CHAPTER VII
SUMMARY AND CONCLUSIONS

The present monographic study represents a modest academic effort at describing and analysing the complex, and still ongoing, process of political and economic reform—or, restructuring, to put it in a more neutral term—that Cuba has witnessed since 1986. The experiences of Cuba since the mid-1980s and its survival as a socialist regime are in a sense unique one. All said and done, the country remains a model of alternative socialist development in an age of free market-oriented strategies of economic development. With liberal democracy triumphing in Latin America, Africa, Eastern Europe, Southeast and East Asia in the 1980s, Cuba charted its own unique course in political liberalisation too. In that sense also, the country remains part of what Samuel Huntington has described as the ‘third wave’ of democracy. Of course, the interaction and the interplay of political and economic as determining forces in Cuban development continue to be debated. In brief, Cuban experiences remain part of the contemporary comparative political theorisation about democratisation and economic liberalisation. Yet for another reason, study of Cuba remains relevant. In the wake of the introduction of perestroika (political opening) and glasnost (economic restructuring) by Mikhail Gorbachev in Soviet Union and, further, given the economic modernisation process in Peoples’ Republic of China and other socialist countries, socialist theory has debated the necessity of building models of socialism, different from the conventional Leninist ideas about a vanguard party and a command economy. The debate has been generally focused on the feasibility of introducing market elements in a state-controlled economy and electoral components in the single communist party-dominated polity. As Marxist and other socialist intellectuals debated the sequencing and pace of economic and political reforms, Cuba carried out its own unique reform process so as to retain its own Fidelista brand of socialism. One may disagree, but what appears of interest in the case of Cuba is that in contrast to the experiences of capitalist and indeed socialist countries, Castro emphasised on the need for political and particularly democratic answers to economic problems. It is of importance to note that reform process has not been uniform. Not only one
can discern several phases but also note the ups and downs through the past almost twenty-five years.

Admittedly, Cuba has evolved and passed through various stages of its socialist development in the period after 1959, involving both ad hoc and strategic adjustments in its economic development strategies and socialist polity. From the adoption of Soviet central planning in the 1970s and the innovative use of moral rather than material incentives to the adoption of market-oriented adjustments within socialist parameters in the 1990s are some of the significant developments in Cuban economy and polity. However, despite some substantive changes in the 1990s, there is still a clear continuum of reform and the Cuban government considers them as part of the need to improve old socialist pattern of development; and precisely, this is the principal argument through the present study. Importantly, this has been a process that is taking place against the backdrop of a highly unfavourable external environment including tough and aggressive actions and postures by the United States.

The preceding six main Chapters describe and analyse the developments and responses of the regime in the period essentially since the mid-1980s. The introductory Chapter goes into the genesis of the Cuban revolution, and explains that the period extending from 1959 till now is characterised by revolutionary experimentation in all areas of social organisation including culture, comprehensive government management and political participation and representation, and control of economic production and distribution. Cuban revolution of 1959 was in a sense culmination of the process that had begun in the nineteenth century—the national liberation movement under Jose Marti which was scuttled by the Spanish-American war in 1898. The establishment of American protectorate over Cuba meant that the last Spanish colony in Latin America never really got independence. Almost half a century before the Spanish-American war, Cuba had become the sugar colony of the conservative agricultural interests who were dominant in southern US. These powerful American sugar interests, supported by successive US administrations, had little interest either in democracy or independent economic development of Cuba. It used to be said that Cuba was the playground of rich, conservative American agricultural interests.
The dictatorship of Fulgencio Batista worked to defend the US economic and political interests on the island. Batista had long been at the helm of affairs, beginning with as the leader of the ‘sergeants’ revolt’ in 1934; and then had manipulated elections to become the head of state in 1940 and again in 1952 under a democratic constitution. The liberal ‘generation of 40s’ felt cheated at this betrayal and denial of democracy. Personalist authoritarianism and corruption characterised Batista rule and the repressive nature of the regime became immediate catalyst of the Cuban revolution. The struggle against Batista was waged on several fronts after 1952 in the form of urban resistance and the guerrilla campaign. The university students and young professionals had opposed Batista’s return to power in 1952 and the perpetuation of a corrupt, elite dominated authoritarian regime subservient to the US interests and goals.

On 26 July 1953, Fidel Castro Ruz and his small band of urban youth along with a small, rag-tag peasant army attacked Moncada military barracks in Oriente province which had led to his capture and imprisonment. Later on, the event came to be known as the famous 26th of July Movement. In his defence, Castro had delivered his famous History Will Absolve Me speech announcing his commitment to overthrow Batista and the creation of a nationalistic, reform-oriented social democracy under the constitution of 1940. During his exile, Castro met Argentine Marxist Ernesto ‘Che’ Guevara in Mexico; and from Mexico, they prepared to sail to Cuba aboard Granma; and there began the long guerrilla struggle in the rural mountainous Sierra Maestra in 1953. It was on 01 January 1959 that Fidel Castro and his band of guerillas entered Havana and proclaimed the triumph of the revolution.

To be very brief here, two major challenges had confronted Castro and his nascent revolution: the unexpectedly unrelenting hostility of the United States; and, the task of consolidation of the revolutionary process. In facing these challenges, Castro resorted to several short- and long-term measures at different levels, including his eventual embrace of Marxism-Leninism. In May 1961, after the Bay of Pigs (Playa Girón) incident orchestrated by the US, and the ‘Havana Declaration’ that proclaimed the socialist character of the Cuban revolution, a process was initiated for the creation of a new vanguard party with the merger of M-26 (Fidel’s 26th July Movement), Revolutionary Directorate (Directorio Revolucionario - DR) a student group, and the Popular Socialist Party (Partido
Socialista Popular – PSP). Following the 1961 incident of Bay of Pigs, Cuba’s diplomatic relations with the United States ruptured, and Soviet Union became the major economic and commercial partners of Cuba. In July 1963, Castro formally announced the merger of above said three organisations into the Integrated Revolutionary Organisation (Organizaciones Revolucionarias Integradas – ORI). After a massive membership drive, the party’s name was changed to the Communist Party of Cuba (Partido Comunista de Cuba – PCC) in October 1965.

Earlier, the Central Planning Board, (Junta Central de Planificación – JUCEPLAN) was created to plan and coordinate economic development activities. Very rapidly, Cuban revolution has evolved from its earlier commitment to uphold the populist-nationalist and democratic ideals of the 1940 constitution into a Marxist-Leninist state. US intransigence and aggression and the context of Cold War had great radicalising effect on the revolution.

