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Alternative futures in Cuba

Political transitions are highly uncertain events. For example, in 1988, the conventional wisdom was that communist rule in Eastern Europe was entrenched and would last into the indefinite future. The right question to ask about Cuba is not what will happen but rather what could happen. The latter question implies more than one possible future scenario. In this article, I construct and discuss alternative futures in Cuba after Fidel Castro passes away. The possibility of a transition to democracy in Cuba depends mainly on three causal factors: (1) what the Cuban government does, (2) what the United States government does, and (3) what the citizens of Cuba do. Each of these three variables might develop in ways that could foster or hinder the likelihood of a transition. A matrix can be built with the three causal factors on one axis and the ways they may vary on the other. To generate alternative futures, one would combine variations in each of the three factors. Using this methodology, I constructed four alternative futures for Cuba: best, better, worse, and worst. There can be more than four possible scenarios, but I will limit the analysis here to four. What is “best” is defined as a transition that leads to a stable, high-quality democracy with a well-performing market economy.

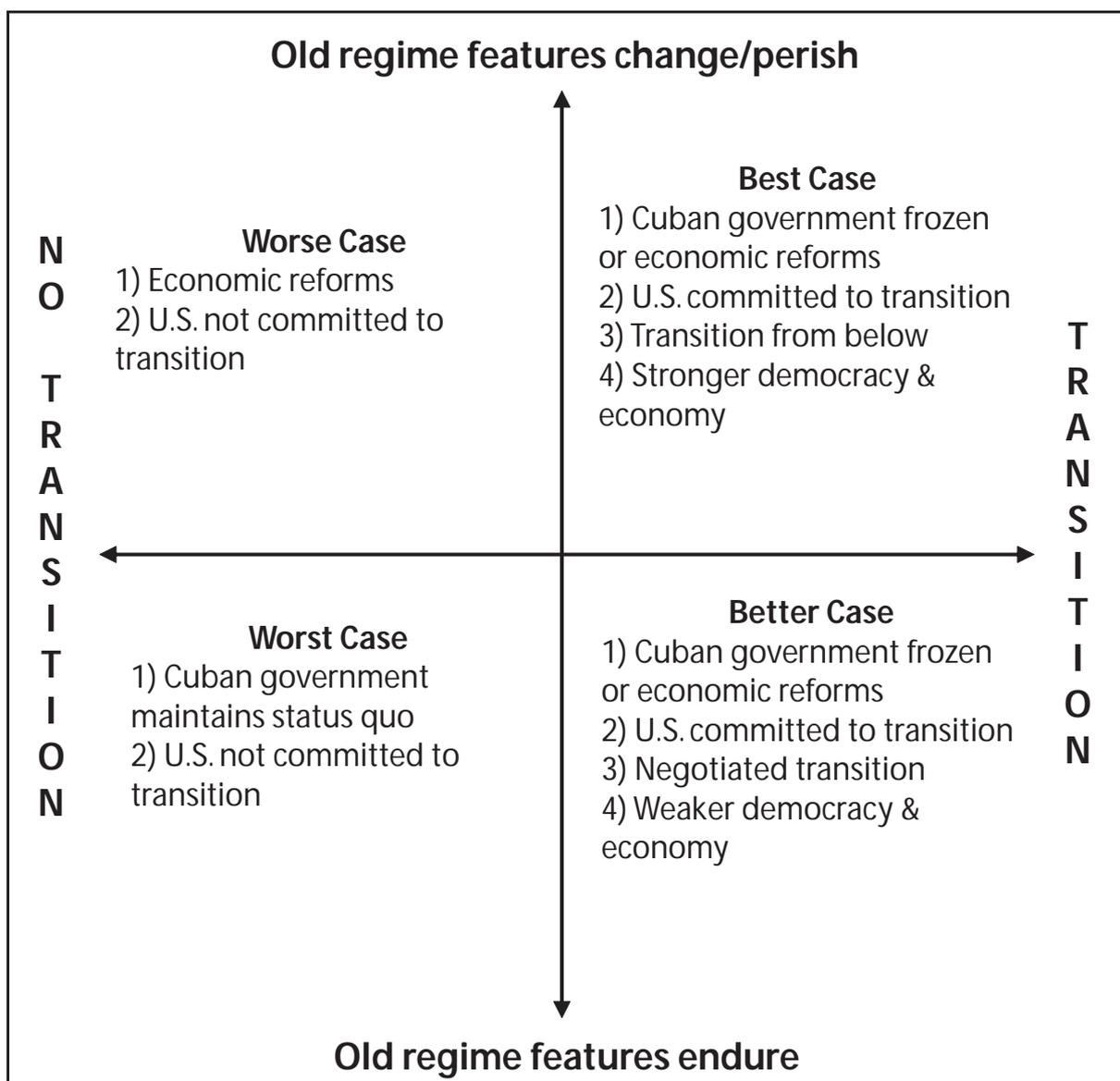
By Juan J. López



With the “temporary” appointment of Raúl Castro as the head of the Cuban government, predictions of Cuba’s future have proliferated. Some forecasts are assertions of what will supposedly happen. A contention is that Raúl is in favor of significant economic reforms and will follow the “Chinese” model. However, future political events cannot be predicted with accuracy. This is especially true in cases where a change of regime is possible. Political transitions are highly uncertain events. For example, in 1988, the conventional wisdom was that communist rule in Eastern Europe was entrenched and would last into the indefinite future. The right question to ask about Cuba is not what will happen but rather what could happen. The latter question implies more than one possible future scenario. In this article, I construct and discuss alternative futures in Cuba after Fidel Castro passes away.

In creating alternative futures, one needs to start by determining the pivotal issue that would guide the

formulation of the various scenarios. The central issue in the case of Cuba is whether there will be transitions to democracy and to markets. In thinking about alternative futures, it is also essential to decide what are the most important determinants of the focal issue. I believe that the possibility of a transition to democracy in Cuba depends mainly on three causal factors: (1) what the Cuban government does, (2) what the United States government does, and (3) what the citizens of Cuba do. Each of these three variables might develop in ways that could foster or hinder the likelihood of a transition. A matrix can be built with the three causal factors on one axis and the ways they may vary on the other. To generate alternative futures, one would combine variations in each of the three factors. Using this methodology, I constructed four alternative futures for Cuba: best, better, worse, and worst. There can be more than four possible scenarios, but I will limit the analysis here to four. What is “best” is defined as a transition that leads to a stable, high-quality



