

CAPITAL AND CLASS IN CUBAN DEVELOPMENT:

Restructuring the Socialist Economy

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B.A. Simon Fraser University, 1994

THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE DEGREE OF MASTER OF ARTS

Department of Spanish and Latin American Studies

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December 1996

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CAPITAL AND CLASS IN CUBAN DEVELOPMENT: RESTRUCTURING THE

SOCIALIST ECONOMY

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ABSTRACT

Since the collapse of the Soviet bloc, Cuba has entered what Fidel Castro refers to as a 'special period in peacetime', marked by severe economic crisis and an extensive search for new partners in trade and development. Concurrent with this process, the country has embarked on a massive campaign to restructure its labour laws, property rights and social policy, in order to re-make the Cuban economy as a climate conducive to investment and economic growth.

Cuba's reform process has been watched carefully by international observers, and though opinion differs substantially, the vast majority of research and analysis assumes the progressive and inevitable nature of the island's restructuring. Analysts on both the Left and the Right conclude that contemporary economic constraints offer no alternative but a submission to capital's emerging world order. Similar sentiments are expressed by Cuban state leaders, who argue that socialism is no longer politically feasible, and that Cuba can retain its basic Revolutionary principles only through a temporary accomodation with global capitalist demands.

This thesis traces the history of the Cuban alternative from the early years of the Revolution through the present, in order to explore how the current crisis emerged and why reform is taking the shape it is. I conclude that, despite its many transformations, the Cuban socialist project failed to address, let alone transcend, the rule of capital; thus, if the current reform process has embraced patently capitalist mechanisms, this is largely a result of the Revolution's failure

to overcome capital's basic components: alienated labour, exploitation, and the primacy of exchange over use value. This conclusion then calls for a re-thinking of fundamental Left analytical categories in order that radical theory and political action can move beyond the limits of state-led, economic Marxisms such as that which has inspired Cuban development for the past thirty-seven years.

ACKNOWLEDGEMENTS

This study would not have been possible without considerable support from a number of institutions and individuals. A research grant from the International Development Research Centre made my work financially possible, and extensive logistical support was afforded by Cuban institutions (academic and otherwise) and official representatives.

This thesis has been edited and revised a number of times, and I thank all those who have offered comments and suggestions on various aspects of the project: John M. Kirk, Sid Shniad, Marilyn Gates, Michael Lebowitz, and Chris Vance. A very special thanks is owed my thesis supervisors, Ronald C. Newton and Gerardo Otero, who have provided support from the first days searching for a thesis topic through to the last typos. And sincere thanks also to Gary Teeple, who agreed to serve as external examiner, and to Conrad Herold, who provided the spark which set this analysis in motion. Each of these people has offered knowledge and insight, and I have benefited a great deal from the various disciplines and perspectives they represent.

Lastly, I thank the innumerable friends and family members who have tolerated my obsession with Cuba for the past two years. I dedicate this to Lucia and Maxwell Rupondo, who made communism a way of life, and my partner Joanna Shniad, without whose encouragement, commitment and understanding this could never have been written.

DEFINITIONS IN CONTEXT

capital: a labour relationship in which work is imposed for the express purpose of fueling accumulation and reproducing itself, rather than satisfying a specific need; a process in which objectified labour, i.e. property, is combined with labour objectified through the work-process to produce still more objectified labour, i.e. a commodity

market capitalism: a political-economic system for the management of capital relations, generally characterized by private ownership of property, the buying and selling of labour-power, and the market as primary mechanism for determining productive goals, prices and wages

socialism, actually-existing: a post-market political-economic system for the management of capital relations, generally characterized by state ownership of property, command mechanisms for surplus-value extraction, and a state-planned strategy for accumulation; esp. related to states headed by official Marxist-Leninist Parties

socialism: any number of utopias or political-economic systems which post-date market capitalism; generally characterized by socialization of ownership or abolition of property and mechanisms for mass democracy; in this thesis, socialism generally refers to actually-existing socialism

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Chapter One

INTRODUCTION

Cuba in the Emerging World Order

With the collapse of the Soviet bloc, Cuba lost 85 percent of its foreign trade, as well as its primary source of political and ideological support. Between 1989 and the present, the country has undergone a period of dramatic restructuring that has left no sphere of life untouched; by its own definition, Cuba is attempting a thorough reform of its political and economic structures in order to safeguard specific achievements as the country moves into a new era, one characterized by greater integration into the world economy and a significantly re-defined 'socialist future'. As the means of such restructuring, Cuba has introduced wide-ranging changes in recent years: the legalization of foreign ownership of property and of private enterprise, a sharp increase in joint ventures between the Cuban state and private foreign capital, the end of official 'full employment' and the re-establishment of the right to hire and fire labour, the opening of private markets, and the dismantling of many state farms and their transformation into workers' cooperatives.

This research will reinterpret the origins of the contemporary Cuban crisis and efforts at reform in order to understand how it has developed historically and why restructuring is taking the shape it is. By viewing the conditions and means of restructuring through the lens of class struggle, we can come to develop a deeper understanding of how and why state socialism developed as it did on the

island, where the underlying roots of political-economic crisis were and are located, and what the implications of this experience are for the future of Marxist theory and Left politics in general.

The aim is *not* to develop a new thesis on the island's prospects, but rather to carry out a class analysis of the crisis of Cuban socialist development. Political and economic analyses generally view the state and capital as their primary agents, and focus attention upon the ways in which centres of power manage social relations¹. This work, by contrast, analyzes how capital's strategies are experienced by those who are managed, i.e. the working class. I do not ask, what possibilities for control does the state have at its disposal? what is the best strategy to use in pursuit of economic growth and profit? what does the state accomplish by its various strategies? Rather, this inquiry examines how development strategies are experienced by workers, whether they resist or support state objectives, and how they mobilize politically in defense of their own interests.

Cuban restructuring suggests that the country is attempting to construct a new socio-economic model in the emerging world order; there is, however, no single interpretation of exactly what that model entails. Two principal schools of thought exist today among Cuba-watchers: on the one hand, many involved in organic agriculture, cooperativism, and alternative farming see in Cuba a brand-new experiment, combining the best of biotechnology, science and innovation with ecologically-sound policies and the traditional socialist concern for equity

(Rosset and Benjamin, Ramírez-Alonso). Other observers, on both the right and the left, see current efforts at reform as the death-knell of socialism on the island. Pointing to such steps as the legalization of foreign-owned property, the dollarization of the economy, the emphasis on tourism and (once again) sugar as cash-crop, and the unprecedented quest for foreign investment, these observers have declared Cuban socialism to be dying, if not already dead (Cooper, Ritter, *Time*). Their perspectives on the fall differ, according to political stripe, but they are agreed that socialism in Cuba is at its end.

Despite important differences between the above approaches, they do share two fundamental assumptions. First, Cuban restructuring is, for these analysts, a result of political-economic crisis brought on by the fall of the Soviet bloc, beginning in 1989². In contrast, this thesis will attempt to trace the roots of the Cuban crisis to socialism's own class antagonism; this feature is as old as the Revolution itself, and may be seen in the contradictions between the institutionalization of state socialism and the class dynamic that made the Revolution. Indeed, Cuban history since 1959 is a history of these contradictions and the state's attempt to transcend them. It is a history of crisis, and of reform designed to overcome crisis. Secondly, whereas most analyses take Cuba's claims to follow a Marxist alternative to capitalism at face value, I will argue that Cuban development over the past thirty-seven years mirrors general trends in the world capitalist economy. That is, in each of its various phases, the Cuban state sought to use similar tactics to resolve similar problems and to achieve

similar ends as did capital elsewhere in the world. And nowhere is this more obvious than in the current phase of reform, in which the state has imposed a profoundly neoliberal agenda in the name of 'defending socialism'.

In addition to the above, the vast majority of current research and analysis on Cuba assumes the *inevitability* and *progressive* nature of current reform³. Analysts working within a liberal tradition and those situated firmly on the Left share the view that, whatever Cuba's past achievements, the road forward must adopt marketization and liberal democratization if the country is to survive the current crisis and re-ignite a stable rate of growth. Some, such as José Luis Rodríguez, consider the Cuban state to be currently undertaking these reforms, and poised to re-enter a period of stable development (Rodríguez, 1993: 44). Others consider such development possible, but only given still further reform and a substantial change in the international climate, particularly as regards Cuban-U.S. relations (Ritter, 1993: 20-23). Finally, those on the Right tend to downplay the extent of reform in Cuba, arguing that restructuring has done little to overcome the structural (and largely political) roots of the crisis. These thinkers, such as Juan M. del Aguila, consider current attempts at market reform to be relatively shallow and possibly temporary; without extensive democratization and a disavowal of state-led development, they argue, lasting economic change in Cuba is an impossibility (del Aguila, 1993: 89).

Long a staple of liberal democrats and the more conservative Right, the inevitability of marketization and liberal-democracy has now come to be widely

accepted by the Left as well. Indeed there are few analysts of any political persuasion who will argue against liberalizing reform in the face of what appear to be insurmountable obstacles to socialist development: the fall of the Soviet bloc, dramatically increased global economic integration, and economic crisis of unprecedented proportions. But while Cuba-watchers look to market reform and global integration as Cuba's means to economic salvation, mounting evidence suggests precisely the opposite - that the global crisis of capital is only deepening, and that reformist socialism, or social-democracy, is rapidly being made obsolete along with actually-existing socialism (Mészáros, 1995: xiv-xv and 793; Teeple, 1995: 73).

As the Soviet bloc crumbled, many analyses were drawn up to discuss the origins of socialism's crisis; these ranged from liberal self-congratulation (Fukuyama, 1992: 28-9) to attempts by Leftists to distance themselves from Marxism-Leninism and to promote a more moderate political program. Thinkers such as Jorge Castañeda argued that socialism's failure lay in its inability to recognize the benefits of liberalism and its failure to incorporate market mechanisms in the pursuit of economic growth (Castañeda, 1993: 340 and 432-3). To remedy this, Castañeda looked to Japan, New Zealand, West Germany and Sweden for examples of a viable capitalist model that combined economic growth with social responsibility. Socialism had failed; capitalism had won. The only issue now was *which* capitalism the Left could reasonably strive for (Ibid., p.430-1).

But what was missing from these post-socialist analyses was an exploration of *capitalist* crisis; they failed to recognize that capitalist restructuring was *not* a response to political victory over socialism, but to the failure of capital's previous strategy (Mészáros, 1995:37-8). That is, at the very moment Castañeda and others were demanding that social democracy be placed at the top of the Left's political platform, the examples they were holding up - Sweden, New Zealand, West Germany and Japan - were all moving in precisely the opposite direction: *away* from the welfare state, *away* from social democracy and *toward* the neo-liberal strategy in vogue elsewhere. Indeed, it would be difficult to find a case anywhere in the world where capitalism has in recent years allowed a state to deepen its social welfare programs. On the contrary, mounting evidence suggests precisely the opposite, that virtually everywhere capitalism is working to dismantle the more progressive features of the welfare state (CBC "Ideas", 1994; Albo, 1994: 161-2; UNICEF, 1992: 22-3). From Sweden to New Zealand, welfare programs, health and education systems and labour rights are coming under increased attack as capitalism enters what John McMurtry calls its 'cancer stage' (McMurtry, 1996).

The above, relatively progressive models of accumulation, relate to a specific historical epoch during which states were forced, by widespread social upheaval, to stabilize growth by incorporating certain sectors of the working class into the institutions of capital, and by offering social programs as a means of addressing capital's greatest pathologies (see Part 4). But as the global

economy entered crisis in the mid- to late-1960s, the welfare capitalist model proved unable to provide stable growth on a lasting basis (Phillips, 1985: 12-3). The thirty years since that time have been characterized by capital's attempt to develop a new model, one better able to generate accumulation with stability. And though that model has not yet been successfully constructed, it is clear that a return to the previous system is not in the game-plan.

István Mészáros notes that the acceptance of marketization's inevitability - evidenced in the slogans "there is no alternative" and "in the real world" - has emerged at precisely that moment when social antagonism is becoming more evidently universal and more explosive. In this context, he writes, "if there is an approach that truly deserves to be called a total absurdity in the realm of social reform, it is not the advocacy of major structural change but precisely the kind of apologetic thinking which *divorces the effects from their causes*" (Mészáros, 1995: xv [italics in original]). And the notion that parliamentary and social-democratic reform can 'little by little' transform the social order makes precisely this error, taking capital's pathologies as *exceptions* to be fixed, when in fact they are, more than ever before, the *rule*.

This thesis does not assume either the inevitability or the progressive nature of a market reform in Cuba. Rather, it begins with the understanding that capitalism, no less than socialism, is in the midst of global crisis. In order to understand the origins of the Cuban case and the nature of its restructuring program, then, it is not enough to note the absence of liberal democratic

institutions and market-driven growth. Instead we must investigate Cuba on its own terms, by reference to the country's own historical development from capitalism to socialism, and from crisis to reform.

Making Sense of Socialism: class analysis in a post-modern age

As may be apparent given the above discussion, this paper does not begin and end with Cuban political-economy, but is tied into a concern with what some have referred to as 'the crisis of Marxism' (Prior, 1995: 10-11). Cuba is one of the few remaining states to profess a revolutionary heritage and an explicitly Marxist orientation; and given that it is Marxism which is so often blamed for Cuba's ongoing woes, to abstract the Cuban crisis from the more general crisis of socialism would be to ignore a very large part of the issue.

As thinkers such as Castañeda have turned from socialism to social-democracy in their quest for a viable Left politics acceptable to capital, other former Marxists have, over the past several years, proclaimed Marxian analysis to be no longer valid. In its place, these theorists have attempted to construct a new Left theory, broadly referred to as 'post-Marxism', which announces the demise of Marxian categories and their replacement by new analytical tools for the development of what Laclau and Mouffe call a "radical, democratic politics" (Laclau and Mouffe, 1985).

Post-Marxists suggest that the fundamental categories of Marxian analysis, such as capital and class, are no longer useful for understanding the world system as a totality (Laclau, 1985: 27); a profound de-centering has taken place

which has fractured social life to such a degree that such categories have lost any unifying presence and meaning. As a result, post-Marxism argues that a dramatic re-thinking of Left categories is required in order to make sense of the profound changes in the world system and the new structure of social conflict that have emerged as a result of the crisis of the Keynesian world order. In particular the post-Marxists reacted against orthodox Marxism-Leninism, arguing that its focus on 'natural laws' (i.e. dialectical materialism), its base-superstructure dichotomy, and its disregard for social struggles outside the official working class movement, have rendered Marxism unsuitable for interpreting the social antagonisms of the late twentieth century. In the words of Ernesto Laclau, Marxian categories have become "less and less meaningful as ways of understanding the overall identity of social agents. The concept of 'class struggle', for example, is neither correct nor incorrect - it is, simply, totally insufficient as a way of accounting for contemporary social conflicts" (Laclau, 1985: 28-9). In other words, class is only one category among many; so if Marxian concepts are to be useful at all in contemporary analysis, it will first be necessary to reduce the "pretensions and the area of validity of Marxist theory" (Laclau and Mouffe, 1985: 4).

The notion that class is no longer a unifying principle for struggle is of particular importance to post-Marxism, and is based upon the argument that political identities are not constituted exclusively by one's position in relations of production. Instead, post-Marxists focus upon 'new social movements' - the

multiplicity of struggles rooted in identities such as gender and sexuality, race and ethnicity. If social subjects do not identify themselves always and everywhere by class and class alone, goes the theory, then class cannot provide a useful tool of analysis without subsuming or ignoring these other points of struggle (Laclau and Mouffe, 1985: 58).

Given their opposition to the usefulness of class analysis and their adoption of 'new social movements' as a category to define contemporary and (apparently) 'classless' social subjects, post-Marxists rely heavily upon the notion of *civil society*. Used to understand the emergence of new social movements and new terrains of struggle, civil society is conceived as that social space *outside of* the state, in which "autonomy, voluntary association and plurality or even conflict" are played out (Meiksins Wood, 1995: 242). It is a concept which claims jurisdiction over a wide variety of institutions in which people as social subjects construct their daily lives and relations. Households and mutual aid networks, trade unions, gender- and ethnicity-centred struggles, ecology and gay and lesbian and bisexual movements: civil society encompasses all of these. It is, for post-Marxism, the terrain of daily life and largely classless social antagonism.

Others have argued, however, that this perspective does little to clarify emergent points of struggle; quite to the contrary, the notion of civil society as a space *outside of* or *against* state relations, and in which capital is merely one relation among many, ignores the class content of such terrain, positioning

capital as an institution of business life and *state* as no more than the formal institutions of governmental authority. Thus, in its attempt to accent the cultural and to address the reproduction of social life, post-Marxism ignores the fact that social reproduction takes place through institutions of state/ class power: divisions of labour, the act of work, the state, ideology (Hennessy, 1996: 221). And the effect of such an abstraction is, as Meiksins Wood notes, "to conceptualize away the problem of capitalism, by disaggregating society into fragments, with no overarching power structure, no totalizing unity, no systemic coercions" (Meiksins Wood, 1995: 244-5).

But while post-Marxism's propositions tend to leave untouched many central issues, its criticisms nonetheless illustrate an important point: orthodox Marxism-Leninism has been insufficient both as a means of understanding the dynamics of class struggle, and as tool for transcending capital. But while the post-Marxists respond to such insufficiency with a 'retreat from class' (Meiksins Wood, 1986), this paper is informed by the perspective that the corrective to Marxism-Leninism's shortcomings cannot be found in a rejection of the Marxian framework. Rather, if the Left is to rejuvenate itself as a radical alternative to the status quo, something more is required which maintains both Marxism's depth of analysis and its insistence that an alternative way of living is possible.

As post-Marxism gained popularity in the latter 1980s and early 1990s, it came under increasing challenge from a rejuvenated Marxism, in which important traditions that had previously been over-shadowed by Soviet

orthodoxy were able to flourish. These alternative Marxist approaches embrace the view that post-Marxism's criticisms can be, and indeed have been, addressed from within the Marxian tradition, by re-thinking rather than discarding its traditional analytical categories (see Prior, 1995). It is this desire to reaffirm the relevance and importance of class analysis which informs this thesis. But given the widespread debate and the many interpretations of Marx currently being deployed, some elaboration is required on key analytical questions: what is capital, what is class, and where is capitalism in the emerging world order.

Capital, for Marx, is not a 'thing' or series of 'things', but a social relationship centred upon the imposition of work, the endless creation of value through the labour process, and the appropriation of a portion of that value (the surplus) by someone or something alien to the worker (Marx, 1971 vol.1: p. 714). Far more than money, property or the individual capitalist⁴, *capital* denotes the existence of a specific social relation that is generalized throughout the society as a way of managing social life. And the most fundamental characteristics of that relation are the imposition of work (implying hierarchical control and alienation of the worker from the product), the production of surplus value, and the unending pursuit of accumulation. It is, then, important to distinguish the relation 'capital' from the market capitalist system; *capitalism*, as the term is used, denotes a specific set of structures for the maintenance of capital's dynamics: the institution of private property, the free market for labour power, the wage form - all of these are characteristics of market capitalism, but none is itself definitive of

capital in the Marxian use of the term. These are certainly forms for the deployment of capital's relations, but capital itself - the endless imposition of labour for the purpose of continued accumulation - may well pre-date, and post-date, institutions of the market.

In Marxian theory, the basic building-block of capital is the work-relation, which imposes *unpaid* labour-time as a basis for the extraction of surplus value, and which in large part defines the concept of class. The imposition of alienated work may take on a number of forms, i.e. unwaged or forced labour, but Marx' own analysis focuses upon *wage labour* as the dominant form under market capitalism. Formally, the wage represents a transaction in which equivalents (as defined by the market) of labour power and money (as subsistence wage) are exchanged. Central to the analysis of exploitation, however, is the hidden content of the wage relation, a content which comprises the fundamental processes of capitalism - exploitation and accumulation - in microcosm. The wage conceals that which is most basic to capital - the imposition of *unpaid* work and the extraction of surplus. Capital pays the worker a wage in order that the worker may reproduce herself, i.e. provide for her subsistence; but in the labour process, the worker actually produces a value greater than that contained in the wage. This excess, which provides capital with its profit, constitutes for the worker extra, unpaid labour. Hence surplus value, the substance of exploitation, is fundamentally imposed and unpaid labour time.

Labour is the process of 'effecting an alteration' upon raw materials in order to satisfy human wants and needs (Marx, 1971, vol.1: 180); the *imposition* of labour is the requirement to work under alienating conditions (in which the value generated is appropriated by another, whether for use or exchange), and forms the basis of an exploitative work relation. In Marx, then, *work*, *imposed work*, and *exploitation* are inextricably linked (Negri, 1991: 10); they are themselves not unique to *capitalism*, but are the foundation of the relation *capital*, whose specificity is defined by production for the purpose of investment and exchange, rather than use, and by the endlessness of exploitation. Capitalism, as a system, emerges where alienated and exploited work becomes the dominant social relation, and where the imposition of work in relentless pursuit of profit becomes the foundation of social life, the life-blood of the system (Marx, 1971, vol.1: 235-6).

