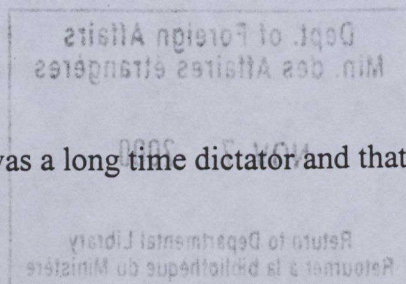


Russia's revolution was also indigenous, that Tito was a long time dictator and that strong nationalism remained in East European societies.



2. Comparing Cuba to Eastern Europe: Current Situation

The East European experience is relevant to Cuba for other reasons, besides the similarity of its political and economic system and a membership in the former Communist bloc. Cuba appears to be undergoing a similar degradation of its Communist system as experienced in East Germany and other East European societies immediately before 1989.

Current political, social and economic situation in Cuba is stagnant. The system displays many of the bleak characteristics associated with the decay of Communism in the East. Civil and political liberties do not exist. The Assembly is a hollow shell. "Party runs the entire political system, the Politburo runs the Party and Fidel Castro runs the Politburo." Society is suppressed, no opposition is tolerated. The Government has appropriated the socialist revolution. It has monopolised virtue and posits itself as a moral guide to the Cuban people.

The economy is stagnating. The state has attributed this situation to the embargo. The economy is afloat only due to revenues from tourism, remittances from family members abroad, and some sanctioned foreign investment. Export performance remains weak and disinvestment continues. The public sector, including education and health care, is collapsing. Semi-private services are emerging to cope with shortages. This contributes to a two-tier system in which those with hard currency benefit while those without dollars sink into deeper hardship.

The decay of the system is reflected in social erosion. For people to survive, they have to earn dollars, work part time (for instance, doctors are forced to drive taxis by night), resort to theft (principally from the state), rely on tourism or participate in the gray and "prostitution" economy. The artificially low exchange rate inevitably leads to black market activities (and the dollarisation of the real Cuban economy). This "crony" communism is plagued by wide-spread systemic corruption. But not only that, people are forced to have a double morality. One for public consumption, the other for private.

At a transition moment, Cuba will be faced with similar problems that the East Europeans had to tackle after the fall of the Berlin Wall. At that time, the economic analysis of Janos Kornai, the foremost authority on planned economic systems, as well as the East European experience with economic reform could come in handy. The experience in Eastern Europe with building a Western style civil society, institutional reform and other transition challenges could be instructive as well.