

CUBAN TRADE AND TOURISM: ECONOMIC, POLITICAL, AND SOCIAL CONCERNS

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With the Soviet Union's collapse and the end of Soviet subsidies, Fidel Castro, Cuba's dictator for over four decades, turned to tourism for financing his repressive regime. Should Americans now join in exploiting Cubans?

Private enterprises do not exist in Cuba. The government owns all businesses, and Cuba's military controls tourism. Unless they work at a hotel, nightclub or restaurant, Cubans are routinely banned from businesses catering to tourists. Some call it "tourist apartheid." Paychecks are issued by Cuba's government; foreign investors deal only with the Cuban government and become complicit exploiters of Cubans who get only \$15 to \$20 a month. That is not enough to live on, so prostitution thrives. Anyone who promotes or talks about an "independent labor union" or "collective bargaining" is fired and imprisoned.

Debt, apartheid, poor labor conditions, prostitution, and repression: just a few themes that come to mind when discussing trade and tourism in Cuba. Under the current conditions in Cuba, foreign investment and tourism only serve to maintain and finance the Castro dictatorship. This paper outlines some of the political, social, and economic issues that arise from foreign investment, trade and tourism in Cuba.

CUBA'S ECONOMIC PREDICAMENT

Castro's economic crisis remains a constant factor in the lives of 11,000,000 Cubans. While Havana would like American and European subsidies to take the place of Soviet subsidies, the regime is very wary of increased contacts between a most dissatisfied population and foreigners. The economic crisis and the government's refusal to implement economic reforms result in continuing economic hardship among the Cuban people, especially political prisoners and their families.

Mothers, wives, and children of political prisoners experience great difficulty living without the income of their sons and husbands. An October 14, 2004, report by the University of Miami's Institute for Cuban and Cuban-American Studies states that "daily life has become increasingly difficult for the average Cuban. Shortages of food and electricity, a deteriorating transportation and health system, a drastic decline of basic services provided by the state are creating tense conditions that could lead to increased social unrest."² Housing is woefully inadequate, infrastructure is crumbling, blackouts are a part of everyday life, certain areas go 13–15 days without water service, and shortages of basic medicines such as aspirin abound. One Canadian journalist found that

1. The ideas and opinions presented in this paper are solely the author's and do not necessarily reflect those of the Center for a Free Cuba.

2. Institute for Cuban and Cuban-American Studies, University of Miami, "Deteriorating Living Conditions in Cuba," *Cuba Focus*, Issue 59 (2004).

a tube of cortisone cream cost the equivalent of two month's salary for the average Cuban.

Reduced Foreign Investment

The island's economic crisis, which is primarily the result of the Marxist command economy, Castro's mismanagement, and widespread corruption, continues. Reuters reported that "direct foreign investment in Cuba plummeted to \$38.9 million in 2001 from \$488 million the year before."³ There are many countries around the world that do not trade with Cuba, not because they believe in trade sanctions, but due to Cuba's abysmal credit history. Only tourism, remittances from Cubans abroad, and external aid have kept the island's economy from a total collapse.⁴ Furthermore, 27.4% of joint ventures and economic associations formed between 1988 and 2000 have dissolved. "On average, one joint venture and two smaller co-operative production ventures have closed each week since 2002, when there were 700 in the country."⁵ Werlau credits this high turnover rate of investments to Cuba's highly risky investment climate.⁶ Potential investors, governments, and even journalists seem to have sobered quite a bit, faced with the poor economic performance coupled with the failure to liberalize the economy further.⁷ In addition, Cuba has asked many investors to leave the country.

