

NATION MAGAZINE SPONSORED CUBA TOUR WITH SPECIAL ACCESS.

By William Batt, Ph.D., Albany, NY

The Nation magazine sponsored an educational trip to Cuba in early June of this year focused largely on its culture, public policies and relationship to the US after fifty-five years of estrangement. It was led by *Nation* Editor/Publisher Katrina van den Heuvel and author Peter Kornbluh; I was one of twenty-four people fortunate to go. Summarizing so rich a week of visits and discussions is obviously a daunting challenge, but two already-published articles about our trip offer starting points for understanding our experience. The first was a *New York Times* article describing the week's program; the second was an op-ed piece in the *Washington Post* by Katrina Van den Heuvel herself.

Our group would never have had the entrée to the people with whom we met without 1) the status of *The Nation*, and 2) the personal friendship and connections of Peter Kornbluh. I wish to express gratitude and admiration for Peter's efforts and successes for the differences it made to our visit. It is worth also saying something about the fellow members of our group. All were confirmed readers of *The Nation* and several were members of the Nation Institute (now Nation Builders), an eleemosynary organization established to support the non-profit magazine. We were all professionals of one stripe or another, but only a few were academics (and those few were in the hard sciences). Most were retired, and several had had careers in the creative arts. Three were journalists, and one was a college student along with her parents. We came from all parts of the US and there were only three couples. The total trip cost between \$6,000 and \$7,000 per person, some of which was intended as financial support for *The Nation*.

Why was Cuba so attractive to us? Because it has now elected to follow its own path, politically, policy-wise, and culturally. For over three decades it tied itself to USSR to avoid diplomatic isolation as well as for financial support. This meant that it was forced to accept some policies that it may not otherwise have chosen. Whether Fidel Castro was a Marxist or simply professed to be for strategic reasons is an open question. Certain differences from other Eastern bloc countries arise from the exigencies of Cuba's geography and socio-economic circumstances. But other options are necessitated by the persistent and aggressive efforts of its northern neighbor US to undermine and even overthrow the ruling structure that the 1959 Castro regime created. For decades it has had a siege mentality that is only now lifting. I address the homage paid to the country's national hero Jose Marti in a separate essay, and who often wrote about Henry George and may even have known him. Cuba could even plausibly become Georgist.

The first difference one sees after landing at Havana's Jose Marti Airport is the number of vintage 1950s-era American cars, many of them immaculate and polished. The embargo the US imposes on Cuban trade means that the thin slice of society that can afford new cars gets them mostly from Japan, Korea, or Germany. Occasionally one sees Ladas—cars imported during the era of Soviet domination. Except in the older sections of Havana and other larger cities, the roads are broad and uncrowded. The buildings lining them are stark and crumbling,

especially the facades. Lack of capital resources make it difficult to maintain any structures.

Investment in human resources, however, is impressive. People are healthy-looking and suitably dressed. Health data shows a marked improvement since the 1959 revolution in all indices. Average life expectancy now is 82.7 years, a ranking of 37 among 194 countries compared. And infant mortality ranks 28th. Ninety-two percent of the population completes 18.7 years of totally free education. And the population is completely literate. On a scale of life satisfaction 90% of the people rank themselves 6 out of ten. That's higher than US! Homes are modest even if visibly deteriorating—with a family average of 1.8 rooms per person and less than ¼ of typical household income spent for housing. But a fifth still live in poverty.

Even though people are well fed, the quality and choices of food are limited. Our tour guide took us to a typical "farmer's market" and the meat and vegetables would not appeal to American buyers. But this is changing. Three quarters of the population is now urban, and many of the gardens are urban as well. Reliance upon chemical fertilizers has ended, and Soviet-style farms have been broken up. Few people are overweight. Data on employment indicates that 70% are employed in some way, but casual discussions reveal that many people are over-qualified for the jobs that they hold. Of those that hold jobs, the public sector employs 80%! Our tour guide had a law degree, but had quit the foreign service because he couldn't afford to provide for his family.

