

CHANGE IN POST-FIDEL CUBA: THE CHALLENGES OF POLITICAL LIBERALIZATION AND ECONOMIC REFORM¹

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With a truly historic first session of the long-postponed VI Communist Party Congress just concluded, Cuban politics appear to be reaching a critical point. For the first time since 1997, the Communist Party has convened a Party Congress, the gathering at which the party discusses and launches a five-year plan for the nation, defining policy changes and priorities. The VI Party Congress takes place amidst widespread discussion, both within the population and the Cuban Communist Party (PCC), about changes to the Cuban economy that will bring with them profound political and social implications.

The VI Congress of the PCC was divided into two parts. The first took place April 17–20, 2011, and focused primarily on economic issues. The second is scheduled for January 28, 2012; it is intended to focus on political issues and the transition to a new generation of Communist Party leaders.

This separation of political, economic and social issues is nothing new in Raúl Castro's Cuba. Since taking power in 2006, Castro has embraced economic reform while refusing to permit questioning of the one-party system. The Party has echoed this approach in calling first for a public discussion of potential economic reforms as outlined in the appropriately titled, "Economic and Social Guidelines of the

VI Congress of the Cuban Communist Party." At the same time, the Party has implicitly indicated that open public input regarding political reforms (the central issue of the Party Conference in January 2012) will not be embraced to the same degree. As a result, the mid-April session, which coincided with both the 50th anniversary of the Cuban victory at the Bay of Pigs, and Fidel Castro's famous declaration proclaiming the Cuban revolution's socialist character, appears to be a pivotal event that will launch the consolidation of an irreversible process of reform aimed at moving Cuba toward a mixed economy. As Raúl Castro hinted in his inaugural speech to the VI Party Congress,² this reform process will occur in tandem with political liberalization and the emergence of a Cuba more open toward the outside world.

These changes provoke many questions pertinent for those interested in the future of U.S.-Cuba relations: With which Cuba is the United States dealing today and will most likely have to deal in the near future? What are the main forces shaping today's Cuban political reality? How do these trends relate to the strategic interests of American policy and its stated goal of promoting a peaceful transition to a market-oriented and democratic Cuba?

1. This paper was originally published as a report for the New America Foundation. The author gratefully acknowledges the contribution to this project of U.S.-Cuba Policy Initiative director, Anya Landau French.

2. In the Central Report to the Congress, Raúl said: "Another crucial issue very closely related to the updating of the Economic and Social Model of the country and what should help in its materialization is the celebration of a National Party Conference. This will reach conclusions on the modification of the Party working methods and style," <http://www.granma.cu/ingles/cuba-i/16-abril-central.html>.

In an effort to provide answers to these questions, this paper looks first at the political context in which the VI Party Congress took place, including the recent release of 115 political prisoners and three crises currently effecting Cuba: economic, leadership, and public confidence in government. It then briefly analyzes the two processes currently underway in Cuba: economic reform and political liberalization. Finally, the paper discusses the challenges and opportunities these processes pose for U.S. policy toward Cuba.

THE RELEASE OF POLITICAL PRISONERS AS A PRELUDE

Along with the launch of a series of historic economic reforms, including the goal of a three-fold increase of the size of the private sector, two major political developments took place in 2010: the emergence of a dialogue between the Cuban government and the Cuban Catholic Church and the government's decision to release a significant number of prisoners from Cuban jails.³

On May 19, 2010, in the middle of a political stalemate sparked by the death of hunger-striking political prisoner Orlando Zapata Tamayo and subsequent hunger strike of dissident Lázaro Fariñas, President Raúl Castro and Cardinal Jaime Ortega met and announced the creation of an ongoing dialogue between the Cuban government and the Cuban Catholic Church. According to Cardinal Ortega, the meeting was “a dialogue on Cuba, our realities, the present and the future.”⁴ The dialogue began with discussions about the release of the 2003 Black Spring prisoners.⁵ According to Cardinal Ortega, the church-state dialogue also includes topics of greater

importance to the Cuban population in general, such as changes to the Cuban economy, Cuba's relationships with the United States and Europe, and relations with Cubans living abroad.

On July 7, 2010, the Church announced that as result of its mediation, and with the support of the Spanish government, Cuban authorities would release the 52 Black Spring dissidents who remained in prison. As the releases proceeded, it became evident that the government was releasing and sending to exile not only the 52 prisoners involved in the 2003 Black Spring, but also more than 60 others who had been jailed for participating in violent and other opposition activities against the Cuban state. By the end of March 2011, all of the 72 political prisoners arrested during the 2003 crackdown had been released. With the exception of 11 who decided to remain on the island, all those released went on to exile in Spain, Chile and the United States along with their extended families. In total, the government has released 115 prisoners who were previously condemned for anti-government activities.

Statements from Ricardo Alarcón, president of the Cuban National Assembly, and Cardinal Ortega also alluded to the possibility that almost all prisoners condemned for anti-government acts, except those accused of murder and terrorism, might also be released.⁶ In the middle of this charm offensive, Raúl Castro announced that the Cuban Council of State was commuting the death sentences of several foreign and Cuban nationals who had been found guilty of murder and terrorist acts against the government. It is through actions like these that the government has,

3. Not all Cuban political or “counterrevolutionary prisoners”—according to the Cuban government's classification—are “prisoners of conscience” in the views of Amnesty International or the Cuban Commission of Human Rights and National Reconciliation. Some of these prisoners were arrested after participating in violent activities, including terrorism, and others were members of the Cuban government accused of espionage and treason.

4. Anneris Ivette Leyva, “Cardinal Ortega describes dialogue between Raúl and the Ecclesiastical Authorities as highly positive,” *Granma*, May 21, 2010. For an analysis of the process of dialogue between the government and the Church, see *Espacio Laical* # 24, Octubre-Diciembre, 2010, at <http://www.espaciolaical.org/contens/24/3451.pdf>.

5. In April 2003, the Cuban government arrested 75 dissidents after denouncing destabilization plans sponsored by James Cason, Chief of the U.S. Interests Section in Havana at the time. The prisoners were speedily condemned in trials of dubious fairness and impartiality. The majority of prominent international human rights organizations condemned the repression, with Amnesty International declaring the 75 arrested to be prisoners of conscience.

6. José Luis Fraga, “Cuba ready to free more political prisoners: Parliament chief,” AFP, July 20, 2010.

for the first time, created a space for negotiation and dialogue with domestic Cuban religious organizations.