European diplomats say the Cubans are usually within their rights in ending business relationships, but often do so with little explanation and with only the dubious promise that they will some day pay money owed foreign partners. "What you have here is re-nationalisation without compensation," one European commercial representative says. Some companies are fighting in domestic courts, while others are consider-

ing international arbitration, though they are pessimistic about being paid if they win.⁸

Cuba's Debt Crisis

Cuba has failed to pay interest and principal on many of its long-term debts since 1986. According to a report by the University of Miami's Institute for Cuban and Cuban-American Studies, Cuba's foreign debt in hard currency and non-convertible currency totaled over \$35 billion as of February 2005.⁹ The Paris Club is comprised of foreign governments and banks that have extended credit to Mr. Castro, who hasn't made a payment on principal or interest since 1986 to many of them. Havana owes Mexico \$380 million. In 2002, that debt was renegotiated. But in March 2003, Mr. Castro stopped payments when he became angry with Mexican President Vicente Fox. Bancomex has since closed its offices in Havana. Recently, a Court of Arbitration based in Paris ruled that Castro must pay the debt owed to Bancomex. Even South Africa, a longtime ally of Cuba's due to Mr. Castro's support for Nelson Mandela during the latter's many years of imprisonment, suspended its export insurance and credits to Cuba because of non-payment. Cuba has held bilateral talks with Mexico, Argentina, and Brazil aimed at negotiating terms on many of Cuba's loans.

De-dollarization of the Cuban Economy

As of November 8, 2004, U.S. currency is no longer legal tender in Cuba. A resolution from the Central Bank made the use of the U.S. dollar—legal tender since 1993—illegal and decreed that only convertible pesos (*chavitos*) are to be accepted by all state entities. The Central Bank alleges that "the U.S. government has intensified its economic war on the people of Cuba" and the Castro regime has respond-

3. "Foreign investment in Cuba falls, EU wants reform," 7/8/02.

4. Liduine Zumpolle, "Trade, Tourism and Hypocrisy." Letters to Cuba: An anthology of selected contributions presented at the Summit of the International Committee for Democracy in Cuba. Prague, September 17–19, 2004.

5. Marc Frank, "Investors shown door after Cuban crackdown," *Financial Times*, June 7, 2005.

6. Maria Werlau, "A Commentary on *Foreign Investment In Cuba*." *Cuba in Transition—Volume 11* (Washington: Association for the Study of the Cuban Economy, 2001).

7. Ibid.

8. Frank, "Investors shown door after Cuban crackdown."

9. Institute for Cuban and Cuban-American Studies, University of Miami, "Cuba: Hard Currency Debt," Cuba Facts, Issue 8 (2005)

ed by taking the dollar out of currency. In addition, a 10% surcharge is now levied on the purchase or exchange of U.S. dollars. A report by the Institute for Cuban and Cuban-American Studies' Cuba Transition Project notes that these recent, carefully devised measures aim to "effectively curtail what little economic freedom the Castro regime had ceded to the Cuban people during the so-called 'Special Period' of the 1990s."¹⁰

For the average Cuban, the de-dollarization of the economy means an increased cost of living, making it more difficult to make ends meet. Remittances sent to Cuba from family members living in the U.S. will also now have a lesser effect as their value will decrease. "Ultimately the Castro regime's intricate web of disincentives and restrictions on the use and possession of foreign currency will, as intended, keep the beleaguered people of Cuba imprisoned within the confines of what was already one of the world's most economically repressed societies."¹¹ According to Carmelo Mesa-Lago, the Cuban government is likely to generate from \$76 to \$190 million from remittances exchanged for convertible pesos.¹²

TOURISM

In 2004, London's *The Economist* stated that:

It is no exaggeration to say that for the past decade, foreign tourists have kept Cuba and its Communist revolution alive. Over that period, the industry has averaged double-digit growth and a healthy 25% profit on sales, coming to the island's rescue when the collapse of the Soviet Union removed its previous economic lifeline. In 2003, the tourist industry had

sales of \$2.1 billion and provided almost half of Cuba's total hard-currency revenues. ... Raúl Castro ... likened the industry to "a tree born twisted that must be uprooted and planted anew." Pruning has been brutal: out have gone the tourism minister, three deputy ministers, and dozens of other top managers and officials. The new tree, it turns out, is a military one: the ministry is now full of ... the armed forces.¹³

