

MUMBAI 2004 WORLD SOCIAL FORUM

SOLIDARITY WITH CUBA IN MUMBAI

Rémy HERRERA

IDEAs (International Development Economics Associates) Seminar

Mumbai, January 20, 2004

Why speak about Cuba in a seminar on the "*Impoverishment of Nation States*"? For a simple reason: there is no finality, there is no end of history, and the Cuban revolution proves it.

For sure, the capitalist world system laws lead to polarization and to increased inequalities between nations and between classes. For sure, these economic laws are extremely strong. They threaten sovereignty and development of peripheral states.

Of course, the violation of political laws, especially international ones, by U.S. imperialism is striking. Of course this kills hopes of democracy and progress for many peoples in the South.

Nevertheless, there are alternatives in the present globalized world. And the prerequisite of these alternatives begins by resisting in action, by fighting to build national social projects and a human world for all. And Cuba gives us the proof that resisting is possible. Cuba gives us the proof that fighting both against world capitalism and against U.S. imperialism is the *sine qua non* condition to realise more freedom, to achieve more equality, to build a society, not on profit and exploitation, but on solidarity and fellowship.

This is possible, because in their struggle the Cubans are doing it.

Dear friends, dear comrades, dear guests, my purpose is not here to tell you that Cuba is a model, nor that the Cuban revolution is perfect, nor that this small island there is the best of all possible worlds.

Cuba is a small Third World country, with a population one hundred times smaller than that of India. It never considered itself as a model to be reproduced. The Cuban revolution did mistakes, sometimes; but it has acknowledged them; it has surpassed them in order to save and to deepen its revolutionary process. There are many problems there, especially since the crisis following the collapse of the Soviet Union and of the Soviet bloc - economic ones in particular, in the agricultural sector for example.

But the most important here and what I want to tell you is that Cuba, its people, its revolution, are still standing, still resisting U.S imperialism and the capitalist world system, in spite of tremendous difficulties, in spite of the

sufferings which are the price to pay for its constant, consequent, courageous resistance in Latin America.

I shall speak briefly about three dimensions of this resistance:

- firstly, resistance to endure and get out of a profound crisis;
- secondly, resistance against neoliberal globalization;
- thirdly, resistance to the blockade imposed by the United States.

That is to say:

--one: how Cuba succeeds in preserving its social system and ensures its recovery;

-- two: how it controls openness and manages the process of dollarisation;

--three: how Cuba pursues the building of its socialist project facing the extreme violence of the external relations imposed by U.S. aggression since 1959.

Let's see, first, the exit from the crisis and the way and means of the recovery.

We all know that the break-up of the USSR, and that of COMECON, of which the island was part, struck the Cuban economy dramatically.

In 1990, before the crisis, Cuba ranked first, or within the three first countries in Latin America, for a wide range of social indicators in: health, education, research, equality, women condition, child protection, working conditions, infrastructure in rural areas, environment, culture, security, and even food... all that thanks to Soviet assistance, surely, but above all by applying its own social model, its Cuban socialist project. And it is very important to understand that the Cuban revolution has been made by... the Cuban people. Cuba is not a residual trace of the Soviet Union lost in the Caribbean. There are a nation there: there is a nation state there.

Well, the history was such that, from 1990 to 1993, exports and imports fell by nearly 80%, with shortages of everything: oil, raw materials, machines, spare parts, etc. There were a fall in GDP of one third (-34% in four years), in productivity too, in investment, in consumption, and a simultaneous rise in fiscal deficit, with a sharp depreciation of the national currency, the Cuban peso.

The situation was really bad at that time, really hard, for all Cubans. However, they have resisted this shock. And the striking characteristic of this 'special period', as the Cubans call it, is the maintenance of the social system: no school was closed, no hospital was privatised, no research budget was cut.

On the contrary, social spending increased, strongly, as a proportion of public expenditure: not only in education and health, but also for basic food, as well as water, electricity, housing, transport, phone for local calls, etc., all that supplied by the state at very low costs for the people. Well, it was exactly the contrary of an IMF structural adjustment programme, and without free access to international financial markets.

Is that to say that the impossible was possible in Cuba? No. It means that the maintenance of the social system was due to a political will, to a strong political will of the Cuban revolutionary government, and to its support by the Cuban people, massively. The Cubans have resisted.

And this political will, in interaction with workers' participation, in the production units, in the training centres —imperfect, but real—, involved fundamental choices about, macro-economic policy, among other things. It is not just a question of policy, but of politics too. Let's look at Cuba's macro-economic policy.