While the wage-form is the focus of Marx' analysis in *Capital*, it is by no means the only form a capital-based relation may take. The wage is a relation in which the exploitative nature of imposed work is *hidden*, abstracted behind a formally free exchange of equivalents. That is, the wage is *form*, while capital is *content*⁵. We can, then, conceive of capital's relations being mediated through something other than the wage, for example, prison labour and housework. It is crucial to bear in mind that capital, class and exploitation extend beyond the boundaries of the formal workplace throughout the society as a whole, and may both *pre-date* and *survive* capitalism as we know it. The example of domestic

labour, work predominantly performed by women, is a particularly important example of this. As Mariarosa Dalla Costa and Selma James have shown, the family is, for capital, “a centre of conditioning, of consumption and of reserve labour, but a centre essentially of *social production* (Dalla Costa and James, 1973: 10). Women’s domestic labour is responsible for (among other things) the reproduction of labour-power and the subsistence needs of workers, two functions absolutely critical to the extension of capitalist relations within and across generations. Just as workers in the official economy produce commodities, domestic labour produces the commodity upon which all others depend: labour-power itself.

If this is the case, then an analysis of political-economy cannot abstract itself from family and community, and discussions of class and exploitation must be understood as extending throughout all layers of the society. Traditionally understood as realms outside of capital, as locations of leisure time, family and community must instead be recognized as “the other, hidden, source of surplus labour” (Dalla Costa and James, 1973: 11); if we fail to take this into account, our analysis of capital remains only half-done. This thesis, then, does not limit the definition of ‘work’ to the workplace, or that of ‘class’ to the urban, unionized proletariat. Where work is imposed, where that work contributes to the production or reproduction of capital, where the logic which governs work is the production of surplus value or its necessary components, i.e. labour-power - where these factors are found, so too is capital.

The other side of the capital relation is the category of class. And just as many have taken capital to be defined by private ownership and waged labour, so too have many considered the category *working class* to refer only to blue collar urban labourers. But class is a social relation and an antagonism, defined not by income or occupation but by one's relation to capital and its institutions (Meiksins Wood, 1995: 82). And though orthodox Marxism-Leninism has used the term 'proletariat' to refer exclusively to urban industrial labourers, the category "working class" can and does take on a much broader meaning in many Marxist traditions.

Harry Cleaver has shown that class, understood as a relationship, can make sense of 'new social movements' and their struggles without retreating from the analysis of capitalism as a global system of domination (Cleaver, 1993a). Drawing on feminist (Dalla Costa and James, 1973) and black liberationist (James, 1992) Marxisms, Cleaver argues that the term 'working class' should not refer solely to the industrial proletariat, but to all people upon whom work is imposed to produce and extend the dominance of capital. That is, the working class is a vast category encompassing not only individuals, but a multiplicity of diverse and autonomous movements (Cleaver, 1979: 51-61). What is more, such a conception implies and requires an understanding of conflicts not only *between* capital and workers, but *within* the working class itself, i.e. among different sectors which may be defined at various times by gender, race, ethnicity, sexuality, age or any number of factors. Class, as this thesis uses the

term, is by no means intended to ignore the mutliplicity of struggles nor to subsume various movements under one 'vanguard'; rather, it demands that we recognize the diversity of popular mobilization as representative of the diversity of exploitations and oppressions maintained by capital. And it recognizes, too, that working class movements can and do have autonomous demands, and may engage in struggle among themselves. Seen in this light, the 'new social movements' discussed by post-Marxism are not signs of a social subjectivity abstracted from capital or class, but movements "against the constraints of the capitalist social-factory - whether they have articulated their ideas as such or not" (Cleaver, 1993b), and whether or not their struggles take on a patently 'economic' form.

If this understanding of class can be used to make sense of new and emergent points of struggle, then in a similar vein it is possible to analyze contemporary capitalism not as a decentering of power in relation to civil society, but (quite the opposite) as 'the real subsumption of society under capital', or 'post-civil' capitalism (Hardt and Negri, 1994: 17). Post-civil capitalism is conceived as a period in which the civil society-state dichotomy⁶ no longer holds, as the entire social fabric is invested with capital's logic. Whereas previously the state engaged civil society as a site for the mediation of conflict (Hardt and Negri, 1994: 258), during the phase of real subsumption such mediations are no longer necessary. Capital *appears* to reproduce itself independently of labour; antagonisms *appear* to be absent; the structures of

formal power (state and capital) no longer seek to engage and mediate conflict, but to separate it: sources of conflict are forced to the margins of society and made invisible. "Not the state, but civil society has withered away" (Hardt and Negri, 1994: 259).

In the conception of post-civil capitalism, society is organized and regimented as a factory, so that apparently non-political and non-economic institutions become thoroughly invested with the logic of capital. The family, the school, the prison, the hospital - the disciplinary functions of each of these become generalized throughout the social space (Hardt and Negri, 1994: 260); power is decentralized only insofar as its influence is made general, permeating even those social spaces previously considered outside the domain of capital. This is precisely the reverse of the post-Marxist view which celebrates the flowering of civil society; and challenged, too, are post-Marxism's conclusions. Whereas it uses the notion of civil society to suggest a new, pluralist politics in which socialism merges with liberal democratic traditions (Laclau and Mouffe, 1985: 176), the theorists of post-civil capitalism conclude that such reformist politics have been made utopian precisely because there is no social space in which such a politics can exist (Hardt and Negri, 1994: 260).

The conclusion that state-led and social-democratic reform is an impossibility in the current era is by no means a sign of pessimism on the part of these thinkers. On the contrary, the analysis of post-civil capitalism is accompanied by an exploration of the "fluid, generalized [and] dispersed" ways

in which workers resist work and appropriation, and create places and situations of *self-valorization* (Surin, 1996: 196). Just as appropriation defines the myriad ways in which capital harnesses labour for its own development, *self-valorization* refers to those moments of working class initiative, in which workers create themselves as autonomous subjects, not only *against* but also *beyond* capital (Negri, 1991:162-3). It is, then, the antithesis of the relation capital. To carry the argument a step further, *communism*, as antithesis of the system capitalism, is the dynamic of workers' own self-valorization, their movement against and away from capital and their creation of autonomous zones in which the logic of capital ceases to function. Conceptualized in this way, communism is not an 'always-already deferred utopia', but rather an "always existing radical praxis that seeks to imagine the unimaginable" (Makdisi, Cesarino and Karl, 1996: 2). It is a *potential*, ever-threatening an alternative project, a social life in which work - as an imposed and exploitative relation - ceases to exist, replaced by the creative energies of autonomous and free people (Negri, 1991: 186). This, then, is where the distinction lies between a logic of capital and a logic of communism: it is in the promotion of or resistance to *value* as a measure of exploitation and as a means of extending the dominance of capital's relations of work and appropriation.

If capital and class refer to relationships and struggles, and if communism refers to an ever-present potential rather than an inevitable stage in history, then the notion that Marxist categories are inherently deterministic and universalist is

mistaken. As Ellen Meiksins Wood notes, the great strength of Marxian methodology is precisely its sensitivity to historical specificity (Meiksins Wood, 1995: 122). For Marx, social subjects and ideas, relations, and struggles are historical products which cannot be abstracted from their time and place. Rather than a pre-determined set of conclusions, class analysis is a method, a way to approach history's diversity in order to understand how social change emerges from the relations between antagonistic subjects (Negri, 1991: 11-13).

Given the above, - that capital is an imposed social relationship, and communism a potential, an ever-present dynamic - it becomes clear that history cannot be understood apart from dynamics of class struggle. Political upheavals, state transitions, economic restructurings and cultural reproductions are constructed and reconstructed in the context of class-based institutions and power struggles. And with regard to this paper, it is particularly important to explore how capitalist and communist dynamics relate to the notion of *crisis*. The crisis of capital, the crisis of socialism and Marxist theory, the Cuban crisis - these are themes that come up repeatedly in an examination of contemporary Cuba. But what exactly does it mean to recognize 'crisis' as the common element to each of these political moments?

As a social relation, capital must produce and reproduce the working class in order to maintain the accumulation process; without the working class there can be no capital, no accumulation, no economic growth. But at the same time, capital's inherently exploitative relationships constantly reproduce social

antagonism. Social history, then, is a history of capital's attempts to "emancipate itself" from its own class dynamics (Tronti, 1979 [1965]: 10). And the term 'crisis' refers to a moment of breakdown in capital's emancipation strategy. That is, when capital faces prolonged and effective resistance to the process of accumulation, and when its institutions are unable to develop a new strategy to re-ignite growth and reinforce political command - in such a moment, we can speak of a 'crisis' of capital: likewise a crisis of socialism, or a crisis of Cuban development, or even a crisis of Marxism. In each case, what is referred to is a profound inability to grow, a prolonged period of stagnation or decline in which autonomous action by working people prevents centres of power - whether ideological, political, economic or cultural - from effectively managing social relations.

If Marxian categories of capital and class are understood as discussed above, then we can begin to develop a class analysis which does not fall prey to the limitations of determinism and essentialism. And this, in turn, allows for an alternative to official Marxist-Leninism which does not abandon the class project. On the contrary, such a re-thinking of traditional categories allows class analysis to working class *autonomy*: the autonomy of workers from capital; the autonomy of workers from their official organizations (i.e. Party and union); and the autonomy of various sectors of the working class from one another. Together, these allow class analysis to come to grips with today's post-modern capitalism without abandoning the complete vision and radical standpoint found in Marx.

Thus where post-Marxism begins with the assumption that traditional Marxian categories are no longer applicable in 'late' or 'post-modern' capitalism (Laclau and Mouffe, 1985: 4), this thesis is informed by precisely the opposite perspective - namely, that Marxist categories and methods are *critical* to an analysis of contemporary struggles on both the national and global stages. As Peter Hitchcock notes, the many diverse and localized strategies of workers and capital today "*underline* rather than negate the necessity of global critiques" (Hitchcock, 1996: 72 [my italics]). Rather than abandon class analysis on the basis of the Soviet experience, taking at face value that particular (mis-)use of Marxist terminology (Castañeda, 1993; Laclau and Mouffe, 1985), the analysis offered here is situated within the growing attempt to re-think fundamental Marxian categories that have been sterilized by traditional statist readings. Recovering Marx from Marxism-Leninism is a pre-requisite for a Marxian critique of socialism, a critique which takes at its core the problems which arise when a workers' revolution is institutionalized in the state.

Notes to Chapter 1

¹ With regard to Marxism, Michael Lebowitz explains that this tendency is rooted in the fact that Marx himself never completed his work, particularly the planned book on wage labour. *Capital*, which most Marxists take as the starting point of their analysis, is, as Lebowitz suggests, one-sided, focusing as it does on the various ways capital valorizes, ignoring the action of the working class to resist capital and produce itself as active subject. See Lebowitz, 1992.

² One notable exception is Susan Eckstein, who sees Cuba's crisis as largely rooted in an internal struggle between the state and the working class. However, Eckstein's work is altogether outside of the Marxian tradition; recognizing absenteeism, slow-downs and other forms of resistance as manifestations of a working class struggle, she considers such resistance as problematic and points to market-driven reform as the solution to the crisis of accumulation.

³ One exception to this generalization is the critical work of Scott Cooper, who attacks the Cuban state for what he considers its capitulation to the demands of global capital. Nonetheless, Cooper's work retains the other two general assumptions of Cuba-watchers, namely that Cuba's crisis is the result of Soviet-bloc disintegration and the notion that previous development - 1959 - 1989 - was grounded in Marxian logic and represented a social system outside of and opposed to capital.

⁴ The notion that capital is a *relation* rather than a 'thing' or a specific form is present throughout Marx' writings. Profit, in a capital relation, is *surplus value*, i.e. unpaid labour-power extracted through the work process; similarly, the wage represents the value of labour-power, i.e. a measure of capital's ability to impose labour according to the worker's subsistence needs. In both cases, the apparent characteristics of capital are, in reality, merely forms for the expression of a particular social relation. See Marx, 1971, vol.3: 48, and Tronti, 1973: 102.

⁵ The notion that capital is not defined by the existence of the wage represents a rejection of orthodox Marxism, but it is not the place of this thesis to explore the question in detail. Suffice it to say, for the purposes of this thesis, that if capital is defined by exploitation of labour in pursuit of surplus - as Marx states - and if that dynamic continues to underlie the productive system, then patently "unfree" labour (ie. the prison labour common in countries as diverse as China and the U.S.) may play an important role in capital-based production. On another level, a number of feminist scholars have discussed the critical role of housework in capitalist production. Dallacosta and James, von Werlof and Mies are only some of the feminist theorists who have shown the limits of traditional conceptions of class, the wage, and exploitation. They have demonstrated the importance of re-thinking class analysis along gender lines in order to understand the full scope of capital's exploitation of labour, waged and unwaged, within the workplace and in the social-factory at large. This thesis will adopt this perspective, defining capital relations as those which are productive of capital, whatever their specific form; hence the refrain from a unilinear definition connecting capital solely to the wage. See Claudia von Werlof, 1984. "The Proletarian is Dead; Long Live the Housewife" in Smith, Wallerstein and Evers (eds.), *Households and the World Economy*. London: Sage Publications.

⁶ The conception of *civil society* used here has its origins in the work of Hegel. For him, civil society refers to that terrain where unofficial social and economic relations are rooted, and where social conflict is expressed and resolved. Hardt and Negri have this notion in mind when they speak of civil society during Bretton Woods as a site of active state mediation of conflict, and when they analyze contemporary society as post-civil.

Chapter Two

THE REVOLUTION - CLASS AND SOCIALISMS

Revolution and State

In 1959, the revolutionary July 26 Movement (M26)¹ entered Havana to claim state power. Led by Fidel Castro, the M26 was one of a number of rebel movements which had repeatedly attempted to overthrow the Cuban regime and its dictator, Fulgencio Batista. Throughout the years 1956-1958, Cuban politics had been marked by revolt after revolt, by groups ranging from university students (as was the case of Fidel Castro's attack on the Moncada Garrison) to high-ranking military officers. But while the frequency of attempted coups increased, the level of political violence in this period was not significantly different than it had been during the previous three decades. What did change in 1958 was that official working class institutions and many major economic interests perceived a greater threat from political instability than from revolution. Batista's continued rule and the associated repression and rebellion were disastrous for capital accumulation, as more and more economic activity (sugar plantations, in particular) fell under rebel control. Further, until 1958 Cuban workers had enjoyed relatively high wages, and had tended to ignore rebel pleas for general strikes and other support. It was only after November of that year, as wages deteriorated dramatically, that significant numbers of Cuban workers began to offer their support to armed rebellion. A general strike called by Castro in early 1959 (to demonstrate his popular legitimacy in the face of counter-attack

by conservative forces) won wide support, and allowed his July 26 Movement to take definitive control of the state machinery (Domínguez, 1979: 121-2 and 128-9).

Upon taking state power, the M26 set itself to addressing what it considered the problems at the root of the revolution: dependency upon the United States and upon the sugar economy, the marginalization of the country's workers, and the disenfranchisement of the rural population. The *Instituto Nacional de la Reforma Agraria* (INRA) was founded within a matter of months, charged with overseeing the process of land reform in rural Cuba. Minimum land allotments were established to ensure subsistence farmers an adequate basis for producing their needs; at the same time, a maximum limit on land-holdings was imposed upon wealthy planters and corporate interests, with the INRA organizing cooperative production on expropriated lands. Within two years, nearly 11 million acres, 44% of the island's total farmland, had been affected in some way by the Agrarian Reform (del Aguila, 1994: 48)².

To address the issue of Cuba's neocolonial status, the revolutionary state sought alternative trading partners to the U.S., particularly in key commodities such as sugar (exports) and oil (imports). In the agriculture sector, the Revolution initially sought to diversify production in order to establish self-sufficiency and to reduce the country's dependence on sugar, as well as to foster industrial expansion. Natural and human resources were diverted from sugar to other areas, but with diversification sugar production plummeted (from

6.8 million tons in 1961 to 3.8 million tons in 1963), and the state was unable to generate the revenue necessary to finance expansion in other spheres (Pérez-López, 1991a: 12). The sugar industry was perceived as both the problem *and* the means of transition, but the land- and labour-intensive nature of the sugar economy made it impossible to maintain sugar income when the state shifted significant resources to other sectors. By 1963, the focus was shifted back to sugar in response to the country's pressing need for foreign exchange as a result of the imposition of the U.S. trade embargo. The new goal was to use sugar revenues to finance an import-substitution industrialization strategy, not unlike those that were being applied elsewhere in Latin America.

The 'Push for Communism': Ché Guevara and the moral revolution ³

The strategy of the mid-1960's has been coined Cuba's 'Push for Communism' (Eckstein, 1994: 33). The complex of policies associated with this period involve a strategy of export-orientation in the sugar trade and intensification of capital accumulation, accompanied by a domestic plan designed to deconstruct the basic relations of capital in favour of collectivist and patently 'communist' social relations. Thus the 'Push' represents a strategy which highlights precisely the contradictions of institutionalizing the popular revolution. It is worth exploring both sides of the process - one focused achieving and expanding capital, the other concerned with moving *beyond* capital - as their relationship reveals a dilemma which continues to dominate official discourse today.

In terms of overcoming capital's social relations, the 'Push for Communism' focused on the construction of a communist ethos in explicit opposition to the experience and example of the Soviet state. Under the leadership of Ernesto 'Ché' Guevara, the Cuban Communist Party⁴ produced an analysis of Soviet socialism which criticized the Soviet reliance on material incentives, money relations, and bureaucracy as symptomatic of a capitalist logic⁵ (Guevara, 1988; Bernardo, 1971: 8-9).

Guevara's critique of the Soviet system held that socialism could not be considered strictly an economic project if capital as alienated labour was to be overcome; equally crucial was the transformation of human relations and the growth of 'the new man' of socialism. Guevarism, then, sought a model of accumulation based not on traditional capitalist methods, but rather on the development of a communist morality which stressed physical sacrifice and voluntary work. For socialism to provide an alternative, its approach to accumulation would have to be grounded in non-coercive labour, moral rather than material incentives, and active popular participation in the project of state-building. With this in mind, Guevara proposed a Cuban alternative to Soviet-style socialism, emphasizing three main components: the campaign against bureaucracy, an emphasis on voluntary, collective work, and the social wage.

The 'Push for Communism' defined bureaucracy not as neutral administration, but "on the basis of its relations with the capitalist class and its participation in the government of that class" (Cuban Communist Party, in

Bonachea and Valdés, 1972: 180). Because its result always led to the further entrenchment of alienation, bureaucracy represented, under socialism as much as under capitalism, the separation of workers from economic and political power - what Guevara considered no less than an abandonment of the revolutionary project. As a means of combating the rise of bureaucracy, Cuba concentrated enormous efforts upon the creation of mass organizations: the Vanguard Peasants Movement and Vanguard Workers Movement, the Federation of Cuban Women, the Committees in Defense of the Revolution. These and other organizations were created to mobilize mass support for the socialist project, to prevent the rise to power of a bureaucratic managerial class, and to propagate the ethic of the volunteer worker, the self-sacrificing revolutionary, the 'new man' of socialism.

A second key component of the 'Push for Communism' was the exhortation to workers to volunteer their labour for the construction of socialism. Mass labour mobilizations were organized, chiefly in the construction and sugar sectors, with a dual purpose. On the one hand, the *microbrigadas* allowed the state to develop the island's infrastructure and increase output at little cost; equally important, however, was the political content of voluntarism as a means of instilling 'revolutionary consciousness' among workers. Voluntary work was held up as a model of socialist production, in which moral rather than material incentives would inspire workers to labour⁶. In contrast to capitalist work relations, voluntarism was said to entail non-exploitative work, i.e.. labour that

was not imposed, but was offered by the worker as a gift to her community and to the Revolution's development objectives.

The third key aspect of the Cuban strategy during the 'Push' years was represented by the social wage, the chief means by which the CCP sought to overcome capitalist social relations. In his *Socialism and Man in Cuba*, Guevara had attacked the strategy (associated with the Soviet Union) of using capitalist mechanisms in the construction of socialism. Material incentives to labour, wages in general and differential wages in particular, and the very existence of money, he argued, were fundamentally instruments of *capital*, and could not be abstracted from capitalist social relations (Guevara, 1988: 4-5). As such mechanisms were incompatible with an anti-capitalist project, Guevarism focused on the creation of alternative instruments - collectively a *social wage* - which together were designed to limit the role of *value* under Cuban socialism. The provision of free health care and education, the subsidization of basic goods, the stipulation that employment and income were guaranteed independently of one another - such distributive policies were designed to separate wages from work, and, in conjunction with voluntary labor, to construct an alternative and *socialist* basis for production and consumption.

As indicated by the centrality of the social wage, Guevarism was a strategy rooted in an egalitarian approach to distribution, and as such it was highly successful. The state's literacy campaign sent thousands of teachers throughout the island, reducing illiteracy to four per cent by 1961, and virtually eliminating it

shortly thereafter. Further, by 1968 the number of elementary schools had doubled, and the number of secondary schools jumped from 184 to 434 (del Aguila, 1994: 77). The number of teachers rose as well, from under 20,000 in 1958 to nearly 60,000 a decade later. Similar gains were achieved in health care, as doctors were trained in massive numbers and dispersed to all corners of the island. Life expectancy rose from fifty-five years in 1950 to over seventy years by 1970, as Cuban health statistics improved to rival, and in many cases to surpass, those of so-called developed countries (del Aguila, 1994: 80). A central factor in the improvement of health care in Cuba was the Revolution's food distribution system, which was extremely effective in overcoming the intense poverty which had characterized much of Cuba before 1959. Malnutrition was eliminated during the 'Push' years; rationing of basic goods ensured that food, clothing and basic necessities were equally distributed, and a law was enacted to limit rent payments to ten percent of income, in those situations where it was collected at all. Even cultural events were provided free of charge, and telephone and bus fees dropped (Edelstein, 1985: 182). The sum of such policies was a highly egalitarian distribution strategy which largely accomplished Guevarism's aim: the social wage severed the link between labour and income, eliminating the pressure of subsistence as a source of work discipline.

