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An Examination of Cuban Policy Affecting Domestic Human Capital

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AN EXAMINATION OF CUBAN POLICY AFFECTING DOMESTIC HUMAN CAPITAL

By

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Cuba: Understanding the Development of Human Capital

Chapter 1: Introduction

Cuba is approaching a major crossroads. Currently, Cuba has one of the most highly skilled workforces in the region, however its policies hinder it from taking full advantage of this important resource. With the looming death of Fidel Castro, the self-appointed father of the revolution, and the possible demise of the Castro regime, the future of Cuba may show hope for, ironic to the idea of la Revolución, change. This thesis sets out to gain an understanding of the Cuban policies affecting human capital, with a focus on those during the Castro regime. Human capital is influenced by factors relating to an individual’s wellbeing and education (Schultz, 1961, 1). The factors that this thesis will focus on include basic human needs such as housing, health care, and education. I will discuss and analyze policies enacted throughout the 1900s, with an emphasis on the Castro regime, which have had a significant effect on the development of Cuba’s human capital.

Prior to the revolution, Cuba had a highly unequal society. Spaniards colonized Cuba at the beginning of the era of European exploration of the Americas. As an effect of colonization, indigenous Taino Cubans were less powerful and exploited. The Taino are the indigenous people to Cuba, however due to disease and exploitation their populations were massively reduced. The indigenous blood of Cuba survived colonialism through population blending with the Spanish, African, and other Indian tribes. Further, Atlantic slave trade flowed through Cuba due to its proximity to the southern United States. Slaves were heavily used and incorporated into Cuban industries, mostly the agricultural and extractive industries, and domestic lives. Known for its
sugar, Cuba had many plantations and mills that took advantage of slave labor to reap profits. Colonization along with the use of slaves created a social hierarchy that has left lasting implications for Cuba’s society today. The social inequality experienced within Cuba today is linked to discrimination, which “…was based not only on race but more importantly on class, leading many scholars to define the pre-revolutionary period as that of a colour/class system” (Jorquera, 1998, 29). Blacks within Cuba were highly discriminated against. The distribution of wealth favored those with lighter skin and tended to accumulate there. The historical income disparity has resulted in a large portion of Cuban society to be classified as extremely poor. Rather than being able to move up, those at the bottom are trapped there.

Education was treated as a privilege in pre-revolution Cuba, and this privilege was only attainable by wealth. For a quality education the urban poor would have to choose between money for weekly expenses or sending their children to a private school, since public school was not an adequate option at the time. Those living rurally, typically the poor, were not within traveling distance of a decent school either. The lack of education kept poor people from gaining wealth and, most importantly, power. Castro’s revolution made claims of equalizing the divide between the rich and the poor. He espoused ideals of equality and fairness and spoke of moving the Cuban people forward. This appeal to the masses helped contribute to the success of the revolution.

This thesis will focus on understanding the policies that emerged from the Cuban revolution to promote the lives of citizens, effectively advancing human capital. I will first look at the policy areas individually and analyze them chronologically. Each policy area will be divided into three time periods: pre-revolution, which begins from the early 1900s until 1958, the revolution, which consists of 1959 to the late 1980s, and post-revolution, which spans from the
early 1990s to present day. I will then use data from the World Development Indicators to compare Cuba to other countries within its region to gain an understanding of the results of Cuba’s policies. Combining the knowledge I gained throughout my research with my understanding of Cuba as a Cuban-American, I argue that Cuba post-Castro regime should utilize its comparative advantage with respect to human capital within its region to boost its economic standing.
Chapter 2: Cuban Education Policy

Introduction

The current chapter will investigate education policy from the early 1900s up until present day. Chapter 2 is divided into four sections, the introduction and the three chronological time periods.

Pre-Revolution (1900-1958)

Prior to the Revolution, the average Cuban was uneducated. Literacy rates were some of the worst in the world and region, and a large portion of society did not even have a basic education. The dismal state of education in Cuba went widely ignored by most presidents and prime ministers during the early 1900s. It was not until then Prime Minister Fulgencio Batista began the foundations for his bid to become president that the issue was brought forcefully into the political discussion.

In 1933 Fulgencio Batista rose to power after the Revolt of Sergeants, which overthrew the authoritarian rule of Gerardo Machado. As the Army Chief of Staff, Batista presided over the military. This large power base proved to be invaluable as it allowed Batista to effectively rule Cuba through a string of puppet presidents from 1933 to 1940 and solidify a winning coalition for him to obtain the presidency in 1940 (Argote-Freyre, 2006, 200).

During the puppet presidency of Carlos Mendieta (January 1934 – December 1935) there was a lot of political unrest in the form of riots and strikes. The Strike of 1935 became the largest labor strike in Cuban history, nearly paralyzing the country’s government (Argote-Freyre, 2006, 138). The strike emerged from smaller strikes that concerned more economic gains for labor and
better working conditions. The strike however evolved into a full-fledged rebellion that aimed to oust the government due to its inaction and obstinacy. It would not have been possible for the strikes to be so organized if it were not for the involvement of those within the education system (Argote-Freyre, 2006, 165). The students and faculty at the University of Havana acted as unofficial leaders of the movement (Argote-Freyre, 2006, 165). These were the individuals that framed the dialogue and the demands of the strikers. Rather than being a movement outside of the scope of the average citizen, the involvement of primary and secondary teachers and students made the movement a national issue as education affected every family. Though Cuba was not interconnected throughout its provinces, one thing many of the larger cities had in common was a school. This drew interest in the movement from throughout Cuba by making it a local issue for each community, however many rural areas were left out of the conversation because they lacked schools (Argote-Freyre, 2006, 165). The movement evolved from simple demands of better working conditions to include “an end to special military courts for military personnel, termination of military supervision of the national police, a return of constitutional guarantees, the freeing of political prisoners, and the elimination of the Urgency Courts, which had been established to adjudicate acts of violence against the government” (Argote-Freyre, 2006, 168).

In an effort to splinter the force of the strike, the Mendieta government attempted to appease the primary and secondary school teachers and students by supplying them with school materials. Approximately seventy thousand blocks of paper, ten thousand pens, eight thousand pencils, and chalk for seven thousand classrooms were distributed throughout the country. Another concession, five thousand school breakfasts, was distributed as well as an increase in vacation time for teachers, however these concessions failed to appease the groups or splinter the movement. Argote-Freyre argues that the strike movement created a rift in civilian political
power causing the military to take control of the country in order to steer it away from collapse. The military under Batista’s rule began using brutal murder and the public display of the bodies of political opponents to deter continued opposition (Argote-Freyre, 2006, 174). The strike ultimately unraveled as the countless unemployed Cubans vying for a government job replaced those who refused to work (Argote-Freyre, 2006, 177). Despite the apparent defeat without major policy changes, the Strike of 1935 brought the issue of the declining health of Cuban education to the forefront of political discussion. The solidarity of the strikers must have caught Batista’s eye because just a few years later he would campaign under these very issues.

