

**Social Justice in Cuba: Now and in the Future**  
*A Conference Report*

by

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## I. Introduction

In May 2008, a group of 20 experts from Europe, North and Latin America, Israel, South Africa and Cuba met over a period of four days at the Rockefeller Conference Centre in Bellagio, Italy. The purpose of this meeting was to examine and discuss the current and future state of social justice in Cuba. Co-sponsored by the Cuban Research Institute (CRI) at Florida International University (FIU), the Facultad Latinoamericana de Ciencias Sociales-Mexico (FLACSO) and the Canadian Foundation for the Americas (FOCAL), the conference was held as part of a four year Ford Foundation funded initiative entitled: *Governance and Social Justice in Cuba: Past, Present and Future*. The purpose of the initiative was to organize various activities and establish an international network of scholars, practitioners and policymakers - Cubanists and non-Cubanists - working on these issues. At the Bellagio conference we continued the discussion begun at previous meetings, but specifically focused on social justice challenges affecting the island and explored practical, policy-relevant ideas and initiatives that could address current and future grassroots needs.

While debates on the nature of Cuba's future abound, particularly with the recent transfer of power to Raúl Castro, the issue of social justice has been largely overlooked in recent research and discussions. This omission is made more glaring in light of the growing inequality on the island and the likely impact this will have on future developments. The initiative sought to address this gap by bringing social justice to the forefront of the conversation on Cuba's present and future.

Despite the ongoing debate on how to define "social justice," we consciously chose to use the term, in part because it is broad enough to include a number of important social welfare (i.e. health care, education, employment, housing and pensions) and human rights issues but also because it resonates with Cuban political culture. As such it can act as a bridging concept. Not unexpectedly, the conference participants did not agree on a single definition of the term and spent some time discussing its different meanings. In so doing, they were able to achieve consensus on three main, normative definitions of social justice which include:

1. the distribution of goods and services through state sponsored social welfare programs;
2. economic justice through access and equal opportunities;
3. political rights and liberties.

Participants concluded that the attainment of a holistic understanding and praxis of social justice, which includes all three components -- social welfare, economic opportunity and political rights -- is a complex and gradual process. The participants also agreed that, given Cuba's rising levels of poverty, decrease in the quality of local social services and the general uncertainty regarding the island's future, the social and material needs of the island's most vulnerable groups need to be prioritized and supported.

This report documents the conference's main points and conclusions for encouraging social justice in Cuba. It also contains specific recommendations the international community and non-state actors can apply to best support this process, now and in the future. In particular the report examines the following key topics:

- The current state of Cuba's social justice and welfare situation and its main challenges.
- Past and present international bi- and multi-lateral as well as local, non-state initiatives that support social justice in Cuba.
- Lessons learned from and best practices of other societies in transition.
- Challenges and suggestions for the future of social justice in Cuba.

## II. Social Justice in Cuba: Background and Assessment of Current Situation

### A. Background:

Over the past five decades, the Cuban Revolution has largely defined itself through its radical socio-economic redistribution and social welfare programs, which have been embedded and guided by a socialist/communist political ideology and agenda. "Social justice" or "*justicia social*" forms an integral part of the revolutionary vocabulary and is locally defined in terms of collective, social rights and obligations, i.e. universal employment, health care and education; the extension of social security; the redistribution of property; rent reduction; and subsidies of food and medicine. In Cuba, individual, civil and political rights have not been included in this definition of "*justicia social*."

During the first three decades of the revolution, these social policies were implemented in large part due to the state's monopoly of all resources and services. It was also made possible by the Soviet Union's heavy subsidization of the Cuban economy. As a result, by the mid 1980s Cuba had achieved:

- Relative socio-economic equality and increased social mobility, particularly among formerly marginalized groups (Afro-Cubans, women and rural populations).
- Above average health indicators, especially for a developing country including high life expectancy, low infant mortality rate, eradication of certain pandemics through universal vaccine programs, and an emphasis on preventative health care programs.
- 98% literacy rates.
- The creation of highly qualified human capital.