Cuba's Tourism: A Military Controlled Industry

The Fuerzas Armadas Revolucionarias (Revolutionary Armed Forces—FAR) has gradually assumed the responsibility of guiding and running the economy since the late 1980s.¹⁴ The most lucrative sector of the Cuban economy and for the FAR has been tourism. One of the key enterprises in the tourist sector is Gaviota, S.A., dedicated to promoting and commercializing its vast network of services to international tourism. Gaviota is a well-established company of the armed forces that gained experience in managing recreational centers for Soviet military advisors in the 1960s. Controlling Gaviota are active and former FAR officers who report directly to Raúl Castro. Gaviota operates and controls the following enterprises: Hoteles Gaviota, Gaviota Tour, Arcoiris, Marinas Gaviota, Via Transgaviota, Tiendas Gaviota, Parques Naturales Gaviota, Inversiones Gaviota.¹⁵ In addition Gaviota also controls Aerogaviota, a domestic airline.

At the end of 1998, Gaviota, with 7% of existing rooms in the country, was able to capture 10% of the island's visitors.¹⁶ Gaviota's control of hotel rooms increased fourfold in seven years from 203 rooms in 1996 to 946 in 2002.¹⁷ According to a report by the

10. Institute for Cuban and Cuban-American Studies, University of Miami, "Less Dollars, More Control," *Cuba Focus*, Issue 60 (2004).

11. The Heritage Foundation/Wall Street Journal, *Index of Economic Freedom 2004*.

12. Carmelo Mesa-Lago, *The Cuban Economy Today: Salvation or Damnation?*, Cuba Transition Project, University of Miami (2005), p. 36.

13. "Tourists: By the Left, March: Military command and control for the hotel industry," *The Economist* (July 31, 2004).

14. Institute for Cuban and Cuban-American Studies, University of Miami, "The Cuban Military in the Economy," *Cuba Focus*, Issue 46 (2003).

15. Armando F. Mastrapa III, "Soldiers and Businessmen: The FAR During the Special Period," *Cuba in Transition—Volume 10* (Washington: Association for the Study of the Cuban Economy, 2000), pp. 428–432.

16. *Ibid.*

17. Oficina de Turismo de La Habana, *La Región Turística* (Havana, 2003).

Institute for Cuban and Cuban-American Studies, by 2003 Gaviota S.A., controlled 20–25 percent of Cuba's hotel rooms. Furthermore, in February 2004, Ibrahim Ferradez García, Cuba's tourism minister, was replaced with a young military officer, Manuel Marrero Cruz, who served as president of a profitable tourism company run by the FAR. "We are not militarizing tourism, but I would not hesitate to do so if I had to," Raúl. Castro reportedly said after appointing Marrero Cruz. "Raúl and the military have taken over tourism, the country's most important sector, and his men control basic industry and many other positions," one European ambassador said after the appointment.¹⁸

Mora summarizes the success of military involvement in tourist enterprises: "rather than this new economic mission contributing to discontent within the FAR, it has offered many active and retired officers the means of protecting themselves from the economic crisis. Not only does the new economic role help ensure the institutional survival of the FAR, but it allows many of its high- and middle-ranking officers to take advantage of emerging and lucrative opportunities in these areas."¹⁹

The FAR's participation in economic activities has been beneficial to the regime as it provides a significant source of revenue and opportunities for the enrichment of the officer corps, which in turn creates loyalty to the hierarchy. Key officers involved in the FAR's enterprises are loyal to Raúl Castro and their entrepreneurial successes are linked to the survivability of the regime. The FAR is not only involved in the tourist industry but in the domestic economy as well. The FAR controls the TRD Caribe S.A. (*Tiendas de*

Recaudación de Divisas) retail chain which has over 400 locations throughout the island and caters to Cubans with hard currencies.²⁰ The FAR's role has expanded to many sectors of the economy and are directly managing and controlling the following sectors: tourism, agricultural products, tobacco, import-export services, technology and telecommunications, construction, free trade zones, and manufacturing.²¹ By 2005, the FAR "controlled 322 of Cuba's largest enterprises and accounted for 89% of exports, 59% of tourism earnings, 24% of service revenues, 60% of hard currency wholesale transactions, 66% of hard currency retail sales, and employed 20% of State workers."²² According to Pax Christi "the major part of the income generated by the tourist activities of the military companies is used for military purposes such as the purchase of arms. As a consequence, Cuba spends the highest amount per capita on military defense in Latin America."