The prisoners' release also signaled a change in government policy toward the political opposition. This shift may be explained by the fact that direct confrontation with the dissidents has harmed the regime's international image and relations, created unnecessary rifts with religious communities and stirred anger among Cubans who passively disagree with the regime but are not mobilized by the opposition. Several factors gave rise to this shift, the most important of which was the government's need for an expedient way to deal with political prisoners. The old approach of sentencing opponents to long prison sentences after speedy trials of dubious standards of impartiality had become counterproductive given changing international and domestic conditions. The government has increasingly turned to a policy of "catch and release," in which it detains dissidents only when they engage in acts of public protest. Generally individuals are detained for a short period, 3–7 days, and in most cases released, without a trial.

By releasing most of the political prisoners, and all of the Black Spring 75, the government began to foster a friendlier international environment for its economic reforms, taking advantage of the new situation created by the election of Prime Minister José Luis Rodríguez Zapatero in Madrid and President Barack Obama in Washington. The abandonment of what was in essence a strategy of laying siege to Cuba embraced by former Spanish Prime Minister José María Aznar and U.S. President George W. Bush, changed the calculation of Havana policymakers. With Bush and Aznar, Havana had no way of improving relations short of unconditional surrender. The policy approaches adopted by their successors re-defined the relationship, imbuing Havana with a new sense of agency within its relations with the EU and the U.S. In this new context, the prisoner release was a gesture aimed at softening the 1996 European Common po-

sition and communicating goodwill toward the Obama Administration.

Building a sustainable mixed economy became the priority once Washington's aggressive tone was tamed and the political opposition's main activities were channeled into cyber protests or vigils inside homes. The gesture was also politically necessary in the wake of the unjustifiable death of prisoner Orlando Zapata Tamayo, whose hunger strike and death in February 2010 served as a rallying point for both the Cuban opposition on the island and the exile community. The regime needed something dramatic to counteract the political sympathy opponents of the government generated among national and international actors as a result of Zapata's death, including groups that were traditionally not hostile to the Cuban government.

The prisoner release was also cleverly staged, comingling different groups, violent or peaceful in their challenge to the authorities, as part of the same cause: "the counterrevolution." This dichotomist logic in which all the opponents of the government share a common position helped the government mobilize its base, release the prisoners, and provided political cover for the government to export its most radicalized opponents abroad.

At the national level, the Catholic Church's role in the prisoner release allowed the government to improve its relationships with the country's most relevant civil society organization.⁷ Aside from its expansive social networks throughout Cuba, the Catholic Church is also the best internationally connected non-State entity in Cuba. In addition, it possesses a vast network of publications that reach more than a half million Cubans every month, offers leadership training, engages in projects aimed at poverty alleviation, and provides cultural and entertainment activities for youth.

As a result of its involvement in the prisoner release, the Church achieved its long sought-after goal of an open dialogue with the Cuban government in which

7. The Cuban Catholic Church is also the non-State actor with the largest potential for social outreach in Cuba since it is present everywhere in the island and in the diaspora where Cubans live.

it could discuss political and social issues and promote its vision about “the necessary changes.”⁸ The Church’s involvement also helped the government focus attention on the nascent dialogue between it and the nation’s most relevant independent domestic actor. This contributed to a narrative favorable to the government’s domestic audience: the government could explain its actions as the result of domestic dialogue, not borne of foreign pressure, which would be widely unpopular within the nationalist population.

CUBA’S THREE CRISES

The VI Party Congress and the reform processes it is ushering are induced by three unresolved structural crises:

1. *A severe economic crisis:*⁹ Cuba is suffering its worst economic crisis since the collapse of the Soviet Union in 1991, which eliminated one-third of all Cuban foreign trade. Although the country is not experiencing 1991-like levels of economic deprivation, the decline in Cuba’s GDP and the country’s isolation from the world economy renders this crisis more politically devastating than that of 1991. In the early 1990s, the Cuban government relied on a reservoir of domestic goodwill generated by two decades of economic growth, nationalist successes (including the victories in the African Wars) and a sustained expansion of social services. The so-called “Special Period” constitutes more than 40% of Cuba’s post-revolutionary history.¹⁰ The Cuban population never expected the Special Period to go on so long. While Cuba did survive this period of extreme austerity, younger generations of Cubans and portions of the government’s politi-

cal base fault the government for not having implemented the types of structural reforms that have been adopted in other Communist-led nations such as the People’s Republic of China (PRC) and Vietnam.

2. *The transition from Fidel Castro’s charismatic leadership to the institutionalized rule of the Communist Party is proceeding, but unfinished:* The Cuban Communist Party, as it was created after the revolution, is 46 years-old¹¹ but still led by its first generation of leaders. Raúl Castro has ruled the country since July 31, 2006, marking almost five years without any significant change under his leadership, proof that Cuba is not experiencing a crisis of governance. But the shift from one Castro to another was merely an intra-generational succession.

First Vice-President, and now Second Secretary of the PCC, José Ramón Machado Ventura is one year older than Raúl and the majority of the other prominent leaders are in their late seventies. The decision to promote Machado to the second in command, first in the government, and now in the Party, can be explained by two factors: (1) the triumph of the alliance of military leaders and provincial party czars as the dominant force in Cuban elite politics (versus government bureaucrats and Fidel’s appointed ideologues); and (2) Raúl Castro’s conviction that Fidel’s policy of promotion of young cadres “by helicopter,” not in a step by step Leninist fashion was a mistake.

The Cuban political system has not yet passed the most important of tests, replacing its original

8. The phrase was coined by Cardinal Jaime Ortega. Since 1992, Cuba’s Catholic Bishops launched the call to dialogue “El amor todo lo espera” in which they called for meaningful political and economic changes in Cuba, but emphasized also the value of gradualism, political stability and Cuban sovereignty. John Paul II strengthened this message in his historic 1998 visit to the island.

9. For a discussion of the impact of the crisis on Cuba’s economy and social welfare, see: Mesa-Lago, Carmelo and Vidal Alejandro, Pavel (2010) “The Impact of the Global Crisis on Cuba’s Economy and Social Welfare,” *Journal of Latin American Studies*, 42, 689–717.

10. The phrase “Special Period” refers to the period immediately following the end of the former Soviet Union. Cuba’s dependence on the USSR as both a market for its exports and as a supplier of subsidized imports ended abruptly in 1991, launching more than a decade of severe economic deprivation in Cuba.

11. The Cuban Communist Party in the current form was created in 1965 as result of the union of the pre-revolutionary organizations, represented in the first Central Committee. In 1965, Fidel Castro announced the call for a Congress that did not take place until 1975.

generation of leaders with one of different formative experiences and vision, a successful intergenerational succession. This transition also invokes questions about Cuba's civil-military relations, since almost half of the Politburo members are generals while the Communist Party, not the Armed Forces, is purported to be the country's leading institution.

