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## Sugarcane Stalinism: State-Capitalism and Development in Cuba

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# Sugarcane Stalinism: State-Capitalism and Development in Cuba

## **Abstract**

Though their conclusions are radically different, defenders of both “socialist” and “neither socialist, nor capitalist” theories about Cuba and other stratified societies nevertheless coincide in the view that the nationalization of private enterprises constitutes a partial, or perhaps even wholesale, negation of capitalism and its laws of motion. Throughout this essay, I will attempt a critical analysis of the aforementioned theories employing an approach that is methodologically Marxist and forthright in its commitment to workers’ self-emancipation. I will argue, moreover, that “socialist” Cuba is really a society based on wage labor and capital accumulation. The defining characteristics of this society, to which we will assign the designation ‘state-capitalism’, are the hyper-concentration of capital and collective exercise of *de facto* control over the means of production by a state bourgeoisie.

## **Keywords**

Cuba, State Socialism, State Capitalism

*“Nations, as well as individuals, cannot escape the imperatives of capital accumulation without abolishing capital.”* – Grandizo Munis, “For a Second Communist Manifesto”<sup>1</sup>

The official narrative concerning the nature of the changes to the economy and broader society ushered in by the Cuban government after the so-called “revolution” of 1959 holds that the agrarian reform and subsequent stratification of the economy—i.e., the transfer of ownership of the means of production from private capitalists to the state—have set Cuba on the path to socialism. This was the viewpoint advanced by the French agronomist Rene Dumont, who served as an advisor to the freshly-minted “socialist” government on matters pertaining to economic development. Since that time, other scholars on the Left have undertaken a serious study of the Cuban economic formation. Among those who have done so through a critical lens, Samuel Farber stands out as the most intellectually rigorous and consistent. His excellent book about Cuba after the triumph of the *barbudos* over the CIA-sponsored Batista dictatorship provides a rare window into the inner workings of the Stalinist system in its Cuban instantiation. Farber subscribes to the standard “bureaucratic collectivist” position, maintaining that while Cuba falls short of the benchmark for socialism due to the absence of meaningful control over production and distribution by the laboring masses, neither can it be considered capitalist, since the existing proprietary arrangements supposedly prevent economic competition. Instead, he says, what exists in Cuba is a qualitatively new kind of class society based on the autocratic rule of a parasitic bureaucracy encrusted in the state apparatus, whose iron-tight grip over both the economy and society at large frustrates any attempt by individual enterprises to pursue their particular economic interests.<sup>2</sup>

Though their conclusions are radically different, defenders of both “socialist” and “neither socialist, nor capitalist” (henceforth, neither-nor) theories about Cuba and other stratified societies nevertheless coincide in the view that the nationalization of private enterprises constitutes a partial, or perhaps even wholesale, negation of capitalism and its laws of motion. This conception, whose unfortunate genealogy can be traced back to the “state-socialist” ideas of Ferdinand Lassalle and his followers in the First International, has no basis whatsoever in the theory of socialism elaborated by Marx and Engels. For the latter, state monopolies did not represent the negation of capitalist production relations but rather a greater concentration of capital.<sup>3</sup> In fact, they held that the transition towards socialism would necessarily entail a progressive weakening, or “withering away”, of the state machinery. Throughout this essay, I will attempt a critical analysis of the aforementioned theories employing an approach that is methodologically Marxist and forthright in its commitment to workers’ self-emancipation. I will argue, moreover, that “socialist” Cuba is really a society based on wage labor and capital accumulation. The defining characteristics of this society, to which we will assign the designation ‘state-capitalism’, are the hyper-concentration of capital and collective exercise of *de facto* control over the means of production by a state bourgeoisie.

As with so many of the New Left’s leading lights, it is not entirely clear what Dumont understood “socialism” to mean. If the Monthly Review crowd with which he associated is any indication, then we are safe in assuming that the state figures prominently in his conception. However, since he failed to leave behind so much as a brief outline or operational definition, we are left to decipher his views from a handful of scattered remarks in his account of the Cuban economy’s transformation along Soviet lines. For instance, he contrasts “socialist planning” with