“By 1938, after five years of quasi-military rule, the outcry for political reform in Cuba became deafening. The political process excluded vast segments of the population. The establishment of a new constitution was the stated goal of all the provisional governments since but after years of excuses, the jails were still filled with political prisoners, opposition parties were outlawed, and there was no electoral code in place to elect a constitutional assembly. An astute politician, Batista knew that these aspirations could be suppressed for just so long.” (Argote-Freyre, 2006, 231)

Moving forward, Batista had the support of the Roosevelt administration with the understanding that Batista would move towards democratic reform and the opening of the Cuban political process (Argote-Freyre, 2006, 232). This put Batista in a difficult position. A move toward a dictatorship would result in punitive measures from the United States and would chance an internal revolt (Argote-Freyre, 2006, 232). A move towards liberalization would result in a loss of power for Batista.
“From that point forward, his days as a military man were numbered. Batista did not intend to surrender power, but in order to retain it, he now needed to make the delicate transition from army chief to presidential candidate and then win a national election. A new constitution would mean the end of the provisional and quasi-legal governments that Batista used to wield power. In any new constitution, real authority would be vested in the president and Congress.” (Argote-Freyre, 2006, 232)

With impending democratic values that would require winning a free and fair election Batista could no longer rely on only corruption and support from the wealthy minority. Batista’s proposed social programs contained facets of populism, which would attract constituents (Argote-Freyre, 2006, 232). It comes as no surprise that he would have ulterior motives for the expansion of education within his country. As the presiding officer over the army, Batista’s rural education plan utilized his power within the military to enlist officers as teachers. This plan benefited Batista by expanding the power of the military, increasing its presence and status within communities, bolstering his own support, and setting out to enhance the lives of his citizens.

Batista announced his intention to expand rural education in September 1935. On February 27, 1936 Provisional President Barnet and el Consejo de Estado gave Batista and the army legal authority to establish and maintain the education program (Argote-Freyre, 2006, 218). As quoted on page 218 in Fulgencio Batista: From Revolutionary to Strongman, “It took off quickly, and by the end of the year more than seven hundred new schools were in operation,
serving thirty-five thousand elementary school children and twenty thousand adults. Ultimately, the army would create 1,070 new schools throughout rural Cuba.”

The mechanics of Batista’s rural education plan called for enlisted sergeants to participate in a two-month training period after which they would be dispatched to rural communities in the Cuban countryside. The sergeant-teacher’s primary task was to establish a school. This proved a difficult task for some, as the government did not provide any funds or resources. If locals did not have a building to offer the sergeant-teachers were to somehow obtain a parcel of land and the material to build the school, typically they were donated. The local residents also aided construction of the buildings. The haphazard planning resulted in an irregular quality and size among the new schools. A benefit of incorporating locals in the construction and establishment of the new schools was that the communities were invested in the success of the school. The feasibility of the rural education program would not have been possible if it were not for the use of military officers administrating the schools (Argote-Freyre, 2006, 221). As quoted on page 219 in Argote-Freyre, Batista told a visiting U.S. educator that in the past “most [civilian] teachers assigned to such districts frequently had sufficient political influence to get themselves transferred to a more urban district.” Unlike civilian teachers, military sergeant-teachers were assigned a district and forced to stay there until their enlistment period was completed.

Statistics inform that in 1959 “half of Cuba’s youth did not attend school, 72 percent of 13 to 19 year olds failed to reach intermediate levels of schooling, and there were over one million illiterates” (Martin and Faxas, 1995). Many citizens were barred from opportunities to educate themselves on the basis of race and class, leading to extremely high unemployment rates (Jorquera, 1998, 29).
“The lack of education is the best index of the state of political oppression, social backwardness, and exploitation in which a country finds itself. The indexes of economic exploitation and economic backwardness coincide exactly with the indexes of illiteracy and the lack of school and universities. The countries that are more exploited economically and most oppressed politically are the countries that have the most illiterates… Only a revolution is capable of totally changing the educational scene in a country, because it also totally changes the political scene, the economic scene, and the social scene.” Fidel Castro, Revolución, Sept. 7 1961, p. 6. Cited in Fagen, p. 35.

During The Revolution (1959-1988)

On the 31st of March 1959 el Consejo de Ministros passed law No. 187 which implemented the creation of La Imprenta Nacional (the Cuban National Press). At first glance, this issue may not seem relevant to human capital growth, however the reasoning behind its creation is tied to the education and facilitation of knowledge. The legal preamble of law No. 187 cites the national need to stimulate literary and scientific production. The creation of La Imprenta Nacional would be the instrument necessary to guide the State in its development. The legal preamble deemed the availability of cheap editions of classic works that have universal value as essential for the cultural development of Cuba. Further, the legal preamble interestingly foreshadows Castro’s plan to increase literacy, which would take place a year later.

“Por Cuanto: Todos los planes de alfabetización y reforma de la enseñanza deben tender a llevar la educación y la cultura a todo el pueblo, hasta hoy desatendido por razón de ineficiencia de los servicios
estatales y la maliciosa gestión de los administradores, particularmente
durante los años de la Dictadura.”

Translated: “WHEREAS: All literacy plans and reform education should aim to bring
education and culture to all people so far neglected because of inefficient services state
management and malicious managers, particularly during the years of the Dictatorship”

Castro’s vision for Cuba began with education, but the underlying movement focused on
eliminating discrimination on the grounds of class and race. Upon taking office, Castro declared
1961 “The Year of Education” for Cuba. Aside from creating an educated and productive
populace, the education system was used in an experimental way to spread socialistic dogma
(Cruz-Taura, 2008, 172). Marxist-Leninist socialist education was present not only in the school
curriculum, but in programs of mass mobilization such as the Cuban Literacy Campaign.

As one of the very first programs to be implemented, the National Literacy Campaign
had multiple objectives. The timeline allowed for one year, from the beginning of January to
December 22nd, 1961 to complete its goals. The Literacy Campaign had the ambitious goal of
abolishing illiteracy within Cuba. A look at the 1953 Cuban national census reveals that illiteracy
rates were around 42% in the rural areas of Cuba and around 11% in the cities (Fagen, 1969, 40).
To abolish this high amount of illiteracy within just short of one year required a massive

1 The actual statute begins by stating that the Imprenta Nacional de la República de Cuba will be
attached to the Ministerio de Educación (Ministry of Education).
grassroots movement. The campaign informally began when Cuba initiated a special census to locate the illiterates of the country.