3. *A crisis of confidence among domestic and foreign economic actors over the current leaderships' commitment to carrying out the reforms needed to place Cuba on a sustainable path:* Most of the changes proposed by Raúl Castro have been debated within Cuban politics debate for the last twenty years. But the V Congress of the PCC in 1997 was a victory of conservative and bureaucratic forces opposed to the reforms.¹² As a result of the stagnation that followed, significant segments of the Cuban population questioned the government's willingness to execute the most needed changes. After twenty years of government announcements and delays, confidence in the leadership's commitment to real reform is shaky. In light of this history, part of the population views the government as oblivious to the costs of excessive gradualism or simply as trying to buy time to remain in power as long as possible, without a clear vision for the future or the will to take risks.

These three crises are embedded in a long revolutionary cycle that affects five generations of Cubans who grew up under post-revolutionary rule.¹³ For a great number of Cubans on the island and in the Diasporas, the decisive experiences of their lives are not connected to Fidel Castro's triumph in 1959 but instead to the "special period." These last twenty years of economic hardship and scarcity have diminished the Cuban population's capacity for major political mo-

bilization. They have also concluded a transition from the Cuban revolution's more radical phase to a Thermidor,¹⁴ in which the post-revolutionary elite doesn't behave as revolutionary anymore. For them, the business of revolution is now business.

The convergence of these three crises makes the current situation in Cuba particularly fragile. While the government has innumerable possibilities as to how it will bring change to Cuba, the one completely untenable choice would be to maintain the status quo.

ECONOMIC REFORM

The most important reform process currently taking place in Cuba is the restructuring of the economy. The VI Congress of the PCC was preceded by discussions among both elites and the general Cuban population about the need for a new economic model. The central characteristics of the new consensus are:

1. An end to the stigmatization of private property and market mechanisms as a cornerstone of ideological correctness. The Central Report to the Congress declared that concentration of property, not private property per se, is antithetical to socialism. This proves not only that the PCC released itself from its rejection of private property, one of the most important self-imposed ideological constraints, but also that the reform may shift other boundaries. For instance, the VI Congress agreed to study the limits to the quantity of land rented to peasants who exploit it efficiently;
2. The need to improve the state's regulatory functions by reducing the burden of state activities and services it provides, however inefficiently;
3. The decentralization of economic decisions, giving new roles to the provinces, the municipalities and the units of production;

12. Luis Sexto, "Veinte años si son algo..." *Progreso Semanal*, 20 de Abril, 2011.

13. In the Cuban case, I assume the existence of at least five generations after the revolution, with an interval of more or less ten years. G-1 will be the generation of the Revolution, G-2, the generation that became politically active during the 1960s, G-3, the generation of the 1970s that included the institutionalization of the PCC in its first two congresses and the Mariel boatlift, G-4, the generation that entered into political life by 1990 with the collapse of the Soviet Union, and G-5, the generation of the Special Period.

14. For a discussion of the revolutionary cycle see Brinton, Crane, 1965, *Anatomy of Revolution*, Random House.

4. Developing a culture of *rule by law*¹⁵ in the economic sphere and the functioning of the party.

The culmination of the party's support for these concepts came in the form of the discussion of the *Lineamientos*, a document published in November 2010, but it had been growing for some time. The political campaign to legitimize pro-market reforms gained momentum after the purge of formerly high-ranking officials Carlos Lage and Felipe Pérez Roque and subsequent consolidation of a new Cabinet of Ministers. Upon taking power, President Raúl Castro assembled a coalition of military leaders, technocrats from the emerging corporations, and party bureaucrats to form the political stronghold of his rule. This coalition is adopting a pragmatic approach to economic policy, openly stealing (obviously without acknowledging it) ideas proclaimed by past reformers, and even opponents to the regime, such as opening spaces for private property and releasing the state from the burden of managing small businesses. These intra-party politics have gradually defined a new course in which ideological discussion is downplayed while economic modernization and adjustment become central to all government functions.

In contrast to its response to the limited reforms of the 1990s, the party press is echoing these talking points and doing so largely with unanimity. In addition to smaller publications such as *Juventud Rebelde* or *Trabajadores*, even the PCC's main newspaper, *Granma*, is now endorsing the use of self-employment as "a tool to increase efficiency and productivity," and repudiating "those views that condemned self-employment almost to extinction and stigmatized those who participated legally in this activity."¹⁶

This coordinated use of language proves promoting this perspective is not merely an independent initiative of a particular group of journalists. Even Fidel

Castro has said in several of his columns that what has occurred in Cuba demonstrates that the old concepts of socialism need to be reassessed.

In Cuban intellectual discourse, found in publications like the Ministry of Culture's journal, *Temas*, or even in letters to the editor in *Granma*, the emerging consensus is much the same—that the main problem with the economy is how to reform it. A central part of the discussion is the need to decentralize economic decisions and enable managers to make the most important decisions with respect to production plans and hiring and firing of workers. The Center for the Study of the Cuban Economy, Cuba's principal economic research institute, has produced several books about the potential role of cooperatives and private contracts for small and medium-size companies.

In other indications of the fundamental re-think taking place about the Cuban economy, there are clear signs that private sector practices such as hiring and ownership are now being defined as politically correct. Marino Murillo, former Minister of Economy and Planning, now a member of the Cabinet in charge of the economic reform, told the National Assembly that the country must prepare its institutions to absorb at least 250,000 new workers into the private sector, and another 215,000 in cooperatives during the first half of 2011. For the first time since 1968, the party has also openly endorsed the hiring of workers outside the family by private sector business owners. This step represents a major watershed because it converts the private sector into a legitimate self-employment alternative, a development needed for a fully-functioning, private sector.

Fidel Castro's ideological emphasis of the so-called "battle of ideas" also appears to be receding, as well as the improvisational approach to the promotions of ministers, party and government officials. Previously,

15. Here I use the concept of rule by law in opposition to the concept of rule of law. Rule by law is defined by the existence of zones in which the constitution and the law is used as way to solve conflicts of interests. Rule of law includes these characteristics but also implies competitive political participation in the process of writing the legal regulations. Although rule by law represents progress in terms of predictability, it may or may not lead to rule of law.

16. The direct quotes in Spanish are: "una alternativa para incrementar niveles de productividad y eficiencia" and *Granma*'s repudiation goes against: "aquellas concepciones que condenaron el trabajo por cuenta propia casi a la extinción y estigmatizaron a quienes decidieron sumarse legalmente a él en la década de los noventa." *Granma*, September 24, 2010.

Fidel promoted select young and mid-age people to leadership roles “by helicopter,” based on their prominence in the Young Communist League, mass organizations or the media. Now their ascendance is more institutionally-based, step by step, and emphasizes technical expertise over ideological considerations. The last three sessions of the National Assembly in 2009 and 2010, and the meetings of the Council of Ministers have gradually increased the role of market forces in the Cuban economy and analyzed its problems with minimal ideological rhetoric. A subtle, but not irrelevant change in the quasi-official rhetoric is the oft-repeated statement that socialism is not equivalent to state-owned property.

