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POLS57

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Problem Essay 3

1. Why didn't Castro want sugar to remain King after the Revolution?  And why was he forced to "re-crown" it?

After the Revolution, Castro attempted to diversify the agricultural crops and to develop light and heavy industry, so that he could achieve the revolution’s goal of ridding of economic dependence on sugar trade with the United States and prepare for possible US embargo. However, in mid-1963, amid increasing hostility from US and closer ties with the Soviets, Castro announced a return to specialization in sugar and mobilized massive labor force to increase the sugar production. Though his dramatic shift in his policy on sugar industry seemed contradictory, these differences indeed could be understood through his political agenda and economic interests at different times.

First, the sugar’s significant symbolic value of foreign dominance and revolution’s political goal of seeking independence shaped Castro’s endeavors to reduce the sugar monoculture. As sugar had historically been Cuba’s principal crop and epitomized foreign power and oppression, generations of Cuban insurgents had rallied against sugar plantations as patent symbols of oppression at the hands of the aggressors. After the revolution triumphed, Castro was determined to address the issue of economic dependence and to illustrate the revolution’s success in breaking away from distorted political culture from the past. Thus, through decreasing the sugar dependency and diversifying the agricultural crops, Castro aimed to enact revolution’s symbolic move to eliminate foreign dominance. Consequently, reducing the sugar production served as a political medium for Castro to demonstrate the success of revolution in transforming the government and to aspire more economic independence.

In addition to fulfilling the revolution’s political goal of indicating revolution’s success, Castro’s efforts in decreasing the dependence on sugar also served his desire for economic independence. According to Leogrande and Thomas, “In the decade before 1959, 69.1 per cent of Cuban trade was with the United States, and 54.8 per cent of Cuban sugar was sold in the US market” (Leogrande, Thomas; 326). That is to say that the trade with the US was a major part of the Cuban economy. Thus when Eisenhower administration became alarmed by the communist ideology presence in the Cuban government and proposed trade embargo in Congress, the Cuban economy would be severely damaged if the trade between US and Cuba were thwarted. Consequently, to prevent possible disrupting effect from US embargo, balanced growth strategy based on agricultural diversification and rapid development of both light and heavy industry became a strategic necessity. Thus, decreasing sugar dependency served Castro’s economic interest because he hoped to embrace a new economic model and to create a more independent Cuban economy.

However, despite his initial attempt to decrease the dependency on the sugar industry after the revolution, Castro re-oriented the Cuban economy towards specializing in sugar industry to accommodate the changing political climate in mid-1963. In the height of the Cold War, with misgivings about Castro’s communist political ideology, US endeavored to gather multilateral support in isolating and undermining the Cuban regime. For instance, at the Organization of American States, US pressured other Latin American countries, such as Venezuela and Colombia, to break diplomatic ties with Cuba. However, as the trade between US and Cuba gradually decreased, Cuba’s comparative advantage in sugar production created a foundation for closer ties with the Soviet Union. Seeking to expand its geopolitical clouts in the Western hemisphere, the Soviets welcomingly took Cuba into its economic bloc and created economic conditions favorable to the Cubans. Through signing a five-year trade agreement with the Soviets in 1964, Cuba was able to seek both economic and political support from the Soviets. For example, as a result of a closer relationship with the Soviet Union, Soviet financing fueled numerous infrastructure initiatives and military assistance flowed liberally in Cuba. Consequently, a re-focus on sugar production served as a political tool for Castro to offset US’s increasing alienation and to foster a closer relationship with the Soviets.

Moreover, Castro’s re-emphasis on sugar production was a necessity for the Cuban economic growth given the failure of its diversification plan in the first years. According to Leogrande and Thomas, the diversification plan, which called for a decrease in sugar production, and an unanticipated fall in world sugar prices cut export earnings drastically and led to severe budget deficits in the early 1970s (Leogrande, Thomas; 327). Consequently, despite its desire for industrialization, the Cuban economy wasn’t capable of generating sufficient capital to create rapid industrial growth. As a result, Castro had to declare a return to specialization in sugar so that Cuba’s comparative advantage in sugar could generate hard currency that would then be used to finance the development of other industries. Additionally, the trade agreement between the Soviets and Cuba ensured that the Soviets would purchase sugar at a fixed price higher than the world market, and these economic conditions favorable to the Cubans further motivated them to specialize in sugar production. Thus, the re-emphasis on specialization in sugar production was the only option to improve the deteriorating economy due to the failure of diversification plan and undeniable trade agreement with the Soviets.

Even though Castro’s later aspiration for sugar specialization was in sharp contrast to his earlier attempt to decrease sugar monoculture, these seemingly contradictory policies indeed can be explained through Castro’s political and economic interests at distinct times. After the revolution, Castro’s political ambition to demonstrate the revolution’s success and threats of US economic embargo determined his goal to reduce sugar dependency. Yet in mid-1963, the changing relationships with the US and the Soviets, and the severe budget deficits in Cuba led to a return in sugar specialization in the Cuban economy. Thus, through shifting his policy on the sugar industry, Castro rather strived to serve his own political and economic interests.

Works Cited

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