Labor Conditions in Cuba

According to Efrén Córdova,²³ although those working in the tourism industry enjoy a special status, they are also adversely affected by other government measures. Foreign companies operating hotels for instance must pay their workers in dollars through a transfer of the corresponding amount to a government agency called Cubatec. The agency then pays the workers in pesos at the exchange rate fixed by the government. Such an arrangement represents a handsome profit for Castro and is an infraction of Convention 95 of the International Labor Organization (ratified by Cuba) which, in order to protect wages, provides that they should be directly paid to the workers. It also constitutes an infringement of the

18. Marc Frank, "Anti-corruption drive signals change in Cuba," *Financial Times* (July 6, 2004).

19. Frank Mora, "From Fidelismo to Raulismo: Civilian Control of the Military in Cuba," *Problems of Post-Communism*, vol. 46, no.2 (1999).

20. Institute for Cuban and Cuban-American Studies, University of Miami, "The Cuban Military in the Economy."

21. Institute for Cuban and Cuban-American Studies, University of Miami, "Military Involvement in the Cuban Economy," Cuba Facts, Issue 9 (2005).

22. Institute for Cuban and Cuban-American Studies, University of Miami, "Military Involvement in the Cuban Economy."

23. Efrén Córdova, *Castro al descubierto: Historia de una larga y sistemática violación de los derechos humanos* (Miami: Editorial Impacto, 2003).

principle of integrity regarding the amount owed to the workers.²⁴

Joint ventures may officially pay workers a wage that is between USD\$400 and USD\$500 per month.²⁵ Unfortunately, the workers get only a fraction of the official wage when the Cuban Government pays them in pesos.²⁶ “Agencies of the Cuban government like Cubalse and Acorec provide the workers, who are then re-employed by the mixed companies.”²⁷ Havana says most of the money it collects from hiring out workers to foreign companies goes to pay for universal health care. But international observers are unimpressed. The International Labor Organization and Human Rights Watch say Cuban labor practices involving joint venture operations are exploitative. Under these conditions, employees lack motivation and are disloyal. The system, however, is convenient for some foreign companies as it takes the onus off of them for what is essentially modern day slavery.

Many workers in the tourist sector also face more restrictions than those in different sectors. They are subject “to longer probationary periods and work hours, more irregular schedules, shorter periods for challenging disciplinary decisions and no right of appeal through judicial and administrative channels.”²⁸ In February 2005, the Ministry of Tourism (MINTUR) further restricted Cuban tourism workers. The new regulations forbid Cubans from receiving tips, gifts, or dinner invitations from foreigners. According to Mesa-Lago, “all gifts must be immediately reported in writing to the immediate supervisor who will decide what to do with them; electronic and

video equipment will be kept by MINTUR.”²⁹ In short, Cuban tourism workers are subject to the same kind of wage exploitation that the Cuban government imposes on employees of non-tourism joint enterprises, but they suffer additional restrictions regarding hiring, speech, and action.³⁰ “Tourism employees shall restrict their relations with foreigners to those strictly necessary; conversations and negotiations with foreign partners must be conducted in the presence of one witness...”³¹

Some tourism industry employees are actually agents of the Cuban secret police. They serve as government informants and keep an eye on foreigners and fellow Cubans working for those companies. Foreign companies investing in the tourism sector must also sign a clause that allows Cuban secret police to enter and search any room without prior authorization.³²

Cuba violates numerous international conventions on labor and workers’ rights. There is no freedom of association, right to organize or to bargain collectively between labor and employer (the State). In effect there is no right to strike. The Cuban Workers’ Central (Central de Trabajadores de Cuba) is the only legal workers’ organization. It is a mass organization under the control of the Cuban Communist Party. Independent labor groups are illegal.