The Cuban revolution can be better understood and analysed by describing it in few phases because during more than 50 years of Cuban revolution, the country has faced several ups and down. (i) The first phase of the Cuban revolution lacked a defined ideology, but there were statist, anti-market, populist, and nationalistic tendencies. The new revolutionary regime undertook the systematic liquidation or control of the most powerful pre-revolutionary political forces and groups -- the army, political parties, unions, and farmers’ and professional associations. (ii) The second phase began in with a systematic attempt to institutionalise the revolution and to apply the system of politico-economic organisation prevalent at that time in USSR. After the Missile Crisis of 1962, Castro managed to fortify his position at home and allied himself more closely with Soviet socialist bloc. At the same time, he undertook the task of extending sympathy and support for national liberation and revolutionary movements in other Third World countries. (iii) Post-Missile Crisis, Cuban revolution moved into the third phase, dominated by a lively debate on alternative systems of political organisation and development strategies. (iv) In the fourth phase, emphasis on capital accumulation, mobilisation, moral incentives, egalitarianism, and abolition of money was heavier than previous in Guevara’s scheme.

(v) In the fifth phase of the revolution, which began in the 1970s, Cuba moved closer than before to the USSR and became its chief defender in the Third World against criticism from more radical leftist positions. Diplomatic and trade
relations were re-established with a dozen Latin American countries with divergent socio-politico-economic systems. Internally, there began the process of institutionalisation, characterised by delegation of power from the previously dominant role of Castro; strengthening of the Cuban Communist Party; specialisation of the army; and re-organisation of the unions and mass organisations. From 1970 to 1986, material incentives were re-introduced, and the Cuban economy was re-organised, almost wholly, on Soviet lines.

In 1975, the first Congress of PCC was held with the purpose to institutionalise the Communist Party of Cuba. With this view, it was decided that the PCC shall be the only political party in Cuban political system. In the first Congress of PCC, five year plan (1975-80) was charted out for social and economic development. With the aim to include masses in the decision making process, Organs of Popular Power (OPP) was institutionalised and for a socialist economic development, a mega organ for economic management and planning (SDPE) was established. Fidel Castro and Raul Castro were elected as first and second secretary of PCC, respectively. The PCC also approved a new Constitution in this Congress.

In view of PCC, the first Congress secured the people’s participation in decision-making process by holding a national referendum in 1976, in which the new Constitution was approved. With this began the process for national election, of delegates for the municipal Organs of People’s Power held later in October 1976. It was the first-ever election held under the revolutionary government. At the same time, the 1976 Constitution guaranteed a number of fundamental political rights and freedoms to the citizens, and OPP provided institutional framework for selection of political leadership and also for shaping public policy.

At the second Congress, held in 1980, new debates emerged at the ideological level on the need of Marxism-Leninism, shape of socialism in Cuba, freedom of religion and state-church relation, gender equality, education, health, functioning of OPP and SDPE and other issues concerning welfare of Cuban populace.
Sovietisation of the economy and the polity however had its own pitfalls. Mistakes were committed, rigidities had come in; and by early 1980s or so, it was clear that all was not well with Cuban socialism. Despite Soviet political and professional assistance, Cubans lacked experience and committed many mistakes. These were known and had been discussed at the second Congress of PCC in 1980 when PCC blamed excessive centralisation of power and advocated decentralisation of the decision making process so as to revitalise the Cuban Communist Party (PCC). Other changes also took place: the Council of State was empowered to issue decree laws, propose legislation and replace ministries; whereas Council of State now served as a standing legislature. In the second PCC Congress, special efforts were also made to channelise the energy of the young blood because with some liberalisation of the economy there was now tendency for diversion from the revolutionary goals. However, ideologically, the second party Congress drew Cuba closer to the political ideology as well as to the bankrolling and military umbrella of the Soviet bureaucracy.

These efforts at course correction were not only limited and feeble but also proved inappropriate. Overall, mismanagement prevailed during 1980-85. Economic developments plans failed to meet their targets, and centralisation continued to bedevil the party. As the second Chapter has analysed, the upshot of these errors and failures was the rectification process that began around mid-1980s. The rectification demanded elimination of some of the old socialist practices and the establishment of new market-oriented arrangements both internally and externally. However, the reform of the old order had to parallel the construction of a new society; there was to be no deviation from the socialist path. Chapter two has presented how the Cuban government initiated some of the changes in economic and political policies to save the spirit of the 1959 revolution. At economic level, two major challenges characterised the regime: dependence on a single trading community viz. CMEA; and dependence on a single product viz. sugar. Despite all attempts at industrialisation and diversification, Cuban economy had remained by and large sugar-based and sugar-export dependent. At political and ideological levels too, many distortions and lapses had crept into the functioning of the revolutionary regime. Some of these distortions and challenges were: the uncontrolled growth of bureaucracy, waste in utilisation of national
resources, unlimited appeal to individual material incentives, emergence of different forms of corruptions and practice of misinformation, technocratic approach in the direction of economy, use of materials and services for private ends. Due to all these negative developments, social differentiation had increased at the highest level, and the vestiges of privileges irritated and angered the masses. These developments led to weak rapport between the party and the masses.

Interestingly, the idea of rectification was drawn from the socialist principles of Ernesto Che Guevara. During the rectification period, one notices a shift in Castro's emphasis from Marxism-Leninism and Cold War-based East-West conflict to nationalism-anti-nationalism and North-South divide and Third World solidarity. The discourse was focused on the need to resist as a way of preserving the sovereignty of the nation and the social feats of the revolution. With pragmatic and calculated approaches, Castro reconsolidated the faith in socialism with the introduction of market elements; however, without compromising the essence of revolution. Here, it is to be noted that the Cuban working class and farmers were the principal beneficiaries of the socially sustainable changes; and this increased popular support for the rectification process. To diverge a bit here from the main line of argument, it is somewhat ironic that introduction of market-oriented austerity measures and structural adjustment including privatisation invariably deepened poverty and caused massive dislocation in most capitalist developing countries including those of Latin America but in the case of Cuba, introduction of market elements and private economic activities, albeit on a limited scale, only consolidated the socialist economy and popular support for the regime. Even more, despite all its drawbacks, the 'rectified' socialist economy still retained higher social welfare indicators than some of the developed industrialised nations.