Raúl Castro and the members of his economic team have also begun criticizing traditional refrains of political rhetoric of the not-so-distant past, such as blaming the American embargo for most of the country’s problems, and separating social policy from economics in discussing the state’s failure to comply with economic plans and promises. In much the same vein, Raúl’s speeches and the VI Congress guidelines are now targeting egalitarianism as a threat to both economic growth and the survival of socialism.

The launching in November 2010 of the *Lineamientos de la Política Económica y Social* made clear the government was planning to end many of the so-called “paternalistic” policies of the old system. The document announced the end of “unnecessary subsidies and gratuities” and anticipates “the orderly elimination of the ration card.”¹⁷ It is simply difficult to explain why the PCC would announce these actions in conjunction with firing of half a million people in six months if it were not planning a serious economic reform.

In tackling this extremely difficult task, PCC leaders are accepting that the economy needs to become more amenable to change and the initiative of individuals needs to be released. One of the proposals contained in the *Lineamientos* is “a review of current prohibitions that limit internal trade.” This refers

mainly to the restrictions on the purchase and sale of cars and houses. More flexible rules governing areas such as these will be welcome by ordinary Cubans. Reformists also believe such measures could help to create a collateral market for loans, easing the road to a much-needed bankruptcy law.

At the core of the emerging system is the use of contracts and the end of wage limitations. The government is concentrating on material incentives, such as payment in Cuban Convertible Pesos (CUC), opening markets to expand opportunities for private economic activity and letting peasants sell output in excess of their production quotas.

One instance that demonstrates the government’s changing response to criticism from the population is its reaction to the frequently expressed need for wholesale markets and credit to develop private-sector activities. As opposed to what happened in the 1990s, the authorities declared the idea worthy of implementation, within the current budget constraints. Four months later, the government announced the first credit program for peasants.

As part of these new discussions, economic priorities have been reordered, with agriculture at the top. One decision that seems to have already been made regarding agricultural production is to decentralize decision making in order to give more authority to the provinces, municipalities and to the units of production. The government is also encouraging greater agricultural production by raising procurement prices and distributing private plots (through ten years leases) and cropping contracts. At the management level, there is a push to provide cooperatives and private peasants greater autonomy. In some cases, collective mechanisms are abandoned without an official statement and the land is divided among the workers who manage it. In some of the UBPC (Basic Units of Cooperative Production), farm workers have modest parcels for their own private production.

The VI Congress followed an announcement during the summer of 2010 of an economic adjustment intended to speed up the emergence of a new, non-col-

17. Point 44 and Point 162, respectively.

lective structure in the agriculture sector and the creation of a large urban private sector. On August 1, 2010, Raúl Castro told the National Assembly this was also the reason for releasing more than one million workers from the government payroll.¹⁸ The majority of these people will have to find jobs in the private sector. Although change in industry and urban areas is much less dramatic, there is indeed a process of partial privatization in these areas. Since 2009, the government has begun leasing barber shops, and taxi cabs, reducing the state's burden of administering those services.

Most of these ideas about economic reform are in their initial stages. It is not yet clear just how mixed the new economic model will be and whether Raúl Castro's government will be able to efficiently implement its adjustment plan. There are obviously many impediments and flaws to the process, the most important of which is the lack of funds to mitigate transition costs and speed up the implementation of the new policies. Equally important is the fact that in its preference for gradualism, and likewise horrified by the shock therapy approach to reform undertaken in Russia, Cuba's leaders, seem to be oblivious to the problems associated with excessive gradualism.

Eliminating bureaucratic excess and improving the efficiency of government services is not the only outcome of reducing the size of Cuba's state sector. A great challenge in the reform process is addressing the fact that workers in Cuba's social services, such as education and health, have already been disadvantaged by the development of Cuban tourism and other industries with access to hard currency or CUC. The reforms are obviously generating winners and losers and it is difficult to determine what kinds of policies the government will use to compensate the latter. There is no evidence that in the coming years, even if the economy prospers, health and education professionals will share in rising wages or improvements to living standards.

The same can be said about the impact on Cuba's most vulnerable and poor sectors of the population. Fears that these changes could lead to high levels of poverty and unemployment runs especially high among Cuba's most vulnerable groups. Civil society groups, particularly within Cuba's black population, have mobilized quickly to warn about the risk of forcing blacks and the poor bear the burden of the adjustment.

The absence of certain concepts from the *Lineamientos* is particularly worrisome because, as previously stated, there are problems associated with gradual transitions to mixed economies that the PCC could alert its base about and has not done so. Together, a delayed reform and a hybrid system create ample opportunities for corruption and monopolist practices, in which officials may exploit rent seeking opportunities due to the disjuncture between different economies. In its original version, the *Lineamientos* do not discuss competition policy, consumer protection or a corruption-minimizing-strategy. For a Communist Party Congress, it is also curious that the word "trade unions" was blatantly absent from the document.

Some of the discussion of the reforms is based primarily on criticizing the current system, but there is little reflection about challenges that the implementation of new policies will bring. For instance, it is not clear that decentralization is well-planned. The experiences of gradualism in East Asia emphasize the role of proper timing and sequence. Cuba's process of decentralization might cause the central government to lose control over important macroeconomic levers in ways that reduce its capacity to manage reforms or worse, decentralize corruption.

Although the current phase of party debate is focused on the economic and social dimensions of reform, and while the party would like to prevent the economic changes from producing pressure for a transition to multi-party democracy, it would be naive to assume that these economic changes will not have profound political implications. It is clear that the

18. Cuba's economically active population is more than five million. Table 7.1, Oficina Nacional de Estadísticas. *Anuario Estadístico de Cuba*. http://www.one.cu/aec2009/esp/07_tabla_cuadro.htm.

economic reform would foster political changes on which the opposition could capitalize. Workers in state sectors, particularly health and education, would not remain passive if their salaries remain stagnant while others prosper. Economic reform and the growth of the private sector would create opportunities for the legitimization of different types of wealth. Cubans would engage in conspicuous consumption, as some already do, and inequities and corruption would necessarily create social tensions.

CHANGE OF LEADERSHIP AND POLITICAL LIBERALIZATION

The Cuban Revolution has a dual character. In addition to the Leninist project formalized with the creation of a new Communist Party in 1965 under Fidel Castro's leadership, the triumph of January 1, 1959 represented the victory of a nationalist revolution. This perspective places Cuba not as a surviving outlier of the set of Eastern European communist regimes, but closer to the communist regimes of East Asia where the Communist Party presented itself as the embodiment of a totalitarian nationalism. Although the communist project failed, the politics of the last five decades consolidated a nationalist narrative as the last reservoir of legitimacy of the current Cuban rulers.