As with any tourist city, especially in the Caribbean, Havana has not been exempt from the negative social impact stemming from increased tourism. There is a general agreement that tourism has generated a new wave of prostitution and street crime in Havana and

24. Ibid.

25. Maria Werlau, “Foreign Investment In Cuba And Labor Rights,” Cubanet (April 4, 1996).

26. Carlos Alberto Montaner, “Castro Seeks Capital: Hold on to Your Wallet,” *The Wall Street Journal* (July 24, 1998).

27. Rafael Rubio, “Trading With Dictators,” *The Wall Street Journal, Europe* (December 5, 2004).

28. Maria Werlau, “Foreign Investment In Cuba And Labor Rights,” Cubanet (April 4, 1996).

29. Mesa-Lago, *The Cuban Economy Today: Salvation or Damnation?*

30. Joseph M. Perry, “Cuban Tourism, Economic Growth, and the Welfare of the Cuban Worker,” *Cuba in Transition—Volume 7* (Washington: Association for the Study of the Cuban Economy, 1997), pp. 141–149.

31. Mesa-Lago, *The Cuban Economy Today: Salvation or Damnation?*

32. Rubio, “Trading With Dictators.”

has created new actors and pressure groups that include *jineteras*, *jineteros* or *chulos*, and *luchadores*.³³

In fact, there is technically no law against prostitution in Cuba. In 1979, a new penal code deleted several acts, such as prostitution, that had once been considered criminal offenses. In the early 1990s, after the collapse of the Soviet Union, the rapid expansion and adoption of the sex trade and prostitution as a survival strategy by many habaneros prompted serious health problems related to sexually transmitted diseases. During this time, when Castro did not have the resources to control prostitution, he claimed, “Cuba has the cleanest and most educated prostitutes in the world.” Castro unfortunately denies that prostitution is a major problem. The regime’s greatest concern is not the health of its people or the moral fiber of society, but rather the image portrayed to the outside world. Prostitution shows that socialist institutions and socialist morals are crumbling.

Castro denounces the exploitation of people in the capitalist world. However, these condemnations are hypocritical as long as Cuba remains a destination for sex tourism. If Castro eliminated prostitution, he would face several problems. First, the elimination of prostitution would create a rise in unemployment. Many of the men and women who depend solely on prostitution would have to look for a state job. Others, who are already employed, would have to subsidize their incomes through other sources in the alternative, illegal economy.³⁴

Second, tourism would decline. According to a study published by the University of Leicester in the Unit-

ed Kingdom, “in Cuba, the link between tourism and prostitution is perhaps more direct than in any other country which hosts sex tourist ... 80% of the tourists to Varadero visit the town only because they are actively seeking opportunities to sexually exploit other people.”³⁵ Although the arrival of tourists might continue to increase, Cuba would see a drastic decline in sex tourism. According to a 2002 Johns Hopkins University report, Cuba is “increasingly reported to be a major destination for sex tourist from North American and Europe. ... Cuba is one of many countries that have replaced Southeast Asia as a destination for pedophiles and sex tourist. ... Canadian sex tourism is also cited as largely responsible for the revival of Havana’s brothels and child prostitution.”³⁶

It has been reported that “girls as young as 13 years old are being prostituted as an economic improvement strategy for themselves and their families.”³⁷ Unfortunately, there are no independent organizations dedicated to the protection of children and women. Coupled with the widespread and government-organized censorship of the media, “few inside Cuba can focus on these problems.”³⁸

In most countries it is beneficial to promote socially acceptable tourism. However, Cuba is presently more concerned with bringing in U.S. dollars. As a country in an economic crisis, Cuba appears to have traded socialist morality for economic benefit.

Tourism Apartheid

The Cuban Government tries to limit the effect of tourism by keeping the population as separate as pos-

33. Andrea Colantonio, “Tourism In Havana During The Special Period: Impacts, Residents’ Perceptions, and Planning Issues,” *Cuba in Transition—Volume 14* (Washington: Association for the Study of the Cuban Economy, 2004), pp. 20–42.

