don't do this to reporters from NBC.

You'll hear from the Treasury Department.

Welcome home.

* * *

TWO MONUMENTS

Of the many Monuments that dot Havana neighborhoods, two in particular often surprise visitors. One is a memorial commemorating Julius and Ethel Rosenberg, convicted of passing atomic secrets to the Soviet Union, and executed following a judicial farce. The words on it read, "For Peace Bread And Roses We Will Face The Executioner. Ethel And Julius Rosenberg. Assassinated June 19, 1953." The other is a life-size statute of Beetle John Lennon sitting on a bench in a park named for him. At his feet is the inscription in Spanish, "You may say I'm a dreamer, but I'm not the only one," from the song "Imagine." The Beatles were banned from Cuban airwaves from 1964–66 when the government promoted indigenous music as revolutionary. The statue was unveiled in 2000 with Fidel Castro in attendance.

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