The third Congress of PCC, held in 1986, sought to institutionalise the rectification process. The Party Congress debated and delineated the idea of twin reforms at political and economic levels. The Party emphasised on decentralisation to tackle bureaucratic hurdles; and called for greater inclusion of women, blacks and young people to make the Party a more participative process. In the third Party Congress, Fidel Castro stressed the need to improve Cuba’s
inefficient, undisciplined and mediocre economy. His emphasis was on accelerating economic development, stimulating efficiency and productivity, competent management, and building discipline and ending corruption. He called for increasing the role of the state apparatus in setting economic priorities, closing down of the existing free market mechanisms, and eliminating bonuses and material incentives that had been introduced earlier and had directly contributed to the making of economic crisis.

In this period, the government formulated new ideological approaches to make the system more inclusive and participative one. New cadres were promoted in the Central Committee and Politbureau of PCC and in the other mass organisations. The stand on religious practices was softened to reconcile the differences between Marxists and Catholics. In 1988, Castro once again emphasised on nationalism and North-South divide in place of Marxism-Leninism and East-West conflict. It is to be noted that Castro differed strongly with Gorbachev’s approach to political opening and economic restructuring; and insisted that rectification must remain within the ambit of socialism.

After the disintegration of USSR, Cuba’s loss of Soviet market, economic assistance and all other sources of external financing, initiated the reform of economic policy. From 1989 to 1993, Cuban earnings from exports dropped from an estimated US$ 5.4 billion to US$ 1.7 billion. Due to lack of purchasing capacity, imports also declined from US$ 8.1 billion in 1989 to US$ 2.2 billion in 1993. The rupture in ties with socialist bloc and continued blockade of trade relations with US created a financial vacuum between 1989 and 1993. Two crucial sources of foreign exchange for Cuba, sugar and nickel, suffered reductions in yield of over 50 per cent from 1989 to 1993, largely because of lack of imported inputs, including fertiliser and fuel oil. The lack of strong business relations with other developed countries caused a reduction in export promotion, which resulted in lower foreign exchange earnings. In the same period, the loss of profitable business activities decreased gross domestic product by more than 40 per cent. Cuba’s economic shock and its insufficient attempt at adjustment generated an enormous fiscal deficit.
The economic contraction caused due to disintegration of USSR compelled Cuba to announce a 'Special Period in Times of Peace' in 1990. It was a euphemism for the critical economic emergency situation that prevailed. The difficult situation elicited a policy of resistance and survival in difficult time, whose main objective was to maintain the ethos of revolutionary regime amidst a scenario of crisis, uncertainties and international pressures. At that time, Cuba was trying to do something which was hitherto impossible in theoretical terms: integrate Cuba’s socialist economy with the global capitalist market while preserving the essence of socialist nature of its own economic activity. While economic measures were called for, the crisis generated a political response.

During the ‘Special Period’ Cuba assiduously sought Foreign Direct Investment (FDI). The political attitude towards FDI was relaxed and a range of concessions were offered to foreign investors. Foreign Direct Investment was mainly targeted at tourism, nickel industry, oil prospecting, steel, and transport and communications—all attractive areas where Cubans hoped FDI would respond positively.

A Food Plan (Plan Alimentario) was launched in 1989 with the aim of creating self-sufficiency by making larger state farms use more intensive methods. Many large state farms were broken up into smaller basic units of cooperative production, called Unidades Basicas de Produccion Cooperativa (UBPCs). The UBPCs were self-managed and financially independent, though the nature of their output was managed by the Ministry of Agriculture.

The legalisation of US dollar, alongside the Cuban peso arose from a situation of 'monetary overhang' or excessive liquidity in which people had pesos but nothing to spend them on. It was dealt with by reducing the fiscal deficit decreasing enterprise subsidies, raising selected prices and imposing tax on some economic activities. During the ‘Special Period’, social policies however remained the priority and spending in fact increased in social sectors like food, public health, education, culture and arts, employment, community services, social security etc.

The changes in strategies and policies were not limited to economic sphere only. Landmark changes were also introduced in the political sphere. The process of political reform began seriously in March 1990 with the call at the Fourth Party
Congress for an unprecedented openness in debate, not just among party members, but among the entire populace, so as to foster greater participation and build the necessary consensus for the government's policy responses to the 'Special Period'. If harsh and austere economic measures had to be introduced, popular support and national consensus was required for that.

The fourth Chapter has in details laid out the debate and discussion at the fourth Congress of PCC; aspects of constitutional and electoral political reforms; creation of new political institutions and the National Assembly election of 1993; grass-roots participation and governance, and the role of almost all the mass organisations and civil society. The four major mass organisations, Committee for the Defence of the Revolution (CDR), the Confederation of Cuban Workers (CTC); The National Association of Small Farmers (ANAP); and the Federation of Cuban Women (FMC), described as the nation's primary channel for articulating popular demand have been discussed.

At the Fourth Congress, the party itself underwent significant changes. Its statutes were amended to redefine the PCC as the party of the Cuban nation, and the new statutes emphasised its ideological roots in the ideas of Jose Marti as well as of Marx and Lenin. Many constitutional changes, significant changes in the PCC composition, policy initiatives to reshaping the economy and ideological reformulation were discussed. The prohibition on party membership for religious believers was lifted, and the process for choosing new party members was simplified so that more members could be drawn from work centers. Some of the drastic decisions taken during the fourth Congress in the political sphere were the elimination of the structure of the secretariat of the central committee; the Politburo was empowered to create from among its members a working group to attend the affairs of party leadership and present reports at the meetings. The administrative bureaucracy was removed to cut extra deadwood between the leadership and the masses.

During the debate in the Congress, the so-called 'reformers' pushed for the use of market mechanisms to speed up economic recovery and for greater political space for dissenting views that were not manifested by counter-revolutionaries.
The 'conservatives' argued that rapid economic change would undercut the party's political control and that any political opening in the midst of economic crisis will invite a lot of criticism. At the same time, Castro advocated for a programmed and planned economy. During the Fourth Party Congress, the leadership discussed various measures to recover the economy. The emphasis was given on the promotion of hotel and tourism sector, joint ventures with foreign capital, biotechnology exports, and search for new trading partners in an effort to mitigate the precipitous decline in economy. Leaving the structure of the economy unaffected, a series of strategies were adopted after the fourth Congress to adjust and revitalise the economy.

In 1992, the government came up with some changes in the Constitution and reform measures in electoral-political system. The constitutional reform in the year 1992 was a landmark event to bring back the faith of the masses in the government functionaries which could be seen in the national assembly election of 1993. The constitutional changes in 1992 allowed direct election of provincial and national people's power delegates. Reforms saw the electoral process as a means of initiating political liberalisation. The ANPP revised 42 articles and updated 34 of the 141 articles of the 1976 Constitution. Cuba was declared a 'secular' rather than an atheist state and certain freedoms of religion were provided. Foreign trade was the exclusive monopoly of the state but modification allowed quasi-government or private agencies and certain individuals to participate in export and import activities. At the same time political institutions were strengthened.