But the social wage was not without its problems. For one thing, while Guevarism was committed to the transcendence of money relations by a proliferation of free services, these were not uniformly distributed. Identities of

race and ethnicity continued to serve as bases for economic planners to force popular integration with the goals of the state; areas considered 'marginal' to the Revolution - in particular, *barrios* with predominantly Afro-Cuban populations - were often overlooked for provision of services such as housing and health care (McGarrity, 1992: 197-8). What is more, when evidence surfaced that crime and dissatisfaction were more predominant in marginalized communities, this was addressed not as a structural failure of the Revolution, but as the result of character flaws common among black Cubans (Ibid., 198). Official discourse held that institutional racism had been overcome with the triumph of socialism, and thus any continued marginalization of Afro-Cuban communities was rooted in the people's unwillingness to seek greater integration.

Furthermore, even where the policies of the 'Push' did serve to break the labour-subsistence relation, this by no means implied an end to either coerced labour or to exploitation. Quite to the contrary, the years of the 'Push' represent the peak of anti-worker legislation, and many of its policies, while officially designed to transcend capital relations, actually went a long way toward *re-institutionalizing capital* within the revolutionary state. Workers' incorporation, for example, was dictated from above, as Party-based unions and political organizations replaced autonomous workers' movements. The state criminalized autonomous land takeovers by poor peasants, dissolved independent unions and banned the right to strike (Bengelsdorf, 1994: 94; Eckstein, 1994: 35), all of

which served to undermine independent political action and to enforce as *law* the worker-state 'alliance'.

As workers' own organizations were dismantled, legal redress for workers' grievances declined throughout the 'Push' years. The number of appeals heard by labour commissions fell by fifty percent between 1967 and 1969, while workers' disenchantment increased considerably, as evidenced by rising rates of absenteeism and falling productivity (Domínguez, 1979: 274-5). But official doctrine held that during a transition to socialism the interests of state and worker were one and the same (Pérez-Stable, 1985: 296) and therefore it was deemed to be the role of workers' organizations to shift from the defense of workers' interests to the organization of workers in pursuit of efficient production.

As described by then- Minister of Labour Jorge Risquet,

It is no longer the case of representing work sectors or groups of workers in the struggle for economic gains. We are now involved in a decisive battle against underdevelopment. It is now the task of the workers' movement, therefore, to mobilize its forces for such a battle, to contribute to the fullest realization of manpower, to struggle for the observance of work discipline (Bengelsdorf, 1994: 94)..

As a means of imposing such work discipline, 1969 saw the creation of an identity card system for labour. The cards allowed the state to keep files on individual workers, listing both merits, earned by freely donated overtime labour, voluntary work and Party activity, and demerits, such as absenteeism, low productivity and disobedience (Eckstein, 1994: 36).

Despite the state's claim to embody a unity of interests with those of the labour movement, Cuba's workers resisted the imposition of socialist labour

discipline. In the rural sector, many workers attempted to gain title to land as peasant farmers as a means of increasing their autonomy. According to Brian Pollitt, the first years of the Revolution reveal a pattern of peasantization, in which significant numbers of agricultural labourers sought to gain individual land title rather than work on state farms (Pollitt, 1982: 16). In the urban environment, workers exhibited a similar resistance to work, though by different methods. Slow-downs and absenteeism were used to resist the state's appropriation of surplus value, while black market trading was used to overcome the imposition of austerity via the ration-book. In 1968, between 25 and 50 percent of labour time was considered by the state to have been 'wasted', and levels of daily absenteeism often reached 20 to 29 percent (Eckstein, 1994: 40). By 1970 absenteeism had reached the point at which the State considered it tantamount to a strike, as 52 percent of agricultural workers in Oriente province (the backbone of the Revolution) stayed home (Domínguez, 1979: 275).

Just as the state's attempts to incorporate workers subsumed autonomous class organization, so too did the practical application of voluntarism serve to reinforce rather than undermine capital relations. Considered in light of anti-labour policies, enforced production norms and the lack of an effective recourse to grievance, voluntarism was emptied of its content as a model of non-exploitative, collective work. If voluntary labour were to be a mechanism for meeting human needs without the imposition of labour, and outside of the capital relation, then it would clearly need to stand in opposition to traditional labour systems. In Cuba,

however, this was far from the case, as voluntarism operated only above and beyond the normal work schedule, which was imposed by the state. In effect, then, voluntarism functioned as a source of ideological pressure, emanating from both state and union, to work for free not *instead* of waged work, but *over and above other labour*. When combined with anti-loafing laws and other mechanisms to enforce labour for the state, the voluntarism project actually served to reinforce the state's conventional accumulation process and the system of imposed and alienated work which characterized it.

The complex of labour policies associated with the 'Push' stand in stark contrast to the theoretical tenets of Guevarism. Ché had insisted that a Marxism of egalitarian distribution funded by economic growth remained within the bounds of capital. He and the Communist Party had attacked the notion of scarcity as fundamental to capitalist logic. They had demanded a revolution focused not merely on distribution, but on overcoming social relationships of work and alienation, for "if communism isn't interested in this too, it may be a method of distributing goods, but it will never be a revolutionary way of life" (Guevara, quoted in Bengelsdorf, 1994: 91). But as accumulation strategy and as state policy, the 'Push for Communism' employed a pattern of labour legislation which was designed to incorporate Cuban workers into the state, to define state interests as synonymous with those of workers, and to undermine workers' efforts at autonomous organization and struggle. In short, though its strategies differed sharply from those of the Soviet bloc, the basic aim of Cuban

socialism remained state construction and state-led accumulation, and the dynamics which underlay the 'Push' remained those of capital: imposition of unpaid labour (both as voluntary work and via the wage), appropriation of surplus value by the state, and unilateral determination of how that value should be re-invested to generate further accumulation.

While the state sought to incorporate workers into itself, it also pursued during the early years a massive centralization of the means of production, and thus by 1963 was able to organize the economy around a national plan for accumulation. On the basis of this centralized plan, the state shifted priority *back* to sugar, *back* to the pursuit of comparative advantage (Mesa-Lago, 1981: 12-23). Increased national income became the primary goal, to be achieved by centralization of the means of production, adherence to planned development strategy, and increased production of sugar for the Soviet-bloc market.

Agreements with the Soviet Union and other COMECON⁷ member countries had, since 1961, made the socialist bloc by far the largest purchaser of Cuban sugar, both on barter terms (i.e. sugar for oil) and at preferential prices well above global market rates (Pérez-López, 1991a: 125-127). The combined effect of these developments was that Cuba's trade dependency was transferred from the U.S. to the Soviet Union⁸; whereas the pre-Revolutionary period saw the Cuban sugar trade dominated by U.S. interests, already by 1961 the socialist bloc accounted for 75 percent of sugar purchases, and the U.S. blockade had eliminated that country as a factor (Ibid., 128-9). The structure of trade within the

Soviet bloc allowed Cuba to receive preferential prices for its sugar exports, a factor which had important consequences for the state's attitude toward sugar. In the first place, the prices paid by the Soviets effectively subsidized Cuban social development, and thus offered Cuba an economic incentive to maintain sugar as primary export. Domestically, the island was able to organize production around its traditional export crop without having to face the uncertainty associated with the open market. Further, the processing phases of sugar production could be planned as sites for expansion of industry, particularly with regard to the by-products of cane production and subsidiary industries (Brunner, 1977: 37). For all of these reasons, Cuba's development as a sugar-based economy was reaffirmed by its position within the Soviet family, and thus the two faces of dependency - dependency on monoculture and dependency on a single dominant purchaser - were both re-created in the post-Revolutionary environment.

Cuba's development strategy during the 'Push' years was organized around the *Prospective Sugar Plan*, designed to raise annual sugar yields to ten million tons by 1970 - an enormous increase over the previous record of 7.3 million tons, set during the *zafra* (harvest) of 1952 (Mesa-Lago, 1981: 58-9). The *Prospective Sugar Plan* sought to increase the land devoted to cane production and to mechanize harvesting; mechanization became a central requirement of state strategy as mobilization of labour and enforcement of worker discipline and productivity posed increasing problems. But the mechanization strategy failed to

ignite growth, as each *zafra* between 1965 and 1970 fell short of target. The 1970 crop, intended to provide the revenues for industrialization, fell short by 1.5 million tons, and jeopardized growth in other productive spheres in the process as virtually all labour and resources had been mobilized for the harvest (Pérez-López, 1991a: 13).

The *Prospective Sugar Plan* failed to generate the results the Cuban state required; despite the transfer of labour from other sectors, the massive mobilization of volunteers and the dedication of virtually the entire machinery of state to the harvest, the *zafra* of 1970 fell significantly below target. And the state, including Castro, was more than clear about the reason: productivity of labour. Throughout the economy, workers mobilized for the 1970 *zafra* refused to see the state's interest in accumulation as their own; indeed, in the industrial branch of sugar production, employment increased by 38 percent between 1958 and 1970, with practically no increase in output (Mesa-Lago, 1981: 132). Over the next months, as the state sought a new growth strategy, Castro noted repeatedly that workers - or at least those he characterized as "loafers and vagrants" (Castro, 1970: 43) had not internalized the state's interest as their own.

What is this bottomless pit that swallows up this country's resources... the country's wealth, the material goods that we need so badly? It's nothing but inefficiency, nonproductivity, and low productivity...Everybody,...practically every work center, is guilty of the same crime (Castro quoted in Mesa-Lago, 1981: 132-3).

From Development to Crisis: Cuba's 'retreat' to socialism

The failure of the ten million ton harvest shed a spotlight on the Cuban revolutionary dilemma: while the 'Push' years were characterized by the promotion of a profoundly anti-capital theoretical stance, the 1970 *zafra* campaign revealed accumulation as the most pressing goal of the state. In distributive terms, much of the Guevarist vision had been achieved, but the strategy had failed as a means of motivating workers to embrace the interests of accumulation as their own. Workers had been incorporated into the state, the systems of production and distribution had been collectivized into state hands, and radically re-shaped. But the imposition of work remained the definitive factor in the country's economic development, and the failure of the 1970 *zafra* demonstrated the inability of the state to mobilize the labour it required and to efficiently manage workers in the pursuit of accumulation. Where the old regime had failed to break worker resistance through repression, the Revolution had failed in its attempts at incorporation. The Cuban experiment had ended in defeat. Recognizing the contradiction between state and revolution, between Marxian theory and the capital accumulation inherent in state-led socialist development, Cuba abandoned the theory and ideology of the Push and embraced a model of socialism explicitly rooted in the Soviet example.

The 'Push for Communism' was officially abandoned on July 26, 1970, as Castro announced both the failure of the ten million ton experiment and the shift in state strategy - what has been termed 'the Retreat to Socialism' (Eckstein,

1994: 41). The 'Retreat' has often been represented as the *Sovietization* of Cuba; and while there are a number of problems with this conceptualization, it also contains some important insights. With the 'Retreat' Cuba was integrated more formally into the Soviet bloc, through such developments as its membership in COMECON, for example. Further, in the same period the Guevarist critique of Soviet socialism was dropped, along with the policies associated with it. The new ideological line involved the propagation of transition theory, and was accompanied by the very market mechanisms the 'Push' intended to avoid.

The "Retreat to Socialism", as Cuba's model of accumulation for the 1970s and 1980s has been called, involved the creation of an entirely new set of priorities. In place of the centralization and fierce egalitarianism of the Push years, the new line declared that communism was an economic project which required extensive economic growth, and that such a project demanded the utilization of capitalist methods and capitalist relations. The 'Push' strategy of the previous decade came under increasing attack as having been too lenient, too classless - in short, too 'communist'. Managers of state enterprises were disciplined for allowing workers too much autonomy and too many opportunities for self-valorization, or self appropriation of surplus value. Fidel Castro himself argued that the classless society was, as Susan Eckstein notes, "a problem, not a solution, created by socialism" (Eckstein, 1994: 56). The state organized *mercados libres campesinos*, or farmers' markets, in which the peasantry could

sell surplus produce on the open market and urban workers could purchase foodstuffs above and beyond the austere rations of the *libreta*. A similar project was undertaken at the state level, as public enterprises were given a new model to follow; the *Sistema de Dirección y Planificación de la Economía* (SDPE) sought to imbue the business of state with a more 'rational' capitalist ethos (Zimbalist, 1991: 10), one which increased enterprise autonomy and allowed for profit to become the primary concern of state business.

. Like the SDPE, many of the policies associated with the 'Retreat to Socialism' contained an acceptance of the role capital played in state socialism. Of particular note in this regard is the degree to which the state acknowledged the continued antagonism of the working class. The 'Push' strategy had effectively been de-railed by worker resistance to the state's production demands and the loss of their autonomy. As a result, post-1970 Cuba saw a number of reforms designed to increase worker participation, raise wages, and lessen the destabilizing effects of class struggle. Union elections were held in the fall of 1970, resulting in the replacement of some 75 percent of leaders, mostly by rank and file workers (Domínguez, 1979: 272; Pérez-Stable, 1985: 292). New locals were also established, a total of 26,000 in 40,000 state enterprises, and in each workplace workers won representation on management decision-making boards (Eckstein, 1994: 42; Pérez-Stable, 1985: 292-3). The Trade Union Congress of 1973 paved the way for further reforms in response to worker dissatisfaction with the combination of over-work and austerity that had

been imposed during the 1960s. Production quotas were introduced, income was linked to productivity, pay for overtime was introduced, and more housing and consumer goods were made available (Eckstein, 1994: 43; Zimbalist, 1985: 219-20).

In a further attempt to respond to autonomous popular mobilization, the 'Retreat to Socialism' embraced as a major policy objective the incorporation of women into the Revolution, and into the workforce. Such effort served to limit the influence of feminism, which was emerging as an antagonistic force, and to provide the state with a pool of reserve labour which could be moved in and out of direct production as necessary. The 1975 Family Code, which established increased day-care opportunities and stressed the importance of gender equality in both waged labour and unwaged, domestic work, brought much-needed benefits to Cuban women. It was, however, also a method used by the State to manipulate employment levels in the quest to enhance the accumulation process. During the first decade of the Revolution, the rate of women's participation in the waged workforce increased only slightly, from 14.2 percent in 1956 to 15.6 percent in 1970 (Padula and Smith, 1985: 83). But in the mid-1970s, as the country's economic growth rate rose and the state faced a labour shortage, the Family Code was promulgated and women were exhorted to join the paid workforce - what Castro termed "the revolution within the Revolution" - as a means toward liberation from second-class status (Eckstein, 1994: 48; Rosenthal, 1992: 162-3). Women's participation in the formal economy

expanded dramatically, reaching 31 percent of the waged labour force by 1980. (The majority of women workers, however, entered sex-segregated job categories. Paralleling the traditional barriers to women's participation in many sectors, some jobs were 'reserved' for women and still others - approximately three hundred in 1974 - were legally bound to hire only men [Rosenthal, 1992: 162-5]). As Cuba's growth-rate slowed and unemployment began to rise, however, the state cut back on expenditures for services designed to assist women workers, such as day-care. The government stated openly that incorporation of women into the paid workforce could not continue without a corresponding economic expansion, and thus employment priority would revert to men (Eckstein, 1994: 49; Padula and Smith, 1985: 88). Women's incorporation had been a top priority only in times of labour shortage; when such conditions had passed, concerns for gender equality took a back seat in both official discourse and policy-making.

Despite its many limitations, the 'revolution within the Revolution' did indeed allow Cuban women the opportunity to make dramatic gains. Though women by and large faced the double burden of labour at home and in the workplace the combination of Cuba's vast social infrastructure with extensive state responsibility in everything from daycare to the provision of workplace lunches shifted some important reproductive and subsistence roles onto the shoulders of the state. Nonetheless, the state's attempt to use women as a flexible reserve labour army meant that, in the long run, the amount and scope of women's work

was not reduced but altered and (very often) increased. The state took over some of the basic roles in the production and reproduction of labour-power, not in order to lessen the exploitation of women, but to increase women's flexibility to labour both in the home and in the factory.

During the 'Retreat' years, the state acknowledged for the first time that its exploitation of labour by appeal to revolutionary morality was destabilizing the accumulation process, and as a result Cuban workers had been able to enjoy only limited gains. But while the 'Retreat to Socialism' engaged working class demands as a motor for development and opened the door to a degree of lawful worker resistance, another set of policies was imposed to ensure that ultimate control remained in state hands, and that productivity would be maximized. Of particular note in this regard are the 1971 anti-loafing laws, which made it illegal for men between 17 and 60 years old to be unemployed (Domínguez, 1979: 184). Promulgation of this law alone forced more than 100,000 to sign up to labour for the state (Ibid.) In addition, the state stepped up its campaign against absenteeism, and began to chip away at the social wage, reintroducing the pressure of subsistence as a means of imposing work discipline. Wage reforms increased the income discrepancy between manual and 'intellectual' labour; laws were effected to deprive workers found guilty of absenteeism or loafing of their social benefits, and even to establish forced labour camps for chronic work-resisters (Zimbalist, 1989: 70). In addition, the right to hire and fire was introduced in a number of industries, as was limited use of piece-work, and

management was granted the right to retain a portion of profits as an incentive to tighten discipline and increase productivity (Eckstein, 1994: 44-5). In line with these reforms, the Cuban state stepped up its rhetorical emphasis on social inclusion and the unity of all interests. Raúl Castro stressed the need for Party leadership at all times, arguing that the working class "cannot exercise its own dictatorship since...it is marked by flaws and vices from the past" (in Pérez-Stable, 1985: 293). In short, the 'Push for Communism', which had emphasized moral suasion, had been replaced by an economic strategy more closely resembling the post World War II Keynesian productivity deal.

While the 'Push for Communism' denied that its strategies bore any relationship to capital (despite policy-making to the contrary), the 'Retreat to Socialism' embraced a strategy in which the Cuban state, like the Soviet Union before it, came increasingly to acknowledge its structural commonalities with capitalism, and to build institutions that reflected them. Furthermore, the Cuban state's struggles with workers continued throughout the 1970s and 1980s. Absenteeism and slow-downs continued; in some cases, workers stayed away from state-run work or left early in order to work part-time for private farmers (Mesa-Lago, 1981: 135), a strategy which allowed them to increase their income without devoting extra time to labour.

Cuban policy after the debacle of 1970 focused upon fulfillment of the country's 'comparative advantage' within COMECON. Soviet assistance poured into the sugar economy, providing extensive mechanization which would

increase relative surplus value and overcome the problem of insufficient labour productivity. The size of the agricultural labour force occupied in sugar production fell dramatically, as workers were transferred to industrial enterprises both inside and outside the sugar sector. Mechanization of agriculture allowed the state to maintain high sugar production yields and to fulfill its role as sugar producer for COMECON while maintaining and expanding production in other spheres; whereas loading and cutting of sugarcane were performed entirely by hand in 1962, twenty years later these were done largely by machine, and the loading phase was 98 percent mechanized (Pérez-López, 1991a: 68). The strategy produced a stable rate of economic growth throughout the 1970s, but as the crisis of the world system worsened in the first half of the 1980s, the Cuban sugar economy was unable to meet its production targets. Mechanization had initially brought about substantial increases in worker productivity relative to wages, but throughout the 1980s, agricultural workers achieved steady pay increases while effectively resisting state attempts to boost productivity through work discipline. Annual productivity per worker fell from 2286 *pesos* in 1981 to only 1770 *pesos* in 1989, while wages rose by over ten percent (*Anuario Estadístico de Cuba*, in *Cuba News*, vol.3, No.1 [1995]). The country was actually forced to purchase sugar on the world market and re-export it to the Soviet bloc in order to meet its COMECON responsibilities (Pérez-López, 1991a: 15).

The 'Retreat' did, however, have its successes, as far as accumulation was concerned. Economic growth expanded substantially during the mid-1970s, averaging 5.7 percent annually from 1970 to 1985. After that, however, it contracted dramatically, falling to *negative* 1.6 percent per year during the period 1985-88 (Comité Estatal de Estadísticas, 1989: 103). As the economy worsened, the state found itself unable to substantially reduce the social wage while maintaining political order. The country's debt skyrocketed as a result, from US\$291 million in 1970 to US\$4.5 billion a decade later (Eckstein, 1994: 222). As the capitalist world economy entered severe crisis, so too did Cuban socialism, with the state scrambling for a new strategy which could re-ignite growth without jeopardizing the political stability of the Revolution.

Notes to Chapter 2

¹ The July 26 Movement took its name from an earlier uprising staged by Castro and student allies in 1953. On July 26 of that year a group of 150 people, led by Castro, attacked the Moncada military barracks in Santiago de Cuba. The assault failed, and the vast majority of participants were either killed or, like Castro, captured. Castro's speech in his own defense, which has been published as *History Will Absolve Me*, was a damning condemnation of existing social conditions in Cuba, and provided a blueprint for his early conceptions of revolutionary purpose. Castro and others were released by a 1955 amnesty ruling. He went into exile and returned in 1956 to inaugurate a second, and ultimately successful, rebellion.

² Despite the land reform, the emergent socialist state faced growing revolt by small farmers, particularly in western provinces such as Matanzas. Castro had based his revolutionary struggle and planned the Agrarian Reform on the basis of his experience in the Sierra Maestra, where a few wealthy peasants employed a massive number of agricultural workers. In Matanzas, in contrast, many small peasant farms remained, and rather than perceiving themselves as receiving substantial benefits from the Agrarian Reform, much of this population viewed the new state as a threat. A 1962-3 revolt by small farmers in the region forced the government to inaugurate a second Agrarian Reform, in which smaller but well-to-do peasants were compensated for any land confiscated, and the state opened lines of communication between its organs of power and traditional peasant interests. The Matanzas revolt is the only instance in which the Cuban revolutionary state has acknowledged the existence of a legitimate, indigenous rebellion against the Revolution (Domínguez, 1979: 441-5).

