

# Christmas brings back relations between USA and Cuba

Rico Rodrigues Wed, 24/12/2014 - 11:21

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This year Barack Obama had a special Christmas present to give to the world: After 53 years, the US will re-establish 'normal political relations' with Cuba. The ties were cut in 1961, after the revolutionary government under Fidel Castro carried out a deep land reform and expropriated US capital on the island. In retaliation, the USA imposed a complete economic embargo on Cuba, which then moved into the camp of the Soviet Union and 'Socialism'.

The two countries will open diplomatic representations. As soon as January, a delegation of high-ranking US officials will visit the island to begin negotiations. First priorities have already been identified as migration, anti-drugs operations and people trafficking. In addition, the regulations covering US citizens travelling to Cuba and vice-versa, money transfer, exportation, commerce and investments, particularly in the telecommunication sector, will be improved. Politicians around the world, especially from Latin America, for example, Venezuela's Nicolas Maduro, Argentina's Christina Kirchner and Brazil's Dilma Rouseff, welcomed the move.

There are socialist organisations, generally those inclined to Stalinism, who overwhelmingly welcome this news and celebrate it as a 'victory for socialist Cuba' over US imperialism. However, the developments before this move, and the facts of Cuba's economic development, give little support to this interpretation. So, what is this historic announcement by the US president about?

Of course, the news was met with enthusiasm by many US-Americans and Cubans. Especially for family members, it will be a huge improvement to be able to visit each other. For thousands of families it will be the first time they can visit each other again for many years. Economically, it will also mean a huge improvement for many Cubans with family or friends in the US. The amount of money which can be sent to Cuba will shortly be raised from US\$500 to US\$ 2,000.

It will also mean the end of political and economic isolation for Cuba. Many Cubans, especially the younger generation, are waiting eagerly for the investments and especially improvements in communication, above all the internet. Therefore, the happiness of Cuban people is absolutely understandable. Nevertheless, a serious political analysis has to look beyond this.

First of all, Cuba was never really 'socialist'. After the Revolution in 1959, Castro and the leadership clique around him, his brother Raúl and Ché Guevara centralised the power in their hands and created a bureaucratic workers' government. Although they went on to expropriate the bourgeoisie on the wave of mass support created by the Revolution and in the aftermath of the CIA's attempted invasion at the Bay of Pigs, workers' and peasants' democracy never existed in Cuba. With the move into the Soviet bloc, not only bourgeois counter-revolution but also internal democracy was suppressed and abolished. In his last

month in government, even Ché Guevara criticised this bureaucratic tendency, and was called a 'Trotskyist' by Raúl Castro for this.

Cuba was, in short, a degenerate workers' state. The nationalisation of the economy led to significant social gains of the Cuban masses. The health and education systems are still among the best and years ahead of comparable countries, especially in Central America. Childhood mortality is famously lower than in the US, and with 0.815 Cuba has one of the highest Human Development Indexes in Latin America, second only to Chile.

Nevertheless, Stalinism could never fulfil its promises and, after the collapse of the Soviet Union in 1991, the Cuban economy also collapsed. Foreign trade dropped by as much as 80 percent, and GDP and per capita GDP by more than 30 percent by 1993.

In this situation, the Cuban government, still under Fidel Castro, introduced minor reforms to open the economy to foreign investment. Joint ventures were legalised and encouraged, especially in tourism, which was to replace the sugar industry as the main economic sector during the 90s. Moreover, the military became a major economic player on Cuba, mainly in tourism, possessing more than 240 companies by 2008. In this year, after 47 years in power, Fidel Castro handed over the sceptre to his younger brother Raúl (who is himself approaching 80). Since then, the 'economic change' has deepened in Cuba, as foreign commentators have noted.

During the 90s, state employment was reduced and social services were cut. In 2010, the new President, Raúl Castro, announced a deep reform programme. More than half a million jobs in the state sector were to be eliminated. Self-employment was to be widened and state credits granted to new private entrepreneurs. Further strengthening of private capital in agriculture was also announced. By 2010, private farmers already worked 41 percent of Cuba's farmland and accounted for 71 percent of the value of farm production. By 2015, 1.8 million workers are expected to work in the private sector.

Communist party leader Esteban Lazo said in April 2012 that private sector production would grow from five to as much as 45 percent of Cuba's GDP within five years. Raúl Castro summarised this new policy with the words: 'We have to erase forever the notion that Cuba is the only country in the world where one can live without working.'

So, rather than celebrating a 'victory of Socialism' in Cuba we should recognise that this move will greatly strengthen the forces of capital on the island. In reality, this is a belated recognition by Washington that Cuba has been 'open for business' for a long time and pressure has been developing within the US for a change in its Cuba policy. As long as the US maintained its isolation policy and the embargo, desperately waiting for the Castro-government to fall, others were doing the business.

Julia E. Sweig, director of Latin America Studies at the Council on Foreign Relations (a US think tank), was making precisely this point when she told Al Jazeera: "You see players other than Venezuela coming in, most prominently Brazil, China, some Russia, a little bit of Mexico. Europe now is involved in a deep political dialogue that is going to result in more investment by its member countries, and I think Cuba has kind of reserved a slice of that portfolio for the United States."

In January this year, Cuba opened its first free trade zone at the newly built port of El Mariel to the east of Havana. Then, in March, the 'Law on Foreign Investment' was passed by the Cuban National Assembly. This law opens all sectors in Cuba to foreign investment, except health, education and the press. It guarantees tax exemption for eight years and protection of the property and profits.

US capital cannot afford to wait any longer. There is money to be made just 150 km away from its territory. Therefore, the restoration of relations between the US and Cuba unfortunately, but much more realistically, represents progress for capitalism, not socialism.

Nevertheless, the step will help to bring fresh air into the stifling Cuban political system under bureaucratic rule. There are hundreds of thousands of young Cubans who are not enthusiastically waiting for capitalism to be reintroduced, but sincerely ask themselves how socialism can be realised today. Among the party youth of the CP, there are discussions that correctly identify bureaucratic, anti-democratic rule as the main problem, rather than common ownership of property in itself.

These discussions certainly point in the correct direction. The new generation of Cuban workers has to renew the revolution, indeed carry out a new revolution to overthrow the bureaucratic dictatorship and introduce a real socialist system in Cuba. Only in this way, can Cuba become a real guiding light in the globalised world of capitalist crises.

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