34. Charles Trumbull, “Prostitution and Sex Tourism in Cuba,” *Cuba in Transition—Volume 11* (Washington: Association for the Study of the Cuban Economy, 2001), pp. 356–371.

35. A research paper prepared for ECPAT by Dr Julia O’Connell Davidson and Jacqueline Sanchez Taylor of the Department of Sociology, University of Leicester, United Kingdom, September 1995. The studies in this series of papers were undertaken as preparation for the World Congress against the Commercial Sexual Exploitation of Children. Partial funding for these studies came from UNICEF.

36. Johns Hopkins University, Paul H. Nitze School of Advanced International Studies, The Protection Project: Creating an International Framework for Protecting Women and Children from Trafficking, *Human Rights Report on Trafficking in Persons, Especially Women and Children. A Country-by-Country Report on a Contemporary Form of Slavery*, Second Edition (March 2002).

37. Center for a Free Cuba, *Tourists, Terrorism, and Torture: The Three “T’s” of Fidel Castro’s Regime*. (Washington, 2002).

38. Ibid.

sible from tourists. The tourism industry is arranged in a way that allows tourists to enjoy their vacation without ever leaving their isolated areas. As a result, tourists often have no idea of the internal structure of society and conclude that Cubans are poor but generally happy. Some even find Cuba to be a paradise. When they ask the (almost exclusively white) personnel of their hotel for good local places to eat or drink, they are directed to state-owned venues and are driven in state-owned taxis. If they ask to visit local private establishments, they are told that these places are not up to international standards. Tourists who do not believe this argument has to resort to asking one of the lobby attendants or people on the streets, as hotels do not officially give out this information. Private accommodations, with a few exceptions, are not allowed to advertise and are not promoted by the Government. As a result the Government is able to take in most of the profit made by this industry.

Cubans are not allowed to enjoy the new tourist industry because it has become de facto the sole purview of foreigners. Through a series of physical restrictions imposed on Cubans, the government is able to maintain what is known as “tourism apartheid.” As is generally known, Cubans are not allowed to visit most of the tourist areas or even enter a hotel; and if they do, they must be in the company of a foreigner. Cubans are even gradually losing their beaches and beautiful reefs because the Government continues to discriminate against them. The old and newly-discovered beaches are being transformed into virtual Caribbean paradises that are only accessible for those who have dollars and are not Cuban. Cubans are also not allowed to travel outside of their area of residence without official permission. Even if they had the permission, their income does not allow them to stay or eat in tourist places. One night in a hotel or dinner at a restaurant would cost them several months’ income. In private, Cubans repeatedly

press their anger at being treated like second-class citizens in their own country, and they accuse the government of harassment when they are seen interacting too much with foreigners.

Health Tourism and Apartheid

Health tourism, a specialized, under-served niche in the competitive realm of Caribbean tourism, became the shining star of the Cuban government’s hope for resurgence into the global marketplace.³⁹

In Cuba, health tourism falls under the jurisdiction of corporation Servimed which, in turn, falls under the auspices of Cubanacán, the government’s for-profit umbrella agency for tourism. Placing Servimed under Cubanacán was a deliberate business decision. Servimed operates its facilities strictly as a commercial enterprise. Servimed owns and operates hospitals and polyclinics throughout the island dedicated strictly to the health care needs of tourists.⁴⁰

The Soler Hospital “tour” is almost a required stop for foreign visitors because it allows the government to boast about its efforts to care for all children. At the same time, its disgraceful condition appalls visitors, who are told that U.S. sanctions are at fault. What state visitors are not shown, in the same hospital, are the air conditioned single-occupancy rooms reserved for foreigners with hard currency. These clinics perform organ transplants, cosmetic surgery, and offer cancer treatments and orthopedic devices, along with other services and medicines denied to average Cubans.

Cuba’s hospital decay can be linked to the government’s decision to increasingly channel its limited resources toward those services that earn the government hard-currency payments from foreigners. The Cuban government makes no secret of this, at least outside the country, sending salesmen for the program abroad regularly and maintaining a Website for promotion.⁴¹

39. Sharon L. Oswald and Tony L. Henthorne. “Health Tourism: A Niching Strategy for Marketplace Survival in Cuba.” In *Cuban Transitions at the Millennium*. Eloise Linger and John Cotman editors (Largo: International Development Options, 2000), pp 225–236.