“the invisible hand of profit”, which allocates capital according to wherever the rate of profit is highest. By contrast, he says, a socialist economy will substitute the central planner’s will for the anarchic “law of the market place”, though he does not specify anywhere what the operation of such a law entails or how it is manifested concretely in social production.<sup>4</sup> Instead, Dumont regales his readers with anecdote after boring anecdote of him reproaching enterprise managers and state book-keepers for making plans in a completely *ad hoc* fashion and setting output targets based on erroneous, or even fabricated, figures. All this, he explains to us, prevents a planned economy from functioning smoothly.<sup>5</sup> Regrettably, his inquiry into the failure of planning in Cuba both began and ended there. Farber demonstrates a far superior grasp of the problem than Dumont, identifying the inefficiency, mechanical breakdowns, and waste in the system as a logical consequence of the hierarchical organization of production. He correctly argues that the lack of genuine feedback, indispensable to economic planning under any system, and mediocre productivity in spite of chronic overstaffing result from inadequate to nonexistent material incentives and the transparent separation of the producers from the instruments of labor.<sup>6</sup>

This explanation may appear counterintuitive upon first glance. After all, workers in the conventional capitalist countries are also dispossessed of any means of production. However, enterprise managers under the two systems have a different set of tools at their disposal to discipline their workers. Most notably, whereas workers in the conventional capitalist countries can be compelled on pain of joblessness to maintain a certain level of productivity, their counterparts in Cuba are generally protected from long-term unemployment by a provision in the country’s constitution establishing employment as a fundamental right of citizenship.<sup>7</sup> As a result, enterprise managers are often forced to tolerate a certain degree of idleness, and even absenteeism, from their workers as a transactional cost for meeting the production quotas imposed on them by those higher up on the bureaucratic chain of command. Hence, to the extent that economic planning exists at all in Cuba, it has always functioned badly and in an inconsistent manner. In reality, revisions to the final output quotas occur so frequently and are so widespread across the various industries and enterprises that there effectively is no such thing as “the plan”. Guaranteed employment is also cited by those who defend a “socialist” or neither-nor perspective as airtight proof of the nonexistence of a labor market in Cuba. Indeed, some have even argued that since workers in these countries supposedly do not enjoy the double-freedom of which Marx spoke—i.e., the “freedom” to sell their labor-power to an employer and “freedom” from any means of production—there is not even a working class proper. Such an interpretation cannot be reconciled with the facts. Firstly, a worker in Cuba can have his or her employment terminated after repeated minor offenses, or as punishment for engaging in dissident activity.<sup>8</sup> Although this is highly undesirable, since an infraction of that magnitude shows up on the work record, restricting future job possibilities.<sup>9</sup> It is known, moreover, that the rate of annual labor turnover in state-capitalist countries such as Cuba is comparatively higher than that of the conventional capitalist countries.<sup>10</sup> This suggests that labor-power can be bought and sold in Cuba.

Conventional wisdom on the Left dictates that state planning interferes with the unconscious forces of the market that govern production under capitalism. The intellectual primogenitor of this idea is the Stalino-Keynesian Paul Sweezy. Though not original, Sweezy was undoubtedly one of the first to systematize this sacrilege against Marxism and present it before an audience of self-styled radicals and intellectuals in the English-speaking world. His theory provides much of the conceptual framework that holds “socialist” and neither-nor interpretations

together, so we shall have to examine its foundational assumptions. According to Sweezy, all that is needed to do away with the “law of value”—i.e., the social mechanism that regulates the exchange of commodities under capitalism according to the average amount of time necessary to produce them—is that economic planning take root and replace market forces as the principal means of mobilizing the factors of production.<sup>11</sup> This flies in the face of historical experience, which demonstrates, conclusively, that the law of value can coexist alongside state planning, for example, in the form of import-substitution industrialization, investment incentives and subsidies to native firms, management of public utilities, nationalization of key industries, directive planning (see: French *dirigisme*), and control over the flow of money-capital through centralized banking. Third-world “developmentalist” states have employed many of these strategies to gain an advantage against their rivals on the world market by nurturing native industries until they can compete.<sup>12</sup> The purpose of state planning is the same everywhere: it is about introducing a degree of regularity and uniformity into the economy, where it otherwise does not exist, to facilitate the fulfillment of certain objectives and mitigate cyclical crises. For instance, the need to restore anemic profit rates in the conventional capitalist countries gave rise to an institutional arrangement known as the “mixed economy” whereby the state, employing a combination of economic ‘sticks’ and ‘carrots’, fiscal stimuli, and even direct economic intervention, steers capital investment and production towards desired ends. In the United States, the country of laissez-faire capitalism par excellence, government spending as a percentage of GDP since 1970 has reached a high of 43%, while that figure has never fallen below 34% within that same period, indicating that at any given time the state controls between a third to two-fifths of the economy.<sup>13</sup> Even though the US government does not tell businesses how much of what to produce, it is effectively engaged in a form of planning, in which certain forms of production receive preference over others, by redistributing money from the more profitable sectors of the economy to those that need it by means of taxation and deficit financing (i.e., deferred taxation). Thus, we see that instead of mangling markets state-planning has become indispensable for their preservation.

