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Race and Rising Inequality in Cuba

KATRIN HANSING

Almost 60 years after the triumph of its revolution, Cuba is undergoing fundamental transformations. The changes started with the severe economic crisis that followed the fall of the Soviet Union. Today, the revolution’s celebrated achievements of relative socioeconomic equality, full employment, and high-quality, universal health care and education belong to the past. The island nation is faced with growing unemployment, rising poverty, deteriorating social services, and widespread corruption. It also has a largely octogenarian political leadership and a young, deeply frustrated population.

As the declining role of the state and the introduction of market mechanisms drive economic changes, new social stratifications are emerging. They are becoming entrenched along clearly visible racial lines. Inequality and race, which were both enmeshed with social divisions in prerevolutionary Cuba that the communist regime fought hard to eliminate, have once again become major, overlapping problems.

Racial inequality and racism have been an integral part of Cuban society since the Spanish conquest. Africans were brought to Cuba as slaves starting in the sixteenth century. More than 600,000 were imported in the nineteenth century, when Cuba emerged as a prosperous Spanish sugar colony. The introduction of sugarcane permanently changed Cuban society. It shaped everything from race and class relations to property rights and labor systems to culture and identity.

After the abolition of slavery in 1886 and during the republican period (1902–59), race continued to determine people’s legal and social rights and their economic status. It defined how individuals were judged and treated. Afro-

Cubans were still discriminated against and systematically excluded from higher positions in employment, public service, and politics. They comprised the majority of the island’s working class and poor.

When guerrilla forces led by Fidel Castro overthrew the authoritarian regime of Fulgencio Batista in 1959, the race question was almost entirely subsumed under a nationalist and subsequently socialist ideology. The revolutionaries moved quickly to dismantle institutional racism and other forms of social and legal inequality. The 1976 constitution explicitly prohibited any discrimination based on race.

The revolutionary government approached the issue of race with a Marxist perspective on history and society. Accordingly, it assumed that the elimination of private property and class exploitation would eventually cause racial discrimination to disappear. Private property was abolished in Cuba in the early 1960s. Under the measures implemented by the revolutionary regime, the Afro-Cuban population gained access to most workplaces, to education, and to recreational facilities for the first time.

Despite these changes, the communist government did not seek to eradicate Cuban society’s deeply ingrained culture of racism. Instead, the revolutionary rhetoric of unity and equality preserved an official silence regarding race-related matters. This silence has contributed to the survival of racist ideologies and stereotypes in Cuba. For what disappeared from public discourse remained deeply rooted in the private realm, where race continued to shape social relations.

Nevertheless, by the 1980s Cuba had become a relatively egalitarian society. It had low levels of racial inequality in key areas of professional and social life. The revolution had instilled an ideal of egalitarianism that was shared by most of the population.

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ECONOMIC JOLTS

These achievements began to be thrown in doubt after the fall of the Soviet Union in the early 1990s, when Cuba, which had long benefited from Soviet aid, fell into a deep economic crisis known as the “Special Period.” The consequences were devastating. At the time, many outside observers predicted that Cuba would be the next communist country to fall.

Castro declared a national emergency and warned Cubans to brace themselves for a time of extreme austerity and sacrifice. Simultaneously, he opened the island up to foreign investment and mass tourism, allowed some forms of private business, and legalized the US dollar. The hope was to attract enough hard currency to revitalize the economy and save the revolutionary project. These capitalist-style reforms did keep the revolution afloat, but they also led to fundamental changes in Cuban society and dealt a fatal blow to the foundations of social equality on the island.

Since that time, access to hard currency or the convertible Cuban peso (CUC) has become a necessity: state salaries and benefits no longer suffice to meet people’s basic material needs. However, legal access to hard currency or CUCs is limited to Cuba’s tourist industry, the growing but still small private entrepreneurial sector, and family remittances from abroad. Many Cubans who lack these sources of income are forced to supplement their state-sector wages by participating in the informal (and often illegal) economy.

Some of the Special Period reforms hit Afro-Cubans especially hard. All the legal avenues of gaining access to hard currency and CUCs are connected with race. An estimated \$2.6 billion in remittances is sent to Cuba every year by family members living abroad. Because the exile and émigré community is overwhelmingly white (90 percent of Cubans in the United States are phenotypically white), most of this money benefits white households on the island. Afro-Cubans receive only a small proportion of these remittances. The same goes for the large amounts of material remittances—in the form of food, clothing, medicine, toiletries, home appliances, and so forth—that are sent to families on the island.