People manage to provide for themselves by arrangements outside the formal economy. Everyone has an angle—the underground economy is huge. Visiting Cuban-Americans, about a million in Miami and elsewhere, bring in goods and extra income (remittances) to better provide for friends and relatives. The official income per capita is about \$US19 per month. The financial creativity is abetted by the several different currencies that operate simultaneously. Hard currencies, like the US dollar, are exchangeable at a rate of about one dollar per Cuban peso. This currency has a special printing design, in contrast to the pesos that are employed by people who have no access to such exchanges. The ration cards are, in effect, another kind of currency. Efforts are now being made to bring the local Cuban pesos into alignment with the (hard currency) pesos exchanged on the world market, and to phase out the ration system. But the process could cause grave economic hardships and dislocations for some people.

The US policy of embargo of all Cuban goods except art and educational materials isn't all that restrictive—there isn't much else that one might want! The single exception, perhaps, are Cuban cigars, strictly prohibited by the US government, which can get you in real trouble. The embargo hurts the US more than it hurts Cuba. Were it ended, the Cuban people would likely improve their internet service first of all, and would soon then fix up their homes and buy new cars when they could afford them. And Americans would likely flock to Cuban hotels and beaches in even greater numbers than those that now come from Canada and Europe. Schools and universities even now bring in 24,000 students from 82 countries; many are Americans. (cont'd on p. 13)

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The people in Cuba we were privileged to meet gave us an excellent picture of things as they now stand. When Fidel handed over leadership to his younger brother Raúl, there gradually came a relaxation of many policies. Since the country is not forced to rely upon USSR as a protector against American bullying, and since the country has growing flexibility in its exchanges with other nations, the policies it is electing to pursue reflect a far more rational expression of its interests. One of the journalists with whom we met, Rafael Hernandez, enumerated thirteen erroneous assumptions about Cuba that now dominate US discourse:

1. Since Raúl Castro became president, there has been no political change.
2. Raúl is the end of the line; once he goes, there will be no succession.
3. The military is the key institution in Cuba.
4. Dissent is prohibited and punished.
5. Political opposition groups are the democratic alternative in Cuba.
6. National political mediation is led by the Catholic Church.
7. As long as one party remains in power, no democratization is possible.
8. Cubans know nothing about the rest of the world.
9. Most youth want to leave Cuba.
10. Average monthly income in Cuba is \$20.00
11. Cuban émigrés are exiles.
12. US-Cuban policy is driven by the Cuban-American lobby.
13. Second-generation Cuban-American political elites remain anti-Castro.

The obstacle to normalization of relations between the US and Cuba rests with two powerful members of Congress: Senator Robert Menendez (D, NJ) and Representative Ileana Ros-Lehtinen (R, FL). Menendez became chair of the Senate Foreign Relations Committee when John Kerry became Secretary of State; he and Ros-Lehtinen are wedded to the old-guard that still hopes to see regime change and compensation for property left behind when they left the island decades ago. If Florida weren't such a pivotal state in national elections, the clout of the Miami Cubans could be written off. But many of them, at least the older generation, are still single-issue voters. Regime change is a pipe dream; the island-Cubans would never go back to pre 1959.

One stalemate between US and Cuban governments concerns an American in a Cuban jail accused of smuggling contraband electronic equipment for espionage purposes, and three Cubans in an American jail (originally four) who were caught infiltrating a Miami exile network in the service of the Cuban government. The latter have been held since 1998 after having been convicted of activities imperiling US national security. The American, Alan Gross, age 65, was sent to Cuba more recently as a contract employee by an American company and is now serving a fifteen-year sentence for what likely were hapless involvements. This was the focus of our discussion with Josephina Vidal, formerly the top-level representative for Cuba in Washington at what is the *de facto* legation. A swap has been proposed by several parties, but hard-liners have prevailed. Meanwhile, educational and cultural exchanges between the two countries increase, most recently—just before our trip—a visit by a senior official of the US Chamber of Commerce and the president of Amway. Even

without ambassadors, US and Cuba have each maintained "Office of Interests" missions for years.