40. Institute for Cuban and Cuban-American Studies, University of Miami, “Health Care Realities in Cuba,” *Cuba Focus*, Issue 49 (2003).

Servimed's main function is to induce thousands of hard currency patients to visit Cuba for what it calls "health tourism."⁴² According to Servimed, the Soler Pediatric Hospital's large hospital facilities are "earmarked for health tourism." Cuba buys medicines and other hospital needs, including U.S.-made pharmaceuticals, in Europe and Latin America. Indeed, the embargo does not block the Bush administration from issuing licenses to American companies allowing them to sell medical and agricultural supplies to Cuba.

The French travel guide *Ulysse* says that "the best hospitals and clinics are open to tourists ... payment is in dollars ... and the hospitals service is excellent and fast." According to *Ulysse*, tourists have ample access to pharmaceutical services. The French guide says: "Even though pharmaceuticals are sometimes lacking due to the American blockade and the economic problems in Cuba, tourists can obtain medicine in the medical centers and in the large hospitals of the city. You can also go to Farmacia Internacional ..."⁴³ For the health-tourism program there is no lack of medicine, including antibiotics. But these rooms and supplies are off-limits to Cubans and are not on Government tour schedules.

"Medical apartheid" is replicated at hospitals throughout the island. Citing from Servimed, the Ciria García Clinic specializes in "a wide range of pathologies" for foreigners, including executive check-ups and cosmetic surgery. The Placental Histotherapy Center has provided services for more than 7,000 patients from 100 countries. The Camilo Cienfuegos International Ophthalmology Center "has 70 single-occupancy rooms with all the comforts of a medical institution and hotel." The Frank País Orthopedic Hospital "has earmarked in its main building, 24 sin-

gle-occupancy rooms for health tourism," offering "18 more rooms, restaurant, commercial center, bar and snack bar."⁴⁴ "[The Castro regime] is earning some \$25 million a year from this health tourism."⁴⁵

The Castro regime's medical apartheid has been denounced by one of Cuba's most noted scientists, Hilda Molina, founder and a former director of Havana's International Center for Neurological Restoration. Dr. Molina broke with the regime and resigned from her high-level position and as a member of Cuba's National Assembly to protest the dual system. She currently is a virtual hostage in Havana, denied her former travel privileges and the right to practice medicine. Her word processor was confiscated and her telephone tapped.

In a lengthy document smuggled out of Cuba after her resignation, Dr. Molina describes a campaign by Cuba to present itself as a "medical superpower" attractive to foreign patients looking for bargain-basement health care.⁴⁶ Instead, she writes, these patients have often found themselves subject to substandard, sometimes fraudulent medical care. She tells of a system, driven solely by the profit motive, rewarding hospitals for pushing unnecessary surgery and other expensive treatments on foreign patients. "Foreign patients are lured to Cuba with promises of nonexistent treatments or cures for diseases where none exist ... they are prescribed Cuban drugs they do not need, merely to increase the size of their bill."⁴⁷ "The lack of adequate professional qualifications, the absence of medical ethics, and the drive toward financial enrichment characterize Cuba's medical system and often yield unfortunate results," Dr. Molina states. "Foreign patients are routinely inadequately or falsely informed about their medical conditions to increase

41. <http://www.cubanacan.cu/INGLES/TURISMO/SALUD/INDEX.HTM>.

42. Institute for Cuban and Cuban-American Studies, University of Miami, "Health Care Realities in Cuba."

43. *Facts about Cuba's Medical Shortages and the U.S. Embargo* (Washington: Center for a Free Cuba, nd).

