

**WHY CUBA REMAINED A COLONY WHILE LATIN AMERICA
BECAME INDEPENDENT: IMPLICATIONS FOR THE CURRENT
'TRANSITION'.**

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December 2011

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Abstract

From the 1790’s to the 1820’s most Latin American countries started struggles that led to independence while Cuba remained a colony long afterwards. We will show how unique economic conditions, a transformation in the nature of slavery and the economic and political incentives associated with the Spanish special relation together led to the delay of independence for Cuba. Ironically, we will show how present unique economic conditions, current social cleavages and economic and political incentives associated with the US special relation together raise the probability of a similar delay in a transition to a democratic market economy. Awareness of the existence of these factors may help prevent or at least shorten such delay.

Key Words: democracy, special relation, slavery, economic conditions, early 19th century Cuba, current ‘transition’, social cleavages.

JEL CODE: N16; N36; N46; O54; P16.

Introduction

Most Latin American countries became independent from Spain at the beginning of the 19th century. These events were made official through declarations of independence for areas similar but not identical to current geographical arrangements or for larger territories, comprising several current countries that later separated into the countries we know today. These declarations took place between 1804 (Haiti) and 1825 (Bolivia and Uruguay). Cuba, on the other hand, became independent officially in 1902.

In the first section of this essay I will highlight Cuba's incentives to remain a colony. They arose as the confluence of three factors that affected Cuba differently from other Latin American countries between the 1790s and the 1820s. These factors were unique economic conditions associated with Cuba's sugar exports, the transformation of slavery during this period associated with the Industrial Revolution, and the evolution of economic and political incentives granted by the Spanish Crown which is associated with the so-called special relation between Cuba and Spain. Subsequently, in Section 2, I will provide a succinct discussion of the immediate implications of remaining a colony after Cuba's main window of opportunity for independence ends.

One of the ironies of the current situation in Cuba is that it represents a critical historical juncture, just like independence did about 200 years ago, and the factors affecting the evolution of the economy and the political system can also be thought of in terms of incentives, i.e., incentives to remain a nondemocratic 'mixed' market economy. These factors also fall into three distinct but related categories: unique economic conditions, social cleavages arising from previous history, and the special relation

between Cuba and the United States. The third section of the paper discusses these factors in detail and their implications for the current situation.

While I don't believe that history is necessarily destiny, one way of avoiding this outcome is to be aware of the lessons offered by historical processes.

1. Incentives to Remain a Colony

It is well known that Cuba was better off economically than all Latin American colonies in the early 19th century. Estimates for Cuba's per capita income in 1800 place it at 112% relative to the US and higher than any other Latin American country (Coatsworth ,1998: Table 1.1). Argentina, the next highest country at that time, was estimated to have a per capita income of 102 % relative to the US. What is not well known is how unique these economic conditions were and I will make this point in the first subsection below.

Similarly, it is well known that sugar cultivation at the time relied on slave labor. What is not widely appreciated is the profound transformation of the role of slaves in sugar production during this period and I will make this point in the second subsection below.

Finally, a third less well known explanation for Cuba's late independence is the existence of a special relation between Cuba and Spain. One interpretation of Cuban history put forth from a Spanish /European point of view and consistent with this view is provided by Montaner (2006). This explanation relies on the existence of a group among the Cuban *criollo* class called *autonomistas*, who are described as reform minded individuals seeking greater autonomy for local decision making while pledging allegiance

to the Spanish Crown. Even less well known is the extent of benefits for a wide variety of members of Cuba's society, *autonomistas* or not, obtained during this period. In the third subsection below I highlight these benefits.

A. Uniqueness of Cuba's Economic Conditions, 1790-1820.

Not only did Cuba have a higher per capita income than any other country in the America's in 1800, this had been accomplished as a result of a process in which sugar was becoming dominant as a generator of wealth in the island. A prominent factor in the acceleration of this process in Cuba was Haiti's struggle for independence, begun in 1791, and its consequent demise as a major sugar producer. Moreover the benefits of this demise were substantially increased by the success of the Industrial Revolution in making sugar a mass consumption item rather than just a luxury good, which increased demand, and by the disruptions created by the Napoleonic Wars, which interrupted supplies.