The special census began in November 1960 and ended in August 1961. Teachers and voluntary census takers delivered the special census through a single-page questionnaire. The census documented a total of 985,000 illiterate individuals and where they lived (Fagen, 1961, 41). The campaign utilized people from many different backgrounds, which would help in its mission to educate a diverse population. The campaign had four types of literacy workers. The Alfabetizadores populares were adult citizens not in the education sector who volunteered to teach for the campaign. The Schoolteacher brigades were professional teachers who oversaw parts of the campaign but also participated in teaching. The Conrado Benítez brigadistas were youth volunteers who left school to teach throughout the country. Lastly, the Patria o Muerte Brigadistas (Fatherland or Death Brigade) were adult workers who temporarily left their jobs and were paid to teach in the rural areas, their co-workers would fill in them. Castro continually emphasized the importance of keeping the Cuban workforce strong and this was an example.

When the official campaign started after Castro’s New Year’s speech that declared the “Year of Education,” it spent the first few weeks recruiting and initiating the workers who would go out and teach others. When it was realized that they did not have enough workers, Castro announced on April 15th that all secondary and pre-university schools would close. He proclaimed that “an army of one hundred thousand literacy workers” (that were at least thirteen and had completed sixth grade) would be enlisted in the cause. These students were to be named the “Conrado Benítez Brigadistas (Brigades)” after a poor, black teacher that was assassinated by counterrevolutionaries while he was teaching (Fagen, 1961, 42). These young students would receive a weeklong intensive orientation that instructed them on how to use their teaching
materials before leaving for their assignments. The literacy campaign proved to be so important to Castro that he took control over the Ministry of Education himself (Fagen, 1961, 43). The year was coming close to an end and the campaign’s numbers were not looking so good. Even further help was needed, and Castro required all teachers to participate in the campaign after the end of the summer vacation. This continued massive mobilization of help enabled the literacy campaign to complete its goal and on December 22nd 1961 a commencement was held ending the campaign and celebrating its accomplishments. Throughout the campaign there were a total of 121,000 Alfabetizadores populares, 35,000 Schoolteacher brigadistas, 100,000 Conrado Benítez brigadistas, and 15,000 Patria of Muerte brigadistas totaling roughly 271,000 volunteers (Fagen, 1961, 47). The campaign resulted in 707,000 new literate Cuban citizens within a year’s time (Fagen, 1961, 50).

The Literacy Campaign has often been heralded among the world’s greatest educational accomplishments of the 20th century (Abendroth, 2009, viii). Analyzing the data on volunteers and new literates in a timeline shows that the campaign was an extensive grassroots movement. The beginning of the campaign consisted of heavy recruitment of volunteers, and the number of new literates was dismal. The number of volunteers grew exponentially until the end of the summer while the new literate rates remained low. The last couple months of 1961 produced the majority of the new literates. This grassroots movement epitomizes the ideals of socialist Cuba; whereas it utilizes the citizens’ strengths and the outcomes benefit the poor but also those who participate.

The National Literacy Campaign was the first major step that Castro took towards building up Cuba’s human capital. As noted earlier, Castro’s vision for Cuba was to escape the
grips of capitalist oppression by eradicating illiteracy and educating his citizens. With the first barrier passed Castro then began his journey towards educating Cuban citizens by the masses.

As established in article 51 in the Constitution of 1976, under chapter VII, which discusses fundamental rights, everyone has the right to an education. In doing so, Cuba formalized its commitment to the free and equal education of its citizens. Article 51 of the constitution points to the widespread system of schools, semi-boarding and boarding schools, scholarships, and free education material as the methods to free and equitable schooling for its population. It is reiterated that adults are also guaranteed these rights by means of the adult education program, technical and vocational education, training courses in State agencies and enterprises, and advanced courses for workers. Aside from academic learning, article 52 of the 1976 constitution guarantees everyone the right to physical education, sports, and recreation. This right is assured through the incorporation of teaching and practice of physical education and sports in the curriculum of the education system.

The Constitution of 1976 also outlines the State’s adherence to socialist principles for its educational and cultural policy. Under Chapter V, Education and Culture, Article 39, section A states the basis for the educational and cultural policy is the advancement of science and technology, the Marxist and Martí, and universal and Cuban progressive pedagogical tradition. Section C affirms the state promotes the patriotic and communist education of the new generation and the training of children, young people, and adults for social life. Another interesting principle, section D states that freedom of artistic creation is permitted as long as its content is not contrary to the Revolution.
Post-Revolution (1989-2016)

“The Cuban Revolution often succeeds in presenting an image that dismisses the flaws in its educational system as matters that would be overcome with persistence in existing methods until a new generation internalized its ideology” (Cruz-Toura, 2008, 175).

The beginning years of the Rectification Period called for a revival of the voluntary labor force system to construct new educational facilities. During an austere time, they believed a shift of resources to aid social needs would bolster the country. However, by 1993, the lack of resources and the extent of rationing were apparent and Cuba resorted to simply maintain the current level of the system (Lutjens, 1996, 165). Construction of new facilities stopped and there were reductions in necessary school supplies that were once abundant such as pencils, paper, and textbooks. School lunches were reduced; students in nonpublic institutions such as boarding schools had to pay small monthly amounts for lunches.

Despite the efforts made by primary teachers, the overall quality of teachers is less satisfactory than quantitative progress admits, due to the large scale educational training since the revolution (Oneida, 1997, 128). Prior to the 1980s it was not required to take entrance exams for admission into higher education and there were not any other requirements that limited access. This resulted in an oversaturation of the specialty job fields, which did not mix well with the already contracted economy (Oneida, 1997, 134). Simple prerequisites such as entry exams were put in place to mitigate the influx of individuals, as it was not realistically possible to ensure unlimited jobs annually to university graduates.

Cruz-Taura argues the most damaging change was the dollarization of the economy and the promotion of foreign tourism. Teachers had little incentive to stay in their profession; an average monthly teaching salary of 350 pesos was the equivalent of 12 U.S. dollars (Cruz-Toura,
2008, 175). It became more attractive to work in the tourism industry where income was more accessible than being a teacher or professor where long hours of work resulted in the same monthly pay. This was especially damaging to rural areas where strides in education progress had just been made. These rural areas already had trouble attracting teachers in their far away small towns. Only the most devoted teachers would be interested in these areas, so the dollarization of the economy only made the conditions worse (Cruz-Taura, 2008, 175).
Chapter 3: Cuban Housing

Introduction

This chapter will investigate housing and land policy from the early 1900s up until present day. Chapter 3 is divided into four sections, the introduction and the three chronological time periods.