44. *Ibid.*

45. Linda Robinson, "A vacation in Havana: sun, fun, and surgery," *US News & World Report* (May 5, 1997).

46. Hilda Delfin, "Cuban Medicine Today," *Cuba Brief* (Washington: Center for a Free Cuba, 1998).

47. *Ibid.*

their medical bills or to hide the fact that Cuba often advertises medical services it is unable to provide.”⁴⁸

Cuban pediatric care, boasting a low infant-mortality rate, was once a much heralded achievement of Castro’s revolution—despite evidence that the mortality rate was low mainly as a consequence of the high abortion rate of high-risk pregnancies.⁴⁹ But in pediatric hospitals there are now plenty of sick children without medicine in Cuba.

Furthermore, in 1997, a major epidemic of dengue fever, which causes hemorrhaging, broke out in Cuba. While patients were suffering the serious and fatal symptoms, the public health authorities and the government’s Institute of Tropical Medicine called the disease “an unspecified virus” and denied its existence, partly to protect the reputation of Castro, who had personally declared the disease’s extinction, and partly to protect the tourist industry, which was becoming a major earner of hard currency.⁵⁰

One physician, Dr. Dessy Mendoza Rivero, recognized the disease as dengue fever and tried to alert the authorities, only to find a cover-up underway.⁵¹ Dr. Mendoza called a Miami radio station from Havana and informed the world of the disease. “There are approximately 13 dead, 2,500 hospitalized patients and 30,000 afflicted,” Dr. Mendoza revealed. Minutes later, the Cuban State Security police arrested him. He was sentenced to eight years in prison for “disseminating enemy propaganda,” leading Amnesty In-

ternational to declare him a “prisoner of conscience.” Ironically, one week after his sentencing the government admitted that the epidemic was dengue fever.⁵²

A group of Cuban doctors who recently arrived in the United States said they were “mystified” by claims in a recent report of the American Association for World Health (AAWH) that the United States embargo is to be blamed for the public health situation in the country. According to these doctors, “we ... can categorically and authoritatively state that our people’s poor health care situation results from a dysfunctional and inhumane economic and political system, exacerbated by the regime to divert scarce resources to meet the needs of the regime’s elite and foreign patients who bring hard currency.”⁵³

The same regime that blames the United States for medical shortages unabashedly advertises Cuba as “the ideal destination for your health.”⁵⁴ By the regime’s own admission, its dual health system amounts to medical apartheid: deplorable conditions for Cubans as pointed out by the hospital “tour directors” and “ideal” conditions for foreigners. Medical apartheid is no different from other forms of hateful apartheid. Those visiting the island should be aware of what lies behind closed hospital doors. In the same way those trading and investing in Cuba should be aware that they are not simply investing in a country that happens to be a dictatorship, but in the dictatorship itself.

48. Mark Falcoff, “Cuban Medicine and Foreign Patients.” Cuba Brief (Washington: Center for a Free Cuba, 1998).

49. Abortions are used to improve infant mortality statistics in general.: Cuba has twice the abortion rate of most countries by terminating high-risk pregnancies. To obtain cooperation from doctors, their compensation was tied to their patients’ infant mortality rate. Many Cuban mothers claim that their doctors killed their babies at childbirth; babies who die at birth do not show up in Cuba’s infant mortality data. See Felipe Sixto, “An Evaluation of Four Decades of Cuban Healthcare,” *Cuba in Transition—Volume 12* (Washington: Association for the Study of the Cuban Economy, 2002).

50. Lawrence Solomon, “Cuba Dupes,” Urban Renaissance Institute, February 1, 2003.

51. Dessy Mendoza Rivero and Ileana Fuentes, *¡Dengue! La Epidemia Secreta de Fidel Castro* (Washington: Center for a Free Cuba, 2002).

52. Miguel A. Faria Jr., M.D., “Socialized Medicine in Cuba 2002.” www.haciendapub.com.

53. <http://www.netforcuba.org/InfoCuba-EN/HealthCare/MedicalApartheid.htm>.

54. See <http://www.cubanacan.cu/INGLES/TURISMO/SALUD/INDEX.HTM>, <http://www.cubatrabavel.cu/>, <http://www.havanaturbahamas.com/heath.html>, <http://servimed.sites.uol.com.br/index.html>, and <http://www.turalba.net/ts.html>.