The pertinent question is not why Cuban communism didn't collapse as in Eastern Europe, but why Cuba didn't adopt the market-oriented modernization China and Vietnam did with positive results. To be fair, Cuba has not been devoid of change during the last two decades, and some important adjustments have taken place. That said, these reforms were minimal, fragmented and accompanied by anti-market declarations from government officials.

The central explanation for the absence of market-oriented reform seems to be connected to the model of "Fidel-in-command" that prevailed until his partial retirement in 2006. Fidel Castro was unwilling to

endorse any approach leading to market reform because he saw it as a return to capitalism and its worst excesses. By virtue of his historical leadership, Fidel Castro, in and of himself, embodied the minimum number of votes needed to establish a "winning coalition" in Cuban politics. In the face of suggestions that Cuba could emulate the successful economic experiences of the Communist party-ruled countries in East Asia, Fidel emphasized that Cuba's conditions, including its geographical location, were significantly different from those of Vietnam and the PRC.

At times, Fidel seemed to straddle the line between the pragmatic and anti-market factions within the PCC, but at decisive moments he always supported ideologues such as the former director of the PCC National School, Raúl Valdés Vivó who warned that small manifestations of private property will eventually grow into "piranhas to devour socialism." In contrast, Raúl Castro and the Armed Forces were known for introducing some market-oriented management practices and solutions during Fidel's reign.

In July 2006, the Fidel-in-command model ended. Raúl Castro proclaimed on several occasions that no one in the current leadership would be capable of reproducing Fidel's charismatic rule. As a result, the PCC began transitioning to a more collective and pragmatic approach to government with fewer speeches, and to compensate for the lack of charismatic leadership, by expanding its legitimacy through economic performance.

The beginning of the post-Fidel era ended a long transition from totalitarianism to post-totalitarianism.¹⁹ Cuba's current political regime contains some of the repressive features of its totalitarian predecessor, particularly in regards to the treatment of political opponents, but since the 1990s, a trend toward social, cultural and economic pluralism has emerged. The ideas and aspirations of new generations of Cubans, inside or outside the party, are different from

19. This classification of regime type follows the seminal work of Juan Linz and Alfred Stepan (1996), *Problems of Democratic Transition and Consolidation*, Baltimore: John Hopkins University Press. According to Linz and Stepan, totalitarian and post-totalitarian regimes differentiate in terms of pluralism, leadership, mobilization and ideology. In opposition to classical totalitarianism, the post-totalitarian regime includes more economic and social pluralism, a non-charismatic leadership based on bureaucratic politics, a reduction of political mobilization and more pragmatic, welfare-oriented, less ideological policies.

those that prevail within the historic generation, and are particularly more open to market experimentation. Massive mobilization and repression against lack of support for the party line has been replaced by selective persecution of those who challenge the PCC rule through opposition groups, or particularly enter into political cooperation with foreign powers.

Almost immediately after he took power, Raúl Castro eliminated some of the government's most restrictive policies such as Cubans being prohibited on staying in hotels or buying computers and cell phones. In addition to providing a source of hard currency for the Cuban government, the end of the prohibition on Cubans staying in hotels normalized interactions between nationals and foreigners, broadening the possibilities for reciprocal influence.

From the beginning of his rule, Raúl's response to the economic crisis was to expand opportunities for private economic activity, foreign investment and tourism, not as a last-minute concession but as part of a new economic model. The legalization of activities that were previously in the black market reduced the population subjected to criminal prosecution, including the most draconian cases, such as those classified under the subjective labels of "dangerousness" and "vagrancy."

In the last four years, the implementation of reforms has been slow, but it foretells some dramatic developments. It is worth noting that in the view of the PCC, the collapse of their ideological partners in Eastern Europe was fundamentally the result of divisions in the leadership. This is why Raúl Castro began by selecting his own team of ministers and advisers: to avoid derailment of the reforms. Looking to the future, it is reasonable to expect an acceleration of economic reforms and a regularization of Party Congresses held every five years.

Raúl's ascent also represents a new leadership style. Fidel's typical approach would be to design a policy and then ask for feedback on what was an already settled-upon course of action. Raúl Castro's style appears to be different. Since taking power he has initiated not one, but two processes of popular participation (of course, constrained by the limits of the communist system) in which public input has

been solicited before a government proposal is offered. This new type of process also allows officials, academics and intellectuals to have a more influence on such processes.

Liberalization is also desired by Cuba's elites. In the last twenty years, the dual economy has served the interests of the post-revolutionary elites in allowing them to acquire advantageous positions from which to promote their interests and privileges through eventual marketization. Without formally rejecting their old ideology, many revolutionaries of older generations, and particularly their children, the princes and princesses of the system, have engaged in conspicuous consumption. A new stratum of entrepreneurs, often with links to the government and party elite, is accumulating wealth in the hope that Fidel Castro's death will also mark the end of anti-rich sentiments within Cuban society. The idea of expanding rights, such as the right to own private property and the right to travel, is part of a self-serving agenda of the emerging elites. To them, the business of revolution is business.

Political exhaustion and a lack of appetite for radical transformation are symptomatic not only of elites, but the population more broadly. In Machiavellian terms, the authority of the party is respected but its communist ideology is not loved. Cubans, particularly those who grew up after the revolution, are skeptical and suspicious of grandiose statements from communist leaders. Communism as an ideology is nearly absent from all political debate. Mobilizing the population in a Fidel-style campaign is not possible because political enthusiasm is scarce, in the absence of a nationalism-provoking event. Instead, the demand is for technocratic, institutionalized and legalistic rule.

The constitutional reforms of 1992 fostered a significant expansion of freedom of religion. Using a policy of negotiation, dialogue, and non-heroic resistance against former PCC atheistic policies, communities of faith have carved out significant space in Cuban society.²⁰ When it comes to regular publications, education networks, assistance to the poor, and entertainment and youth activities, Cuban religious communities provide a space in which discussions about

models of reform for the Cuban economy, politics and society can take place.

In most of Cuba's religious communities there are leaders committed to a gradualist strategy of fomenting change in the state by creating pressure from the bottom up. The legal status enjoyed by religious groups also allows them to serve as a point of convergence for various non-confrontational agendas of reform. Religious publications such as *Espacio Laical*, *Caminos*, and *Palabra Nueva* air the views of pro-reform government economists and scholars such as Omar Everleny Pérez Villanueva, Pavel Vidal, Carlos Alzugaray, Rafael Hernández and Aurelio Alonso together with the opinions of moderate exiles and intellectuals from the Church.