In the Cuban political system, the Organs of Popular Power (OPP) occupies an important place which consists of a five-tired set of assemblies beginning at the neighbourhood level, and moving through the circumscripción (district) electoral level, the municipal level, and the provincial level to the national level. At the level of the neighbourhood, citizens select, by a show of hands at a general public meeting, a Secretary and President, whose task is to run the nomination proceedings for the rest of the meeting. Potential candidates for the later elections at the circumscripción level are then nominated from the floor. Of the several potential candidates (the minimum being two), one is elected at the meeting, again by a show of hands. The individual chosen then becomes the neighbourhood
nominee for the *circunscripción* election. In these elections, one representative is selected by secret ballot in enclosed voting booths and by a simple majority (with a runoff, if necessary), to represent the *circunscripción* in the Municipal Assembly.

The National Assembly is the supreme organ in the political system. It represents and expresses the sovereign will of people through Deputies elected for a five-year term. It selects the Council of State, and is also the highest constituent and legislative body. It is empowered to discuss and approve the national economic and social plans, the state budget, and the nature of the economic management system. It is the foremost authority on formulations of foreign as well as domestic policies. The Assembly selects the members of the Supreme Court and the Attorney General. The National Assembly exercises the highest supervision over the organs of state and government. In financial matters, the municipal and provincial assemblies have not been authorised to possess independent revenue-raising capabilities. Here, an important mechanism exists which ensures that delegates to municipal and provincial assemblies and deputies for the National Assembly continue to be in close contact with their constituents and responsive to their needs, suggestions, and criticisms. It is watched that the delegates must be “accountable” to their electors. In practice, they must meet every four months with their electors and listen to complaints, grievances, and proposals, which then they should forward to the upper level officials.

The Council of Ministers is the highest executive and administrative body of the government. Its members are proposed by the President of the Council of State and approved by the National Assembly. It renders periodic accounts of all its activities to the National Assembly of People’s Power.

The People’s Councils are constituted in cities, towns, neighborhoods and rural areas. It represents the municipal, provincial and national bodies of People’s Power. The People’s Councils are made up of the delegates elected in the districts, who must choose among themselves their President. The delegates work actively for efficiency in the development of production and service activities and for meeting the needs for health care, economic, educational, cultural and social activities of the population. The Council delegates work for larger participation of the population and take initiatives at local level to resolve their problems. They coordinate the work of the existing entities in their field of action and promote
cooperation among them. The representatives of mass organisations and other important institutions in the territory are part of the Councils.

It has been observed that the political institutions like National Assembly, Council of State, Council of Ministers and other organisations like Organ of Popular Power and Popular Councils (Consejos Populares) helped to reconsolidate faith of the populace in Cuban Socialism in difficult times. The National Assembly of People’s Power is a constituent and legislative authority which represents and expresses the sovereign will of the people. The Council of State is the collegiate body of the National Assembly of People’s Power which is the highest representative of the Cuban state. The Council of Ministers is the highest ranking executive and administrative body of the government. The Organ of Popular Power (OPP) works at grass-root level which ensure maximum participation of populace in the political process of the country which municipal, provincial and national. Popular Council (Consejos Populares) involve with the Organ of Popular Power at the municipal level.

The mass organisations are the key feature of the participatory culture that typifies Cuba and were further brought into the debating and decision making processes in the wake of political reforms. They are national and inclusive, augmenting the representative governmental structures by providing an organisational and institutional means by which civil society expresses itself and intervenes in the decision-making process. Indeed, they play key role in decision making process. That’s why the Cuban mass organisations are frequently described as the nation’s primary channel for articulating popular demand.

There are four major mass organisations: the Committee for the Defence of the Revolution (CDR), the Confederation of Cuban Workers (CTC), the National Association of Small Farmers (ANAP), and the Federation of Cuban Women (FMC). Each of these mass organisations has state sponsorship and a monopoly on the organisation of the interest it represents. All state workers belong to the CTC, all small farmers to ANAP. Majority of adult citizens belong to the CDR, and more than 80 per cent of women belong to the FMC. The CTC, as representative of the entire working class of Cuba, defends the interests of a huge mass, and the well-
being of ideological *raison d’etre* of the revolution. These organisations have very specific functions and responsibilities. Cubanologists argue that they function in addition to the Communist Party, the Young Communist League and the Confederation of Cuban Workers. The mass organisations are supplemented by numerous professional and other associations that represent the specific interests of other sectors, including for example, lawyers, economists, journalists, writers, artists, physically-challenged people and stamp collectors. In short, these associations and organisations embrace practically all the activities, interests and problems of the populace.

Labour unions and workers parliaments are the base of Cuban socialist movement; some Cubanologists describe it as backbone of revolutionary mission. While, workers parliaments are equally an important civil society organisation. The workers’ parliaments have demonstrated that workers in Cuba have very definite and concrete rights. They have considerable inputs and say in their workplaces in major societal decisions. The unions are central to this promotion and exercise of rights. The function of Cuban union is twofold: “1) to contribute in economic, political and social interests of the country and 2) to protect the rights and to work for better standard of living of Cuban workers”.

In the case of labour for joint ventures with foreign investments, the Cuban Ministry of Labour and Social Security operates a special office, which, run somewhat like a union hiring hall. Foreign companies cannot directly hire or fire workers. If a problem with a worker occurs, the company has to discuss it with the Cuban manager and the union. The worker returns to the Ministry of Labour office if he or she needs retraining or replacement. Cubans working for a foreign investor have the same benefits and protection as other Cuban workers. In the Cuban political system, all these mass organisations contributed positively in increasing grass-root participation. Whereas, labour unions and workers parliaments have demonstrated that workers in Cuba have very definite and concrete rights. At the same time, the state and mass organisations ensured that availability of skilled and trained manpower should attract foreign direct investment and growth of joint ventures.
The main argument put forth by the regime is that Cuban revolution’s political stability is a product of the democratic characteristics that describe the political system and facilitate the existence of a community of mutual interests and actions. In defence of the political and electoral reforms of the 1990s, it was also suggested that level of popular participation remained high in Cuba, compared to participation in liberal Western democracies. Pro-regime commentators have described these reforms as a movement towards ‘parliamentarisation of society’.