As a social entity, capital leads a twofold existence: a phenomenal existence as an array of independent economic units and an essential existence as total social capital, or the sum of capitals in their dynamic interrelations. Total social capital manifests itself exclusively through its individual fragments. However, these fragments are only independent from each other and total social capital in a relative sense, since their existence implies both. Let us imagine that capital is an electronic circuit, while the individual fragments are the nodes. The nodes are an integral part of the circuit: there is no circuit without them and vice-versa. Each node is a part of, and hence dependent on, the whole circuit. Now, the individual nodes can be spaced closer or further apart—or, in the case of capital, it can be more or less concentrated—but they cannot exist outside the circuit, outside the totality. Applying the same concept to wage labor yields important insights. Workers in a capitalist society are “free” with respect to the individual capitalists to whom they sell their labor-power, while they are attached to total social capital as accessories. Indeed, the very presence of wage labor implies competition between enterprises because it presupposes economic units with enough autonomy to make independent decisions with regards to employment.<sup>14</sup> The conferral of the means of production onto a single entity—what I referred to earlier as ‘hyper-concentration’ of capital—has not extinguished competition within Cuba. It has merely changed the juridical-legal form of private property from individual (private) property to state property. The means of production are the class property of the state bourgeoisie and the non-property of workers. To explain this in terms of our electronic circuit metaphor: the nationalization of

enterprises in Cuba has brought the individual nodes in the circuit—i.e., the fragments of total social capital—closer together, while the circuit as such remains intact. The detractors of state-capitalism theory and some proponents, such as the Cliffites, treat Cuba and other countries in that mold as a single economic unit.<sup>15</sup> The “giant factory” thesis is seductive in large part because it makes an analysis of these societies more manageable by condensing many complex phenomena into a single object of study. This assumes a functional monolithism in which the constitutive elements of the social totality behave as parts of a harmonious, undifferentiated whole. A more exhaustive examination on our part will show that this assumption is completely unjustified.

Competition exists so long as total social production is functionally fragmented into a plurality of reciprocally autonomous and competing enterprises. Two criteria are necessary to demonstrate the relative organizational separation of enterprises, and it can only ever be relative. The first is the presence of a market for labor-power. The second is the exchange of products between enterprises in money-commodity form.<sup>16</sup> It was established earlier that enterprises in Cuba are independent employers of labor. But they are also in competition with each another in the Marxian sense—i.e., they confront one another as buyers and sellers of commodities. We know that this is so because their products are exchanged for money instead of being directly appropriated and physically distributed. A report on the state of Cuba’s economy during the Special Period, before the market reforms of the late 90s, conducted by the ECLAC, a regional subdivision of the UN, found that, “[c]ompanies in the traditional sector sell at regulated prices, frequently receive preferential tax and tariff treatment, and acquire a large part of their inputs with subsidies, in order to cover the deficits that arise from selling at subsidized prices.” The report continues: “[t]he producer of tradable goods operates in international or domestic markets and has no obligation to purchase inputs in the domestic market.”<sup>17</sup> In other words, Cuban enterprises produce goods that they then sell on domestic and foreign markets; they purchase inputs of raw material, as well as intermediate, or semi-finished, goods from each other and from foreign companies; and finally, their transactions, whether scriptural or cash, are exchange transactions in which money functions as both a measure of value and medium of circulation. It may be argued that these transactions are only formalities because the state is the owner of all the means of production. The same thesis may also be restated thusly: even though the process which we have just described has the *form* of commodity exchange, its actual *content* is different, because enterprises within Cuba are subject, under the legal framework of statified property, to strict limitations on their operation. Yet this begs the question of why the products of human labor would have to be exchanged for money in the first place, or appear to be exchanged. The answer, of course, is that the state depends on the profitability of the economy as a whole, therefore it obligates enterprises to be responsible for their own financial affairs, which turns them into independent units with competing economic interests. Adherents of “socialist” and neither-nor theories also deny that competition exists within Cuba because the state allows unprofitable enterprises to continue operating. Though it is commonplace for states to prop up native firms—even whole industries—by absorbing their losses, nothing about this arrangement is incompatible with the existence of competition and commodity exchange. The idealized version of capitalism as a purely free market with only minimal government interference, which these people use as a standard for comparison, exists nowhere but in textbooks. It also runs counter to the experience of capitalism over the last century and a half, which is replete with examples of the state tampering with the “normal” operation of markets. In fact, what is most unusual about the variety of capitalism which has been established in Cuba is that losses and profits all ultimately revert to the