If one puts together the average annual rate of growth of the quantity of Cuban sugar exports during the 1790-1820 period calculated by Betancourt (2011) of 4.12% with the 7% one implied by the sensational rise in sugar prices during this period reported by Allahar (1984), one gets an estimated annual rate of growth for sugar revenues of 11% per year. This rate of growth compares favorably with China's recent annual growth rate over thirty years. To put this growth in further perspective, Findlay and O'Rourke's (2007, Ch.6) discussion of growth during the industrial revolution, which is taking place at the same time, indicates an annual rate of growth in British export revenues between 1794-96 and 1824-26 of about 1.6% (Table 6.2, p.314) and estimated growth rates overall that are not much higher.¹

¹ Incidentally, the rate of growth of Cuban sugar export quantities during the previous thirty year period was 4.02%. What was unique about the 1790-1820 period was the rise in sugar prices.

Economic conditions in Cuba were historically unique in their attractiveness by the standards of the time and highly attractive even by modern standards. This factor alone makes the potential costs associated with a war of independence for Cuba much higher than for the other Latin American countries that became independent at the time.

Furthermore, there was an additional factor making independence less attractive for Cuba than for many of the other Latin American colonies. Namely, the Iberian colonial system of taxation in 1800 discriminated, presumably unwittingly, in favor of export economies. The latter were taxed very lightly compared to the ones having substantial population bases. For instance, the figures reported by Coatsworth (1998, Table 1.6) imply that in 1800 Cuba had 8.325 dollars of export revenues for every tax dollar paid compared to Mexico's one dollar! Cuba's rate was the lowest of the six colonies included in this comparison while Mexico was the highest (Argentina, Brazil, Chile and Peru were the other colonies).

This light taxation of Cuba's main source of export revenues was another incentive to remain a colony. While 'no taxation without representation' is an attractive cry in support of an independence struggle, 'more taxation with representation' has a very hollow ring to it as a cry for independence.

B. Transformation of Slavery's Role in Production, 1790-1820.

Slavery had existed in Cuba for centuries but its nature changed dramatically during this 30 year period. Naranjo Orovio's population figures (2009, pp.31-32) show that in 1792 free non-whites (freed slaves and their descendants) were 20.4% and slaves 30.8 %, respectively, of Cuba's total population. By 1827 the same source shows these ratios to have become 15.1% and 40.7%, respectively. Furthermore, most of the decrease

in the free nonwhite percentage took place in the last decade, 1817-1827. Indeed, the annual rates of growth of population for free nonwhites and slaves changed from 2.9% and 3.5% (1792-1817), respectively, to -6.8% and 3.7% (1817-1827), Betancourt (2011, Table 1). Meanwhile total population was increasing annually at the rate of 2.6% in the first period and at 2.5% in the second one.

These dramatic demographic changes were, of course, not unrelated to the economic incentives discussed above. The wealth created by sugar provided economic incentives for natural increases in population growth of the Malthusian variety as well as for the importation of slaves to be used in sugar production. Slaves had been increasing in their role as the main form of labor in sugar plantations in the second half of the 18th century. For instance, the average number of slaves in a Cuban sugar plantation increased from 18 in 1750 to 68 in 1780, de la Fuente (2009:p.144). But, the increased use of slave labor in sugar production as well as in other tropical commodities, for example cotton and coffee, in the latter part of the 18th century and early part of the 19th century is viewed by a strand of historical literature as part of a broader, more intense process that has been labeled ‘the second slavery’, e.g., Tomich and Zeuske (2008).

Second slavery literature views the increased reliance on slavery in the Atlantic World and the U.S. South until about 1820, when it becomes the dominant form of operation, as driven by two factors associated with the Industrial Revolution, Kaye (2009, pp.627-628). The first driver was “... increased demand from industrial workers”, which was also mentioned above as one of the drivers in the increased profitability of sugar production. The second factor was the integration of the use of industrial machines with slave labor, which led to new techniques and increased scale of operations such that

“...the second slavery was, in a word, modern.” Sugar production in Cuba was a major participant in this process.