Since the proclamation of the ‘Special Period’, there have been national elections in the year 1993, 1998, 2003, 2007-8 and 2010. These elections are particularly significant in assessing the popular support for the revolution and the government. Many Cubanologists believe that the voting has been portrayed as an affirmation of support for the regime as well as support to the policies of the government than as a means for voters to select among competing candidates.

Some argue that the national election of 1993 ended up being transformed into a plebiscite on the revolution, socialism and the leadership of Fidel Castro. It is to be noted that the practice of secret vote was adopted for the first time and there was no military presence at the polling stations. Foreign journalists or any foreign visitor did observe the voting process and the vote count. More than a hundred journalists from twenty-one countries witnessed the elections. It is instructive to note that there was not one accusation of voting fraud. The Miami-based magazine Contrapunto stated: “The counting of votes was impeccable. It was open and public, and since over 120,000 people were involved in 30,000 polling stations, the results could not be tampered with”.

Since 1993 elections, it has been ensured that each member of the National Assembly, including Fidel Castro, is directly elected and must receive more than 50 per cent of the vote in her or his constituency. While, it has been observed that in the municipal, provincial and national elections, the turnout is very high, usually in the ninetieth percentile. The high turnout is a product not only of political reasons i.e., one’s feeling of civic responsibility but also cultural reasons.
In reviewing the Cuban electoral system, few striking points emerged; Cubans are not preoccupied with a mere mechanical implementation of unchanging model. Contrary to dominant preconceptions, the Cuban political system is not a static entity. Cubans are involved in an intense learning process whose hallmark has been experimentation and willingness to correct mistakes and missteps by periodic renovation of the project. Thus, the system responds to popular demands for adjustment.

One of the challenges the system however continues to wrestle with is "excessive centralisation of power and paternalism" which have reduced the efficacy of the public's participation and self-management. Are their limits to electoral and political innovations under a one party rule? Direct elections, secret ballot and a minimum of 50 per cent vote etc. are all fine but still would fall short of the ideal of participatory democracy so long as political and ideological competitiveness is not permitted. A further criticism that is being made is about the role of civil society organisations and their linkage with the PCC and the state. All civil society organisations, despite their laudatory role, are state created and controlled. They are not autonomous in their functioning, funding and internal organization. The question is whether they are civil society organisations or, more appropriately corporatist control mechanisms of the regime? Limited electoral and political reforms seem to continue to stress and strain the political system; moreover, these also have direct bearings on the prospect and pace of economic reforms.

Principal economic reforms and changes during 1993-1995 have been detailed and described in Chapter IV. After the period of shock and adjustment from 1989 to 1993, principal economic changes since 1993 include agricultural reforms, the recognition of self-employment, legalisation of foreign currency, fiscal reforms, exchange rate and monetary reforms, and foreign investment. Since 1993, Cuba had to restructure the external economic sector in a major way.

To salvage the Cuban economy, Fidel Castro brought some landmark but sustainable changes in economic development strategy after 1993. The government proposed some major reforms in agricultural sector. The two main changes were
the dismantling of the state farms system and creation of farmers’ market. In mid-1993, Cuban National Assembly allowed self-employment in over 100 occupations. By December 1994, over 110,000 Cubans had joined the ranks of the self-employed and in the coming years the proportion increased dramatically. The legalisation of US dollar enabled Cuban government to monitor and control flow of dollars in Cuba, and provided another channel of foreign exchange earnings. To balance fiscal deficit, Cuban government brought some fiscal reform policies. The exchange rate and monetary reform helped to recover the fiscal deficit. The fiscal deficit fell from 40 per cent of GDP in 1993 to 7.4 per cent in 1994, and then to 3.6 per cent in 1995. The most effective change, the Cuban government has made in addressing its economic crisis has been the opening of the economy to foreign investment. In one year, foreign investment increased from US$ 2 billion to US$ 5 million in 1995. The decision of flexibility in foreign investment proved one of the most significant engines of growth in Cuba after mid-1990s. Though foreign investment provisions, Cuba could acquire the foreign capital necessary to run its socialist programmes.

All these reforms helped meet the set targets. The reform in agricultural sector by dismantling of the state farms system and the creation of market friendly farmers’ market helped the farmers to earn some extra money. As a result, a large section of population got involved in farming and producing agricultural products which helped tide over the food shortages. At the same time, the initiative to allow self-employment brought in a bigger mass in economic activity and helped raise individual and family earnings. The economy was brought back on track by policies that reduced government spending and increased efficient utilisation of resources. Measures to reduce fiscal deficit, legalisation of foreign hard currency (dollar), and exchange rate and monetary reforms, which drew from orthodox economic theory, were adopted. The opening of sectors like tourism, mining, telecommunications, petroleum and gas, food and beverage industries for foreign direct investment helped to integrate the Cuban economy with the international market. As a result, Cuba sought to gradually integrate itself with global economy and develop relations with capitalist world and various multilateral institutions. It helped Cuba to improve its economy as well as international acceptance in the age of globalisation. Cuba’s decision to focus on two important sectors education and
health proved helpful in attracting foreign business interests and support of international community during the critical period of economic crisis and reform.

The process of integrating Cuban economy with the external economic markets without compromising the basic essence of socialist economy has produced mixed results. While there are structural limitations as to the extent a command economy can integrate with global market forces, as is evident in the limited FDI flow and number of joint ventures, at the same time, the gains cannot be negated. The government opened sectors like tourism, mining, telecommunications, petroleum and gas, food and beverage industries for foreign direct investment. Around mid-1990s, foreign direct investment had become one of the most significant engines of growth in Cuba. Care and caution were the watchwords in dealings with the foreign investors. The authorities promoted only joint ventures with the foreign private investors, reoriented international links in the area of tourism and biotechnology, encouraged self-sufficiency in agricultural goods, adopted austerity measures to adjust to lower levels of consumption and productive employment, and exhorted ordinary Cubans to work harder than ever as a means to forestall or altogether avoid the implementation of reforms. At the same time, Cuba ensured foreign investors to repatriate the profits, as well as the abstention of the Cuban government from nationalising physical capital.

Critiques argue that the Cuban ‘dollarisation’ was intended to attract dollar remittances from Cuban families in the United States by providing a market in which the dollar could circulate legally. Many of the reforms were being pursued mainly as an attempt to ensure the regime’s long-term survival, to gain international political acceptance and economic assistance. The partial privatisation of large state enterprises without ending their status as monopolies, Cuba somewhere faced the political and ideological difficulties in introducing the semi-capitalist measures.