As competition for jobs in the more lucrative sectors of the economy (especially tourism) intensified in the late 1990s, racism often blocked black

Cubans’ access to such work. Although this has begun to change in recent years, white Cubans still hold most key positions in both tourism and joint venture corporations.

Due to Afro-Cubans’ relative concentration in areas with run-down and overcrowded housing, operating private businesses such as family-owned restaurants and bed-and-breakfasts (two of the most lucrative means of legally earning hard currency) is not a viable option for most black families. Because of these barriers, most Afro-Cubans have been compelled to remain in the low-paying state sector and many participate in the informal economy. As a result, since the 1990s race has once again become a major social dividing line in Cuba.

EXCLUSIVE OPPORTUNITIES

In an effort to lift the island out of its woes, President Raúl Castro (who took over from his ailing older brother Fidel in 2006) introduced a sweeping set of economic and social reforms in 2011. Since then a new mixed economy has emerged, made up of the state, cooperative, and private sectors.

This new socioeconomic reality is taking shape through the cumulative introduction of measures known as the Guidelines on Economic and Social Policy. The most important of these policies include layoffs of state workers; cuts in social spending; the expansion of the private sector in the form of small businesses; a comprehensive agricultural reform; a new tax code; and the legalization of the sale and purchase of private homes and cars in transactions between individuals. Also, the much-loathed exit visa requirement was eliminated in early 2013, giving Cubans the ability to travel abroad more easily.

Although the reforms have been implemented slowly and are still ongoing, they are already having a huge impact on the lives of ordinary Cubans. After decades of rigid economic centralization and travel restrictions, people are gaining more economic freedom as well as freedom of movement. These are obviously important developments. However, the reforms are also increasing unemployment, leading to more outward migration and higher levels of poverty and inequality.

These negative trends are in part due to the layoffs of state employees and cuts in social spending. But they are also driven by the failure of the Cuban state so far to provide the population with

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the necessary credit system (such as loans or microcredits), infrastructure (wholesale markets), and resources (like business training) to start small businesses. This is particularly surprising since the government's own reform logic anticipated that a large number of the unemployed would join the private sector. Given these circumstances, it is mainly Cubans with access to private capital and goods who can take advantage of the new economic opportunities.

Most of this private capital is coming from abroad, particularly from the Cuban diaspora. Cuban families in South Florida and elsewhere are providing their relatives and friends on the island with financial and material remittances to help them start a private business and buy real estate or a car.

A visit to Miami International Airport attests to the strength of these transnational, entrepreneurial ties. Long lines of Cubans and Cuban-Americans can be seen checking in large quantities of consumer goods, ranging from ice makers and pizza ovens to flat-screen televisions, gym equipment, clothes, and beauty supplies, all of it bound for the island. Given the strong historical links among migration, race, and remittances, most of the money and goods are coming from and being sent to white families.

Another important, albeit lesser-known, factor adding to these growing racial inequalities has been the liberalization of travel rules and increased access to foreign citizenship for some Cubans. In 2007, Spain passed the Historical Memory Law, which offers Spanish citizenship to anyone who can furnish proof of a Spanish parent or grandparent. Due to extensive Spanish immigration to Cuba in the 1920s and again under the regime of the Spanish dictator Francisco Franco from 1939 to 1975, the number of Cubans who can claim a Spanish grandparent is quite high—over 200,000, according to the Spanish Embassy in Havana. Most are white.

For Cubans, a Spanish passport is a key asset, especially now that they no longer need an exit visa to leave Cuba. Not only does it allow for virtually worldwide, visa-free travel, but it also gives them the possibility of legally living and working anywhere in the European Union.

Although some Cubans are emigrating, most are using their foreign citizenship as a way to start a small business in Cuba. Taking advantage of the island's legitimate private sector, continued material scarcities, and people's increasing consumer

desires, they are using their Spanish passports to travel to nearby third countries (such as Mexico, Panama, and the United States) to buy consumer goods that are hard to find in Cuba. They can resell this merchandise on the island with a handsome markup.