Our trip included visits with a Catholic journal editor, to a Jewish temple, and to Hemingway's home. We had a chance to hear noted "trova" Cuban musician Frank Delgado, visit a cigar factory, and see a private ballet troupe performance. We had a one-day bus-ride to see the Bay of Pigs (and its museum), but I elected to meet with an academic researcher instead. We went to the Museum of the Revolution, a venerable display of the country's treasures. We visited an institute on sustainable development, the Antonio Nunez Foundation, and with a noted urbanologist/planner were able to discuss the dire condition of Havana's structures. But the most interesting occasions to me were visits with 1) a high-level official of the Ministry of Foreign Affairs, 2) the head of the National Sex Education Center (who happens to be Raúl Castro's daughter), 3) a knowledgeable journalist about the nation's health policies, and 4) an economist at the University of Havana.

A second meeting was set up with Mariela Castro Espin, Raúl Castro's daughter, who leads CENESEX, the Cuba National Center for Sex Education. In its 25-year existence, the Center has established positions and policies that put it in the vanguard of education and tolerance among all nations. Its charge is not just sex education as typically understood in progressive western nations; it has also done much to make socially acceptable the lifestyles of lesbian, gay, bi-sexual and transsexual people. Even though laws have not been enacted to ratify these behaviors, there is widespread tolerance in the public health-care program, including sex-change surgery. CENESEX isn't just a public policy program but an education and research program too. It even grants Master's level degrees.

Cuba's health program is especially interesting, arguably one of the best in the world. One should note that Cuba was included in Michael Moore's film *Sicko* comparing other national health systems with that in the US. There may not exist all the high-tech medicine that is present here, but the primary care system is unrivaled anywhere. Contagious diseases are totally eradicated. The doctor-patient ratio is almost three times that of the US. Cuba has a medical training program that produces enough doctors to serve not only the 11 million people at home but send 25,000 doctors to some 68 countries where care is less available. Other nations pay Cuba either in hard currencies for this work, or, as in the case of Venezuela, in petroleum that is otherwise prohibitively expensive. The doctors (and another 15,000 teachers) who serve abroad gain experience and worldly exposure as well as provide for the Cuban economy. There is no restriction upon their defecting to other countries, and some do so. But the loyalty that is shown by their services in what are often "hardship posts," is a testimony to its widespread success.

Our party met with Gail Reed, the American-born founder and Executive Editor of *MEDICC Review*, a Cuban medical journal (published in English and Spanish), that focuses on family medicine and is widely and influentially circulated. Its contributors are largely Cuban, and it contains issues of interest to the developing world. It also reports on research done in Cuban universities, a program of which Cubans can be rightfully proud. A new book of articles just out about Cuba's past decade, *A Contemporary Cuban Reader* edited by four American scholars, (continued on page 14)

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dedicates all its royalties to MEDICC.

The fourth dimension of our visit addressed elements of the Cuban economy, and this was, at least for me, the most interesting subject of all. The starting point to understanding the shifts brought about in the Cuban economy since 1959 are an outgrowth of the decision of the new regime to take title to all real property on the island. Yet people occupy their homes and businesses much as before. Initially all business ownership was assumed by the government, but this is changing. In the agricultural sector, the transitions are taking a bit longer to effectuate, and one could argue that plans are still being implemented. Before the revolution, an estimated 40% of all the land was titled to foreigners. Today, more than 80% of all agricultural land is in co-ops. The reality of Cuban society before the revolution helps a lot to explain it. As described elsewhere,

By the mid-1950s, 90 percent of Cuba's telephone and electrical services, 50 percent of public service railways, 40 percent of raw sugar production, and 23 percent of non-sugar industries were U.S. owned. The United States was Cuba's largest export market and the main source for its imports: 59 percent of the value of Cuban exports—including 80 percent of its exported sugar—went to the United States. Notably, 76 percent of Cuba's imports originated in the United States. This reflected, in part, U.S.-owned firms buying from their own subsidiaries. As important, Cuba needed to import basic foods because its dependence on sugar for hard currency reduced its ability to produce rice, wheat, and flour. One-third of U.S. rice exports were sold to Cuba in the 1950s.