democracy with a well-performing market economy. The four scenarios are sketched in the figure below.

Before turning to a discussion of each of the four alternative futures, let me briefly summarize some main characteristics of the current situation in Cuba. Fidel Castro is ill and may pass away within a year or two. While the discussion at the moment is focused on what the Raúl government will do, one should not lose sight of the fact that Raúl is 75 years old and apparently in poor health. So, the regime in Cuba will face in about five years a situation in which there will be no clear successor to head the government, with the likelihood of a serious power struggle within the ruling elite. Moreover, the regime faces a number of other problems. The economy is weak; growth has slowed down since 2000, and the economy will most likely continue to deteriorate, despite the subsidies from Venezuela and the credits from China.¹ The population experiences great difficulties obtaining basic daily necessities such as food, medicines, and transportation. There is widespread popular discontent. Commitment to official ideology is quite deteriorated.² Despite a high degree of political repression, an opposition movement has managed to survive in Cuba. These democratic activists can: (a) offer citizens a political alternative, (b) provide leadership in case of popular protests against the government develop, (c) fill the power vacuum if the regime collapses, and (d) serve as interlocutors to government elites in the event that a negotiated transition becomes possible.

The Best Case

In the Best Case, the Cuban government could remain frozen, without any new political or economic reforms (the current status quo) or the government could implement economic reforms. There is some indication that people expect change once Fidel dies.³ To the extent that this is a widespread expectation, if the government remains frozen, the frustration among the people (in combination with discontent) could generate spontaneous mass protests. Such protests could spark further demonstrations and a serious challenge to the survival of the regime. The spread of protests assumes that independent sources of communication are able to disseminate the news of what is happening. This is an issue I discuss below.

If economic reforms are implemented, they most likely will be partial, allowing a degree of private entrepreneurship in agriculture and in other sectors, as the government allowed in the mid 1990s. The space that the government opened up at that time for citizen entrepreneurship (like bicycle-taxis and family restaurants with no more than twelve chairs) has been mostly closed in the past few years.⁴ The Cuban government might

introduce these reforms with the intention of decreasing dissatisfaction in the population by improving the supply of food and increasing somewhat the income of the population. Yet economic reforms can also be a source of new grievances. They increase expectations of improved standards of living, but some people are inevitably left behind. For example, with the legalization of the use of dollars in Cuba in 1993, various markets emerged that sold goods and services in dollars. People who saw the availability of products but had little access to dollars became resentful.