Pre-Revolution (1900-1958)

Cuba in the early 1900s can be characterized as being heavily influenced by foreign corporations. United Fruit, a large North American corporation, used its money as a tool to influence Cuban politics and exploit the country. In the early 1900s the United Fruit corporation used its power to displace many small farmers from their land in the Banes region. The corporation was allowed to expand unrestrictedly and by 1909 United Fruit owned two-thirds of the land in Banes and accounted for more than 50 percent of the municipal budget (Argote-Freye, 2006, 8). As a result the economy was booming, but the problem was that the Cuban people were not the ones benefitting. The foreign United Fruit corporation employees took the best jobs, housing, schooling, and medical facilities while the Cuban employees and citizens were treated as second-class in their own country (Argote-Freye, 2006, 8). United Fruit was just one of the many corporations that exploited Cuba’s resources during the early 1900s. It is easy to see how the 1959 Cuban Revolution materialized when iniquities such as these were visible daily to the Cuban people.

The 1940 Constitution was the product of many Cuban citizens’ demands for reforms. Article 79 states, “The State shall support the creation of low-cost dwelling for workers” and
supporting legislation was enacted requiring businesses to construct worker housing (Horst, 2014, 703). Despite being one of the more progressive constitutions of its time, many of the provisions included were ineffective because the legislation required to effect the change was not crafted and put in place. Such an example is Article 90, which outlaws *Latifundias* (large plantations typically worked by slaves) and mentions a restriction on the maximum extent of property that a person or corporation may possess. Supporting legislation for this article was never written and as such it did not become enforced.

Law 449, enacted during Batista’s rule, intended to promote construction and simplify rent control. The National Housing Commission was given increased authority to evict tenants and expropriate homes and landlords were given similar permissions and allowed to demolish their buildings on the condition that they construct new modern apartments (Horst, 2014, 709). The law served as intended and produced a construction boom in Havana, with development at an all-time high (Horst, 2014, 709). Negative effects of the law were present however. Tenant and landlord quarrels still occurred, however they now often led to the destruction of the building with an unkept promise to build new housing. “Between 1954 and 1956, Batista’s government cleared approximately twenty-five thousand people from their homes in and around the capital, against the protests of residents and student activists” (Horst, 2014, 709). Clearing the shantytowns was another aspect of the reforms, which perhaps had no positive effects other than enhancing the appearances of cities and minimizing the disparity of living conditions. The people who lived in the shantytowns were simply displaced to other, more rural areas of the country where they would set up informal housing.
During The Revolution (1959-1988)

Many authors discussing the Cuban land reforms during the revolution tend to focus on two pieces of legislation as if they were the only relevant events, the agrarian reform laws enacted in 1959 and 1963 (Alvarez, 2004, 2). However, the start of the revolution of agrarian policies occurred with the onset of the revolution in the Sierra Maestra mountains (Alvarez, 2004, 2). In October of 1958, the Rebel Army enacted Ley No. 3 which redistributed land to those who cultivate it. Alvarez argues that the idea behind this law was a “massive land distribution” (Alvarez, 2004, 2). However, Ley No. 3 did not affect the masses. Domínguez states less than one tenth of the peasants did not have “legal claim to the land they tilled” (Domínguez, 1978, 423). The law, which was pivotal for the movement in terms of Socialist ideals, affected only a minority of the population. The priority and concern for such a minute portion of the society brings into question the accuracy of the ideals of the socialist movement. Interestingly, Domínguez explains that this concern was due to the unintentional interactions that the movement had with the “squatters” when they resided in the province of Oriente (Domínguez, 1978, 424). Ley No. 3 distributed free land to farmers who cultivated up to 28 hectares, with the right to purchase up to 67 hectares (Valdés Paz, 1997, 53). Since the revolutionary movement included this in their objectives it shows that the movement was influenced by the lay people and bolsters the claim of being a socialist revolution.

After the revolutionaries ousted Batista and installed their socialist state Ernesto Che Guevara gave a speech painting the picture of working with the peasants to form their ideas. The following excerpts are taken and translated from a speech by Che at a ceremony in Havana January 27th, 1959.
“... As peasants yearning for freedom and social justice joined the armed struggle, the great magic words agrarian reform began to mobilize the oppressed masses of Cuba in their struggle for possession of the land. Thus emerged our first pronouncement on a major social issue. Agrarian reform would later become the banner and main slogan of our movement—although we passed through a stage of considerable uneasiness owing to natural concerns related to the policy and conduct of our great neighbor to the north.

... There in the Sierra we made the first effort at dividing up the land, with an agrarian law drafted principally by Dr. Humberto Sori Mariño and by Fidel Castro, and in which I had the honor of collaborating. The land was given to the peasants in a revolutionary manner. The large farms belonging to servants of the dictatorship were seized and divided up, and all state lands began to be put in the hands of the region's peasants. The moment had arrived in which we identified ourselves fully as a peasant movement closely linked to the land, and with agrarian reform as our banner.

… In the Sierra Maestra, during the days of the electoral farce of November 3, Law no. 3 was decreed, establishing a genuine agrarian reform. Although it was not complete, this law had very positive elements in it: state land was divided up, along with that of servants of the dictatorship and those who had acquired property fraudulently, such as land-grabbers who had gobbled up thousands of caballerias in borderlands. It granted title to all farmers who worked no more than two caballerias and who paid rent. All absolutely free. The principle was very revolutionary. The agrarian reform will benefit more than 200,000 families.”
While much of the policies put in place by Castro regarded education, a large amount of force behind the success of the Revolution was due to the desire for land reform. It would make sense then, noting that at the time the most important sector of the Cuban economy was agriculture, that the industry would be the first to be addressed by the revolution (Alvarez, 2004, 1). As above, the following excerpts are taken and translated from a speech by Che at a ceremony in Havana January 27th, 1959.

“But the agrarian revolution has not been completed with Law no. 3. To do so it is necessary that the constitution incorporate rules against the large landed estates. It is necessary to define precisely the concept of large landed estates, which characterizes the structure of our agriculture and is an indisputable source of the country's backwardness and of all the evils facing the great majority of peasants. These have still not been touched.

It will be the efforts of the organized peasant masses that will impose the law proscribing the system of large landed estates, in the same way as they compelled the Rebel Army to issue the beginnings of an agrarian reform contained in Law no. 3.

… We have begun to put the Rebel Army's social aims into effect; we have an armed democracy. When we plan out the agrarian reform and observe the new revolutionary laws to complement it and make it viable and immediate, we are aiming at social justice. This means the redistribution of land and also the creation of a vast internal market and crop diversification, two cardinal objectives of the revolutionary government that are inseparable and that cannot be postponed since they involve the people's interest.”
After transforming into a socialist state, Cuba’s housing policies drastically changed from its previous model that was influenced by capitalist ventures. As noted by Kapur and Smith, though the intricacies of Cuba’s housing policies have developed throughout the years, there are three principles that seem to guide its path:

1. The idea of shelter, as completed by housing, is a right, not a commodity
2. Housing should be equitable
3. Decisions will be made by the government

(Kapur, Smith, 2002, 4).