Against this history, it is easy to understand why the revolutionary leaders felt compelled to take total control of all these assets, even if it meant an imbalance in the economy's structure. The siege mentality that characterized the nation for decades thereafter made it difficult to reorganize and rationalize commerce and industry in ways that improved productivity. When the thaw with most western nations finally came following the collapse of the USSR's protection, tourism was the first industry allowed to blossom. Hotel chains in Canada, Israel, and Europe soon made bargains to build new vacation-style edifices on the coast, with the provision that the land on which they stood would be corporately owned. That practice, an experiment begun in the 1990s, ended soon thereafter; the government bought out those contracts. The nation now retains ownership of all the natural resources of the island as businesses are privatized.

Giving ownership to the people who work in organizations especially through cooperatives is viewed as essential to avoid reverting to capitalist exploitation. A good deal of thought is now devoted to organization and management for productivity, not just in the agricultural sector but for goods and services as well. Since the government owned and managed the industrial and commercial sector, there was no difficulty in its assuming a share of the income to pay the costs of public goods and services. But now, as reforms are instituted in what had been a rather rigid statist society, sources of finance for the support of government have to be found. So leaders are turning to taxes—not land rents, mind you, but income taxes! The collapse of the

USSR in the 1990s meant the loss of financial support Cuba received, the aftermath of which is referred to as the "special period." The enormous strain this event put on the nation's economy led to very stringent measures, beginning with an income tax ultimately imposed in 1997. Self-employed workers pay roughly two-thirds of this revenue, which is imposed at rates from 10 to 50%. A rental tax on any homes that sometimes housed guests was also levied in the same year, along with an *ad valorem* tax on imports of 80%, shortly thereafter reduced to 30%. This was enacted in conjunction with the expansion of the tourist business from nations not subject by proxy to the US embargo provisions. Taxes were also placed on the few private companies (all foreign) that had established a presence in Cuba. In summary, the government instituted a tax on just about anything it could raise money from. Total revenue from 1989 to 1999 was essentially constant, roughly 12,500 million pesos annually.

Changes are in process once more as segments of the economy are privatized. Efforts are being made to enact taxes "similar to the ones that exist in the rest of the world." Cuban economist Omar Everleny Perez explained that the vast majority of Cuban citizens don't pay taxes on their salaries, but [he] made it clear that "while the current law doesn't exonerate them; it effectively doesn't apply to them either because the average wage is still very low. Yet those earning more than 1,000 national pesos (USD\$45) a month, are already having 5 percent tax deducted from their pay checks." Still, the 2011 tax revenues have "soared as the numbers of self-employed shot from 140,000 to almost 360,000. The new tax code, passed by the Cuban Parliament in July 2012 and effective in 2013 "covered 19 separate taxes, including such things as inheritance, environment, sales, transportation and farm land, various license fees and contributions, including social security." At the same time the government is downsizing its workforce, and workers moving for the first time into the private sector are subject to a monthly 10 percent income tax with another 25 percent placed into a social security account. Businesses that hire people will also have to collect a 25 percent payroll tax. I've collected all this since my return since even our very knowledgeable speakers and our guide were not able to explain it.

It is too soon to say whether the changes being instituted under the leadership of Raúl Castro and the more decentralized government will be met with satisfaction or resignation. The society was being subsidized by the Soviet regime until it collapsed, and the enormous hardship that ensued thereafter—the average person lost 20 pounds and many became malnourished—has meant that progress since has been keenly felt and visible. But sentiment for maintaining the socialist system of government is unwavering, even though it continues to be defined. It will be interesting for the world to follow the Cuban experiment. I was delighted to have witnessed some of it.

(GroundSwell does not have space for Dr. Wm. Batt's footnotes but they are available from him by emailing albanygeoist@gmail.com) <<