

PART ONE OF TWO

SUBJECT: CUBA : VALEDICTORY

SUMMARY

1. Beautiful country. Wonderful people. But too many controls

DETAIL

2. It is always salutary on leaving a country to look back at First Impressions. I was optimistic in 2001 that Cuba was changing even if Fidel was not. And that new opportunities for investment and cooperation would make life better for ordinary Cubans. I said that injustices in Cuba were many and the control of information the most distasteful. But I was wrong in suggesting that Cuba was perhaps on course for positive natural evolution.

Below this elite are some competent, decent individuals who have thrown in their lot with the regime. They can be efficient administrators but no one gets promoted in Cuba for showing initiative. Those who do, like the Tourism and Health Ministers in 2004, are fired. The vast party and security apparatus with its innumerable branch organisations serve as one of the most complete instruments of control in the world - probably around one million people.

4. Below are the mass of Cubans, subject to this control and with very little choice. Many are well-educated and professional in standards they seek to deliver. But their work days are often empty by our standards. Others are just roaming the streets surviving. And Castro's widely praised education and health are less substantial than is supposed. No Cuban statistics are internationally verified. Most Cubans are either too bored or resigned to care. Their children go to school, some to university. And they have access to doctors if not hospital linen or medicines. The rest of life is a morass of problems. Cubans remain dependent on a government which seeks to minimise their freedoms and pays them a pittance. Some 'services' are virtually free but there is much else that isn't. There is little difference between being in or out of work. The government preaches the virtues of material poverty but few can survive without breaking the law. Most see trying to become a waiter, practising petty corruption or leaving the country as the most rational solutions. Cubans have been conditioned not to push too hard through their own efforts to earn money. The Revolution eclipses the individual. But many now see the inequalities that have arisen through corruption and cynicism

Few outsiders understand how he operates. Fidel has used the international dimension well: Sending doctors overseas (for which now most recipient countries pay) and inviting students to Cuba to study medicine or sport wins friends. They ask little about what Fidel is delivering for Cubans. The Cuban doctors do not volunteer to go and the international students live better than Cubans whom they don't meet. Cubans are forbidden to stay in their own tourist hotels: Despite this, the obstacles still facing the domestic opposition and civil society are formidable. Even with tight controls on contacts with foreigners and access to the Internet, the grounds Cubans have for questioning the Emperor's wardrobe are manifold.

ECONOMY

6. The Cuban economy is moving to greater centralisation. It is seriously underachieving. After 45 years of Revolution to fight for independence of the US, American companies are the leading food suppliers to Cuba for cash and Cuban-American families' gifts the second largest source of foreign exchange. Those working for Cuban businesses are more cautious and inert than ever. A modern diversified economy with a well-educated and motivated workforce is the obvious way forward. What is currently productive and earning hard currency is small for 11 million people. Venezuela is the new Soviet Union, supplying at least half Castro's oil probably for little direct payment. Cuba has tourism, dependent on joint venture foreign investment, and vast nickel production with an efficient Canadian operator. The rest is moving ever more under government control. International business has to accept the pitfalls of a totalitarian regime. British companies need to be cautious. There are still attractive investment possibilities in tourism, agriculture and possibly oil. But legal enforceability of contracts under Castro's judiciary will always be a problem. Our IPPA of 1995 may yet have to be enforced. Oil of course is the key for the future. Despite Repsol's unpromising first results, Cuban own offshore sources are possible within a few years. This would encourage greater self-sufficiency for the Revolution. Castro appears not want wider foreign investment as it implies more vulnerability and individual freedom. Politics dominates economic policy. And his regime has shown no one man can provide the right answers for 45 years.