



**As Cubans Debate Reforms:
A Report by the Center for Democracy in the Americas
Research Delegation to Cuba
April 18-21, 2008**

Introduction

From April 18-21, 2008, The Center for Democracy in the Americas (CDA) sponsored a trip to Cuba. The delegation included Robert Kerrigan, an international human rights lawyer with expertise in human rights in Latin America, and M. Ahadi Bugg-Levine, also a lawyer with international experience, as well as CDA staff.

The CDA's mission is changing U.S. policy toward the countries of the Americas by basing our relations on respect and fostering dialogue particularly with those governments and movements with which U.S. policy is at odds. The CDA runs the Freedom to Travel to Cuba campaign which has brought more than two dozen delegations to Cuba since 2001. The CDA has a Treasury Department license and complies with applicable ethics laws and rules as required by Congress.

This was the third research delegation sponsored by the CDA in 2008 that has coincided with the transfer of power from Fidel Castro to Raúl Castro. CDA has increased its tempo of trips to the island to get unfiltered observations about reforms initiated by Raúl Castro and U.S. policy toward Cuba from the people most affected – ordinary Cubans. To that end, we have conducted 79 interviews this year including interviews with twenty-two Cubans who agreed to appear on videotape to answer our questions.

On this trip, we held discussions with over twenty Cubans. We talked to people throughout Havana and also met with residents of a largely Afro-Cuban community called Ojo de Agua where the new construction of homes was taking place. Over the four days, a few of our conversations were conducted on a “not for attribution” basis at the request of the interviewees. Others were conducted with Cubans on our digital video recorder and were uploaded to our website: www.democracyinamericas.org.

In this report, we summarize what we learned from our research and interviews on the following key topics relating to the process of reform:

- The government's decision to decentralize control over agriculture.
- The impact of removing restrictions on cell phones, consumer items, and tourist hotels.
- Whether the national debate in Cuba is really contributing to the reform process.
- The implication of these developments for U.S. policy toward Cuba.

The ideas and views of nearly everyone we interviewed are reflected in the reporting that follows.

The Process of Reform



Agriculture: The most important structural change that has occurred in Cuba this year is the decentralization of the agriculture sector. Even before taking office as president on February 24th, 2008, Raúl Castro identified increased productivity in agriculture as his main objective.

Due to inefficient domestic production, Cuba is forced to import 84% of the food it consumes. As world food prices rise, it is cost-effective and essential to invest in food production at home. The necessity for reforms became more apparent after Cuban sugar, coffee and citrus crops all yielded some of their worst results in history in 2007.

Some have referred to the recent changes as the “municipalization” of the agriculture decision-making process. Traditionally, the Agriculture Ministry in Havana decided what farmers grow, and how products are transported and distributed. Farmers were not even able to purchase tools, fertilizers and other supplies directly; they had to wait for the supplies to be distributed by the government.

In his July 26th, 2007 address to the nation, President Raúl Castro outlined the necessity to increase agricultural production and to make improvements after consulting with both state and private farmers at the local level. He said, “We face the imperative of making our land produce more. We need to expeditiously apply the experiences of producers whose work is outstanding, be they in the state or farm sector (private)...and to offer these producers adequate incentives for the work they carry out.”

He also called for “critical” debate “within” the system, which led to thousands of grassroots debates in “Committees in Defense of the Revolution” (CDRs), workplaces, youth groups and other organizations throughout the country in August and September of 2007. Participants in the debates, in the countryside and at municipal agricultural associations, accepted President Castro’s offer. They submitted their explanations for the deplorable state of agriculture and their recommendations for improving it. Over the last few months, the Cuban government has acted on their suggestions and implemented major policy changes in the agriculture sector.

On matters such as land use, how to invest resources and how to distribute products and supplies, there has been a dramatic decentralization from Havana to the municipal level. The government has encouraged private farmers and cooperatives to apply for idle lands and granted requests without the normal bureaucratic delays. The state has settled all debts with farmers and doubled and in some cases, tripled their payments.