Participation in this process led to a dramatic change in the Cuban plantation system. For instance, Thomas (1971: p.89) figures show that the number of female slaves in Cuba decreased by 15,000 between 1792 and 1817 while the total number of slaves increased by 59,000! Females were not suited to the new organization of sugar production due to its 16 hour days of operation, Moreno Fraginals (1995:pp.171-180). At the same time slaves become an increasingly valuable input in the operation of the system. The price of an imported slave (*bozal*) in Cuba increased from 200 *pesos* in 1792 to 375 *pesos* in 1818. Importation of African slaves becomes critical to the new system despite the price increase. The period 1815-1819 is the five year period with the greatest percentage increase in the importation of African slaves in Cuba's history (well over 100%), Perez de la Riva (1979: pp.41-44).

In sum, the economic incentives to preserve slavery and to lower its costs to slave buyers by allowing their importation as cheaply as possible were powerful. Thus, the transformed role of slavery in sugar production provides additional economic incentives to remain a colony for those who thought that independence may increase the probability of the abolition of slavery or the suppression of the slave trade.

C. The Special Relation between Cuba and Spain, 1790-1820.

Among the reasons for the development of a special relation between Cuba and Spain was the weakness of the Spanish Crown signaled by the British occupation of Havana in 1762 and by the invasion of Spain by Napoleon in 1808. One factor that buttressed the relation in between these two events was the coincidence of interests

between some Cubans and some Spaniards aroused by enlightenment ideas. For example, Gaspar Melchor de Jovellanos in Spain and Arango y Parreño in Cuba shared the liberal ideas of the time (Tomich 2003). The latter individual plays a very significant role in the emergence of the *autonomista* movement in Cuba. For instance, Montaner (2006) highlights his role by noting that he is the Cuban founder of a well known Enlightenment type of civil society organization in 1787, *La Real Sociedad Económica de Amigos del País*.

One of the consequences of the special relation between Cuba and Spain was that substantial segments of the population were enjoying some of the benefits of democracy as it would have worked in the early 19th century under the Spanish colonial regime. Now-a-day one thinks of democracy in terms of political rights and civil liberties. Tilly (2007:p.14) adapts the concept of democracy for the purpose of analyzing its historical evolution as follows “... the degree that political relations between the state and its citizens feature broad, equal, protected and mutually binding consultations.”

Breadth relates to the extent of citizenship rights enjoyed by households in a society. Equality refers to the differences in rights enjoyed by different groups in a society as well as within these groups. Breadth and equality correspond most closely to what today are called political rights. Protection refers to protection against arbitrary action by the state. Mutually binding consultation implies a well defined set of rights and obligations for both agents of the state and categories of citizens. Protection and mutually binding consultation correspond most closely to what today are called civil liberties.

A broad cross-section of whites, including sugar and coffee planters as well as tobacco producers, and free non-whites enjoyed a process of democratization that culminates in the 1815-1819 period. This process led to an increase in the civil liberties associated with codifying protection and mutually binding consultation against the arbitrary power of the state. For instance, between 1815 and 1819 (after the return of absolutism to Spain in 1814) the Cuban *criollo* class obtains five measures quite favorable to the economic interests of all groups, except for the slaves, from the Spanish Crown (Piqueras Arenas, 2009: p. 282).

These measures are: 1) Free exploitation of forest resources and a favorable resolution of a legal claim against the Spanish Navy (1815); 2) Elimination of the tobacco monopoly by the crown (1817); 3) Free trade with other countries (1817), basically consolidating 25 years of earlier measures and informal activities; 4) The ability to hold, use and transact property previously held in common by private individuals (1819); 5) Finally, the recognition of the validity of land grants by the Crown and municipalities prior to 1729, of transactions that allowed the transformation of cattle ranches into sugar mills, and of the property rights of those occupying royal lands over the previous 40 years (1819).

On the other hand, this same period is one of de-democratization for the slaves who experienced a substantial loss of these same civil liberties as well as the political rights associated with the ability of acquiring whatever citizenship rights were available to free non-whites, since it becomes much more difficult for slaves to purchase their freedom. Perhaps more importantly, whatever rights the slaves had under the new Spanish Code Noir of 1789 became difficult if not impossible for the slaves to acquire.

