

Cuba's penurious revolution

When two plus two equals three

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The promise of reform and renewal stalls under Raúl Castro



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WHEN Cuba celebrated the anniversary of its revolution at the end of last month with a mass rally in the central city of Holguín, a nearby building was draped with a gigantic picture of Fidel and Raúl Castro thrusting their arms skyward under the words, "The Vigorous and Victorious Revolution Keeps Marching Forward." But this habitual triumphalism was in sharp contrast to the messages that Raúl, installed as president last year in place of his ailing elder brother, put across in his speech to the crowd and in another this week to the National Assembly. He announced the unexpected and indefinite postponement of a long-overdue Communist Party congress, which he had scheduled for the end of this year. And he was blunt about Cuba's economic problems.

Lower world prices for nickel and a fall in tourism revenue have led the government to cut its forecast for economic growth this year from 6% to 1.7%. The island is still recovering from three devastating hurricanes last year, which the government says caused damage worth \$10 billion. The American economic embargo is still there, too.

But Raúl Castro blamed "our own shortcomings" for the fact that "often two plus two results in three." Even as he fixes some problems, others open up. He has answered longstanding grumbles

about public transport by repairing Cuba's pot-holed roads and buying new Chinese buses. Last month he ordered a wage increase for 543,000 teachers and education workers.

But he has also ordered cuts in "non-essential" education and health spending, as well as in the meagre free-food rations that Cubans receive from the state. Some of these measures are a response to a trade deficit that soared by 65% in 2008. Partly because of the higher cost of food and fuel, imports rose by 41%, to \$14.2 billion, whereas exports were just \$3.7 billion.

Hugo Chávez, Venezuela's president, supplies Cuba with cheap oil in return for the services of Cuban doctors and security and intelligence specialists. But Cuban oil consumption appears to have risen sharply, because the government dealt with chronic power-cuts by buying thousands of thirsty diesel generators. To save energy, in June the government ordered all factories, shops and offices to switch on their air conditioning for just five hours a day, in the afternoons. So shops are mostly empty in the mornings and idle employees sit around by open doors and windows.

Food is also in short supply. Despite its abundant farmland, Cuba imports 80% of its food (much of it from the United States since a loophole was opened in the embargo in 2001). Inefficient state farms occupy three-quarters of the best land but leave much of it idle. Raúl Castro has tried to raise production by offering land to private farmers. But this scheme has been slow to get off the ground: agricultural production actually fell by 7.3% in the first quarter, and meat production fell by 14.7%. "The land is there, here are the Cubans, let's see if we get to work," he said in Holguín.

On taking over as president, Raúl Castro called for "changes of structure and concept" in the economy, raising hopes in some quarters that Cuba would imitate Vietnam in moving to a capitalist economy under communist political control. Those hopes have yet to be met. He has instead concentrated on better administration, quietly promoting his own aides to key positions in the state bureaucracy. He has stressed discipline and control. The assembly approved a law to set up a new auditor-general's office, to stamp out corruption. The education minister and the rector of the University of Havana were fired after a poll found revolutionary spirit was lacking among both students and professors.

This spirit of caution was reflected in the decision to postpone the party congress, an event that would define "the economic model that will guide the life of the nation," he said. It was also expected to see the handing over of political leadership, from the elderly revolutionary

nomenklatura to a younger generation. But Raúl Castro said the party was not yet ready. The real reason appears to be the continuing influence of Fidel. Obligated to surrender the presidency when he underwent abdominal surgery three years ago, he still exerts influence and an apparent veto power behind the scenes. Instead of a congress, Raúl Castro convoked a “national conference” to elect new party leaders.

The regime and the Cuban people face an unusually hot summer. But there are no signs of political control weakening. Unlike Fidel Castro, Raúl is sparing in his use of strident ideological rhetoric. In his speeches he made few references to the United States and its embargo. He welcomed the resumption last month of talks about migration, suspended under George Bush. But he reminded the assembly, and the world, that “I was elected to defend, maintain and continue perfecting socialism, not to destroy it.”