One remarkable fact about the Cuban economic recovery is that Cuba has achieved its economic recovery without access to preferential loans “from any country, financial institution or bank in the world during this period”. But, Cuba under Castro’s leadership, under such compulsive situation, managed successfully
a socially sustainable economic restructuring programme. Interestingly, what the entire economic restructuring process has shown is the attempt to reconcile the collective ideals and ethics of the revolution with the necessity of trading with partners who do not share the objectives born of a unique Cuban socialist experiment.

As outcome of the process of economic restructuring, Cuban economy has evolved towards greater rationalisation and efficiency, while maintaining its overall ability to ensure the socialist policies. Interestingly, most economic and political changes have been effected through a political consensus. Notwithstanding economic and political changes, the socialist character of the policies has remained central in the development strategies. In fact, socialist policies during ‘Special Period’ continued in various fields such as employment, education, healthcare, social security and assistance, culture, and sports, even leading to budgetary spending. The ‘Special Period’ essentially went through two main phases: 1991-93; is the period of crisis management in the face of precipitative economic decline; and 1994-99 marked a return to growth and development, with 0.7 per cent economic growth in 1994, 2.5 per cent in 1995, 7.5 per cent in 1996, 2.5 per cent in 1997, 5.5 per cent in 1998, and 6 per cent in 1999. Since 1999, country again faced slowdown of the economy. Cuba’s gross domestic product (GDP) growth steadily slowed down to 6.2 per cent in 1999, 5.6 per cent in 2000, 3.0 per cent in 2001, and 1.5 per cent in 2002, with an improvement to 2.6 per cent in 2003 and 5.0 per cent in 2004.

By 2002, Cuban economy had crossed the threshold of its recovery. The Cuban authorities described this strategy merely as a socialist response to the vicissitudes of the world economy. The opening (apertura) toward capitalism is based on socialist principles that guarantees the preservation of socialist order and its ability to meet economic and social objectives. In the last section of the chapter, an assessment of economic restructuring programme, also critically evaluate the drawbacks and advantages of these policies.

This fifth Chapter discusses and analyses the developments at political and economic fronts since 1996 to mid-2010. In October 1997, the fifth Congress of
the PCC offered an opportunity to assess the effectiveness of the response of the party and the government to the crisis of the ‘Special Period’. In the preparatory meetings, leading to the Congress, two main issues were discussed – one, on economic policy; and another, on politics. On the whole, the fifth party congress endorsed the conscientious work of the Cuban Communist Party. The two main resolutions on economic policy and politics clearly demonstrated the limits of adaptive changes. The economic resolution called for greater efficiency and continued growth of the tourist sector as the leading source of hard currency. The resolution offered no new further reforms. The political resolution, entitled “The Party of Unity, Democracy, and the Human Rights We Defend”, constituted a virtual manifesto against political liberalisation. It stressed upon the defence of Cuba’s one-party system led by the Communist Party; its socialist democracy based on mass participation rather than the bourgeois “liberalism” of contention among diverse interests; and on respect for human rights based on principles of social justice rather than unfettered political liberties. The fifth party congress was prefaced by a widely discussed document on the defence of human rights and unity.

The fifth Congress of PCC in 1997 can be described as constituting the third phase in the reform, or restructuring process, after 1986 and 1991. Besides the changes described above, another significant change was that the number of those from the armed forces or the ministry of interior increased in the Politburo of the PCC. As has been noted earlier, the economic resolution did not offer any new changes; it only called for overall greater economic efficiency and continued growth of the tourism sector. On the whole, the party congress offered no new reforms; rather the party congress marked the return to ideological orthodoxy.

What however is without doubt is that the twin reform processes have greatly impacted and changed Cuban economy and polity. Irrespective of the depth and direction of reforms, their sequencing and timings, and their ebb and flow, Cuba has come a long way from the Sovietised model of development it had pursued until about the mid-1980s. Whether socialism would gradually give way to a ‘mixed’ socialist, or capitalist, economy is the key question, Cubanologists have been asking. After a series of reforms in the first half of 1990s, the second
half of the decade saw return to ideological orthodoxy, and slow down, even reversal, of some of the reform measures.

Many of the reforms and changes in the politics and economy have had unintended effects; and the regime had to tackle them. To tackle the prevailing sense of immorality and expansion of black market activities due to introduction of market elements in the economy, the government decided on reversal of few reforms and emphasised on the strengthening of the idea of revolutionary ideology after 1997. With this view, the veterans of the 1959 revolution returned and the Asociacion de Combatientes de la Revolucion Cubana (ACRC) was given a high national profile. Amidst all these political changes through the decade of 1990s, the party leadership continued to strongly reaffirm the centrality of the leadership of Fidel Castro; and the imperative of mass mobilisation and the defence of the la patria – ‘the fatherland’. Defending la patria became evidently more important that defence of socialism. Besides, another unintended development was the greater assertion and push for autonomy by civil society organisations and the rise of dissidence within parameters of socialism.

After the fifth party congress in 1997, the election of National Assembly was held in 1998. After a successful election in which Cuban populace reposed faith in government, some new reform measures were adopted in 1999. The National Assembly elections, held on 11 January 1998, once again were treated as a plebiscite by the opponents. For the first time, “political forces opposing the electoral process became active” and called for a boycott. However with 92.83 per cent of the electorates voting in favour of the Revolution, it was clear that Cuba is still far away from competitive party activities. To stem the growth of unlawful activities, the government decided to strengthen punishment for crimes in 1999.

With the purpose of strengthening the Cuban Penal Code, the National Assembly (Asamblea Nacional del Poder Popular) discussed and approved Law 87: The Modification of the Penal Code of Cuba proposing punishment up to death penalty for serious cases of drug-trafficking, corruption, and armed robbery. This constituted a very major change in Cuban criminal law. The thrust of the modifications were toughened penalties for a series of offences, the addition of a
new offence (trafficking in persons) and alteration of twenty-five articles of the code. Most importantly, the sentence of life imprisonment was introduced. Again, in 2002, some changes were made in the Constitution.

On 19 January 2003, legislative elections were again held for the National Assembly of People’s Power. In this election the total voter turnout was 97.16 per cent, with 91.35 per cent casting a united (unified) vote. Fidel Castro and Raul Castro got 99.01 per cent and 99.75 per cent of votes respectively. On October 21, 28 and 31, 2007, local elections were held. These local elections were of national importance as they are the only direct elections in Cuba’s political system in which municipal and provincial assemblies elect half the members of the National Assembly of People’s Power. The official results states that 96.49 per cent populace voted in which, 92.99 per cent were valid, 3.93 per cent were blank, and 3.08 per cent were invalid votes.