Most recently, the state opened supply stores so that farmers can purchase supplies directly. The stores now provide basic tools –fencing, clothing, fertilizer, herbicides, etc. – but more products are expected to be available for sale soon. The government has also said it will set up a “services” company to expedite the distribution of supplies under the localized system.

They have begun to decentralize distribution, so that products like milk that are produced locally are distributed locally without having to make a roundtrip to Havana or the provincial capital. Aside from doubling the amount paid to dairy producers, the government has implemented a program of paying them a few extra cents in CUC, the hard currency needed to buy non-subsidized goods. The combination of improved distribution and increased incentives has already led to increased production in the dairy sector and significant financial savings.

The government has abolished the differentiation between “state” and “private” so that all producers are treated equally. Previously, the state had a small “campesinos department” at the Ministry of Agriculture that would attend to private farmers, while the remainder of the Ministry focused on state farms. Private farmers often complained that they did not receive adequate attention and resources from the state. The entire Ministry of Agriculture has recently been shifted to attend to everyone who produces, regardless of whether they are from state or private farms.

By decentralizing and increasing incentives, the government has been able to motivate farmers that were not producing or were producing at minimal levels. One Cuban professor told us that he has taken a trip to the center of the island each spring over the last few years. In the past, he has always seen unused land and *marabu* (a thorny weed) along the highway throughout the trip. However, this year it was hard for him to spot a piece of land that was not being cultivated or being prepared for cultivation.

These reforms are consistent with what farmers asked for in debates and meetings over the last year. We heard reports from Cubans and foreign journalists that people in the countryside are happy about the reforms and feel that the government has responded to their needs. Aside from saving money by reducing the amount of food imports, improvements in agriculture will allow the government to increase revenues and also increase the value of the peso.

These reforms are significant not only because they are aimed at increasing food production, but because they represent a departure from centralized planning and a new reliance on local governance and individual initiative. Moreover, it showed a new level of responsiveness by the government to the wishes of the Cuban people. Weeks later, the reform idea spread to wage payments in sectors outside of agriculture, where the government instituted a new pay system based on rewarding worker productivity.

Cell phones, electronic goods and hotels: Upon taking office in February, Raúl Castro promised to start lifting "excessive regulations and prohibitions" on the prerogatives of the Cuban people. This process began in earnest when Cuba's government eliminated restrictions barring Cubans from using hotels, car rental agencies and other tourist facilities and legalized the purchase of cell phones, DVD players, computers and other electronic goods.



Cubans examine consumer goods in a Havana mall

These changes were derided by U.S. policy makers as “cosmetic.” We asked the Cubans about their reaction to them.

We were told that the changes have produced greater confidence among Cubans that the government is serious about reform; as one Cuban said, they “show there is a change in mentality at the top and recognition that Cuba has to move into the 21st century.” The reform permitting broad ownership of cell phones shows that Cuba's government is willing to accept changes in technology and to extend the ability of its citizens to communicate with each other and with the outside world.

Although many people do not have the money to visit a hotel or buy a cell phone, they told us it was significant to them that they were no longer restricted from doing so. Cubans told us that it was a potent message from the government that it was relinquishing a measure of its control over their lives. “I can't afford a cell phone and I don't even want one, but I now have the right to decide for myself if I want one. Nobody is telling me I cannot go to the Hotel Nacional or that I cannot buy a stereo. It is positive and it is important. These are the changes we have requested and they are happening. They are especially important for the youth. It is a way of returning Cuba to its own citizens.”

Others explained the significance of the changes in the overall debate and the preservation of the Revolution. “The government is getting rid of silly stuff, eliminating needless prohibitions. The changes are providing personal autonomy, even if we cannot afford it. Our ability to decide is the only way to save the revolution. Open discussion is real. We now have the right to discuss and the space to do so,” commented a college professor.

In our discussions about economic reforms, Cubans repeated to us a powerful set of demographic statistics.

If current trends persist, for example, Cuba in ten years will have six retirees for every active Cuban worker. Migration from Cuba is dominantly coming from Cubans ages 15-45. Cuba's population has declined in the last two years, according to official government statistics. And anecdotally, Cubans said that young couples were deciding against having children because of their anxieties about the future.