For slave owners convinced the Spanish authorities not to promulgate the Code in Cuba, Thomas (1971:p. 74)

With respect to the special relation and what it meant in terms of political rights and incentives to remain a colony, a particular incident associated with the *Cortes de Cádiz* (1810-1812) shows the role of the *autonomistas* and the effect of this democratization on the incentives to remain a colony. Arango y Parreño is one of three Cuban delegates to this constitutional convention. There, he presents a rather convoluted argument opposing the abolition of the slave trade. It supports the ‘political liberties’ gained through limits in a constitutional monarchy while downplaying the civil and political liberties lost through the maintenance of slavery, which he refers to as sores and vices “...*llagas y vicios de las partes remotas de nuestro cuerpo social...*” (Moreno Fraginals, p.162). Cuba’s position won the day despite opposition by the representatives of every other Latin American colony present.

Summing up the political and economic incentives afforded Cuba’s *criollo* class by the democratization associated with the special relation, the powerful economic incentives of the sugar boom, and the potential damage to both of these incentives of an independence movement abolishing slavery and/or the slave trade together led to a fateful outcome where Cuba did not pursue independence and remained a colony.²

2. Immediate Implications.

Ironically, the window of opportunity for Cuba’s independence seems to have closed rather quickly after 1820. A brief period during 1820-1823, called “El Trienio”,

² Incidentally this outcome was not accepted by all members of Cuban society, including some whites. This non-acceptance was expressed through several unsuccessful uprisings, Martinez Paula (2007: pp.77-78). One of the best organized efforts was led by a free non-white, Jose Aponte.

led to a second *Cortes de Cádiz* with Cuban representation. One of the Cuban deputies, Félix Varela, even advocated the abolition of slavery. This brief democratization episode came to a halt with the return of absolutism in Spain in 1823. Varela went into exile in the US, and the island experienced the beginning of an increasingly repressive dictatorship as a colony for the next several decades (Thomas, 1971: pp.103-105).

The international environment cemented this process and Cuba's status as a colony (Opatrný, 2009: pp.239-241). For example, the US issued the Monroe doctrine in 1823; its intellectual author, John Quincy Adams, spoke of a Cuba policy in gravitational terms of eventual attraction to the US. Britain began its own special relation with the US by agreeing to the doctrine and not challenging Spain's right to its remaining colonies. Even Bolívar was willing to settle for Cuba and Puerto Rico in the hands of Spain as long as the latter recognized Colombia and accepted peace. Varela rejected Cuba's annexation to Colombia or Mexico from his US exile.

Were most Cubans better off economically as a result of this outcome? In a recent paper arguing that Latin America's economic performance during the period 1820-1870 was not as dismal as implied by earlier research, Cuba's annual rate of growth of GDP per capita during this 50 year period is estimated to be 0.7%. This compares favorably with the average for the eight Latin American countries considered (including Cuba), which is estimated to be 0.5% (Prados de la Escosura, 2009: Table 6). Yet given the profound inequality implied by a 40.7% slave population in 1827 under 'the second slavery regime' and partially freed slaves or *coartados* choosing to remain slaves in the 1840's due to greater personal security, Moreno Fraginals (1995: p.175), it would take peculiar welfare weights to answer in the affirmative. Furthermore, by 1830 the light

export taxation system had been eliminated and 70% of public revenues in Cuba were raised through custom duties, Santamaria and Garcia (2004: p.62).

Our discussion also implies that supposing factor endowments determine the path of development through their impact on inequality, e.g., Engerman and Sokoloff (2002), is too mechanical. In Cuba's case the effect on inequality was substantially affected by the events of this unique 30 year period and the choices made by participants. Perhaps more importantly, our discussion identifies the origins of a particularly important inequality. Its importance arises because it is a very profound social cleavage between major segments of the population (slaves and free nonwhites versus white *criollos* and *peninsulares*) that evolved as a result of the choices made by society during this critical period. According to Lipset (1959), political systems and especially democracies must resolve or moderate social cleavages to maintain or improve their legitimacy in the sense of acceptance as the appropriate form of government for the benefit of society.

