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Cuba's Phony Transition: Fidel Resigns, Raul Reigns

James M. Roberts and Ray Walser, Ph.D.

In the days of monarchy, the chief palace spokesman would solemnly announce, “The King is dead! Long live the King” to demonstrate a seamless transition. Sadly, the refrain in Cuba today will be, “The Dictator has resigned. Long live the Dictator!”

Fidel Castro's resignation announcement comes as little surprise to those following events in Cuba. The transition has been underway since July 31, 2006, when Fidel announced a “temporary transfer” of power and yielded day-to-day control of the government to his brother, Raul Castro. That Brother Raul's coronation was announced furtively, in the middle of the night, and online in a country where practically no one but the Communist *nomenclatura* has access to the Internet is a good indicator of a phony transition that lacks legitimacy.

Although minor economic reforms are possible, all signs point to a continuation of the status quo in Cuba. The United States should keep existing policies in place until Cuba makes real progress on political reforms and human rights issues.

Preserving the Political Status Quo. Many were already predicting that the convening of the Council of State on February 24 would mark the official end of Fidel Castro's half-century of power. The resignation marks the legal end to the stormy career of the ailing 81-year-old Communist. However, “Dictator Emeritus” Castro has vowed to fight on “as a soldier in the battle of ideas”; i.e., he will continue to influence Cuban politics until the very end.

When the National Assembly of People's Power convenes on February 24, it is possible that another face, a member of the younger generation—Carlos Lage Davila, Ricardo Alarcon, or Felipe Perez

Roque¹—might become the President of the State Council, but no one doubts that it will be Raul, not Fidel, who will guide general policy.

Raul Castro is not the agent of democratic transition hoped for by forward-looking Cubans. Fidel's younger brother, now 76 years old, has lived in the shadows of his flamboyant, domineering elder brother. Yet Raul has wielded immense political and institutional power since the Cuban Revolution took power in 1959. Raul has commanded the Cuban Armed Forces since 1959 and the security (intelligence) services since 1989, and he has shared in Fidel's leadership of the Communist Party, Cuba's only legal party. Cuba's 50,000-plus armed forces remain at the center of its command economy. Serving or former military officers direct an estimated 60 percent of Cuba's business and industry. The Ministry of Interior is still a world-class intelligence service and has become adept at confronting any form of dissent. There is no indication that Raul intends to dismantle any of these support structures.

The human rights situation has not improved since March 2003, when the government cracked down on the peaceful opposition and arrested 75 human rights activists, journalists, and opposition figures, sentencing many of them to prison terms ranging from six to 28 years. The U.S. Department

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of State writes the following in its 2006 “Country Reports on Human Rights Practices”:

The government’s human rights record remained poor, and the government continued to commit numerous, serious abuses. The government denied citizens the right to change their government. There were at least 283 political prisoners and detainees at year’s end. Thousands of citizens served sentences for “dangerousness,” in the absence of any criminal activity.²

Minor Economic Reforms. There is the Cuban joke that in “the socialist paradise, there are only three minor economic problems left to solve: breakfast, lunch and dinner.” Cuba’s economy has been virtually destroyed by state mismanagement under Castro. The average monthly income is about \$10, and pensioners receive about \$4 a month.

As U.S. Secretary of Commerce (and Cuban-American) Carlos Gutierrez has noted, “Cubans have survived for more than 40 years on ration books that subsidize a limited number of basic products, such as soy protein, rice, and beans. These rations are enough for about ten days of the month.” After that, Cubans must buy basic foodstuffs, clothing, and household items at expensive market prices or in the flourishing black market. Subsidized milk is rationed to children under the age of seven and not available at all after they turn eight. The Castro regime’s own statistics from 2005 indicate that at least 15 percent of Cuba’s population is at severe nutritional risk.³

The economy is not likely to respond quickly or robustly to any minor “China-like” opening that Raul may attempt. He may begin to tinker with the economic system, presenting limited reforms in the agricultural area and some modest private market opportunities, but the command economy will remain firmly in place. That is bad news for the Cuban people. Production in Cuba has long been inefficient, and the economy cannot provide even basic goods and services. Corruption is rampant, and more than 40 percent of the economy is in the informal sector.

A Failed Economy. Communist central planning has ruined agriculture in Cuba just as it did in the old Soviet Union. Sugar has always been the cornerstone of the Cuban economy, but since the end of subsidies from the Soviet Union in 1989, production has fallen by more than 50 percent. “Inefficient planting and cultivation methods, poor management, shortages of spare parts, and poor transportation infrastructure combined to deter the recovery of the sector.”⁴ Tourism, which includes “sex-tourism” involving Cuban children,⁵ has become the primary source of foreign exchange.⁶

Although Cuba is visited by a few adventurous Europeans, these travelers often do not return after experiencing socialist Cubans’ “service with a snarl.” Thanks to foreign capital and joint ventures with Canadian and Chinese companies, rich nickel deposits and recent discoveries of oil have provided some additional earnings.⁷ None of these sectors, however, is sufficient to offset the basic dysfunctionality of the Cuban economic system.