These are powerful inducements for the government to make economic reforms, to incorporate young people into the system, to give young people more space to have material goods and more freedom to spur optimism.



Young Cubans leave church on Sunday

In our efforts to get Cubans to talk, we placed a special emphasis on hearing what young people had to say. Some of the youth voiced optimism about the reforms thus far but expressed doubts about whether the changes would really affect them. About 60 percent of Cubans, (although a far smaller percentage of Afro-Cubans) have access to hard currency from cash remittances sent by relatives living abroad, mainly in the United States, or through factory and farm bonuses and tips from foreign tourists. For youth that do not have access to hard currency, they said that the changes, although positive, did not seem “to correspond” to their needs.

One young factory worker told us that “with Raúl, things are improving somewhat. We can go to hotels, we can rent a car, and we can go places we could not go before.” However, “how much does a night at the Hotel Nacional cost?” he asked. “If I spend a week at the Nacional, the next week I would be in jail. I cannot spend a year’s salary in one weekend. These changes do not correspond to me. I do not have the money.”

A thirty-one year old farm worker expressed similar feelings. “I finished military service at age 20. I have been working since then. I worked every day. When I take a vacation, I stay in the house, I cannot (afford to) go anywhere. The idea of going to the beach, getting a hotel, having a vacation, we cannot do it. The changes don’t correspond to us.”

Both argued that if the government does not increase the value of the money and eventually merge Cuba's two currencies, smaller changes won't solve anything. "You have to fix the value of money. It is a necessity. It is obligatory," they said.

Rafael Hernandez, editor of a Cuban journal called Temas, said that the government should develop incentive programs to address the increased inequality between those that have the money to enjoy the new luxuries and those that don't. "People that have the money should pay, but hopefully the government will develop worker reward programs to allow laborers to use the hotels at a reduced rate or free of charge," he said.

Dr. Jorge Mario Sanchez, an economist at the University of Havana, said that the deregulation of goods showed how much hard currency is in the hands of the people. Reports show that 7400 mobile phone contracts were taken out in the 10 days after restrictions were eased, motorbikes priced at over 1000 USD sold out within days, and Cubans began to check into expensive hotels.

Twenty percent of the population holds eighty-percent of the money in the banks. Large amounts of money sit idle in bank accounts and these reforms give those with pesos long tucked away in bank accounts more options to spend it. Individuals will cash in Cuban pesos for CUCs in order to buy the goods, and the government will be able to take some of pesos out of circulation in an effort to increase their value.

Looking to the future, it will be interesting to note if the slow season in summer and fall will see increased hotel occupancy due to reservations by Cubans. News reports citing figures from the Ministry of Tourism say that there are already 10,000 reservations for Cubans in Varadero Beach for the month of August alone.

In general, the Cubans we interviewed are impressed with what has occurred to date and want the process to keep moving forward. The speed and the extent of what has been done in three months have caught everyone's attention. Although the loosening of these restrictions may seem minimal to outsiders, they are important changes for the Cubans we spoke to because they represent a fundamental change in the way the government had previously regulated individual liberties.



The delegation with Cuban Artist, Montoto

More space for debate: On July 26th, 2007 in his address to the nation in Camaguey, Raúl Castro said, “We must never fall prey to the idea that what we do is perfect but rather examine it again... we are duty-bound to question everything we do.”

With those words, Raúl Castro authorized people to talk openly and criticize. According to many people that we spoke with, this has led to a new direction for the revolution; one where the people get to discuss and influence the process.

Cuban society has begun to open up. Over the last year, individuals have been able to talk about what they feel, without someone with authority telling them “you are wrong.” These are small steps, but many are feeling a greater freedom to express themselves than they have for many years. The ability to speak openly is a change, and now attitudes are changing as well.

Seven years ago, when the CDA began running delegations to Cuba, people were extremely reticent to say what they believed. They would even decline to mention Fidel Castro by name, and instead pantomimed the stroking of an imaginary beard to signal they were talking about their now former leader.