state, where the balance is then redistributed among the different branches. In the process, many non-viable sectors and firms are artificially kept afloat. However, central planners can only tolerate insolvency to a limited degree. They do not have free reign to reapportion money as they so choose, at least not forever, since this would reduce the total amount of money available for capital formation and undermine Cuba's competitiveness on the world market. The same is true of commodity prices in Cuba, as these must mirror global commodity prices or else lose the Cuban state money if they stray too far or for too long. In short, the very same mechanisms that mobilize labor and capital inputs according to the requirements of valorization in the conventional capitalist countries also make their appearance under state-capitalism, albeit in a highly distorted form. Instead of eliminating these mechanisms altogether, competition forces the state to introduce its own in order to attempt to do consciously (and less efficiently) what the market does unconsciously.<sup>18</sup>

The accumulation of capital, or enlarged reproduction of the physical means of production, is the sole objective of production within a capitalist economy. This is because, as Marx explained, "*the development of capitalist production makes it constantly necessary to keep increasing the amount of the capital laid out in a given industrial undertaking. . . it compels [the capitalist] to keep constantly extending his capital, in order to preserve it, but extend it he cannot, except by means of progressive accumulation.*"<sup>19</sup> In *Capital*, Marx laid out the formula of capitalist reproduction as follows:  $c + v + s$ , where  $c$  represents constant capital or the physical capital stock,  $v$  is variable capital or wages, and  $s$  is surplus-value or profit. The mass of surplus-value can itself be divided up into two parts, one which is designated for capitalist consumption and another which is earmarked for accumulation. Let us refer to these as  $k$  (capitalist consumption fund) and  $a$  (accumulation fund) respectively, such that the mass of surplus-value  $S = k + a$ . Under capitalism, the growth of  $c$  depends directly on the amount of  $a$ , with  $v$  not increasing except inasmuch as it is necessary to employ additional labor-power in order to set an enlarged mass of capital,  $c$ , in motion. By contrast, in a socialist society, the growth of  $c$  would depend entirely on the needs of  $v$ , the physical reproduction requirements of the population, while  $S$  and its components  $k$  and  $a$  would be available to whomever needed them in the form of additional products ready for consumption.<sup>20</sup> In Cuba, as in all the other state-capitalist countries, any increase in the labor fund that sustains the whole working class,  $v$ , is directly contingent upon the expansion of  $c$ , the mass of the means of production, and the accumulation fund,  $a$ , which feeds its growth. Instead of suppressing the accumulation of capital and the extraction of surplus-value on which it is predicated, the nationalization of industries accelerates what are already innate tendencies of the capital accumulation process: 1) the concentration of capital, what Marx called "expropriation of many capitalists by few"; and 2) the "socialization" of production, or the tendency for the various branches of industry to become dependent upon one another.<sup>21</sup> Both serve to increase the social productivity of labor, and hence the rate at which surplus-value is pumped out of the working class, by raising the organic composition of capital (ratio of  $c$  to  $v$ ). The nationalization of industries achieves this by creating enterprises that are more compact and better-suited to take advantage of the economies of scale, which reduce the per-unit cost of production as industrial output expands. On the other hand, the socialization of production harmonizes the different branches of industry, preventing "bottlenecks", or imbalances in output along each phase of the production sequence. In summation, the goal of production in Cuba is still the accumulation of capital out of profits—i.e., the unpaid labor of the working class. The legal monopoly exercised by the Cuban state over the

instruments of work has not changed the basic manner in which production is socially organized because, “*right can never be higher than the economic structure of society.*”<sup>22</sup>