³ The theoretical roots of the 'Push for Communism' lie principally in the work of Ché Guevara. Nonetheless, the 'Push' years actually more closely correspond to the years 1966-70, after Guevara had left his government position in Cuba to engage in revolutionary struggle elsewhere.

⁴ The Cuban Communist Party was formed several years into the Revolution by a merger of the July 26 Movement with the country's socialist and communist parties, which had played little role in the revolutionary struggle. I use the term CCP for the remainder of this thesis, without offering a description of the official formation of the Party, an historical inquiry which lies beyond the scope of this work.

⁵ The Soviet Union, at the time, was attempting to 'rationalize' its economic strategy along lines proposed by Evsei Liberman. In a 1962 *Pravda* article, Liberman proposed the use of market mechanisms such as supply and demand, unequal wages, and bonuses as a means of increasing worker efficiency and stabilizing economic growth. See Esvai Liberman, "Plan, Profit, Premium" in *Pravda*, Sept. 9, 1962.

⁶ The theory of voluntary work was not an original idea of Ché's, but had its roots in the early years of the U.S.S.R., in the "Communist Saturdays" of the civil war era and the Stalinist phenomenon known as *Stakhanovism*, in which workers were exhorted to labour extra hours for little or no pay, as a contribution to the greater good, ie. socialist economic growth.

⁷ Council of Mutual Economic Assistance; economic union of Soviet-bloc countries. Cuba did not become a member until 1972.

⁸ Despite the continuation of a dependent trade structure, there are significant differences between Cuba's dependency on the U.S. and that on the Soviet bloc. As Tsokhas notes, dependency in the latter was not characterized by foreign ownership or the transfer of control

over capital, but rather "through the extraction of 'economic benefits through a division of labour'" which allowed the Soviet Union significant influence in Cuban policy-making (cited in Ruffin, 1990: 137).

Chapter Three

RESTRUCTURING SOCIALISM

Crisis and Rectification

In response to the crisis of the 1980s, the Cuban state sought dramatic new strategies to re-ignite the accumulation process, and instituted a massive restructuring campaign to carry the country into the next decade. *The Campaign to Rectify Errors and Negative Tendencies*, or rectification process (RP), announced by Castro in December of 1986 (Castro, 1987), involved a complex of policies taken from both the 'Push' and the 'Retreat' periods, designed to maintain order on the island in the face of the crisis confronting the world economy, and the socialist bloc in particular.

With rectification, the state sought to re-ignite growth through austerity, in much the same way as the capitalist world opted for neo-liberalism. Equally important to Cuba, however, was a political strategy which would reinforce the Party's role as the country's central authority, in order to avoid the popular groundswell that was emerging in the Soviet bloc. The RP involved, principally, the imposition of economic austerity in order to refuel accumulation, to be effected by a return to the values and rhetoric of the 1960's 'Push for Communism'. Castro argued that the 'Retreat' years had imposed upon Cuba the foreign socialism of the USSR, and that Cuba had, as a consequence, lost sight of its own revolutionary principles: moral incentives, economic sacrifice, discipline and unity. And like the 'Push for Communism', the RP relied upon the

moral authority of Ché Guevara, which had been downplayed during the 'Retreat'. As Cuba's most important martyr, Ché represented the ideals of the Cuban Revolution, and all that had been abandoned during the peak of Soviet influence (Castro, 1988: 22-3; Eckstein, 1994: 62).

Like its predecessors, the RP was directed principally at managing Cuban workers, and was comprised of two distinct but closely related sets of policies. The first addressed itself directly to production, and called for austerity measures (such as reductions in ration distribution and cuts to social programs) to be combined with increased workplace discipline and pay cuts. The second set of policies responded to conflicts between the people and the state, by increasing centralization of decision-making and reducing tolerance for criticism and debate. Crucial to the state's accumulation project, these political reforms were designed to prevent autonomous organization of workers in opposition to the new austerity measures; indeed, Castro was quite explicit in this regard, taking the Soviet bloc as evidence that austerity could not be imposed in an open political climate without endangering the survival of the state (Petras and Morley, 1992: 16 and 24).

Revolutionary discourse played a critical role in the RP, not only by providing justifications for austerity, but also as a means of mobilizing active popular support for centralization. A key factor in this regard was Castro's identification of lower level functionaries and bureaucrats as the force responsible for economic crisis¹. This middle strata, it was argued, had allowed

the state to overspend and had caused inefficiency to run rampant, which led the country into crisis and jeopardized the socialist project. In response, traditional state agencies, such as JUCEPLAN (the Central Planning Board), were increasingly administered by the top echelons of the Party, allowing Castro and government ministers to assert direct control over the scope and pace of the restructuring process (Roca, 1992: 109).

By assigning blame to the middle strata, Castro sought to forge an alliance with the country's workers, harnessing their discontent to the state's strategy for increased control. The middle sector was a clear target. Workers identified this managerial group with the state, as the strata which had imposed work discipline and order for decades; and the state saw in these managers a significant power base articulating demands for market-oriented and political reform (Petras and Morley, 1992: 15; Mesa-Lago, 1990: 88). Thus, by attacking this stratum, Castro was able to eliminate potential political enemies while drawing Cuban workers into the battle on his side, arguing that he and the working class had been betrayed by 'capitalist hucksters' (Petras and Morley, 1992: 16-7; Eckstein, 1994: 61).

While identifying professionals and middle management as the common enemy of state and worker, Castro initiated a series of policies aimed at cutting social and individual wages, limiting workers' participation, and enforcing profit-maximization as the supreme revolutionary principle (Petras and Morley, 1992: 21). Voluntary labour was once again stressed, as it had been during the 'Push'

years, as the government organized *minibrigadas* to carry out a variety of work programs. Unable to rely upon a communist work ethic to recruit volunteers, however, the state exploited workers' material needs (Azicri, 1992: 43-4); as austerity set in throughout the country, the *minibrigadas* offered ample food and other necessities. (As part of the RP, farmers markets had been shut down, which largely limited subsistence to what was included in the ration-book.) What is more, while the early 1980s system of wage bonuses and other material incentives was cut back, the brigades retained such benefits, on individual, collective, and piece-work bases². National labour laws, considered by Castro and others to be too protective of workers' rights, were declared inapplicable to projects involving brigade and volunteer contingents, allowing the state to extract a maximum of work for a minimum of pay, as *brigadistas* frequently laboured twice as many hours as on their regular jobs (Eckstein, 1994: 63 and 66).

While the brigade/contingent system offered improved access to subsistence in return for extra hours and labour performed outside the protection of national legislation, the state moved to undermine workers' gains in the regular economy. The state argued that workers had manipulated work rules to their own advantage at the expense of the state (which indeed they had) and characterized these and other signs of class mobilization and struggle as signals of a 'creeping capitalism', anti-productive and completely at odds with the socialist ethos. Factories and other workplaces were inspected for 'overpayment'; in Granma province, thousands of workers were forced to take

pay-cuts, as the state argued that its legislation had been 'misunderstood' and 'abused' (Eckstein, 1994: 65). Work was deemed a revolutionary duty, austerity a socialist virtue, and any struggle which challenged either was deemed patently counter-revolutionary (Castro, 1988: 23-4; Eckstein, 1990: 77; Liss, 1994: 155).

As work was elevated to the status of supreme duty, in the name of Revolution and country, the labour rights Cuban workers had won through the Revolution began to erode rapidly. Full employment, long an official reality, came to an end as the state began to cut jobs - over 20,000 in 1988 alone - in order to save money and rationalize the labour market. The national unemployment rate rose to six percent as down-sizing became the duty of 'responsible' enterprises (Eckstein, 1994: 66-7; Petras and Morley, 1992: 21-2). Next to be undermined was worker seniority, as the official labour movement sanctioned the state's refusal to maintain senior positions when productivity concerns demanded their elimination. In addition to these strategies to generate increased productivity, the state embarked upon a program to reduce what it considered 'rigidities' in the labour market. In particular, a *multioficio* program was implemented which allowed management to use workers for different jobs, essentially collapsing two or more job categories into one. This 'multi-tasking' was complemented by a dramatic reduction of overall job classifications, which allowed the state the flexibility to move labour where required, regardless of the terms contained in previous legislation.

While assaults on full employment, seniority, and job classifications were carried out to break labour's political power in the workplace, subsistence levels were lowered to further reduce direct costs. The basic wage, previously guaranteed to all workers, came under attack as the state began a move to performance- and time-based wages in select sectors (Eckstein, 1994: 67 and 109). Further reductions took place in the social wage, as subsidies were reduced or dropped altogether from a number of basic products, including foodstuffs. Urban transportation fees were doubled, electricity costs were raised by 30 percent, and supplies of basic goods such as milk, sugar, and oil were reduced (Eckstein, 1994: 68; Petras and Morley, 1992: 28). While rations had provided for 95 percent of family subsistence levels in 1970, during the 1980s and 1990s the figure was reduced to approximately 25 percent, and basic items such as soap, toothpaste and shampoo were eliminated altogether, making them available only in the dollar markets (*Militant*, Jan.21, 1995; Eckstein, 1994: 66). Thus while official discourse hearkened a return to the days of the 'Push for Communism' and Ché Guevara's moral revolution, state policy broke with some of the most fundamental values established at that time. The separation of subsistence from work, which had been a critical component of the Guevarist strategy, now came under attack as incompatible with socialist construction.

The RP saw the state launch assaults against social programs, subsidies, labour rights and more, in the name of a return to revolutionary socialist values. But at precisely the same time, Cuba, facing an ever-increasing foreign debt

burden, began to actively pursue formal relationships with international capital, in the form of direct investment and joint ventures, with a particular focus on the tourism industry (Petras and Morley, 1992: 33). Investors in tourism were not subject to national labour legislation in key areas, such as regulations overseeing the hiring and firing of workers. The expanding consumer goods market was ear-marked for tourism, as 'dollar-stores' filled their shelves with toiletries, clothing and other products unavailable in most Cuban stores. Further agreements were signed in areas including electronics, pharmaceuticals and petrochemicals, as the national Chamber of Commerce proudly announced the Revolution was turning Westward "to turn us into business executives" (*The Economist*, July 28, 1990: 32).

In many regards, then, Cuba's rectification program addressed itself to the same immediate issues and pursued the same goals as did the neo-liberal policies implemented throughout capitalist Latin America: its purpose was to re-establish a stable and sustainable accumulation of capital through the imposition of austerity and improved labour flexibility. Politically, the RP sought to centralize control by re-directing worker resistance away from the top levels of state power, toward the middle and lower strata of government. As the Soviet bloc crumbled in the early 1990s, however, Cuba experienced a proliferation of resistance movements. Much worker mobilization had, in fact, been directed towards the organs of administrative power and speculation, but it did not end there, as the state had hoped. Rather, as the crisis deepened in 1991 and 1992,

so too did the level of discontent, which manifested itself in myriad ways, from criticism of government policy to theft to flight from the country. A new strategy was called for if the Cuban Revolutionary elite was to survive in the emerging world order.

The *Período Especial* and Socialist Restructuring

Cuba had parted company with the Soviet bloc in the mid-1980's, opting for rectification over *glasnost-perestroika*. But as crisis deepened, and trade and aid links with eastern Europe fell away, the RP strategy, too, proved inadequate as a means to resolve the problems of accumulation. In 1990, as much of Eastern Europe was experiencing massive social upheaval, Castro characterized Cuba's own crisis as a *período especial en tiempo de paz* (special period in peacetime), a distinction which set the stage for still more extensive and accelerated restructuring as the country entered a new decade. But the real beginning of the current stage of reform came with the Fourth Congress of the Communist Party of Cuba. Convened in October 1991, the Fourth Congress was a landmark in the history of Cuban political economy, as the island prepared for a future without allies (the Soviet Union was officially dissolved two short months later) and for a dramatic transition to some form of 'market socialism'.

The principal purpose of the Fourth Party Congress, as with those which came before it, was to announce the state's project for the next several years, outlining major directions in both politics and economics. And while some observers see the Congress as representing the CCP's continuing adherence to

the socialist project (del Aguila, 1993: 72; Ritter, 1993: 4)), in effect the meeting paved the way for an acceleration of economic reform which blurred any remaining distinctions between capitalism and socialism as systems of accumulation. In terms of Party dominance, the Congress was determined to buck the global trend to democratization/ polyarchy; but in terms of political-*economy*, the meetings inaugurated a dramatic reform of the country's developmental strategy designed to maintain stability and re-ignite economic growth.

Cuban state strategy during the *período especial* can be best understood as a continuation of the rectification program of imposed austerity with extensive political centralization; to end the analysis here, however, would be to miss a crucial change. While the Congress continued down the path that began with the RP, economic reform in the special period has progressed to such an extent that Cuba has abandoned any pretense even to command socialism, opting instead for a thorough integration with world capitalism, and limited only by the Party's need to maintain formal ideological and organizational adherence to Leninism in order to remain in power. In any case, the Fourth Congress constitutes a crucial landmark in the country's history (Pérez-López, 1994: ix-xviii), and it is therefore necessary to begin with the Party's own conceptualization of what it accomplished in those meetings.

The Fourth Congress unequivocally reaffirms in its Statutes the supreme objective of the Revolution: building socialism in Cuba; the unflinching commitment of our Party to the communist ideal ...and for the most rigorous statement of its being a single party of the Cuban nation, *Martiano*, Marxist and Leninist.

Resolution on the Statutes of the Communist
Party of Cuba. Fourth Congress of the Com-

munist Party of Cuba, October 1991. (Quoted
in del Aguila, 1993: 71)

As the Soviet bloc disintegrated, Cuba lost not only its political and ideological backing on the world stage, but also the vast majority of its trade and aid links. COMECON was dissolved in 1991, ending any formal commitments between Cuba and the countries of Eastern Europe. By 1992, Cuba had seen both exports and imports decline by 70 percent (Pérez-López, 1994: x; Preeg and Levine, 1993: 18), a crisis only exacerbated by U.S. efforts to further tighten the economic blockade of the island³. As Cuba faced what many consider to be the greatest threat ever to the Revolution's survival, struggles over control of labour and the social wage came to the fore as geopolitical changes forced Cuba into isolation. More than ever, the state saw its primary purpose as being the promotion of rapid and extensive capital accumulation.

The economic restructuring program associated with the special period continued and deepened the austerity measures and anti-labour legislation of the RP. But a third emphasis now came to dominate the search for growth: foreign investment. Investment of private foreign capital had been allowed tentatively in previous years, but had remained limited given the state's preference for state-controlled socialist accumulation based on intra-bloc trade, labour policy and extensive planning. But as all previous strategies had failed to re-start the economic engine, and the crisis worsened month by month, the government came to see foreign investment as the basis for constructing infrastructure and improving access to global markets.

Until 1990, foreign investment in Cuba was regulated by Law Decree 50, which had been passed in 1982 and which allowed for the creation of joint ventures on a limited scale, provided the state retained at least 51 percent ownership and certain management rights, and that the enterprise employed Cuban workers and abided by the country's pay-scale and labour legislation⁴ (Pérez-López, 1994b: 192). But with the onset of the 1990s and the announcement of the special period, the laws on foreign investment underwent substantial alteration. In 1990 a special law was promulgated for the tourism industry, decreeing higher pay-scales for Cubans employed in the sector and releasing management from the requirement to adhere to the labour code. Job security was significantly weakened, workers could be required to work extra hours, and the island's procedure for grievance resolution no longer applied to workers employed in tourism. A sector-specific procedure for dispute resolution was put in place, making it easier for management to discipline workers, shortening the time period for workers to settle disputes with managers and ruling out normal legal channels for appeal (Pérez-López, 1994b: 193). The state's willingness to transform labour legislation for this sector, to advertise its record of 'labour discipline' (Domínguez, 1994: 15), and to pass significant management rights into foreign hands is indicative of the importance Cuba assigned to tourism. The sector was expected to play a leading role in the 1990s, and top priority would be given to encouraging investment here.

A second critical shift came in mid-1992, when the country's socialist constitution was amended to allow for real estate sales to foreign interests; by 1995 properties and houses in Cuba were being sold to foreign enterprises and individuals, despite a chronic shortage of housing available to Cuban citizens (Batista, 1995). More significant, however, was the constitutional amendment ensuring protection for "ownership of property by joint ventures, corporations and associations established in accord with domestic laws" (Article 23). As part of the same revision, Article 14 of the Constitution, which had established socialist ownership, was amended to include only 'fundamental' means of production, while the following article (15) established a constitutional allowance for the privatization of state property (Pérez-López, 1994b: 193-4). Clearly a dramatic change had taken place.

The strategy worked; joint ventures between the state and foreign capital jumped from only twenty in December of 1990 to over 200 the next year alone (Pérez-López, 1994b: 207). By 1994, some six hundred foreign enterprises were operating in Cuba (*Business Tips*, March 1994), in sectors ranging from nickel extraction to retail (Benetton) to biotechnology. This influx of investment in the early 1990s served as an affirmation to the regime that market reform could effectively jump-start the accumulation process. Investment fairs became a favourite of state agencies; these displays of Cuba's achievements in investment law and labour discipline were designed as massive advertising campaigns for socialist restructuring, as the government spent millions perfecting its role as

host to potential capital investors. A single event, the 1996 International Fair of Havana, brought Cuba over 150 international contracts worth some US\$35 million.

While the investment fairs offered the regime a means of establishing contact with private capital and signing investment packages, equally dramatic measures were taken to ensure top results to investors. *Zonas libres* (free zones) were established in several ports, by which the state hoped to further encourage corporate operations and to offset the impact of the ever-tightening U.S. blockade (*El Nuevo Herald*, July 3, 1995). Each dedicated to a particular type of enterprise, i.e. importing and exporting, industry, commerce and banking, the *zonas libres* were designed not only to attract investment, but also to bring new technologies into the country, to serve as a basis for re-training the workforce and to provide new markets for Cuban-produced commodities (*Business Tips*, Nov. 1995). Unlike the joint ventures and other state-business agreements elsewhere in Cuba, the free zones are open to 100 percent foreign-owned and -operated enterprises, and wages and conditions are based on 'competitive' standards, established by the financial interests themselves.

But the most significant transformation relates to tourism, revenues for which increased from US\$200 million in 1989 to US\$700 million in 1993 (Eckstein, 1994: 104; Espino, 1993: 56-7); indeed, in 1994 tourism surpassed sugar as Cuba's leading source of foreign exchange. But while the push for increased tourism was carried out in the name of saving the Revolution and preventing a

return to the 'bad old days' of pre-1959, the effect has tended to be the opposite. As a means of stimulating investment, *Playboy* magazine was given permission to run a "Girls of Cuba" pictorial in return for mention of the country's burgeoning tourist sector; indeed, the government actively recruited women to participate (*Cuba Business*, Feb. 1991: 12; Domínguez, 1994: 15). And the state, too, began to advertise itself using similar themes: billboards, brochures, advertisements and even postcards - virtually anything relating to tourism - became dominated by scantily-clad, large-breasted women. Profit-maximization demanded competition on equal terms with established tourism in centres such as Cancún and the Bahamas.

Renewing Development in the Sugar Economy

No examination of Cuban political-economy can be complete without a discussion of the sugar industry, which has formed the backbone of Cuban economic development for approximately two hundred years. From the colonial era through independence, U.S. domination and the 1959 Revolution, sugar has retained its position as Cuba's single most important commodity. But while the industry remains critical to current state strategy, the restructuring of the *período especial* has had major consequences for the island's sugar economy, altering not only the degree of monocultural dependency and the structure of production, but also the very concept of sugar as simply a primary export.

On the eve of restructuring, sugar provided between 75 and 85 percent of the total value of exports (Rosset and Benjamin, 1994: 17), and domestic food

production had been reduced as a priority in order to increase income from the sale of sugar. Between 1961 and 1987, for example, acreage devoted to sugar expanded by 33 percent, while that dedicated to corn production fell by 52 percent (Preeg and Levine, 1993: 15). And just as Cuban agriculture had for the past three decades been centred upon production for the Eastern European market, its necessary inputs were obtained from the Soviet bloc. When markets for Cuban sugar were cut off, then, so too were the country's sources of pesticides, fertilizers and other inputs. Further, productivity had declined in the late 1980s, as workers' demands and mounting resistance challenged the viability of Cuba's accumulation strategy; between 1987 and 1989, absenteeism rates steadily rose, with a corresponding decrease in overall worker efficiency (Zimbalist, 1994: 227). Geo-political upheaval only exacerbated the situation, and the state scrambled to restore stability, paying particular attention to restructuring its traditional economic base.

One of the first changes announced by the state was a program for food self-sufficiency, which began in the late 1980s as the regime anticipated the fall of eastern-bloc socialism and the end of subsidized sugar sales. The Soviet model of socialism, which Cuba increasingly embraced during the 1970s and 1980s, was blamed for de-railing the Revolution's development objectives and re-creating dependency upon sugar. In 1987 Cuba unveiled emergency plans to boost self-sufficiency as food production was expanded for selected agricultural products, such as eggs, milk, rice and vegetables (Roca, 1992: 110). But the

real push for diversification came with the *programa alimentario* (food program) of 1991, in which 20,000 acres were converted from sugarcane to vegetable production. Irrigation projects, fish-farms, animal-breeding sites, extensive planting of starches and green vegetables; these and other measures reflected the state's concern that rising food shortages could spark extensive political instability, and marked an attempt to ensure that, while austerity accompanied rectification, basic needs would continue to be met at a level which would at least maintain basic subsistence (Eckstein, 1994: 96-7; Roca, 1994: 94). Urban workers, mobilized for national food production through the resurgence of voluntarism, were also encouraged to maintain private and collective plots to provide for their own subsistence. By 1992 approximately one million urban gardens were being worked (Eckstein, 1994: 167).