On 20 January 2008, parliamentary election to the National Assembly of People’s Power was held in Cuba. In this election, Raúl Castro was re-elected from the second Eastern Front with 99.37 per cent of the vote and Fidel Castro was re-elected from the seventh District of Santiago de Cuba with 98.26 per cent of the vote. On 24 February 2008, an indirect Presidential election was held in Cuba, in which the National Assembly of People’s Power elected a new President of Cuba and the members of the Council of State. Raul Castro was elected as President, succeeding Fidel Castro. In 2009, Raul Castro made some major reshuffle in the composition of Ministers and also included some new faces in the cabinet. This period saw a great debate on transition or continuity from Fidel to Raul Castro.

On 25 April 2010, the elections for 169 municipalities were held to elect 15,093 delegates for all municipalities. After completion of this third phase of the municipal partial elections, on 19 May 2010, new municipal assemblies were constituted.

In the second half of the decade of 2010, the economy recovered due to many factors but one of the principal causes was rise in global prices of raw materials after 2002. In 2004, the government took initiative of de-dollarisation. In November 2004, Banco Central de Cuba (BCC) prohibited the use of the US
dollar as legal tender. BCC decreed that state and mixed enterprises would no longer be authorised to make dollar bank deposits in cash, instead, they must use convertible pesos for businesses. A fee of 10 per cent (gravamen) was imposed on Cuban citizens, foreign tourists, and senders of remittances who need to convert dollars to convertible pesos at exchange houses, banks, hotels, and hard currency shops. The goal was to restrict the use of the dollar, since dollarisation was creating new income inequalities and a consumerist culture in the society.

Amid arguments and counter-arguments as to the direction and thrust of various reform measures, some questions remain unanswered; or perhaps they are difficult to answer as the reform process is still unfolding. To many outside observers, Cuban political system appears to be a highly participatory one, with impressive numbers attending meetings, voting for leaders, debating legislation, managing local activities and, scores of elections being held periodically. Regime proponents cite all these as example of a socialist participatory democracy, and a substantive democracy as against procedural democracy seen in liberal polities. Many scholars however ask, whether the enormous quantity of political activity in the socialist regime is translating itself into qualitative opportunities for popular influence on government decision-making and empowerment. To an extent Cuban political regime, one may say, has been successful in pursuing both the goal of social transformation and the goal of mass participation. The supervision and guidance provided by the vanguard party are not considered a hindrance to the effective articulation of citizen demands. An important section of the Cuban revolutionary movement, workers' parliaments and labour unions, have advocated for a cooperative relationship with the socialist government. The cooperative relationship with the socialist government means that, the unions work closely with the Cuban Communist Party. One of the important natures of the Cuban state is the fact that the economic crisis was not resolved at the expense of working people. At the same time, there is no denying the fact of party hegemony and cooption of mass organisations as regime instruments of control and mobilisation.

Due to successful planning and implementation of economic and political reform measures, the Cuban government could also work out new trade and investment relations with other counties. The country did not experience the kind of dislocation and anarchy that many East European countries witnessed in their
transition to market-based democracy. Nor the regime resorted to coercion and repression to remain in power. Despite all the internal and external problems, Cuba also maintained cordial relations with the international community and continued to gain overwhelming support against US embargo in UN General Assembly. Castro’s charisma continued to work; and he remained one important voice against the unfettered operation of forces of economic liberalisation and globalisation and a voice against post-Cold War US unilateralism. In fact, the international profile of the country seems to have increased in mitigating hardships faced by victims of globalisation. The Island country sent thousands of doctors, teachers and other personnel on humanitarian assignments to various countries. With ‘leftist’ governments coming to power in several South American countries, Castro emerged as a kind of mentor for several regional leaders and Cuban model of growth with justice became an example for ‘twenty-first century socialist’ regimes in Venezuela, Bolivia, Ecuador and others. By mid-1990s, Cuba had three times as many doctors as the World Health Organisation (WHO) serving abroad and providing free medical treatment. There are also several education and health projects throughout Africa and Latin America. In the wake of the devastating earthquake in Pakistan Occupied Kashmir (POK) in 2005, Cuba sent several hundred doctors and provided other humanitarian assistance to Pakistan in the rescue and rehabilitation programme. Havana is also hosting an annual conference for economists and other scholars known as “the International Meeting of Economists on Globalisation and Problems of Development”. Also, in 1997 and 2001 Havana hosted the International Meeting of Workers against Neo-liberalism and Globalisation. These conferences brought together economic and development theorists and technocrats from across the ideological spectrum, with the goal of forging a common programme of action to confront the neo-liberal agenda.

The ailment of Castro in 2006 and gradual transition in the top level of the regime and the party since 2007 marks yet another phase arguably in favour of ‘pragmatists’. The ascension of Raul Castro, it is said, offers a window of opportunity to move Cuba towards some kind of a ‘mixed’ socialist economy and a possible rapprochement with the United Stated and US-based Cuban-American community. The transition from Fidel Castro to Raul Castro is said to mark the
beginning of pragmatism, as more market features have been added to the economy and significant changes are introduced at the political level.

The penultimate Chapter deals with the adjustments Cuba had to make in its external relations and engagements in the wake of the crisis and reforms. The Chapter primarily discusses the background of Cuba’s relations with Latin America, Canada, United States, Third World, and EU countries. In the early 1990s, Mexico was listed as a main investor in Cuba. Mexico’s investments are mainly in the mining sector. By 1998, it was reported that France, Spain, UK and Italy make up 50 per cent of investment in Cuba; Canada 20 per cent; and Mexico, Venezuela, Argentina and Chile 18 per cent. The Cuban-Caribbean relations also yielded some promising results, more in the form of Cuba’s membership in Association of Caribbean States (ASC). The two-way trade between Cuba and Caribbean grew consistently from roughly US$ 8.6 million in 1990 to close to US$ 200 million in 1999; however, the Cuban foreign policy toward the Caribbean has been primarily focused on protecting its national security and the survival of the revolution. Cuba continues to play a prominent role in third world community in challenging the present world economic and political order.