Finally, some readers may wonder about Puerto Rico's situation during this critical historical period. This Caribbean island was subject to similar economic incentives with respect to the sugar boom as Cuba and it was also a Spanish colony. Yet, the response in terms of a sugar export expansion process in Puerto Rico was different. It started much later than in Cuba. Prior to 1790 Puerto Rico had a diversified agriculture where sugar played a very limited role compared to its role in Cuba. For instance, by 1760-64 Cuba was already producing 5,300 tons of sugar. By the late 1810's and with all the incentives of this period, Puerto Rico was producing 2,000 tons (Klein 1986, p.104). While sugar expansion accelerated quite rapidly in the 1820's, it never became as dominant a part of the economy as in Cuba. Among other reasons, Puerto Rico's smaller

size (1/11 in land area) and more mountainous topography limited the potential for sugar expansion. This comparison illustrates how initial conditions also matter in affecting historical outcomes.

3. Incentives to Remain a Nondemocratic ‘Mixed’ Market Economy.

Current circumstances in Cuba also represent a critical historical juncture. Perhaps this juncture started in 1989 with the Fall of the Wall; Perhaps it started with Fidel’s severe illness in 2006. Whatever its origin, it is clear that conditions for a major change in the functioning of the system have been set in motion by the so called *Lineamientos* announced in the Spring of 2011. The various decrees issued in the second half of 2011 implementing them indicate substantial changes in the number of self-employed occupations, car and home ownership possibilities as well as availability of loans to microenterprises and economic opportunities for farmers in selling their products to hotels.

Whether these changes eventually result in a democratic market economy no one knows. They could also lead to a nondemocratic ‘mixed’ market economy. The latter can range in type from communist one party states such as China and Vietnam to authoritarian non-communist states of various kinds, e.g., Russia and Egypt under Mubarak. Interestingly, Lavery (2011, pp.54-55) in a report this Fall describes ordinary Cubans as nervous about the lessons of transitions in the Soviet Union and Eastern Europe, as a result of ‘shock therapy’ leading to “...economic groups will seek to increase their influence in economic and political decision-making.”, and quotes a left wing intellectual as asserting “...China is not a model.” due to a preference for a Cuban one.

Instead of speculating about final outcomes we discuss below the incentives to remain a nondemocratic ‘mixed’ market economy provided by three types of factors that fall in categories similar to the ones that determined Cuba remaining a colony in the 19th century. Economic conditions in Cuba at this time are somewhat unique. It is well known that they include current difficulties and a likely oil boom in the medium term. What is not well known is the extent of current difficulties or the potential of the oil boom as well as their impact on the political system.

Similarly, the existence of social cleavages between black and white Cubans as well as between Diaspora and non-Diaspora ones are well known. What is not well known, or at least more controversial, is how they affect the operations of the economy and the political system.

Finally, the nature of interactions between Cuba and the United States is easily characterized as a ‘special relation’. What is less easy to characterize, or at least more controversial, is the range of incentives provided by this relation with respect to the operations of the economy and the political system. We discuss the main incentives provided by each of these factors below.

A. Unique Economic Conditions, 2011-20??

Current economic conditions in Cuba are distressed. For instance, writing in the September 2011 newsletter of the Association for the Study of the Cuban Economy, <http://www.ascecuba.org/publications/newsletter/>, J. Pujol views the recent reforms as an inadequate but necessary response to the economic deterioration of the last 20 years; in the same source, P. Meo views them as irreversible (in contrast to earlier ones in 1980-85 and 1993-95) because Venezuela will not increase its subsidies and there are no other

saviors in sight. R. Feinberg (2011) in a November report sponsored by Brookings takes a somewhat sympathetic view toward Cuba's reforms but writes "...the Cuban economy remains in the doldrums." ; furthermore, one of its four main recommendations is a gradual incorporation of Cuba into the international financial institutions that allows financial resources to flow while sparing political sensibilities.

Medium term projections, however, suggest a different picture as a result of the potential of substantial offshore oil deposits in Cuban waters. The USGS (2004) estimates a mean of 4.6 billion barrels of undiscovered oil reserves and as much as 9.3 billion barrels. Cuba has reported much higher estimates. Cuba's annual consumption, according to a 2011 Center for Democracy in the America's report, is 162,000 barrels a day, or around 0.006 billion barrels per year. Furthermore, this same report indicates that a state of the art rig for deep water oil exploration made to order in China is already scheduled to start operating in Cuba's waters. Since the estimated lag from exploration to production is three to four years, this new source of wealth could start generating income as early as 2015. These estimates imply mean reserves that are 767 times annual consumption.