While we sometimes run across people who are reluctant to speak, we are more often surprised to find a willingness to be interviewed, photographed and even videotaped. More individuals are allowing us to use their full names; some are openly criticizing the government and mentioning “Fidel” by name. A few even asked us to post their interviews on YouTube.

Topics once forbidden have now made their way into the Cuban debate. Racism and race relations in Cuba, and how the migration of Cubans of overwhelmingly European descent affects income inequality, are now being discussed.

Eduardo Torres-Cuevas, head of the National Library said in a recent speech that “this is the most critical moment in the national history.” Cubans explained to us that Fidel Castro was a natural source of consensus. With Fidel gone from government, “Now we must discuss everything. The revolution is lost unless there is discussion,” said one Cuban. Others told us that government leaders are beginning “to find out who they really are” because there is more debate and accountability. People are being given concrete assignments and held responsible for the results they produce.

One foreign observer argued that what is happening in Cuba now is part of a process and not a break with the past, that there have been periodic broad consultations before. In fact, there were national discussions about tourism, a tax system and other issues in 1990 and 1991, around the fall of the Soviet Union. But Cubans told us that this debate differs because the discussions are deeper, longer lasting and more candid. Cubans feel as if they are involved in a two-way conversation and that government officials are paying close attention to what is discussed at meetings.

There was some dispute as to whether Fidel Castro approved of the “openness to debate” and the recent changes. Three general opinions were expressed.

Some believe that Fidel Castro initiated the process of debate before falling ill, some believe the debate proves he is no longer on the scene, and others said that it did not matter why it was taking place, it is just important that it continues moving forward.

Those who argue that the debate signifies that Castro is no longer in charge go further and say that the government now sees itself differently and realizes the importance of operating on consensus. They argued that even when Fidel tries to play a cautionary role, discussing his concerns in “Reflections” published in the Cuban media, he simply cannot stop the new process.

Younger Cubans also spoke to us about the need for greater openness. They argued that the government is making changes they should have made a long time ago, and then under-communicating those decisions through official channels, and relying too much on word of mouth, to inform Cubans about those decisions and what they need to know about them.

Some criticized the state-run media, television and newspapers, for focusing on problems outside of Cuba and not on what is occurring domestically. Others, however, saw an improvement in the coverage and referred to critical debates on television and stories on government waste and corruption.

Many intellectuals pointed to what was said at the UNEAC Congress (Congress of Cuban writers and artists) to show how open Cuban society has become over the last few months. Many of the participants strongly criticized everything from television programming to the education system.

Alfredo Guevara, the head of the Havana Film Festival, gave a fiery speech very critical of the education system. In his address, he asked, "can the primary and secondary school and pre-university, as they have become, full of preposterous and ignorant criteria and practices...and violator of family rights, be the trainer of adolescent children, and therefore the founder of the future?" He was openly criticizing the education system that he helped to create, a system that is a point of pride to many in Cuba's government. Following the speech, he was chosen as a main delegate to the Congress.

President Raúl Castro attended the Congress, but was not scheduled to speak. At the end, he stood up and said, “This was a great Congress. I have tried to read everything. With some words, I agree. With others, I disagree. For that diversity, we fight!”

People we interviewed discussed this comment and its significance. Cuba has done more than change leaders; it has become a society engaged in a structured discussion of the nation's problems. Cubans like this debate, and they want it to continue on an ongoing basis -- not just one triggered by the leadership, but one that is a normal part of Cuba's political culture.

The “transition” and U.S. policy: There is a serious debate taking place in Cuba – among government officials, academics, and intellectuals – about the nature of political transitions. Thousands of Cuban economists and sociologists have studied in China, Vietnam, Norway, Sweden and other socialist countries over the last few years. Cuba is working hard to determine and develop its own model and move forward.