The *programa alimentario* did not, however, entail a substantial retreat from sugar dependency; indeed, as Cuba initiated its strategy for diversified development in 1987, the minister responsible for the sugar industry noted that the entire project of accumulation depended upon increased sugar yields. Then-Minister Herrera Machado's comment that "all other objectives flow from sugarcane" (Pérez-López, 1991a: 16) has held true throughout the decade of reform, as key areas of expansion depend upon the success research into sugar by-products. By 1990 sugar-based research provided the foundation for production of cosmetics and pharmaceuticals, as well as the fertilizers and animal feeds on which agricultural diversification depended. And as petroleum

resources dried up with the collapse of COMECON, Cuba was able to supply 10 percent of its energy consumption through the burning of bagasse, a derivative of sugarcane (Eckstein, 1994: 81). But while the state continued to privilege sugar as a means to generate foreign exchange, the island's crisis resulted in ever-decreasing production. As the Eastern European reform process translated into dramatic reductions in trade and aid with Cuba, the country was unable to attain its necessary inputs, and yields fell from eight million metric tons in 1989 to only 3.3 million metric tons in 1995 (de Aguila, 1994: 102; *Miami Herald*, June 20, 1995).

In order to re-start the sugar economy as a key sector within a restructured Cuba, the *período especial* has embraced a number of significant changes, touching on everything from the structure of labour in the sugar industry to the laws governing foreign investment and ownership. In May 1992, a state proclamation announced that the sugar industry, previously off-limits to foreign capital, would be opened to investors (Pérez-López, 1994b: 195). The decision was an important one, as the restructuring of Cuban socialism now extended from emerging industries and those the state could not develop itself to the very foundation of the country's economy. By opening sugar to foreign investment, the state sought the means necessary to pursue renewed mechanization and to expand the industry as a base for economic diversification.

The search for private capital investment in Cuban sugar has been a critical component in the attempt to renew the industry. Nine of Cuba's thirteen

sugarcane producing provinces have received foreign investment, amounting to some US\$135 million all told, and the Ministry of Sugar (MINAZ) has received financial support from such institutions as the I.N.G. Bank and the Netherlands Caribbean Bank (*Business Tips*, Jan. 1996: 31; de la Riva, 1996). Such assistance has allowed MINAZ, in 1994 and 1995 alone, to irrigate 40 percent more land, to provide 60 percent more herbicides and to increase tenfold the amount of fertilized land. And the investment seems to be producing results; the 1996 *zafra* produced approximately 4.5 million metric tons of sugar, an increase of 36 percent over the previous year (*Journal of Commerce*, May 15, 1996; de la Riva, 1996). Further negotiations are being carried out by the Ministry for Foreign Investment and Economic Collaboration (MINVEC), which seeks support for research related to sugar by-products and high-yield varieties of cane (*Business Tips*, Jan. 1996). Foreign partners tend to accept Cuba a five-year contract, generally involving an investment of US\$10 to 20 million; in return, investors receive the right to act as supplier of inputs (machinery parts, fertilizers, herbicides etc.) and earn 25 percent of profits above and beyond the average yield of the previous two years.

Using the primary commodity, sugar, as a base for expansion of industrial enterprises is a central tenet of the new state development strategy. Using sugar by-products to develop new enterprises based on genetic engineering, ecologically-sustainable biotechnology, and pharmaceuticals, Cuba is attempting to forge a niche for itself in emerging knowledge-based markets. And

while Cuba has mobilized its extensive scientific resources for work in a number of areas from health tourism to cosmetics, the largest of the emerging scientific industries is biotechnology; the country has over fifty research centres devoted exclusively to this field (Feinsilver, 1994: 169). A costly enterprise, but also one with enormous potential for capital accumulation, the biotech program is one for which Cuba has sought extensive foreign aid and investment support. The United Nations Development Program, the U.N. Industrial Development Organization, and the Pan-American Health Organization have combined with numerous private corporations to develop the industry (Feinsilver, 1994: 171-2), whose research is largely focused on sugar derivatives. The country has developed 160 products through its biotech project, ranging from high-yield sugar varieties to livestock vaccines to promising AIDS and cancer medications, and its foreign exchange earnings (now over US\$100 million) have, throughout the 1990s, increasingly come to rival those of tobacco (Nash, 1996; Ritter, 1994: 71).

In the restructuring of the sugar sector (and agricultural production in general), the state has looked also to its labour system for accumulation-centred reforms. Perhaps the most significant of these changes has been the transformation of state farms into *unidades básicas de producción cooperativas* (UBPCs), or basic units of cooperative production. By 1995 some 2700 UBPCs had been established on 60 to 70 percent of the country's arable land; 1600 UBPCs were operational in sugarcane production alone, virtually replacing the

state farm's role in the industry (*Militant*, Jan 21, 1995). A UBPC averages approximately 100 workers, who collectively own the machinery and the harvest; land, however, remains in state hands and the co-op can only sell its produce to the state, at government-set prices. One crucial change between the state farm system and the UBPC is that the new cooperatives are not required to adhere to a strict state-established pay scale. Wages vary according to job type as well as individual and collective productivity, a measure intended to establish a subsistence-based incentive to labour (ICAP, 1994).

By privatizing the state farming system, the government makes considerable savings related to administration and upkeep, and reduces its agricultural wage-bill by making the now-private enterprises responsible for their own subsistence needs. But the state retains fundamental control over cooperative members in their capacity as workers. Government sets the productive parameters, indicating what may and may not be produced, establishes quotas that each farm must meet, and administers a monopoly on agricultural purchases from the UBPCs⁵, and setting the prices that will be paid for agricultural commodities. Thus in the way the Cuban privatization has been pursued, the state has renounced its responsibility for the subsistence needs of farm workers without losing its ability to dictate the pace and value of labour. Workers find their subsistence jeopardized while their autonomy remains constrained by the state's priorities for economic growth.

In attempting to recover from the crisis of the 1990s, Cuba has turned once again to sugar. But unlike previous years, the industry is now seen not only as a source of primary commodity exports but increasingly as an infrastructural base for highly technological business ventures. Cosmetics and fuels, biotechnology and pharmaceuticals; these and other components of the emerging strategy rely in many important respects upon developments in the sugar industry, both in terms of foreign exchange earnings and scientific discoveries. Alongside investments in tourism, this increasing devotion to sugarcane production and research is intended to develop the Cuban economy upon dramatically new lines as the country seeks full integration with the capitalist world economy.

Labour and Subsistence in Contemporary Cuba

As the regime restructured significant parts of its legal apparatus in order to facilitate investment, official discourse, too, shifted gears. For the first time Castro traded his military uniform for a three-piece suit, as he and other officials traveled the world in active pursuit of capital. The country's 'competitive edge' became its selling point, and the state began to speak of labour discipline, repatriation of capital and free trade as virtues of the Revolution (Pérez-López, 1994b: 194-5). But while the state praised capitalist methods on the world stage (Eckstein, 1994: 102-3; Zimbalist, 1994: 221), domestically it continued to condemn manifestations of capitalism and to insist upon continued adherence to Marxism-Leninism and the revolutionary project (del Aguila, 1993: 71-2 and 81; Cooper, 1995). The state spoke with two voices, one designed to encourage

investment and reassure nervous business partners, the other intended to mobilize public support for, or at least tolerance of, the austerity measures via a re-avowal of socialist values.

The dual face of state discourse is a critical part of the SP strategy, mediating the hybrid of market and command policies, for while the special period encouraged foreign investment as a new avenue for accumulation, the state did not neglect its traditional strategies relating to labour laws and austerity. The Fourth Party Congress adopted a resolution attacking the 'excessive egalitarianism' of Cuban socialism which had "had an anti-economic and anti-efficient connotation" (Batista, 1993; Cooper, 1994). To help re-orient the economy along lines more conducive to investment and growth, in 1993 the state added its signature to the Final Document of GATT's⁶ Uruguay Round, and opened discussions with officials of the International Monetary Fund (I.M.F.) regarding the process of transition from state socialism to market-led development (*Business Tips*, Oct. 1994; Cooper, 1994; Gedda, 1993).

A strict austerity program was set in motion, deepening and accelerating the cuts begun in the late 1980s. Wholesale prices were raised 50 percent in 1992, and consumer goods - anything not distributed through the severely reduced *libreta* (ration-book) - became luxuries available only to foreign visitors. The economy was divided into *peso* and dollar spheres, with Cuban stores dealing in *pesos* standing empty while tourist shops, dealing in dollars, were packed with goods. The dollar stores were off-limits to Cuban citizens until 1993, when

dissent and resistance methods such as black-marketeering forced the government to allow Cubans to buy and sell in dollars (provided they could find access to the foreign currency). In addition, petroleum rations were cut in half as part of a general reduction in energy consumption, which by 1993 left many households without power for as much as seven hours a day. Bus service was reduced by 30 percent in 1991 alone, and continued to decline as the years passed, while taxi service (the only other motorized transportation available to those without cars) became virtually an exclusive privilege of tourists (Batista, 1993; Eckstein, 1994: 97).

The cuts had a devastating impact upon the subsistence of Cuba's working people. Perhaps most telling, in 1995 the state was forced to organize temporary shelters as homelessness became an increasingly visible reality, particularly among the nation's seniors (Resik, 1996). Even the most lauded gains of the Revolution - health care and education - were targeted as the state found its successes in this realm creating obstacles to the austerity plan. While the government promoted health tourism in an effort to maximize revenues from its medical resources and to establish medicine as a profitable enterprise, it strove to reduce the domestic health bill. Pharmaceuticals were exported throughout the world, but internally the state encouraged Cubans to experiment with traditional medicines, and doctors were exhorted to prescribe herbal cures whenever possible (Eckstein, 1994: 113 and 133) (Whatever benefits there are to alternative medicines, the state's dual approach is telling. Funding for

domestic medical service was dramatically reduced while investment in pharmaceutical research on drugs destined for export was boosted.) As for education, *Granma*, the official Communist Party organ, began a campaign to provide ideological support to cutbacks, asking 'Can we Survive without Manual Labourers?' (*Granma International*, May 26, 1991: 8). Admissions to university were reduced, and some secondary schools were transformed into agricultural polytechnic schools as the state sought to reduce not only the country's educational expenditure but also the average education level of its people. Given that its main concerns were the heavy budget requirements of the educational system and the increased expectations of university graduates, the reductions sought to address both problems, first by saving money through direct cuts and second by increasing the size of the manual labour force by reducing the skill-level of the average person (Díaz-Briquets, 1993: 94; Eckstein, 1994: 99-100).

As education cuts targeted the country's future workforce, further reforms addressed existing legislation protecting workers. Unemployment policy was altered to make it easier for the state to shift workers to economically-prioritized sectors, and to reduce unemployment benefits. Whereas workers previously had been entitled to full salary and benefits for an indefinite period when their jobs were eliminated, benefits were now capped, and time-restrictions were applied, limiting the time period during which they could be drawn (Eckstein, 1994: 100). Further, a number of new concepts were introduced to describe unemployment

trends: *surplus workers* were those rendered unemployed by state cutbacks or austerity measures, and for whom new employment must be sought; *available workers* were those who could not be assigned a new position; *mobilized workers* were those shifted from their regular jobs to new positions, most often agriculture, as the state sought more labour for its top-priority enterprises (Díaz-Briquets and Pérez-López, 1994: 124-5). The new terminology and legal amendments reflect a growing job shortage on the island, and reveal as well the emergence of unemployment as a *structural* reality of Cuban economic life, particularly for women and youth (Dilla Alfonso, 1994: 51). Though unemployment statistics are not regularly maintained, worker 'dislocation' is rising dramatically, and by 1993 as many one-third of workers were *underemployed* (Díaz-Briquets and Pérez-López, 1994: 135-9; Eckstein, 1994: 101).

At the same time that earlier policies promoting full employment were amended to allow for cutbacks and privatizations/ joint ventures, the state also reduced the wage directly, attacking various forms of worker compensation. Factory mealtimes, for example, which had previously been legislated, now began to disappear as the law was changed to allow managers to avoid providing food either by altering the structure of the workday (i.e.. moving to two half-day shifts instead of one full day) or by appeal to the country's crisis and associated food shortages (Díaz-Briquets and Pérez-López, 1994: 128-9).

Throughout the restructuring process, Cuba's official labour movement, the Confederación de Trabajadores Cubanos (CTC), has continued to offer its support to state actions, even when workers' gains have come under direct attack (Eckstein, 1994: 103; CTC, 1995). Traditionally the role of the union has been to mediate between workers and state in order to maintain their alliance; the CTC enforces state productive strategy at the level of the workplace while allowing for a degree of worker participation in which demands are kept within the boundaries of formal politics and represented to the state by one of its own organs. The special period retains this method of managing class struggle, but as the state provides less and less room for channeling worker resistance and meeting working class demands, the CTC is increasingly losing any legitimacy it may previously have had as worker representative, and is reduced to providing communication from the top down. Witness the 1993 article in the trade union paper *Trabajadores*, which demanded "discipline, efficiency and a new mentality" from Cuban workers (*Trabajadores*, Nov.15, 1993). Though the emphasis on productivity had always been a cornerstone of the CTC, the special period has seen this 'hymn to business' (Dilla Alfonso, 1994: 50) dominate official discourse at all levels. The result is the maintenance of social consensus under the pretense of undemocratic mass organizations and a 'social contract' held together largely by coercive means (Dilla Alfonso, 1994: 57).

The restructuring of the workplace has been a central part of the Cuban reform process, but it is by no means the only terrain of capital's offensive.

Indeed, much of the restructuring is dependent upon dismantling workers' gains at a community level, in the realm of production and reproduction of labour-power. In this often-hidden sphere, Cuban women are the primary targets in a class relation which "has as its pivot the woman in the home producing labour power as a commodity, *and her struggle not to*" (Dalla Costa and James, 1973: 11). If we are to explore Cuban political-economy as a site of class struggle, then, it is critical to examine the impact of austerity upon the community and upon the home, and the ways exploitation and appropriation are structured for women as domestic labourers.

State imposition of austerity in the *social*-factory is a critical element in the assault on workers' rights, as the state seeks to shift responsibility for reproducing labour power away from itself and back to the woman in the home. Such austerity directed at the home and the community immediately targets women as producers of labour-power, and bolsters capital in a number of significant ways. On a fiscal level, the shift from social- to family-provision of subsistence can dramatically reduce state spending and re-emphasize the threat to survival as a means of imposing work. Further, the intensification of women's labour which results from cutbacks can force women out of the formal workforce, 'rationalizing employment' by increasing the reserve pool of labour and driving wages down. And still further, the state can reduce its own costs by mobilizing women and children for tasks ranging from production of soap and clothing to recycling and community gardening (Eckstein, 1994: 113). Constructed as a

'community responsibility', such mobilization of women's work retains indirect production for the state just as it reinforces the unwaged status of domestic labour.

But perhaps the best example of state efforts to shift responsibility to the home is the case of child poverty in Cuba, and its attendant child begging. Begging as a social phenomenon has risen sharply over the course of the special period, and though the state acknowledges that poverty and social deterioration are its impetus, the government's political response has been to criminalize the problem. Court hearings are held and fines levied against parents of children found begging, as official statements place blame squarely upon the shoulders of the (often single-parent) family. Thus while official ideology continues to recognize economic austerity and declining living standards as the basis of social deterioration, state discourse maintains that economic hardship is no excuse for criminal or anti-social behaviour, and focuses blame upon individual working class families (Acosta, 1996).

As a whole, the austerity package implemented by the Cuban state has had a devastating impact upon subsistence in the country; and the brunt of the cutbacks, furthermore, have been faced by women. While gender roles have always been retained in Cuba as a means of reproducing labour-power, the special period's reform process has increased the double burden of labour upon women. As rations are cut, services eliminated, and employment reduced, women are forced to pick up the slack, taking on the reproductive roles

previously assigned to the state, i.e. childcare and subsistence. Indeed, it has frequently been the work of women which has allowed the state to negotiate the current crisis so well (Lutjens, 1995: 117-8). Women's survival strategies related to home-based health-care, food production, and other basics have been elevated to the level of the state plan, without any corresponding funding or state responsibility. Here, then, as in the realm of the official economy, the reforms of the special period have served simultaneously to impose austerity and an increased workload, and to reduce state responsibility to Cuban workers.

Workers' Resistance in the Special Period

For all of Cuba's efforts to re-orient the economy along market rather than command lines, and despite continuing cuts to the social wage, the country's fundamental problem remains: workers continue to struggle to maintain their gains while they challenge the state's attempts to impose more work. As the 1990s opened, even state-sponsored opinion polls found dissatisfaction among Cuba's working people to be increasing; two-thirds of the population felt that costs of subsistence were too high and that salaries were unjustly low, while mass organizations were attacked as unresponsive and not representative of popular demands (*Bohemia*, July 6, 1990; Domínguez, 1994: 11).

The state blamed such waning support on economic crisis, suggesting that popular backing for the regime would rise along with the rate of growth. But in 1996, while Cuba has seen its economic prospects improving, popular discontent has not abated. To the contrary, public support for the state has

continued to deteriorate despite renewed growth and mounting foreign investment. In the summer of 1996, the state openly acknowledged its legitimization crisis, noting that the Communist Party and the state apparatus were facing rising hostility, and that autonomous political mobilizations were increasing (*Globe and Mail*, Aug. 21, 1996: A6).

Throughout the past several years, this discontent and resistance to austerity has been expressed in a number of ways. Increasing numbers of people have left the island, not because of pro-American or anti-communist sentiments but because social gains were being eroded by state austerity measures. The country's trend was toward demanding more work for less pay (Eckstein, 1994: 121); or, in the words of a popular slogan adapted from Soviet workers, "We pretend to work, they pretend to pay us". And while few joined the openly 'pro-democracy' movements (many organized and funded by the anti-Castro lobby in Miami), many sought autonomous outlets for their criticism. High school students rebelled against forced labour as they were 'mobilized' for volunteer work (*Cuba Business*, Oct. 1990). Increasing numbers of young people created and consumed popular, anti-authoritarian music, until the state responded by denying performance licenses to 'subversive' groups who played rock and roll or sang in English (Eckstein, 1994: 122); the political response to the culture of youth and rebellion was reminiscent of the 1960s, when long hair and jazz were targeted by the state as immoral and counter-revolutionary (Cardenal, 1974: 49).

Participation in petty crime became a virtually universal survival strategy. Bakers took home bread, bicycles were stolen from state stores, televisions and other luxury goods were taken from tourist establishments, and extensive prostitution re-emerged as women found themselves unable to survive on the *libreta*. Workers in the tourism industry kept tips, which were legally property of the state, while, in a similar vein, *campesinos* and farm workers appropriated for their own needs some of what they produced, to the point that the state was forced to organize "peasant vigilance detachments" on cooperatives (Eckstein, 1994: 122-3). But perhaps most significant was the rise of the black market, which by 1993 had grown to US\$14.5 billion, actually exceeding the value of legal retail trade (Eckstein, 1994: 124). Prices jumped dramatically, as few goods were available either in the ration book or in *peso* stores, and Cuba became, *de facto* if not *de jure*, a dollar economy, in which wages and rations had little or no relation to consumption. The state was forced to de-criminalize the use of dollars in mid-1993, and though the move significantly improved access to goods for those who had access to foreign exchange, people without foreign currency continued to face an ever-decreasing standard of living.

The state understood the impact of its policies, acknowledging that theft and black-marketeering were structural issues, related to austerity measures, and not merely the result of individual immorality. But although crime was recognized as resistance, the island's security forces were nonetheless accused of lenience, laziness, and defiance of state orders (*Granma Internacional*, May 26, 1991). For

its part, the state responded to growing resistance by turning outward, increasing its search for overseas investment. As conditions worsened, austerity and labour legislation failed to enforce work discipline and raise productivity. Thus the limited growth that had been achieved could not be attributed to a successful campaign against workers' resistance, but rather to the country's increased integration into the world economy and the parallel granting of extensive concessions to private capital.

Despite the state's claims to the contrary, Cuban restructuring has been and continues to be a vast process, responding to each major demand of foreign capital. A report from the Center for Strategic and International Studies in Washington, D.C., lays out four fundamental reforms that define irreversible transition to market capitalism: (1) relations with international financial institutions; (2) the establishment of private property rights, at least in key sectors such as tourism and small- to medium- scale agriculture (these were among the first sectors to undergo a degree of privatization in Cuba); (3) investment in infrastructure (largely to be provided by foreign aid donors and private investors); and (4) negotiations to re-finance and reduce the foreign debt (Preeg and Levine, 1993: 38-39). As we have seen, reforms have touched each of these crucial areas⁷, suggesting that, according to the criteria of the institutions representing global capital, Cuba is reforming nicely⁸.

The current *período especial*, then, represents a significant departure from the policies that prevailed in previous decades. While the state retains its role as

mediator between capital and labour, it no longer attempts to perform all the functions of capital (i.e. day to day planning and administration), as had been the case through the 'Push for Communism', the 'Retreat to Socialism', and the first years of rectification. Rather Cuba's current (and ongoing) reform seeks to develop a significant private business sector, and to forge an alliance between this emerging form of Cuban capital and the already-established state sector. Such a process invariably threatens the status of labour in state policy (Dilla Alfonso, 1994: 49), weakening workers' position by means of the austerity and legislation demanded by investment capital. But the government also feels compelled to retain its traditional revolutionary discourse internally in order not to undermine the formal alliance with labour on which the legitimacy of the Revolution depends.