1. Alan Gomez, “Speculation Swirls Around Cuba’s Next Leader,” *USA Today*, February 19, 2008, at www.usatoday.com/news/world/2008-02-19-cuba-future_N.htm (February 19, 2008).
2. U.S. Department of State, Bureau of Democracy, Human Rights, and Labor, “Country Reports on Human Rights Practices, 2006,” March 6, 2007, at www.state.gov/g/drl/rls/hrrpt/2006/78887.htm (February 19, 2008).
3. U.S. Secretary of Commerce Carlos M. Gutierrez, “Remarks to the Cuba Democracy Advocates,” Commission for Assistance to a Free Cuba, July 21, 2006, at www.cafc.gov/cafc/rls/70858.htm (February 19, 2008).
4. U.S. Department of State, Bureau of Western Hemisphere Affairs, “Background Note: Cuba,” November 2007, at www.state.gov/r/pa/ei/bgn/2886.htm (February 19, 2008).
5. U.S. Department of State, Under Secretary for Democracy and Global Affairs, Office to Monitor and Combat Trafficking in Persons, “Trafficking in Persons Report,” June 12, 2007, at www.state.gov/g/tip/rls/tiprpt/2007/82805.htm (February 19, 2008).
6. Economist Intelligence Unit, “Country Report: Cuba,” February 1, 2008, at www.eiu.com/index.asp?layout=displayIssueArticle&issue_id=1892995374&article_id=332995418 (February 19, 2008; subscription required).
7. Economist Intelligence Unit, “Country Profile: Cuba,” March 14, 2007, at www.eiu.com/index.asp?layout=displayIssueArticle&issue_id=1012002486&article_id=1662002551 (February 19, 2008; subscription required).

Although Cuba's much-ballyhooed educational and health care systems have provided some quality care to privileged Cubans with ties to the regime, the vast majority of Cubans, especially outside of the major cities, do not have access either to adequate medical care or to advanced educational opportunities.⁸

Simply put, Cuba lacks the foundation on which to build an economy that can provide jobs and prosperity for the people. Cuba's economic performance indicators have been dismal. Cuba ranks at the bottom—156 out of 157 countries—in the *2008 Index of Economic Freedom*, published by The Heritage Foundation and *The Wall Street Journal*. It is the least economically free country in the Western Hemisphere.⁹

Raul will certainly work to preserve relations with Venezuela, China, and others that have kept Cuba afloat since the Russians left at the end of the Cold War. Without the \$3 billion–\$4 billion in annual assistance from Castro choir boy Hugo Chavez and investments/handouts from China, life in Cuba would be even more miserable than it is now.

The U.S.–Cuba Relationship. It is certainly premature to speak of significant change in the relationship between the United States and Cuba. On

February 19, President Bush called for a transition centered on free and fair elections. The Administration has reiterated its commitment to a policy enunciated in October 2007.¹⁰

In a speech made last year, Raul indicated that he was disposed toward improved relations with the United States. Now in a position to call the shots, he can perhaps adopt a less confrontational stance. If he wishes to send a strong signal of change, Raul should release prisoners of conscience who were jailed in 2003, free the media, and grant access both to the Internet and to the outside media.

Neither Members of Congress nor the American people should push to alter existing legislation or restrictions on trade or travel with Cuba absent signs of positive change on the political and human rights fronts. Raul fully understands the nature of the U.S.–Cuba dynamic and is smart enough to find ways to work with the U.S. if he so desires. The transition ball still remains firmly in the Cuban court.

—James M. Roberts is Research Fellow for Economic Freedom and Growth in the Center for International Trade and Economics, and Ray Walser is Senior Policy Analyst for Latin America in the Douglas and Sarah Allison Center for Foreign Policy Studies, at The Heritage Foundation.

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8. Melissa Scott, "Healthy in Cuba, Sick in America? John Stossel Takes on Michael Moore, Examines Government-Run Health Care," ABC News, September 7, 2007, at <http://abcnews.go.com/Exclusiva/story?id=3568278&page=1> (February 19, 2008).
 9. Kim R. Holmes, Edwin J. Feulner, and Mary Anastasia O'Grady, *2008 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2008), pp. 151–152, at www.heritage.org/index/countries.cfm (February 19, 2008).
 10. George W. Bush, "President Bush Discusses Cuba Policy," October 24, 2007, at www.whitehouse.gov/news/releases/2007/10/20071024-6.html (February 19, 2008).