Cuba remains involved with Latin American countries, other third world and Non-Aligned countries. Diplomatic and trade relations with important Latin American countries including with Mexico and Brazil have improved in the 1990s with the new phase of democratisation in the region and especially with the emergence of centre-left movements and theirs consolidation. The so-called ‘rise of left’ in Latin American has greatly enabled to reduce its isolation and development important trade and economic linkages with various countries in the region. The relations between Cuba and Brazil are currently guided by the search for increased mutual cooperation, and by strengthening of trade and investment bonds. With Venezuela, economic ties apart, political relationship has become very important since the advent of President Hugo Chavez whose model of “Bolivarian Revolution” and “Twenty-first Century Socialism” closely resembles the developmental and participative formats of Cuba. Ever since the signing of ‘integral cooperation accord’ in October 2000, economic relations between Cuba and Venezuela have grown and Cuba is assisting Venezuela in the development and implementation of large number of social welfare programmes and projects.
Cuba also took many initiatives to further deepen relations with other countries. Mexico was the first of the countries to seize business opportunities in the early 1990s as a number of Mexican investments took place in joint ventures. Mexico's accession to NAFTA, the financial crisis of 1994 and closer proximity of President Vicente Fox (2000-06) to US however adversely affected the growing economic ties. However, with the election of President Rafael Calderon in 2006, Mexico has been on the course of rebuilding the relations with Cuba.

Cuba-Canada relations can be traced back to the eighteenth century, but in 1990s Cuba acquired a new importance for Canadian investors and exporters, encouraged by the approval of Cuba's new foreign investment law. Canadian firms became the second largest source of foreign investment in Cuba. The relations with Canada have grown not only in terms of trade but investment too. Many Canadian NGOs have also been welcomed in Cuba to work in areas of human rights, education and legal reform etc. Canada had joined OAS in 1989 and since then Latin America became a major policy plank for Canadians. Expansion of relations with Canada has helped Cuba offset some of the effects of tightened American embargo and also earn one more supportive voice for itself in the inter-American system. On its part, Canada believes it can persuade, cajole and gradually nudge Cuba towards reforming its political and economic system along liberal democratic, capitalist lines.

With the United States, Cuba relations worsened in the 1990s. It won't be an exaggeration to say that Cuba had been one of the major targets of post-Cold War American unilateralism. Not only economic and trade embargo continued, one of the first actions by US after the end of Cold War passing of the Cuba Democracy Act. Commonly called the Toricelli Act of 1992, sanctions and penal actions against Cuba were further tightened. More came in the wake of the Helms-Burton Amendments in 1996. The Helms-Burton Act primarily targeted the foreign investments and was intended to punish investors seeking to set up joint ventures with Cuba. The bill was prepared to block the foreign investments in Cuba under pressure from Cuban Americans and American corporations. But, Cuba successfully established a number of joint ventures in tourism, mining,
petroleum and gas, telecommunications, food and beverage industry, etc. By the year 2000, 392 joint ventures were functioning in Cuba. In 2001, United States got involved with the ‘Cuban Five’ episode. And, in the consecutive year 2002, it planned the Varela project which questions the democratic functioning of the Cuban government.

From Europe, Spain maintains good relations with Cuba and has invested principally in tourism and hospitality sectors. But, many countries of European Union have discontinued the relations.

In 2000, Russia’s President Vladimir Putin, took initiative to normalise the relations between the two. During his visit he granted Cuba a US$ 50 million credit. The trade links between Cuba and Russia increased, from US$ 125 million in 2005 to over 231 million in 2006 and then to 285 million. Both countries have held frequent talks and concluded more agreements. Under one such agreement, since July 2009 Russia began oil exploration in the Gulf of Mexico after signing a deal with Cuba. Under the new agreement, Russia has also granted a loan of US$ 150 million to Cuba to buy construction and agricultural equipment.

In Asia, Cuba has relations with China, India, Pakistan and other countries. After the rupture of relations with Soviet Union, People’s Republic of China emerged as a new partner for Cuba’s foreign relations in the East. In 2003, China was Cuba’s fourth trade partner, with 7 per cent of total transactions, after 14 per cent with Venezuela, 13 per cent with Spain, and 8 per cent with Canada. Cuba has an oil exploration contract with China’s Petroleum and Chemical Corporation (SINOPEC).

Cuba-India relations have been traditionally warm and friendly. India was amongst the first countries to extend recognition to Cuba after the 1959 Revolution. Fidel Castro had close personal equation with Indian leadership particularly with Prime Minister Mrs. Indira Gandhi and the two countries were staunch advocate of Non-alignment in the era of Cold War, with Cuba hosting the NAM Summit in 1979 followed by India in 1983. India and Cuba have enjoyed long-standing relations in the fields of sports, health and culture, which have contributed to the exchange of Cuban and Indian experts in those areas. Both
countries share common positions regarding the struggle against international terrorism, both support universal disarmament and arms control and adopt common position in negotiations in the World Trade Organisation. Both countries have maintained close contacts with each other in various international fora, such as the UN, NAM, WTO, etc. Both have supported each other’s candidature to various UN bodies. India has supported Cuba against US-supported resolutions at the UN Human Rights Council (erstwhile Human Rights Commission) Geneva, on alleged human rights violations in Cuba. India has also consistently voted in favour of Cuban sponsored resolutions in the UN General Assembly calling for lifting of US sanctions against Cuba. Cuba shares India’s views on democratising UN and expansion of the UN Security Council.


In recent years, ONGC Videsh Limited has entered in the Cuban oil prospecting market by signing an international economic association agreement with REPSOL for 30 per cent participation in deep-sea exploration in 6 blocks in the Cuban sector of the Gulf of Mexico. The company has invested approximately US$ 65 million in Cuba by 31 Jan, 2010.

Cuba has managed to create a society with high levels of social and human development in spite of being denied access to loans from either the International Monetary Fund or the World Bank and in the face of unbridled hostility from the United States. At the very least, Cuba demonstrates that a viable alternative approach to economic development and political participation does exist.

With the onset of the crisis of the 1990s, Cuba’s socialist project was put under intense pressure. The very question of what type of socialist society would be possible under those conditions became a central point of debate. In Cuban context, in such a difficult situation, the unavoidable introduction of ‘capitalist elements’, has not altered the socialist trajectory of the revolution. With the economic recovery since 2003, and the polity remaining stable, the Island has
embarked on a battle of idea: an ideological debate on how to weave market elements in a socialist economy and how to wed electoral-democratic principles with the rule of communist party. In the process, Cuba has also emerged as a flag bearer in the global struggle against globalisation and for a multi-polar world. It is an ethos encapsulated in the struggle between building a nation based on the ‘ethics of being’ rather than the ‘ethics of having’. Now, the world is watching with curiosity how Raul Castro will deal with in the emerging global scenario? Whether, he will be able to continue the basic essence of Cuban Revolution?