Concurrent with the ideas of the revolution, Castro sought to remove the power that landlords held over the majority population with legislation that would put power back in the hands of people. Initial changes in the status quo began with housing-related legislation that halted evictions and rolled back most rents by up to 50 percent of their original costs (Hamberg, 1990, 235).

The 1960 Urban Reform Law was a landmark piece of legislation that converted half of urban tenants into homeowners and fully compensated the former owners; many received lifetime pensions (Hamberg, 1990, 235). Tenants living in slum tenement buildings were also given long-term rent-free leases, however the government did not compensate their former landlords for this (Hamberg, 1990, 235). The decision to not compensate landlords of slum tenement buildings is perhaps rooted in the socialist belief that capitalism preys on the poor. The slum landlords did not care to drastically increase the quality of their housing, which would minimize profits; as such in the new economic model being constructed they would be slighted for their commitment to profits and not community welfare. Other tenants enjoyed similar benefits as all units built or distributed by the government were assigned with leases at no more
than 10 percent of household income (Hamberg, 1990, 236). Coinciding with the belief that housing is not a commodity, private renting and subletting were outlawed and it became illegal for households to own more than one primary residence and one vacation home (Hamberg, 1990, 236). These policies would ensure that individuals could not make money off of the living of others, effectively ending the prospects of being a landlord as a job. Further, it would help to open up the housing market by not allowing those with massive wealth to own multiple houses.

Apart from legislation, the Cuban government experimented with different programs intended to construct new housing in the early 1960s. The largest and worst shantytowns were targeted and demolished to construct new housing with superior conditions. Lack of resources, a seemingly constant trend of Castro’s government presents itself within the programs. These shantytowns were demolished, however the government faced difficulty obtaining supplies for the new construction. The government attempted to aid in what ways possible by offering loans and technical assistance to homeowners for private construction (Hamberg, 1990, 236). Alternative methods were utilized such as the Self-Help and Mutual Aid program, which permitted underprivileged residents from urban slum areas to rehouse in self-built settlements in Havana (Mathéy, 1997, 167). The practice of self-built housing was not supported through state programs most of the time due to being considered incompatible with socialist principles (Mathéy, 1997, 167). However, as evidenced, in times of necessity the Cuban government opted for the product rather than the principle.

Perhaps a characteristic trait of Castro’s Cuba, overly ambitious programs stifled each other’s success. Not coincidentally, the lowest production of state-built housing units occurred at the same time as La Gran Zafra (The Great Sugar Harvest) of 1971. A national goal of 100,000 housing units built per year culminating in 1970 which coincided with an attempt at producing a
record breaking ten million ton sugar harvest proved to be overly ambitious for such a small and poorly managed country (Coyula-Cowley, 2008, 3). La Gran Zafra failed to reach ten million tons of sugar while state-built housing units totaled 4,000 in production that year. Perhaps a related byproduct of the paralysis these programs created was a labor shortage in key industries, namely the construction industry, which fueled the demand for an alternative to state-help.

In 1971 the Cuban government created a program with strong socialistic characteristics that would help build housing, known as microbrigades. These microbrigades comprised of civilian employees from workplaces that would form groups to build housing with government investments. The workplace employees that were not building were also included in the system as they would agree to maintain the production levels in the absence of their peers. Both groups benefited from this program as once the housing was complete the units were allocated to the employees.

Microbrigade housing expanded until 1975 when shortages of supplies hindered their production. According to Hamberg, officials began phasing out microbrigades in 1978 after realizing their inefficiencies. Although this program was producing housing relatively quickly, the quality of housing was perceived to be of lower quality and higher cost compared to housing built by state construction workers (Hamberg, 1990, 247). Since those forming the microbrigades were reassigned from their workplace jobs they lacked the skills and knowledge that traditional construction workers possess. The knowledge that microbrigade workers gained during their tenure was lost due to the high turnover rate. Further, going against socialist principles of equity and inclusion, the microbrigades unintentionally favored those in workplace jobs with the microbrigade program as housing was allocated to those within that workplace. Employees in workplaces without microbrigades and those living in poorer conditions were ignored when
microbrigade housing was allocated. Realizing these inefficiencies while also struggling to continue substituting microbrigade workers at their jobs without harming the gradual growth production compelled officials to phase out the microbrigada movement.

Leading up to the 1980s, housing policy in Cuba was about as makeshift as the houses built. The lack of coordination within housing policy slowly ate away at efficiency. To rectify these issues the Cuban legislature conducted the country’s first comprehensive housing and population review in 1981. Self-help housing was not addressed adequately in the first review, which led to a further examination and census conducted in 1983. These analyses resulted in the national legislature producing La Ley General de la Vivienda (The General Housing Law) in 1984. Similar to the 1960 Urban Reform Law, the 1984 Ley General de la Vivienda converted even more tenants, specifically those in government-owned properties, into owners. The law liberalized many strict housing policies in favor of reducing the amount of illegalities and clarifying ambiguous situations that led to confusion. Limited short-term private rentals were permitted, self-built housing construction was fostered within a legal framework, and existing legislation regulating management, maintenance and repair, evictions and housing transactions were updated to reflect societal actions and trends and protect individuals.

Unfortunately occurring at the same time in the mid-1980s was a growing unemployment rate and a construction worker shortage resembling the early 1970s (Hamberg, 1990, 237). Despite an increase in the amount of construction supplies available, the weakened state of the country hindered its ability to provide for the large housing demands created by the 1984 Ley General de la Vivienda (Hamberg, 1990, 237). In an attempt to resolve the lack of housing production, the use of the microbrigada movement was revitalized from its 1970s form and reinvented to achieve a higher degree of recipient diversity. This reinvention fell in line with the
1980s. The *microbrigadas* were stripped from the hierarchy of the Ministry of Construction and allowed to function as independent institutions within local governments, giving power to the ‘*Poder Polular*’ (‘Popular Power’, referring to the local government). This form of decentralized *microbrigadas* would allow for a close connection with the local community, a further incentive for the locals to complete the project, use and recycling of local materials and infrastructure, and a better understanding of what the community needs (Mathéy, 1997, 172). Differing from the *microbrigadas* of the 1970s, the reinvented *microbrigadas* of the 1980s allocated less (only 50%) of the constructed housing units to the *microbrigadistas* (Mathéy, 1997, 172). The *Poder Popular* then distributed the remaining housing units to locals in need of a house but not related to the *microbrigadas*, these were individuals who worked for small employers or elderly or disabled (Mathéy, 1997, 172).