These social programs won the Cuban government widespread domestic and international support, especially among countries in the Global South, and their success has often been used, together with its anti-imperialist (especially anti-American) propaganda, to legitimize itself both at home and abroad.

However, with the fall of Communism in the Soviet Union and Eastern Bloc countries and the subsequent end of Soviet subsidies, Cuba entered an era marked by grave economic crisis, known as the Special Period. The prolonged crisis and subsequent reforms not only brought about a dire scarcity of capital, goods and resources, but also reintroduced poverty and inequality on the island, all of which initiated the slow deterioration of the entire Cuban social services system.

#### B. Assessment of the Current Situation:

A decade and a half into the economic crisis, Cuba is today confronted with an alarming growth of poverty, high levels of un- and underemployment, major income disparities, a renewed process of social stratification and the emergence of new social classes. These and other factors have burdened and continue to burden the already strained state, social welfare programs (especially in health, education and care for the elderly), which have not only severely declined in quality, but can no longer cater to all citizens. Moreover, the social welfare system continues to be plagued, and thus further weakened, by the following longstanding challenges:

- A disconnect between the reality of Cuba's present economic situation and its social spending which has made its social programs unsustainable.
- High levels of centralization which stifles efficiency and innovation and produces mediocrity in all social services.
- High levels of clientelism and regional inequality.
- Corruption.

In short, the so called "Pillars of the Revolution" (social welfare programs) have undergone serious setbacks and are in a state of increasing decline. Although universal social rights still exist in Cuba, the fact is most Cuban citizens can no longer access these rights.

After decades of dependence on the state's cradle-to-grave social system, Cubans today can no longer rely solely on the government to provide them with the necessary, often even most basic, goods and services. As a result, most people have resorted to making ends meet through varying survival strategies, independently of the state, such as: working in the black market; receiving remittances; and relying on religious, family and other social support networks. Certain sectors of society have been particularly hard hit

by the crisis and its many social transformations. Currently the most vulnerable and marginalized groups include:

- The elderly;
- Cubans of African descent;
- Single-parent families headed by women without stable employment;
- Families whose size exceeds the national average;
- People without access to hard currency;
- Individuals whose education level falls below the national average;
- People from the eastern regions of the country.

Much in the same way as prior to the triumph of the Cuban Revolution, the links between social vulnerability and race, gender, age, social origin, residence, education, and family assets have thus re-appeared.

Popular frustration, even desperation, with the economic situation coupled with the looming specter of a failing social services net, has many, if not most Cubans, desirous of change. But while most Cubans long for change, many also fear it. People, especially those in the most vulnerable sectors of society, are not only concerned that they could lose the little they have, but also that things could get much worse before they get better. Some of this fear has been propagated and manipulated by the Cuban government via the government controlled mass media. However, it can also be linked to stories about the stark socio-economic divides, high poverty levels and lack of state support and social services in the former Soviet Union and other ex-socialist societies. Regardless of its roots, it is a legitimate fear that needs to be taken seriously and addressed, especially given that most Cubans perceive social services, such as free health care and education, as their right.

### C. Politics of Social Justice under Raúl Castro:

How the socio-economic situation, including social justice issues will develop, depends largely on how the new leadership under Raúl Castro will govern the island. Since he took over as acting president in August 2007, Raúl has acknowledged that structural reforms, including greater productivity, efficiency and cuts in social expenditures, are necessary in order to increase fiscal viability. So far, the majority of reforms implemented have been those that benefit holders of hard currency and convertible pesos (CUC) or reforms to the distribution of idle state land in usufruct.

Despite Raúl's initial reforms, the population's expectations for more concrete changes have increased considerably and are being expressed more openly than ever before. If and how the government will meet its people's rising material and social needs, manage their expectations, while simultaneously keeping the hardliners content, remains to be seen. In this regard, Cuba's relationship with Venezuela, currently the island's main economic supporter and political ally, will no doubt continue to play a key role.

Given the island's ongoing economic difficulties and irrational and inefficient social spending, it is unlikely that the government will be able to sustain its social programs in the long run. Moreover, the ongoing question of political and civil rights, as well as past human rights abuses has remained largely unaddressed.