The leaders of the new government were optimistic, at least early on, that Cuba would be able to break free of its reliance on sugar and diversify its economy. They turned Marx on his head arguing that it was necessary, for the construction of socialism, to develop Cuba’s economic base—i.e., to accumulate capital at an accelerated rate by subjecting workers to an intensified exploitation. The US economic blockade against Cuba created a shortage of basic consumer goods and spare parts for existing machinery, most of which came from America. Since there was no alternative source of spare parts, the new government turned to the other great imperialist power, the Soviet Union, for economic assistance, which it readily provided. The Soviets sent machines to Cuba but industrialization soon ran up against some problems of a technical nature: the ‘intermediate technology’ produced in the USSR and its buffer states was very clunky and inefficient, as well as incompatible with much of the existing equipment. Cuba would eventually have to import newer machines from Western Europe or Japan. However, these could only be bought with dollars, and the quickest and most reliable way to obtain dollars was to export sugar. Moreover, despite receiving significant aid from the Soviets, Cuba still needed to pay for the massive import bill it had racked up. This, too, it could do only by selling sugar.<sup>23</sup> The same process that had led the Cuban state to “double-down”, so to speak, on sugar production as its primary source of revenue in previous years culminated towards the end of the sixties with the campaign to harvest ten million tons of sugar. Now the Soviets provided Cuba with a guaranteed market for all its of its sugar production, just as the United States had done up until 1960, the year that the economic blockade went into effect, under the terms of the Reciprocity Treaty of 1902.<sup>24</sup> Because Cuba is a single-export economy, it has always depended on an imperialist sponsor with a much larger economy to absorb its output. The US had filled that role prior to 1960 and now the Soviet Union would do so. In both instances, the political price paid by Cuba was onerous. The US had demanded a naval base on sovereign Cuban territory and the right to intervene militarily to defend its business interests, while the Soviets demanded that Cuba serve as its proxy in armed conflicts all over the world. In 1966, Cuba negotiated a lucrative trade agreement with the Soviet Union to sell five million tons of sugar at above-market prices in the years 1968-69 but total output fell short of the mark, averaging just 3.7 million tons in each year. Undeterred by this failure, and determined as ever to transform Cuba into an industrial powerhouse, the new rulers set their sights on an even more ambitious goal, conceived as a cure-all for the country’s economic woes: Cuba would defy the laws of nature and economics by tripling its output within the space of a single year, with a ten-million-ton sugar harvest. The Soviets would buy the agreed-upon 5 million tons at the price point stipulated by their trade agreement with Cuba, and another 2 million would be sold on the world market at the average going rate, while the remaining 3 million would be sold to consumers and firms in domestic markets. The Cuban state, aided in great part by the Party and its trade union appendages, launched a military-style campaign mobilizing the entire country to secure the production target. Their efforts ultimately proved unsuccessful and the disorganization that the campaign caused to the other sectors of the economy have had lasting effects from which, it can be argued, Cuba still has not recovered. In the end, all plans of industrializing Cuba at breakneck speed, just as Stalin had done in Russia during the first two five-year plans, were short-circuited by the economic realities of the period after the ’59 coup d’état. Cuba had ceased to be a sugar plantation for the United States only to become one for the Soviets.<sup>25</sup>