Cubans, stung economically and politically by the sudden collapse of the Soviet Union and its withdrawal from Cuba, know how quickly transitions can make life change for the worse. Consequently, the subject of how to manage Cuba's transition now is a matter of deep concern, especially when U.S. policy makers use this term indiscriminately as if it were simple for Cuba to shift from its current system to forms of democracy and markets more to our liking.



Rafael Hernandez, editor of Temas

A recent issue of *Temas*, a scholarly journal that is credited with opening up space for critical thinking, was dedicated to the study of transitions that occurred in the Soviet Union, Eastern Europe, China, Chile, Spain, South Africa, and elsewhere.

According to Rafael Hernandez, the editor of *Temas* and other intellectuals we spoke with, the focus of the transition is clear and concrete. They are attempting to decentralize the economy and the political decision making process. They are working to redefine social and collective property and analyzing different ways of organizing economic life -- including individual private property and the means of production.

The reform process is affecting Cuba's foreign relations as well. For example, countries in Latin America and the European Union have recognized that Cuba is in a transitional period and have also recognized positive change. We met with the ambassador of Norway, who explained that his country's official position is to "encourage" without rendering a judgment.

As the government searches for a uniquely Cuban model for reform, Canada, China, Venezuela, Brazil, Mexico, and other Latin American countries will come in and support what Cuba is doing. Some of these relationships are born of solidarity, others merely commerce. Some nations choose to engage Cuba quietly on issues like human rights and democracy. Cubans argue to us -- some, perhaps, self-interestedly -- that nations that attempt to exert public pressures on Cuba's government are always met with results that are counter-productive, or that provide legitimacy to those who don't want to make changes, reducing the space for debate.

Historically, pressure by the United States has resulted in Cuba becoming more repressive and closing the space for discussion and dissent. This time is different. Despite the fact that the Cuban government is facing in the Bush administration what they view as the most hostile in the last fifty years, the Cuban government has created this opening.

Cubans across the political spectrum told us that the United States should be less hostile and applaud the positive changes, which will provide Cuban civil society with more space to push for reform.

One Cuban church official told us that recent statements by the State Department are not helpful and show how little the administration understands about the magnitude of what is occurring in Cuba. “The Cuban Government had to move rapidly but I never expected to see the things they (the U.S.) call cosmetic change so quickly. Fidel is watching his brother dismantle the things that he built,” he said.

He said that Assistant Secretary Shannon was correct when he said “the process will come from within” and the best the U.S. government can do is encourage the process. He argued that although Fidel Castro sometimes plays the role of the big brother in the debate that is occurring, he cannot prevent it from moving forward.

The Cubans we spoke with believe there is no turning back. What remains to be seen is how far and how fast the “transition” will go.

Conclusion

It is the U.S. position to trivialize and denigrate what has taken place in Cuba since Raúl Castro became Cuba's president. The National Security Council has labeled the changes as "cosmetic." President Bush, in a speech about Cuba, called the reforms "empty gestures."

The Cubans we spoke with feel very differently. Not everyone is satisfied. Cuba's economic and demographic problems will likely take years to address. But to dismiss what has taken place this year as "cosmetic" is to miss the impact of these decisions on the lives of the Cuban people.

The signal sent by the reforms, such as moving decisions from Havana to the municipal level in agriculture, or allowing simple liberties such as Cubans to own cell phones or to stay in hotels, is that after 50 years the government is decentralizing and honoring the wishes of Cubans for more personal autonomy.

What catches the attention of Cubans is that they asked for these changes in a continuing national debate, the government is responding, and they now expect that these reforms will produce an even greater opening.

Rather than condemning the reforms as cosmetic, as our government does, our foreign allies are commending Cuba's government to encourage it to do more. By contrast, no Cuban tells us that current United States policy has a constructive role. As one said, "You don't understand what's going on here, and we don't care."

By reporting on these changes, it is our intention to educate policy makers about what Cubans are thinking in ways that are unfiltered and unaffected by those with a vested interest in keeping U.S. policy toward Cuba in the same place it has been for fifty years. This policy has done little more than isolate the United States from Cuba and its people. Like countries in the region and our allies have chosen to do, we believe it is long past time for the United States to engage.