### III. Bi/Multi-Lateral and Non-State Actor Support of Social Justice in Cuba

#### A. International Cooperation: Initiatives, Challenges and Recommendations:

Although economically dependent on the Soviet Union for decades and itself a major donor of aid (in the form of human capital) to other developing countries, the Cuban revolutionary government has always been highly critical and suspicious of foreign (Western) aid. With the demise of Soviet subsidies and the beginning of the Special Period the tables however, turned and the Cuban government was forced to reach out and ask for international assistance.

Since the early 1990s Cuba has received bi- and multi-lateral aid from a number of foreign (especially European and Canadian) governments, international organizations, as well as non-state actors (NGOs, churches) who have favored engagement and dialogue with the island. Given the strained relations between the US and Cuban governments, U.S. aid comes mainly from religious and humanitarian non-governmental organizations, which are legally allowed to send material aid (food, medicine, etc.) to Cuba under a so-called "humanitarian license." In addition a number of US organizations support initiatives on the island more indirectly by supporting Cuban based actors and efforts to participate in academic and cultural exchange programs, promote dialogue, strengthen civil society, and address human rights issues.

During the most critical years of Cuba's economic crisis, international assistance consisted mainly of emergency, humanitarian and food aid, but was later expanded to include development, economic and technical assistance. Much of the bi- and multi-lateral aid to Cuba is channeled through international aid and development organizations, which usually focus on key programming areas such as sustainable agricultural development, gender equality, the elderly, urban/rural development, etc. With the exception of organizations such as Oxfam, Save the Children, UNDP, PAHO, the Swiss Agency for Development and Cooperation and others, only very few foreign development agencies have been able to establish offices on the island. Moreover, the Cuban government requires that all foreign aid be channeled through state agencies and that foreign organizations work with specific local partners, all of which are in some way connected to the state. In practice this means that donors and aid/development organizations have very little control and say over the use and distribution of their aid and thus have little ability to independently support grassroots initiatives and needs. In May 2006 further limits to international cooperation were introduced as part of the Cuban government's efforts to recentralize the economy, making it even more difficult for international agencies to support autonomous development efforts on the island.

Additional barriers cited by many foreign aid/development organizations include the lack of transparency, negligence by government agencies and high levels of corruption.

Despite these challenges, many foreign aid and development organizations applaud the Cuban's island-wide social infrastructure, high level of professional training and in particular its exemplary model for emergency preparedness, especially during natural disasters.

As gradual change continues to take place in Cuba, international aid and development agencies are in a key position to help both the government and civil society actors create new paradigms and programs for local development, especially in terms of economic policy, decentralization, sustainability and capacity building. International aid and development agencies are also uniquely positioned to provide insight into the challenges Cuba faces with growing inequality and instability.

In order to accomplish these goals, these agencies need to strengthen their capacity to communicate independent thought to individual actors at both the government and independent, grassroots levels. In the meantime, agencies should be encouraged to continue providing aid, strengthen links to learning/exchange opportunities for Cubans outside the island, seek collaboration with institutions in countries that have better relationships with Cuba (e.g. Canada, Spain, Sweden), promote dialogue in the cultural and scientific realms, support reconciliation efforts among Cubans on the island and in the diaspora and carry out more rigorous research and proposal design agendas for working in Cuba.

#### B. Local, Non-State Actors: Initiatives and Challenges:

Over the past decade and a half, a number of local, non-state initiatives have sprung up in Cuba to help serve the populations' basic needs. Given the legal difficulties of achieving an independent status in Cuba, the only organizations that have been able to operate officially are religious institutions. The Catholic Church, Protestant and Pentecostal churches, Jehovah's Witnesses, the Jewish community, and other religious groups all provide material aid and social support to their own members, as well as to the wider Cuban population. Their assistance programs range from community-based soup kitchens, medical dispensaries, care for the sick and elderly, support for single mothers, AA programs, and capacity building initiatives to large scale, national aid programs such as the Catholic Church's CARITAS. Most of these religious organizations' programs are run by local Cubans (clergy and laity), many of whom are volunteers, but are supported by parent institutions and individuals from abroad in the form of material and monetary aid.