Notes to Chapter 3

¹ As Petras and Morley note, rectification's anti-bureaucratic stance was principally directed against a particular group of administrators known as *compradores*. The *comprador* functionaries were generally responsible for the state's 'middleman' activity, serving as intermediaries between productive sectors and negotiating Cuba's import and export business. The *comprador* sector was, during rectification, opposed by the production-based technocrats who focused upon raising productivity through the institutions of the traditional labour-state alliance. Rectification's search for renewed growth required the strengthening of Cuba's productive system, a task hindered by the speculative activity of the *compradores*. Hence the politics of rectification, in which the upper echelons of the Party sought to harness popular dissent for an internal purge of the state's financial functionaries (Petras and Morley, 1992: 19-20).

² The bonuses were as follows: (a) *prima* - an individual bonus based on surpassing work norms/quotas; (b) *premio* - a collective bonus paid to a work team, based on farm profit and political commitment, ie. participation in voluntary labour; (c) *normas* - a piece-rate system designed to boost productivity per worker. See Pryor, 1992: 188-9; Zimbalist, 1994: 226).

³ The economic effects of the U.S. embargo had been significantly offset during the 1970s and 1980s by extensive economic aid from and trade with the Soviet bloc. With the collapse of that support, the blockade's devastating impact became clear. Cuban state discourse began, as a result, to speak of a 'triple blockade' involving: (a) the embargo itself; (b) the fall of the Soviet bloc, which had previously countered the embargo; and (c) the error Cuba had made in allowing integration with and dependence upon the eastern bloc to replace the struggle for self-sufficiency.

⁴ Exceptions were made for certain highly-skilled or management personnel, who could be nationals of another country, and (in the case of management only) be paid according to the foreign enterprise's own management remuneration system.

⁵ The state insists that each farm produces its quota for sale to the state; some UBPCs (though not those engaged in sugar) may sell surplus produce on the private farmers' markets in urban centres.

⁶ General Agreement on Tariffs and Trade.

⁷ Cuba has been actively re-negotiating its Western debt through both the Club of Paris (Group of Creditor Countries) and the Club of London (Steering Committee). See *Business Tips*, Oct. 1994.

⁸ Preeg and Levine fail to recognize the extent of reform in Cuba, seemingly unaware of privatization, I.M.F. and World Bank negotiations, debt negotiations etc. This appears, however, largely the result of their research timing. Though the report was published in 1993, after many of these reforms had been implemented, the authors' research was carried out primarily in 1991, as Cuba's *período especial* was just beginning. As a result, the report makes no mention of the significant changes between their research period and the date of publication.

Chapter Four

CAPITAL AND CLASS IN CUBAN SOCIALISM

Socialism, Capitalism and Alternatives in the Emerging World Order

Having investigated the Cuban restructuring process, I now turn to the question of how and why Cuban socialism has failed as an alternative to capitalism in the emerging world order. To explore this subject it is necessary to first examine the similarities and differences between the Cuban restructuring process and its parallel developments in the avowedly capitalist states. A brief survey of the world system and its reform(s) will illustrate the profoundly similar logics shared by the reforms of Cuban socialism and those of global capital.

An understanding of capitalist restructuring over the past decades must begin with the transition to the Bretton Woods era; that is, comprehending the construction of Keynesianism is a pre-requisite to explaining its deconstruction. For this, and for some clues to a theoretical framework for the analysis of its restructuring, the work of Antonio Negri provides a useful starting point. In contrast to those who suggest that Keynesianism was designed by states to rein in capitalism, Negri showed, by reference to the words of the authors of Bretton Woods themselves, that the Keynesian project intended to safeguard and stabilize capitalism by recognizing the working class as an active historical subject and as the creative force of capitalist production. This provided a basis for the incorporation of workers into capital's analysis of its own existence and accumulation process, and into capitalist institutional structures. As Negri notes,

with Keynes' *General Theory*, capital had "turned to Marx, or at least learned to read *Das Kapital* from its own viewpoint" (Negri, 1994: 27). In practice, the Bretton Woods world order, inspired by Keynes, sought to address the problem of class struggle by *incorporating* the organizations and demands of the working class in order to institutionalize and manage them.

There is no need here to delve into the details of the Keynesian/ Bretton Woods agreement. Suffice it to say that Bretton Woods was capital's response to the collapse of classical liberalism as a means of managing global accumulation. With the Depression of the late 1920s and 1930s, and the attendant social upheavals, capital required a new strategy which could produce a stable rate of economic growth and simultaneously rein in the global working class offensive which had led to the 1929 stock market crash and the crisis of capital. The work of Keynes pointed toward such a solution, and provided a foundation for a new global system, what became known as the Bretton Woods order. In the so-called First World, Bretton Woods saw the rise of managed capitalism, of the welfare state and of the productivity deal which attempted to build an alliance between capital and the official labour movement in pursuit of accumulation (Phillips, 1985: 4-5). Meanwhile, in Latin America and elsewhere, Keynesian incorporation was achieved via a strategy which combined the economics of import substitution with the politics of corporatism (Bruton, 1989; Collier, 1994; Fitzgerald, 1994).

The crisis which led to the downfall of the Bretton Woods order had its roots in the late 1960s and 70s, a time of renewed class struggle throughout the world. The U.S. civil rights movement and the rise of the women's movement throughout the West; students' uprisings in Mexico, France, and the U.S.; workers' rebellions in Czechoslovakia and Poland; insurrections in Latin America, Africa, and southeast Asia - all of these emerged in the late 1960s and continued through the 1970s, as diverse, autonomous movements of workers in opposition to capital accumulation (Cleaver, 1989: 21). The renewal of struggle and the corresponding crisis, however, require further explanation. If Keynesianism was a politics of inclusion, designed precisely to prevent this form of struggle, what went wrong? The answer is not a simple one, but we can suggest possibilities. As one important factor to consider, the Keynesian politics of inclusion had focused on incorporating the industrial working classes; many workers, particularly those on the margins of the world economy, did not enjoy the benefits of such inclusion. Women, people of color, children, the peasantry - all of these sectors (by far the majority of the working class) were excluded from the productivity deal because their level of organization posed little threat to the system at the time that Bretton Woods was constructed. In other words, capital had responded to the crisis of Pax Britannica by incorporating that segment of the working class whose actions had made the system unsustainable. What Bretton Woods did not attempt to do was to incorporate those segments of the working class which existed outside of the formal trade union movement. And it

was largely these excluded sectors - women, children, 'Third World' workers and people of color - whose participation in the struggles of the 1960s brought Keynesianism to crisis.

As class struggle was renewed during this era, capitalism again faced the need to re-assert political control and restore stability for the continued exploitation of labour. The world order had incorporated one segment of the working class, and had managed to create a balance between the demands of that sector for increased wages and the need of capital for profits. But with the formerly excluded sectors now in rebellion, the ability of capital to maintain that balance was undermined. To incorporate the entire working class was simply not feasible if capital was to maintain profitability. Profits fell dramatically as the productive system was thrown into disarray, and government deficits ballooned as the state responded to the rebellion (Cleaver, 1989: 21; Huntington, 1973: 75). The only option available to capital was the imposition of austerity.

The austerity strategy was based upon two related responses: first, the rebellion which had sparked the crisis would have to be put down; second, the wage (both social and individual) would have to be lowered dramatically, even among those sectors whose standard of living had been the basis of their incorporation into the system before the onset of crisis. The period from 1970 through today has been characterized by capital's attempt to achieve austerity. Throughout the world, this program has taken different forms, but it very often sparked a borrowing spree by states in financial crisis¹. As austerity measures

met with popular resistance, borrowed dollars provided the means to stave off revolt, whether in the form of military expenditure or concessions, until capital could achieve the means to implement its package. The problem, however, is that capital has not been able to achieve its goal; it has had successes and failures, but overall has not been able to simultaneously quell revolt (restore stability) and lower the wage (Cleaver, 1989: 22; Phillips, 1985: 21-2).

With the crisis of Keynesianism the global economic order crumbled; debt soared, class struggle expanded. Capital's political-economic response - *neo-liberalism* - began to be formulated theoretically in the early seventies, and emerged as general policy between then and the early 1980s. Neo-liberalism is a profoundly anti-statist economic strategy, combining financial liberalization, trade liberalization and privatization in order to restore the *laissez-faire* approach to accumulation which had prevailed under Pax Britannica. The following chart outlines some of the most common neo-liberal policies, particularly as they have been implemented in Latin America (ECEJ, 1990: 24; See also: Arida and Taylor, 1989: 856-7; Kiguel and Liviatan, 1992: 36; Krueger, 1984: 25-6; Polak, 1991: 33-40; Polak, 1977: 24-31).

<i>Policies</i>	<i>Official Aims</i>
1) Currency devaluation	increase exports, decrease imports; reduce real wages
2) Raise interest rates	allocate investment to most efficient producers
3) Restrict money supply	control inflation; cut demand
4) Cut expenditures	reduce excessive demand and limit social spending
5) Lower tariffs, liberalize trade	increase import quotas, competitiveness
6) Privatization	make enterprises more efficient, erase market irregularities, reduce wages
7) Promote export crops	maximize comparative advantage, earn foreign exchange

The goal of neoliberal policy-making is designed to dismantle the Keynesian productivity deal and create a free market conducive to capital accumulation (Polak, 1991: 16-7); this, in turn, implies a restructuring of the state in order to prevent 'politics' - i.e. democracy, class struggle - from interfering with the generation of profit (Lal, 1987: 275-6). The neoliberal program is ideologically anti-state; its aim is laissez-faire capitalism, opposed to the type of state intervention in the economy which characterized the Keynesian order. But neo-liberalism went even further than classical liberal economics, challenging the validity of democratic norms which had arisen with classical economic theory (Lal, 1987: 285; Dornbusch, 1993: 95).

Despite its sweeping vision, neoliberal austerity continues to face one hitherto insurmountable obstacle: class struggle (Teeples, 1995: 148-9). That is, neo-liberalism's profound anti-state bias has done nothing to develop a political apparatus capable of providing legitimacy/ stability to the accumulation process. This political stumbling-block has proved a major obstacle to the success of the economics of austerity (*Financial Post*, Aug. 17, 1996). In recent years the high priests of capital have begun to lose faith in the ability of neoliberalism to sustain the level of growth that capitalism requires (Dornbusch, 1990: 1920; Kahn and Knight, 1985: 1; Kapstein, 1996: 28; *Globe and Mail*, April, 19, 1996). As a result, the call has gone out once again for a new solution, emphasizing the *political* apparatus: austerity remains the goal, but once again capital is struggling to develop the political means capable of achieving that goal.

What the features of the new politics are to be is uncertain; but discussions are being held and suggestions are being made at the highest levels of capitalist planning. The emergence of market barbarism, or "brown areas" has prompted capital to re-theorize the state, to 'get political'. This "second generation of reforms" (Burki and Edwards, 1995: 6) will be required to play four roles: (1) rebuild the ideological legitimacy of the state; (2) provide the economic infrastructure necessary for accumulation; (3) address the accumulation crisis caused by class struggle which caused the breakdown of both Keynesianism and neo-liberalism; and (4) maintain an economics of austerity, i.e. manage the first two goals without resorting to an inclusion of workers based on Keynes (Burki and Edwards, 1995: 7-9; Kapstein, 1996: 17-18).

While the specific way these goals will be achieved is not clear, we can point to some directions in which the capitalist state is likely to proceed. Firstly, there appears to be capitalist consensus that reconstruction is central: investment presupposes the promise of profit, which in turn requires basic physical infrastructure and a labour force suited to the needs of capital. These in turn require a planned social and physical investment which the market cannot and will not provide spontaneously (Burki and Edwards, 1995: 8). Further, the fierce cuts to social spending of the neoliberal age are seen as having caused enormous damage to human capital, constraining profit-maximization because of the inability to exploit suitably-trained labour. In this regard, increased state expenditure for training is seen as a pre-requisite to renewed capital investment

and growth in the private sector (Ljungqvist, 1993: 220). Even in the realm of production, capital is now beginning to demand state support. The adage 'imperfect markets are better than imperfect states' is being re-considered as the lack of state industrial activity has left whole spheres of production in stagnation while maintaining only the traditional export crops which perpetuate both dependency and underdevelopment (Krugman, 1992: 20-1).

In addition to the above concerns, which call for the state to engage directly in activity in the economic sphere, the politics of class struggle continue to weigh heavy on the shoulders of capital. Neoliberalism was designed to reduce the wage, and did indeed successfully generate massive gains for capital at the expense of workers. But the result, as we have seen, was a deepening of the crisis as workers continued to struggle, preventing the wage from falling as far as capital demanded. Further, the continuation and intensification of struggle brought dramatic instability to Latin America. As capital turned to authoritarianism - marked during the 1970s and 1980s by the doctrine of national security - popular resistance only expanded to the point that virtually every state on the continent faced armed revolt. Thus capital's means of achieving austerity only intensified the crisis; states were unable to function with any security or legitimacy, and the contraction of internal demand caused by the fall in wages resulted in rising social tensions and political instability, leading to foreign disinvestment and capital flight (Dornbusch, 1990: 45; Naím, 1993: 135-44; Kapstein, 1996: 37).

Finally, there is the issue of globalization. While many consider the internationalization of the world economy to mean the death of the nation-state, capital's call for state reconstruction today suggests a quite different phenomenon - the *globalization of the nation-state*. This process implies a loss of sovereignty via the expansion of international economic regulations (NAFTA, the WTO etc.), without however dismantling internal political structures. States become less able to constrain capital, certainly, in light of global agreements, but the nation-state nonetheless remains the apparatus through which capital intervenes politically to manage populations. In other words, "the concentration of power by transnational capital [does] not take power away from the state; rather, the state intervenes precisely in that very concentration" (Panitch, 1994: 66). Globalization of the state also suggests the restructuring of international relations in complex patterns of dependency and interdependence (Nef, 1993: 132; Cardoso, 1993: 156). Rather than the simple primary-export / manufacturing dichotomy of a previous era, global political-economic relations are cast in a new, more interdependent light as a result of transnationalized production and the rise of portfolio capital. This process does not dislodge the old dependency, but expands and re-creates traditional state and regional relations.

Global capital has been engaged in a constant restructuring process since the 1960s, a period which coincides with the life-span of the Cuban Revolution. And still reform continues as a stable model for accumulation is sought. State

socialism, in Cuba and elsewhere, was conceived as an alternative to capitalism, an alternative whose purpose centred upon the elimination of exploitation and the end of class struggle through working class victory. But clearly such elimination never occurred. Through such acts as the criminalization of autonomous working class movements and the right to strike, the institution of a merit/ demerit system for 'productive' and 'anti-productive' behavior, the centralization of economic decision-making and the strengthening of Cuba's role as a sugar economy for the world market, Cuba's socialism re-constructed capital's relations within an alternative structure, an alternative system of management with the same basic purpose.

If the defining characteristics of capital are the imposition of work, the creation of value through exploitation and appropriation, and the primacy of exchange over use in the quest for profit, then it is clear that Cuban socialism's economic logic has been rooted in the logic of capital. In each phase of the Revolution, accumulation has remained the goal, to be achieved by the extension of work and increased production. While egalitarian distribution (use) remained an ideal, Cuba's continued role as a player on the global market made its distributive strategy conditional upon economic growth via increased global exchange. Where accumulation came into conflict with labour rights and equal distribution, as in the 'Retreat to Socialism' and, most noticeably, during the current reform, exchange was given priority.

In this sense, the Cuban development model has followed dynamics very similar to those of capital elsewhere. Indeed, bearing in mind the previous brief survey of capitalist crisis and reform, it becomes apparent that the phases through which the Cuban Revolution has passed dovetail closely with those of global capital. Through the same historical periods, state socialism and capitalism have faced similar obstacles in the form of workers' resistance and have pursued similar strategies to overcome that resistance.

From the early years of the Cuban Revolution through the 'Push for Communism', policy-making paralleled developments elsewhere in Latin America: the emergent revolutionary state combined corporatist and populist state strategies to draw workers into the project of economic growth, a project which pursued industrialization through import-substitution and a gradual reduction in the importance of primary commodity exports. Also notable is the parallel between Cuba's 'Retreat to Socialism' and the end of import-substitution which occurred throughout the region. Where Cuba sought greater integration with the Soviet bloc and reduction of the social wage as a means of re-igniting growth, the trend in Latin America's capitalist states was toward ever-greater integration with the U.S. (the doctrine of national security), cuts to social spending and attacks on workers' movements. As the ballooning of debt reveals, however, neither strategy worked; both Cuba and its neighbours were forced to take out massive loans, largely to accommodate workers' demands, which could

not be simply annihilated through the austerity package without encountering massive and prolonged resistance.

In terms of its current reform, too, it is clear that Cuban strategy continues to follow the dynamic of capital. Rectification was very clearly designed to impose austerity without threatening the security of the state, just as neo-liberalism was designed to do elsewhere. Indeed, virtually all of the neo-liberal policies outlined above found counterparts in the Cuban reform package. Keynesian capitalism was planned and organized around the incorporation of workers and their unity of interest with capital; Cuban socialism was more planned, more organized, and incorporated more workers, but followed essentially the same lines. Neo-liberalism was designed to break the wage, to impose austerity and dismantle labour laws; Cuban rectification pursued precisely the same goals. The second-generation reforms promoted elsewhere suggest a push for austerity combined with investment in infrastructure, health and education in order to make austerity politically feasible, and to facilitate ever-greater integration of national economies; this is exactly what has characterized Cuban strategy in the special period, as the country seeks to build closer links with capital's international institutions. Indeed, throughout the history of the Cuban Revolution, it would be difficult to find a single instance of a strategy which conflicted with or undermined the dynamics of global capital. On the contrary, state socialism, in Cuba and elsewhere, has operated according to a logic very much in line with that of capital. Its internal dynamics of struggle have developed in parallel. Like

Keynesian capitalism, the socialism conceived by Lenin and inherited by the Cuban state revolutionaries addressed itself primarily to providing what unbridled capitalism *lacked*: an outlet for class struggle, accumulation with stability, and provision for social welfare.

None of this is intended to suggest that actually-existing capitalism and actually-existing socialism are identical, for the changes introduced by Communist Parties in Cuba and elsewhere have been dramatic, without a doubt. But to undergo dramatic change does not necessarily generate an entirely new model. Indeed such change can occur *within* a general system. For example, Jorge Nef, James Petras and Steve Vieux (Nef, 1986; Petras and Vieux, 1994) have argued that the democratization processes in Chile, El Salvador, Guatemala and other states have failed to touch the root of crisis, the basis of the social system. But at the same time, none of these scholars would argue that there is no difference between intensely violent repression through military rule and the relatively low-level repression of liberal polyarchy. The point, rather, is that *despite* such change, despite very significant restructuring of the social order, the underlying relations of exploitation and control remain firmly in place. Indeed, they may be *strengthened* by a profound change in the political formation. And it is precisely this point that characterizes the Cuban case: for all its attempts to transform the structures of exploitation, the way surplus value is extracted (i.e. through state rather than market mechanisms), and the manner in which work has been imposed for the extension of capital, the *content* of these

structures has remained intact throughout the revolutionary process. Actually-existing socialism transformed property relations, disinherit the traditional capitalist class and fusing capital with the state; post-Revolution Cuba has seen surplus value extracted through political command rather than the traditional capitalist means of market-determined wages; where Keynesianism led to the incorporation of a certain stratum of workers into the project of accumulation, Cuban socialism constructed a much more thorough-going system of incorporation. This system certainly did provide dramatic gains in workers' standard of living via its approach to the distribution of goods and services. But the key point is that capital is defined not by property, not by the wage, and not by unequal distribution, which have been the key areas of distinction between capitalism and actually-existing socialism. The underlying relations that *are* definitive of capital - the endless imposition of work, exploitation and appropriation, the accumulation process, the primacy of exchange- over use-value - are precisely what socialism in Cuba and elsewhere has left untouched.

Reaching a similar conclusion regarding the former Soviet Union, István Mészáros notes that arguments focused upon the problems of bureaucracy or liberal democratic mechanisms entirely "miss their intended target by an astronomical distance" (Mészáros, 1995: 42). While these may provide important insights into the day to day functioning of state socialism as a political-economic project, such criticisms offer little to our understanding of how capital itself functions in the socialist state. As he argues,

even the complete replacement of the 'bureaucratic personnel' would leave the edifice of the post-capitalist capital system standing, just like the invention

of the 'caring capitalist', if by some miracle it were feasible at all, would not alter in the slightest the utterly dehumanizing character of the 'advanced capitalist' capital system...For the substance of the capital relation always retains primacy over the personnel which is its 'juridical embodiment' (Ibid.).

Theorizing Cuban State Socialism: situating capital and moving beyond

The capital, which in itself rests on a social mode of production and pre-supposes a social concentration of means of production and labour-power, is here endowed with the form of social capital...and its undertakings assume the form of social undertakings. It is the abolition of capital as private property within the framework of capitalist production itself.

Marx, *Capital*, vol.3

As the empirical research in this thesis has shown, an examination of class relations in Cuba reveals a number of similarities between the project and strategies of socialism and those of capital elsewhere in the world economy. Of particular note is the fact that such similarities are not uniquely characteristic of the special period, but can be traced to the early years of the Revolution, and reveal a pattern of clear and consistent efforts by the state to bolster capital accumulation, even if this requires the maintenance of capital's alienated work relations as a fundamental pillar of Cuba's socialism.