The agrarian reforms, which have been touted as a centerpiece of the “socialist” project in Cuba, were a form of capitalist primitive accumulation, whose objective was to proletarianize the peasantry, transforming it into a class of wage laborers. The parallels between this process and so-called “socialist primitive accumulation” in Stalin’s Russia, which was to lead to the travesty of “socialist commodity production”, are remarkable. The state-owned farms created in Cuba by merging the segmentary landholdings of poor and middling peasants, or by breaking up the large estates, function as commercial farms. Those who labor in these glorified capitalist enterprises, cynically baptized “people’s farms” (*granjas del pueblo*), receive their “wage” as a small fraction of the total crop yield, *v*, that is barely adequate to keep them alive, while the state sells the excess product, *s*, in domestic markets for a profit.<sup>26</sup> The top-down management structure of these enterprises, rooted in stratified property, and the resulting lack of control over the distribution of the output is acknowledged by the Cuban state to be a major disincentive to productivity, yet this could not be otherwise.<sup>27</sup> Any measure of authentic control over the economy exercised by the producers themselves threatens, not only the rate of capital accumulation, but the functional integrity of the Cuban political system, which is based on an all-pervading militarism, and therefore cannot be tolerated. Private farmers are incorporated into the nexus of value-production as small-holders with usufructory, rather than ownership, rights to the land. In practice, however, they do not freely dispose of the product of their labor, but must sell it to the state through its distribution centers (*Centros de Acopio*) at fixed prices, engaging in what amounts to piece-work.<sup>28</sup> Unusual though it may seem, their predicament typifies that of the Cuban worker: subjected to a ruthless exploitation, which knows no limits, not even those of human physiology; completely immobilized and deprived of all autonomy by an omnipresent state machinery; supervised at all times by the police, the CDRs (*Comités de Defensa de la Revolución*), and in the workplace by the unions, who also play an organizing function within Cuban capitalism; without the right to organize or express themselves; at the mercy of the whims of the state bourgeoisie; etc. In no other country is the working class as dominated as in Cuba, something that the Cuban government unambiguously promotes as a major selling point to its prospective partners in joint ventures. A study by the Brookings Institution, a capitalist think-tank, remarked that although, “[t]he *Confederation of Cuban Workers and Communist Party cells are embedded within firms. . . these organizations generally align with the production goals of the firm and its associated state agencies*”, and therefore, “[m]anagement need not worry about militant strikes or work stoppages.”<sup>29</sup> The profoundly reactionary nature of the unions derives from the role that they play within capitalism as regulators of the purchase and sale of labor-power. They are interested in maintaining the system of wage labor because their existence depends on it. This has allowed them to become integrated into the capitalist state as its auxiliary organs, a process that reaches its highest expression in state-capitalist countries such as Cuba.<sup>30</sup> But unlike in other capitalist countries, the unions in Cuba do not even pretend to represent the workers, or to negotiate with employers on their behalf. They are state organs tasked with imposing labor discipline and maximizing workers’ productivity.<sup>31</sup>

All the measures undertaken by the Cuban government since ‘59, and approvingly cited by the state bourgeoisie and its partisans, both internal and external, as concrete evidence of its “revolutionary” and “working-class” character, were completely self-serving and implemented in order to shore up capitalism on the island. Perhaps the best example, though, and the one that best illustrates this point, is the Cuban state’s successful campaign to eradicate illiteracy in the countryside. This is one of the enduring legacies of Cuban state-capitalism and something to which

the government has resorted time after time to justify its own existence from a moral standpoint. Cuba, they say, was a backward country with an underdeveloped economy, trapped in a parasitic relationship with its neighbor to the north, the revolution has given it its independence and made it the envy of all Latin America! What these people do not see, or do not want to see, is that all the achievements of the supposed “revolution” were categorically capitalist measures. Their purpose was never to improve the living conditions of the Cuban worker, but to enlarge the Cuban national capital, achieving a greater rate of exploitation (ratio of  $s$  to  $v$ ) through better utilization of the existing technology. After relations between the US and Cuba took a turn for the worse, and Cuba aligned itself with the Soviet Union, the country experienced a hemorrhaging of the very skilled workers that it would need to industrialize the economy. Shipments of machinery and raw materials from the Soviet Union, which were quite generous, were literally piling up on the docks, since Cuba had neither the personnel to operate them nor buildings in which to store them.<sup>32</sup> In order to industrialize and keep abreast of competitors, Cuba would have to convert its illiterate rural population into a workforce capable of generating surplus-value for the state. Although the attempt to industrialize Cuba stumbled against insurmountable barriers, a highly-skilled workforce was left over as a byproduct of this aborted process. In recent years, human capital exports have replaced sugar production, which collapsed after the fall of the Soviet Union due to the loss of a guaranteed market, as the country’s primary source of income, with tourism and remittances from abroad as second and third respectively. Brazil, for example, pays the Cuban state \$4,000 per month for each doctor sent over on “internationalist mission”. However, these doctors only earn an average of \$400 each month in wages.<sup>33</sup> The difference is appropriated by the government as surplus-value to pay for military spending and the luxury consumption of the ruling class, or is otherwise reinvested in profitable business ventures, many of them with foreign capitalists. Even Cuba’s “socialist” health care system, held up by many as its crowning achievement, serves the accumulation needs of the national capital. From the point of view of capital, a state-run health care system is preferable to a private or multi-payer system, such as exists in the US, because it allows the whole capitalist class to pool money for the cost of reproducing the workforce, which also includes health care, instead of having to bear that cost individually. Furthermore, since it allows workers to see a doctor more frequently, and in addition gives them access to preventive care, it also reduces said costs in the long-term, not to mention the work hours squandered due to illness.<sup>34</sup> In short, it is about molding the worker according to the requirements of enlarged reproduction and minimizing the cost of his needs to yield more surplus-value.