While individual and small scale aid usually goes directly to the individual religious organizations, communities or programs, large scale humanitarian donations from abroad have to be channeled and distributed through the appropriate Cuban government agencies. If, for example, a religious denomination/organization in Cuba receives a

container full of medical supply donations from abroad, it cannot distribute these among its churches, communities, dispensaries etc, but has to collaborate with the Cuban Ministry of Health which ultimately decides how and where the medical supplies will go.

Although the religious organizations' assistance programs are more independent and in greater direct contact with the population, their work is thus, hindered by some of the same bureaucratic, logistical and political obstacles faced by the non-religious, international development agencies. The inability to receive and distribute large donations directly makes it especially difficult for these agencies to increase the level and volume of their assistance and outreach to the Cuban population. Moreover, even though the government has become increasingly dependent on religious organizations to help meet the needs of the population, their relative autonomy is also viewed as suspect by the state resulting in close surveillance and scrutiny of their work.

There is no doubt that the religious organizations will continue to play a key role in supporting the population's social and material needs. Furthermore, given their autonomous status, experience working at the grassroots level, and their ongoing relationship with the state and international organizations, they have valuable lessons to share with both the government and the international community. In the future these organizations could act as a crucial bridge between the two.

### C. Role and Potential of the Cuban Diaspora: Remittances, Skills, Investment:

Over two million Cubans live outside of Cuba, predominantly in Miami, Madrid and Mexico, but also increasingly elsewhere in the US, Europe and Latin America. Since the beginning of the Special Period the Cuban diaspora has played an important role in helping their family and friends on the island survive, not only through sending remittances, but also medicines, clothes and other basic goods. Approximately \$1 billion dollars in remittances have annually entered Cuba over the past few years. Given the Obama administration's recent lifting of the restrictions on remittances and travel by Cuban-Americans to Cuba, it is expected that the amount of remittances will increase.

Currently, most of these remittances go to individual households. There is, however, tremendous potential to pool some of this money together and help local communities fund infrastructure, technical and other development projects through the creation of Home Town Associations (HTA). The enormous impact of remittances on development has been well documented in many developing countries such as Mexico and El Salvador. Many members of the Cuban diaspora are not only already engaged in such efforts on an individual basis, but many Cuban-Americans also have strong ties, often formal ones, to various associations, their home towns, former parishes, etc. These examples offer interesting insights into the opportunities for this group to support new social justice initiatives in the future.

Many Cubans in the diaspora, especially in Miami, have also proven to be extremely entrepreneurial and professionally successful. Potential future investments of capital,



intellectual, technical and human resources with their compatriots on island may serve as a cushion during a time of transition, as well as provide long term opportunities.

#### IV. Lessons Learned from Societies in Transition: Challenges & Possibilities

Different types of transition societies: former socialist countries (USSR, Eastern Bloc, etc.) and authoritarian regimes (Chile, Spain, etc.) have had different experiences in the arena of provision of social welfare. Generalizations, therefore, are difficult. Below are some key lessons learned:

- The role of social policy in a transition process is limited but essential for popular welfare. The role is twofold: one, it can absorb risks and create a basic safety net; and, two, it can foster a sense of dignity, confidence and efficacy that can result in positive developments for civil society.
- The adoption of time frames for political and economic transition is key. Speed, sequencing, and phasing are of significant importance in determining results. The underlying intuition is that successful economic transformation should be swift, while political transition requires a lengthy period of experimentation and slow maturation. Generally speaking, gradual change is better than abrupt, rapid change. I.e. The pace of change in Chile was key during the transition from a neoliberal dictatorship to a representative democracy with an open market economy.