If actual proven reserves are in the vicinity of the estimated numbers Cuba would experience an oil bonanza of significant proportions. For example using the more conservative mean estimates, in the next 100 years Cuba could consume at twice its annual rate, export at four times its annual rate of consumption and still have 100 billion barrels in reserves. At 100\$ per barrel, this implies yearly export revenues from oil of \$2.4 billion. This is close to the average value of all annual merchandise exports between 2000 and 2010, calculated from Feinberg, (2011, p.13). The ensuing possibilities have

led at least one outside observer to discuss two potential negative implications for Cuba, e.g., Orro (2010).

An economic one is the so-called natural resource curse. The latter emphasizes a range of distortions to the rest of the economy that can result from the oil bonanza. A political one stems from the existence of a negative correlation between oil reserves and democracy across countries, Tsui (2010). Tsui argues that the potential competition for oil rents implicit in the political rights available in a democracy provides a causal mechanism for this correlation. That is, monopoly oil rents accruing to those in power provide powerful incentives to eliminate political rights if they exist, or not develop them if they don't exist. It is hard to believe that Cuban power holders would be impervious to these incentives.

B. Current and Persisting Social Cleavages, 2011- 20??

Democracies are viewed as especially suited to ameliorate historically important social cleavages because of their reliance on non-violent forms of interaction and conflict resolution. At this juncture Cuba's history has generated two important social cleavages that need resolving or amelioration. The first historical social cleavage affecting Cuba, which is common to all societies where African slavery played a significant economic role, is generated by racial differences and the extent of racial discrimination.

Reliable statistical data on recent racial differences in Cuba is difficult to obtain. For instance, Seiglie (2006) points out significant discrepancies on something as basic as the proportion of blacks and mulattoes in Cuba between CIA estimates and Cuban estimates. He then proceeds to use US Census figures for Cuban-Americans in the US for his analysis of race discrimination. First-hand evidence by qualified individuals,

however, suggests that racial discrimination remains a significant problem in Cuba. For example D. Ferrer (2010), who is a Cuban doctor that was incarcerated by the government, reports based on his personal experience that 80% of the prison population is black.

A well known Cuban dissident with dark skin, R. Colas (2011), discusses the issue of structural racism in Cuba and its relation to political dissidence. The following points stand out. He characterizes attitudes of the Revolution leaders towards black dissidents as racist, illustrating this attitude with the following quote from Che Guevara's motorcycle diaries "... blacks ...have conserved their racial purity thanks to their scarce inclination to cleanliness...the black man is indolent capricious and spends his money on trivialities." He contrasts the predominance of blacks in the leadership of the dissident movement with their non-predominance in the current Cuban hierarchy. Finally, he argues that in Cuba's case democracy is the best alternative for blacks to claim their rights.

Racial discrimination is also viewed as an important issue by blacks who support the regime. Esteban Morales, who is an accomplished black Cuban social scientist and long time Communist Party member, has been at the forefront of supporters prodding the regime to address this issue. For instance, in a series of articles starting in July 2010 and available in his blog, <http://estebanmoralesdominguez.blogspot.com/>, he reviews the shortcomings of the scientific study of race in Cuba fifty years after the Revolution, including the lack of data. Moreover, Morales has stressed the need for programs to address the needs of marginalized populations which are predominantly black. Nonetheless, he views these programs as different from affirmative action programs

developed in the US and is unlikely to consider democracy as the best alternative to address the issue.

A second social cleavage relevant to the current transition as well as to the previous social cleavage is between the Diaspora and the non-Diaspora. This second social cleavage, as many observers inside and outside Cuba have pointed out, has intensified the first one. These increased racial inequalities in Cuba arise due to the differences in the racial composition of the Diaspora and the non-Diaspora and the importance of remittances from the Diaspora in improving the economic situation of those who received them in the non-Diaspora. The potential connection of this second social cleavage to the current ‘transition’ is more ambiguous.