The capitalist economy, whether it be private or state, demands endless economic growth, which, however, can only be obtained through an increase in the rate of exploitation and/or a reduction in working-class consumption. The state bourgeoisie in Cuba has tried both strategies, with disastrous results for workers, who have seen their living standards absolutely decimated over the past six decades. Both right-wing dissidents and leftist activists, inside and outside the island, have put forward their solutions, some more worthy of discussion than others, but all of them suffer from the same defect: they do not question whatsoever the material bases of capitalist society. The general consensus on the Right is that the command apparatus should be dismantled in favor of a free-market system and state property auctioned off to companies or private individuals. However, there is much less agreement about how quickly to proceed with de-nationalization (the experiences of Russia and the countries in the former the Soviet Bloc, one assumes, have served as cautionary stories against the dangers of “reckless privatization”) and which social programs will ultimately be spared the chopping block. Proposals on the Left are much more varied, ranging

from Yugoslav-style “self-management”, in which worker-operated enterprises compete within a fairly deregulated market economy, to a “democratized” state-capitalism.<sup>35</sup> In fact, one of the most oft-made criticisms of Castro-Stalinism on the Left is that it unjustly excludes from decision-making all but a handful of persons. In other words, that it is authoritarian and undemocratic. Yet this simply mistakes symptoms for the disease. The rigidly hierarchical character of the Cuban economy is a byproduct of statified property. Its transformation into individual private property, or decentralization through legalistic means, would not alter its content in the slightest. All that would change is the particular *institutional form* of capitalism. In reality, all of the proposed solutions amount to little more than superficial modifications to the current system, while its essential pillars, wage labor and capital accumulation, remain firmly in place. It is revealing that all, or almost all, of the factors cited as reasons for pursuing such changes—for example, receiving better feedback, eliminating waste, increasing labor productivity, improving enterprise efficiency, etc.—derive from the structural imperative to enlarge the national capital. At bottom, the Left-Right duality in politics represents nothing more than different alternatives for managing capitalism. The working class must reject this paradigm in its entirety, putting the immediate abolition of wage labor and commodity exchange on the agenda, first on a national, then an international, scale. For this to happen it would be necessary, in Cuba and other countries, for the exploited to rise up against the state, doing away with this machinery of repression once and for all, and establish their own power structure based on the workers' councils: committees of democratically-elected and instantly revocable delegates. These organs will be responsible for expropriating capital, administering the economy, and overseeing the extension of the socialized, or strictly use-value producing, sector of the economy. These are the tasks ahead and in Cuba, as everywhere, it is only the working class who can carry them to completion. The suppression of the capitalist system, whatever its form, is the essential condition for the liberation of humankind from all oppression and its reconstitution as a true community.

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<sup>1</sup> Grandizo Munis, “Pro Segundo Manifiesto Comunista”, in *Teoría y Práctica de la Lucha de Clases*, 13.  
<https://www.marxists.org/espanol/munis/oc/tomo2.pdf>

<sup>2</sup> Samuel Farber, *Cuba Since the Revolution of 1959* (Chicago: Haymarket, 2011), 18-19.

<sup>3</sup> Frederick Engels, *Socialism: Scientific and Utopian* (New York City: Cosimo Inc., 2008), 67.

<sup>4</sup> Rene Dumont, *Cuba: Socialism and Development* (New York City: Grove Press, 1970), 110.

<sup>5</sup> *Ibid.*, 111-113.

<sup>6</sup> Farber, *op. cit.*, 55-56.

<sup>7</sup> *Constitución de la República de Cuba*. Capítulo VII – Derechos, Deberes y Garantías Fundamentales, artículo 45.  
<http://www.cuba.cu/gobierno/cuba.htm>

<sup>8</sup> *Código de Trabajo de Cuba*. Capítulo VI – Disciplina Laboral, sección III, artículos 158-159.  
[http://www.ilo.org/public/spanish/region/ampro/mdtsanJose/papers/cod\\_cuba.htm#a146](http://www.ilo.org/public/spanish/region/ampro/mdtsanJose/papers/cod_cuba.htm#a146)

<sup>9</sup> *Ibid.*, Capítulo II – Contrato de Trabajo, sección XII, artículo 61.

