

# Cuba

## A tsunami of tourism & foreign investment hits the island

Peter Werbe

2016

On March 15, our last day in Cuba, my wife and I boarded the Hershey Electric Railway in Casablanca, across the harbor from Old Havana, for a 57-mile trip to the town of Matanzas. We were flying back to Toronto from the airport near that city the next morning after eight days on the island.

The line was built a century ago by the U.S. candy manufacturer to bring sugar from the fields to Havana harbor, and is the only remaining train of what was once the most developed rail system in Latin America.

The train is shown in guide books painted a sparkling green and white. Though clean and on time, it turned out to be a slow-rolling, rusting rattletrap that bounced and shook, jolted and clanked through a four hour trip, longer than it took on our flight home.

Once outside the country's capital, it was like being transported back to the 19th century. Men on horseback, oxen plowing fields, and *campesinos* getting on and off the train with sacks of produce, many of who seemed to know one another—and, no cars to be seen.

All of this was far from the tsunami of tourism and foreign investment now hitting the island, finishing what wall certainly be Cuba's complete re-integration into the international economy. And, try as the island's central planners might to control the process, it will be on the world market's terms, not theirs.

We left Havana just days before U.S. President Obama arrived with his mealy mouthed platitudes about democracy and promises of "normalization" of diplomatic relations. And, before the Rolling Stones played for an outdoor audience of 1.2 million people on the city's famed Malecón coastal roadway. That's ten percent of Cuba's population!

We were in Cuba with a tour group that had flown from Toronto to the resort city of Varadero, 50 miles from Havana. We boarded a bus for the capital with a Cuban guide aboard who quickly announced with great pride that the verdant space adjacent to the beach resorts would soon have "a world class golf course." This presaged what we were soon to realize, that many parts of the island were being quickly redesigned for tourism.

IN A LITTLE MORE THAN A YEAR, the island has gone from pariah status (in the American view), to a bucket list vacation destination with potential tourists all wanting to visit "before they put in the MacDonald's." Construction of Golden Arches throughout the island are surely high in that company's planning, and a thousand other companies see massive economic potential in a population thirsting for the stuff of the modern world they've been missing.

Most people considering a Cuba trip now are drawn by the romantic notion of a nation stuck in the past with its 1950s cars, crumbling Spanish colonial architecture, rum drinks, salsa music, and jazz. That's all there, but the infrastructure of Havana is being overwhelmed by the influx of tourists.

There aren't enough hotel rooms, prices are rising, and what is described in a recent *Wall Street Journal* headline as "The American Invasion" means that Cuban eyes are increasingly aimed at income from tourists just as in all other vacation islands, and as it was before the 1959 Revolution.

Everything on the island is ramping up to accommodate the influx of tourists. American companies will manage hotels, new ones are being built, Havana has become a restaurant destination city, and undoubtedly staffs are being lectured on how to give a crisp, "Sí señor" in the manner Americans expected before the Revolution.

Havana harbor has been designated as "port secure" by the U.S. government, meaning that Carnival Cruise Line ships will soon be disgorging 5,000 passengers into the narrow streets of Old Havana for their two-hour "I visited Cuba" jaunt. There are reports of five-hour waits for luggage at the city's Jose Marti airport and three hours to get through Cuban customs.

The improbable victory of Castro's guerrillas is still the lens through which everything is viewed by the Cuban ruling circles and most certainly by leftist visitors who are desperate to hold onto the island as being the last vestige of the idea that their socialism has a real world existence.

However, the country is being roiled by immense social and economic changes so that the concepts they employ of "The Revolution" (which has receded into an historic event rather than something ongoing), and phrases such as "The Cuban People," or calls to support the Revolution or Cuba are hopelessly dated, and obscure more than they reveal.

The accomplishments of the Revolution, which overthrew a corrupt, U.S.-backed torture state, are well known. Cuba's universal health system, high literacy rate, organic agriculture, and other innovative social programs are extolled endlessly by visiting leftist tourists almost as a liturgy to assure themselves that it is here that socialism works. What almost none of them address, however, is that the country is bureaucratically managed by a single-party state which ruthlessly suppresses opposition of any type.

I gave a suggestion to one enthusiast who was writing about his recent trip to Cuba that he simply define the country as a police state with good social services. It wasn't well received.