A number of scholars and journalists think that the Raúl government is bound to implement the “Chinese” model. I doubt that the Cuban government will want to implement this model. And even if it did want to, it would be very difficult, if not impossible, to implement. First of all, the discussion about following China’s example in Cuba overlooks the real Chinese experience. The economic reforms that started in China in 1978 were accompanied by some political liberalization.⁵ The political liberalization was a consequence of the post-Mao struggle inside the ruling elite between economic reformers and those who opposed such reforms. The former used political liberalization as a tool to foster support for economic reforms. The political liberalization made possible the development of a democracy movement that culminated with the events in Tiananmen Square in 1989. Since I do not believe that the Cuban government will allow political liberalization (Raúl is a political hardliner), those who speak of the Chinese model in Cuba must be talking about economic reforms without political liberalization. The Cuban government would have difficulty implementing even a modified Chinese model. China’s economic growth after 1978 was largely due to foreign direct investment (FDI) to produce labor-intensive manufactures for export. Cheap labor was a key factor in the model. If Cuba tries attracting FDI to exploit cheap labor, Cuba will have to compete not only with China but also with many countries in Latin America. Suppose that Cuba offered foreign investors access to a skilled, well-educated workforce to produce sophisticated manufactures for export. Cuba would still have to compete with other countries to attract FDI. But Cuba is not in a competitive position to capture FDI in the industrial sector. Two primary reasons are poor infrastructure and weak security for property rights. Cuba has a bad reputation among foreign capitalists for violating property rights. Just in the past few years, the Cuban government has trampled on the property rights of a number of foreign investors. As such, foreign investment in Cuba seems to have been decreasing or has stagnated.⁶ The Economist Intelligence Unit ranks Cuba as having one of the world’s worst business environments, number 80 out of the 82 countries ranked. Also, it should be kept

in mind that most of the FDI that has gone into China since the economic reforms started has been from Chinese living overseas.⁷ It is difficult to believe that Cuban Americans will make significant investments in Cuba while a communist dictatorship holds power. Moreover, China had good access to international capital as it implemented its economic reforms. Cuba has one of the worst credit ratings in the world.⁸ Even if these economic obstacles to follow the Chinese path could eventually be surmounted, it would take time. Raúl is not likely to see a functioning Chinese model in Cuba.

If the Cuban government implements partial economic reforms, the government will invigorate civil society. In Cuba, after the partial reforms introduced in 1993, civil society resuscitated after a long period of near extinction. In 1996, Concilio Cubano, an umbrella organization encompassing about 100 civil society groups, called for a national meeting of delegates from its affiliates. Although the government repressed Concilio, the dissident movement survived. I think that Fidel Castro's dislike for economic reforms is not basically a matter of ideological preferences but of political calculations. The Cuban government has believed that the more citizens depend on the state for their economic survival, the better the state is able to control them politically.

Economic reforms are unlikely to relieve the Cuban government from citizens' social and political pressures. Desires for political change and for further economic opportunities and security would continue. In this context, what the United States government does is very important for the possibility of a political transition.

Since the mid 1990s, a political transition in Cuba has been possible.⁹ Most of the conditions associated with the fall of communism in comparable regimes in Eastern Europe are present in Cuba, such as poor economic performance, weak ideological commitment, and a high level of popular dissatisfaction. However, a crucial determinant in fostering a transition was missing – the ability of independent communication to spread news and information in the population. Only the United States can make this possible. However, under the administrations of Bill Clinton and the first administration of George W. Bush, the United States did not do anything that could undermine the survival of the Cuban government. For some reason(s), probably related to fear of a wave of illegal migration, the U.S. government preferred stability rather than a transition in Cuba. Since the Castro government was unwilling to negotiate a transition with the opposition, a “smooth” transition (with control over Cuba's coastline) was not feasible. A transition from below (that is, one pushed by mass protests as in East Germany and Czechoslovakia) leading to regime collapse was perceived by U.S. officials as “chaotic” and undesirable.

Yet in the second Bush administration, U.S. policy toward Cuba changed. Measures that can promote the demise of the Castro regime have been proposed or implemented. The Cuban government has traditionally jammed the signals of Radio and TV Marti (Radio Marti is similar to what Radio Free Europe was before 1989) trying to keep people from knowing about the views and activities of the internal opposition, their international support, and other information and ideas that could encourage citizens to act against the government. Now, with U.S. government funding, the Office of Cuba Broadcasting is using two aircrafts to transmit Radio and TV Marti programs six days a week. This method of transmission is surmounting the jamming. Also, in its 2006 report, the Commission for Assistance to a Free Cuba proposed to increase material assistance to the internal opposition. The proposal is to fund programs aimed at promoting a transition in Cuba with \$80 million in the next two years and with \$20 million a year afterwards. Enabling the Marti programming to reach the population on a regular basis and increasing material assistance to the opposition can be particularly effective in promoting a political transition in Cuba at this time because people are likely to expect some change after the death of Fidel. The transition in Cuba could follow the path of the democratic revolutions in East Germany, Czechoslovakia or Romania. The Chinese “solution” by massacring protesters is highly unlikely in Cuba. In the two mass protests that have occurred in Cuba since the 1990s (one in Havana and the other in Puerto Padre) people have not been shot. It is likely that many commanders in the military would refuse to shoot citizens protesting in the streets.¹⁰