The main objective was to allow the state to collect the maximum foreign currencies and reduce external imbalances, in order to maintain the social system. To achieve this goal, the state adopted a series of reforms, in particular a temporary, partial dollarisation of the economy. The key fact is that tourism, foreign direct investment, and remittances from abroad then became the driving forces, the new motors of the Cuban economy after 1993.

And this dollarisation management by the Cuban state has strongly contributed to the whole recovery (with a GDP level now a little below, but close to its 1990 pre-crisis level), by promoting capital inflows derived from these new motors. For ten years, throughout the decade since 1994, Cuban growth has been positive, and rather fast.

More precisely, the support of the social system is due to a strict control of these economic driving forces and to inter-sector transfers, making use of the dual exchange rate dollar-peso, transfers from the emerging dollarised sectors to the traditional ones, such as social services, food, infrastructure, I mean the core of the Cuban system.

The penetration of market mechanisms is real, that's true. But it remains limited, much more limited than in Vietnam or in China. Thus it also remains more controllable, and above all reversible. This market penetration was allowed without restoring capitalism. There is no significant private capital accumulation in Cuba. There is no significant employment of salaried workers by private capital. There is no financial market in Cuba.

Therefore, the key factor in this framework is that the Cuban revolutionary power, indeed constrained to accept dollarisation as a necessity, has placed dollarisation at the very heart of its strategy of economic recovery, but without capitalism. That is to say with an ownership structure of capital largely dominated by the state, but with new criteria of management, with a more socially efficient public sector.

Thus, planning still exists, but it is more decentralised. It adopts new monetary and financial tools.

Obviously, the effects of these profound reforms have not been all positive. They also produced a series of negative consequences, considered as

undesirable, the most worrying being rising inequalities between those who get access to dollars and those who don't. But nobody is starving in Cuba.

However, the fact is that the dollarisation is not the normal path, and the revolutionary government wants to leave it as soon as possible. And it began to do it, last July, by prohibiting exchanges in dollars between public entities. But of course the struggle against the U.S. dollar is difficult, extremely difficult. And the Chinese themselves know that.

The position of the Cuban state is still that solutions are not to be found in the sense of deeper liberalisation of the economy, and I do believe it is right. Because neoliberalism is not a model of development, but a model of domination, at a worldwide scale. The way remains and will remain socialism.

And this way is even more difficult given that the reality of all Cubans for more than four decades has been to live under a blockade, the longest in history, a blockade imposed unilaterally by the United States. This blockade is a direct, physical and moral attack against the people, taken as a whole, against children, the elderly, pregnant women, and so on. It is a crime against humanity, and in fact an undeclared act of war of the United States against the Cuban people. Its harmful effects are unbearable, unacceptable. This blockade is not only illegitimate, it is also illegal, in particular because of its extraterritoriality. Now, almost all U.N. members condemn it. It must cease.

And the European sanctions against Cuba must cease too, for sure.

I fully agree it is necessary to link the present impoverishment of nation states to finance, but I think that it is also very useful to explain what finance is in terms of class structure. Finance is precisely the dominant fraction of the ruling classes, that is to say the most powerful owners of capital in the capitalist world system, especially those from the United States. This finance took power after the "1979 coup" in the United States, after the rise in the interest rates and the beginning of the debt crisis.

Let's remember that it is under the tremendous pressure of the "old" finance (Morgan, Rockefeller) that the United States invaded Cuba at the end of the Nineteen Century. Today, the "new" finance want to come back. It threatens Cuba, militarily. And this finance has its plans: it wants in particular an economic council, like in Iraq, with the huge U.S. trans-national firms (Bacardí, etc.). Look at the Helms-Burton text. They want, in the monetary field for example, dollarisation with a currency board, that is to say the hardest monetary regime, the same as that imposed by the British to India in the Nineteen Century! Should the future of Cuba be the past of India or the present of Iraq? The Cubans say no.

For all these reasons, in the teeth of U.S. imperialism, with its wars and "*smiling fascism*", face to face with neoliberal globalization, with its plunders and "*world apartheid*" project, it is our duty to fully support Cuba and its socialist

revolution, fighting against the impoverishment of nation states, fighting against the ALCA project imposed by the United States on the Latin American peoples.

Dear friends, dear comrades, dear guests, it is our very duty to defend now Cuba's absolute, inalienable right to sovereignty and development.

Thank you.