It is not enough, however, to demonstrate these linkages between global capital and Cuban state socialism; equally important is the question of *why* a critique such as this is politically significant. What are its implications for political struggle, and the traditional Left objective of conquering state power? What does it mean to speak of a socialist alternative if that alternative is one of accumulation's *form*, rather than the content of accumulation itself? And where do the issues of *production* and *labour* fit in a socialism which defines itself

primarily by the transformation of distributive structures? These questions are raised by an empirical analysis of Cuban socialist development; but in order to answer them, it is useful to return to the level of theory to explore what socialism intended, what it actually accomplished, and what this means for the politics of class struggle today. As Carollee Bengelsdorf notes, the formulae of orthodox Marxism-Leninism are themselves largely responsible for the death of socialism in its actually-existing form(s); thus if we are to really understand the implications of the crisis of socialism, either in Cuba or on a wider scale, our investigation will require "an inquiry into the theoretical inheritance itself in an attempt to understand what happened to it" (Bengelsdorf, 1994: 5-7).

In much Marxist scholarship, the analysis of capital's relations focuses on *property*, and in particular, upon private ownership of the means of production. This approach is central to the Leninist understanding of transition - from capitalism, through socialism, toward communism, via a transformation of property relations - and is basic to most conceptions of socialism. In Marx' theorization, however, property forms do *not* constitute the be-all and end-all of capital. In his framework, rather, private property is just one of the *forms* assumed by capital in its pursuit of accumulation; and as form, it can be transformed without altering the fundamental substance of underlying social relations. As István Mészáros notes, it is for good reason that Marx' seminal work is entitled *Capital*, rather than *Capitalism*; it is the relation, rather than the formal structure, which is the key to the system (Mészáros, 1995: 938).

In the third volume of *Capital*, for example, Marx explores capital as organized in the joint stock company. In this form, the individual capitalist is replaced by a collective owner, and the administration of the enterprise passes into the hands of a manager, who is primarily responsible for the administration of other people's capital (Marx, vol.3, 1971: 427). Capital here assumes a *social* form, particularly as related to investment and profit. Ownership is collective, rather than individual; profits are shared among a group of investors; administration of the productive process is overseen not by an owning capitalist, but by a hired manager. Nonetheless, the work relationship and the appropriation of surplus value remain intact; the joint stock company, precursor of a more general social capital, amounts to "the abolition of capital as private property within the framework of capitalist production itself" (Marx, 1971, vol.3: 427). Capital has grown beyond the boundaries of the capitalist, beyond the boundaries of specific mechanisms, i.e. privately-owned property, and has begun to emerge as a *social* power, permeating every layer of the society and making every social relation function as a moment of capitalist production (Tronti, 1973: 109).

For Marx, then, it is not the form of private property, but rather the content of the work relation which defines capital; indeed, Marx considered that the development of capital as *system* (and as a social phenomenon) would come into conflict with the interests of individual capitalists, a contradiction which implied "the transformation of the conditions of production into general, common,

social conditions" (Marx, 1971, vol.3: 259). Private property, then, was the focus of his attack only in so far as it represented the dominant form of capital at his time of writing; when his attention turned to social forms such as credit, or even to public enterprise, Marx made expressly clear that the focus of his critique was work itself - *that* is "capital".

"Labour" is the living basis of private property, it is private property as the creative source of itself. Private property is nothing but objectified labour. If it is desired to strike a blow at private property, one must attack it not only as a material state of affairs, but also as activity, as labour. It is one of the greatest misapprehensions to speak of free, human, social labour, of labour without private property. "Labour" by its very nature is unfree, unhuman, unsocial activity, determined by private property and creating private property. Hence the abolition of private property will become a reality only when it is conceived as the abolition of "labour" (Marx, 1975: 278-9).

This point is reiterated in Marx' critique of Ferdinand Lasalle's intention to form a workers' political party to seek office in mid-nineteenth century Germany. Marx considered the idea of a Party taking state power on behalf of the workers to be tantamount to setting up a 'workers' dictator' as long as the fundamental relations remained intact. Indeed, it is interesting to note Marx' prediction of what the result would be, and compare this to what actually emerged in the Soviet Union some decades later. The state, he suggested, would "establish workers' factories, for which the state will put up capital, and by and by these institutions will embrace the whole country" (Marx, "Letter of April 9th, 1963", quoted in Dunayevskaya, 1964: 77). The belief that this approach could achieve the goal of communism was thoroughly misguided, as such a socialism retained a critical

point of commonality with capitalism: the Party would remain in government, the workers would remain at work (Dunayevskaya, 1964: 77).

Addressing this same point, Rosa Luxemburg elaborated upon the essential role that the distinction between property as physical property and property as alienated labour plays in the Marxian critique. To consider private property to be the prime institution of capital, she noted, is to identify capitalists, not capital, as the problem, and focuses the struggle for social change against capitalist distribution treated in isolation, rather than the relations of production and reproduction as a whole. And to limit social analysis to a critique of the distributive effects of capital marks the shift from revolutionary to reformist discourse, from a position outside of and against capital to one rooted solidly within the logic of capital. Commenting upon the revisionism of Eduard Bernstein, Luxemburg writes,

by 'capitalist' [he] does not mean a category of production but the right to property. To him, 'capitalist' is not an economic unit but a fiscal unit. And 'capital' is for him not a factor of production but simply a certain quantity of money. By transporting the concept of capitalism from productive relations to property relations...he moves the question of socialism from the domain of production into the domain of relations of fortune - that is, from the relation between capital and labour to the relation between poor and rich" (Luxemburg, 1970: 65).

Such a conception of socialism leaves untouched the fundamental relations of exploitation; it can at best point in the direction of a different model of capital accumulation and a more progressive structure of distribution (Müller and Neusüss, 1975: 24).

Capital, then, is *not* reducible to the wage; capital is *not* reducible to private property. It is, rather, a social relation that can take different forms: the privately-owned firm, the joint stock company, the public enterprise. The critical point is that these very different forms for the organization of production share a relationship common to them all - *alienated and exploited work* - and a common underlying priority - *capital accumulation*. And these common bonds are the substance of capital and its social relations. By separating masses of people from their means of subsistence, by enforcing 'bloody legislation' to impose work and create a class of dispossessed labourers, and by imposing the work relationship and the measurement of labour-time, capital constructs conditions for the reproduction of value on an ever-expanding scale.

Based on this analysis, the Marxian critique extends beyond the categories of economics to the discipline itself, as is revealed in *Wage Labour and Capital*, a lecture in which Marx provided in embryonic form the ideas he would later develop in *Capital*. Here he moves from the critique of capitalism and its specific workings to a wider discussion, in which the entire discipline of economics and its rationalization of the quest for growth come under attack. "If capital grows, the mass of wage labour grows, the number of wage-workers grows; in a word, the domination of capital extends over a greater number of individuals" (Marx, in Marx and Engels, 1977, vol.1: 163). Growth and development are here explained as growth and development *of capital*, of precisely the exploitative relation that Marx' analysis intends to criticize. Alienated work is an imposed relation

productive of capital, i.e. productive of still more exploitative relations; and the discipline of economics, whose explicit aim is the pursuit of growth, can then be understood as fundamentally linked to the interests of capital, and in profound opposition to the interests of workers.

If the centrepiece to the Marxian analysis of capital is *value*, or more precisely, the creation of surplus value through the imposition and exploitation of labour, what are the implications for actually-existing socialism? There are several, whose elaboration can go a long way toward situating state socialism within a class-based analytical framework. First, what does a Marxian conception of *capital*, as laid out above, imply for the notion of socialism as state-led transition? Second, in what ways are the economies associated with actually-existing socialism rooted in the logic of capital and the priority placed upon growth?

Socialist Statehood and the Transition:

The Russian Revolution of 1917 brought a self-avowed Marxist regime to power for the first time, placing the role of state construction at the centre of discussions about the transition to socialism. The Russian Revolution represents a profoundly important moment in working class history, a moment in which working class struggle not only toppled the existing state apparatus, but claimed state power as its own. At the same time, however, Bolshevism's success in conquering the state generated a fundamental change in much Marxist theory. In developing a theory of socialist statehood, the Soviet leadership inserted into

Marxism its very antithesis: a theory of how to exert social control, how to manage workers, how to accumulate - in short, how to exploit². Hence the legacy of Bolshevism is not only one of working class struggle and success, but also of the contradiction between Marxism as a theory of struggle *against* alienated work and imposed order, and Leninism (and later Stalinism) as a blueprint *for* such imposition in the name of socialism.

For Marx, the state and capital were inextricably linked, and thus any movement toward communism required the destruction of capitalist command at the state level as well as in the workplace. This is not to say that state-form is *irrelevant* to workers, but that by its very nature as regulator of antagonistic capital-worker relations, the state cannot be used to move beyond capital's logic. Transcending capital requires transcending the state as an institution for the imposition of work and the quest for accumulation (Lebowitz, 1995: 204-6). In Marx' words,

“...the proletarians, if they are to assert themselves as individuals, will have to abolish the very condition of their existence hitherto..., namely, labour. Thus they find themselves directly opposed to the form in which, hitherto, the individuals...have given themselves collective expression, that is, the State. In order, therefore, to assert themselves as individuals, they must overthrow the State (Marx, *The German Ideology*, in Marx and Engels, 1978, p.200).

Lenin, however, was preoccupied with the defense of Bolshevik state power in the face of counter-revolution, and hence he developed a very different theory of the state, which he deemed a repressive agent only “if it is a bourgeois republic, if it retains private ownership...and if private capital keeps the whole of society in wage-slavery” (Lenin, 1977 [1919], vol.3: 214).

Perhaps even more critical, however, was the doctrine of *socialism in one country*, adopted by Stalin; indeed, Mészáros argues that this central tenet of Stalinist theory has led to “the distortion of every major theoretical tenet of the originally envisaged socialist transformation” (Mészáros, 1995: 635). The doctrine made socialist construction a national project, ignoring the impact of Soviet participation in the relations of the world market, and shifting the focus of attack from *capital*, as social relation, to *capitalism*, as the formal structures and institutions of liberal society. As Stalin himself wrote, “We must also discard certain other concepts taken from Marx’ *Capital* - where Marx was concerned with an analysis of *capitalism*...I am referring to such concepts, among others, as ‘necessary’ and ‘surplus’ labour, ‘necessary’ and ‘surplus’ product, ‘necessary’ and ‘surplus’ time (Stalin, quoted in Mészáros, 1995: 640). Arguing that the categories of class analysis could not be applied in the Soviet Union, where workers and managers were ‘comrades and friends’ (Ibid.: 641), Stalinist doctrine shifted the target of socialist transformation. No longer was official Marxism-Leninism to concern itself with the transcendence of capital relations; now its purpose was no more than the abolition of *capitalism* and its specific mechanisms: private property, market-driven growth, and the buying and selling of free labour-power.

As the doctrine of socialism in one country drove a wedge between Marxian theory and the practice of state socialism, complementary developments took place in socialist economics. Of particular importance was Preobrazhensky’s

work on 'socialist accumulation'. Contrary to Marx, Preobrazhensky argued that socialism was a state project, and thus he saw that a critical pre-requisite to its development was the massive accumulation of capital in the hands of the state. Such accumulation, in turn, required an increased extraction of surplus value from both the large state sector and from small-scale private producers (Dobb, 1948: 184). Thus the 'fundamental law of socialist accumulation' demanded that state sector wages be lowered in proportion to production, and that the exploitation of small producers be increased in order to extract ever more surplus value from workers and peasants. It was a 'law' reminiscent of mainstream capitalist economics; and as it informed state policy toward workers' demands, the practice of socialism came to differ little from the logic of capitalist accumulation. As Stalin himself said, "If we were to raise the wages of labour unduly, no accumulation of profits would be possible" (Stalin, quoted in Dobb, 1948: 189). Accumulation was to take a front-seat to subsistence.

The Soviet project of state construction had profound significance for much Marxian theory, including the concepts of exploitation, appropriation and accumulation. Bolshevik economic policy was rooted in a central plan designed to enhance accumulation, and which sought to manage workers and resources in the most economically efficient manner, i.e. to produce the greatest profit. This was socialism within capital, socialism not opposed to accumulation, but *better at it* than capitalism had been (Mészáros, 1995: 46-7)³. Indeed, the main pillars of the socialist economy - command/ the plan, incorporation of labour into

the state, and socialist accumulation - were all designed to improve upon, rather than transcend, capital.

State Socialism as Capital:

The analysis which characterizes state socialism as a system rooted in capital is by no means new; the work on Cuba carried out for this thesis draws upon a long tradition which, by subjecting self-styled socialist regimes to Marxian analysis, has discovered profound similarities between the logic and purpose of actually-existing socialism and actually-existing capitalism. Rooted in the work of such people as Rosa Luxemburg (particularly her work on the general strike and her critiques of Bolshevism), the Council Communists of the 1930s rejected Leninism's central focus on the conquest of state power as fundamentally incompatible with the profoundly *anti*-state nature and purpose of communism. For Councilists such as Anton Pannekoek, Marxism was not a passive description of the scientific unfolding of history, but rather the theoretical expression of the real movement of the working class (McLellan, 1989: 173). It was autonomous action by working people, using decidedly new organizations and methods of struggle, which constituted the activity capable of moving beyond capital. The state, the Party, the trade union: each of these was a form developed within capital, and each retained at its core an adherence to the principle of systematic social control. Thus none was suitable for an approach designed to transcend alienated work and the domination of capital.

In the 1940s and 1950s, the project of the Council Communists was carried on by C.L.R. James and Raya Dunayevskaya, who, along with other collaborators, came to be known as the Johnson-Forest tendency. Their analysis focused upon the Soviet model of accumulation, and upon anti-worker legislation and pro-capital policy-making as they manifested themselves under socialism. Dunayevskaya and James broke with Leon Trotsky over, among other things, their respective analyses of Soviet Russia, which Trotsky characterized as a deformed workers' state. In 1950, James published *The Class Struggle*, which focused on Trotskyism's failure to draw links between the structure of Soviet socialism and the wider dynamics of world capitalism. James argued that socialism's attempts to incorporate class struggle at the level of the state was *not* a characteristic unique to socialism, but could be seen elsewhere in the world capitalist economy as Keynesianism rose to prominence. According to James, the fundamental distinction between socialism and capitalism was that centralization in the former was more extreme. Both Keynesian capitalism and socialism relied upon state-managed economic development; both saw the state enter the class struggle directly; both sought to make workers identify their own interests with the goal of increased production. Thus, while the Soviet model carried each of these structures further, in terms of their basic content and essential logic, James argued that little distinction could be made between capitalism and state socialism.

While James was developing his theory of state capitalism in the 1940s, his collaborator Raya Dunayevskaya was carrying out an empirical analysis of the Soviet model in order to reveal how capital accumulation remained the fundamental logic of the socialist state⁴. In a series of articles (later entitled *The Original Historical Analysis: Russia as state capitalist society*), Dunayevskaya showed how production continually outstripped consumption in Soviet society, and traced the way the state imposed austerity during periods of reduced productivity in order to maintain an acceptable level of surplus-labour extraction. Through quantitative studies such as these, Dunayevskaya showed that the major characteristics of modern capital - surplus value, money, interest, etc. - remained central to the Soviet model. Labour, exploitation, accumulation and class struggle - in a word, capital - remained the foundation of the system.

The analysis of state socialism as a form of capital has more recently been undertaken by István Mészáros in his massive work, *Beyond Capital*. Here the author explores the over-riding logical similarities between capitalism and actually-existing socialism⁵ - both a part of what he terms 'the capital system'. For Mészáros, state socialism treats capitalism as a series of specific institutions and mechanisms to be 'abolished', and socialism as a state-led project for economic growth. Marx, on the other hand, focused his critique upon *capital* in general, not merely the formal structures of capitalism, and his conception of socialism demanded the transcendence of capital as an organic whole: as capital, as labour, and as state (Mészáros, 1995: 618 and 790).

If state socialism abolished only capitalist structures, without addressing itself to the abolition of capital, then it is not surprising, argues Mészáros, that the state's response to a crisis of socialist accumulation would lead to a re-emergence of market capitalism⁶. The two forms of domination share common assumptions, logics and dynamics, and hence the shift from one form and one ideological justification to the other does not require so giant a leap as many had assumed⁷. Both strategies treat individual workers as fragmented consumers, and the working class collectively as merely 'labour power'; both emphasize the requirements of accumulation at the expense of subsistence; both rely upon the exploitation of alienated labour in a work process thoroughly invested with a logic whose bottom line is 'profitability' (Mészáros, 1995: 643-5 and 649-50). State-led transitions, then, - from market capitalism to state socialism and back again to the market - are limited largely to the realm of management strategy and of form - or *personification*, in Mészáros' words - of capital (Mészáros, 1995: 616).

The critique of actually-existing socialism is central to this analysis of contemporary Cuban restructuring. But the intent of this paper is neither to disregard nor to denigrate the contributions of the traditional Left; rather, the focus on class subjectivity and struggle is meant to take the analysis *beyond* the limitations imposed upon it by a statist/ developmentalist logic which has so much in common with capital. That is, the point is not to reject the very idea of the socialist alternative or to dismiss the Cuban Revolution as a side-road on the path to the market. Rather the task is to come to grips with the fact that orthodox

conceptions of socialism have retained at their base many of the assumptions and dynamics of capital. It is not a question of embracing or rejecting state ownership or social welfare, but rather a challenging of the system's over-riding *logic*. By confining its critique of capital to the issue of capitalism as private property, the free market for labour-power, and unequal distribution, traditional socialism has left untouched the substance of capital as social relation: imposed and alienated work. Therefore, if socialist 'reform', in Cuba and elsewhere, has tended to embrace capital and its logic, this is only to be expected; the very definition of what entailed socialism was, from the beginning, plagued with this dynamic.

Notes to Chapter 4

¹ See Cleaver, 1989 and Cline, 1983.

² The Soviet theory of statehood here refers to the combination of two distinct yet related theories, Leninism and Stalinism. Leninism focused upon the roles of Party and state and their relationship to workers, institutionalizing a command structure, and re-creating the centrality of alienated work (e.g. Lenin's praise of Taylorism). Stalinism introduced the notion of 'socialism in one country', and further extended the idea of socialism as a system of capital accumulation.

³ In Mészáros' words, "capital's historically successful mode of surplus-labour extraction - because it works and so long as it works - can also set itself up as the *absolute measure* of 'economic efficiency' (which many people who considered themselves socialists would not dare to challenge, promising therefore *more* of what the adversary could deliver as the legitimacy ground of their own position...[Mészáros, 1995: 46-7]).

⁴ Aside from Dunayevskaya and others' critiques, official Soviet discourse is itself quite explicit about the primacy of accumulation over subsistence. To offer only one example, Stalin's "Economic Problems of Socialism in the U.S.S.R." argues, in circular fashion, that if primacy were placed upon subsistence needs, "the effect would be to destroy the possibility of the continuous expansion of the national economy, because the national economy cannot be continuously expanded without giving primacy to the production of means of production." Cited in Mészáros, 1995: 643.

⁵ In his exploration of the continued rule of capital in state socialism, Mészáros does *not*, however, imply that both models of accumulation are capitalist. Rather, he argues that capital both pre-dates and post-dates capitalism. There are important differences, then, in the structural organization of capital under socialism and capitalism, particularly as regards the mechanism for the extraction of surplus value, which is carried out primarily through the market under capitalism, and through the state, i.e. political command, under socialism. See Mészáros, 1995: 630-1.

⁶ For analyses of capital's restructuring in China and Vietnam, see the following:
Dorlane, Olivier, 1994. "China: a major confrontation is brewing" in *The Organizer* (originally published in French in *La Vérité*;
Greenfield, Gerard, 1994. "The Development of Capitalism in Vietnam" in Miliband and Panitch (eds.), *The Socialist Register 1994: between globalism and nationalism*.

⁷ Mészáros notes that many capitalist policy-makers are baffled by the fact that socialism's fall did not resolve the crisis of capital. But to have expected it would, he argues, is to fail to recognize the nature of the crisis. That is, the crises of socialism and of capitalism did not arise from the fact of their competition, but rather from a deeper dynamic in which both were embedded - the crisis of *capital*. Thus if capitalists today are puzzled by the continuing lack of growth, this is only because they have failed to recognize socialism's collapse as a symptom of capital's overall crisis. And they failed to recognize, too, that the Soviet system was not diametrically opposed to their own, but "only the obverse side of the coin" (Mészáros, 1995: 38).

Chapter Five

TOWARDS A POLITICAL CONCLUSION

As the previous chapters have argued, actually-existing socialism has functioned as a political-economic strategy for accumulation within the global capital system, and, as such, it has failed to provide that which it claimed to offer - an alternative to the rule of value and the endless exploitation of labour. But what remains to be addressed is why such a conclusion has any relevance to contemporary social struggles. That is: is the analysis of Cuba's relation to global capital merely a theoretical exercise, or are there practical political lessons to be gleaned from such a critique? Arguing that the analysis of socialism as capital does indeed have significant political implications, I turn now to the question of *why* this analysis is not only relevant, but critical, to the construction of a radical Left alternative to the emerging world order.