##### A. Lessons Learned from former Communist/Socialist Countries:

- Transition was abrupt and unplanned. Three varieties of democratic capitalism emerged in post-Communist Europe: neoliberal, social liberal and neo-corporatist.
- The sudden transitions to a market economy and the dissolution of socialist, social welfare systems resulted in vulnerability, poverty, unemployment and unsustainable pensions.
- The role of social policy in a transition process is limited but essential. The role is twofold: on the one hand, it can absorb risks and create a basic security net. On the other hand, social policy can foster a sense of dignity, confidence and rightful entitlement.
- The fate of economies that emerge from a closed system of state socialism depends largely upon the incentives generated for the outflow of labor and the inflow of capital.

- Following the collapse of communism in Central Eastern Europe, international financial agencies forced to focus on negative consequences in terms of well being
- Scarce resources effected healthcare systems following the fall of the Soviet Union, which partially lowered life expectancy and increased adult mortality.
- Early post-Communist social policies spent more on pensioners and less on younger groups with the consequences that resources for the young are becoming scarcer and the competition for resources in general is growing.
- The creation of unemployment benefits are very problematic.
- To what extent can reformers in socialist countries freely choose their own path? (Not much)
- The international environment is a key variable. External agents will play a decisive role (guidance, patronage, subsidies).

#### B. Permanent causes of rising inequality:

- Privatization changes wealth distribution, occupational choices and prevailing public sector wages.
- Drastic real wage reduction in the state sector.
- Consumption segmentation caused by Cubans with access to foreign remittances and hard-currency jobs, and those who don't.
- Development of new markets in goods previously provided by the state (education, health care, infrastructure, transport and communications).

#### C. Key Suggestions:

- Prevent inflation.
- Keep control of privatization process and avoid elite capture of assets and institutions (broadly speaking: maintain "rule of law").
- Promote access to new opportunities in the private sector among the less privileged (Reduce "bad" bureaucracy and red-tape. Introduce "fair" regulation, credit, training, etc.).

- As state exits “private good” sectors, keep a strong presence in “public capital” sectors.
- Replace SOE-based welfare programs with suitable safety nets targeted to the poor.

## V. Conclusions, Challenges & Suggestions for the Future of Social Justice in Cuba

### A. Conclusions

- The revolution’s social welfare programs have been successful in various areas, but their quality has deteriorated rapidly since the start of the economic crisis in the early 1990s.
- Poverty and inequality are rapidly increasing and have a strong racial component.
- Sectors in need of extensive reform include housing, pensions, education and health care.
- Cuba has a social policy that subsidizes products and services, not people. This expensive and inefficient policy assigns resources to all people, without focusing on the most vulnerable sectors.
- The high cost of social expenditures is no longer sustainable.
- The efficiency of resource expenditure needs to be increased.
- Cuba needs to keep a social welfare system and infrastructure that prioritizes the needs of the most vulnerable groups.
- The US embargo is an ongoing obstacle to further developments in Cuba.
- Many Cubans fear change, as the socio-economic situation could get a lot worse before it gets better. This fear needs to be addressed and overcome.
- Civil society is currently weak and unorganized.
- The future of social justice depends on political and economic developments on the island.

## B. Present and Future Challenges for Social Justice in Cuba

Present:

- Hyper-centralization of Cuban system.
- Stark regional differences.
- Lack of protection of the most vulnerable sectors.
- A rapidly aging population.

Future:

- The lack of clarity regarding Cuba's political situation is a major obstacle to determining future social policy.
- Growing inequality could increase through current reforms.
- To what point can social policies be financed given the Cuban economic reality?
- What is the best means of ensuring that the international community keeps social justice in focus?
- The need for transparent statistical data is fundamental, now and in the future.
- Given migration, low birth rates and a rapidly aging population, who will pay for future social welfare programs, especially pensions?
- How can the population's fear be overcome?
- The need for a strong civil society that will be engaged in dialogue of social justice issues.
- How to address past human rights abuses?
- What will the responsibility of citizens with regards to social policies (pensions, social security, health care, etc.) be vs the state?

C. General Suggestions:

- Social policies need to be sustainable. New resources need to be obtained to pay for social programs (possibly through the development of a new tax system).