A transition from below would take place in Cuba if the ruling elite resist change when faced by continuous and widespread mass protests. The regime would collapse. In this scenario, the democratic opposition would control the transition process and would determine the characteristics of the future political and economic systems. The transition would be a cleaner break with the past than in a transition in which old regime elites retain significant political power (and thus the ability to preserve some of the political and economic prerogatives they have acquired under the dictatorship). The experience of transitions from communism in Eastern Europe and the former Soviet Union shows that stable democracies (like the Czech Republic) were much more likely to result from transitions in which democrats had a decisive power advantage over elites from the communist regimes at the time of transition. By contrast, in transitions in which elites from the old regime and the democratic opposition had approximately equal power, the likely result was protracted confrontation leading to unstable, semi-democracies. Russia is an example.¹¹ Also, countries with

protracted confrontation between anticommunist factions and ex-communists experience worse economic performance after transitions, in contrast to cases where one of these forces became politically dominant. Protracted confrontation generates uncertainty about future economic policies and protection of property rights.¹² Moreover, when elites from the old regime retain substantial political power after the transition, they are also likely to keep economic power, e.g., by appropriating state assets in “spontaneous privatization.” Evidence indicates that in Eastern Europe and the former Soviet Union, those who acquired special advantages and rents in the initial process of market reforms became the major political obstacle to further market reforms because more comprehensive reforms threatened the privileges they had obtained initially.¹³

A question that arises with the recent change in the partisan control of congress is whether the level of support for Radio and TV Marti and for the internal opposition in Cuba will decline. The continuity of policy toward Cuba between the Clinton presidency and the first Bush administration suggest that it is not a matter of whether Democrats or Republicans make the foreign policy decisions concerning Cuba. The change in U.S. policy toward Cuba in Bush’s second term is connected with the rise of the international political activism of Hugo Chávez, his association with the Cuban government, the election of other leftist presidents in Latin America, and Chávez’s interest in closer relations with Iran and North Korea. Key actors in making U.S. foreign policy toward Cuba apparently came to perceive a greater security threat from Cuba than during the first Bush administration. These international factors will not dissipate in the foreseeable future. So, Democrats may not want to change current U.S. policies toward Cuba.

The Better Case

The Better Case scenario is similar to the Best Case. The Cuban government could remain frozen or implement partial economic reforms. The United States would continue to be committed to promoting a transition. However, in the Better Case scenario, the ruling elite splits quickly upon signs of popular unrest, e.g., a few isolated mass protests. The division inside the Cuban regime would be between those who want to maintain the status quo and those who want to introduce political liberalization. If the latter win a power struggle with the former and control the government, then the reformers would start negotiating a transition with members of the opposition in Cuba. For a transition to democracy to move forward, the democratic opposition would have to continue pressuring the regime elite with protests in the streets. Without pressure, dictators are very unlikely to give up

power. The transition process could be a protracted, but eventually a negotiated transition would take place.

In a negotiated transition, members of the old ruling elite are likely to obtain concessions from the democratic opposition and retain political and economic power. The issue of past human right abuses is likely to be taken off the political agenda. Moreover, military officers and other elites from the communist regime will most likely appropriate the public assets they now manage. Spontaneous privatization (a Piñata) will ensue. A balance of power between elites from the former regime and anti-communist factions can lead to the establishment of institutions, such as superpresidentialism (a president with super powers) that weaken democracy. This was an outcome of the Russian transition.¹⁴ Hence, the Better Case, in contrast to the Best Case, would result in a weaker democracy, with greater difficulty in establishing civilian control over the military, more limitations in implementing market reforms, and worse economic performance.

Worse Case

In the Worse Case, the Cuban government would implement partial reforms, similar to those allowed in the mid 1990s. This would be an improvement over the status quo from the perspective of increasing somewhat the supply of goods and services to the population.