The *microbrigada* framework was later extrapolated to ‘*microbrigadas pura*’ (‘pure microbrigades’) and ‘*microbrigadas sociales*’ (‘social microbrigades’). In *microbrigadas pura* citizens would behave similarly to the traditional *microbrigadas* with the difference that they would volunteer to work in the *microbrigada pura* after clocking out of their regular jobs. This program was intended for those whose work was not substitutable, either because they worked in specialized sectors or their continued work was important for the sustained operation of society. Created towards the end of 1987, the *microbrigadas sociales* were community members tasked with repairing and renovating houses and infrastructure within their community. This task was previously appointed to ‘*empresas*’ (‘businesses’ contextually known as a repair business) by the *Poder Popular*, however they failed at this job due to the workers not being socially connected to the sites and being able to secure better jobs.
Post-Revolution (1989-2016)

The post-revolutionary high felt within Cuba left it quite unprepared for what would come during the Special Period. With the collapse of the Soviet Union and the Eastern trade bloc unable to provide resources at the same volume and regularity, Cuba was forced to craft policies to keep its economy alive and its industries producing. Even before the Special Period, housing policy was overlooked in favor of health care, education, and food. Maintaining the housing needs of its citizens during the Special Period would prove to be a daunting task that would rely less on social programs than it had it in the past and more on professional analysts and NGOs.

The Foreign Investment Act of 1995 (Decree Law 77) was crafted as a liberalizing economic strategy, which opened up many sectors of the economy to foreign investment, permitting up to 100 percent ownership by foreign firms, except defense, education, and health. The apparent liberalization of the real estate market that would occur following this act soon dissipated within the legislative process in the early 2000s. The draft law was debated throughout most of the 1990s with fervor over the speculation of the undermining of Cuban sovereignty.

Emily Morris draws insights from interviews with Cuban officials, including an advisor to the Minister of Foreign Investment and Economic Cooperation in March 1995 and an advisor to the Minister of the Economy and Planning in August 1999. Accounts from the officials noted the concern with the “political ‘sensitivity’” of property ownership by foreign individuals given the already present lack of housing, the loss of control over the housing market, Cuban defectors buying property, and the general concern with the impact on Cuban economic autonomy (Morris, 2008, 783). The draft bill did not continue in the legislative process and Foreign Direct Investment in the real estate market in the 1990s ultimately failed to actualize. Morris suggests a main reason that many of the experimental liberalizations of market mechanic policies in the
1990s failed to actualize was due to the presence of US sanctions and the absence of the US market.
Chapter 4: Cuban Healthcare

Introduction

The current chapter will investigate healthcare policy from the early 1900s up until present day. Chapter 4 is divided into four sections, the introduction and the three chronological time periods.

Pre-Revolution (1900-1959)

Three medical revolutions took place in Cuba prior to the 1959 Revolution. The First Medical Revolution happened from 1790-1830 and exists outside of the scope of this research paper. The Second Medical Revolution occurred from 1898-1922 during a time when Cuba engaged in war twice for its independence. Disease washed over the country, yellow fever was the most pervasive. Carlos J. Finlay, the leader of the Second Medical Revolution, discovered the transmission of yellow fever in 1881 but because medical professionals ridiculed his work his findings were not implemented until 1900 (Fitz, 2015, 34). A year later yellow fever was nearly eliminated from Cuba with help from United States.

The Third Medical Revolution took place from 1925-1945 and, similar to the Agrarian Land Reform, was characterized by awareness and advocacy for the improvement of the rural population’s conditions, while also diffusing preventive medicine with low cost services, and the implementation of new knowledge about health in the tropic region (Danielson, 1979, 131-133). The action that took place during this medical revolution occurred at the legislative level. Physicians’ organizations formed and created platforms with demands. The Cuban Medical Federation (FMC) was the first, which appeared in 1925. By 1938, the FMC platform demands
included “pharmaceutical controls, workers’ accident protection, a minimum wage scale for physicians, prohibition of multiple positions, institutionalization of the sanitary career, improved hospitals, school health, sanitary provisions for the poor … [and] a physician’s’ retirement plan” (Danielson, 1979, 107). Internal politics resulted in a splintering of multiple parties with different views causing a rift within the medical community of the FMC (Fitz, 2015, 34).

Public hospitals, private physicians, and mutualist welfare associations made up the structure of an inefficient and overlapping medical system. Mutualist programs operated much like prepaid medical plans do today; participants would pay monthly dues to cover treatment, hospitalization, and medical fees (Rex, 2008, 140). Within the mutualist programs there existed two factions, Danielson describes them as the “old” and “new” mutualism. Old mutualism resulted in a large amount of underutilized hospital beds but was fairly efficient because it utilized only 75 physicians to cover 100,000 members in 1934 (Danielson, 1979, 115). New mutualism on the other hand utilized 557 physicians to cover 107,000 members in 1934, its facilities were on average extremely limited in resources, and there were only a few elite clinics, which provided services to wealthy patients (Danielson, 1979, 115). New mutualism grew as the class hierarchy in Havana formed. Despite the inequalities and inefficiencies that resulted, mutualist programs set the tone for a collective attitude to medicine that would become important in the revolution (Fitz, 2015, 35). Apart from mutualists and fee-for-service clinics, the state medical system provided free, but extremely limited care for the poor (Fitz, 2015, 35).

Another inefficiency of the pre revolution health care system was the increasing cluster of health care services in the capital and urban regions. This is exemplified by the distribution of hospital beds: 62 percent of Cuba’s hospital beds were in La Habana Province in 1958 (Hudson,
Rural regions were unsaturated and limited to public facilities meaning the poorest segments of society were lacking proper health care access.

**During The Revolution (1959-1988)**

Within the first five years after Castro came to power roughly half of the 6,000 doctors had left (Fitz, 2015, 34). This burdened the remaining 3,000 doctors with double the amount of patients to care for whilst undergoing a crucial process for revolution. Though the medical system was not outright swamped with the lack of professionals, Castro immediately began improvements in the medical industry.

As with most of the reform that took place in Cuba, before physical change took place legislative action was taken. In the beginning of 1960, Ley No. 717 created the Ministerio de Salud Pública (the Ministry of Public Health, or MINSAP). The fragmented and overlapping health services systems present in the past were consolidated under the Ministerio de Salud Pública. In an effort to reduce the disparity of health services in rural areas, Ley No. 723 of 1960 established the Rural Health Services and required medical graduates to spend one year in rural service. It is estimated that within three years after the law went into effect that it brought 1,500 physicians and 50 dentists to rural areas (Pupo, 1963, 53). These areas did not have sufficient amounts of any medical aid and neglected by previous leaders.