- A means of shareholding that benefits all citizens needs to be designed.
- A system of institutional accountability needs to be created.
- As a generator of ideas and a source of resources (aid and remittances), the international community can play a significant role in supporting Cuba's future social programs, particularly the Cuban diaspora, the United States, Spain and the European Union.
- Cuba has strong human capital resources but few opportunities. To avoid mass migration and further brain drain, employment and financial incentives need to be created.

#### D. Specific Social Welfare Program Suggestions:

##### Pensions:

- Establish wage contributions in all non-state firms with a minimum number of employees.
- Integrate the costly armed forces pension scheme into the general system.
- Create a reserve for new workers and invest it in order to generate a yield.
- Increase minimum pensions.

##### Health care:

- Give priority to water/sewage infrastructure.
- Reallocate resources from infant mortality to import of medicines and other essential medical needs.
- Halt health aid/fellowships to other countries unless they pay for services.
- Increase ratio of nurses relative to physicians.
- Charge full cost of private rooms to high income groups.
- Attract more foreigners to receive health care in Cuba.
- Authorize self-employment of health personnel and medical coops to compete with the state.

#### Education:

- Place more emphasis on superior education careers geared to development, management/business and vocational education.
- Shift funds from elementary education to teacher salaries.
- Authorize the self-employment of teachers.
- Allow the establishment of non-state universities.

#### Housing:

- Facilitate access to construction materials to repair and build homes.
- Authorize the investment of remittances in home construction and repair and the selling and buying of homes.
- Authorize the use of housing as collateral for investment loans.

#### Social assistance:

- Gradually end the rationing system in tandem with output increases and target subsidies for the most vulnerable sectors.
- Allow churches to establish/expand free asylum facilities.

#### Taxes:

- Reform current regressive tax system into a progressive system, reducing sales and public utility taxes and replacing them with a progressive personal income tax and corporate tax.

# Social Justice in Cuba: Now and in the Future

Bellagio Conference Center, May 26-29, 2008

## Conference Participants

**Jesús Gracia Aldaz**, former Executive Director of the Spanish Agency for International Development and Spanish ambassador to Cuba, Spain

**Susan Bird**, Director of the Office for Central America, Mexico and the Caribbean, Oxfam America, El Salvador

**Velia Cecilia Bobes**, Professor, Facultad Latinoamericana de Ciencias Sociales, México

**Carlo Dade**, Executive Director, Canadian Foundation for the Americas, Canada

**Raj Desai**, Visiting Fellow, The Wolfensohn Center for Development, Brookings Institution, and Associate Professor of International Development, Georgetown University, USA

**Haroldo Dilla**, Coordinator, Ciudades y Fronteras, Dominican Republic

**Jorge Domínguez**, Antonio Madero Professor of Mexican and Latin American Politics and Economics, and Vice Provost for International Affairs, Harvard University, USA

**Cristina Eguizábal**, Director, Latin American and Caribbean Center, Florida International University, USA

**Mayra Espina**, Researcher, Centro de Investigaciones Psicológicas y Sociológicas, Cuba

**Damián Fernández**, Director, Cuban Research Institute, and Vice Provost, Biscayne Bay Campus, Florida International University, USA

**Francisco Ferreira**, Lead Economist, Development Research Group, World Bank, USA

**Katrin Hansing**, Associate Director, Cuban Research Institute, Florida International University, USA

**Miriam Kornblith**, Director, Latin America and the Caribbean, National Endowment for Democracy, USA

**Carmelo Mesa-Lago**, Distinguished Service Professor Emeritus of Economics and Latin American Studies, University of Pittsburgh, USA

**Claus Offe**, Professor, Hertie School of Governance, Germany

**Rita Petrireña**, Director of Social Services, Catholic Church, Cuba

**Carlos Saladrigas**, Co-Chairman, Cuba Study Group; and Vice Chair, Premier American Bank, USA

**Ana Sojo**, Social Affairs Officer, United Nations Economic Commission for Latin America and the Caribbean, Chile

**Pieter Vanhuysse**, Lecturer, School of Political Sciences, University of Haifa, Israel

**José Miguel Vivanco**, Executive Director, Americas Division, Human Rights Watch, USA