This liberalization of public debate is something observers outside of Cuba find difficult to understand, particularly the more radical elements of the Cuban exile community, which sees confrontation (rather than dialogue) between Cuban civil society and the state as necessary, desirable and inevitable. Conflict is clearly not a goal shared by most non-partisan actors in Cuba such as the Roman Catholic Church or the Jewish Community, who are interested not in how strident the debate is but how inclusive.

Another element of liberalization is the Cuban population's growing access to the internet. Unfortunately, internet access is limited and concentrated among the educated, and groups with connections outside of Cuba; however, a growing number of Cubans, especially in Havana, are now part of on-line social networks and interact with each other through on-line forums, or in many cases, through e-mail.

By the end of 2010, the island was preparing to enjoy broadband internet via an underwater fiber-optic cable linking Cuba with Venezuela. Although the government will regulate the flow of information, curbing potential use by opposition forces, greater access to the internet will increase the general population's exposure to alternative sources of information. Cu-

bans with greater access to the internet will not necessarily rush to read the internationally acclaimed Yoani Sánchez's vignettes so much as they will be eager to use the web for educational, social, and business pursuits. Cubans already know how wide the web is—the government will ignore the pent-up demand for it at his own peril.

In the face of this reality the PCC is beginning to accept a slightly less vertical relationship between government and a sector of civil society with whom it is now willing to dialogue.

Fidel's "battle of ideas" that prevailed until 2006 has not been totally abandoned, but the government seems to be moving toward a new type of ideological message. In parallel with the launching of the economic reforms, the PCC is making a sustained effort to revitalize party structures and those of the Young Communist League. In a new party practice, part of which has been the discussion of the *Lineamientos*, the PCC presents a pragmatic face, more as "the party of the Cuban nation," that will lead Cuba through the process of economic modernization. The core idea is that the PCC would not only launch the reforms, but would also be able to reform the reforms if necessary, without chaos and instability.

Facing a more plural society, the government is being compelled to bargain in response to the emergence of citizen advocacy groups rather than simply rely on confrontation. Totalitarian practices have softened. There is undoubtedly a clear policy of confrontation employed against openly political opposition groups; however, in the last few years, a gray area has emerged where intellectuals and groups that promote citizen interests without directly challenging the state's power are tolerated.

These efforts include women rights, opposition to racial discrimination, consumers' rights, gay rights, protection against anti-religious discrimination, the environment, anti-abortion groups, death penalty abolitionists, the right to freedom of movement,

20. Despite official atheistic policies, Cubans of religious faith began to return to churches, temples and synagogues by the late 1970s and early 1980s. Neither the clergy nor community leaders encourage their followers to engage in confrontational acts to challenge Communist atheistic policies. Followers were generally satisfied with having invoked their constitutional right to convene and worship. Doing so was a small step taken by many rather than a heroic act of a few.

among many other non-overtly political groups that do not challenge the monopoly of power of the PCC but demand policies that address their concerns. In December 2010, a group of Cuban gay rights activists protested the Cuban government's vote against a United Nations resolution repudiating acts of violence associated with an individual's sexual orientation. As a result, Cuban Foreign Minister Bruno Rodríguez was forced to recognize that in this instance, Cuban foreign policy could not ignore the concerns and opinions of its citizens.

One of the most important reasons for political liberalization is the need to institutionalize single-party rule. Without the authority provided by Fidel's charisma, the PCC will need rules to solve conflicts between its factions and to manage its leadership promotion from one generation to another. To rule in an institutionalized way, the PCC will have to normalize its intra-party political discussion, creating formal spaces for pluralism and disagreement within its ranks. It will have to differentiate the roles of government organizations from those of the party. It will also need to professionalize internal party governance through a collective division of labor in the Secretariat. The experience of other one-party rule regimes shows that functional division tends to favor the creation of factional politics.

The last four years have demonstrated how difficult it has been for Raúl Castro, and those interested in gradual reforms, to move the party forward in the absence of the clear guidelines typical of the past.²¹ To implement the reforms and cope with their collateral consequences, the party will need to define policies regarding how the cadres' performance would be measured, what differentiates a fatal mistake from an

excusable one, how much latitude local officials have to make policy adjustments, and the point at which such adjustments are rendered unacceptable political deviations from the party line.

To add predictability and functionality to this new political system, the Party and the national assembly will have to develop some norms of governance. As opposed to the "Fidel-in-command" model, a collective leadership based on bureaucratic politics would necessitate a structure in which categorical groups, such as provincial party leaders, military generals, central government officials, and social organization activists can articulate common political goals. For instance, the military high command and provincial party czars are the most powerful actors in Cuban politics today.²²

Raúl Castro will be 80-years-old on June 3, 2011. This is the same age at which his brother Fidel chose to "retire." Interestingly, Fidel once told Sandinista Commander Tomás Borge that "eighty years is too old an age to be a head of state."²³

Fidel's younger brother can begin the process of reform, but he is likely a caretaker president meant to stabilize the transition to a new leadership generation. After the spring 2008 political purge that brought down Carlos Lage and Felipe Pérez Roque, the list of potential successors is no longer clear. Although there are seven members of the Politburo who are between 45 and 50 years old, most prominent members of the body are in their late seventies (Ramiro Valdés is 78, Machado Ventura is 80), or are active duty military officers in their late sixties or early seventies. This last observation is particularly worrisome because, in the current model of commu-

21. The PCC formulated such guidelines in 1975, 1980 and after the III Party Congress in 1986. In all those cases, there was a written Central Report that defined policies for the five years after the conclave, and documents such as the Plataforma Programática or the PCC program to establish long term goals. At the IV and V Congresses, Castro spoke without preparing a written balance of the party's achievements and flaws. The theme of his speeches was mainly a strategy of survival and encouraging Cubans to endure difficulties.

22. The High Command of the Armed Forces and the provincial party leaders, whose promotion was approved by first Vice-President José R. Machado, were already dominant in the Politburo before Raúl Castro took power. This balance of power was strengthened by the purge of Carlos Lage and Felipe Pérez Roque, and most of the new promotion to the Politburo and the Secretariat after 2008. Fidel backed the most important of these promotions and dismissals in his Reflexiones.

23. Tomás Borge, 1992, *Un Grano de Maíz*. Entrevista de Tomás Borge a Fidel Castro, Oficina de Publicaciones del Consejo de Estado, La Habana.

nist party alliance with the armed forces, the party is purported to be the primary partner, but it is not.

The VI Congress' adoption of term limits for all the top positions in the Party and the government is a historical shift in Cuban post-revolutionary politics. It opens a significant space for institutional pluralism within the Party in ways that: (1) create a predictable path for political succession from one generation to another; (2) promote negotiation between the factions of the PCC (among region, generation, section of the government), removing the most extreme leaders from the list of potential successors;²⁴ and (3) increase the upward mobility chances for the lower ranks, ushering a new generation of leaders to key positions in the next years.