The first five years of the revolution saw the flight of half the country’s doctors but it conversely saw the drastic increase in the construction of medical centers and additional pharmacies. By 1963 the government completed construction of 122 rural centers and 42 rural hospitals with 1155 beds at the time employing 322 physicians and 49 dentists (Pupo, 1963, 53). Pharmacies were nationalized during the early 1960s. Since they, like other services, were
clustered around urban areas many were closed due to redundancy. The number of urban pharmacies from 1958 to 1968 decreased from 2,200 to just 960 while the number of rural pharmacies increased from 60 to 305 (Ministerio de Salud Pública, as cited in Danielson, 1979, 158).

When the Ministerio de Salud Pública was established it treated mutualism with ambivalence. With the overburdened and subpar quality of the public services in the wake of the revolution, the goal of many citizens was to gain enough wealth to join a mutuality. Housing reform, mentioned earlier, increased many citizens’ disposable wealth allowing them to join mutualities. Others used their excess cash to pay up to one thousand dollars per initiation into religious sects of Santeria (Interview, as quoted in Danielson, 1979, 151). The growth in mutualist membership was large and by 1966 over half of those in Havana and many throughout the country bought membership in a mutuality (Danielson, 1979, 152). The ministry had an incentive to continue to allow mutualists to operate despite being privately owned. The incentive being that mutualities lessened the burden on public facilities at a time when the public facilities were extremely strained by understaffing and restructuring.

Despite their usefulness at the time, the inefficiencies of mutualisms described in the previous healthcare policy section worsened as their membership increased. The Ministerio de Salud Pública commissioned a taskforce on mutualism that produced a report that outlined plans to combine and restructure mutualism. The plan led to the regionalization of health services within specified districts along with the closure of small urban hospitals and reallocation of resources to enhance larger hospitals (Danielson, 1979, 164). Unfortunately, as described by Danielson, this consolidation of health services brought a large influx of patients and congested the efficiency of patient turn around.

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The next large step in health care policy by the Ministerio de Salud Pública in 1965 established the polyclinic, which would come to define the health care system for a long period of time. Polyclinics are an outpatient facility that provides basic clinical health services and is separate from that of a hospital. These were an essential progression in the Cuban health system. Polyclinics attracted the frequent and simple public health tasks that overburdened the large hospitals. As nationalized entities, polyclinics, as well as hospitals, provided services and medicines for free. Polyclinics were also a significant achievement for the nationalized health system because they solved the problem of public outpatient services that privately owned mutualist clinic attempted to solve. Eventually mutualism ceased to operate in 1970 by eliminating monthly dues and ending new memberships.

Polyclinics became the basic unit of Cuban health services throughout rural and urban areas, providing both curative and preventive services, which had not yet been done successfully. Many of the increases in general public health indicators can be attributed to their success. Infant mortality rates sharply declined as medical conditions such as gastroenteritis were treated. In 1962 gastroenteritis caused 4,157 infant mortalities however by 1975 this number decreased to 761 mortalities (MacDonald, 1999, 15).

After the success of the National Literacy Campaign, Cuba utilized the large-scale mass organization framework to deploy vaccination campaigns. The most notable vaccination campaign was also the first, which began in 1962 to eradicate polio. Danielson describes the polio vaccination campaign as “prototypical (and was repeated, with improvements, every year thereafter” (Danielson, 1979, 148). The success of this campaign relied heavily on the role of mass organizations such as the Committees for the Defense of the Revolution to mobilize
citizens. A year after the campaign reported cases of polio dropped to “virtually zero” (Thomas, 2016, 192).

The revolutionary government continued to maintain control over Cuba despite ruling under extra-constitutional rule. The basic principles and beliefs articulated by the revolutionary government were finally established into the institutional structure of the government by the Constitution of 1976. Chapter VII of the constitution outlines the fundamental rights of the Cuban Citizens. Article 50 under Chapter VII delineates the right of every citizen to health protection and care. The constitution holds the state to guarantee this right by providing free medical and hospital care, citing the rural medical services, polyclinics, hospitals, and preventive treatments as the means, as well as free dental care, and the promotion of health education. The 1976 Constitution marks the end of a for-profit health care industry and institutionalized the socialist principle of a government funded health care system.

**Post-Revolution (1989-2016)**

With the collapse of the Soviet Union, Cuba lost its major trading partner causing a large reduction in all aspects of economic productivity and as a result a reduction in the standard of living for Cuban citizens. Rather than creating radical new programs to stymie the negative effects of the Special Period, the major programs that proved to already be successful were broadened.

During this Special Period, Cuba retained its strong commitment to Area Polyclinics as the basic structure of the health system. Area Polyclinic consultations continued to grow from the 1970s to 2000s while hospital consultations diminished. In 1970, out of the total amount of consultations, polyclinic consultations were 69.4 percent versus 24.6 percent for hospital
consultations (Thomas, 2016, 192). In 2009 polyclinic consultations expanded to 88.9 percent while hospital consultations shrunk to 10.4 percent of total consultations (Thomas, 2016, 192). This data trend shows a constant increase in usage of the polyclinic program throughout the Special Period, indicating popularity among the community and perhaps its utility.

In addition to the polyclinics, vaccination campaigns continued as well. By this time in the 1990s Cuba had “successfully conducted thirty-five national polio campaigns and provided more than 64 million doses to the Cuban Population” (Whiteford, Branch, 2008, 30). Other vaccination campaigns that occurred during this time period include: post-mumps meningoencephalitis (campaign: 1989, status: eliminated), congenital rubella syndrome (1989, eliminated), measles (1993, eliminated), mumps and rubella (1995, eliminated), tetanus (1996, rates lower than 0.1/100,000 inhabitants), whooping cough (1996, rates lower than 0.1/100,000 inhabitants, meningitis (1998, mortality reduced by 93%), and hepatitis B, 15 years of age (1998, mortality reduced by 98%) (Perez, 2008, 15).
Chapter 5: Data Analysis

In the preceding chapters I discussed at length the policies enacted in Cuba from the early 1900s to present day. The focus has been on policies that fostered the development of human capital within the country. This chapter will look at the results of Cuba’s policies. I extracted data from the World Bank’s collection of World Development Indicators (WDI) and compiled it into Excel spreadsheets, which allowed me to view comparisons across Latin American countries. The excel tables are at the end of the thesis. I utilized the World Bank’s WDIs since they are aggregated from officially recognized international-organizations and provide the most accurate and current global development data available (World Bank). I chose one indicator for each aspect of human capital that the policies focused on: adult literacy rate for education, access to water for housing, and infant mortality rate for health care. Along with using WDI data for Cuba, I chose to pull data for the countries in the surrounding Caribbean region as well as Central and South America. This allows for a comparison of Cuba to countries in the same geopolitical area to determine how Cuba’s socialist model of building human capital fared against 26 of its neighboring countries.