The United States would abandon its commitment to fostering a transition. Support for Radio and TV Marti would be scaled back. The attempt to breach the jamming blockade of the Marti programs by the Cuban government would end. Likewise, funding for the internal opposition in Cuba would decrease. Some token assistance would continue as the U.S. pays lip service to the cause of democracy in Cuba. No mass protests to demand political change would develop in Cuba. There would be no political transition. Economic reforms would create a higher degree of economic autonomy (from the state) in the population. However, the lack of commitment by the U.S. to foster a transition would eliminate the possibility of having an independent source of news and information able to reach the people in Cuba on a regular basis. The capacity of the internal opposition to operate would also decrease by cuts in material assistance.

The United States could establish warmer relations with Venezuela and other leftist governments in Latin America as well as ease tensions with Iran and North Korea. American policy makers would no longer see Cuba as a potential security threat to the United States.

Worst Case

In the Worst Case, the Cuban government would maintain the status quo. This possibility is not far fetched. The

formula has worked so far in keeping the regime alive. With subsidies from Venezuela and credits from China, the Raúl government may think that it can muddle through economically without taking the political risks that come with economic reforms. The Cuban government may focus on trying to structure the post-Raúl succession. As in the Worse Case, the United States ceases its commitment to promoting a transition and no transition occurs.

Final Remarks

The Best and Better scenarios can each have two variations depending on whether the Cuban government implements economic reforms. So, I have presented six possible alternative futures. The two variables to monitor

in determining which scenario plays out are: (1) whether the Cuban government implements new economic reforms and (2) whether the United States continues and/or increases funding to provide material assistance to the internal opposition and to surmount the jamming of the Marti programs by the Cuban government. In the Best and Better Cases, the embargo would not be lifted since doing so would be inconsistent with policies that seek to undermine the regime in Cuba. Lifting the embargo could be a possibility in the other two scenarios. Despite the fact that Cubans must be the main actors in shaping their future, whether a political transition takes place in Cuba depends on what the United States government does.

Endnotes

¹ Carmelo Mesa-Lago, 2005, "The Cuban Economy in 2004-2005," *Cuba in Transition. Volume 15*. Washington, D.C.: ASCE.

² For example, see "Jóvenes cubanos quieren más dinero," *El Nuevo Herald*, November 16, 2006. The experience in the former Soviet Union and in many Eastern European countries showed that in the first free election after the fall of communism the recast communist parties obtained a very low percentage of the vote. The high level of corruption inside the Cuban state also is a proxy for the low level of commitment to official ideology.

³ Interview with Marta Beatriz Roque in Mauricio Vicent, "No creo que esta enfermedad le permita a Castro volver al poder," *El País*, agosto 10, 2006.

⁴ Pablo Alfonso, "Castro da marcha atrás a reformas económicas," *El Nuevo Herald*, June 28, 2005.

⁵ Nina P. Halpern, 1991, "Economic Reform, Social Mobilization, and Democratization in Post-Mao China," in Richard Baum, ed. *Reform and Reaction in Post-Mao China*. New York, NY: Routledge

⁶ Remarks by Daniel W. Fisk, in "Advancing the Day when Cuba will be free," *La Nueva Cuba*, October 14, 2004.

⁷ Fan Gang, 1998, "Development of the Nonstate Sector and Reform of State Enterprises in China," in James A. Dorn, ed. *China in the New Millennium*. Washington, D.C.: Cato Institute

⁸ José F. Sánchez, "Acreedores Europeos frustrados ante incumplimientos de la Habana acuden a Coface para obtener pago inmediato," *La Nueva Cuba*, November 17, 2006.

⁹ For a detailed explanation, see Juan J. López, 2002, *Democracy Delayed: The Case of Castro's Cuba*. Baltimore, MD: The Johns Hopkins University Press.

¹⁰ Brian Latell, "The Cuban Military and Transition Dynamics," *La Nueva Cuba*, July 17, 2004. For a concurrent opinion, see the interview with Vladimiro Roca in "Vladimiro Roca: Expectación mundial de que la desaparición de Fidel Castro arrastre el fin del régimen es infundada," *La Nueva Cuba*, September 17, 2006.

¹¹ Michael McFaul, 2002, "The Fourth Wave of Democracy and Dictatorship: Noncooperative Transitions in the Postcommunist World," *World Politics* 54 (January):212-44.

¹² Timothy Frye, 2002, "The Perils of Polarization. Economic Performance in the Postcommunist World," *World Politics* 54 (April): 3-8-37.

¹³ Joel S. Hellman, 1998, "Winners Take All: The Politics of Partial Reform in Postcommunist Transitions," *World Politics* 50, 2: 203-234.

¹⁴ Michael McFaul, 1999, "The Perils of a Protracted Transition," *Journal of Democracy* 10, 2: 4-18.