RECOMMENDATIONS FOR U.S. POLICY TOWARDS CUBA

Over the past fifty years, there has been no shortage of critiques of U.S. policy towards Cuba, nor of recommendations for how to reform it; however, given the unprecedented changes underway in Cuba today, new policy approaches have never been more relevant. The following are a series of observations and recommendations for U.S. policy that reflect the current context on the island.

First, the premise that Cuba's current system cannot survive without the leadership of Fidel Castro must be seriously reviewed. This premise was correct from a static point of view: in the absence of substantial economic and political reforms, the Communist Party would not be able to remain in power without Fidel Castro's charismatic leadership; Fidel's eventual death and the end of the historic revolutionary generation would mean the end of the current regime.

But this is not the appropriate model through which to understand a dynamic Cuban political system.

The Cuban leadership under Raúl Castro is demonstrating a will to reform. Only the future will tell whether the Cuban Communist Party and its partner in ruling Cuba, the Cuban Armed Forces (FAR) complex, can embrace the degree of adaptability necessary for a successful inter-generational succession. Events in 2010 and 2011 indicate that even the most conservative of Cuban officials appear to be convinced the PCC needs to show improvements in the nation's economic performance and the willingness to adapt to a globalized world in order for the party to regain legitimacy with the Cuban people.

American foreign policymakers must at least entertain the possibility that the announced reforms are not the end of the regime, but the beginning of marketization and political liberalization within the context of one-party rule. It is equally relevant to discuss what kinds of consequences these reforms, successful or not, will have for the United States, the political stability of Cuba, and for the region. U.S. policymakers should consider whether an alternate set of actors or scenarios could realistically carry out these changes more successfully than the current Cuban leadership.

Rather than hoping for the swift demise of Communist Party-rule in Cuba, it would be more productive for U.S. officials to think creatively about new U.S. policies that anticipate and take advantage of the changes taking place, which although short of full democratization, might very well be a step towards the goal of promoting a stable, peaceful and gradual transition to a more open political and economic system in a democratic Cuba.

Second, some degree of adaptation to Cuban nationalism is the best option for U.S. policy towards Cuba and Latin America.²⁵ There is no simple formula for rendering Cuban nationalism compatible with a U.S.

24. That has been the case in the People's Republic of China and Vietnam. Most likely, Raúl Castro and José Machado Ventura would select in the next five years, not only a new first secretary but also his second-in-command and future successor. Since the designated first secretary will have to obey the term limit rule, he would probably promote a leader whom he trusts to be second secretary once he is retired. The idea is to create some "teamwork" to continue defending the power of the party as a tool of the current government. Promotion based on merits and education would also provide the PCC with a minimal common base from which leaders might engage in reason-based rather than ideological arguments.

25. See Arturo López Levy, "Appease Cuba: What Would Winston Churchill say?" The Havana Note, January 10, 2011. http://www.thehavananote.com/2011/01/appease_cuba_what_would_winston_churchill_say.

-led regional order, but the current juncture creates significant opportunities for reducing U.S.-Cuba tensions, and bridging the gap between the two societies without either side sacrificing its fundamental interests and values.

Diplomacy, not sanctions, must be the primary tool for resolving differences with Havana and advancing U.S. interests. It is worth remembering that since the 2008 presidential campaign in which President Obama proclaimed the value of negotiating with countries like Cuba, without preconditions, engagement was never defended on the basis of sympathy for the interlocutors but rather, on how best to promote American values and interests. American repudiation of Castro's conduct may or may not be well earned, but it should not be an excuse for constraining American influence with Cuban society and elites.

If used, sanctions should be "smart," with the objective of influencing Cuban policy (particularly when Cuba's policies are under serious debate and transformation), not effecting regime change. While Cuba's elite does harbor disagreements about how extensive the reform process should be, all factions are united against changes that would render Cuba in any way vulnerable to external efforts at regime change. Different from the model of "Fidel-in-command," the emerging model of bureaucratic politics under Raúl is not insulated from elite sensitivities. To the extent that post-revolutionary elites are threatened by U.S. policy (the conditions of the Helms-Burton Act, for instance), they are going to oppose policy changes. To the extent that their interests in a market-oriented reform are advanced by political concessions such as the release of the political prisoners, they will advocate for them.

The processes of marketization and political liberalization create opportunities for the U.S. to initiate actions that could lead to a proliferation of meaningful changes in Cuba. American support for both a democratic and an economically stable Cuba are far from mutually exclusive. As the experience of other countries demonstrates, economic and political reforms are intertwined. Democracy in the long run tends to produce stable governments but the process

of getting there is inherently destabilizing. Multiparty elections, for instance, in the absence of a stabilizing economic and social environment tend to be destabilizing and often violent. A growing, market-oriented Cuban economy that enjoys substantial participation from the Cuban Diaspora will be a major deterrent against violence. There are numerous examples, world-wide, of the positive repercussions a transition to a market economy (the Cuban non-state sector would jump from 15% of GDP today to 35% in 2015) has for the independence of civil society. The United States should support such a course in Cuba.

Third, support for greater openness in Cuba must be an American foreign policy goal on its own merits, regardless of its direct effect on democratization. The optimal antecedent to promoting democratization in the medium term is supporting market-oriented economic reform today. A peaceful and gradual transition to democracy in Cuba in the mid-term depends as much on economic reform as on the emergence of an independent and globally-connected middle class. In the context of liberalization, improvements in human rights should be measured through the effect of the sum of all policies in the majority of the population not exclusively on those who challenge the political regime. The most salient human rights issue on the horizon will likely be the lack of jobs for the million and a half workers who will be dismissed from the state sector before the end of 2011, not prohibitions in the political sphere, such as the lack of freedom to organize a political party.

The United States must remove all barriers to trade, international assistance and investment that affect Cuba's emerging private sector. American and Cuban-American trade and investment in joint ventures with Cuban, non-state owned entities must be encouraged. President Obama's decision to remove limits on remittances sent to Cubans in the private sector and religious groups is a positive step, but insufficient. A Cuban nationalist position rooted in economic growth, anti-corruption and political stability that functions in partnership with American society is the best antidote to the visions of a Latin

America governed by totalitarian nationalists united in their antipathy for the United States.

Fourth, Washington must differentiate between Cuban political society and civil society. Cuba's religious communities, for instance, are not part of the political opposition but are the most relevant independent actors (with the largest membership) when it comes to dialogue with the Cuban authorities. These communities and other non-political groups focused on social as opposed to political goals, are the central actors promoting economic reform and human rights. Cuba's religious community unequivocally condemns a U.S. policy of regime-change in Cuba; the U.S. government must respect this position. The unfortunate experience of American contractor Alan Gross, who was participating in a U.S. Agency for International Development (USAID) "democracy promotion" initiative intended to reach out to Cuba's Jewish community, is a tragic blueprint for how future U.S. overtures to Cuban religious actors may conclude. "If the United States truly hopes to promote the autonomy of Cuban civil society, respect for the Cuban people is an essential pre-prerequisite. For example, USAID should require its grantees to secure the informed consent of any Cuban with whom they work on the island."²⁶ Instead, support for Cuban civil society can largely be left to its American counterparts who will assist Cuban civil society in preserving its nonpartisan character.