<sup>10</sup> Nancy A. Quiñones Chang, “Cuba’s Insertion in the International Economy Since 1990”, in *Cuban Economists on the Cuban Economy*, (Gainesville: University Press of Florida, 2013), 91.

<sup>11</sup> Paul Sweezy, *The Theory of Capitalist Development* (New York City: Monthly Review Press, 1942), 52-54.

<sup>12</sup> Ha-Joon Chang, *Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism* (New York City: Bloomsbury Press, 2008), 14-15.

<sup>13</sup> OECD, *General Government Spending: Total, % of GDP, 1970-2014*.  
<https://data.oecd.org/gga/general-government-spending.htm>

<sup>14</sup> Paresh Chattopadhyay, *The Marxian Concept of Capital and the Soviet Experience* (Westport: Praeger Publishers, 1994), 18-20.

<sup>15</sup> Peter Binns & Mike Gonzales, “Cuba, Castro and Socialism”, in *International Socialism*, Spring, 1980.

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<https://www.marxists.org/history/etol/newspape/isj2/1980/no2-008/binns-gonzalez.htm#ch11>

<sup>16</sup> Chattopadhyay, *op. cit.*, 54-55.

<sup>17</sup> CEPAL, *La Economía Cubana: Reformas Estructurales y Desempeño en los Noventa*, 2nd ed. (Mexico City: Economic Culture Fund, 2000), 205-206.

<sup>18</sup> Adam Buick & John Crump, *State Capitalism: The Wages System under New Management* (New York City: St. Martin's Press, 1986), 80-93.

<sup>19</sup> Marx, *Capital vol. 1* (London: Penguin Classics, 1990), 739.

<sup>20</sup> Grandizo Munis, "Partido-Estado, Stalinismo, Revolución", in *Revolución y Contrarrevolución en Rusia*, 78-80.

<https://www.marxists.org/espanol/munis/oc/tomo1.pdf>

<sup>21</sup> Marx, *op. cit.*, 929-930.

<sup>22</sup> Karl Marx, *Critique of the Gotha Program* (Rockville: Wildside Press, 2008), 26.

<sup>23</sup> Richard Gott, *Cuba: A New History* (New Haven: Yale University Press, 2005), 186-188.

<sup>24</sup> United States Tariff Commission, *The Effects of the Cuban Reciprocity Treaty of 1902* (Washington: US Govt. Printing Office, 1929), 66-67.

<sup>25</sup> Gott, *op. cit.*, 240-243.

<sup>26</sup> These were renamed *Unidades Básicas de Producción Cooperativa* (Basic Units of Cooperative Production) following some restructuring of productive capital assets within the agricultural sector in 1993. However, their internal organization and basic manner of operation are unchanged.

<sup>27</sup> Dumont, *op. cit.*, 51-52.

<sup>28</sup> *Ibid.*, 80-85.

<sup>29</sup> Richard E. Feinberg, *The New Cuban Economy: What Roles for Foreign Investment?* (Washington DC: Brookings Institution, 2012), 58.

<sup>30</sup> Grandizo Munis, "Los Sindicatos Contra la Revolución", in *Internacionalismo, Sindicatos, Organización de Clase*, 85-86.

<https://www.marxists.org/espanol/munis/oc/tomo3.pdf>

<sup>31</sup> Farber, *op. cit.*, 138-139.

<sup>32</sup> Dumont, *op. cit.*, 77.

<sup>33</sup> Martin Carnoy, "Cuba's Biggest Export is Teachers, Doctors – Not Revolution", *Reuters*, December 24, 2014.

<http://blogs.reuters.com/great-debate/2014/12/23/cubas-biggest-export-are-teachers-doctors-not-revolution/>

<sup>34</sup> For a more in-depth analysis of the US health care system see Red Hugh's article titled "Capital's Health Dilemma" on the first issue of *Intransigence*:

<https://www.workersoffensive.org/single-post/2017/10/13/Capitals-Health-Dilemma>

<sup>35</sup> Pedro Campos Santos, "Cuba Necesita un Socialismo Participativo y Democrático. Propuestas Programáticas", *Cubaencuentro*, August 24<sup>th</sup>, 2008.

<https://www.cubaencuentro.com/documentos/documento-cuba-necesita-un-socialismo-participativo-y-democratico-propuestas-programaticas-106354>