In a democratic market economy setting political and economic rights for the Diaspora might take forms similar to recent developments in Mexico. There, the government is positively trying to engage its Diaspora by facilitating remittances and participation in elections as well as by supporting the protection of immigrant rights in the US. In a nondemocratic ‘mixed’ market economy setting, the Diaspora would be unlikely to have or perhaps even aspire to political rights but might be willing to be more directly involved in the economy than just through remittances. Furthermore, the Cuban government may even find it in its interest to encourage that direct economic involvement during the current ‘transition’.

Unfortunately in contentious settings the welfare impact of Diasporas is ambiguous. At a December 9th 2011 Wilson Center seminar on a forthcoming monograph about the Israeli and Palestinian Diasporas, E. Kaufman noted that, in

general, Diasporas can impede conflict resolution. Moreover, this is more likely in settings where departure was 'involuntary' due to violence.

C. Cuba's Special Relation with the United States, 2011- 20??

Just as in the case of Spain geography and history provided the initial conditions for the development of a special relation between Cuba and the US. In contrast to Spanish weakness as a colonial power, however, it was US strength as a dominant power at the beginning of the 20th century that led to the development of a special relation between Cuba and the US. During the first 60 years of the 20th century, the US played a dominant role in Cuba's political and economic activities.

On the political side its main interventions included formal ones, e.g., the Platt amendment in 1902 and the use of military force in the suppression of what Thomas (1971: p. 354,) called 'The Negro Protest' in 1912, as well as informal ones, e.g., support for Batista from the 1930's to the 1950's. On the economic side the US helped develop public very advanced education and health systems during the early part of the period and provided substantial subsidies to the economy through the sugar quota system in the latter part.

In the last 50 years the relation has also been special but this time in terms of its antagonistic features in the political and economic realm as sovereign entities. For instance, on the political side we have the Bay of Pigs invasion, the Cuban missile crisis, participation in opposite sides of the Cold War and frequent stands on opposite sides of issues in international forums such as the UN. Similarly, on the economic side we have the imposition of the US embargo throughout the period, which is more attractive to both sides than either one would like to admit. Despite these conflictive activities there have

been examples of sustained close collaboration on the political side, e.g., the Immigration Accords of 1994, as well as isolated ones on the economic side, e.g., offers of help during natural disasters.

Obviously a significant move to a democratic market economy during the current ‘transition’ would lead to a far less antagonistic relationship between the two sovereign entities. The reactions of individual segments of the population in Cuba, however, would depend in a major way on what would happen to their standard of living. The reactions of current power holders are likely to be negative unless any loss of political power was compensated by substantial economic gains. Nonetheless, civil liberties and political rights would be improved.

An evolution toward a nondemocratic ‘mixed’ market economy would be less likely to diffuse the current antagonistic positions of the two countries as sovereign entities although it would not be impossible for that to happen. Furthermore, individual segments of the population could be affected very differently in terms of their standard of living. Those with connections to the Diaspora would be in a better position to improve, especially in the absence of an oil bonanza. Finally, one would expect little improvement in political rights among most segments of the non-Diaspora with significantly greater improvement in their civil liberties if the transition were to follow along the lines of China or Vietnam, e.g., Benyishay and Betancourt (2010).

Concluding Remarks

Summing up, Cuba is again at a critical historical juncture. In this one the current economic situation is forcing the introduction of significant reforms that improve civil

liberties associated with economic activities without much change in political rights.

Prospects of an oil bonanza materializing in the next few years, however, lessen the need for further economic reforms and increase the incentives to repress political rights.

Racial differences provide a persistent social cleavage accentuated by a more recent one between the Diaspora and the non-Diaspora. Ironically, blacks are likely to feature prominently in the leadership of a move toward a democratic market economy. Unfortunately, incentives toward remaining a nondemocratic 'mixed' market economy suggest that this path toward ameliorating racial discrimination is unlikely to arise out of the current 'transition'.

Meanwhile the antagonistic special relation with the US provides a convenient setting for evolving to a nondemocratic 'mixed' market economy. Just as it happened 200 years ago, the choices made at this critical juncture are likely to affect outcomes long afterwards. In the current juncture, however, one notable outcome of the joint operation of these three factors is delay in the enjoyment of the political rights and civil liberties associated with democracy by Cuban citizens.

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