In fairness, all nations are police states with varying degrees of harshness. The irony of Obama lecturing the Cuban government about democracy is lost on most myopic Americans. If there is a comparison made between the two countries since 1959 of internal repression, police attacks on demonstrators, assassination of dissidents, framed-up political prisoners, murders of unarmed citizens, a racist justice system, capital punishment, a huge inmate population, draconian sentences, horrid prisons; really, which country comes out looking most like a police state?

The starkest comparison of the U.S. violation of human rights can be seen on the island itself in the form of the U.S. Guantanamo prison complex.

However, both Cuba and the U.S. need to be judged by the standards they set for themselves. The bedrock principle of socialism is workers democracy, of which there is none in Cuba.

*Las Damas en Blanca*, the Women in White, and other democracy reformers demand parliamentary elections in a multi-party system. The Cuban leadership probably correctly realizes this would mean the end of their rule and the dismantling of the tatters of their Revolution if elections were held.

But the installation of authentic workers democracy would also spell the bureaucracy's demise, and without the return to private forms of capitalism. This subject is taboo in Cuba and among its foreign apologists as well, some of the latter who defend the dictatorship, but mostly pretend in their writing

that it doesn't exist.

Like the other so-called socialist states, Cuba's economy was always state capitalist, but now with the government's encouragement of massive foreign investment, some leftist writers argue that more capitalism will, in reality, bring about more socialism!

Marxists invented the term state socialism to disguise the capitalist forms of state ownership, wage labor, and commodity consumption that have been present in all communist countries. As we have seen in Eastern Europe and Asia, state socialism quickly and easily morphs into its private form.

A representative from the Cuban Ministry of Economy and Planning told our tour group that Cuba is allowing foreign investment in order to raise its standard of living and deal with a deteriorating infrastructure. She said there was great pressure from below to make typical Western commodities available, but insisted that capital penetration will be controlled and the social services Cubans receive will not be eroded.

In 2014, the Cuban National Assembly unanimously passed a law encouraging foreign investment offering steep tax cuts and promising a climate of investment security. The latter assurance is key.

It means protecting, for instance, a returning AT&T which saw its property confiscated by the Revolution. The Cuban government now sternly promises there will be no repetition of this. In other words, the state guarantees there will be no threat of workers democracy. Isn't this the task of all capitalist governments?

AT&T will return, secure from the anarcho-syndicalist unions that Castro eliminated, a feat neither the Spanish colonial regime nor Cuban dictators could accomplish.

No doubt, Cuba faces great problems. There is very little national wealth accumulation and many people are not working, surviving solely on government subsidies. But Cubans, like everyone else in the world, want what capitalism offers. Smartphones aren't a luxury item, but are considered a necessity for life in the modern world.

The Cuban Revolution's goal of creating a post-capitalist, socialist consciousness can be seen in many of its admirable projects despite bureaucratic distortions, and is still espoused by many of its stalwarts. But now that competes with a world of iPhones, Gucci fashions, and Rolexes.

The U.S. embargo, the ongoing explanation for Cuba's economic failures, may have acted as an inoculation against the raging demand for stuff that is currently sweeping the island. One suspects the population, particularly the young, will abandon the Revolution first chance they get if they are denied what they desire.

The accentuation of class and wealth disparities is already visible in upscale restaurants, smartly dressed women, and Chinese luxury Geelys roaring past 1951 Dodges. When asked about this, the representative of the economics ministry said it didn't matter since everyone would still receive the exact same social services—a stunning avoidance of the question.

The future of the island may soon be a combination of Jamaica and modern Vietnam—an economy marked by tourism and foreign corporate looting, as before the Revolution. And, like Vietnam, a state apparatus which guarantees the security of capital. The Cuban's only option was resist the lure of modernity and very few want that.

Remember the train to Matanzas? The rattletrap? I suspect if I return in a few years, the old model will be replaced by a shiny, new air conditioned one. It will roll on tracks that allow a smooth ride of under an hour.

The passengers will be the same, still poor farmers growing yucca and raising hogs, but rather than conversing about crops and local news, they'll be looking down at their iPhones checking pork belly prices on the Chicago Futures Exchange, and listening to the Rolling Stones.

This is called progress. What is gained and what is lost?

Peter Werbe, long-time *Fifth Estate* staff member, says writing this gloomy report after his fourth trip to the island saddened him. While he and his group were in Havana, they visited numerous art projects, museums, heard speakers, walked the streets, danced on roof tops, ate delicious food, and lots more, as tourists will

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