

Cuba The Morning After Key Points

- Many assume incorrectly that after Castro, Cuba will inevitably become a free-market democracy. The island is mired in history and fantasy—in thrall to an economic and social system that cannot work. Fear of the future, declining demographics, a culture of dependency, and a tendency to opt out through emigration to the United States suggest a very different outcome for Cuba.
- A crippled, dysfunctional Cuba may end up creating more serious problems for the Caribbean region and the United States than the island did in its communist heyday.
- Cuba's prosperity (it was the third most developed Latin American nation in 1959) was based on a privileged place in the U.S. sugar market, where it could sell its crop at a highly subsidized price. Since 1960 the old Cuban quota has been parceled out to other producers. Meanwhile, the Cuban sugar industry is in ruins. Last year, Fidel Castro actually closed half the country's mills.
- Outstanding claims on expropriated property belonging to U.S. citizens and companies now amount to \$6 billion—most of it interest. Meanwhile, the Cuban government insists the United States owes *it* \$180 billion in *compensation* for the forty-year economic embargo. As long as no settlement is reached with U.S.-certified claimants, Cuba is unlikely to attract substantial new American investment.
- Since the collapse of the Soviet Union, Cuba has ceased to be a conventional military or strategic threat. But, with the prospect of nothing to sell and no market to sell to, the country may become, like Haiti, a platform for the export of drugs and illegal immigrants.
- Although optimists see tourism as a developing industry and a potential source of hard currency, even by the most optimistic prognostications it will never replace the \$6 billion a year that the country received from the Soviet Union, much less the billions of dollars earned from U.S. purchasers of sugar.
- Cubans have come to see emigration to the United States as an entitlement, and indeed more than a million have come here since 1960. But, as Falcoff argues, the kind of Cubans now arriving here under the 1994 migration accords are very different from

the professionals and skilled workers who arrived in the first waves. Cuba has become one of the principal providers of our welfare rolls in Southern Florida.

- Communism has shattered a once rich civil society, one that cannot be rapidly reconstructed, particularly in the absence of a small business class and a freer access to organized political activity.
- The existence of a large, prosperous, politically well-organized exile community does not necessarily assure a ready source of capital and expertise to revive the Cuban economy. The exiles will be reluctant to collaborate with a regime that does not meet with their political expectations. Meanwhile, ordinary Cubans have been taught to resent their prosperity and “Americanization.”
- In many respects, Cuba’s transition to a post-Castro regime has already occurred. From an institutional point of view, the most important change has been the creation of a cadre of people loyal to the dictator’s brother, Raúl Castro, who commands the Cuban armed forces and controls the Interior Ministry (political police). “Men of Raúl”—many of them active and retired military officers—now control most of the key ministries and the only potentially vibrant elements of the economy. It is with these thugs that American investors will have to deal.
- Faced with the choice of stability or chaos in the post-Castro era, Washington may well choose the former, even at the cost of supporting democracy or human rights. And indeed, for U.S. interests—though not for the welfare of the Cuban people—such an option may indeed be preferable.