The WDI chosen for education is adult literacy rate. This is defined as “the percentage of people ages 15 and above who can both read and write with understanding a short simple statement about their everyday life” (World Bank). I chose literacy as the indicator because low literacy rates were prevalent within the region during 20th century, and still today, many countries struggle to maintain an acceptable level. Literacy is one of the fundamental stepping-stones in building strong human capital because it allows citizens to educate themselves further. According to the data, Cuba has the highest rate of adult literacy at 99.75 percent reported in
2012. The next highest is Uruguay with 98.36 percent, almost an entire percentage point lower than Cuba. The average of the most recent adult literacy rate data is 89.3 percent. These numbers show that Cuba’s adult literacy rate is exceptional compared to its neighbors.

The housing and land policy outcome indicator is access to an improved water source. This is defined as “the percentage of the population using an improved drinking water source. The improved drinking water source includes piped water on premises (piped household water connection located inside the user’s dwelling, plot or yard), and other improved drinking water sources (public taps or standpipes, tube wells or boreholes, protected dug wells, protected springs, and rainwater collection)” (World Bank). I chose access to an improved water source as the indicator because it can be inferred that with piped water, one has adequate housing. Mathéy describes early 1900s Cuban makeshift housing with dirt floors and thatched roofing without electricity and rudimentary water collection.

The data shows 94.9 percent of Cuba’s population has access to an improved water source. This puts it at 11th out of the 26 countries that are included in the data. The country with the highest access to an improved water source is Uruguay at 99.7 percent. The average of population with access to an improved water source is 92.73 percent. Approximately 2.17 percent more of Cuba’s population has access to an improved water source than the average of all countries in my data. These data comparisons show that perhaps a decent percent of the Cuban population has had access to an improved water source and efforts have only marginally increased that amount, while other countries spent their time catching up to Cuba. Data reports only began in 1990, which makes it difficult to extrapolate further insight.

The indicator for health care policy outcome is infant mortality rate. This is defined as “the number of infants dying before reaching one year of age, per 1,000 live births in a given
year” (World Bank). Infant mortality rates are an often-used indicator for health care due to the fragile care and easy access to medical care needed for a baby’s survival. Cuba has an infant mortality rate of 4 placing it first out of the 26 countries. The average infant mortality rate of the 26 countries is 17.09, and the country with the next lowest infant mortality rate is Chile at 7, almost twice that of Cuba’s. This shows that Cuba is the leading country among its neighbors in health care services by far. Further, Cuba already had a relatively low infant mortality rate in the early 1960s compared to the other countries. This suggests that Cuba’s health care services prior to the revolution were not acceptable, but still decent for its time. The main issues with health care prior to the revolution were the stark centralization of services in urban areas and the need for consolidation and restructuring of programs. The revolution rectified these problems overtime with small and large reforms, which have increased access and efficiency to lower the infant mortality rate to its current level of 4.

Issues with data must always be discussed. Foremost, the data used was not always complete. As seen from the literacy rate and access to water data spreadsheets, large chunks of the earlier years are missing as well as random years for each country. I opted for a trusted and widely used database to extract the data from rather than a more complete but potentially inaccurate database. Despite these deficiencies, the data provided valuable insight. Further, additional indicators for each aspect would have provided a more comprehensive view of the results. I originally attempted to include three indicators for each aspect, however the excel spreadsheets became burdened and it overcomplicated the data analysis. Although I sacrificed some of the specificity that these additional indicators would bring, the indicators I chose tend to be highly indicative of the area they are connected to.
Chapter 6: Conclusion

In this thesis I have examined in-depth policies enacted in Cuba throughout the 1900s that have had a significant impact on human capital. I have also taken a look at World Development Indicators to understand Cuba’s current position in relation to its neighbors concerning specific factors related to human capital. These examinations have provided an objective understanding of Cuban human capital, which combined with my subjective knowledge as an American with Cuban heritage I deduce informed predictions and suggestions about the future of Cuba’s economy.

While many scholars are concerned with the short-term ramifications of a power transition from the Castro regime to its successor, I am more interested in the developments that will occur in the long term. We have seen that the Castro regime will sacrifice the potential economic development of its country to maintain a hold on their power. The dissolution of the Soviet Union caused the destruction of the heavily subsidized socialist economy of Cuba. These events resulted in limited economic reforms from the Castro regime to liberalize the economy just enough to keep the country alive but prevent any loss of power.

Further reforms from the Castro regime, whether it comes from the slowly deteriorating Fidel Castro or his brother and successor Raul Castro, should not come with any expectation of liberalizations that would bolster the Cuban citizens’ position. Rather than creating policies that further incentivize education to maintain their highly skilled workforce we have seen Raul Castro do quite the opposite. The “New Cuban Economy” of the 21st century, as referred to by many, has seen destructive policies that undermine the incentive to pursue higher education and skilled jobs. The main concern is the legalization of personal business licenses that allow citizens
to perform jobs without government involvement. This results in unskilled jobs such as taxi
drivers for tourists becoming more attractive than skilled jobs such as doctors, which are
furnished by the government. The taxi driver will make more money than the doctor as they
receive U.S. Dollars or Euros from tourists, which are worth exorbitantly more than the Pesos
received from the Cuban government. I believe that with the succession of the Castro regime that
there will be a transition, albeit slow, towards an open economy.

The liberalizations I envision will employ the comparative advantage that Cuba maintains
with its highly skilled workforce. It would be smart for future leaders of Cuba to foster economic
industrialization. What is necessary is a re-organization of the Cuban economy from the cane
sugar dependent, agrarian model of the past, with slight adjustments made recently, to an
industrialized, light manufacturing, service oriented, and knowledge based economy. In terms of
economic sectors, this would be a shift from the primary sector, towards the secondary, tertiary,
and quaternary sectors. Open market policies would allow Cuban citizens to own their own
businesses in which they can capitalize on their specializations. Tourism dependent jobs would
not become the most attractive career opportunity. Instead, highly skilled jobs such as doctors,
professors, lawyers, architects, engineers, and scientists would be the goal of high achieving
individuals.

Present day Cuba maintaining status quo offers a dismal hope for the future generations
of Cuban citizens. Post-Soviet economic reforms and recent reforms by Raul Castro make it
clear that the Castro regime is resistant to putting power back into the hands of the Cuban
citizens. The comparative advantage that Cuba holds over its neighboring countries with its
highly skilled labor force provides the future leaders of Cuba an attractive opportunity to free
Cuba’s economy from state owned enterprises and allow its citizens to lead the country’s economy.
Works Cited