The first issue which arises out of the analysis above is to determine what its implications are for how we understand the historic example of the Cuban Revolution. Clearly since 1959 Cuban workers have won dramatic gains in social welfare and cultural self-appropriation. The Revolution has transformed Cuba from a neo-colony of U.S. sugar and tourism interests into an independent state, actively engaged in global politics. Further, the country has achieved (at least until the onset of the special period) a level of distributive equality and social welfare unmatched elsewhere in the global economy; in roughly thirty-five years of socialist rule, Cuba's social indicators have far surpassed those

common to the rest of Latin America and the Caribbean, and have come to rival, if not exceed, those of the First World. The country's education and health care systems have long been the envy of the world, and Cuba ranks first among Latin American and Caribbean nations in its life expectancy, infant mortality, and overall quality of life (Eckstein, 1994: 226; UNICEF, cited by Radio Havana Cuba, Sept. 22, 1993); further, nutritional indicators place Cuba closer to the U.S., Canada, and Western Europe than to its Latin American neighbours, and the island considerably outstrips even the First World in terms of popular access to cultural events (Rosset and Benjamin, 1994: 10). It is no wonder, then, that the Cuban experience has been, for millions throughout Latin America and the world, a tangible example of what is currently feasible. Indeed, as Cuban workers themselves will frequently attest, the Revolution has seen working people win dramatic victories in many spheres of life, particularly as related to material subsistence. Nonetheless, while they defend hard-won social policies, Cubans often distinguish the Revolution's gains from the leadership of the Party, frequently defining themselves as revolutionaries while rejecting affiliation with the Party-state apparatus. To understand this, it is critical that we acknowledge what Cuban workers have *lost* since the Revolution, and in what ways the state has operated as an institutionalized *counter-revolution*. In the area of subsistence, the history of Cuban policy-making is full of examples of state efforts to cut back on social welfare and labour rights; from the attempts to 'rationalize' labour policy during the 'Retreat' years to the recent onslaught on

social programs, the institutionalized Revolution has repeatedly demonstrated that its commitment to egalitarian social policy is conditional upon workplace obedience, increased labour productivity, and capital accumulation. Further, workers' autonomous political organization, in forms such as unions, peasant associations, African-Cuban movements and women's groups, has been a target of state repression from the earliest years of socialist rule, as Party-affiliated mass organizations were developed to replace the self-created organizations of working people, and to ensure that workers' demands were mediated by the state at all levels.

Cuba's mass organizations and Party-centred efforts at incorporation have served, then, to prevent independent political mobilization by various sectors of the working class. Institutions such as the Confederation of Cuban Workers, the Cuban Women's Federation and the Cuban Students' Federation have functioned as safety valves for the regime, offering a place for sectoral interests to be articulated and presented, while insuring that the process takes place entirely within the confines of the Party-state apparatus. Similarly, pan-African movements and Afro-Cuban cultural groups have frequently been designated antithetical to socialism (McGarrity, 1992: 199-200 and 203). Thus, while state incorporation offers some opportunity to address sector-specific demands, more structural issues, i.e. patriarchy and institutionalized racism, are denied, and mention of them is frequently muted as a sign of 'non-integration' or a 'counter-revolutionary' tendency.

What is more, Cuba since 1959 has seen many of the traditional weapons of workers become criminalized. Not only the organization and representation offered by independent unions, but also strategies such as strikes and slow-downs, have been characterized as crimes against the state and against socialism. A similar pattern is revealed in the social struggles of peasant communities; land takeovers and squats by poor farmers have been seen as violations of the state's exclusive right to 'expropriate the expropriators', and autonomous decision-making in terms of production and subsistence, in the cooperative sector, for example, has been deemed a form of theft against the state. And in spheres not apparently 'productive', too, independent popular mobilization has been repressed. African-Cuban communities have faced a long history of marginalization as their independent, collective practices of artistic and religious autonomy have been either incorporated as tourist attractions to raise foreign exchange for the state, or (where communities maintain their independence) demonized as non- (and therefore *anti-*) Cuban, segregationist, and even pathological (McGarrrity, 1992: 199). To these examples may be added the experiences of gays, lesbians and bisexuals, students and youth, anarchists and syndicalists, all of whom have, at one time or another, been considered enemies of the regime and of socialism.

These factors, in tandem with the capital-centred processes discussed previously, highlight some important political concerns for Left analysts and movements. For if the Cuban Revolution has demonstrated such anti-worker

policies in the past, what can it mean to defend that socialism as a viable alternative? Harry Cleaver reminds us that the Left has often failed to distinguish between the interests of an ostensibly revolutionary regime and the popular will. Noting the examples of the USSR, China, and Kampuchea, Cleaver reminds us that the “uncritical transfer of support” for the defeat of a repressive state to the efforts of a post-revolutionary government can end not only in disillusionment, but in a failure to recognize and support workers’ struggles to continue and deepen the revolutionary process under the new regime (Cleaver, 1987).

With specific reference to contemporary Cuba, the issue of popular versus government interest becomes still more pressing in the context of current reforms; the restructuring of the *período especial* has extensively undermined the traditional basis for Left support of the regime: its progressive social welfare system. As empirical research shows, contemporary Cuban strategy includes the proliferation of free trade zones, the creation of havens for finance capital, and a systematic dismantling of labour laws and social welfare programs. If so many policies the Left condemns elsewhere become central components of Cuban economic strategy, then, how can these be reconciled with the defense of Cuba as a progressive alternative?

As these issues come into play, it becomes ever more important to clarify the theoretical distinction between capital and market capitalism; indeed, this distinction can provide a critical starting point if we are to analyze the realities of state socialism and to understand how such a model could emerge from a

self-described 'Marxist-Leninist' Party. As Dunayevskaya, Mészáros and others have demonstrated, it is precisely the failure to grasp the nature of capital as a relation of endless work and appropriation which allowed state socialism to develop as a system beyond the market, but not beyond capital. What is more, if we are to recognize the implications of this failure - the assault on workers autonomy, the continued process of exploitation and appropriation, and the re-emergence of market capitalism in the name of defending socialism - it is crucial that we re-think the nature of class struggle and socialism before considering appropriate and viable means of organization and struggle.

Political Implications of a Class Analysis of Cuban Socialism

It may be suggested that an analysis such as this serves to undermine the achievements of the Cuban Revolution and the gains workers have won over the past thirty-seven years. But as was explained above, this is most certainly not the intention. But neither is it my intent to develop a blueprint for the regime's success over the next years. Many works have already been written to offer practical ways of assisting the Cuban state in its survival; as many observers rightly suggest, the accomplishments of the Revolution, particularly in the realm of distribution, cannot be matched anywhere in the global capitalist economy. So if our purpose were to search for a means to reconcile workers' interests with the need for functional growth in the context of global capital and the emerging world order, then an uncritical defense of the Cuban experiment would perhaps be justifiable.

But such an approach begs the question: is such reconciliation a viable, let alone desirable, approach to class struggle in the late twentieth century? The social democratic models of Sweden and New Zealand were clearly superior to capitalist practices elsewhere in advanced capitalism, but the current crisis and its attendant restructuring have undermined these models, as well. Can we, then, limit our efforts to defending Sweden, New Zealand, Cuba, and other states that have pursued more progressive, alternative strategies for accumulation, hoping for a return to their hey-day despite mountains of evidence to the contrary? Clearly such an approach offers little prospect for success given current trends in the global economy.

Recent works by capital's own theorists testify to the fact that capitalism is still in profound crisis thirty years after the collapse of the Keynesian model of accumulation. Kahn and Knight (1985), Dornbusch (1990) and Kapstein (1996) all illustrate capital's own uncertainty, and can be read as confessions by capital's high priests that its continued rule is by no means inevitable. Indeed Kapstein goes so far as to note the ever-increasing threat that workers pose; policy-makers today, he suggests, must learn from historical example that worker dissatisfaction and mounting poverty cannot be considered merely marginal concerns. For if capital does not address its pathologies, "there are others waiting in the wings who will, perhaps on less pleasant terms" (Kapstein, 1996: 37).

Capital, then, is aware of its own mortality. And in such a climate, it is beyond comprehension that the Left should embrace precisely the opposite claim - that capital's rule is inescapable and inevitable. The tendency by many on the Left to take actually-existing socialism's collapse as a signal of capital's victory marks a failure to recognize the fact that capitalist crisis is not only continuing but deepening. What is more, such a failure can often constitute (by effect, if not by intention) a decidedly counter-revolutionary politics, serving to reinforce capital's claim to permanence. The notion that capital's relations are either natural or infallible can have nothing in common with an anti-capitalist standpoint, for where the Left embraces such a perspective it undermines, by default, the idea of a working class alternative.

Thus, for this author, before addressing specific issues of organization, it is critical that we clarify what we are organizing for; that is, what precisely do we mean by capital, and what exactly does a transcendence of capital entail? It is only once this has been answered that we can begin to address the more complex question: does our strategy move us in a direction against and beyond capital, or toward and into capital? These questions are crucial to the development of a suitable strategy, for without addressing these, it will not be possible to consider the long-term implications of a given strategic or organizational form.

So, what defines an alternative to capital? How do we organize not only resistance, but transcendence? As we begin to answer these questions, the

work of Mario Tronti can be particularly informative. Emphasizing revolution as a *process of refusal* (Tronti, 1979 [1965]: 13), Tronti notes that a political struggle against capital itself must necessarily involve the refusal to articulate a solution to capitalist economic crisis. In other words, the fatal flaw of previous organizational forms - whether Stalinist or social-democratic - has been their attempt to legitimize socialism as a higher stage of economic management; the collapse of the revolutionary process has always come at precisely that moment that the socialist leadership attempted "to demonstrate, in practice, that they were capable of managing the economy of the society (far more capable, of course, than the capitalists), and on this basis they were to demand the running of the state" (Ibid.: 13-4). By such a logic, socialism wedded itself to capital's economic and political goals, and reconstituted capital's relations in a post-market form.

Still, this does little to clarify the problem; for if we abandon state socialism and social democracy as models, with what do we replace them? What of socialism? If these previous Left models are not sufficient, do we not need to lay out precisely what a post-capital social formation would look like? To this question, Harry Cleaver responds with a resounding "no". Like Tronti, Cleaver argues that it has been the Left's attempt to articulate a socialist economic management programme which is precisely the problem. That is, socialism has been conceived as a unified social system to be imposed in place of capitalism. But while this has been the legacy of socialist Parties, Cleaver reminds us that

Marx himself refused to map out a path to utopia, or “to impose a new master narrative on a post-capitalist future” (Cleaver, 1992: 247). Rather, the dynamic of struggle is above all a refusal of systems, of orders, and of political-economies. What lies beyond is uncertain; all that is clear is that the transcendence of capital cannot be attained by imposition of yet another command strategy. There is no ‘true’ socialism to be imposed; instead, the construction of communism is a process of struggle, a strategy of refusal, a constant antagonism to all orders, all systems, all institutions of economic management and political command (Makdisi et al., 1996: 3).

This emphasis on *refusal* as strategy takes as its starting point the fact that the working class is, in reality, the provider of capital: “the possessor of that unique particular commodity which is the condition of all other conditions of production” (Tronti, 1979 [1965]: 9). Given that workers’ active participation in the labour process and their cooperation in production are absolutely necessary to the reproduction of capital, working class *refusal* to participate in the accumulation process immediately carries with it the threat of capital’s definitive abolition. This much is clear in that ever-important weapon, the strike, in which the working class confronts its own labour as the enemy, and takes power from its refusal to work. But the same refusal can become an offensive tool against the political institutions of capital as well, as workers refuse to participate in, or even to acknowledge, institutions of political command. And while such a tactic is ever-present in passive form - i.e the refusal to vote - , as it is organized into a

moment of active, collective refusal, such non-collaboration represents a powerful declaration of revolt, a negation not only of capital's economic command, but its political organization as well (Tronti, 1972 [1966]: 24-5). In this way, workers' organized political struggle takes form precisely in the refusal to cooperate, the refusal to participate in the creation of a unified political command, and the refusal to manage accumulation in any form. Mario Tronti makes the point well:

When capital is unveiled as a social force...it does not leave any alternative to the working class other than opposing itself to this whole sociality of capital. Workers no longer have to contrapose the ideal of a *true society* to the *false society* of capital: they no longer have to release and dilute themselves within the general social relation...It is at this point that the working class must instead consciously organize itself as an *irrational* element within the specific rationality of capitalist production. The growing rationalization of modern capital must find an insurmountable limit in the growing unreasonableness of organized workers, i.e. in the workers' refusal to political integration within the economic development of the system. Thus, the working class becomes the only *anarchy* that capitalism fails to socially organize...[But] it is not a matter of creating chaos within the productive process. It is a matter of 'organizing the systematic disorganization of production'. (Tronti, 1973: 118-9).

The refusal to articulate a unified system, however, should not suggest that there can be no alternative vision; indeed, such a vision has remained integral to working class struggles for centuries: from the Diggers of seventeenth century England through the Paris Commune, through the Pan-Africanists, the Situationists and the squatters' movements of more recent years, resistance struggles have shared a vision of a social formation without relations of property, in which the alienation of imposed labour is no more. For Marx, this vision simply entailed 'the free association of producers', a communal life in which work was neither a mechanism of social control nor a means to accumulation, but rather

an act of self-realization, one among many activities for multi-dimensional human development (Cleaver, 1992: 240). Such a vision may indeed be vague and indeterminate; but what is clear is that this ideal has nothing in common with the repressive state of Soviet example or the intensified labour of Cuba's work brigades; on the contrary, these latter realities of actually-existing socialism represent, if anything, an intensification of capital's command.

With that in mind, this research has attempted to apply Marxism as critical analysis to the world of state socialism, and to highlight class structure and struggle in the context of the Cuban Revolution. Such a project acknowledges the Cuban case as perhaps the best distributive model that this world economy of capital has to offer; but it simultaneously refuses to be confined to that which is practical and feasible under existing political-economic constraints. While there is certainly room for works dedicated to laying out an immediate course of action, there is also a crying need for a deepening of our understanding of Marxism in order to strengthen our critique not only of different forms of capital, but of the entire political fabric, of the web of relations which constitute capital. The crisis which confronts the world today demands that radical critiques not be postponed or watered down on account of political expediency.

Nevertheless, the objection remains: to characterize capitalism and actually-existing socialism as forms of the same system, to pursue the goal of a society without imposed work, without exploitation, without the state, and to critique everything which falls short of this - is this not a childishly utopian orientation?

Perhaps it may be construed this way. But a strategy limited to what is feasible and practicable within the confines of capital can never transcend existing boundaries. In other words, it is not an issue of whether this or that strategy is utopian, but rather one of vision, for the movement to transcend capital requires envisioning a social formation where work is not the basic organizing principle. Clearly there are ample historical examples to support the possibility of such social organization; indeed, most of human history is made up of social formations where work is simply one among many daily activities, and where the purpose of work is to satisfy need rather than to accumulate (Esteva, 1988; Isaac, 1993). Capital's rule, then, is by no means a natural order, common to all times and all places; on the contrary, capital is a socially-constructed, historically-specific relationship (Meiksins Wood, 1995: 149-151). And as such, not only is it possible to conceive of social formations before capital, but also of alternatives now and in the future. The questions for Left analysts and movements are, then: can we envision our own society moving in a new direction, where capital's logic is not the final word? Do we project capital onto all of human history, and accept its regulations as a 'natural order'? Is the endlessness of work somehow pre-ordained, or can we continue to assert alternative frameworks, in which our life is measured by something other than labour? If we now work forty hours a week, can we not envision thirty? And if we can conceive of thirty, why not twenty, or ten, or five?

These questions deal primarily with the long-term vision of a Left alternative. But even with regard to immediate demands, current experience in Sweden, New Zealand and elsewhere clearly demonstrates that workers' interests cannot be protected by social-democratic claims to a 'unity of interest' or 'growth for all'. On the contrary, such interests can be protected and expanded only through the process of continued struggle. What is more, to demand the abolition of capital is not to renounce the struggle for immediate gains. Any and all improvements in current conditions of labour and social welfare provide a material basis for further struggle. But when we allow such reforms to constitute the be-all and end-all of Left theory and practice, we abandon the project of moving *beyond* capital¹. As Mészáros notes, "Once people who claim to be socialist adopt the wisdom of 'there is no alternative' as the justification of the policies pursued, they cease to have anything whatsoever to do with socialism" (Mészáros, 1995: xvi). Thus it is precisely the articulation of the radical vision which can serve as a compass for immediate strategy. Reforms in themselves do not constitute a move beyond capital; but the attempt to transcend capital is "the necessary precondition also of partial successes which in due course...can become cumulative" (Mészáros, 1995: 793).

Finally, the objection may also be raised that this analysis has over-emphasized worker resistance and underplayed the roles of the Cold War, the U.S. blockade and the collapse of the Soviet Union as contributing to Cuba's crisis in the special period. While little mention has been made of the

international dimension, this has not been done out of ignorance. These are clearly fundamental elements of the Cuban crisis. But this analysis has focused on another crucial element, one that is normally missing from analyses of the Cuban situation: the domestic, human basis of social development. It is easy to forget, as we explore political and economic change, that behind the crumbling of empires, fiscal crisis and official policy-making is the reality of daily life and struggle, particularly the struggle of workers against work, against appropriation, and for enhanced subsistence and greater autonomy. It has been the purpose of this thesis to draw these often-neglected struggles into the analysis, to remember that strategies for development, accumulation and centralization do not arise in a vacuum, but respond to real struggles in the workplace and in daily life. This analysis, then, intends to look beyond the elements of international relations - elements which themselves can be and need to be analyzed as reflections of class dynamics - to the people actually engaged in struggle.

Similarly, the understanding that workers in Cuba resist state policies and struggle against socialist appropriation does not suggest that the ideals embodied in Marxism are erroneous or that salvation lies in a return to market capitalism and liberal democracy. Indeed, Cuban workers would be the first to deny this. Rather their resistance reveals that actually-existing socialism has not overcome the contradictions of capital, that it has not moved beyond exploitation and class struggle. Marxists frequently address everyday resistance, productivity and workplace indiscipline as critical components in the analysis of capitalism.

But they have, by and large, tended to ignore such factors in their examination of actually-existing socialism. This analysis has focused on capital in the socialist state, and on the state's antagonistic relationship to workers in an attempt to remedy this shortcoming.

If "burying socialism" implies a definitive moral or political victory for capital, an end to class analysis and class struggle, then this analysis stands firmly opposed. If, however, we are referring to the burial of Leninist orthodoxy, of Stalinist modernization and the notion of 'socialist accumulation', then yes, this analysis does represent a step in that direction. A burial of Marxist-Leninist orthodoxy is essential to the re-birth of Marxism in the post-Cold War era. The dilemma that presents itself in this thesis is to reconcile a critique of Cuba's socialism with a defense of that system's social gains in the face of U.S. aggression. Generally, responses can be characterized as defenses of Cuba and all its authoritarian, exploitative relations (Franc, 1993), or condemnations of Cuba on the basis of its hostility to traditional capitalist methods and classical liberal conceptions of democracy (Castañeda, 1993: 358-9 and 432). But if Marxism is to make a break with its own counter-revolutionary heritage, neither approach will suffice. Rather, it will be necessary to develop a politics linked with Cuba's own working class struggles: a politics which defends the many gains of the past thirty-seven years, but which also recognizes Party and state as *counter-revolutionary* forces, which have functioned to undermine autonomous worker control and resistance, which have sought to extend exploitation in

search of profit, and which have operated in fundamental *antagonism* to autonomous working class organization and struggle. Such a politics must refuse to accept the limitations of the Stalinist/ social-democratic dichotomy, arguing instead for a definitive break with both models for realizing communism via the state.

Eduardo Galeano has said of state socialism and its demise, "I must confess, I don't believe it. This funeral is for the wrong corpse" (Galeano, 1992: 273). Despite liberalism's self-proclaimed victory, the death of Soviet-style socialism is by no means the death of class struggle and resistance. Indeed, it was largely autonomous working class mobilization - by means of strikes, independent political organization and work slow-downs - that undermined the Leninist model of accumulation². Still, we witness the collapse of that experiment with a certain ambivalence, as a relatively progressive distributive system is replaced by a patently regressive and reactionary model. The loss of socialist distribution constitutes a significant wage set-back for millions of working people in the former socialist states, and this is most certainly not something to be taken lightly. But by the same token we must realize that this collapse was brought about largely by autonomous working class struggle, and thus is a sign of effective and continued working class resistance. What has collapsed is a particular model of accumulation, a particular strategy for exploitation. And a major contributor to that collapse was workers' prolonged refusal to accept the

imposition of alienated work and their refusal to acquiesce to austerity. In this there is a hope worth celebrating.

Notes to Chapter 5

¹ Further, the reformist tradition may act as a fetter on radical political action, by limiting demands to issue-specific reforms and by insisting upon legal and parliamentary means of struggle which are wholly based within capital's administrative structure. Thus, as Gary Teeple notes, "The social-democratic left has become, in effect, part of the problem". See Teeple, 1995: 145.

² Many analysts have demonstrated that the roots of Soviet crisis lay largely in the inability of the state to extract adequate surplus value from its workers, the failure of the state to develop a politically-feasible austerity program, and the ongoing resistance of workers. See, for example, Dallin and Lapidus' comprehensive edited volume, *The Soviet Union: from crisis to collapse*. Though its authors are drawn from a wide range of ideological perspectives, virtually all refer to domestic resistance: labour struggles, autonomous political movements, anti-state political culture, youth rebellion, etc. Of particular note are the following articles, all drawn from Dallin and Lapidus' volume:

Starr, S. Frederick, "A Usable Past";

Bialer, Seweryn, "Domestic and International Factors in the Formation of Gorbachev's Reforms";

Hauslohner, Peter, "Politics Before Gorbachev: de-Stalinization and the roots of reform";

Sakharov, Andrei and Roy Medvedev and Valery Turchin, "Letter to the Soviet Leaders, March 19, 1970";

Hosking, Geoffrey A., "The Beginnings of Independent Political Activity".

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^a Many periodical sources obtained through the Cuba-L e-mail network, moderated by Nelson P. Valdés.