Increased pluralism in civil society and the creation of nonpartisan spaces should also be supported by American diplomacy on its own merits. The high profile, but mainly counterproductive USAID democracy programs must be replaced by a genuine effort to expand opportunities for Cubans, of all political and social stripes, to interact with the rest of the world, through visas for work and study in the United States, scholarships, exchange programs, and more. If selective criteria are employed, they should not be political but social, with special sensitivity towards Afro-Cubans, who have proportionally fewer

family members abroad, or people from the provinces, groups that are generally underrepresented among Cubans who have contacts with American society and will probably be the most vulnerable ones in the current process of economic reform.

Fifth, there should be solidarity with the victims of communist repression. Engagement with the Cuban government does not necessitate an end to America's vocal but disciplined support for a democratic Cuba. President Obama and his foreign policy team have been effective in supporting human rights in Cuba while avoiding a rhetorical match with the Cuban government. That said, contact with actors who promote a different political system does not justify a non-realistic assessment of their political capacity at the current juncture. Cuba is not on the verge of a revolution such as those that recently occurred in several Middle Eastern and North African countries.

Indeed, if Cuba's economic reform fails and local revolts ensue, the most likely outcome would be more a civil war such as that seen in Libya, with horrific acts of war, resistance and violations of human rights throughout the country. Nationalists who are concerned about the risk of political instability and criticize the lack of a credible proposal by most Cuban opposition groups should not be dismissed as opponents of democracy. The support for the political opposition should not be a litmus test that determines whether Washington will engage in cooperative dialogue with actors in Cuba.

By ignoring both the Cuban elite's potential for governance and the current balance of power in which the opposition is fragmented, dispersed and without a clearly-articulated governance plan, the U.S. is opting for the most unstable and uncertain road to political transition. The immediate goals of U.S. policy towards Cuba must be to promote market growth through economic reform and a stable process of political liberalization that welcomes the growth of nonpartisan Cuban civil society organizations.

26. Anya Landau-French and Arturo López Levy, "Alan Gross: A victim of U.S. policy towards Cuba," *Baltimore Sun*, December 15, 2010.

Under these circumstances, it would be more appropriate to leave support for Cuban political opposition such as leadership training or increasing access to information, in the hands of civil society partners in the United States, Latin America and Europe. American diplomats should speak out in favor of political and economic liberalization in Cuba but should not engage in the business of choosing ideological favorites.

Sixth, given the fact that Raúl Castro endorsed term limits at the VI Congress, his presidency will end in less than seven years. The United States should consider the possibility of offering a “Grand Bargain” in such a way that he can pass in to history as the president under which the embargo ended. American policymakers should recognize the current situation as an ideal opportunity to negotiate an end to the conflict, and a chance for wide-ranging and unfettered interaction with Cuban elites and the whole of Cuban society. It would be a mistake to overestimate the vulnerability of the regime in the face of hostile policies or to personalize the bilateral relations, avoiding negotiation with Raúl, just because he is a Castro or a member of the historical generation.

Seventh, now that most political prisoners have been released, the United States must make an effort to close the gap between Washington’s human rights agenda in Cuba (centered on property claims, demands for elections, and independent trade unions) and the human rights agenda embraced by most Cubans and Cuban civil society organizations. As a 2008 Freedom House survey pointed out,²⁷ Washington’s priorities are not those of most Cubans. U.S. policy towards Havana must close the gap between its self-attributed goals for Cuba’s transition and the reality of Freedom House’s findings—that citizens on the island care primarily about their right to own property (meaning the development of a new market economy, not property compensation for events that occurred five decades ago), right to travel, and welfare issues such as decent food, housing, employment and transportation.

If the goal is to promote marketization and political liberalization in Cuba, economic sanctions and the travel prohibitions fail to further that goal. If companies follow adequate programs of corporate social responsibility, American investment in Cuba can provide leverage and support to the reform process. Good jobs in industries that treat Cuban workers with respect can do more for them than any abstract political rhetoric about “liberation.” American, Canadian, Latin American, and European businesses and travelers to Cuba would do more to further reform through their operations, internet connections, attitudes and interactions with Cubans, than through speeches from Radio Martí or selective engagement with the government’s opponents.

It is also important to recognize changes to the United States’ Cuban population, brought about by the migration agreements of 1994 and 1995. More than 20,000 Cubans arrive every year to the United States legally, mainly as a result of a U.S. visa lottery. At this rate, there could be close to 400,000 Cubans in the United States by the end of 2012, all of whom will have arrived without the label of political refugees. As compared to previous waves of migrants, these individuals have a different relationship with Cuba and, in most cases, a different vision about how to bring greater freedom to the island. Many Cubans recently resettled in the United States would gladly invest in Cuba, hoping to profit from their knowledge of the Cuban and American markets and trusting that the progress of a market economy would undermine the basis of the one party system.

A realistic assessment of the current post-revolutionary elite is also useful. The top echelon of Cuba’s communist leadership is a cohesive group composed of mature, seasoned, interest-driven power seekers. They are not the sadist anti-American ogres depicted by many pro-embargo propagandists. Neither are they U.S.-loving democrats who have merely been mistreated. The primary objective of this group is to remain in power; they are not going to make concessions unless they have to or find it to be convenient.

27. Freedom House Report, 2008, *Change in Cuba: How Citizens view their country*. September 14, 2008, accessed at <http://www.freedomhouse.org/template.cfm?page=383&report=69>

True, they might be paranoid and helping to reproduce some structures of hostility, but many in Cuba perceive their suspicion as legitimate. Their feelings are shared by many given the past confrontations between Cuban nationalism and United States' intrusive, paternalistic and imperial attitude, and the lack of normal communication between the two countries in the last fifty years.

The logic behind dismantling structures of confrontation is powerful because it creates a wedge between the leadership and the population, particularly its own bases. The most powerful argument the Cuban

leadership has used to impose restrictions on the civil liberties of the population is that the country is under a national emergency due to long-standing hostility of the United States. If there is a thaw in U.S.-Cuba relations, it would create pressure for a re-assessment of the nature of the perceived threat, and foment discussion about the many political projects that exist within Cuba's nationalist camp and its population in general. The worst case scenario for both Cuban authorities and also for U.S. policy toward Cuba is not the continuation of the current situation, but a failure of the reforms now underway.