Afro-Cubans are far less likely to have a relative in Miami who can offer start-up capital for a small business or property investment, or a grandparent in Madrid who can provide the right to a Spanish passport. Because Afro-Cubans have so much less access to financial capital, goods, and foreign travel, Cuba's new economic opportunities lack a level playing field. Past and present migration patterns, in combination with recent economic and legal reforms, are determining who benefits from these opportunities, and who is excluded.

HAVES AND HAVE-NOTS

The effects of these growing socioeconomic divisions have started to become clearly visible. Today most successful private businesses in Cuba—restaurants, bed-and-breakfasts, beauty parlors, boutiques, and nightclubs—are not only owned but usually also managed, staffed, and frequented by white Cubans (as well as tourists).

Homes in exclusive neighborhoods are being bought and sold for exorbitantly high prices and restored to their former glory. Much of the capital for these investments is coming from abroad. A similar trend has also started in more run-down urban areas, where real estate is much cheaper, resulting in a process of gentrification.

The new economy has not just created new privileges. It has also enabled new lifestyles. People have more money to spend on themselves and more time for leisure and recreation. It is not unusual to see expensive imported cars on the streets of Havana or well-dressed Cubans enjoying upscale restaurants and nightclubs. New high-end gyms, spas, and beauty parlors offer services such as yoga and pilates classes, steam baths, and saunas, as well as specialized nutritional regimens. Even plastic surgery has become popular.

Among well-to-do Cubans it is now common to have domestic help, such as housekeepers, nannies, gardeners, and security guards. It is also no longer unusual for Cubans with disposable income to spend their summer vacations in Europe or go on a cruise, indulgences that were unthinkable just a few years ago. What would have been considered ostentatious and at times even counterrevolutionary behavior under Fidel Castro has

become acceptable under his brother Raúl. In the new Cuba, it is no longer politically incorrect to display one's privilege.

These symbols of social status stand in stark contrast to the growing numbers of people who can be seen begging and rummaging through piles of garbage in search of food or recyclable cans and plastic bottles. Urban shantytowns are mushrooming all around Havana as well as provincial cities along the island's northeast coast.

Most of the people who live in these slum-like settlements are Afro-Cuban migrants from the island's even poorer eastern provinces. They come in search of work in the parallel, informal economies that have mainly sprung up where tourism is prevalent and hard currency and CUCs are in regular circulation. The migrants live from day to day, making ends meet in whatever ways they can. Because internal migration is not allowed in Cuba without permission from the state, their status is often illegal, making their situation even more precarious.

Migrants everywhere in the world tend to go to places where they already know someone. This is true for many of these Cuban internal migrants, which is one reason many of the older shantytowns are expanding and becoming more overcrowded. The newer shantytowns, particularly on the outskirts of cities and towns, usually do not have running water. Electricity, when available, is often pirated by tapping into a public streetlight cable.

These shantytowns look like slums anywhere in the Global South. However, there are important differences. In Cuban slums, children go to school, people have access to health care, and there is relatively little violent crime, compared with other countries in the region.

But Cubans don't like comparing themselves with their neighbors in the region; they prefer to compare their current situation with how things used to be on the island, especially before the Special Period. Moreover, they were brought up on an ethos of equality and social justice. The social contract between the government and the people has been largely based on those principles. There is no doubt that the Special Period changed many things, and life became extremely difficult; but it was difficult for almost everyone.

Now, in a time of deepening social divisions, highlighted by the increasingly conspicuous signs of wealth and privilege, this sense of a common struggle is disappearing—and many people, especially among the have-nots, are frustrated. The current reforms are mainly playing out in favor of white Cubans, thanks to past outward migration flows, current remittance-sending practices, and Spanish citizenship laws. Afro-Cubans, who were once considered the backbone of the revolution, for the most part are being left out of the island's new opportunities and are increasingly being consigned to the ranks of Cuba's have-nots.

Given the island's persistent lack of economic growth, dwindling supplies of subsidized oil from Venezuela, the Trump administration's rollback in US-Cuban relations, and Raúl Castro's impending retirement, Cuba's future remains uncertain. In this context, the island's social and racial inequalities are likely to continue growing. It is imperative that both the Cuban government and the international community introduce responsible economic and development policies as well as targeted social programs that benefit all Cubans during this time of change. If not, post-Castro Cuba may sooner or later start to resemble the island's deeply unequal prerevolutionary past. ■